

ALLOCATION & STORAGE COMMITTEE

MINUTES

June 5, 2025

A meeting of the Allocation & Storage Committee held on Thursday, June 5, 2025 at 10:02 a.m. at the District Office 31717 United Avenue, Pueblo, Colorado 81001 and via Zoom virtual conference.

Chairman Andy Colosimo announced a quorum was present.

COMMITTEE MEMBERS PRESENT:

Andy Colosimo - Chairman, Matt Heimerich - Vice-Chairman (remote), Tom Goodwin, Justin DiSanti (remote), Alan Hamel, Curtis Mitchell (remote), Greg Felt (remote), Mike Bartolo (remote), Bill Long and Leann Noga

COMMITTEE MEMBERS ABSENT AND EXCUSED:

OTHERS PRESENT:

Seth Clayton (remote), Ann Nichols (remote), Dallas May (remote), Southeastern Colorado Water Conservancy District (District) Board; Mitch Frischmeyer (remote) and Lisa Brown (remote), Wilson Water Group; Mike Holmberg and Tim Miller, U.S. Bureau of Reclamation (Reclamation); Roy Vaughn, H2O Consultants; Bill McDonald, McDonald Water Policy (remote); Rachel Zancanella, Bethany Arnold and Noah Friesan (remote), Division of Water Resources; Nick Harris, Colorado Springs Utilities (remote); Chris Woodka, Gordon Dillon, Patty Rivas (remote), Margie Medina, Lee Miller, Peter Levish, District staff.

APPROVAL OF MINUTES:

Mr. Colosimo confirmed that members of the Committee received their copy of the May 8, 2025 Allocation & Storage Committee minutes and asked if there were any corrections or discussions. Tom Goodwin moved, Alan Hamel seconded to approve the minutes. Motion passed unanimously.

PRESENTATIONS:

Current Water Conditions and Fry-Ark Imports Update

Mike Holmberg said the Boustead Tunnel has been running at maximum level in recent days thanks to an abundance of rain. Imports for the Fryingpan-Arkansas Project (Project) imports are about 17,000 acre-feet (AF) so far. The May 1 forecast, which is what Project Water allocations are based on, was 42,300 AF. An updated June 1 forecast was made and is 41,600 AF. Leann Noga said 37,062 AF is allocated, with the 70 percent initial release at 26,783 AF.

Allocation Principles and Policies

Peter Levish reviewed *Project Water Allocation Principles and Policies*, which had been requested following the May Allocation Committee and Board Meeting, where Directors had questions about certain aspects of the allocation process.

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History of the Allocation Principles

The Allocation Principles were first adopted by the Southeastern Colorado Water Conservancy District (District) Board of Directors on June 30, 1975, and allocated 51 percent to Municipal and 49 percent to Irrigation. There was no opposition.

On October 28, 1975, Pueblo District Court (Court) Judge Matt Kikel entered an order refusing to approve the Allocation Principles on the theory that a fixed perpetual allocation was inconsistent with two provisions of the 1965 Project Repayment Contract (Contract) with Reclamation. The District negotiated an amendment to the Contract with Reclamation, in particular Articles 6.b. and 8, and the amendments were finalized on August 31, 1976.

The District filed a petition for District Court approval of those Allocation Principles on July 3, 1979. Avondale Water and Sanitation District, St. Charles Mesa Water District and Pueblo West Metropolitan District filed answers protesting the approval of the Allocation Principles. Fountain Valley Authority members filed in support of the Allocation Principles.

During negotiations with St. Charles Mesa and Avondale, the District agreed to insert provisions in the Allocation Principles allowing for reallocation of Irrigation Water to the extent the land on which the water was historically used is removed from irrigation.

The District and other proponents of the 1979 Allocation Principles were concerned that delay in approval of the Allocation Principles would delay funding for the Fountain Valley Pipeline because there was no permanent allocation of water.

Pueblo West agreed to allow the Court to approve the Allocation Principles as stipulated by St. Charles Mesa and Avondale. Judge Kikel approved the 1979 Allocation Principles on December 18, 1979.

In 1980, Pueblo West filed eight counterclaims, which centered on the fact that Pueblo West was not provided an allocation of water as a result of the 1971 conditions for its inclusion into the District. After a series of summary judgment motions, the Court found in favor of the District on each claim. The final ruling, dismissing the last of Pueblo West's claims, was entered on April 29, 1992.

