

AGENDA

**UPPER YAMPA WATER CONSERVANCY DISTRICT ANNUAL RETREAT AND
SPECIAL BOARD OF DIRECTORS MEETING
WEDNESDAY, OCTOBER 20, 2021 (9:00 AM)
CATAMOUNT RANCH AND CLUB
30215 WATERS EDGE TRAIL**

ONLINE MEETING:

<https://us06web.zoom.us/j/84755115102?pwd=Wk9GM09HNDA3YzVDQ1R4NnByTUxrUT09>

AS RECOMMENDED BY THE STATE PUBLIC HEALTH ORDER AND THE CDC, THE UPPER YAMPA WATER CONSERVANCY DISTRICT REQUESTS THAT UNVACCINATED PEOPLE ATTENDING THE BOARD OF DIRECTORS MEETING AT THE CATAMOUNT RANCH AND CLUB WEAR A MASK.

INSTRUCTIONS ON HOW TO JOIN A ZOOM MEETING FOLLOW THE AGENDA

A Board of Directors meeting packet is available for public review on our website at <http://www.upperyampawater.com/board-of-directors/agendas/> by the Friday before the meeting. Amendments to the Agenda and new documents that are generated or submitted after the original posting of the meeting materials will be posted under "Additional Documents" on the website for the relevant meeting.

QUESTIONS ON AGENDA AND/OR BOARD MATERIALS: Members of the public or Board of Directors with questions on the agenda or meeting materials, including the consent agenda, are welcome to contact the General Manager at the District offices prior to the meeting. You may reach the General Manager at: arossi@upperyampawater.com or (970) 871-1035 Ext. 2.

MEETING PROCEDURE: Comments from the Public are welcome at two different times during the course of the meeting: 1) Comments no longer than three (3) minutes on items **not** scheduled on the Agenda will be heard under Public Input and Comment; and 2) Comments no longer than three (3) minutes on all scheduled public hearing items will be heard following the presentation. Please wait until you are recognized by the President. With the exception of subjects brought up during Public Input and Comment, on which no action will be taken or a decision made, the Board may take action on, and may make a decision regarding, ANY item referred to in this agenda, including, without limitation, any item referenced for "review", "update", "report", or "discussion" whether or not listed as an "Action Item."

8:30 AM Breakfast

- (1) **9:00 AM** Establishment of Quorum and Call to Order
- (2) **9:00 AM** Approval of Agenda for Meeting
- (3) **9:05 AM** Public Input and Comment

Action item

The Board will make no decision nor take action, except to direct the General Manager. Those addressing the Board are requested to identify themselves by name, organization, if any, and address. Comments shall not exceed three (3) minutes.

- (4) **9:15 AM** Existing Stagecoach Municipal Contracts Amendment **Action item**
- (5) **10:00 AM** Colorado Water Trust 10-Year Stagecoach Reservoir Water Storage Contract **Action item**
- (6) **10:30 AM** New Business (Limited to emergency matters that came up during the course of the meeting) **Action item**
- (7) **10:35 AM** Executive Sessions:
- a. Executive session under CRS § 24-6-402(4)(b) to discuss legal issues on Water Resumes, Water Cases, Contract Negotiations and _____ (insert description) . Mere presence or participation of an attorney at an executive session is not sufficient to satisfy the requirements of CRS § 24-6-402(4)(b). Executive sessions to discuss legal matters are not recorded.
 - b. Executive session under CRS § 24-6-402(4)(e)(I) for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators with respect to _____ (insert brief description). This session will be recorded, and a copy of the recording maintained for not less than 90 days.
- (8) **11:15 AM** Board Actions in Regard to Executive Session

11:15 AM Lunch Break

- (9) **12:00 PM** Current Status of Yampa Basin Water Resources
- a. CWCB/State of Colorado Water Resources Matters Update – Demand Management
 - b. Yampa River Basin Technical Analyses Updates – BIP Update, Yampa River Hydrology Review, Yampa Storage Modeling, Coal Creek Flow Analysis
 - c. Upper Yampa River Basin Water Quality Study

3:15 PM Afternoon Break

- (10) **3:30 PM** UYWCD 2022 Strategic Plan Discussion
- (11) **4:30 PM** Adjournment.

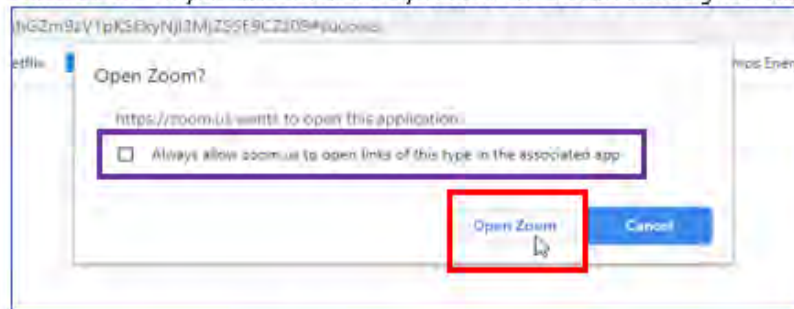
How to join a Zoom meeting

Join via "Join Zoom Meeting" link:

To join a Zoom meeting, click on the meeting link that has been sent to you by the host:

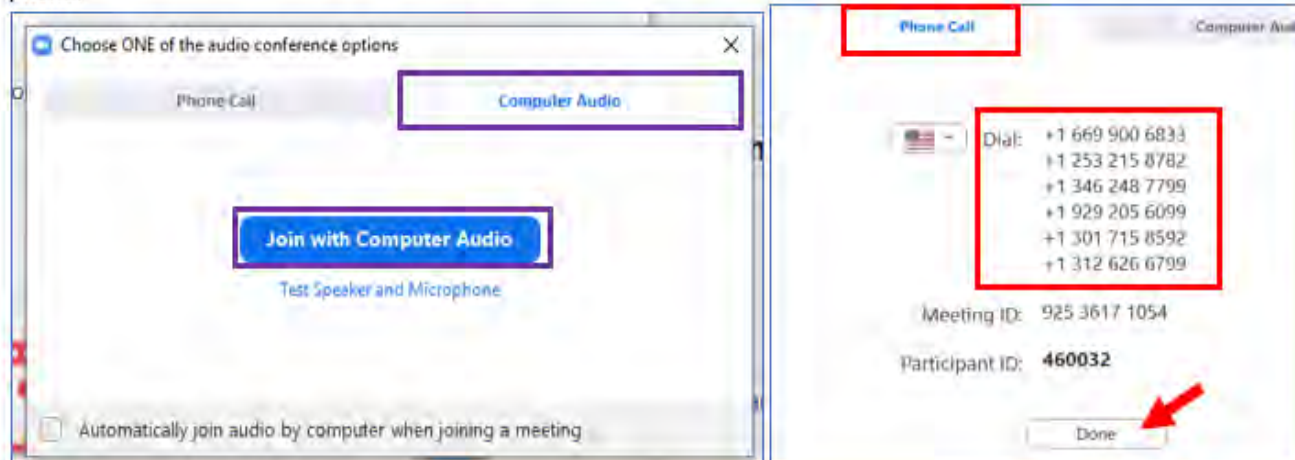


If you have not used Zoom before, you may receive this dialogue box to open Zoom. First, click on "always allow zoom.us..." so you will automatically connect for future meetings. Then, click on "Open Zoom" and follow the prompts.



Once you are connected to Zoom, you will need to choose your audio conference option. To join via your computer, click on "Computer Audio" and then "Join with Computer Audio".

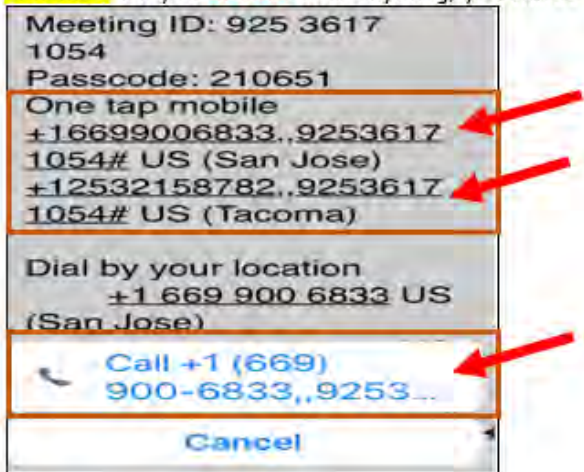
To use your cell phone or landline, click on "Phone Call" and then choose a number from the list. Once you dial the number, you will be asked for the Meeting ID and Participant ID to enter the meeting. Click on "Done" once you are connected to the Zoom meeting. Or, you can use the "One tap mobile" option, see below, to connect via your cell phone.



Join via cell phone with "One tap mobile":

If you will be joining a Zoom meeting via your cell phone, click one of the "One tap mobile" links. Then click on "Call +1...". You will hear a request to "enter your Meeting ID followed by pound (#)". You **do not** need to enter the ID as the link will do this automatically for you.

You will be asked if you are a participant and to "Please press pound (#) to continue". You **must** press the pound key (#). Then you will be asked to "Enter your Participant ID followed by pound (#) or just press pound (#) to continue". If you **do not** enter anything, you will be automatically connected to the meeting.



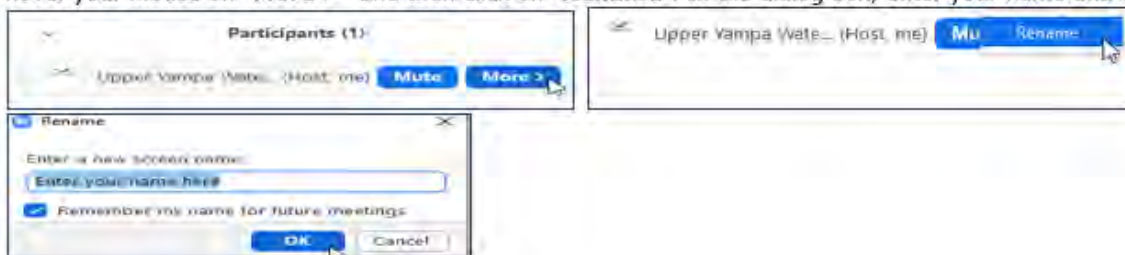
Join via "Dial by your location":

If you will be joining a Zoom meeting via your cell phone or landline, you can choose any of the numbers below to access the meeting. Once you dial the number you will be asked to "Enter your Meeting ID followed by pound (#)". Then, you will be asked to "press pound (#) if you are a participant". Finally, you will be asked to "Enter your Participant ID followed by pound (#) or just press pound (#) to continue". If you **do not** enter anything, you will be automatically connected to the meeting.



Be sure you are identified properly:

Once in Zoom, be sure that you are identified properly. If you need to change, in "Participants" click on your ID and hover your mouse on "More >" and then click on "Rename". In the dialog box, enter your name and click "OK".



Contact Deb Bastian for any questions

- Email: dbastian@upperyampawater.com
- Phone: 970-819-0189

PUBLIC INPUT AND COMMENT

The Board will make no decision nor take action, except to direct the General Manager. Those addressing the Board are requested to identify themselves by name, organization, if any, and address. Comments shall not exceed three (3) minutes.

EXISTING STAGECOACH MUNICIPAL CONTRACTS AMENDMENT





BOARD COMMUNICATION FORM

From: Andy Rossi, General Manager

Date: 10/12/21

Item: Existing Stagecoach Reservoir Water Storage Contracts

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

Except for the Morrison Creek water storage contract, all the 2-year interim pricing agreements for Stagecoach Reservoir perpetual municipal water contracts expire this year. Summary contract data for all the existing Stagecoach Reservoir municipal water storage contracts is included in a table attached with this communication. The Upper Yampa Water Conservancy District (UYWCD) General Manager and General Counsel drafted a proposed Stagecoach Reservoir Municipal Storage Contract Amendment based on the direction from the UYWCD Board of Directors (BOD) from the September 15, 2021 UYWCD BOD meeting. The proposed amendment will be presented to the UYWCD BOD for consideration for authorization.

II. Summary and Alternatives:

Two groups of existing Stagecoach Reservoir water storage contracts are currently operated under original pricing determination interim extension agreements that expire in 2021. The first group of these contracts originated in 1989 with an original price of \$35.00 per AF. The second group of contracts originated between 1998 and 2001 with an original price of \$43.50 per AF. All the contracts are intended for some category of municipal water use. All the original contracts considered include the right for "life of Stagecoach Reservoir" to purchase original contracted volume annually as determined with the following terms:

*“The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District **expects** to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.”*



Other existing Stagecoach Reservoir water storage contracts originating in 1989 and 2000 include some of the same original contract terms as those considered above. However, there are significant differences between these existing contracts and the two groups of contracts described above that warrant separate contract management practices. For example, the Sidney Peak Ranch Stagecoach Reservoir water storage contract original term does not expire until 2023.

Unless amended by agreement of the Contractor and UYWCD, the 2022 price per AF of stored water for contracts with pricing agreement extensions that expire in 2021 will be determined annually based on the approved UYWCD budget as per the methodology included above. If such an amendment is proposed, it could provide for an alternative pricing mechanism and address other provisions of the existing municipal contracts that are outdated. However, it is important to emphasize that nothing requires the UYWCD to propose such an amendment or for any municipal contractor to agree to it.

The UYWCD BOD gave direction to the UYWCD General Counsel and General Manager on September 15, 2021 to draft a common proposed contract amendment for the existing municipal water storage contracts in Stagecoach Reservoir. The current version of the DRAFT proposed contract amendment is included with this communication

III. Staff Recommendation:

Authorize the UYWCD staff and General Counsel to notify the existing Stagecoach Reservoir contractors whose price extension agreements expire in 2021 of the proposed contract amendment, including the proposed price per AF of water stored in Stagecoach Reservoir for 2022 and beyond.

IV. Legal Issues:

UYWCD Water Storage Contracts for more than 100 AF or for Longer than One Year Term must be approved by the full UYWCD BOD.

