



PROJECT CHARTER

Project Title: Arkansas Valley Conduit	
Bureau of Reclamation, Eastern Colorado Area Office	Southeastern Colorado Water Conservancy District
Project Manager: Samuel Braverman Chief, Engineering Services Branch	Project Manager: J. William McDonald McDonald Water Policy Consulting, LLC
Project Sponsor: Jeffrey Rieker Area Manager	Project Sponsor: James Broderick Executive Director

PURPOSE

The Arkansas Valley Conduit (AVC), an authorized water conveyance feature of the Fryingpan-Arkansas Project (Fry-Ark), will deliver water for municipal and industrial use within the boundaries of the Southeastern Colorado Water Conservancy District (Southeastern). This water supply is needed to: (i) supplement or replace existing poor-quality groundwater sources, and (ii) help meet projected future water demands.

BACKGROUND

The AVC was authorized in the original Fry-Ark legislation in 1962 (Public Law 87-590). The AVC would not increase Fry-Ark water diversions; rather it was intended to improve drinking water quality. However, the AVC was not constructed with the original Project primarily because of the beneficiaries' inability to repay 100 percent of construction costs. In 2009, Congress amended the original Fry-Ark legislation in Public Law 111-11, which authorized annual federal funding, as necessary, for constructing the AVC, and provided that only 35 percent of total Project construction costs would be repaid over a period of no more than 50 years.

An initial Value Planning (VP) study was completed in 2010. The Technical Service Center (TSC) issued an Appraisal Design Report in August 2012 which compared five action alternatives (pipeline alignments) for construction of the AVC. A supplemental report was issued in June 2013 for one additional alternative, for a total of six action alternatives. A Final Environmental Impact Statement (EIS) was issued in August 2013. Seven alternatives (six action alternatives from the Appraisal Design Report plus no action) were analyzed under the Final EIS. A Record of Decision

(ROD) was signed by Reclamation’s Great Plains Regional Director in February 2014 which selected the “Comanche North Alternative” for implementation. This alternative then became known as the “Preferred Alternative”. The TSC issued a Feasibility Design Report for the preferred alternative in September 2016 and a Project Cost Summary Report in October 2017. Total estimated cost to construct the Preferred Alternative was \$640 million (feasibility level, April 2016 dollars) or approximately \$700 million in 2019 dollars.

Through a collaborative effort between Reclamation and Southeastern in 2018 and 2019, a revised Project configuration was developed with the goal of reducing total estimated Project costs and requirements for Reclamation appropriations. Total estimated Project cost was reduced to a range of \$564 to \$610 million (appraisal level, 2019 dollars) and through alternative funding sources, the estimated requirement for additional Reclamation appropriations was reduced to a range of \$355 to \$414 million (appraisal level, 2019 dollars).

Federal appropriations for this Project through FY 2019 totaled approximately \$29.5 million. An additional \$28 million was provided in FY 2020 to move the Project into construction and \$8.05 million was included in the President’s budget request for FY 2021.

CO-OPERATIVE MANAGEMENT OF PROJECT

Reclamation and Southeastern agree to co-operatively manage the execution of this Project. Additional details and terms of this co-operative project management arrangement and the division of responsibilities will be contained in a Project Management Plan (PMP).

Both parties agree to:

1. Work together in good faith towards the shared goal of constructing the AVC and delivering clean water quickly, efficiently, and in accordance with the Project authorization.
2. Endeavor towards a positive and effective working relationship defined by transparency, accountability, collaboration, trust, and respect.

OBJECTIVES

Project objectives include:

1. **Satisfy authorization:** Fully satisfy AVC authorization as described in Public Law 87-590, as amended.
2. **Timeliness:** Complete the Project as quickly as possible without compromising safety or quality. Deliver AVC water to all participants by the end of 2035.
3. **Enforcement order resolution:** Deliver water which will support compliance with mandatory National Primary Drinking Water Regulations as well as non-mandatory National Secondary Drinking Water Regulations set by the Environmental Protection Agency (EPA) and resolve Colorado Department of Public Health and Environment (CDPHE) enforcement orders.
4. **Effective project management:** Complete the Project within approved scope, schedule, and budget. Manage the Project in accordance with all applicable agreements – namely this charter and the PMP.

