

**ALLOCATION COMMITTEE
and
RESOURCE AND ENGINEERING PLANNING COMMITTEE
JOINT MEETING
MINUTES
May 5, 2022**

A joint meeting of the Allocation and Resource and Engineering Planning Committees was held on Thursday, May 05, 2022 at 10:01 a.m. at the District Office, 31717 United Avenue, Pueblo, Colorado and via Zoom virtual meeting.

Co-Chairman Mitchell announced a quorum of the joint Committee was present.

ALLOCATION COMMITTEE MEMBERS PRESENT:

Bub Miller–Vice-Chairman, Andy Colosimo, Tom Goodwin; Alan Hamel, Curtis Mitchell, and Bill Long.

COMMITTEE MEMBERS ABSENT AND EXCUSED:

James Broderick

Chairman Mitchell announced a quorum of the Resource and Engineering Planning Committee was present.

RESOURCE AND ENGINEERING PLANNING COMMITTEE MEMBERS PRESENT:

Curtis Mitchell – Chairman; Seth Clayton-Vice-Chair, Andy Colosimo, Pat Edelman, Tom Goodwin, and Bill Long.

COMMITTEE MEMBERS ABSENT AND EXCUSED:

James Broderick

OTHERS PRESENT:

Matt Heimerich (remote), Southeastern Colorado Water Conservancy District Director; Wesley Eck and Curtis Sniff, Fort Lyon Canal Company; Kalsoum Abbasi, Colorado Springs Utilities; Alan Ward and Ryan Dalton, Pueblo Board of Water Works; Scott Lorenz (remote), Colorado Springs Utilities; Garrett Markus, Kevin Meador (remote), Margie Medina, Lee Miller (remote), Peter Levish (remote), Leann Noga, Mark Scott (remote) and Chris Woodka, Southeastern Colorado Water Conservancy District staff.

APPROVAL OF MINUTES:

JOINT ALLOCATION AND STORAGE & RESOURCE AND ENGINEERING PLANNING COMMITTEES
Chairman Mitchell asked for approval of the Joint Allocation and Storage & Resource and Engineering Committee meeting minutes for April 7, 2022, and asked if there were any corrections or additions. Hearing none, Seth Clayton moved, seconded by Alan Hamel, to approve the minutes. Motion passed unanimously.

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PRESENTATIONS:

JAMES W. BRODERICK HYDROPOWER PLANT UPDATE

Below table summarizes the operations information for the James W. Broderick Hydropower Plant (JWBHP) for the month of April 2022. Generation is expected to run below average in April.

TABLE 1	THIS	LAST	YEAR TO
	MONTH	MONTH	DATE
Power Generation (MWhrs)	1,200	804	2,713
Scheduled Power (MWhrs)	1,440	990	3,014
Revenue	\$74,203	\$51,015	\$153,311
% of Average Generation	55%	47%	51%

Kevin Meador compared monthly power delivery showing low, high, average and actual revenue. In addition, cumulative power delivery revenue and average were shown.

Our Power Purchase Agreement (PPA) with Colorado Springs Utilities (CS-U) requires that every hydropower operating year (from May 1 to April 30), the Renewable Energy Credits (REC) be reconciled or attested. A REC represents the clean energy attributes of renewable energy generated by the hydropower plant and are used to demonstrate meeting state renewable energy goals. One REC represents one megawatt per hour of energy generation (1 REC = 1 MWhr). Therefore, during the year, a REC is “issued” to CS-U for every MWhr delivered (scheduled). If the actual energy generated by the hydropower does not equal or exceed the amount delivered (scheduled), then the difference or deficiency in REC’s needs to be reconciled with CS-U through the Attestation.

During the first two years of operation, the hydropower plant scheduled more energy than it generated. Therefore, we had to issue the difference in RECs to CS-U. Since REC’s can only be issued from the actual amount of energy generated, we had to purchase RECs from the City of Fountain. The City of Fountain expressed a willingness to sell us a portion of their RECs for an agreed upon price of forty cents per MWhr. The total cost paid to Fountain for the first two years of REC transfer was \$1,075. For the operating year 2021-2022, the hydropower plant generated more energy than was delivered to CS-U. Therefore, the difference in RECs for this past year will be transferred back from CS-U to the Enterprise. Those REC’s will be transferred back to the City of Fountain, if desired by Fountain. Table 2 summarizes the RECs for the first three years of operation. The 2021-2022 total is estimated since this report was prepared prior to the end of April.

Table 2

Operating Year	Total REC (Deficiency) /Surplus 1 REC = 1 MWhr	Action
2019-2020	(612)	RECs purchased from Fountain and transferred to CS-U
2020-2021	(2,048)	RECs purchased from Fountain and transferred to CS-U
2021-2022	1,265	

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Annual Energy Reconciliation with Black Hills Energy

During every operating month, power is “scheduled” or estimated for delivery to our power purchasers, which include the City of Fountain (50 percent) and Springs Utilities (50 percent). An initial schedule of power is sent to our scheduling agent by the 24th of the month. The schedule may be adjusted on a weekly and even daily basis to reflect more closely the actual power that is being generated. Power is scheduled on an hourly basis. If the power generated, does not equal the power scheduled, then the balancing authority for Black Hills Energy (BHE), directs BHE to provide the difference or “make up” the deficiency for that hour. At the end of the month, all the hours are added up and any difference between the power generated and scheduled is totaled. Revenues are collected from our power purchasers based on the monthly power delivered (scheduled) to them, not on the actual power generated at the hydropower plant.