V. Consistency with Board Goals and Policies:

UYWCD SP Goal 4, UYWCD By-Laws

Attachments:

Attachment 1: Existing Stagecoach Reservoir Water Storage Contract Data

Attachment 2: Proposed Contract Amendment

Stagecoach Reservoir Existing Municipal Water Contracts

Contractor	Volume (AF)	Pricing (\$/AF)	Revenue (\$)	Original Effective Date	Original End of Contract Term	Original Contract Term Extended	Extended End of Contract Term	Contract Notes
City of Steamboat Springs	552	35.00	19,320.00	1986, 1989	7/15/2019	Yes	<u>7/15/2021</u>	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.
Dakota Ridge Homeowners Association	50	35.00	1,750.00	1989	7/15/2019	Yes	<u>7/15/2021</u>	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.
Morrison Creek Metropolitan Water and Sanitation District	500	35.00	17,500.00	1989	7/15/2019	Yes	<u>7/15/2029</u>	Five successive 10-year extension options at \$35.00/AF, final extension option ends in 2069.
Mount Werner Water and Sanitation District	200	35.00	7,000.00	1989	7/15/2019	Yes	<u>7/15/2021</u>	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.
Town of Hayden Colorado	200	35.00	7,000.00	1986, 1989	7/15/2021	Yes	<u>7/15/2021</u>	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.
Tree Haus Metropolitan District	50	35.00	1,750.00	1989	7/15/2019	Yes	<u>7/15/2021</u>	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.
Agate Creek Preserve Homeowners Association	20	43.50	870.00	2000	<u>7/15/2021</u>	No	NA	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.
Alpine Mountain Ranch Metropolitan District (Alpine Land)	100	43.50	4,350.00	1998	7/15/2019	Yes	<u>7/15/2021</u>	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.
Sidney Peak Ranch LLC	20	43.50	870.00	2000	<u>7/15/2023</u>	No	NA	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.
Brian, Robert and Virginia Stahl – total of 250 AF	58	43.50	2,523.00	2001	11/30/2019	Yes	<u>11/30/2021</u>	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet. Other specific contract terms.
Brian, Robert and Virginia Stahl – total of 250 AF	192	43.50	8,352.00	2001	11/30/2019	Yes	<u>11/30/2021</u>	Right for "life of Stagecoach Reservoir" to purchase original volume annually. The price per acre-foot for any given (extended) year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet. Other specific contract terms.
Totals	1,942	NA	71,285					

AMENDMENT OF WATER ALLOTMENT CONTRACT

This AMENDMENT OF WATER ALLOTMENT CONTRACT is made and entered into effective the 1st day of March 2022 (“Effective Date”) by and between The Upper Yampa Water Conservancy District, a Colorado water conservancy district (“District”) and the following governmental or private entity:

(Such governmental or private entity being herein referred to as the “Contractor”).

RECITALS

WHEREAS, the District and the Contractor entered into a water allotment contract agreement dated _____, 19____, providing for the storage by the District in Stagecoach Reservoir prior to July 15th of each calendar year of _____ acre feet (AF) of water (the “Contractor Water Allotment”) for release to the Contractor for beneficial uses upon request of the Contractor between July 15th and April 1st of each water year (the “Agreement”); and

WHEREAS, after the first 30 years of the Agreement, the annual purchase price of the Contractor Water Allotment allocated to the Contractor must be determined by Sections 3.2 and 3.3 of the Agreement, and is to be determined annually by the District based upon the District’s estimated costs of operating, repairing, renovating and maintaining (including replacement costs) of Stagecoach Reservoir, without right of appeal by Contractor or “true-up” based after actual costs are expended and computed, payable upon receipt of billing from the District; and

WHEREAS, the District and Contractor agreed that the purchase price for the Contractor Water Allotment for Water Years 2020 and 2021 would be \$_____ per acre foot; and

WHEREAS, the District and the Contractor desire to avoid future disputes and disagreements regarding the estimated or actual costs of operating, repairing, renovating and maintaining (including replacement costs) of Stagecoach Reservoir, so that, for a period of years, the annual purchase price of the Contractor Water Allotment allocated to the Contractor under the Agreement will be a fixed and known annual amount, adjusted only for increases in the applicable CPI, regardless of such District costs or estimates of costs; and

WHEREAS, at the time the Agreement was entered into, the District had entered into, or expected to enter into, similar Municipal/Industrial water allotment contracts for storage of water in Stagecoach Reservoir totaling approximately 15,000 AF of such storage water, including the Agreement and including either 13,000 AF or 11,000 AF of storage water contracted for allocation to either Colorado Ute Electric Cooperative or its successor-in-interest Tri-State Generation and Transmission Company (“Tri-State”) in connection with the ownership and operation of the Craig Electric Power Generating Station near Craig, Colorado; and

WHEREAS, since the date of the Agreement, Tri-State has now terminated and withdrawn from all water storage allotment contracts with the District; and

WHEREAS, the District has designated certain pools of water within the Reservoir for the purpose of administration of the storage and release of water from the Reservoir (the below-described “Contract Pools,” or individually, a “Contract Pool”), such designation shall supersede any conflicting provisions in the Agreement, and that the District has adopted a filling priority for the various Contract Pools under Upper Yampa Stagecoach Reservoir Fill and Release Policies adopted January 20, 2021 as follows:

(a) 9,000 acre-feet “Municipal/Industrial Pool” – The Municipal/Industrial Pool consists of water formerly allocated to Tri-State Generation and Transmission Association, Inc. (“TriState”) under Upper Yampa’s expired contract with Tri-State or the municipal or industrial allottees of water from Stagecoach Reservoir who contract for all or part of the 7,000 acre-feet formerly allotted to Tri-State; and 2,000 acre-feet allocated for municipal use pursuant to existing contracts between Upper Yampa and such contracting entities or the municipal or industrial allottees of water from Stagecoach Reservoir who contract for all or part of the 2,000 acre-feet allotted to such contracting municipal users if Upper Yampa's current or former contracts with any such municipal user for water from Stagecoach is terminated or released or amended in whole or in part;

(b) 2,000 acre-feet “Augmentation Pool” – The Augmentation Pool consists of water allocated for augmentation use pursuant to the decree of the Water Court entered in Case No. 06CW49, Water Division 6;

(c) 4,000 acre-feet “General Supply Pool” – The General Supply Pool consists of water formerly under contract to Tri-State and deliverable out of Yamcolo Reservoir pursuant to an exchange agreement which expired and was not renewed; the General Supply Pool water is not subject to any exchange obligation or right or limitations on storage and use other than Upper Yampa Fill Priority;

(d) 3,164 acre-feet “Raise Pool” – The Raise Pool consists of water that represents the increase in capacity of the Reservoir resulting from the raise in the level of the spillway completed in 2011; the Raise Pool water is not subject to any right or limitations on storage and use other than Upper Yampa Fill Priority, but is called the “Raise Pool” only for definitional purposes;

(e) 3,125 acre-feet “Preferred Remainder Pool” – The Preferred Remainder Pool consists of water not currently under contract, which represents a defined quantity of water in the Reservoir not allocated to the Contract Pools described in paragraphs (a) through (d) above; the Preferred Remainder Pool water is not subject to any right or limitations on storage and use other than Upper Yampa Fill Priority, but is called the “Preferred Remainder Pool” only for definitional purposes; and

(f) 15,000 acre-feet, approximately, is the “Emergency Remainder Pool” – The Emergency Remainder Pool consists of water that represents the remaining capacity of the Reservoir not allocated to the Contract Pools described in paragraphs (a) through (e) above.

WHEREAS the parties desire to amend and revise certain other provisions of the Agreement which are out-of-date and inconsistent with the policies and procedures of the District and/or the

practices of administration of water rights by the Colorado State Engineer and/or the Division Engineer for Water Division No. 6; and

WHEREAS, the manager of the District and representatives of the Contractor have met and negotiated in good faith, and have reached agreements on the purchase price for the Contractor Water Allotment allocated to the Contractor under the Agreement for water year 2022 and subsequent years through February 28, 2042, and certain other amendments to the Agreement.

NOW, THEREFORE, the Contractor and District do hereby amend the Agreement as follows:

1. Until February 28, 2042, the first sentence of Section 3.3 of the Agreement is suspended, and the following provisions shall apply:

A. The purchase price for the Contractor Water Allotment allocated to the Contractor for water year 2022 shall be \$82 per acre foot for each acre foot of such Contractor Water Allotment stored at the annual peak storage occurring on or prior to July 15th of such water year, without regard to subsequent releases or evaporation or reasonably unpreventable leakage of such water and without regard to whether or not all or any part of such water has been carried over in storage from the prior Water Year, and shall be paid in full to the District by Contractor by July 31, 2022.

B. The annual price per acre foot for the Contractor Water Allotment allocated to the Contractor and stored in Stagecoach Reservoir and available for release to the Contractor in the next Water Year after 2022, and in each Water Year thereafter through the Water Year ending March 31, 2042, as stored at the annual peak storage occurring on or prior to July 15th of such Water Year, without regard to subsequent releases or evaporation or reasonably unpreventable leakage of such water and without regard to whether or not all or any part of such water has been carried over in storage from the prior year, shall be an amount equal to the greater of (i) the price per acre foot charged to the Contractor for the Contractor Water Allotment for the immediately prior Water Year, or (ii) the product obtained by multiplying the price per acre foot charged to the Contractor for the Contractor Water Allotment stored in the Reservoir and allocated to the Contractor for the immediately prior Water Year by a fraction, the denominator of which is the Consumer Price Index for All Urban Consumers ("CPI-U"), Denver-Aurora-Lakewood Metropolitan Area, "All Items" (1982 – 84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor (the "CPI") for the semi-annual period ending December 31 in the Water Year prior to the prior Water Year and the numerator of which is the CPI for the semi-annual period ending December 31 of the prior Water Year. In the event the Bureau of Labor Statistics discontinues publication of the CPI in the format existing as of the Effective Date then the District shall select a reasonably comparable price index, which index shall be substituted for the CPI in this paragraph. If the base year used in computing the CPI is changed, the adjustment to the purchase price shall be changed accordingly, so that all increases in the CPI are considered, notwithstanding any such change in the base year.

2. Unless otherwise agreed by the Contractor and District, for all Water Years after the Water Year ending February 28, 2042, the alternative pricing provided in Paragraph 1 above is terminated, the suspension of operation of Section 3.3 of the Agreement is terminated, and the annual

price per acre foot for the Contractor Water Allotment allocated to the Contractor and stored in Stagecoach Reservoir and available for release to the Contractor shall after February 28, 2042, be as provided in Section 3.3 of the Agreement..

3. Further Miscellaneous Amendments of the Agreement:

A. In Section 1(a), the total capacity of Stagecoach Reservoir is amended from 33,275 AF to 36,875 AF as a result of the expansion of the spillway of Stagecoach Dam.

B. Section 1(b) which described allocation of storage water contracts anticipated for Stagecoach Reservoir is deleted, inasmuch as Tri-State has terminated all of its allotment contracts of Stagecoach Reservoir storage water. The Contracted Water shall be stored as part of the Municipal/Industrial Pool of Upper Yampa, to be stored in the priority of such Contract Pool under the Stagecoach Fill Policy.

C. Add the following at the end of Section 2.1: “For purposes of this Contract, a Water Year shall be the 12-month period from March 1 in a year through February 28 of the subsequent year, unless the beginning and end of such Water Year is changed by the Division Engineer for Water Division 6. Storage water cannot be released and used by the Contractor for uses which have not been decreed absolute to the District, so as not to trigger directives by the Division or State Engineers against the District in subsequent water years to “paper fill” or subsequently restrict the fill rights of Stagecoach Reservoir. Specifically, the Contractor may not direct or control or contract to direct or control the allotted water for any use downstream of the confluence of the Elk River with the Yampa River for “instream flow or environmental or recreational uses (“IER Uses”)” without the prior written consent of the District, whose consent may be granted, denied, or conditioned in its sole discretion, since the District water rights for storage of Stagecoach Reservoir water may not include absolute decreed uses for IER purposes.

D. Delete the first sentence of Section 2.2 of the Agreement and insert the following in lieu thereof: “Except in times of emergency, the Contractor shall give at least 48 hours advance written notice to the District specifying the time and quantity of water requested to be released out of the Contractor Water Allotment in Stagecoach Reservoir. The parties acknowledge that the turbine capacity to release stored water through the outlet works of Stagecoach Reservoir is 105 cfs, and that the District may diminish the instantaneous rate of release of the Contractor Water Allotment after a request from Contractor, proportionally with diminishment of rates of releases of stored water to other contractees out of the Municipal/Industrial Pool without discrimination, to the extent that, in conjunction with other adjusted required release rates by the District, the maximum safe release rate of stored water and required bypasses through the outlet works is not exceeded.”

E. Pursuant to Section 3.2 of the Agreement, the Contractor did not give to the District written notice of its election to terminate its continuing right to purchase the Contractor Water Allotment annually from the District, so that the parties acknowledge and agree that the Contractor is now obligated to purchase the Contractor Water Allotment annually from the District pursuant to the Agreement as amended hereby for the life of Stagecoach Reservoir.

Draft Presented to UYWCD BOD October 20, 2021

EXCEPT AS ABOVE PROVIDED AND AMENDED, all terms, covenants, and provisions of the Agreement are hereby ratified and confirmed. The parties agree that this Amendment is for the purpose of resolving the purchase price for the water allocated to the Contractor for Water Years 2022 and following through until February 28, 2042, under the Agreement, as amended hereby, and to amend certain provisions of such Agreement, and this Amendment shall not apply to determination of the purchase price in Water Years subsequent to February 28, 2042 nor in anyway prejudice the rights of either party under the Agreement as amended hereby.

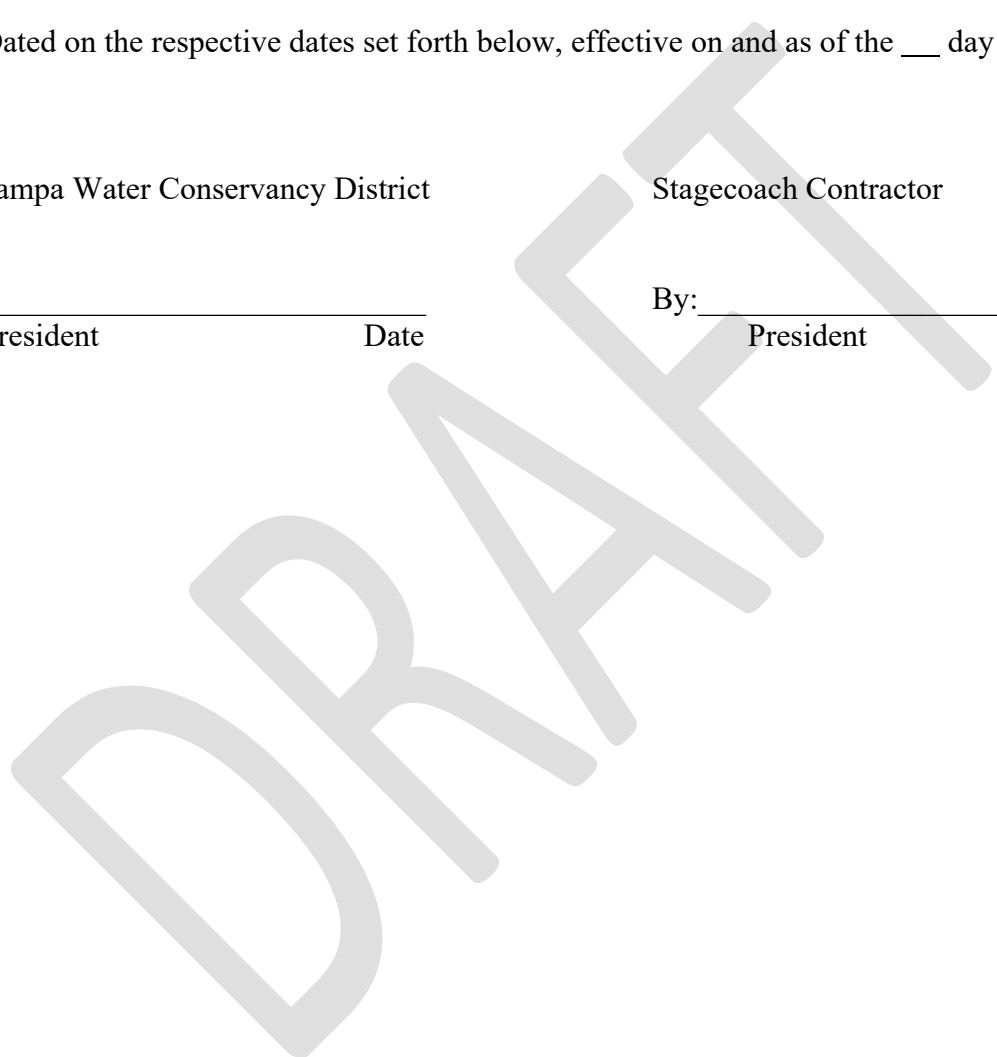
Dated on the respective dates set forth below, effective on and as of the ___ day of _____, 2021.