5. **Quality:** Deliver an end-product which meets the quality standards as defined in approved specifications and drawings as well as Reclamation and industry standards and best practices.
6. **Safety:** Complete the Project without any lost time accidents and without any negative safety impacts to the public. Utilize engineering controls wherever possible to eliminate safety hazards. Ensure safety is addressed in all specifications and is considered as an evaluation factor in all construction contract awards.
7. **Cultural/Environmental:** Uphold all cultural and environmental commitments and agreements. Minimize, mitigate, and/or eliminate any adverse impacts.
8. **Transfer to O&M:** Ensure a smooth transfer of operation and maintenance (O&M) responsibilities upon completion of construction.

SCOPE OF WORK

The scope of work includes all efforts necessary to allow water delivery of agreed-upon quantity and quality to all AVC participants. Agreement on which entities are considered participants and the maximum amount of water each may receive through the conduit will be documented in the PMP. Project deliverables will include signed contracts and agreements, design specifications and drawings, and final constructed works.

Design and construction of any interim regionalization efforts is not within scope of this Project charter. However, nothing in this charter precludes implementation of such systems – either by Reclamation or other entities.

ASSUMPTIONS, CONSTRAINTS, AND RISKS

The assumptions, constraints, and risks associated with this Project will be addressed in greater detail in the PMP. Risks in particular will be covered in detail in the risk management plan.

ASSUMPTIONS

- Mutually agreeable contract terms can be reached with the Board of Water Works of Pueblo (Pueblo Water) for conveyances of AVC water through their existing infrastructure.
- Mutually agreeable terms can be reached by Reclamation and Southeastern for a repayment contract.
- Southeastern, either directly or through and in coordination with AVC participants, will secure non-Reclamation funding to design and construct delivery and spur lines.
- Reclamation will not perform O&M of the constructed works. This includes O&M on interim segments at they are completed and enter operation.

CONSTRAINTS

- Funding availability is subject to Reclamation’s appropriation process.
- Non-Reclamation funding may come with other constraints.

- AVC must be constructed in accordance with authorization provided by Public Law 87-590, as amended.
- Any environmental and cultural compliance commitments either made previously or as part of future compliance processes.
- The AVC system must be designed based on contractually agreed-upon hydraulic pressures, delivery rates, and water quality delivered from Pueblo Water’s distribution system to the connection point with the AVC.
- Ensure the Project is planned, designed, and constructed in a manner that does not preclude implementation of interim regional water treatment and distribution systems. To the extent which it is within the control of Reclamation and Southeastern, any interim regionalized systems should be designed and constructed for maximum compatibility and overlap with the overall Project.

KNOWN RISKS

- Stranded assets: If future funding is not available for the completion of the Project after construction has started, Reclamation and/or Southeastern could end up with stranded assets.
- Ability to pay: Costs for which AVC participants will be responsible (35 percent repayment and OM&R) could strain their financial capabilities, particularly if the entire Project is not completed and costs are therefore spread across fewer participants.
- Design changes: Design changes will likely be required along the way to account for issues with land acquisitions, utilities, and other unanticipated conflicts.
- Securing non-Reclamation funding and/or financing: The agreed-upon Project funding arrangement requires that Southeastern, either directly or through and in coordination with AVC participants, secure funding and/or financing to design and construct delivery and spur lines. If Southeastern is not able to secure adequate non-Reclamation funding for construction of 100 percent of the spurs and deliveries, completion of AVC in its entirety could be at risk.
- Pueblo Water Contract: If mutually agreeable contract terms cannot be reached between Reclamation, Southeastern, and Pueblo Water for conveyance of AVC water through their existing system, Project scope would require revision to build a pipeline around the city of Pueblo. This would result in major impacts to Project cost and schedule.

SUMMARY MILESTONE SCHEDULE

Scope of work and milestones will be refined in the PMP. Work is already proceeding on NEPA compliance, final design of the first 12-mile reach of trunk line (Boone Reach), and other immediate tasks and will not await development of the PMP. Contingent on availability of funding, completion of the entire AVC will be accomplished as expeditiously as possible, with a target final completion date no later than September 2035.

BUDGET

Design and construction will be funded by a combination of Fry-Ark miscellaneous revenues utilized by Reclamation, Reclamation appropriations, and other non-Reclamation funding sources to be secured by Southeastern, either directly or through and in coordination with AVC participants. Funding provided by Southeastern and/or AVC participants will be credited to the 35-percent local cost-share, subject to review and approval of costs by Reclamation.