Under an informal agreement with BHE, the total power generated is compared to the total power scheduled at the end of the calendar year. If more power was scheduled than generated during the year, then the Enterprise has agreed to reconcile that difference during the following year by generating more power than scheduled to reconcile the previous year’s balance. During the first three calendar years of operation (2019-2021), the hydropower plant scheduled 3,853 MWhrs more power than was generated (representing about 5.5 percent of the total power generated during that period). The excess power scheduled that BHE had to provide during that period will be reconciled during 2022 operations by adjusting down the scheduled energy during the high producing months of the summer. No revenue will be lost from this adjustment. We are merely reconciling the overage in revenue collected during the first three years of operation. The goal in future years to is to balance the power scheduled compared to generated and keep the difference to within 2-5 percent on an annual basis. Table 3 summarizes the annual power scheduled and generated for the first three years of operation.

Table 3

Year of Operation	Power Generated-Scheduled (Deficit) /Surplus	Cumulative Power (Deficit) /Surplus
2019	(1,022)	(1,022)
2020	(4,096)	(5,118)
2021	(1,265)	3,853

ACTION ITEMS:

INCLUSION OF LAND ANNEXED BY COLORADO SPRINGS

Garrett Markus in a PowerPoint identified eleven annexations for the City of Colorado Springs. The Resolution for Inclusion is for the following all in El Paso County:

RESOLUTION NO.	More Commonly Known As	Legal	Acres
2022-09D INCL-AX	Extol Park Vista Subdivision No. 2	Sec26 T13SR66	0.659
2022-10D INCL-AX	Amara Addition No. 1	Sec11 T15SR65	1.493
2022-11D INCL-AX	Amara Addition No. 2	Sec11 T15SR65	4.16
2022-12D INCL-AX	Amara Addition No. 3	Sec11 T15SR65	8.633
2022-13D INCL-AX	Amara Addition No. 4	Sec6&7 T15SR64	24.43
2022-14D INCL-AX	Amara Addition No. 5	Sec6&7 T15SRT64	124.759

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2022-15D INCL-AX	Amara Addition No. 6	Sec7 T15SR64	218.046
2022-16D INCL-AX	Amara Addition No. 7A and 7B	Sec19 T15SR64	349.715
2022-17D INCL-AX	Amara Addition No. 8	Sec30 T15SR64	400.348
2022-18D INCL-AX	Amara Addition No. 9	Sec25 T15SR65	515.841
2022-19D INCL-AX	Amara Addition No. 10	Sec26(in) & 35 T15SR65	719.719

Pat Edelmann moved, seconded by Seth Clayton that the Committee recommend the Board approve, by Resolution, the inclusion of the Extol Park Vista Subdivision No. 2, Amara Addition No. 1 thru 10 annexations annexed by Colorado Springs subject to the following terms and conditions:

1. Approval of these inclusions into the Southeastern Colorado Water Conservancy District will not increase the amount of Fryingpan-Arkansas Project water available to the city. Any Fryingpan-Arkansas Project water used on these included lands will need to come from the water allocated to the city through Fryingpan-Arkansas Project water allocations made pursuant to the District’s Allocation Principles and Policies; and
2. Any use of Fryingpan-Arkansas Project water on the included lands is subject to the decrees for the Fryingpan-Arkansas Project, and to all lawful rules, regulations, principles, policies, and contractual obligations of the District; and
3. The annexed lands will be subject to ad valorem taxes levied by the District as any other similarly situated lands in the District at the time of this inclusion; and
4. Prior to the District filing a petition for District Court approval of this inclusion, the Municipality, and/or owner(s) of the annexed lands shall have paid all the costs charged by the United States in connection with the contracting officer’s assent to this inclusion.

Motion passed unanimously.

2022 FRYINGPAN-ARKANSAS PROJECT WATER AND RETURN FLOW ALLOCATION

Garrett Markus in a PowerPoint showed graphs on the Fry-Ark Collection Basin Snowpack vs Annual Basin Average with Associated Fry-Ark Imports indicating we are at 95 percent of median and 66 percent of peak currently. Four individual sites showing:

	2022	2021
Nast Lake	0%	0%
Chapman	112%	68%
Kiln	73%	35%
Ivanhoe	114%	103%
Independence Pass	69%	63%

The May 1, 2022 official forecast is 45,300 AF of imports. After deducting Twin Lakes Exchange (3,000), Fish Hatchery (200), transit loss to Pueblo Reservoir (4,210), first-year storage

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evaporation (3,789), and Project Water adjustment for allocation (1,253); the net Project Water available for allocation is 32,848 AF.

May 1st at 32,848 AF available for Allocation - 16,752 AF at 51 percent for municipal; 1,179 AF at 3.59 percent for NPANIW (Not Previously Allocated Non-Irrigation Water); and 14,916 AF at 45.41 percent for agriculture. Allocation numbers will need to be adjusted prior to providing the information to the Board.

Pat Edelmann moved, seconded by Seth Clayton that the Joint Allocation Committee and Resource and Engineering Committee recommend to the Enterprise Board, to approve the Project water and Return Flow Allocation for 2022 as presented or amended to the Enterprise Board. Tom Goodwin included that 50 percent of the allocation will be held back until the Bureau of Reclamation is able to confirm that the May 1 amount is confirmed. Motion passed unanimously.

INFORMATION ITEMS:

None

OTHER BUSINESS:

None

NEXT MEETING

June 2, 2022 Chairman Mitchell requested that another Joint meeting in June would be preferred.

ADJOURN

Chairman Mitchell adjourned the joint meeting at 11:09 a.m.

Respectfully submitted,

Garrett J. Markus, P.E.

Water Resource Engineer