Upper Yampa Water Conservancy District

Stagecoach Contractor

By: _____
President Date

By: _____
President Date



COLORADO WATER TRUST 10-YEAR STAGECOACH RESERVOIR WATER STORAGE CONTRACT





BOARD COMMUNICATION FORM

From: Andy Rossi, General Manager

Date: 10/15/21

Item: Ten-Year Stagecoach Reservoir Water Storage Contract with Colorado Water Trust

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

A DRAFT ten-year Stagecoach Reservoir Environmental, In-stream, and Recreational Water Storage Contract (ERC) with the Colorado Water Trust (CWT) was presented for review at the May 19, 2021 regular meeting of the Upper Yampa Water Conservancy District (UYWCD) Board of Directors (BOD). The UYWCD BOD approved the DRAFT ten-year ERC contract for distribution to State of Colorado water management agencies for comment as the basis for an application to the Colorado Water Conservation Board's (CWCB) In-Stream Loan Program. Both the CWCB and the Colorado Division of Water Resources (CDWR) provided comments on the proposed contract.

A final version of the contract is presented with this communication for approval by the UYWCD BOD.

II. Alternatives:

Approve the ten-year Stagecoach Reservoir Environmental, In-stream, and Recreational Water Storage Contract with the CWT as presented.

Suggest edits to the proposed ten-year Stagecoach Reservoir Environmental, In-stream, and Recreational Water Storage Contract with the CWT.

III. Staff Recommendation:

Approve the proposed Ten-Year Stagecoach Reservoir ERC for a new Stagecoach Reservoir Water Contract with the following motion:



“The UYWCD BOD adopts the proposed Environmental, Instream, and Recreational Water Storage Contract for a new Stagecoach Reservoir water contracts with the inclusion of the suggested edits, as indicated, to the Draft contract document presented on October 20, 2021.”

IV. Legal Issues:

Stagecoach Reservoir Water Contract for more than 100 AF or longer than one year must be approved by the UYWCD BOD.

V. Consistency with Board Goals and Policies:

UYWCD Strategic Plan Objective 3.2

Attachments:

Attachment 1: Proposed Ten-Year Environmental, In-Stream, and Recreational Water Storage Contract

[DRAFT] WATER SUPPLY CONTRACT

Environmental, Instream & Recreational

This Water Supply Contract (“Contract”) is entered into _____, 202_ by and between **Upper Yampa Water Conservancy District**, a Colorado water conservancy district (“Upper Yampa”), and the **Colorado Water Trust** (“CWT”), a registered 501(c)(3) nonprofit organization (“CWT”) (individually, “Party”; together, “Parties”).

RECITALS

- A. Upper Yampa is a Colorado water conservancy district formed under the Water Conservancy Act, C.R.S. §§37-45-101 through 153, and is the owner and operator of Stagecoach Reservoir (hereinafter referred to as the “Reservoir”) located in Routt County, Colorado;
- B. CWT is a Colorado nonprofit organization dedicated to restoring streamflow to Colorado’s rivers in need through voluntary, market-based efforts;
- C. Upper Yampa has stored and expects to annually store water in the Reservoir on the Yampa River under the absolute storage water rights it owns (“Water Rights”). Upper Yampa’s Water Rights are set forth in EXHIBIT A, hereto;
- D. Upper Yampa has designated certain pools of water within the Reservoir for the purpose of administration of the storage and release of water from the Reservoir (individually, “Contract Pool”; collectively, “Contract Pools”). Upper Yampa has adopted a filling priority for the various contract pools under the District Fill Policy, as set forth in EXHIBIT A, hereto; and
- E. Upper Yampa desires to supply water to CWT from its Water Rights and subject to the terms of the District Fill Policy. CWT desires to purchase water from Upper Yampa to be released from the Reservoir to the Yampa River pursuant to the terms of this Contract.

NOW THEREFORE, in consideration of the mutual agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Upper Yampa and CWT agree as follows:

AGREEMENT

1. **Incorporation.** The Parties hereby incorporate by this reference the recitals set forth above.
2. **Term, Renewal & Project Contract Year.**
 - 2.1. **Term.** This Contract shall become effective upon approval of a temporary lease pursuant to C.R.S. § 37-83-105(b) by the Colorado Water Conservation Board (“Effective Date”). Unless otherwise terminated pursuant to the terms set forth herein, this Contract shall automatically expire ten (10) years (“Term”) following the Effective Date, that date being _____, 20__ (“Expiration Date”).

- 2.2. Renewal. This Contract is not renewable; however, the Parties may at any time prior to the Expiration Date enter into a new water supply contract.
 - 2.3. Project Contract Year. For the purposes of this Contract, "Project Contract Year" shall be the 12-month period from March 1 through the last day of February of the subsequent year, unless the beginning and end of such Project Contract Year is changed by the Division Engineer for Water Division 6.
3. **Source of Supply & Delivery.**
- 3.1. Storage & Delivery. Under the terms of this Contract and subject to physical water supply conditions, terms of the license issued to Upper Yampa by the Federal Energy Regulatory Commission, and the administration of the Water Rights by the State of Colorado, Upper Yampa agrees to store water in and release water from the Reservoir ("Contracted Water") at the request of CWT pursuant to the terms of this Contract.
 - 3.2. Source. The source of the Contracted Water shall be water stored in the Reservoir pursuant to Upper Yampa's Water Rights. Unless specified otherwise herein, it shall be within Upper Yampa's sole discretion which or what combination of its Water Rights and/or Contract Pools will be used to fulfil its obligations under this Contract.
 - 3.3. Point of Delivery. Upper Yampa will deliver the Contracted Water into the Yampa River at the discharge of the outlet of the Reservoir ("Point of Delivery"). Upper Yampa shall have no responsibility to transport or deliver Contracted Water at any other point aside from the Point of Delivery under this Contract.
 - 3.4. Hydropower. At Upper Yampa's sole discretion, delivery of Contracted Water shall be made following generation of hydropower at the facility located at Stagecoach Dam.
 - 3.5. Transit Losses. CWT shall bear carriage and transit losses for the Contracted Water released by Upper Yampa from the Point of Delivery to its place of use in such amounts as are determined by the Division Engineer for Water Division 6.
4. **Ownership & Operation.** It is expressly acknowledged that Upper Yampa shall be solely responsible for operating, repairing, maintaining, enlarging, permitting, changing, renovating, or modifying the Reservoir, and that Upper Yampa shall be the sole owner of the Water Rights and the dam and all facilities and all lands used in connection with the construction, operation, repair, maintenance, enlarging, permitting, changing, renovating, or modifying the Reservoir and all facilities in which Upper Yampa has ownership or rights that provide supplies of water for storage in the Reservoir. In no event shall CWT be liable for any direct, indirect, special, incidental, or consequential damages arising out of or attributable to Upper Yampa's activities, ownership, or interests as described in this Section 4. Nothing in the previous sentence bars claims against CWT by Upper Yampa under this Contract or arising out of or attributable to negligent or other tortious conduct of CWT.
5. **Records, Accounting & Inspection.**
- 5.1. Upper Yampa shall maintain records of all releases of water from storage in the Reservoir, and shall maintain records of water levels in the Reservoir measured not less frequently than once

- per week. CWT shall be entitled to inspect such records and copies shall be furnished to CWT upon written request.
- 5.2. The Parties agree to communicate, coordinate, and cooperate, if needed, on any required or desired water use accounting.
- 5.3. Upper Yampa grants to CWT's staff and any of its professional consultants access to the Reservoir and Stagecoach Dam at reasonable times and under reasonably protective terms and conditions.
6. **Volumes.** For the purposes of this Contract, a "Volume" shall refer to a specific amount of Contracted Water stored by Upper Yampa that may be released at the request of CWT. Such water shall be allocated to one (1) of three (3) Volumes, each of which is subject to varying terms as set forth in ¶¶ 6.1 – 6.3, below.
- 6.1. **Volume 1**
- 6.1.1. Amount. Each Project Contract Year during the Term of this Contract, Upper Yampa shall allocate ____ acre-feet ("af") of water to Volume 1 from its General Supply Pool. Upper Yampa will notify CWT if the full amount of Volume 1 is in storage in the Reservoir no later than June 1 of each Project Contract Year during the Term of this Contract.
- 6.1.2. Releases. CWT may request releases of the water allocated to Volume 1 pursuant to the procedure set forth in ¶ 7, below. Contracted Water in Volume 1 shall be reserved exclusively for CWT and shall be released from storage only upon the specific request of CWT.
- 6.1.3. Payment. CWT shall make payment(s) to Upper Yampa as detailed in section 8 of this agreement no later than October 31 of each Project Contract Year during the Term. Such payments shall represent payment in full for the entire amount of water stored in Volume 1 regardless of whether CWT actually requests the release(s) of any or all such water.
- 6.1.4. Reversion of Interest. There shall be no book-over of any water in Volume 1 remaining in storage at the end of each Project Contract Year. Any and all interest CWT may have to water remaining in storage in Volume 1 at the end of the applicable Project Contract Year shall automatically expire and shall revert to Upper Yampa.
- 6.1.5. Seepage & Evaporation.
- 6.1.5.1. Upper Yampa shall allocate and charge any seepage and evaporation losses from water stored in the Reservoir against the Emergency Remainder Pool, and if there is insufficient water stored in the Emergency Remainder Pool, against the next most senior of the Contract Pools in ascending order of priority until all evaporation is accounted for and charged.
- 6.1.5.2. If evaporation is charged against the General Supply Pool, then Upper Yampa shall first charge the evaporation against the unallocated water in the General Supply Pool, and only if there is seepage and evaporation that still needs to be accounted for, then against water allocated to Volume 1 on a pro rata basis with other water that is stored and allocated to other water users in the General Supply Pool.
- 6.1.6. Insufficient Supply & Abatement.

6.1.6.1. If insufficient water is stored in the Reservoir to supply the full Contract Pools as measured at time of peak annual storage as reasonably determined by Upper Yampa, then the amount of water captured by Upper Yampa to fill the Reservoir shall be allocated for filling purposes to the Contract Pools in descending order of priority so that each Contract Pool is filled before allocation of any storage water to the next lower Contract Pool. Parties holding water from a Contract Pool that does not completely fill due to insufficient water available to that Contract Pool shall abate and share proportionately in any shortfall of stored water in that Contract Pool. If any part of the water allocated to CWT by this Contract is reduced by such abatement, Upper Yampa shall notify CWT in writing of such fact, and of the amount of the reduction in such water, by July 25th of each Project Contract Year and in the absence of such notice, the full amount of water for CWT shall be deemed to have been in storage on or prior to July 15th of each Project Contract Year. CWT will be credited against that Project Contract Year's contract purchase price for the amount of such abatement shortage in acre-feet allocated to CWT, multiplied by that Project Contract Year's purchase price per acre-foot.

6.2. Volume 2

- 6.2.1. Amount. No later than April 1 of each Project Contract Year during the Term of this Contract, Upper Yampa shall provide written notice to CWT whether it will allocate water to Volume 2. Should Upper Yampa elect to allocate water to Volume 2, the notice sent to CWT shall include: (a) the amount of water Upper Yampa will allocate to Volume 2, (b) the Contract Pool from which the allocation is derived, (c) the timing of the availability of such water, and (d) the price per acre-foot of such water should it differ from the price for water stored in Volume 1.
- 6.2.2. Releases. If Upper Yampa elects to allocate water to Volume 2, CWT may request releases of the water stored in Volume 2 pursuant to the procedure set forth in ¶ 7, below. Water allocated to Volume 2 by Upper Yampa need not be reserved exclusively for CWT and may be released from storage for use by third-parties in the event Upper Yampa does not have other stored water then-available to meet that third-party's demand. In the event Upper Yampa elects to release water stored in Volume 2 to a third-party, Upper Yampa shall provide timely written notice to CWT of the amount then remaining in Volume 2, if any.
- 6.2.3. Payment. CWT shall make payment to Upper Yampa for all water actually released from the Volume 2 by Upper Yampa pursuant to the specific request of CWT. CWT shall make payment to Upper Yampa for the full amount actually released from Volume 2 prior to the beginning of the next Project Contract Year.
- 6.2.4. Reversion of Interest. There shall be no book-over of any water in Volume 2 remaining in storage at the end of the Project Contract Year. Any and all interest CWT may have to water remaining in storage in Volume 2 at the end of the applicable Project Contract Year shall automatically expire and shall revert to Upper Yampa.
- 6.2.5. Seepage & Evaporation. CWT shall bear no responsibility for seepage or evaporative losses from water allocated to Volume 2.

6.2.6. Insufficient Supply & Abatement. In the event of insufficient supply, as described in ¶ 6.1.6.1, above, Volume 2 shall be abated and share proportionately in any shortfall of stored water in the Contract Pool from which Volume 2 was allocated by Upper Yampa and such amount shall be automatically subtracted from the amount of water, if any, then allotted to Volume 2. In the event of such abatement, Upper Yampa shall provide timely written notice to CWT of the amount then remaining in Volume 2, if any.

6.3. Volume 3

6.3.1. Amount. At any time during the Project Contract Year during the Term of this Contract, Upper Yampa may elect to allocate water to Volume 3. Should Upper Yampa elect to allocate water to Volume 3, the notice sent to CWT shall include: (a) the amount of water Upper Yampa will allocate to Volume 3, (b) the Contract Pool from which the allocation is derived, (c) the timing of the availability of such water, and (d) the price per acre-foot of such water should it differ from the price for water stored in Volume 1. At any time during the Project Contract Year, CWT may inquire of Upper Yampa whether any water is then available to be allocated to Volume 3. Upper Yampa shall provide CWT a timely response to such inquiry.

6.3.2. Releases. If Upper Yampa elects allocate water to Volume 3, CWT may request releases of the water allocated to Volume 3 pursuant to the procedure set forth in ¶ 7, below. Water allocated to Volume 3 by Upper Yampa need not be reserved exclusively for CWT and may be released from storage for use by other third-parties at Upper Yampa's sole discretion. In the event Upper Yampa elects to release water stored in Volume 3 to a third-party, Upper Yampa shall provide timely written notice to CWT of the amount then remaining in Volume 3, if any.