Based on the agreed-upon division of Project features between Reclamation and Southeastern, estimated costs (appraisal level, 2019 dollars) are as follows:

Estimated Reclamation Project Cost:	\$441 - \$476 million
Estimated Southeastern Project Cost:	\$123 - \$134 million
Estimated Total Project Cost:	\$564 - \$610 million

PROJECT MANAGER DESIGNATION

The following Project Managers have been assigned:

Reclamation

Project Manager: Samuel Braverman, PE
Office: Eastern Colorado Area Office (EC-6000)
Office Phone: 970-461-5305
E-mail: SBraverman@usbr.gov

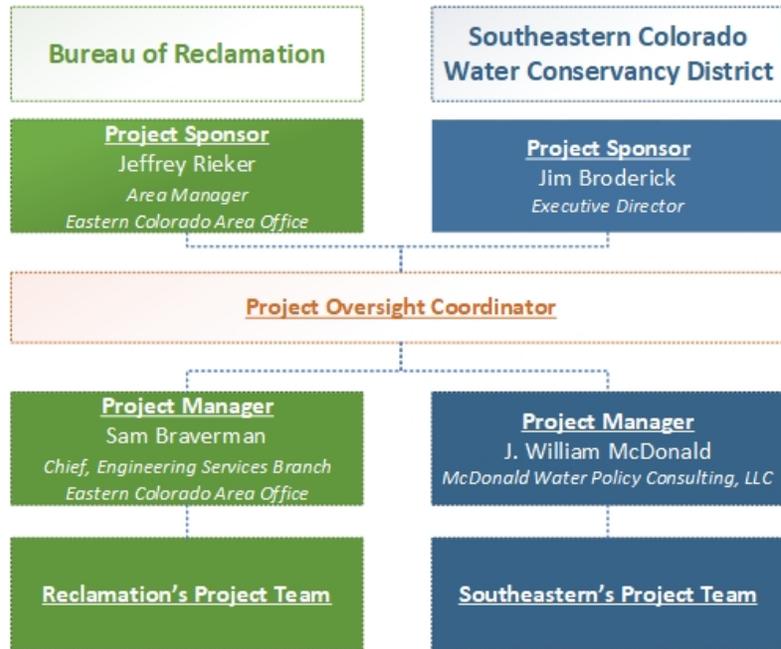
Southeastern

Project Manager: J. William McDonald
Office: Southeastern Colorado Water Conservancy District
Office Phone: 208-859-2534
E-mail: McDWaterPolicy@aol.com

ROLES & RESPONSIBILITIES

Reclamation and Southeastern will each serve as lead for certain features and tasks as defined in detail in the PMP. At a high level, Reclamation will serve as lead for the “trunk line” portion of the Project and Southeastern will serve as lead for the “spur and delivery lines” portion of the Project. The map included in Appendix B depicts the general agreement for delineation between trunk line and spur and delivery lines.

Governance and management of this joint effort will generally follow the structure depicted below. Specific procedures for issue resolution and change management will be developed based on this structure. The detailed Project governance structure, issue resolution procedures, change management procedures, and other more detailed plans and procedures will be defined in the PMP.



PROJECT MANAGERS

Project Managers are authorized to interface with management as required, negotiate for resources, delegate responsibilities within the framework of the Project, and to communicate with the team and stakeholders, as required, to ensure successful and timely completion of the Project. Project Managers are responsible for developing the PMP, monitoring schedule, costs, and scope of the Project during implementation, and maintaining control over the Project by measuring performance and taking corrective action to stay within budget and schedule.

Reclamation's and Southeastern's Project Managers will work collaboratively to ensure that activities for which each agency is responsible are coordinated effectively. Issues that cannot be resolved between the two Project Managers may be elevated in accordance with the PMP. Reclamation's Project Manager will serve as lead on activities for which Reclamation is responsible and Southeastern's Project Manager will serve as lead on activities for which Southeastern is responsible.

PROJECT OVERSIGHT COORDINATOR

The Project Oversight Coordinator will serve as a neutral party (not solely representing either Reclamation or Southeastern) to ensure effective coordination and successful Project execution. This individual will serve as the first level of escalation for disagreements between the Project Managers.

PROJECT SPONSORS

Project Sponsors approve the Project as defined by the PMP and if necessary, provide additional resources for the Project. For issues beyond control of the Project Managers and Project

Oversight Coordinator, the Project Sponsors serve as the escalation path to resolve those issues. Issues beyond control of the Sponsors may be escalated as defined in the PMP.