Findings, Determinations and Resolutions

Among the findings, determinations and resolutions were:

- Total Project Water supply annually averages 80,400 AF, with 56,900 AF imported from the Colorado River basin and 23,500 AF from the Arkansas River basin in storable flood flows. The numbers were based on the parts of the Collection System that were foreseen by the late 1970s
- There was no floor to imports, but a ceiling of 120,000 AF.
- Flood flows in the Arkansas River basin vary from 0 acre-feet to a full Pueblo Reservoir in any given year.

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- Project Water must be allocated consistent to federal and state statutes, the Contract and the Fryingpan-Arkansas Project Operating Principles. Those principles give preference to domestic purposes over any other purpose. Not all municipal uses are domestic and domestic use on a farm ranks equally with domestic use in a city or town.
- The basis of equitable allocation is premised upon need, availability of water, population, taxable property, irrigated acreage, and economy.
- The Project is designed to provide supplemental water.
- Entities served by the Project should endeavor to procure all possible additional water supplies.
- No Project Water is available for industry, and industrial requirements must be satisfied out of municipal allocations.
- Return Flows from Project Water allocation should be made available for use, but not resale, to cities and towns on the first right of refusal basis.
- Allocations for municipal use are based on a percentage of Project Water supply because of the enormous investments made by the municipalities.

Allocation Principles

- **Principle A:** 51 percent of annual Project Water supply is dedicated to municipal and domestic use.
- **Principle B:** The 51% is divided as follows:
 - Fountain Valley Pipeline, 25% (Fountain Valley Authority, is Colorado Springs, Fountain, Widefield, Security, Stratmoor Hills)
 - Towns, cities and entities east of Pueblo, 12% (further defined by a 2010 resolution)
 - Pueblo, 10%
 - Towns, cities and entities west of Pueblo, 4%
- **Principle C:** Municipal and domestic entities have first option to purchase the unused portion of the 51%. Any unallocated water may then be offered to other uses on a basis determined by the Board of Directors. There is no credit for water not demanded.
- **Principle D:** Carryover storage in Pueblo Reservoir will be not less than 159,000 AF, divided as follows:
 - Fountain Valley Pipeline, not less than 78,000 AF
 - East of Pueblo, not less than 37,400 AF
 - Pueblo, not less than, 31,200 AF
 - West of Pueblo, not less than 12,400 AF
- **Principle E:** The 159,000 AF can be periodically revised but never reduced below 159,000 AF. Water stored in carryover space shall not be subject to reallocation.
- **Principle F:** Irrigation water will be allocated on an annual basis of need subject to the pleasure of the Board of Directors.
- **Principle G:** The 51% for municipal and domestic will not be reduced and may increase only if irrigated agriculture is removed from irrigation. In that event, the Board shall consider the request of all non-agricultural users.
- **Principle H:** The intent of Congress is that the Project provides a supplemental supply, which means that any acreage irrigated by Project water must have a separately

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decreed primary water supply for irrigation use. As irrigation water which is a primary source of water is converted to a non-agricultural use, the amount of Project Water allocated to irrigation should be proportionately reduced and allocated to non-agricultural use.

- **Principle J:** Catastrophes, public emergencies, force majeure and events unforeseeable will be an exception to the principles.

Allocation Policy

Key elements of the Project Water Allocation Policy:

