

RECORD OF PROCEEDING

**SOUTHEASTERN COLORADO
WATER ACTIVITY ENTERPRISE
MINUTES
May 15, 2025**

President Long convened the meeting of the Board of Directors of the Southeastern Colorado Water Activity Enterprise (Enterprise) to order at 9:44 a.m., Thursday May 15, 2025, to be held in conjunction with the District Board meeting to present the 2024 Annual Audit Presentation. Mrs. Noga introduced Mitchell Downs from CBIZ, who represents the firm that conducted the 2024 audit. Mr. Downs read the Independent Auditor's Report.

ACTION ITEMS:

APPROVAL OF 2024 ANNUAL AUDIT

Mrs. Noga presented the Audit to the Board. Ms. Nichols moved seconded by Mr. Clayton, the audit of the 2024 financial statement of the District and Enterprise be approved as presented. Motion unanimously carried.

APPROVAL OF 2024 FINANCIAL STATEMENTS

Mrs. Noga presented the 2024 Financial Statements to the Board.

Ms. Nichols moved, seconded by Mr. Clayton, the 2024 financial statements of the District and Enterprise be approved as audited. Motion unanimously carried.

President Long recessed the Enterprise Board meeting at 9:44 a.m. that was held in conjunction with the District Board meeting, and reconvened the Enterprise Meeting at 10:40 a.m.

Attendance:

Board Members Present:

Alan Hamel	Greg Felt	Seth Clayton
Andy Colosimo	Justin DiSanti	Tom Goodwin
Ann Nichols	Matt Heimerich (remote)	
Bill Long	Mike Bartolo	
Dallas May(remote)	Pat Edelmann	

DIRECTOR(S) ABSENT AND EXCUSED:

Abby Ortega, Curtis Mitchell and Kevin Karney

DISTRICT OFFICIALS:

Executive Director Leann Noga; Legal Counsel, Lee Miller; Staff Attorney, Peter Levish; Senior Policy and Issues Manager, Chris Woodka; Engineering Manager, Gordon Dillon; Administrative Support Specialist Margie Medina and Patty Rivas; Finance Manager Stephanie Shipley; Accountant, Meg Scarlett; AECOM, Curtis Thompson; Burns, Figa & Will, April Hendricks and Pete Jaacks; H2O Consultants, Roy Vaughan; Kogovsek & Associates, Christine Arbogast; and Tyner Consulting, Bill Tyner.

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PRESENT VISITORS:

Aurora Water, Abba Ahmed; USBR, Patrick Fischer, Tim Miller and Mike Holmberg; USGS, Andrew Klakulak and Krystal Brown; Colorado Springs Utilities, Christopher Olney; Pueblo West Metro District, Elissa Velasquez and Jeffery DeHerrera; Wilson Water Group, Mitch Frischmeyer.

VISITORS CONNECTED VIA ZOOM:

Wilson Water Group, Lisa Brown; Representative Jeff Hurds Office, Cathy Garcia; Otero County Commissioner, Tim Knabenshue; and Otero County Admin, Amy White-Oquist.

CONSENT ITEMS- MINUTES:

Mr. Hamel moved, seconded by Mr. Colosimo, to approve the Minutes from April 17th, 2025. Enterprise Board Meeting and the March & April Treasurer Reports. Motion unanimously carried.

PRESENTATION ITEMS:

Ms. Arbogast gave an update to the Board on Federal Legislation.

Bill, Leann, Seth, Andy and I had a good trip to DC in late April. We met with both Senate offices and Representative Boebert and Hurd.

They are working on our bill that eases the repayment terms of the District's 35 percent cost-share of the Arkansas Valley Conduit. We also met with committee staff in the House and Senate. If things go as planned, this bill should move through the House and Senate committees before the July 4 recess.

The reconciliation bill activity is ongoing. Reclamation is coming through this process very well. In fact the House Natural Resources Committee's provisions for this bill includes \$2.5 billion for Reclamation: \$2 billion for infrastructure and aging infrastructure; \$500 million for conveyance. These funds will be mandatory spending, meaning they do not need to be appropriated; they will be non-reimbursable (no cost share) and will remain available for 10 years. Remains to be seen if this funding remains through the reconciliation process.