PROJECT MANAGEMENT TEAM

The Project Management Team will consist of the two Project Managers, the Project Oversight Coordinator and representatives from other offices and groups involved in the Project, who contribute in their area of expertise and accomplish assigned action items to implement day-to-day development and execution of the Project. Detailed roles and responsibilities will be defined in the PMP.

CHANGE CONTROL BOARD

The Change Control Board will consist of representatives from both Reclamation and Southeastern. When a proposed change in Project scope, schedule, or budget meets the Change Control Board's pre-determined thresholds, members of this board will convene to decide on whether to accept the change. Specific membership of the Change Control Board and change thresholds will be defined in the PMP.

EXECUTIVE MANAGEMENT TEAM

This joint effort will be under the overall direction of an executive management team. This team will consist of Reclamation's Regional Director and Area Office Manager and Southeastern's Board of Directors President and Executive Director. They will be responsible for the overall direction of the effort and providing the support needed to accomplish the objectives of this joint Project Charter.

STAKEHOLDERS

Some of the known stakeholders are listed below. A detailed stakeholder management plan will be included in the PMP.

- AVC Participants
- Bureau of Reclamation and Department of the Interior
- Southeastern Colorado Water Conservancy District
- Colorado Water Conservation Board
- Colorado Department of Public Health and Environment
- Environmental Protection Agency
- U.S. Department of Agriculture
- Colorado Congressional Delegation
- Board of Water Works of Pueblo
- City of Pueblo
- Colorado Department of Local Affairs
- Colorado Division of Water Resources
- Colorado Department of Transportation

- Bent, Crowley, Kiowa, Otero, Prowers, and Pueblo counties
- Federal Highway Administration
- Railway owners
- Private landowners along pipe alignment
- Native American tribes with cultural affiliation in the Project area
- U.S. Army Corp of Engineers
- U.S. Fish and Wildlife Service

DISCLAIMERS

Nothing in this Project Charter shall be interpreted to require any Party to implement any action which is not authorized by applicable law or where sufficient funds have not been appropriated or obtained for that purpose. No breach of this Project Charter shall result, and no liability shall accrue to the United States or Southeastern, in the event such funds are not appropriated or obtained.

In the implementation of this Project Charter, all Parties shall comply with all applicable legal authorities, including Authorizing Legislation, National Environmental Policy Act, Endangered Species Act, Clean Water Act, and other Applicable Law. Nothing in this Project Charter is intended or shall be construed to be a pre-decisional commitment of funds or resources by Reclamation.

Nothing in this Project Charter shall be offered for or against a Party as argument, admission, admission of wrongdoing, liability, or precedent regarding any issue of fact or law in any administrative or legal proceeding.

APPROVALS

BUREAU OF RECLAMATION

SOUTHEASTERN COLORADO WATER
CONSERVANCY DISTRICT

Project Manager	Date
Samuel Braverman Chief, Engineering Services Branch Eastern Colorado Area Office	

Project Manager	Date
J. William McDonald Consultant	

Project Sponsor	Date
Jeffrey Rieker Area Manager Eastern Colorado Area Office	

Project Sponsor	Date
Jim Broderick Executive Director	

Executive Project Sponsor	Date
Michael Black Regional Director Missouri Basin Regional Office	

