

ARKANSAS VALLEY CONDUIT COMMITTEE
MINUTES
November 10, 2022

A meeting of the Arkansas Valley Conduit (AVC) Committee was held at 12:48 p.m. Thursday, November 10, 2022 at District offices and via electronic and telephonic means.

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

AVC COMMITTEE MEMBERS PRESENT:

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

AVC COMMITTEE MEMBERS ABSENT AND EXCUSED:

Dallas May

OTHERS PRESENT:

Pat Edelmann, Curtis Mitchell and Mark Pifher (via Zoom), SECWCD Board members; Leann Noga, Chris Woodka, Lee Miller, Kevin Meador, Garrett Markus, Mark Scott, and Peter Levish, SECWCD staff; Christine Arbogast, Kogovsek & Associates (via Zoom); and Bill McDonald, McDonald Water Policy Consulting, LLC (via Zoom); Curtis Thompson, AECOM (via Zoom); Cassidy Davis and Noah Friesen, Division of Water Resources (via Zoom).

APPROVAL OF MINUTES:

Howard “Bub” Miller moved, and Matt Heimerich seconded approval of the July 7, 2022 AVC meeting minutes. Motion passed unanimously.

PRESENTATIONS:

Updates on the following areas were given by District staff:

- **Federal Funding** – Christine Arbogast reviewed the federal budget process, outlining the various ways appropriations could come to the AVC. The AVC received an appropriation of \$60 million in late FY 2022 through infrastructure funds, in addition to an annual appropriation of \$11.06 million, and an additional \$2 million in “plus up” funding. These funds carry over into the next fiscal year if not spent. In recent conversations with Reclamation officials, it was made clear that AVC funding can come from any of these sources, but there is no indication now of how much funding will be applied in FY 2023, when it will be announced or how it will be used. The Enterprise has requested \$130 million in funding in 2023 to accelerate the construction schedule for AVC, and the pace of the AVC federal project will depend on the rate of funding.
- **Colorado Water Conservation Board (CWCB) funding** – The CWCB will consider adding \$20 million in grants for the AVC at its November meeting. District staff provided information to the CWCB at its September Finance Committee meeting. The grant will

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be added to the \$10 million grant in the 2020 finance package, and will be used for design and construction of spur and delivery lines.

- **American Rescue Plan Act (ARPA) funds** – The Enterprise has received commitments for \$3.033 million in ARPA funding from Pueblo, Otero, Bent and Prowers counties, Las Animas and Ordway. The Enterprise reached out to all counties and municipalities in 2021 for ARPA funding. Funding will be used for designing spur and delivery lines in most cases, and for construction as well in Pueblo County. Work for Pueblo and Otero counties will be paid through reimbursement, while the others have chosen to provide funding up front, but reporting mechanisms for each will be identical.
- **Governance** – The Enterprise has suggested a “straw man” for a governance agreement among counties and home rule cities in the AVC. Counties were chosen because they can represent incorporated public entities, water districts and private water companies. Response has been slow from participants, who were first asked for suggestions at a June 15, 2022 meeting. General Counsel Lee Miller explained that the Enterprise could act in a governance role until participants agree on what form governance should take. The structure is modeled after the Fountain Valley Authority. The committee discussed how agreements with participants between a new authority and/or the Enterprise would be handled.
- **Status of Federal Project** – Contractors for the federal project are beginning early mobilization for the first 6-mile stretch of the Boone Reach and pipe should be arriving by March or April of 2023. Completion will be by the end of 2023, or early 2024. The second Boone Reach contract will be awarded in 2023, and the injection site should be awarded in late 2023 or early 2024. Completion is projected by early 2025. Meanwhile, Reclamation is working on final design for the AVC pipeline from Boone to Rocky Ford and should be completed by the end of 2024. Work is also ongoing for the regulating tank near Fowler. Dates could shift under an accelerated schedule.
- **Status of the Enterprise Project** – ARPA funds from Pueblo County will fund the Boone and Avondale delivery lines construction. GMS is now completing the design of those lines. Packages for design of the remaining spur and delivery lines are being finalized and will be bid on by Kennedy Jenks and AECOM, the firms chosen during the Request for Qualifications process. All designs are expected to be complete by the end of 2024.

ACTION ITEMS

Otero County American Rescue Plan Act Funding Subrecipient Agreement

An agreement between the Enterprise and Otero County has been signed for obligating the ARPA funding. The Enterprise Board needs to ratify the agreement.

Mr. Long made the following motion, seconded by Mr. Miller:

“I move that Arkansas Valley Conduit Committee recommend to the Board of Directors to ratify the American Rescue Plan Act Funding Subrecipient Agreement for Otero County for Arkansas Valley Conduit which will fund the design of unincorporated Arkansas Valley Participants delivery lines in Otero County.” Motion passed unanimously.

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Approval of Agreement to Purchase Property for the AVC Injection Site from Triview Metropolitan District

Purchase of the 9.64 -acre site east of Pueblo from the Tri-View Metropolitan District would expedite Reclamation’s schedule for building the trunk line. The Enterprise agreed to purchase the property to reduce the amount of time needed to complete the transaction.

Mr. Miller made the following motion, seconded by Matt Heimerich:

“A motion that the Arkansas Valley Conduit Committee recommend to the Southeastern Colorado Water Activity Enterprise Board of Directors the approval of the property purchase for the AVC Injection Site in the amount of \$25,000 from the Triview Metropolitan District and the Temporary Construction and Right of Entry License Agreement with Reclamation.”

Motion passed unanimously.

Approval of Amendment 1 to the Contract for Professional Services Between the Southeastern Colorado Water Activity Enterprise and GMS, Inc. Consulting Engineers

Staff has adjusted the original scope of the 2021 contract with GMS that have resulted in additional costs of \$400,000 above the budgeted amount of \$210,359.

Mr. Heimerich made the following motion, seconded by Mr. Miller:

“A motion that the Arkansas Valley Conduit Committee recommend the approval of Amendment 1 to the 2022 GMS contract in the amount of \$400,000 for Professional Services between the Southeastern Colorado Water Activity Enterprise and GMS, Inc. Consulting Engineers.”

Motion passed unanimously.

OTHER BUSINESS:

None

NEXT MEETING

The next meeting will be February 2, 2023 at 1 p.m.

ADJOURN

Kevin Karney adjourned the meeting at 2:23 p.m.

Respectfully submitted,

Chris Woodka,
Senior Policy and Issues Manager