



ARKANSAS VALLEY CONDUIT MONTHLY REPORT

Thursday, October 15, 2026

This monthly newsletter summarizes activities related to the Arkansas Valley Conduit and is made available to the Southeastern Colorado Water Conservancy District Board of Directors and Arkansas Valley Conduit stakeholders. To request a subscription to the Report, please contact info@secwcd.com or view it at <https://www.secwcd.org/>



AVC Committee

The next meeting date has not been determined. Watch for the date on our Web site.

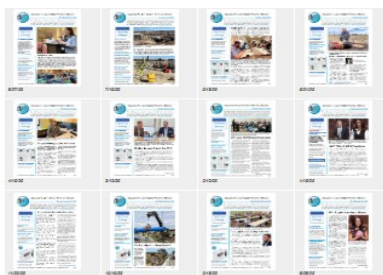
<https://www.secwcd.org/>

Want to learn more about the AVC?

If your organization would like a presentation on AVC, contact Chris Woodka, 719-289-0785 or email chris@secwcd.com

For past issues of the AVC Report:

<https://www.secwcd.org/>



Read Past issues

To read past issues of the AVC Monthly Report, go to our Web site.

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Reclamation Missouri Basin Acting Regional Director Marlon Duke (left) inspects a golden frying pan held by Southeastern Board President Bill Long. The frying pan was among those that were sold for \$100 each in the 1950s to promote the Fryingpan-Arkansas Project.

Reclamation, District Sign Repayment Contract

A contract to repay the federal government for the Arkansas Valley Conduit (AVC) was signed Wednesday, October 7, 2026, by the Southeastern Colorado Water Conservancy District and the Bureau of Reclamation.

“This is an incredibly important day for the District, Reclamation and all of our constituents for the AVC,” said Bill Long, president of the District Board of Directors. “We still have a long way to go, but we are moving forward. This is an important milestone.”

Long held up one of the golden frying pans that were sold up and down the Arkansas Valley in the 1950s to



Arkansas Valley Conduit Committee Chairman Kevin Karney talks about his role as an Otero County Commissioner in 2000 to revive the AVC.

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Progress Report



Federal Construction

To date, about 12 miles of a 122-mile trunk line from Pueblo to Lamar has been completed. A contract for the next five miles has been awarded to Pate Construction of Pueblo.

Work is continuing on the Injection Site, which will stabilize water quality for the entire pipeline.

Design work continues for the entire pipeline.

Federal Funding

The 2024 cost estimate is \$1.3 billion.

\$613 million has been received to date.

\$261 million has been obligated or spent

Repayment

Participants will repay 35%, with miscellaneous revenues reducing their share of federal construction.

Reclamation and the Southeastern Colorado Water Conservancy District have negotiated the contract.

Federal legislation is needed to extend payment period and reduce the interest rate.

Enterprise Construction

The Enterprise is building delivery lines to connect with the trunk line. Request for Proposals for Construction Manager/General Contractor (CMGC) will go out this month.

Two of 38 delivery lines have been constructed.

Design work is continuing on the next section through Rocky Ford (17 water systems). Meetings are continuing with participants to finalize details.

