

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO
WATER ACTIVITY ENTERPRISE
MINUTES
May 16, 2024**

A meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, May 16, 2024, at the District office, 31717 United Avenue, Pueblo, Colorado. President Long called to order the Enterprise meeting at 10:28 a.m. The ZOOM platform was also made available for Board members and visitors.

DIRECTORS PRESENT:

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

DIRECTOR(S) ABSENT AND EXCUSED:

Greg Felt

President Long established that a Quorum was present.

DISTRICT OFFICIALS:

Executive Director Leann Noga; General Counsel Lee Miller; Staff Attorney Peter Levis; Senior Policy and Issues Manager Chris Woodka; Water Resources Principal Engineer Garrett Markus; Principal Engineer Kevin Meador; Principal Engineer/Operations Coordinator Gordon Dillon; Finance Manager Stephanie Shipley; Accountant Meg Scarlett; Administrative Support Specialist's Margie Medina and Patty Rivas; H2O Consultant Roy Vaughan; Kogovsek & Associates Christine Arbogast, and Burns, Figa & Will Steve Leonhardt.

VISITORS PRESENT:

Aurora Water, Rick Kienitz and Abba Ahmed; USGS, Krystal Brown and Andrew Klakulak; Pueblo West Metro District, Jeffery DeHerrera and Bobby Bandham; and USBR, Mike Holmberg.

VISITORS CONNECTED VIA ZOOM:

Security Water & Sanitation District, Roy Heald; Colorado Springs Utilities, Christopher Olney; Wilson Waer Group, Lisa Brown; Otero County Commissioners, Tim Knabenshue, Rob Oquist; and Otero County Administrator, Amy White-Oquist.

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APPROVAL OF MINUTES:

President Long said the minutes of the April 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. Miller moved, seconded by Mr. Hamel, to approve the minutes. Motion unanimously carried.

TREASURER REPORT:

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

PRESENTATION ITEMS:

FEDERAL LEGISLATION UPDATE

Ms. Arbogast updated the Board as follows:

- Some things have started to move in Congress; particularly the farm bill. House and Senate summaries have been released and House is set to mark up May 23.
- There are good provisions for conservation programs, including an increase in the average cap; increase in payment cap from \$50,000 to \$125,000; expansion of RCPP and a new groundwater easement program.
- Not all, but many differences between the House and Senate have been resolved.
- The FY '25 appropriations process has begun.
- We are expecting an announcement soon on the next bucket of conduit funding from the infrastructure bill. Thus far, we have received \$160 million. There are three more years of funding cycles.
- Congresswoman Pettersen will be touring our infrastructure in Chaffee County on August 25.

ARKANSAS VALLEY CONDUIT CONSTRUCTION UPDATE

Mr. Gordon Dillon provided an update on construction of the Arkansas valley Conduit project. Work has started on Boone Reach 2 of the Arkansas Valley Conduit (AVC) under the 2023 contract awarded to Pate Construction Co. We will present an update on this portion of the AVC Project and other developments. Slides of:

- High groundwater at the west end of Boone Reach 2 has to be lowered for AVC construction. There are 144 wells, and water is moved through a 24-inch line to a detainment pond.
- Pate Construction mobilization site
- First pipe in the ground for AVC Boone Reach 2

Questions were asked of Mr. Gordon.

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ACTION ITEMS:

FRYINGPAN-ARKANSAS PROJECT WATER AND RETURN FLOW ALLOCATION

Mr. Garrett Markus presented an action item requesting the Board approve the allocation of 46,494 acre-feet (AF) of Fry-Ark Project Water (Project Water) (12,447 AF for municipal use and 34,117 AF for agricultural use) and the allocation of 12,049 AF of Project Water Return Flows (Return Flow) based off the May 1, 2024, import basis for allocation of 60,600 AF.

Seventy percent (70%) of the imports will be made available for allocation to municipal and agricultural entities following payment for one hundred percent (100%) of the allocation. The remaining thirty percent (30%) will be made available when the District is confident that imports will meet Project obligations. If any portion of the remaining thirty percent (30%) of allocated water is not available to the entities at that time, that portion of their Project Water payments will be refunded.

Reclamation has forecasted an import basis for allocation of 60,600 AF based on the snowpack of May 1, 2024. The recommended municipal allocation is 10,708 AF of Project water with 1,669 AF of NPANIW totaling 12,447 AF for municipal. The agricultural allocation calculates to be 34,116 AF of Project Water producing 12,049 AF of Return Flows.

A PowerPoint was presented reviewing the following:

- Fry-Ark Collection Basin Snowpack vs. Annual Basin Average with Associated Fry-Ark Imports
- Fry-Ark Collection Basin Snowpack with Individual Sites-Kiln, Nast Lake, Ivanhoe, Chapman and Independence Pass. May 2 and May 15, 2024
- Fry-Ark Imports Reclamation Forecasts:
 - a. February 1 - 51,700 AF
 - b. March 1 - 60,300 AF
 - c. April 1 - 60,400 AF
- May 1 Official Forecast 60,600 AF, considerations and Exceedance Ranges
- Fry- Ark Allocation, and discussion on deductions:

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
Water Available for Initial Allocation	31,768

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- 2024 Water and Storage Rates, correction for Full Use Water Rates, Surcharge on Storage only
- Example of Billing Process
- Municipal Allocations
- Fry-Ark Agricultural Allocation

Questions were asked of Mr. Markus

Mr. Goodwin moved, seconded by Mr. Edelmann, the Board allocate 46,494 AF of Project Water and 12,049 AF of Return Flows. Project Water allocations would be available initially at seventy percent (70%) of the projected import amount available to municipal and agricultural entities following payment for 100 percent (100%) of the allocation. The remaining thirty percent (30%) would be made available when the District is confident that imports will meet Project obligations. If any portion of the remaining thirty percent (30%) of allocated Project Water is not available to the entities at that time, that portion of their Project Water payments will be refunded. Motion unanimously carried.

INFORMATION ITEMS:

The Board was provided written material on the following topics, which was posted to OnBoard and the Board website:

- AVC Update
- JWBHP Update
- Excess Capacity Master Contract Update

President Long asked if there were any other matters to come before the Enterprise Board, hearing no other matters Mr. Long adjourned the meeting at 11:13 a.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