6.3.3. Payment. CWT shall make payment to Upper Yampa for all water actually released from Volume 3 by Upper Yampa pursuant to the request(s) of CWT. CWT shall make payment to Upper Yampa for the full amount actually released from Volume 3 prior to the beginning of the next Project Contract Year.

6.3.4. Reversion of Interest. There shall be no book-over of any water in Volume 3 remaining in storage at the end of the Project Contract Year. Any and all interest CWT may have to water remaining in Volume 3 at the end of the applicable Project Contract Year shall automatically expire and shall revert to Upper Yampa.

6.3.5. Seepage & Evaporation. CWT shall bear no responsibility for seepage or evaporative losses from water stored in Volume 3.

6.3.6. Insufficient Supply & Abatement. In the event of insufficient supply, as described in ¶ 6.1.6.1, above, Upper Yampa may reduce the amount allocated to Volume 3 at its discretion. In the event of such abatement, Upper Yampa shall provide timely written notice to CWT of the amount then remaining in Volume 3, if any.

7. **Release Requests**. CWT may request releases of Contracted Water from any one or more of the Volumes then containing water pursuant to the terms of this Contract. Such release requests shall be subject to the procedure set forth in ¶¶ 7.1 – 7.3, below.

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- 7.1. CWT shall send a written request to Upper Yampa containing the following information concerning the requested release: (a) Volume(s), (b) amount (af), (c) release rate (cfs), (c) start date, and (d) end date (together, "Release Schedule"). Except in times of emergency, CWT shall deliver the written request at least forty-eight (48) hours prior to the requested date of release.
- 7.2. Upper Yampa will make a reasonable effort to accommodate CWT's requested Release Schedule. However, CWT recognizes that Upper Yampa may use releases from the Reservoir to generate hydropower at the outlet of the Stagecoach Dam and other operational constraints may exist.
- 7.3. Following receipt of CWT's release request, Upper Yampa shall timely respond to CWT in writing: (a) confirming the Release Schedule will be followed, or (b) stating that the Release Schedule cannot be accommodated, the reason therefor, and a proposed alternate Release Schedule. In the latter event, Upper Yampa and CWT shall coordinate on mutually agreeable Release Schedule.

8. Purchase Price & Payments.

- 8.1. Volume 1. The annual price per acre-foot for the Contracted Water stored in the Volume 1 shall be an amount equal to the greater of: (a) _____ per af [price set forth in the Water Marketing Policy dated [March __, 2021] or (b) _____ per af [price set forth in the Water Marketing Policy dated [March __, 2021] multiplied by a fraction, the denominator of which is the Consumer Price Index for All Urban Consumers, Denver-Boulder-Greeley Metropolitan Area, "All Items" (1982 – 84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor (the "CPI") for the semi-annual period ending December 31 in the Project Contract Year prior to the First Project Contract Year and the numerator of which is the CPI for the semi-annual period ending December 31 of the prior Project Contract Year. In the event the Bureau of Labor Statistics discontinues publication of the CPI in the format existing as of the Effective Date, then Upper Yampa shall select a reasonably comparable price index, which index shall be substituted for the CPI in this paragraph. If the base year used in computing the CPI is changed, the adjustment to the purchase price shall be changed accordingly, so that all applicable increases in the CPI are considered, notwithstanding any such change in the base year.
- 8.2. Volumes 2 & 3. The annual purchase price for water in Volumes 2 and 3 shall be specified in the notice(s) identified in ¶¶ 6.2.1 and 6.3.1, respectively, above.
- 8.3. Payments. The annual payments for the Contracted Water released pursuant to the request of CWT shall be made by CWT to Upper Yampa on the dates specified in ¶¶ 6.1.3, 6.2.3, or 6.3.3, as applicable, above. Any annual payment not made within thirty (30) days after the due date shall bear interest at the rate of twelve percent (12%) per annum until paid. CWT shall not be permitted to withhold any payment required for any reason whatsoever, except only in the event the full amount for Volume 1 has not been stored in the Reservoir by April 1 as described in ¶ 6.1.1, above.

9. Use, Reuse, & Sub-Contracting.

- 9.1. Use & Reuse. CWT shall be entitled to use, successively reuse, and use to extinction any and all Contracted Water released by Upper Yampa pursuant to this Contract. For the purposes of

this Contract, "use" shall be understood to include use, successive use, and reuse to extinction.

- 9.2 **Subcontracting.** CWT shall be entitled to sub-contract with third-parties for use of Contracted Water released by Upper Yampa pursuant to this Contract, including without limitation, the Colorado Water Conservation Board, the City of Steamboat Springs, and/or Upper Colorado River Endangered Fish Recovery Program. No instream flow use of the Contracted Water shall be made absent an agreement with the Colorado Water Conservation Board for such use. Payments made to CWT by a third-party pursuant to a sub-contract shall be at the discretion of CWT and shall belong exclusively to CWT. Notwithstanding anything elsewhere contained in this Contract, any use of the Contracted Water outside the boundaries of the District must be in compliance with C.R.S § 37-45-118.
- 9.3. **Type and Location of Use.** The Contracted Water may be used instream in the Yampa River channel or outside of the Yampa River channel for beneficial uses, including without limitation, instream flow, water quality, municipal, industrial, agricultural, augmentation, exchange, piscatorial, and domestic purposes. Initial use of the Contracted Water must occur within Upper Yampa's boundaries as they currently exist or may exist in the future. Subsequent use or reuse of the Contracted water may either occur within or outside of Upper Yampa's boundaries as they currently exist or may exist in the future.
- 9.4. **Limitations.** Notwithstanding the above, the Contracted Water shall not be used to provide water supply to any parcel of land that was previously served with water rights that were either: (a) conveyed out of the Upper Yampa District Boundary or (b) changed from irrigation to another use resulting in fallowing of the previously irrigated land. Likewise, CWT shall not supply any Contracted Water to a third-party that prematurely terminates an existing water supply contract with Upper Yampa for the purposes of entering a sub-contract with CWT at a price lower than the price that the third-party agreed to pay under its prematurely-terminated contract with Upper Yampa.
10. **Legal Approvals.** In the event CWT requires legal or administrative approval(s) to use the Contracted Water for its anticipated beneficial use, CWT shall be solely responsible for applying for and obtaining such approval(s). As reasonably requested by the CWT, Upper Yampa will cooperate with CWT in fulfilling CWT's responsibilities as described in this ¶ 10.
11. **Termination.**
- 11.1. This Contract may be terminated only as described herein, or upon mutual agreement of the Parties.
- 11.2. Either Party may terminate this Contract for a material breach of the terms of this Contract by the other Party; provided that the terminating Party has first given at least sixty (60) days prior written notice specifying in detail such material breach and giving the other Party the right within such sixty (60) day period to cure and remedy such material breach.
- 11.3. Either Party may terminate this Contract if its legal ability to deliver Contracted Water is materially impaired or is eliminated because of the termination or adverse modification of

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permits, decrees, or other authorizations or legal or administrative findings that are necessary to deliver the Contracted Water pursuant to this Contract; provided that the terminating Party has first given at least sixty (60) days prior written notice to the other Party specifying the issue and steps taken to resolve the issue.

11.4. Upper Yampa may also terminate this Contract if it reasonably believes that any legal or administrative proceedings initiated by CWT as contemplated in ¶ 10, above, materially threatens or interferes with Upper Yampa's authority to contract for delivery of Contracted Water or in any other way may injure Upper Yampa's Water Rights, permits, or other interests associated with Upper Yampa's Water Rights or the Reservoir or Reservoir operations.

11.5. Notice of Termination. Either Party may notify the Division Engineer and any other appropriate governmental officials of any termination of this Contract. Such notice will be provided in writing and will include a contemporaneous copy to the other Party.

12. **Force Majeure**. In the event either Party is unable to perform its obligations under the terms of this Contract because of acts of God; natural disasters; actions or omissions by governmental authorities; unavailability of supplies or equipment critical to perform; major equipment or facility breakdown; and changes in Colorado or federal law, including, without limitation, changes in any permit or other causes reasonably beyond that Party's control, such Party shall not be liable to the other Party for any damages resulting from such failure to perform or otherwise from such causes.

13. **Remedies**.

13.1. Notice of Breach. Prior to commencing any action for enforcement of this Contract, the Party alleging a material breach of this Contract shall give the other Party no less than sixty (60) days prior written notice specifying in detail such material breach and giving the other Party the right within such sixty (60) day period the opportunity to cure and remedy such material breach.

13.2. Available Relief. Specific performance, restraining order(s) and/or injunctive relief shall be the exclusive remedy or remedies for the violation or default by a Party in any provision of this Contract, including Upper Yampa's ability to collect sums of money required to be paid by CWT, including interest.

13.3. Award of Attorney's Fees & Costs. In the event of litigation between the Parties with respect to this Contract, the Party substantially prevailing in such litigation shall recover from the other Party all reasonable attorneys' fees and costs of discovery and suit incurred by the substantially prevailing Party unless otherwise determined by a Court in equity.

14. **Notice**. Any notice required or permitted to be given by a Party under or in connection with this Contract shall be in writing and shall be deemed duly given when personally delivered or sent by: (a) registered or certified mail, return receipt requested, postage prepaid, (b) expedited courier service, or (c) email with confirmation of receipt, to the following addresses:

If to Upper Yampa: Upper Yampa Water Conservancy District

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Attention: General Manager
P.O. Box 775529
Steamboat Springs, Colorado 80477
Email: arossi@upperyampawater.com

If to Contractor: Colorado Water Trust
Attention: Director of Programs
3264 Larimer St., Suite D
Denver, CO 80205
Email: mohara@coloradowatertrust.org

With a copy to: Colorado Water Trust
Attention: Staff Attorney
3264 Larimer St., Suite D
Denver, CO 80205
Email: agould@coloradowatertrust.org

Each party may change its address or contact information for notices under this Contract upon written notice to the other Party in accordance with this paragraph.

15. Miscellaneous.

- 15.1. Choice of Law. This Contract shall be construed in accordance with the laws of the State of Colorado, without reference to conflicts of laws.
- 15.2. No Joint Venture. Notwithstanding any language in this Contract or any representation or warranty to the contrary, none of the Parties shall be deemed or constitute a partner, joint venturer, or agent of the other Parties. Any actions taken by the Parties pursuant to this Contract shall be deemed actions as an independent contractor of the other.
- 15.3. Assignment.
 - 15.3.1. This Contract may be assigned by Upper Yampa without the prior written consent of CWT to any entity that succeeds Upper Yampa in the ownership of the Reservoir, and Upper Yampa or such successor may collaterally assign the proceeds of this Contract to any entity providing financing to Upper Yampa or its successor.
 - 15.3.2. This Contract shall not be assigned by CWT without the prior written consent of Upper Yampa. Such consent may be conditioned or withheld by Upper Yampa in its discretion, provided that any withholding of consent or conditions be reasonable.
- 15.4. Heirs & Assigns. This Contract shall inure to and be binding on the heirs, executors, administrators, successors, and permitted assigns of the Parties.
- 15.5. Amendment. No amendment, modification, or novation of this contract or its provisions and implementation shall be effective unless subsequently documented in writing that is approved and executed by both Parties with the same formality as they have approved and executed the original Contract.
- 15.6. Waiver. No waiver of any of the provisions of this Contract shall be deemed to constitute a waiver of any other of the provisions of this Contract, nor shall such waiver constitute a

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continuing waiver unless otherwise expressly provided herein, nor shall the waiver of any default hereunder be deemed a waiver of any subsequent default hereunder.

- 15.7. Severability. If any provision of this Contract is held illegal or unenforceable in a judicial proceeding, such provision shall be severed and shall be inoperative, and the remainder of this Contract shall remain operative and binding on the Parties.
- 15.8. Merger. This Contract constitutes the entire Contract between the Parties and sets forth the rights, duties, and obligations of each to the other as of the Effective Date. Any prior Contracts, promises, negotiations, or representations not expressly set forth in this Contract are of no force and effect.
- 15.9. No Third-Party Beneficiaries. This Contract does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. It is expressly understood and agreed that enforcement of the terms and conditions of this Contract and all rights of action relating to such enforcement shall be strictly reserved to the Parties.
- 15.10. Headings. The headings contained in this Contract are for reference purposes only and shall not affect in any way the meaning or interpretation of this Contract.
- 15.11. Non-Discrimination. The Parties will fulfill their obligations under this Contract without discriminating, harassing or retaliating on the basis of race, color, national origin, ancestry, sex, age, pregnancy status, religion, creed, disability sexual orientation, genetic information, spousal or civil union status, veteran status, or any other status projected by applicable law.
- 15.12. Authority. Each Party represents that it has obtained all necessary approvals, consents, and authorizations to enter into this Contract and to perform its duties under this Contract; the person executing this Contract on its behalf has the authority to do so; upon execution and delivery of this Contract by the Parties, it is a valid and binding contract, enforceable in accordance with its terms; and the execution, delivery, and performance of this Contract does not violate any bylaw, charter, regulation, law or any other governing authority of the Party.

[Remainder of page intentionally blank. Signatures to follow.]

**Exhibit A:
Stagecoach Reservoir Fill and Release Policy
(UYWCD Resolution 2021-2)**

DRAFT

January 20, 2021

RESOLUTION NO. 2021-2

A RESOLUTION

ADOPTING STAGECOACH RESERVOIR FILL AND RELEASE POLICIES.

WHEREAS, the Upper Yampa Water Conservancy District ("District") constructed, owns, and operates Stagecoach Reservoir located in Routt County, Colorado on the Yampa River; and

WHEREAS, the District is empowered pursuant to C.R.S. § 37-45-134 to make and enforce all reasonable rules and regulations for the management, control delivery, use and distribution of water; and

WHEREAS, the Board of Directors of the District ("Board") desires to adopt the attached fill and release policies for Stagecoach Reservoir, which the Board finds to be reasonable rules and regulations for the management, control, delivery, use and distribution of water, which maximize the beneficial use of water available for storage and release from Stagecoach Reservoir and which are consistent with all permits, approvals and contractual commitments of the District and the requirements of law for the operation of Stagecoach Reservoir.

NOW THEREFORE, be it resolved that the Upper Yampa Water Conservancy District Stagecoach Reservoir Fill and Release Policy attached hereto is approved and adopted effective January 20, 2021.

**UPPER YAMPA WATER
CONSERVANCY DISTRICT**

Ken Brenner

By: Ken Brenner (Jan 25, 2021 15:21 MST)

ATTEST



Andy Rossi, Secretary

Upper Yampa Water Conservancy District
Stagecoach Reservoir Fill and Release Policy

I. General Policy

The Upper Yampa Water Conservancy District (" District") has constructed and owns and operates a dam and reservoir known as Stagecoach Reservoir in Routt County, Colorado for the purpose of supplying water within its boundaries. The dam and reservoir are located on the Yampa (Bear) River upstream from the City of Steamboat Springs. The total storage capacity of the Reservoir is approximately 36,439 acre-feet. Water is stored in Stagecoach Reservoir pursuant to various water rights owned by the District. The storage and release of water to meet the needs of water customers holding water contracts with the District is the primary function of the reservoir. Use of the Reservoir as a recreational amenity and for generation of green hydroelectric energy are important ancillary benefits to the storage and releases of water but remain secondary to providing water to the District's allotment and augmentation contract customers. The District recognizes the need to adapt to the variability of precipitation throughout the year and over successive years in adopting these policies on reservoir filling and release. The District will continue to work towards making its system a reliable source of water for the District' s constituents by improvements in its operation of existing projects and contemplation of new projects that may change these policies in the future. To that end the District Board adopts these policies for the operation of Stagecoach Reservoir.