Enterprise Funding

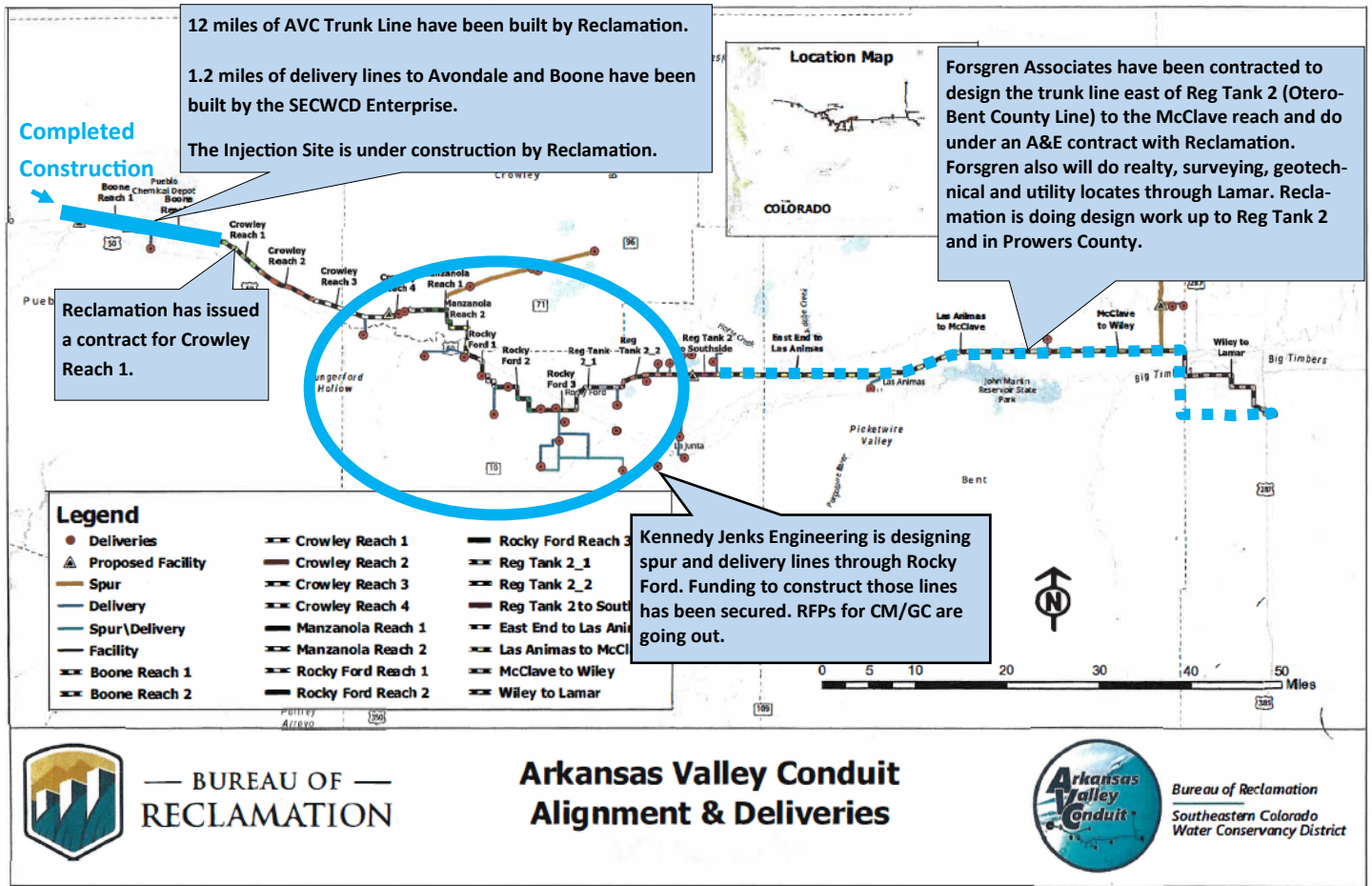
The Enterprise has commitments for \$90 million in loans and \$30 million in grants from the Colorado Water Conservation Board (CWCB).

The Enterprise has secured approval for \$45 million in funding from the State Revolving Fund, part of which will be matched by the CWCB grant.

Participants and the Enterprise have obligated or spent \$10.4 million, including \$4.8 million from the Enterprise Fund, \$3.2 million in American Rescue Plan Act (ARPA) funds, and \$2.4 million from participants under participant Memoranda of Agreement.



AVC PROJECT UPDATE



Participants Get Update at Meeting

The Bureau of Reclamation and Southeastern Colorado Water Conservancy District hosted a meeting to share updates about the Arkansas Valley Conduit Project (AVC) with participants.

About 20 people attended in person, with another 15 online. Along with participants, the Colorado Department of Health and Public Environment, Senate offices and Enterprise consultants attended.