The president's overall budget was released, but not the details so we do not know what is requested for the AVC. That is expected to be post-Memorial Day. The overall number is a \$600 million reduction for the Bureau of Reclamation.

The president's budget also proposes an 89 percent cut in the State Revolving Funds which is devastating. The Administration is arguing that the states administer the program, and they should fund it.

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Both of these proposed cuts have not landed well on Capitol Hill, and it remains to be seen if they will be approved.

Regarding the reductions in force the Bureau has lost about 1,300 people overall. It's important for us to support our Bureau partners as they figure out how to perform to mission with fewer people.

AVC UPDATE

Mr. Gordon Dillon presented to the Board an update:

- AVC Design Update
- AVC Funding Outlook
- AVC 2025 Trunkline Design & Construction
- AVC 2025 Workplan

Questions were asked of Mr. Dillon

2025 FRY-ARK PROJECT WATER, RETURN FLOW ALLOCATION

Mr. Mitch Frischmeyer from Wilson Water Group (WWG) presented information for the allocation of the May 1 forecast of 42,300 acre-feet that was provided by the Bureau of Reclamation (Reclamation).

- Considerations:
- May 1 Forecasts are based on Snotel Sites alone
 - 70% of actual imports come from Snowpack represented by Snotel Sites
 - 30% of actual imports come from precipitation from May 1 to September 30.

FRY-ARK ALLOCATION		FRY-ARK ALLOCATION		FRY-ARK MUNICIPAL ALLOCATION				
Forecast	Acre-Feet	Forecast	Acre-Feet	Entity	Request	Authorized Allocation	Initial Release	May 1 Allocation
May 1 Forecast - Import Basis for Allocation	42,300	May 1 Forecast - Import Basis for Allocation	42,300	Fountain Valley Authority				
Twin Lakes Exchange	(3,000)	Water Available for Initial Allocation	37,083	Colorado Springs Utilities	4,571	6,738	4,571	4,571
Fish Hatchery	(200)	Water Available for Initial Allocation @ 70%	26,783	City of Fountain	637	939	637	637
Before Moving to Pueblo Reservoir	39,100	Water Available for Initial Allocation @ 63%	24,385	Security	524	773	524	524
less 10% Transit Loss	(3,910)	Water Available for Initial Allocation @ 59%	22,946	Stratmoor Hills	191	282	191	191
Before Storage Evaporation	35,190			Windsor	478	704	478	478
less 10% Evaporation Loss	(3,519)			Totals	6,402	9,432	6,402	6,402
Net Project Water to Pueblo	31,671							
Project Water Adjustment for Allocation	5,391							
Water Available for Allocation	37,062							
Water Available for Initial Allocation @ 70%	26,783							
Water Available for Initial Allocation @ 63%	24,385							
Water Available for Initial Allocation @ 59%	22,946							

FRY-ARK MUNICIPAL ALLOCATION					FRY-ARK MUNICIPAL ALLOCATION				
Entity	Request	Allocation by Population	Initial Release	May 1 Allocation	Entity	Request	Authorized Allocation	Initial Release	May 1 Allocation
West of Pueblo					Pueblo				
Acres of Ireland	4	2	4	4	Pueblo		2,708		
Burns Vista, Town of	80	38	80	80	Totals		3,706		
Canon City, City of	150	429	150	150					
Florence, City of	110	48	110	110					
Meadow Lake Mountain Estates	9	1	9	9					
Poncha Springs, Town of	12	20	12	12					
Salida, City of	400	74	400	400					
Sunset View Water Company *	10	0	10	10					
Upper Arkansas Water Conservancy District	1,000	925	1,000	1,000					
Totals	2,769	1,538	2,769	2,769					
* New this year, Allocation by Population is 0 since we are going through a detailed review of their assignment									