II. Filling Policies

Stagecoach Reservoir typically fills during spring runoff and releases water under allotment contracts in the late summer and fall of the year. Water is stored under decreed water rights owned by the District in order to best meet the needs of its constituents. Water accounting will be done in accordance with the laws of the State of Colorado. Water accounting procedures subject to these policies will be developed by UYWCD staff in consultation with the Division Engineer and approved by the Board.

A. Water Rights

1. Water Rights Decreed for Storage

Water rights decreed for storage in Stagecoach Reservoir. The following absolute and conditional water rights are decreed for storage in Stagecoach Reservoir:

WATER RIGHT				AMOUNT					ADMIN NO.	APPROP. DATE
Agricultural HCU Credits/Ditch Rights (below per 95CW078)¹				518.4 AF absolute						
Ditch	April	May	June	July	Aug	Sept	Oct	Total (AF)		
Yellow Jacket	0.5	16.5	52.1	48.9	23.8	5.5	0.7	148.0	14175.00000 33782.25353	10/22/1888 06/01/1919
Union	1.5	20.7	165.3	154.7	36.4	2.9	0	381.5	14563.00000 33782.24988	11/14/1889 06/01/1918
Union reduction ²	1.3	18.7	149.1	139.5	32.8	2.6	0	344.0	n/a	n/a
Little Chief	0.8	4.8	12.3	6.8	1.6	0.1	0	26.4	20450.19968 33782.25353	09/02/1904 03/01/1919
Total	2.6	40.0	213.5	195.2	58.2	8.2	0.7	518.4		
Four Counties Ditch No. 1 and No. 3 (Priority 40)				184.8 cfs (366.55 AF/day) absolute 571.2 cfs (1,133 AF/day) conditional					39599.00000	06/02/1958
Bear Reservoir				11,614.2 AF absolute					40815.00000	09/30/1961
Pleasant Valley Reservoir				20,854 AF absolute/ 9,246 AF conditional³					41727.39991	06/29/1959
Pleasant Valley Feeder Canal				300 cfs (600 AF/day) conditional					41727.39991	06/29/1959
Four Counties Ditch No. 3 Enlargement and Extension (Priority 45)				394 cfs (781.5 AF/day) conditional					41727.41412	05/20/1963
Bear Reservoir Enlargement				3,928 AF conditional					44559.44488	10/21/1971
Bear/Stagecoach Reservoir 2nd Filling				6,670 AF absolute					53691.53386	03/01/1996

1. Case No. 95CW078 changed these water rights for storage in Stagecoach Reservoir and allows for evaporation and augmentation and other uses under respective priorities.
2. Union Ditch consumptive use reduced for wetland development and maintenance, water supply for waterfowl ponds and recreation uses in Case No. 95CW78.
3. 40,720 AF total per Case No. W-946-76, minus 20,854 AF absolute, minus 10,620 AF transferred to Morris on Creek Reservoir in Case No. 07CW061

Decreed Uses:

	Bear Reservoir (1st & Enlg.)	Bear Reservoir Refill	Pleasant Valley Reservoir	Four Counties P-40	Four Counties P-45	Agricultural HCU Credits
Irrigation	x	x	x	x	x	x
Stock	x	x	x			x
Domestic	x	x	x	x	x	x
Municipal	x	x	x	x	x	x
Industrial	x	x	x	x	x	x
Fish	x	x				x
Recreation	x	x		x	x	x
Aesthetics		x				
Evaporation			x			x
Power		x	x	x	x	x
Energy				x	x	
Mining				x	x	
Augmentation	x	x	x	x	x	x
Exchange	x	x	x	x	x	x

2. Start of Fill

The start of fill date for Stagecoach Reservoir is March 1 of each year.

3. Carry Over Storage

On the start of fill date, the total water supply stored under the Bear Reservoir 1st Fill storage right, Pleasant Valley Reservoir 1st Fill storage right, Bear Reservoir Enlargement storage right, and Bear Refill storage right for multiple uses is first allocated to the Bear Reservoir storage right up to a maximum of 11,614.2 AF, then it is allocated to the Pleasant Valley Reservoir storage right first in an amount up to the maximum decreed absolute volume and then in an amount up to the maximum decreed conditional volume, finally, any remaining storage is allocated to the Bear Reservoir Enlargement storage right first in an amount up to the maximum decreed absolute volume and then in an amount up to the maximum decreed conditional volume. In addition, the total water supply stored under the Bear Reservoir 1st Fill storage right, Pleasant Valley Reservoir 1st Fill storage right, Bear Reservoir Enlargement storage right, and Bear Refill storage right for non-augmentation uses is allocated in a similar manner, taking into account storage supplies already allocated to these rights for multiple uses. Storage

allocations to the Four Counties Ditch No. 1 and No.3, the Four Counties Ditch No. 3 Enlargement and Extension, the Yellow Jacket Ditch, the Union Ditch, and the Little Chief Ditch will be accounted for from the start of fill date in a manner presented to the Colorado Division of Water Resources by the District in the annual Stagecoach Reservoir accounting data.

4. First Fill

After the start of fill date, the remaining capacity in Stagecoach Reservoir shall be filled under the water rights set forth above in order of seniority, storing first up to the maximum decreed absolute volumes.

5. Second Fill

After the start of fill date, any remaining capacity not carried over in Stagecoach Reservoir shall be filled under the water rights set forth above in order of seniority, to the extent each priority is available for storing. After the commencement of the first fill, evaporation and seepage during the water year shall be replaced by utilization of the water stored under the Yellow Jacket, Union and Little Chief Ditches, the Four Counties No. 1 and No. 3 rights, and the Pleasant Valley Reservoir 1st Fill water rights, in order of seniority. After a completed first fill of the Reservoir, and release of water from pools as described in Section III below, additional storable inflow may be stored during the remainder of the water year and allocated to the Stagecoach 2nd Filling water right.”

6. Augmentation Use

The water rights listed in paragraph II(A)(1) above were changed to add and include as beneficial uses, appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses. The priority date for such additional uses for each of the water rights is the original decreed priority date with the exception of the Bear Reservoir and Pleasant Valley Reservoir water rights, which have a priority date for such additional uses of June 29, 2001. If water is stored under the Bear Reservoir and Pleasant Valley Reservoir water rights and/or any other water rights decreed for augmentation use at such time that such water rights are not in priority for augmentation uses but are in priority for other uses, the District shall account separately for such water stored for purposes other than augmentation and such water shall not be released for augmentation purposes in the year of storage or afterwards but may be released for all other purposes.

7. Other Conditional Rights

In any year which the Bear Reservoir Enlargement, Pleasant Valley Reservoir conditional water rights, Pleasant Valley Feeder Canal conditional rights and remaining conditional water rights in Four Counties Ditch Nos. 1 and 3 and Four Counties Ditch No. 3 Enlargement and Extension are in priority when filling under the first fill, the District will fill under such rights and seek to make more of such rights absolute.

8. Filling Priority

The District has designated certain pools of water within the Reservoir for the purpose of contracting water. Contracts will be written and assigned to specific pools within the reservoir and contracts within each pool shall have equal priority (abated proportionally) when the pool contains water. Filling priority of Pools in the Reservoir shall be as follows:

- 1) 9,000 AF "Municipal/Industrial Pool"
- 2) 2,000 AF "Augmentation Pool"
- 3) 4,000 AF "General Supply Pool"
- 4) 3,164 AF "Raise Pool"
- 5) 3,275 AF "Preferred Remainder Pool"
- 6) 15,000 AF "Emergency Remainder Pool"

9. Description of Pools

a. Municipal/Industrial

The Municipal/Industrial Pool currently consists of:

9,000 acre-feet allocated for municipal and industrial uses pursuant to existing and future contracts between the District and such contracting entities, or the approved municipal or industrial allottees of water from Stagecoach Reservoir who contract for all or part of the 9,000 acre-feet allotted to such pool ("Municipal/Industrial Pool").

Water stored in the Municipal/Industrial Pool is available for release to municipal and industrial users including community water systems

serving residential subdivisions and recreational in-channel diversions decreed to municipalities.

b. The Augmentation Pool

The Augmentation Pool currently consists of:

2,000 acre-feet of water allocated for augmentation use pursuant to the decree entered in Case No. 06CW49, Water Division 6 ("Master Augmentation Pool").

c. The General Supply Pool

The General Supply Pool currently consists of:

4,000 acre-feet of water allocated for agricultural, environmental, and recreational uses, and for municipal and industrial uses if the Municipal/Industrial Pool described above becomes fully subscribed. 192-acre feet is currently allotted to Brian Stahl et al.

d. The Raise Pool

The Raise Pool Currently consists of:

3,164 acre-feet of water not currently under contract which represents the increase in capacity of Stagecoach Reservoir resulting from the raise in the level of the spillway completed in 2011, and which may be contracted for any beneficial uses approved by the Board.

e. The Preferred Remainder Pool

The Preferred Remainder Pool currently consists of:

3,275 acre-feet of water not currently under contract which represents the remaining capacity of Stagecoach Reservoir not allocated to the pools described in paragraphs II(A)(10)(a) through (d) above or II(A)(10)(f) below. It is anticipated that water stored in this Preferred Remainder Pool will not be contracted long term by the District so long as stored water is available to be allocated from the pools described in paragraphs II(A)(10)(a) through (d) above.

f. The Emergency Remainder Pool

The Emergency Remainder Pool currently consists of:

14,000 acre-feet of water not currently under contract which represents the remaining capacity of Stagecoach Reservoir not allocated to the pools above 1,000 AF of Sediment Storage, physically dead storage, and water that has limited hydraulic capacity for release.

III. Management of the Pools

A. Start of Year Allocation

The water available in Stagecoach Reservoir on March first and any subsequent fill shall be allocated to the pools listed in paragraph II(A)(9) in order until each pool is completely filled before allocating any water to the next Pool. If insufficient water is available in any Pool to supply water to all parties holding contracts for delivery of water from that Pool, the water available for delivery to each contract holder shall be reduced proportionally, based upon the respective amounts of maximum contract allotments under the existing contracts from such Pool.

B. Commitment of Reservoir Pools

When Stagecoach Reservoir is completely filled, all contracts and commitments made in previous documents are fully served, including all contractual obligations and non-contract obligations of in-reservoir recreation storage. Thus, when the reservoir is full, with the exception of evaporation and releases from storage for minimum stream flow, 18,275 AF will be left after contract releases for the year, until and unless the Preferred Remainder Pool is contracted to allottees in the future.

C. Post Billing Fill

When water is not available to fill the Reservoir by July 15 in any year, the Emergency Remainder Pool, first, and then thereafter the Preferred Remainder Pool will be shorted and reduced by the amount of the fill shortage. Thus, contractual obligations will be available within Stagecoach Reservoir at a volume of 18,164 AF (elev. 7178.7 or 25.3 ft. below spillway elevation = 7204 ft.). In any year where Stagecoach Reservoir is not full by July 15 and storable inflow is available between July 15 and March 1 of the following year such storage will be made available to the unfilled pools in the order of the priority of pools set forth in Section 9 above, to be available during the water year of

such filling . Such additional water made available to a previously unfilled pool will be made available proportionally among all allottees holding contracts from such pool, up to the amount in each instance such allottee was shorted or curtailed before such additional water storage became available. If only the Emergency Remainder Pool and/or the Preferred Remainder Pool were not filled in such water year, then the additional post-July 15 storable inflow will be allocated to supply these pools, applied first to the Preferred Remainder Pool up to the amount it was shorted.

IV. Release Policies

A. Release Operations

Except as otherwise required under the District' s existing contracts for the delivery of water, releases of water pursuant to contract shall be made from the pool specified in the contract. Where feasible, Stagecoach Reservoir releases pursuant to contract will be made through the Districts hydro-power generation facilities. Use of the Jet Flow valve may be made in times of emergency if necessary, for structural concerns, control of dissolved oxygen levels downstream of the dam, or to minimize spilling over the dam crest for environmental concerns. These operational constraints made due to permitting requirements of the power plant through the Federal Energy Regulatory Commission (FERC) will be considered "Hydro" releases.

B. Outlet Capacity and ramping

Because of limited outlet capacity, the total instantaneous rate for contract releases at which water may be released from Stagecoach Reservoir will not exceed turbine capacity or the maximum instantaneous rate of release specified in an allotment contract, whichever is less. The District will make requested releases as soon as operationally possible (typically within 24 hours during the work week). Requested releases will be made in accordance with the District' s ramping rate practices and current water order and release schedules.

C. Evaporation

Evaporation for the entire Stagecoach Reservoir will be applied and debited solely against the Emergency Remainder Pool.

D. Minimum Streamflow releases

Required minimum stream flow releases which exceed inflow, and which are not released pursuant to contract shall be applied and debited first against the Emergency Remainder Pool and then against the Preferred Remainder Pool.

E. Prevention of Ice Damage

After August 1 of each year the District may make 1,500 AF space available as necessary from the Emergency Remainder Pool to avoid ice on the spillway crest, provided that such releases of stored water to make such space available are made through the hydro-electric power plant in the dam and not through the jet valve, in order to confirm accepted beneficial use of such releases. The District may release such additional water up to such 1,500 AF limit first from the Emergency Remainder Pool and then from the Preferred Remainder Pool in order to make space available in the Reservoir to store an amount not exceeding the 95% confidence of Reservoir filling based on the forecasts of Colorado River Basin Forecast Center as modified by adopted District forecast criteria and snowpack data. Consistent with sound operational practices for Reservoir operations, and use of the hydro-electric power plant in the dam, the District may schedule and time such releases up to 1,500 AF to co-ordinate with other requested storage releases from Stagecoach Reservoir for existing contract allottees, and to generate income to the District from short-term environmental/recreational allotment contracts, and otherwise, in the discretion of the General Manager of the District, to co-ordinate with planned releases of stored water from other reservoirs in the Yampa River Basin owned or controlled by other entities where beneficial to improve the instantaneous in-stream flows below Stagecoach Dam and to ameliorate against periods of main-stem Yampa River administration by the Division Engineer.









Resolution No2021-2-Stagecoach Fill Release Policies_012021 - FINAL

Final Audit Report

2021-01-25

Created:	2021-01-25
By:	Deb Bastian (dbastian@upperyampawater.com)
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"Resolution No2021-2-Stagecoach Fill Release Policies_012021 - FINAL" History

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NEW BUSINESS



EXECUTIVE SESSIONS

Executive session under CRS § 24-6-402(4)(b) to discuss legal issues on Water Resumes, Water Cases, Contract Negotiations and [REDACTED]. Mere presence or participation of an attorney at an executive session is not sufficient to satisfy the requirements of CRS § 24-6-402(4)(b). Executive sessions to discuss legal matters are not recorded.