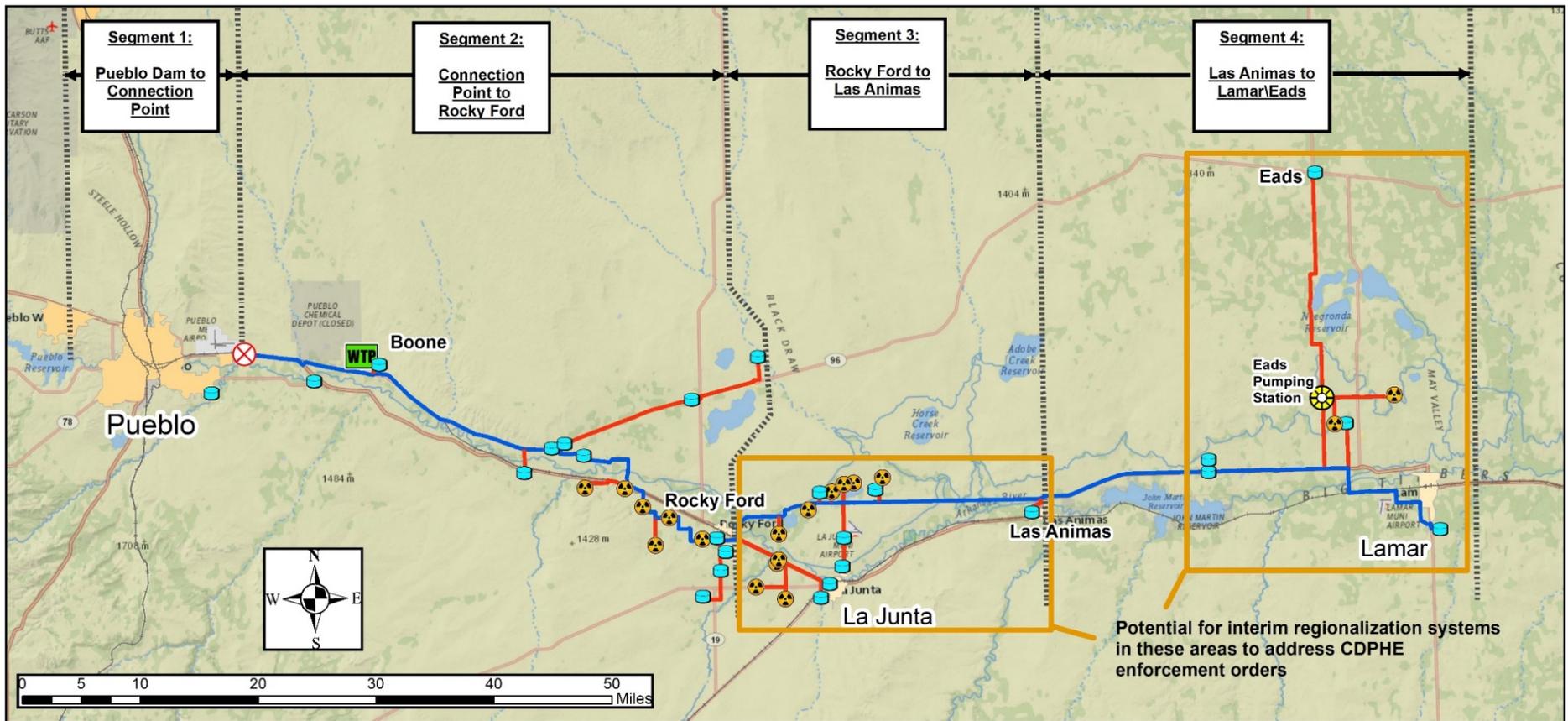
Executive Project Sponsor	Date
Bill Long Chairman, Board of Directors	

APPENDIX A – PAST PROJECT MILESTONES

The following table summarizes past milestones and project history:

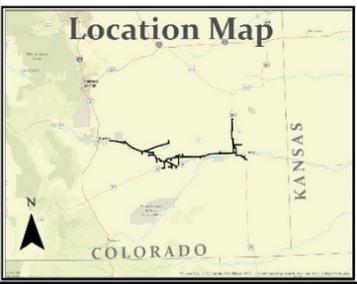
Date	Event
August 16, 1962	Original authorization signed into law (Public Law 87-590)
March 30, 2009	Authorization amended by Public Law 111-11
May 17, 2010	Initial Value Planning Study Final Report issued
August 7, 2012	Appraisal Design Report issued
June 3, 2013	Supplemental Comanche North Appraisal Design Report issued
August 9, 2013	Final Environmental Impact Statement (EIS) issued
February 27, 2014	Record of Decision (ROD) signed
September 30, 2016	Feasibility Design Report issued
October 28, 2017	Project Cost Summary Report issued
October 23, 2019	2019 Value Planning Study Final Report issued

APPENDIX B – PROJECT MAP



Legend

- Connection Point
- Pumping Plant
- Provider under CDPHE enforcement order for presence of radionuclides
- Other water providers
- Breakpoint Chlorination Facility
- Delivery and Spur lines - to be funded and built by others
- Trunk line - to be funded and built by Reclamation



Arkansas Valley Conduit (AVC) A Path Forward

Bureau of Reclamation
 Technical Service Center
 Geographic Applications & Analysis
 Revision Date: 11/22/19
 Map Projection: Colorado State Plane South