Reclamation Area Manager Jeff Rieker and Project Manager Derek Mickle explained the Reclamation Sub-Project (See details on Pages 2-3). The major news was the issue of a contract for Crowley Reach 1 to Pate Construction.

Enterprise Sub-Project Updates were given by Executive Director Leann Noga, Project Manager Hunter Willits, Project Engineer Trevor Singleton and Water Resources Engineer Robert Banham. Work continues on design for the next 17 connections to AVC and land acquisition. A model is being developed to determine the feasibility of operation and maintenance costs for water delivery prior to completion of the entire AVC. The District is still working to develop policies for allocations and return flows.

AVC Federal Update

Passage of HR 131, which reduces the interest rate and extend the repayment period to make the participant cost share affordable remains our top priority.

Senators Michael Bennet and John Hickenlooper are working with Representatives Lauren Boebert and Jeff Hurd to have the bill embedded in the Water Resources and Development Act, which has passed the House.

Congress returns to session in November, so we'll know more next month.



AVC REPAYMENT CONTRACT SIGNING



The Arkansas Valley Conduit Repayment Contract was signed Wednesday, October 7, 2026 at Southeastern Colorado Water Conservancy District in Pueblo. From left: Tara Kinsey, Reclamation Resource Services Manager; Jeff Rieker, Reclamation Eastern Colorado Area Officer Manager; Marlon Duke, Reclamation Missouri Basin Regional Director; Bill Long, Southeastern District President; Kevin Karney, Southeastern AVC Committee Chairman; and Leann Noga, Southeastern District Executive Director.

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raise money to promote the Fryingpan-Arkansas Project, and effort that eventually led to President John F. Kennedy signing the Fry-Ark Project legislation. The AVC is the final project element of that original Fry-Ark project legislation.

“Without the Arkansas Valley Conduit, the Valley will not be developed as it would have been otherwise. You cannot attract industry without a supply of clean water,” Long said.

Marlon Duke, acting Reclamation regional director for the Missouri Basin, also recalled the past in his remarks, talking about Reclamation’s role since 1902 to provide water for the Western United States through partnerships such as the AVC.

“With every challenge, the team has come together for both of our organizations. We want to see it through all the way; every mile, every delivery point,”

Kevin Karney, chairman of the District’s AVC Committee, was an Otero County Commissioner when the AVC was relaunched in 2000. Karney was a member of the group searching for a way to provide better quality water for the Lower Arkansas Valley.

“The only solution that has risen to the top is the Arkansas Valley Conduit,” Karney said.

Reclamation and the District are building the AVC in a collaborative project, with Reclamation building the 130-mile trunk line from Pueblo to Lamar and the District building spur and delivery lines to connect 38 water systems to the trunk line. The total cost of the project is estimated to be \$1.4 billion.

The AVC will provide water to 50,000 people served by

cities, towns, water districts and private water companies.

Participants are required under federal law to pay 35 percent of the AVC’s cost. Any costs incurred by the District for construction of spur and delivery lines will be credited to the 35 percent repayment. The remainder will be repaid with miscellaneous revenues generated from the Fryingpan-Arkansas Project (mainly from excess storage capacity contracts in Pueblo Reservoir).

The contract defines the responsibilities for design and construction, facilities ownership, and when the repayment period will start with substantial completion of the AVC. Reclamation will retain ownership of the trunk line and related facilities it is building, as well as the SCADA (Supervisory Control and Data Acquisition) System. The District will construct and own the delivery lines, and any SCADA system implemented must comply with federal cybersecurity requirements.

The Contract reaffirms Pueblo Water’s role for conveyance of AVC water using capacity in its system in accordance with the conditions outlined in the 2022 Three-Party Contract between Reclamation, the District and Pueblo Water.

Provisions are included that would allow delivery of AVC water to participants before the AVC Project is completed. The Contract defines how costs for water delivered, supplies, and various services will be divided between the District and Reclamation prior to completion of construction.

When the AVC is substantially complete, responsibility for all OM&R costs will be transferred to the District on behalf of participants. The District is developing a cost model in order to provide reliable estimates of operation, maintenance and replacement (OM&R) at partial and full capacity.