

RECORD OF PROCEEDINGS

**UPPER YAMPA WATER CONSERVANCY DISTRICT
BOARD OF DIRECTORS MEETING
MAY 15, 2019 1:30 PM
MOUNTAIN VALLEY BANK COMMUNITY ROOM
2220 CURVE PLAZA, STEAMBOAT SPRINGS, CO**

MINUTES

Chairman Ken Brenner called the meeting to order and declared a quorum present. In addition to Chairman Brenner, the Board members present were Bob Woodmansee, Doug Monger, Ron Murphy, Stephen Colby, and Webster Jones. General Manager Kevin McBride, District Engineer Andy Rossi, Office Manager Karina Craig, Administrative Assistant Barbara Wilson, and General Counsel Bob Weiss were also present.

Members of the public present included Mickey O'Hara, Kate Ryan, Scott Hummer, Lou Dequine, Greg Hamilton, Geoff Blakeslee, Jerry Smith, Frank Alfone, Claire Sollars, Kelly Romero-Heaney, Nancy Smith, Nancie McCormish, Kari Harden Dequine.

The following agenda was proposed:

AGENDA

- (1) Establishment of Quorum and Call to Order;
- (2) Consent Agenda; action item
 - a) Approval of Disbursements
 - b) Budget Comparison
- (3) Approval of Agenda for Meeting; action item
- (4) Public Input and Comment;
- (5) 1:40 PM Report of the General Manager;
 - a) Stagecoach firming – AECOM
 - b) Environmental Recreation Water Program – Stakeholder's Presentation
 - c) 360 Assessment Follow-up
- (6) 3:10 PM Report from District Engineer;
 - a) Reservoir Water Status
 - b) Capital Projects Plan for 2019
 - c) UYWCD-CPW Bear Lake Agreement action item
- (7) 3:40 PM Report from General Counsel;
 - a) Water Resumes
 - b) Status of other Water Cases, if any
 - c) Peabody Energy Contract action item
- (8) 4:10 PM Executive Session with Bob Weiss, legal Counsel, under CRS § 24-6-402(4)(b) to discuss legal issues on Water Resumes, Water Cases, and Contract Negotiations. Mere presence or participation of an attorney at an executive session of the local politic body is not sufficient to satisfy the requirements of this subsection (4).
- (9) New Business;
- (10) Adjournment.

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Consent Agenda Director Monger made a motion to approve the consent agenda. Director Jones seconded the motion which was unanimously approved.

Meeting Agenda Director Monger moved to approve the agenda. Director Colby seconded the motion which was unanimously approved.

Public Comment

Scott Hummer with the Division of Water Resources presented. There will be a South Routt County Water Users Meeting May 29th at the Sirocco High School 6:30-8:00 pm. Mr. Hummer distributed a flowchart of the Bear River System. There could be a call on the river in the next 48 hours, discussion followed.

Kelly Romero-Heaney presented as the Yampa-White-Green River Basin Roundtable (Basin Roundtable) chair for the public education committee. The committee is working with Yampatika for K-12 education and hopes that the District will be interested in contributing matching funds.

Greg Hamilton, filmmaker, is working on a series of short videos with a trio of filmmakers for the Basin Roundtable. A short video was shown to the Board. Production is this summer and the District may want to become a partner. Director Brenner suggested that a request for funds be made to the General Manager.

Report of the General Manager

Stagecoach Firming – AECOM – Andrea Parker with AECOM presented a Power Point. Three handouts were distributed and discussion followed. Director Monger noted in the Initial Screening Criteria section that the “must not impact hydro power at Stagecoach” might be changed to “negatively impact” instead. Director Brenner suggested that in the Results of Initial Screening section, the “divert direct flow” could be *numerous* locations and maybe this should be noted. Director Monger suggested in the Preliminary No Action Alternative section that “deficit irrigation” might be added to the “Rotational fallowing” text.

General Manager McBride announced that the District owns property that the Forest Service may be interested in exchanging. The Forest Service recommended that this process start as soon as possible.

Ms. Parker updated the Board that about four months have been added to the overall schedule.

Director Brenner requested that the land swap with the Forest Service be added to the agenda for the June Board Meeting. Director Monger had concerns about public perception of the land swap. Manager McBride explained that the Forest Service thinks this property would be good to be in public ownership, regardless of the Stagecoach Firming project.

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Environmental Recreation Water Program – Stakeholder’s Presentation –

Kate Ryan and Mickey O’Hara with the Colorado Water Trust (CWT) presented a Power Point about the CWT’s projects with the District. Mr. O’Hara reviewed the benefits of the releases including the awareness that these have brought to the public about the CWT work and the District. Kate Ryan presented possible alternatives for future delivery of water and discussion followed. She said that these are just ideas and that the District may want to consult with an attorney. Mr. O’Hara reminded the Board that the CWT is a resource available to the District.

