

RECORD OF PROCEEDING

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**SOUTHEASTERN COLORADO  
WATER ACTIVITY  
ENTERPRISE MINUTES  
August 28, 2025**

A meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) was held on Thursday, August 28, 2025, at 10:35 a.m., at the District office, 31717 United Avenue, Pueblo, Colorado. The ZOOM platform was also made available for Board members and Visitors.

**Attendance:**

Board Members Present:

Abby Ortega	Curtis Mitchell	Matt Heimerich
Alan Hamel	Dallas May	Mike Bartolo
Andy Colosimo	Greg Felt	Pat Edelmann
Ann Nichols	Justin DiSanti	Tom Goodwin
Bill Long	Kevin Karney	

**DIRECTOR(S) ABSENT AND EXCUSED:**

Seth Clayton

**DISTRICT OFFICIALS:**

Executive Director Leann Noga; Staff Attorney Peter Levish; Senior Policy and Issues Manager Chris Woodka; Engineering Manager, Gordon Dillon; Project Engineer, Trevor Singleton; Water Resources Engineer, Robert Banham; Finance Manager, Stephanie Shipley; Administrative Manager, Misty Bellino; Administrative Support Specialist Patty Rivas; H2O Consultant, Roy Vaughan; Jewell, Jimmerson Natural Resources Law, April Hendricks and Pete Jaacks; and Wilson Water Group, Mitch Frischmeyer (remote).

**PRESENT VISITORS:**

Arkansas River Outfitters Association, Andy Neinas, Bob Hamel and Travis Hochard; USGS, Andy Klakulak and Krystal Brown; Fremont County, Dwayne McFall; and USBR, Mike Holmberg.

**VISITORS CONNECTED VIA ZOOM:**

None

**CONSENT ITEM:**

President Long said the minutes from the July 17, 2025, District Board meeting were posted to OnBoard and the Website for review and asked if there were any corrections or additions. Hearing none, Mr. Heimerich moved, seconded by Mr. DiSanti, to approve the minutes. Motion unanimously carried.

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**PRESENTATION ITEMS:**

**WATER RESOURCES & OPERATIONS UPDATE**

Mr. Robert Banham presented to the Board a presentation:

*Water Resources Report*

- A. Precipitation Outlook
- B. Soil Conditions
- C. Drought updates
- D. Historical Drought Conditions in Colorado 2000-2025

Questions were asked of Mr. Banham

**AVC UPDATE**

Mr. Gordon Dillon updated the Board on construction of the AVC:

- A. AVC 2025 Trunkline Design & Construction
- B. AVC 2025 Workplan

He also directed attention to this month's AVC newsletter. The AVC Committee will be meeting Wednesday September 10, 2025. Questions were asked of Mr. Dillon.

**AGRICULTURAL PROJECT WATER CARRYOVER PROGRAM**

Mr. Robert Banham presented to the Board a PowerPoint: *Ag Project Water Carryover Program*

- A. What is the 80/20 Rule
  - 1. In 2022, the Southeastern Colorado Water Activity Enterprise approved a Pilot Project.
  - 2. This Pilot Project established parameters for which agricultural entities were permitted to carry water past November 15.
  - 3. During the process, items were identified that required changes to provide additional clarification and set timelines.
- B. Proposed changes to the program
  - 1. Limited to entities who choose to use the first right of refusal on Return Flows.
  - 2. District staff will assess feasibility in August and September in coordination with:
    - a. Bureau of Reclamation
    - b. Colorado Division of Water Resources
  - 3. Allocation Committee will make a recommendation to the Board in September as to spill risk in Pueblo Reservoir.
  - 4. Board will decide at the September Board meeting as to spill risk in Pueblo Reservoir.
  - 5. Decision is based on current forecasts and hydrologic outlook.
  - 6. Participation is subject to change as hydrologic conditions evolve.
- C. Imminent Spill Risk- (Pueblo Reservoir Spill Likely)
- D. Marginal Spill Risk- (Spill Possible, But Not Likely)
- E. Unlikely Spill Risk
- F. Factors Impacting Spill Risk

Questions were asked of Mr. Banham

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**ACTION ITEMS:**

**LATE PAYMENTD FOR ALLOCATION, IRRIGATION**

Mr. Banham presented an action item to the Board, recommending approval of late payments for the Irrigation allocation in 2025.