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FRY-ARK
MUNICIPAL
ALLOCATION

Entity	Request	Authorized Allocation	Initial Release	May 1 Allocation
East of Pueblo				
10 Pipeline Co.	30	13	10	10
Bohrer Water Association	3	13	10	10
Berry Fort Water Company	133	89	133	133
Brown, Town of	43	35	43	43
County County Water Association	433	353	433	433
County, Town of	23	13	23	23
County Water Association	10	1	10	10
Freder, Town of	100	130	100	100
Frederick Improvement Assn.	12	6	12	12
G. J. J. City of	1,100	701	1,100	1,100
Lamar, City of	1,079	880	1,079	1,079
San Antonio, City of	300	184	300	300
Manzanilla, Town of	100	52	100	100
May Valley Water Association	100	100	100	100
McClure Water Association, Inc.	30	42	30	30
Montealegre Grand Valley Water Co.	10	46	10	10
Oliver Springs, Town of	47	39	47	47
Orlsey, Town of	321	124	321	321
Pedernales Valley Water Company	10	10	10	10
Rioy Fort, City of, & Hancock Water	300	430	300	300
South Bank Water Company	15	10	15	15
St. Charles Mesa Water District	600	821	600	600
Stacy City, Town of	100	40	100	100
Switz, Town of	100	49	100	100
Valley Water Association	10	26	10	10
Warren Water Company	10	14	10	10
Wood Creek Valley Water, Inc.	10	8	10	10
Totals	5,111	6,570	5,111	5,111

FRY-ARK MUNICIPAL ALLOCATION

Adjusted Municipal Project Water Allocation				
Allocation Area or Entity	Designated Allocation	Authorized Allocation	Request AF	Project Water Allocation
Fountain Valley Authority	25.45%	9,432	6,401	6,401
Pueblo	10.00%	3,706	-	-
East of Pueblo	14.18%	5,255	5,141	5,141
West of Pueblo	4.27%	1,583	1,769	1,769
Manitou Springs	0.35%	130	-	-
Pueblo West Metro District	0.34%	126	126	126
Total Municipal Allocation	54.59%	20,232	13,437	13,437

		Authorized	Recommended
Municipal Allocation =	18,902 AF at 51.00%		12,106 AF at 32.66%
NPANIW	1,331 AF at 3.59%		1,331 AF at 3.59%
Agricultural Allocation =	16,830 AF at 45.41%		23,626 AF at 63.75%
Total Allocation	37,063 AF		37,063 AF

FRY-ARK
AGRICULTURAL
ALLOCATION

AF/Acre
0.0958

AF/Acre
0.1691

Agricultural Project Water Allocation

Entity or Ditch	Eligible Acres	Request AF	Initial Release		May 1 Allocation	
			Return Flow Generation		Return Flow Generation	
			First Use Project Water	Return Flow Generation	First Use Project Water	Return Flow Generation
Bannister Ditch	450	300	26	46	-	-
Bessemer Irrigation Ditch Co.	16,971	20,000	1,625	2,875	650	1,150
Cactus Ditch	44	9	3	5	-	-
Catlin Canal Co.	11,425	15,000	1,078	1,908	392	695
Collins Ditch	529	529	51	90	-	-
Colorado Canal	2,936	2,976	281	497	107	190
DeWeese Dye Reservoir	1,060	230	102	180	-	-
Everett Ditch Water Uses Assoc.	6	5	1	1	-	-
Ewing Koppe Ditch	6	1	1	1	-	-
Fort Lyon Canal Co.	55,133	40,000	5,280	9,341	1,859	3,288
Garden Park and Terry Ditch	160	40	15	27	-	-
Highline Canal Co.	21,962	15,000	2,105	3,721	778	1,377
Holbrook Mutual Irrigation Co.	15,397	20,000	1,475	2,609	528	934
Hole in the Ground Ditch	15	3	1	3	-	-
Lee Ditch	2	2	1	1	-	-
Listen & Love	70	50	7	12	-	-
Michigan Ditch	30	8	3	5	-	-
Morrison & Riverside Ditches	4	1	1	1	-	-
New Salida Ditch	850	175	81	144	-	-
Otero Ditch	4,328	2,000	415	735	158	279
Quincy Mutual Ditch Co.	410	410	39	69	-	-
Oxford Farmers Ditch Co.	5,679	2,000	544	962	201	356
Reed Seed Ditch	665	50	50	50	-	-
Riverside Dairy Ditch	60	15	6	10	-	-
Steele Ditches (HR & MW)	165	50	9	17	-	-
Sunnyside Park Ditch	780	195	75	132	-	-
Talcott & Cotton Ditches	314	150	30	53	-	-
Titusworth Ditch	112	50	11	19	-	-
Tom Wanless Ditch	640	120	37	65	-	-
Wood Valley Ditch	300	200	29	51	-	-
Totals	157,120	141,284	15,380	25,626	4,673	8,269