Nancy Smith and Geoff Blakeslee with The Nature Conservancy (TNC) presented a Power Point on the Yampa River Fund. Mr. Blakeslee began with thanking the Board for working with the river releases and he feels that the publicity the District got from the releases was wide. Ms. Smith requested, in reference to the ERC pricing, that in order for the Water Fund to be successful into the future it requires fairness, transparency and predictability. A longer term pricing structure will make the Water Fund work better; more predictability will help the success.

Kelly Romero-Heaney with the City of Steamboat Springs presented. She encouraged the District to participate with the water releases to benefit the River. It is very important to the City that the District follows a transparent process and do a robust financial analysis. The ERC water benefits 60% of the District’s tax base.

Discussion followed.

- Director Monger believes that our business is to sell water and that the ERC should be paying the full price. He is supportive of this process and he wants to keep the District’s enterprise concept.
- Director Woodmansee believes the river is the life blood of this region, that we can define what the “natural flow” is of the river, and that the river is not in that good of shape.
- Director Colby stated that is important that the District helps with the Yampa River Fund mission and having a firm reservoir is important. He thinks that between 50-100% of our cost would be appropriate for pricing.
- Director Murphy believes that Agriculture will be the ones who pay the price. He thinks we need to have storage in order to maintain the water in this valley. In reference to pricing, the District needs to make money too in order to exist
- Director Jones stated our highest priority should be to find out what we know we can do. Define a legal mechanism to determine what we can do.
- Director Brenner believes the District needs time to work on this. If the District gives a discounted price, then the discount is a donation from the District’s general fund.
- General Manager McBride said he was glad Stagecoach firming was discussed and reviewed the Purpose and Needs of the Stagecoach firming. He said the District has the smallest amount of storage of any basin in the state.

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Comments from the public:

- Scott Hummer feels the District should work with these different agencies.
- Greg Hamilton said it is nice to see the convergence of different organizations working on this and he is encouraged.

Director Brenner requested the General Manager and Counsel follow-up to find feasible options and work with the CWT. Counsel Weiss said the three options presented by CWT will be looked into and let him know if any other options should be evaluated. They will present in the June meeting.

360 Assessment Follow-up – Ryan Golten joined by phone. General Manager McBride announced the Board Governance Committee will meet May 20, 2019 at 9:00 AM and that all Board members are invited.

Report from the District Engineer

Reservoir Water Status – District Engineer Rossi updated the Board on the current levels of storage in Stagecoach and Yamcolo Reservoirs.

The Colorado Division of Water Resources (CDWR) Water Commissioner Scott Hummer and the Board discussed the possibility of the District voluntarily passing storable inflow at Yamcolo Reservoir when the reservoir has not yet filled for the year and the Bear River is not under administration. There was unanimous agreement that the District would store flows when in priority and if a call was necessary to pass flows to downstream seniors the District would comply with all administration from the Division Engineers office. Director Brenner thanked Mr. Hummer for bringing this to the Board.

Capital Projects Plan for 2019 – Engineer Rossi reviewed the capital projects plan for 2019 and discussion followed.

UYWCD-CPW Bear Lake Agreement – Engineer Rossi briefly reviewed the agreement between the District and Colorado Parks and Wildlife (CPW). The CDWR provided feedback the day before the Board meeting, May 19th, and Counsel Weiss recommended the District review the CDWR's comments before considering the agreement for Board action. The consideration of the agreement for Board action was tabled until the June 19, 2019 Board meeting.

Report from General Counsel

Water Resumes and Status of other Water Cases, if any – Counsel Weiss reviewed Special Counsel Scott Grosscup's memo. Counsel Weiss agrees with Mr. Grosscup's recommendation to get involved with the Tri-State case so the District can monitor. Counsel Weiss was given direction to file a friendly opposition.

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Peabody Energy Contract – Counsel Weiss stated he has not gotten a reply from Peabody and discussion followed.

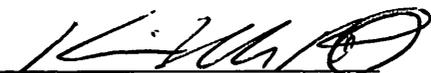
Director Monger made a motion to approve the contract as drafted. Director Jones seconded the motion which was unanimously approved.

Executive Session – There was no Executive Session.

Determination of future meetings The scheduled date for the next Board meeting was confirmed, being Wednesday June 19, 2019 at 1:30 PM, at Mountain Valley Bank Community Room, 2220 Curve Plaza, Steamboat Springs, CO.

The meeting was adjourned at 5:05 PM.

I certify that the foregoing constitutes a true and correct summary of the proceedings at the above referenced meeting.

 Date: 7/29/2019
Kevin McBride, District Secretary/Manager