Executive session under CRS § 24-6-402(4)(e)(I) for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators with respect to [REDACTED]. This session will be recorded, and a copy of the recording maintained for not less than 90 days.

BOARD ACTIONS IN REGARD TO EXECUTIVE SESSION



LUNCH BREAK

LUNCH BREAK







BOARD COMMUNICATION FORM

From: Andy Rossi, General Manager, Jackie Brown, Vice Chair and Yampa/White Rivers Representative CWCB Board

Date: 10/11/21

Item: Colorado Conservation Board Demand Management Program Update

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

Following months of public and stakeholder engagement meetings to review the draft framework for a potential Demand Management program, Colorado Water Conservation Board (CWCB) members adopted a decision-making roadmap at their September Board Meeting for moving forward with the feasibility investigation. The roadmap identifies specific elements of the major, outstanding questions of whether or not such a program would be achievable, worthwhile, and advisable from the perspective of Colorado. The roadmap is meant to guide the process and will remain a living document subject to change as additional information is gathered.

A verbal update on the Demand Management Program will be presented by Jackie Brown, Vice Chair, CWCB Board.

Attachments:

Attachment 1: Demand Management Decision-Making Roadmap – October 2021



Demand Management Decision-Making Roadmap - October 2021

This document is subject change and is intended to outline an iterative, flexible process

**The appropriate timeline for decision points is not identified within this document, but will rather be considered as the analyses are underway. Dates noted within this document correlate with the time at which the Board is expected to have materials and information needed to conduct each analysis.*

ACHIEVABILITY?		
Monitoring & Verification	Decision	Timeframe for Decision-Making Process
<p>Is it technically possible to monitor and verify conserved consumptive use within Colorado for a potential Demand Management program?</p> <ul style="list-style-type: none"> • Monitoring & Verification elements for all projects <ul style="list-style-type: none"> ○ Measure water returned to stream ○ Analyze conserved consumptive use ○ Maintain return flows ○ Coordinate environmental and other benefits • Additional potential elements <ul style="list-style-type: none"> ○ Estimate residual field consumptive use ○ Identify mechanisms to prevent injury 	YES NO	Begin* Nov. 2021
Environmental Considerations	Decision	Timeframe
<p>Is it technically possible to track and monitor potential environmental impacts and benefits?</p> <ul style="list-style-type: none"> • Consider potential environmental benefits and impacts • Assess net benefit or impact 	YES NO	Begin Nov. 2021



Demand Management Decision-Making Roadmap - October 2021

This document is subject change and is intended to outline an iterative, flexible process

**The appropriate timeline for decision points is not identified within this document, but will rather be considered as the analyses are underway. Dates noted within this document correlate with the time at which the Board is expected to have materials and information needed to conduct each analysis.*

<ul style="list-style-type: none"> • Incorporate strategies to incentivize benefits, including potential leveraging of other programs • Implement strategies to avoid or mitigate negative impacts 		
Education & Outreach	Decision	Timeframe
<p>Is it possible to develop an outreach plan for a Demand Management program?</p> <ul style="list-style-type: none"> • Engage broad audiences through a water education program • Inform the program through stakeholder engagement • Ensure participation through program marketing 	YES NO	Begin Nov. 2021
Funding	Decision	Timeframe
<p>Given the above determinations, is it possible to secure a funding source to pay for a potential Demand Management program?</p> <ul style="list-style-type: none"> • Identify potential federal funding sources, including but not limited to funds available through the federal Bipartisan Infrastructure Bill. • Identify potential state funding sources, including but not limited to funds available through implementation of Proposition DD. • Identify a range of potential costs of a Demand Management program, including payments to participants, potential costs of mitigation of secondary impacts, costs of running a program, and other potential costs. 	YES NO	<i>TBD</i> : Pending Infrastructure Bill



Demand Management Decision-Making Roadmap - October 2021

This document is subject change and is intended to outline an iterative, flexible process

**The appropriate timeline for decision points is not identified within this document, but will rather be considered as the analyses are underway. Dates noted within this document correlate with the time at which the Board is expected to have materials and information needed to conduct each analysis.*

WORTHWHILE FOR COLORADO?		
Proportionality Considerations	Board Decision	Timeframe
Can Colorado establish a Demand Management program that prioritizes avoidance of disproportionate negative economic or environmental impacts to any single subbasin or region within Colorado while protecting the legal rights of water rights holders, consistent with the Board’s November 2018 Support and Policy Statement?	YES NO	Begin Nov. 2021 (pending IBCC input expected Oct. 2021)
Anti-Speculation Considerations	Board Decision	Timeframe
Can Colorado establish a Demand Management program that sufficiently addresses or does not further encourage speculation activities?	YES NO	Begin Nov. 2021 (pending analysis of Anti-Speculation Workgroup report)
Analyses and Findings of UCRC and Other States	Board Decision	Timeframe
Based on information gained from the UCRC feasibility investigation and those ongoing in the other Upper Division States, would a Demand Management program be worthwhile from Colorado’s perspective?	YES NO	<i>TBD: Investigations ongoing</i>



COLORADO

**Colorado Water
Conservation Board**

Department of Natural Resources

Demand Management Decision-Making Roadmap - October 2021

This document is subject change and is intended to outline an iterative, flexible process

**The appropriate timeline for decision points is not identified within this document, but will rather be considered as the analyses are underway. Dates noted within this document correlate with the time at which the Board is expected to have materials and information needed to conduct each analysis.*

ADVISABLE FROM COLORADO'S PERSPECTIVE?

This analysis will follow completion of the decision-making process above, and contemplates whether it would be advisable to make a feasibility finding given the broader Colorado River strategy.

YAMPA RIVER BASIN TECHNICAL ANALYSES UPDATES

**BIP UPDATE, YAMPA RIVER HYDROLOGY
REVIEW, YAMPA STORAGE MODELING, COAL
CREEK FLOW ANALYSIS**





BOARD COMMUNICATION FORM

From: Andy Rossi, General Manager

Date: 10/13/21

Item: Yampa River Basin Analyses Update

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

A summary presentation of multiple Yampa River Basin flow modelling efforts will be presented by Lisa Brown of Wilson Water Group and Andy Rossi of Upper Yampa Water Conservancy District (UYWCD). The UYWCD would like to recognize the hard work of multiple entities required to complete the analyses to be reviewed. Although the UYWCD was involved in each of the studies at varied levels of engagement, it is only by the sustained efforts of the multiple funding organizations, project managers, principal investigators, and community stakeholders that these complex analyses were possible. The Yampa Valley will benefit for many years by the understandings gained from these studies.

The presentation will include information from the following studies/modelling efforts:

- BIP Update
 - Guided by the BIP Committee, Lisa Brown, Dan Birch, and Ryan Golten served as the Local Expert Team.
 - Start Date = May 2020
 - Final Draft submitted for copy editing July 2021
 - Public Comment period end of 2021.
 - End Date = January 2022
- 2021 Yampa River Hydrology Review and Needs Assessment
 - Seth Mason with Lotic, Principal Investigator
 - Streamflow trends analysis
 - Impact of water use/administration on E&R attributes
 - Results incorporated into recently completed remote environmental assessment of the Yampa watershed
- 2021 Yampa Storage Modeling
 - Funded by Colorado River District, Tri-State, and UYWCD



- Lisa Brown examined one of the alternative management strategies from the BIP Update in the daily time step model
- 2021 UYWCD's Coal Creek Supply for Yamcolo Modeling
 - Preliminary results

The discussion of these analyses will focus on high-level take home points and opportunities for the UYWCD to prioritize actions in the future.

UPPER YAMPA RIVER BASIN WATER QUALITY STUDY





BOARD COMMUNICATION FORM

From: Andy Rossi, General Manager and Lyn Halliday, Upper Yampa Watershed Group

Date: 10/13/21

Item: Upper Yampa River Basin Water Quality Study

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

A summary of a planned Upper Yampa River Basin Water Quality Study will be presented by Lyn Halliday of the Upper Yampa River Watershed Group and Andy Rossi of Upper Yampa Water Conservancy District (UYWCD). The presentation is intended to clarify the initial water quality study tasks planned for the end of 2021 and early 2022. The initial study tasks will be funded by the UYWCD. Multiple potential funding sources for future study efforts will be identified before advancing the study beyond initial activities.

AFTERNOON BREAK

AFTERNOON BREAK







BOARD COMMUNICATION FORM

From: Andy Rossi, General Manager

Date: 10/12/21

Item: 2022 Upper Yampa Water Conservancy District (UYWCD) Strategic Plan

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

The current draft of the 2022 Upper Yampa Water Conservancy District (UYWCD) Strategic Plan is presented for consideration by the UYWCD Board of Directors (BOD).

II. Summary and Alternatives:

The UYWCD Strategic Plan will be regularly reviewed and updated as appropriate by the UYWCD BOD and staff. A UYWCD staff review of the 2021 UYWCD Strategic Plan was presented to the full UYWCD BOD on July 21, 2021. This review included updates on the UYWCD work efforts in the first half of 2021 associated with the goals identified in the 2021 Strategic plan. On August 18, 2021, the Strategic Plan Update Committee held the first meeting to review and update the UYWCD Strategic Plan for 2022. The combined proposed edits from these two efforts were presented to the UYWCD BOD on September 25

The remaining scheduled steps for the development of the Final 2022 UYWCD Strategic Plan are:

- October 20, 2021, UYWCD BOD Retreat: UYWCD Strategic Plan update discussion with full UYWCD BOD, including input received to date. Direction provided by UYWCD BOD will be incorporated into DRAFT of Final 2022 UYWCD Strategic Plan.
- November 17, 2021, Regular UYWCD BOD Meeting: Present final DRAFT of 2022 UYWCD Strategic Plan, including executive summary for adoption by UYWCD BOD.

III. Legal Issues:

NA



IV. Consistency with Board Goals and Policies:

2021 UYWCD Strategic Plan 10.2

Attachments:

DRAFT 2022 UYWCD Strategic Plan

DRAFT UYWCD Strategic Plan - Supplemental Chart for 2022 and 2022 Internal Work Planning

Objective	History and Past Work (Through 2021)	Potential New Tasks	Department	2022 Work Efforts: All Completed and/or Implemented Work Tasks Will be Included in History and Past Work for 2023 Strategic Plan	Status of 2022 Potential New Tasks	
1. Upper Yampa Basin water resources and local water uses are protected from transbasin diversions and Compact administration that would adversely impact those water resources and uses.						
1.1	Develop District understanding and policies to address Big River issues	<ul style="list-style-type: none"> • Communications Director is attending multiple state-wide and regional water planning group meetings as a representative of the UYWCD. Completed the WECO Water Fluency Program in 2020. • Risk Study Analysis of Yampa Doctrine and Equitable Apportionment Complete, UYWCD Staff to recommend next steps with UYWCD BOD input. • UYWCD represented on Basin Roundtable Big River Subcommittee by K. Brenner, H. Kirkpatrick. Regular reports provided to UYWCD BOD as necessary. • IBCC negotiations will be monitored proactively. The UYWCD needs to formalize organization approach to ensure that Yampa Basin interests and science to assist with the 2020-2026 Colorado River Interim Guidelines Renegotiations • UYWCD is actively monitoring CWCB and State Water Plan activities through attendance and representation at regional planning groups. • Legislative Activities are being monitored through Colorado Water Congress State Affairs Committee, and UYWCD Board Member Reports. Updates provided to UYWCD BOD at regular UYWCD BOD meetings. • General Manager will propose a plan and schedule for the continued development of UYWCD positions on state-wide, Big River issues following presentation of Risk Analysis study at UYWCD July BOD meeting. 	Invite Regional/State Experts to give public presentations on Big River Issues: Demand Management, CO River Compact Interim Guidelines	<ul style="list-style-type: none"> • External affairs • Legal • Board 	<ul style="list-style-type: none"> • Public Expression/Notification of formal UYWCD Position on Big River, Regional, and State-Wide Water Issues. Formal Position may not always be necessary. 	New Task Recommended by Committee
1.2	Prevent out-of-District transfers of water that could have adverse impacts for the District and its constituents	<ul style="list-style-type: none"> • Legal Staff is monitoring resumes and reports are provided to UYWCD BOD at regular UYWCD BOD meetings • Legal staff reviews all UYWCD water contracts. Most 2020 activity has been focused on Yamcolo agricultural contracts. Proposed CWT Stagecoach contract will be reviewed before presented to UYWCD BOD for authorization. • Legal staff is engaged in activities in 1.1 as needed and at the request of UYWCD General Manager. 	Lobby legislature, in response to Big River Issues (State and Federal Representatives).	<ul style="list-style-type: none"> • External affairs • Legal • Board 	<ul style="list-style-type: none"> • Continued collaboration with Colorado River District on Water Horse project opposition. • UYWCD Special Counsel provides reports/updates on water resumes and pertinent water law items at regular UYWCD BOD meetings. 	Planning, Implementing
2. District's infrastructure is safe and maintained, or improved as needed, to serve the needs of the District.						
2.1	Ensure sufficient funds to maintain and/or improve our infrastructure	<ul style="list-style-type: none"> • 2020 Budget for O&M activities is adequate to date. • 2020 Budget for capital activities is adequate for Stagecoach and Yamcolo Reservoirs. 2020 budget for capital improvements for the Stillwater Ditch has been expanded as part of approved budget amendment. • Facilities reserves included in 2020 approved budget • Facilities maintenance and improvement plan implementation is ongoing with progress reports provided by District Engineer at UYWCD BOD regular meetings. Reports are included in public materials distributed for UYWCD BOD meetings. 	Funds designated for new facilities/project construction, including Water Quality funds in update of 30-year maintenance plan for Stagecoach.	<ul style="list-style-type: none"> • Facilities • Finance • Board 	<ul style="list-style-type: none"> • 2022 Budget for facilities O&M is adequate to date. • 2022 Budget for capital improvements is adequate to date. • Facilities reserves are included in annual approved budget. • Capital Projects planned for 2022. • Planning for 2023 capital projects to begin Summer of 2022. 	Implementing, Complete

DRAFT UYWCD Strategic Plan - Supplemental Chart for 2022 and 2022 Internal Work Planning