At its June 2025 meeting, the Committee heard a presentation on Allocation Principles and Policies. The Principles were adopted and then incorporated into a 1979 District Court decree and cannot be changed without further court approval. The Policies are adopted by the Board and can be amended, and exceptions can be made.

Applications mailed on February 28, 2025, to all municipalities, irrigators and Return Flow customers that explained the Irrigation deadline for payments is July 15, 2025 (attachments 2, 3 and 4).

Some payments were received after the deadline of July 15, 2025, for Irrigation Project Water. Staff contacted all customers with overdue payments in the week of July 15, 2025, by email and telephone, to confirm their intentions to pay but did not suggest that the water would be withheld. See attachment 1; four entities made late payments Everett Ditch Water Uses Assoc., Listen & Love, Reed Seep Ditch and Sunnyside Park Ditch. Wood Valley Ditch (51 AF) and Bannister Ditch (46 AF) declined their irrigation 2025 allocation.

The Payment verification worksheet was provided to the Board.

Mr. DiSanti moved, seconded by Mr. Hamel, to approve late payments for Irrigation, Project Water allocations in 2025. Motion carried unanimously.

**AGRICULTURAL FRYINGPAN-ARKANSAS PROJECT WATER CARRYOVER**

Mr. Banham presented to the Board an action item recommending the Board approve the Agricultural Project Water Carryover Program for the 2025 water year, based on the outlined pilot project parameters and conditions.

The initial framework for implementing an Agricultural Project Water Carryover program is outlined below:

- Agricultural Project Water may be stored after the end of the irrigation season and may be carried over after May 1 if the conditions outlined below are met. Participation may be limited to entities that can exercise the first right of refusal for Return Flows.
- Each year in April, District staff will evaluate whether the Agricultural Project Water Carryover Program should proceed for that water year. This assessment will be conducted following coordination and discussions with the Bureau of Reclamation and the Colorado Division of Water Resources. The outcome of this process will define the program's operating conditions for the year.

1. The Board of Directors will make a formal determination on whether to forgo the 80/20 rule at its September meeting, based on staff recommendations and the hydrologic outlook.

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2. It is important to note that this determination is based on forecasts and operational conditions at the time of evaluation. As such, participation in the program and the ability to store water are not guaranteed and are subject to change based on evolving hydrologic conditions.

- Project Water will accrue evaporation after April 30 in the Carryover Storage account.
- Any Project Water balance in the Carryover account will be charged the Carryover Storage surcharge (currently \$4.52/AF).
- Conditions for Agricultural Project Water Carryover will be determined based on storage levels in Pueblo Reservoir and the assessed “risk of spill” per the Bureau of Reclamation operations:
  1. Imminent Risk of Spill (Pueblo Reservoir spill likely)
    - 80/20 Rule applies per policy.
      1. 80% of Agricultural Project Water must be used by November 5 of the allocation year.
      2. 20% of Agricultural Project Water must be used by May 1 of the next allocation year.
  2. Marginal Risk of Spill (Spill possible, but not likely)
    - Annual Waiver of the 80/20 Rule.
    - Agricultural Project Water may be stored from November 15 to March 15 but must be used by April 15.
  3. Unlikely Risk of Spill (Spill unlikely as of May 1 following the allocation year)
    - Annual Waiver of the 80/20 Rule.
    - Agricultural Project Water may be stored from November 15 to March 15
    - May be carried past May 1 but must be used by November 15 of the carryover year.
- The Allocation Committee will recommend one of the three spill categories to the Board of Directors in September.
- The Board of Directors will decide on one of the three spill categories in September.
- Agricultural entities may submit requests for variance by September 15 each year, subject to Board approval in October.

District staff will have discussions with the Bureau of Reclamation, Division of Water Resources, and agricultural stakeholders to understand how the Agricultural Project Water Carryover Program parameters work in different hydrology.

Mr. Goodwin moved, seconded by Mrs. Ortega that the Board of Directors approve the implementation of the Agricultural Project Water Carryover Program for the 2025 water year, based on the proposed pilot project parameters and conditions, including eligibility

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requirements, annual program evaluation, and operational guidelines as outlined. Motion carried unanimously.