- Project Water for irrigation is a supplemental supply and will be sold exclusively to ditch or canal companies, not to individuals on the ditch or canal.
- Project Water sold to municipalities and domestic users will be supplemental only unless otherwise agreed on by the Board.
- Project Water will not be used to replace decreed water rights.
- Project Water will not be used to maintain or replace Return Flows.
- No speculation or waste is allowed.
- Water will be allocated equitable based on availability and merits of each individual application.
- Allocation requests will not be accepted after the announced deadline.
- Delivery of Project Water is measured either at Pueblo Dam or Sugar Loaf Dam, with evaporation losses and transportation losses assigned by the Division Engineer to be the responsibility of the purchaser.
- Project Water can be delivered at a headgate on the Arkansas River, as an alternate point of diversion for an adjudicated well or by exchange.
- The price of Project Water for all classes of use is the same at the point of release. Additional surcharges may be added.
- 80 percent of water must be used by November 15 of the current year, with the remaining 20 percent used by May 1 of the following year. Carryover storage beyond the May 1 date may be approved by the Board, subject to evaporation, transit loss and surcharges.
- The Board will accommodate reasonable requests for extension of storage, but such requests will not interfere with excess capacity storage.
- Eligible acres are determined in accordance with the Reclamation Reform Act (RRA) in consultation with Reclamation. Violations are subject to paying full cost for water.
- Municipal carryover storage space is 163,100 AF, with 4,100 AF added to the 159,000 AF in a 1984 Board action.
- If additional water is available, a second allocation may be made.
- Project Water may be delivered for augmentation of wells within the District if it is pursuant to a decreed augmentation plan or a substitute water supply plan approved by the State Engineer.
- Emergency allocations are made on a case-by-case basis at the discretion of the Board, with an emergency defined as an unforeseen circumstance that requires prompt action

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or assistance. Any decision of an emergency must be ratified by the Board. Factors include:

- The extent of the circumstance
 - The need for immediate action
 - Other emergency needs within District boundaries
 - Water availability
 - Public health and safety impacts
- Emergency storage in the amount of 1,200-1,500 AF of Project Water is held for emergencies, subject to water availability. Under no circumstances will more than 3,000 AF of Project Water be held in emergency storage.

Allocation Practice

In recent years, the Board's allocation motion has included limiting an initial release to 50-80 percent of the full amount. The remainder is released when the District is confident the full amount will be available. If any portion is not available, that portion of payment will be refunded. This has not been adopted as a policy.

Creation of *Not Previously Allocated Non-Irrigation Water* was done under Principles G and H in 2007 in a formal Board action. This moved 3.59 percent of Project Water to municipal use in addition to the 51 percent.

Questions and Responses

Lee Miller explained that the principles cannot be changed without changing the 1979 decree, so the Board should be careful in making any changes that would not align with the Allocation Principles.

The idea of using stored Project Water to make Project Allocation whole, which was discussed at the May 2025 Board meeting, is not allowed under Principle E, so in the past individual "loans" of water from specific entities have been used to recoup shortfalls, Mr. Miller said.

There is an implication in the Allocation Principles (Principle F) that irrigation water may not be allocated if available water is limited. This has never been applied.

There was significant discussion about the impact of allowing irrigation water to be stored past the May 1 date in relation to avoiding reservoir spills. A pilot program in 2023-24 allowed storage of Project Water for irrigation if space is available. In 2025, no irrigation water was carried over.

It was clarified that augmentation water is available as a supplemental source to municipal or irrigation uses that have a water right but cannot be used when a water right has been changed.

Chairman Colosimo asked are changes in the Allocation Policy or practices needed?

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Mr. Miller said there is not a long list, but some changes have been previewed in recent years. These include:

- Requiring Arkansas Valley Conduit (AVC) Project Water to be delivered through the AVC once it is completed. This would ensure that Project Water would be delivered in the multi-million-dollar AVC project rather than simply being returned to the Arkansas River as augmentation.
- Determining procedures for dry, average and wet years has been discussed over the years, but no policy developed.
- Determining a District policy that will replace RRA when the Reclamation repayment is paid out in 2031.

Leann Noga emphasized that the District has a responsibility to know where Project Water is used, so must develop a program to replace RRA.

Finally, there was discussion about the division of the municipal water requests and the relation to water in storage. Bill Long said his concern is that communities are not using Project Water for growth in their communities. Alan Hamel said larger entities like Pueblo and Colorado Springs have staff dedicated to tracking water resources, while smaller communities may not be aware of wider impacts of their requests.

Leann Noga and pointed out that communication with customers and education are important tools in avoiding inappropriate allocations.

ACTION ITEMS

None

INFORMATION ITEMS

None

OTHER BUSINESS

None

NEXT MEETING

Thursday, July 3, 2025, 10:00 a.m. if necessary.

ADJOURN

Mr. Colosimo adjourned the meeting at 11:24 a.m.

Respectfully submitted,

Chris Woodka

Senior Policy and Issues Manager