Objective	History and Past Work (Through 2021)	Potential New Tasks	Department	2022 Work Efforts: All Completed and/or Implemented Work Tasks Will be Included in History and Past Work for 2023 Strategic Plan	Status of 2022 Potential New Tasks
2.2	<p>Initiate or support efforts to address algae and other water quality issues in Stagecoach Reservoir</p> <ul style="list-style-type: none"> UYWCD staff and board members continue to be active participants in the Watershed Group. The UYWCD is the fiscal agent for water quality study grant. UYWCD Director Halliday is the project manager for the Nutrient and Water Quality Study. UYWCD continues to participate in the baseline long term water quality monitoring effort through Routt County Department of Health as a fiscal partner. UYWCD staff maintain a working relationship with USGS regional staff. UYWCD continues water quality monitoring as part of 401 water quality certification. Next round of data collection for 401 requirements scheduled as required. New WQ Data collection in 2020 in response to CDPHE rule making process. CPW monitoring efforts at Stagecoach State Park are ongoing in 2020. UYWCD District Engineer is in direct communication with Stagecoach State Park Manager and CPW water quality staff. Temperature string deployment and DO monitoring continues uninterrupted at Stagecoach Dam in 2020. Monthly data reports filed with FERC by District Engineer. Upper Yampa River Basin Nutrient and Water Quality USGS Study Complete. Successful delisting of Stagecoach Reservoir from CDPHE Reg 93 Lead Standard. CPW WQ testing program at Stagecoach Reservoir is ongoing. Morrison Creek Water and Sanitation District Mixing Zone Study completed with financial assistance from UYWCD. 	<p>Engage with CPW to develop long-term Water Quality monitoring program and Media/Public Outreach campaign at Stagecoach Reservoir. Water Quality monitoring program should include necessary actions/responses.</p>	<ul style="list-style-type: none"> Planning? Facilities Board Finance 	<ul style="list-style-type: none"> Remaining WQ initiatives at Stagecoach planned. All UYWCD regulatory water quality monitoring continues uninterrupted. 	<p align="center">Implementing, Complete</p>
2.3	<p>Ensure integrity and safety of dams</p> <ul style="list-style-type: none"> FERC-required emergency action plan updates, reporting, and exercises are on schedule for 2020. Stagecoach Dam 2020 annual inspections by FERC pending FERC Covid protocol requirements. Stagecoach Dam CDWR Dam Safety Inspection Scheduled for August 2020. Yamcolo Dam CDWR Dam Safety Inspection complete. UYWCD District Engineer and CDWR Dam Safety Division are coordinating on an update to the Yamcolo Dam seepage monitoring program. Stagecoach Dam Part 12 inspection completed in 2019. Follow up item(s) responses filed with FERC June 2020. UYWCD has contracted with AECOM for compliance with new FERC requirement for outside review of Owner's Dam Safety Plan. Review, report and recommendations to be filed with FERC in December 2020. UYWCD was an active participant in the Routt County Hazard Mitigation Plan development. Stagecoach Dam Part 12 inspection completed in 2019. Follow up item(s) responses filed with FERC June 2020. Completed FERC Audit of Owner's Dam Safety Plan. UYWCD was an active participant in the Routt County Hazard Mitigation Plan development. 		<ul style="list-style-type: none"> Facilities 	<ul style="list-style-type: none"> FERC-required emergency action plan updates, reporting, and exercises are on schedule for 2022. Functional Exercise planned for 2022. Regulatory agencies safety programs compliance ongoing/annual. 	<p align="center">Complete, Implementing</p>
2.4	<p>Ensure safe work environment for all UYWCD employees and visitors</p> <ul style="list-style-type: none"> Implementation of recommendation from 2014 safety review (safety procedures, equipment, documentation) is ongoing at all UYWCD facilities. Safety protocols have been modified in response to Covid development. UYWCD facilities staff designated as Critical Infrastructure Employees. Coordination with FERC staff has been modified to comply with additional request and reporting as determined by FERC Covid protocols. FERC Covid protocol updates ongoing in response to changing conditions. Stagecoach control systems upgrades completed in 2021. 	<p>Explore connectivity upgrades for all UYWCD facilities, including UYWCD offices.</p>	<ul style="list-style-type: none"> Facilities Legal 	<ul style="list-style-type: none"> Fiber optic connectivity to Stagecoach Dam possible in next 5 years, pending YVEA infrastructure installation. Yamcolo monitoring equipment upgrades ongoing, remote monitoring connectivity planned for 2022. 	<p align="center">Complete, Implementing</p>
2.5	<p>Maintain Stagecoach as a public recreation facility</p> <ul style="list-style-type: none"> CPW Stagecoach master plan infrastructure improvements continue in 2020 with substantial electrical power infrastructure upgrades at Stagecoach State Park. UYWCD staff coordinated with CPW on permitting and project development for planned upgrades. Construction scheduled for summer of 2020. CPW provides regular updates of annual activities through communications with the District Engineer. First meetings with CPW representatives completed. UYWCD General Counsel reviewed legal standards updates to CPW-UYWCD Lease agreement. 	<p>Schedule meetings with CPW in 2022 to continue renegotiation of Stagecoach lease.</p>	<ul style="list-style-type: none"> Facilities 	<ul style="list-style-type: none"> Continue renegotiation of Stagecoach Lease 	<p align="center">Implementing</p>

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3. District is financially sustainable and able to meet its stated goals.						
3.1	<p>Develop short- and long-term financial planning to support District goals</p>	<ul style="list-style-type: none"> • Annual budget by department approved for 2020. New projects approved by the Board in 2020 recognized and incorporated through a budget amendment. 2021 budget development cycle to begin in August 2020. Year-to-date budget statutory deadlines met and year-to-come planned on-schedule. • Accurate accounting and financial reporting is a continuous process performed by the UYWCD staff. Budget comparisons and financial information reported to UYWCD BOD by the Chief Accountant at regular meetings. Additional financial reports are provided to BOD and staff as appropriate. • Contract negotiations for Yamcolo and Stagecoach Reservoir water storage agreements are one of the highest priorities of the UYWCD. UYWCD staff, BOD, and legal counsel have dedicated significant hours and resources to these efforts in 2020. • Completion of a state-wide search of a new auditor. New auditor specialized in local government auditing. Service costs under budget. • The Chief Accountant led the District's first audit executed entirely online. The audit was extensive and very detailed, as expected with a new auditor, first year audit. • Annual audit of 2019 financials completed successfully, with very minor adjustments. Audit of 2020 financials scheduled, adhering to BOD's decision in September 2020 to either rehire Mayberry & Co or search for another auditor. • Improvements to accounting procedures are currently being implemented through a full review and restructure project with the assistance of an outside consultant. UYWCD deployed beta version of account system in July 2020. New system to be fully operational and adopted as standard procedure by August 2020. In response to Covid development, implemented fully online banking procedures and internal processes with double authentication verification in adherence of separation of financial roles as required by audited best practices and by District bylaws. • Migration of daily banking to MVB complete, all WF checking accounts closed. • Upon change in Management, signatory privileges of all District bank accounts updated. • UYWCD documentation of formal financial policies is part of revised accounting procedures and legal requirements of UYWCD. • Potential future decrease in tax revenues based on changes in energy industry have been identified and reported by the Chief Accountant multiple times. Assessment of future impacts to the UYWCD will be re-examined as new information is available. • Migration of Accounting systems to match new budget structure, complete. • Financial analysis of District's cost centers with 2019 audited financials, complete. • Cost-based water price analysis with 2019 audited actuals, complete. • District-wide pricing model to be finalized after permanent replacement of UYWCD General Manager complete. • Internal financial accounting systems and controls update complete • UYWCD Budget re-formatting for alignment with updated internal financial accounting system complete • Migrated payment systems from paper to fully electronic, including a double authentication process and double electronic signatures in compliance with bylaws and governmental accounting best practices requiring increased separation of roles. • Annual audit of 2020 financials completed successfully, with very minor adjustments. Audit of 2021 financials scheduled. • Stagecoach Reservoir Water Marketing Policy complete. 	<p>Develop Long-term financial planning methodology (e.g. 5, 10, 20yr, determine assumptions)</p>	<ul style="list-style-type: none"> • Finance • Board • All Departments 	<p>• Yamcolo Reservoir Water Marketing Policy drafting started, policy adoption planned for 2022.</p>	<p>Completed, Implementing</p>
3.2	<p>Clarify District's business model, including the propriety, tenure, and extent of use of tax revenue with respect to contract pricing</p>	<ul style="list-style-type: none"> • 2020 approved budget was structured to identify facilities' direct and indirect operating costs. • Migration of Accounting systems to match new budget structure, complete. • Financial analysis of District's cost centers with 2019 audited financials, complete. • Cost-based water price analysis with 2019 audited actuals, complete. • District-wide pricing model to be finalized after permanent replacement of UYWCD General Manager complete. 	<p>Clarify financial structure of UYWCD budget incorporating tracking of revenue stream support of UYWCD facilities and programs.</p>	<ul style="list-style-type: none"> • Finance • Board 		

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4. All in-basin beneficial vested water uses in the District are protected, consistent with policy statements above.						
4.1	Formalize and consider expanding District's grant program	<ul style="list-style-type: none"> UYWCD was granted \$100,000 in Water Supply Reserve Funds from the Basin Roundtable in January 2020. Marketing efforts include collaboration with outside agencies, local publications, and advertisements through local media including print and radio. The Diversion Infrastructure Improvement Project has received an influx of interested applicants who plan to complete projects in the coming months. A streamlined application process for the Diversion Infrastructure Improvement Project is currently in place. Reimbursement procedures for matching WSRF monies will be established with the first payment request submitted in July 2020. UYWCD staff is collaborating with local working groups and outside agencies to identify potential projects that could benefit from UYWCD grant fund. Approximately \$25,000 of grant funds awarded in first 6 months of 2021. 	Continue Infrastructure grant program with expansion to local reservoirs and stream gaging. Define explicit funding amount for non-infrastructure grant program (\$50,000 per year).	<ul style="list-style-type: none"> Public 	<ul style="list-style-type: none"> \$50,000 Non-Infrastructure Grant Pilot Program authorized to continue in 2022 by UYWCD BOD. Formal grant program administration to be determined as part of 2022 Strategic Planning process. 	<p align="center">Implementing</p>
4.2	Promote District's existing augmentation plans on Yampa and Elk Rivers	<ul style="list-style-type: none"> The first augmentation plan of 2020 was contracted in July. Communications Director is working with interested applicants on the Elk River. Website redesign is underway. Hive180 Marketing is in the development phase of the new website. Areas identified as lacking Augmentation coverage: Morrison Divide area, Areas within UYWCD bounds downstream of the Elkhead Creek confluence. Lower basin entities are actively working towards augmentation supply solutions in response to over-appropriation designation. Outreach meeting with Routt County on 07/19/21. UYWCD staff attendance at IWMP neighborhood meetings in Craig, Hayden, Clark, and South Routt throughout June and July of 2021. 	Study potential coverage for areas of need not serviced by existing plans. Outreach/Education presentations to local non-water industry business groups. Use area wide mailing w/RC Assessor tools for educational materials.	<ul style="list-style-type: none"> Public 	<ul style="list-style-type: none"> Additional outreach meeting planned for 2022. 	<p align="center">Planning, Implementing</p>
4.3	Explore potential expansion or creation of augmentation plans that aid in protecting the beneficial uses of junior priority water rights not currently within boundaries of the existing augmentation plans	<ul style="list-style-type: none"> Internal discussions to clarify potential future needs are identified as an important topic for inclusion in the 2020 UYWCD BOD retreat in October. Joint presentation with CDWR, CRD made to Moffat County Commissioners. UYWCD presentation to Routt County Commissioners. 	Hold internal discussions to clarify potential future needs; engage DWR in discussions as needed	<ul style="list-style-type: none"> Planning 	<ul style="list-style-type: none"> The UYWCD is an active participant in the discussions related to the potential development of a new augmentation water supply plan for the lower Yampa River basin. 	<p align="center">Planning, Implementing</p>
4.4	Protect productive agricultural water uses in the District	<ul style="list-style-type: none"> The Diversion Infrastructure Improvement Project offers funding for measuring devices that will help protect existing agricultural water rights in the District through record-keeping. Involvement from K.Brenner and H. Kirkpatrick in the Basin Roundtable and subsequent subcommittees including the Big River Subcommittee and Public Education, Participation, and Outreach (PEPO) Subcommittee and the Integrated Water Management Plan (IWMP) and its' Stakeholder Engagement Subcommittee ensures a role for the District in updating the Basin Implementation Plan (BIP) and educating the public on key water issues in the basin. 		<ul style="list-style-type: none"> Public Legal External Affairs 	<ul style="list-style-type: none"> The UYWCD is actively pursuing the Coal Creek Diversion Project. 	<p align="center">Planning, Implementing</p>
4.5	Effectively communicate with local municipalities regarding long-term water supplies	<ul style="list-style-type: none"> UYWCD staff is engaged with local municipalities as a supportive technical advisor on possible instrumentation upgrades and data collection. Stagecoach Water Marketing Policy complete. 	Adopt Yamcolo Water Pricing/Marketing Policy, Set schedule for existing Stagecoach municipal contract negotiations.	<ul style="list-style-type: none"> Public Planning 	<ul style="list-style-type: none"> Discussions with existing municipal storage contractors planned for November/December, 2021. Existing Municipal contract price declaration planned for November 2021. 	<p align="center">Planning, Implementing</p>

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4.6	Enter into appropriate and financially prudent water allotment contracts for District water from Stagecoach Reservoir and/or Yamcolo Reservoir for environmental and recreational beneficial uses	<ul style="list-style-type: none"> Colorado Water Trust (CWT) engaged in discussion of HBs 1037, 1157. CWT engaged for Stagecoach water storage contract in 2020. Water Fund engaged as important funding partner for CWT storage contract for Stagecoach Reservoir in 2020. Other Stakeholder engagement ERC BOD discussions conducted at May 2020 BOD meeting. 		<ul style="list-style-type: none"> Legal Board 	<ul style="list-style-type: none"> CWT ten-year Stagecoach Reservoir ERC agreement for CWCB Instream Flow Voluntary Loan program pending application process. 	Complete, Implementing
4.7	Increase flexibility of District's water rights portfolio in order to provide water for environmental and recreational purposes	<ul style="list-style-type: none"> Colorado Water Trust (CWT) engaged with UYWCD in discussion of HBs 1037, 1157. CRD, Tr-State, UYWCD joint reservoir release modelling study complete. 	Clarify District policy for support of instream flows (see 4.8 below), Specifically: work with CWT, consultants to identify HB20-1157 mechanisms for UYWCD reservoirs.	<ul style="list-style-type: none"> Legal 		
4.8	Clarify District policy and role regarding the use of District water to support non-consumptive water uses	<ul style="list-style-type: none"> Colorado Water Trust (CWT) engaged in discussion of HBs 1037, 1157. CWT engaged for Stagecoach water storage contract in 2020. Potentials for change cases will be explored by UYWCD staff in 2021. ERC BOD discussions conducted at May 2020 BOD meeting. 		<ul style="list-style-type: none"> Legal 		
<p align="center">5. Upper Yampa Basin water interests are represented at the local, regional and statewide levels on relevant policy, legislative, administrative, regulatory and judicial matters.</p>						
5.1	Ensure representation of District interests in local and state matters, including on the IBCC, Basin Roundtable, CWCB and Colorado River District	<ul style="list-style-type: none"> Attendance of Colorado Water Congress Winter Summit in January 2020 by Directors and staff including K.McBride and H.Kirkpatrick Collaboration with Colorado River District on Risk Study modeling and a virtual production of the Yampa State of the River. Involvement from K.Brenner and H. Kirkpatrick in the Basin Roundtable and subsequent subcommittees including the Big River Subcommittee and Public Education, Participation, and Outreach (PEPO) Subcommittee and the Integrated Water Management Plan (IWMP) and its' Stakeholder Engagement Subcommittee ensures a role for the District in updating the Basin Implementation Plan (BIP) and educating the public on key water issues in the basin. 	Formalize UYWCD participation and responsibilities for UYWCD representation at outside group (decide what groups/efforts to participate in, set expectations for reporting back to GM, UYWCD BOD).	<ul style="list-style-type: none"> External Affairs 	<ul style="list-style-type: none"> UYWCD staff and BOD roles at outside organizations declared annually at January UYWCD BOD meeting. 	Planning, Implementing
5.2	Increase District collaboration with Roundtable partners to advocate for Upper Yampa Basin interests	<ul style="list-style-type: none"> Involvement from K.Brenner and H. Kirkpatrick in the Basin Roundtable and subsequent subcommittees including the Big River Subcommittee and Public Education, Participation, and Outreach (PEPO) Subcommittee and the Integrated Water Management Plan (IWMP) and its' Stakeholder Engagement Subcommittee ensures a role for the District in updating the Basin Implementation Plan (BIP) and educating the public on key water issues in the basin. H.Kirkpatrick serves on the technical advisory committee for the Yampa River Fund. 	Formalize UYWCD participation and responsibilities for UYWCD representation at outside group (decide what groups/efforts to participate in, set expectations for reporting back to GM, UYWCD BOD).	<ul style="list-style-type: none"> External Affairs 		
<p align="center">6. Adequate water supplies within the District in light of changing climate conditions, population shifts, and other changes.</p>						
6.1	Maintain and improve District's CDSS hydrology/water rights administration model	<ul style="list-style-type: none"> CDSS model updates scheduled in coordination with BIP process. 	UYWCD Staff will keep current on CDSS model updates through participation in BIP process.	<ul style="list-style-type: none"> Planning 	<ul style="list-style-type: none"> The UYWCD staff will remain active participant in the BIP CDSS/SateMOD update effort. StateMOD updates for Bear River Reach of Yampa system will be included in Coal Creek project flow analysis. The new State MoD Baseline model will be used as the foundation for multiple analysis efforts in 2022. 	Complete, Implementing