**FOUR-PARTY MEMORANDUM AGREEMENT**

Mr. Peter Levish presented to the Board an action item recommending the Enterprise Board authorize execution of a Memorandum of Agreement (MOU) substantially similar to the current draft MOU between Southeastern Colorado Water Conservancy District by and through the Southeastern Colorado Activity Enterprise (Enterprise/SECWCD), Otero County, the Colorado Water Conservation Board (CWCB), and Colorado Water Resources and Power Development Authority (CWRPDA), to establish a framework for the joint efforts of the Parties to utilize state and federal loan and grant funds to finance, design, construct, maintain, and operate portions of the Arkansas Valley Conduit (AVC).

The MOU is entered into pursuant to Article XIV §18 of the Colorado Constitution and C.R.S. §29- 1-203,

- 1.to establish a framework for Otero County to serve as fiscal agent for the CWCB AVC Grant Funds,
- 2.for SECWAE to administer loan funds from the CWCB and the Authority,
- 3.for the Authority to use funds and base DWRP funds through loan agreements with the SECWCD to aid in the construction of the AVC spur and delivery lines,
- 4.for the CWCB to aid in escrowing CWCB AVC Grant Funds as the source of repayment of Authority loans, and
- 5.for the parties to implement a long-term plan for the application of such funds towards the design, construction, operation, maintenance, and repairs of the AVC.

Mr. Karney moved, seconded by Mr. Edelmann, that the Enterprise Board authorize execution of an Memorandum of Understanding substantially similar to the current draft MOU between Southeastern Colorado Water Activity Enterprise, Otero County, the Colorado Water Conservation Board (CWCB), and Colorado Water Resources and Power Development (CWRPDA) to establish a framework for the joint efforts of the Parties to utilize state and federal loan and grant funds to finance, design, construct, maintain, and operate portions of the Arkansas Valley Conduit. Mr. Felt recused himself from the vote. The motion passed unanimously.

**INFORMATION ITEMS:**

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

- Arkansas Valley Conduit Newsletter
- JWBHP Update
- Excess Capacity Master Contract Update

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President Long adjourned the Enterprise Board Meeting @ 11:18 a.m. and reconvened the District Board Meeting.

**EXECUTIVE SESSION:**

Mr. Peter Levish announced a request has been made for the Southeastern Colorado Water Conservancy District to enter Executive Session for the purpose of:

**Discussion with legal counsel on the following matter:**

Aura Water Purchase

Pursuant to:

“ **C.R.S. §24-6-402(4)(b):** (Conferences with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions)

“ **C.R.S. §24-6-402(4)(e):** (Determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators)

**The presence of the following individuals are requested at this Executive Session:**

1. Non-Excused Board members, (state for the record any who are excused)
2. Executive Director
3. Staff Attorney
4. Special Legal Counsel
5. Senior Policy and Issues Manager
6. Water Resources Specialist/Engineer

**MINUTES WILL BE ELECTRONICALLY RECORDED AS REQUIRED BY THE COLORADO OPEN MEETINGS ACT**

Mr. Hamel moved, seconded by Mr. Felt, that the Southeastern Colorado Water Conservancy District will enter into Executive Session at 11:20 a.m. The vote was unanimous.

At 12:12 p.m. coming out of Executive session, Mr. Peter Levish advised that there was discussion with legal counsel instructing, and that no action was needed for Executive Session Item:

**Aurora Water Purchase**

President Long asked if there were any other matters to come before the District Board, hearing no other matters, Mr. Long adjourned the District Board meeting at 12:13 p.m.

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**Respectfully submitted,**

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**Patty Rivas**  
**Administrative Support Specialist**

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**Seth Clayton – Secretary**

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**Bill Long – President**

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**Greg Felt**

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**Curtis Mitchell – Vice President**

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**Justin DiSanti**

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**Ann Nichols – Treasurer**

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**Kevin Karney**

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**Abby Ortega**

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**Matt Heimerich**

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**Alan Hamel**

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**Mike Bartolo**

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**Andy Colosimo**

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**Pat Edelman**

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**Dallas May**

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**Tom Goodwin**