FRY-ARK AGRICULTURAL ALLOCATION

Ag Project Water Return Flows

Entity or Ditch	Eligible Acres	Request AF	Well Augment %	Initial Release	May 1 Allocation
				AF	AF
Canaday Ditch	470	470	100.00%	27	48
Catlin Canal Co.	11,425	15,000	1.45%	10	17
Herman Klinkerman Ditch	570	570	100.00%	33	58
AGRA	50,310	9,000	100.00%	3,766	6,664
LAWMA	7,998	2,180	100.00%	662	1,172
LAVWCD Rule 10	34,076	480	100.00%	141	249
AGRA Rule 10	8,297	9,000	100.00%	34	61
Totals	113,146	36,700		4,673	8,269

	Sole Source	
	Initial Release	May 1 Allocation
	AF	AF
AGRA	308	545
LAWMA	112	198

Discussion from the Board was had with Mr. Frischmeyer

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FRYINGPAN-ARKANSAS PROJECT WATER AND RETURN FLOW ALLOCATION

Mr. Woodka presented an action item to the Board recommending the Board of Directors approve the Fryingpan-Arkansas Project Water (Project Water) and Project Water Return Flow allocation for 2025, including late applications, as presented.

Project Water and Return Flow sales and associated surcharges generate revenue in the Southeastern Colorado Water Activity Enterprise (Enterprise). May 1, 2025, projection, municipal allocation, and agricultural allocation could affect the estimated budget, which is based on the 20-year average for Allocations.

The Allocation and Storage Committee (Committee) reviewed and approved Project Water and Return Flow sales at its May 8, 2025, meeting.

Margie Medina was recognized for her tireless efforts and extensive knowledge she brings to the Allocation process. As the key staff member, Ms. Medina worked along with the Consultants: Wilson Water, Retired Division 2 Engineer Bill Tyner and Tammi Renninger with ElephantFish, in the 2025 Fryingpan-Arkansas Project Water & Project Return Flow Allocation, based on the Bureau of Reclamation (Reclamation) May 1 forecast and adjustments reported to the Enterprise.

At the May 8 meeting, the Committee recommended the Board approve acceptance of the following applications which were received after the March 31 deadline:

Municipal

Boone, Town of 43 AF

Eads, Town of 0 AF

Florence, City of 110 AF

Sugar City, Town of 100 AF

West Grand Valley Water Inc. 10 AF

Return Flow

AGRA 9,000 AF

LAVWCD 480 AF

Staff takes steps to ensure that applications are sent by March 1 in order to allow a full month for processing for return by March 31.

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

President Long adjourned the Enterprise Board Meeting @ 12:17 p.m.

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Respectfully submitted,

Patty Rivas
Administrative Support Specialist

Seth Clayton – Secretary

Bill Long – President

Greg Felt

Curtis Mitchell – Vice President

Justin DiSanti

Ann Nichols- Treasurer

Kevin Karney

Abby Ortega

Matt Heimerich

Alan Hamel

Mike Bartolo

Andy Colosimo

Pat Edelmann

Dallas May

Tom Goodwin