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6.2	Increase District's understanding of relevant potential effects of climate change, population growth, and demographics for District planning	<ul style="list-style-type: none"> CDSS model updates to include paleo study comparison with climate change hydrology. District Engineer maintains regular contact with Paleo Hydrology working group. UYWCD staff met with Steamboat Chamber Economic Development staff to discuss strategies to incorporate water storage availability into future marketing and economic development campaigns. UYWCD staff have had multiple discussions with Moffat County representatives on the subject of water availability as a positive economic attribute. First step in addressing Climate Change resilience will be to advance the UYWCD knowledge of basin hydrology with the Soil Moisture network analysis to be completed by end of 2021. 	Participate in Routt County Master Plan as warranted. Explore water-related opportunities to address climate change resilience.	<ul style="list-style-type: none"> Planning 	<ul style="list-style-type: none"> First step in addressing Climate Change resilience will be to advance the UYWCD knowledge of basin hydrology with the Soil Moisture network analysis to be completed by end of 2021. Study to continue in 2022. 	Implementing
6.3	Increase engagement with constituents and Upper Yampa Basin water interests in planning for long-term Yampa Basin water supply and use	<ul style="list-style-type: none"> Collaboration with existing agencies and interest groups is ongoing by UYWCD staff and BOD. 		<ul style="list-style-type: none"> Public 	<ul style="list-style-type: none"> Multiple small events and event sponsorships scheduled for 2022. 	Planning, Implementing
6.4	Expand Board's understanding of relevant issues and trends for District decision-making	<ul style="list-style-type: none"> Regular discussions of pending legislation and interpretation of new legislation is ongoing by UYWCD staff and BOD. Collaboration with Colorado River District on Risk Study modeling. 		<ul style="list-style-type: none"> Board 	<ul style="list-style-type: none"> Perform Community/Constituent Survey of Water Resources Management Topics on Regular Basis 	New Task Recommended by Committee
7. Healthy reservoirs, streams and watersheds within the District in support of the policy statements above.						
7.1	Support water quality efforts in the District, and, where relevant, respond to concerns that arise, consistent with District's mission	<ul style="list-style-type: none"> See 2.2 Fire-Hazard risk confirmed with Muddy Slide Fire. UYWCD staff participants in Muddy Slide Fire response efforts including public information officer meetings and fire activity updates. Additional activities TBD, pending after action plan (multi-agency) for Muddy Slide Fire response. 	Commission a Fire-Hazard Risk Study for the Yamcolo and Stagecoach contributing watersheds with USFS, NRCS and Rocky Mountain Restoration Initiative as partners. Continue to monetarily support ongoing upper basin water quality monitoring program in partnership with local stakeholders and USGS.	<ul style="list-style-type: none"> Planning? Facilities Board 		Identified, Implementing
7.2	Anticipate potential future role and responsibilities for the District to support water quality in the District	<ul style="list-style-type: none"> Collaboration with existing agencies and interest groups is ongoing. UYWCD staff actively engaged with CDPHE, CPW, and Routt County on water quality concerns. 	Commission a Fire-Hazard Risk Study for the Yamcolo and Stagecoach contributing watersheds with USFS, NRCS and Rocky Mountain Restoration Initiative as partners.	<ul style="list-style-type: none"> Planning? External Affairs Board 		Identified
7.3	Support efforts in the District to improve watershed management and forest health	<ul style="list-style-type: none"> UYWCD staff is engaged in the Fish Creek Drainage forest health management plans as a supportive technical advisor on possible instrumentation upgrades. 	Commission a Fire-Hazard Risk Study for the Yamcolo and Stagecoach contributing watersheds with USFS, NRCS and Rocky Mountain Restoration Initiative as partners.	<ul style="list-style-type: none"> Planning? External Affairs Board 		Identified

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7.4	Explore mechanisms to support use of District water rights for environmental purposes, e.g., in-stream flows	<ul style="list-style-type: none"> UYWCD staff presented an in-depth discussion on in-stream flow and ERC possibilities at the May 2020 UYWCD BOD meeting. CWT-UYWCD partnership for ERC at Stagecoach Reservoir has been renewed by the District Engineer for 2020, with concrete plans to continue the exploration of legal mechanism available to the UYWCD and Yampa River Basin for future ERC and in-stream support. UYWCD staff will remain engaged in CWCB rule making processes and continued legal developments for HBs 1037 and 1157. CWT 2021 Contract complete. CRD, Tr-State, UYWCD joint reservoir release modelling study complete. Final report due to project participants by August 1, 2021. 	Clarify District policy for support of instream flows (see 4.8 above), Specifically: work with CWT, consultants to identify HB20-1157 mechanisms for UYWCD reservoirs.	• Board	• CWT ten-year Stagecoach Reservoir ERC agreement for CWCB Instream Flow Voluntary Loan program pending agency comments.	Complete, Implementing
8. District constituencies understand water issues in the Upper Yampa Basin and the role of the District in addressing them.						
8.1	Increase public understanding of the District's role and activities	<ul style="list-style-type: none"> Hive180 Marketing is in the development phase for a new website. UYWCD awarded \$15,000 in grant funds to Yampatika for the development of a K-12 water education curriculum. UYWCD staff is reviewing the curriculum development on an ongoing basis. UYWCD sponsored a storage episode in the "Your Water Table" video series in collaboration with the Basin Roundtable. The series is currently in production. UYWCD filmed an educational video on the Yampa River Project with Colorado Water Trust. UYWCD is partnering with the Integrated Water Management Plan to produce an educational video on diversion assessments and improvements, which will include the Diversion Infrastructure Improvement Project. The video will be filmed in Fall 2020. 		• Public	• Multiple small events and event sponsorships scheduled for 2022.	Planning, Implementing
8.2	Improve Board collaboration, participation and representation with other organizations doing water-related work in the Upper Yampa Basin.	<ul style="list-style-type: none"> UYWCD staff and directors are directly involved in the Basin Roundtable and subsequent subcommittees, the Integrated Water Management Plan (IWMP), the Yampa River Fund Technical Advisory Committee, the Upper Yampa Watershed Group, Colorado Water Trust, and are currently working to identify other collaboration opportunities for water-related work in the basin. UYWCD Sponsored WECO Water Fluency Program in Yampa Basin in 2021. 		• Public	• Annual Report planned for end of 2022.	Implementing
8.3	Improve two-way exchange among constituents, stakeholders, Board and staff regarding District priorities and activities	<ul style="list-style-type: none"> UYWCD strategic plan was released for public comment for a one month period ending December 2019. Public comments were compiled by UYWCD staff and the Board Governance Committee incorporated changes to the strategic plan as necessary. Outreach to outside organizations and interested constituents through email, periodic publications, and local media outlets is ongoing. 	Schedule and coordinate an events for 2022.	• Public	• Multiple small events and event sponsorships considered/planned for 2022.	Planning, Implementing
8.4	Increase local awareness of local water issues and resources	• See 8.1		• Public	• Perform Community/Constituent Survey of Water Resources Management Topics on Regular Basis	New Task Recommended by Committee
9. Robust District water rights portfolio.						
9.1	Maintain and, where appropriate, perfect District's water rights	<ul style="list-style-type: none"> Legal department is tracking upcoming due diligence, based on court decrees and Master Plan details. UYWCD Board is apprised of legal issues and relevant budget needs at all regular UYWCD BOD meetings. 	Diligence cycle efforts (2025 target date): Coal Creek project investigation, explore update to WR/WS Master Plan.	• Legal	<ul style="list-style-type: none"> Diligence cycle efforts underway with water rights analysis and Coal Creek project activities. Continue Opposition to Yamcolo Reservoir WR abandonment with CDWR. 	Planning, Implementing

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9.2	Enhance District involvement/advocacy on water administration matters	<ul style="list-style-type: none"> Updated water accounting system for Stagecoach Reservoir is 95% complete. Project completion by District Engineer pending finalization of Stagecoach reservoir Fill and Release Policies to be presented to UYWCD BOD for adoption at September UYWCD BOD meeting. The UYWCD continuously coordinates with Division Engineer's Office, partner Dam Owners, and contracted on dam releases. District Engineer has held multiple meetings (virtual) with the Division Engineer in 2020. 		<ul style="list-style-type: none"> Facilities 		
9.3	Evaluate potential and conditional water rights	<ul style="list-style-type: none"> Coal Creek Diversion project started in 2021. Yamcolo Water Rights abandonment opposition filed with CDWR 2021. 	Diligence cycle efforts (2025 target date): Coal Creek project investigation, explore update to WR/WS Master Plan.	<ul style="list-style-type: none"> Legal 	<ul style="list-style-type: none"> Diligence cycle efforts underway with water rights analysis and Coal Creek project activities. 	Planning, Implementing
9.4	Explore small tributary storage projects within Upper Yampa Basin	<ul style="list-style-type: none"> Coal Creek Diversion project analysis started in 2021. Small Reservoir Study update identified as BIP project. 	Update Small Reservoir Study.	<ul style="list-style-type: none"> Planning 	<ul style="list-style-type: none"> Small Reservoir study update planned for 2nd half 2021, early 2022 with consideration of revised BIP baseline model. 	Planning
9.5	Pursue water projects that utilize/perfect District water rights and that provide water supply for consumptive and non-consumptive purposes	<ul style="list-style-type: none"> Coal Creek Diversion project analysis started in 2021. Small Reservoir Study update identified as BIP project. 	Update Small Reservoir Study.	<ul style="list-style-type: none"> Planning 	<ul style="list-style-type: none"> Small Reservoir study update planned for 2nd half 2021, early 2022 with consideration of revised BIP baseline model. Continue Coal Creek Diversion Project development. 	Implementing
9.6	Support in-stream flow rights to help firm the District's portfolio.	<ul style="list-style-type: none"> See 4.6 and 4.7 		<ul style="list-style-type: none"> Board 		
9.7	Explore increasing flexibility of use for District's stored water rights	<ul style="list-style-type: none"> See 4.6 and 4.7 		<ul style="list-style-type: none"> Board 		
10. Robust staff, legal and administrative resources to ensure District's viability and ability to effectively serve its constituents.						
10.1	Begin succession planning where appropriate	<ul style="list-style-type: none"> 2021 UYWCD BOD review of General Counsel complete. Consideration of term limits for BOD seats discussed with full UYWCD BOD and General Counsel. Term limits not applied as of 2021. 	Conduct formal annual review of UYWCD General Counsel by UYWCD BOD.	<ul style="list-style-type: none"> Board 		Implementing
10.2	Regularly review and update Board goals and objectives	<ul style="list-style-type: none"> UYWCD BOD Governance Manual reviewed and updated in 2021 				
10.3	Clarify District governance structure that promotes interaction, transparency, trust, and <i>esprit de corp</i> among Board, GM and staff	<ul style="list-style-type: none"> Final governance recommendations from 360 Committee adopted by UYWCD BOD. Staffing and budgeting changes due to search for, and eventual replacement of UYWCD General Manager have implemented by UYWCD staff, consultant, and Hiring Committee. 				

DRAFT UYWCD Strategic Plan - Supplemental Chart for 2022 and 2022 Internal Work Planning

Objective	History and Past Work (Through 2021)	Potential New Tasks	Department	2022 Work Efforts: All Completed and/or Implemented Work Tasks Will be Included in History and Past Work for 2023 Strategic Plan	Status of 2022 Potential New Tasks	
10.4	<p>Improve District organizational structure to maximize effectiveness, collaboration and teamwork</p>	<ul style="list-style-type: none"> Recent new hires for Communications and Marketing Manager, Business Manager, and Ditch Rider have addressed staffing needs for UYWCD. Permanent replacement for General Manager pending UYWCD BOD action. All UYWCD staff job descriptions have been updated in 2020. Written policies and procedures are updated as needed by UYWCD staff. UYWCD staff is working with ER Council on compensation survey, conducting a review and seeking quotes for health insurance plan and reviewing personnel guidelines for compliance and consistency. UYWCD staff will be conducting an audit of personnel & benefit files; will utilize ER Council as needed to confirm compliance. UYWCD staff completed compensation survey in fall of 2020. UYWCD staff completed review and implemented new health insurance plan effective January 2021. UYWCD completed a personnel and benefit files audit in March of 2021 to ensure compliance. Review of and first draft of revised employee handbook completed. UYWCD staff working with ER Council for review and ensure compliance. General Counsel will review for consistency. Review by Board planned for September 2021. UYWCD staff is currently developing a record retention / document management policy. Completion planned by end of 2021 and staff implementation by early to mid 2022. 			<ul style="list-style-type: none"> UYWCD staff will implement new policies to ensure compliance in 2022. 	<p align="center">Implementing</p>
10.5	<p>Encourage opportunities for professional development</p>	<ul style="list-style-type: none"> Staff training and professional development is a high priority for the UYWCD. Multiple UYWCD staff members have completed new training programs in 2020 and 2021. The UYWCD General Manager will continue to work with staff to identify training opportunities for all staff in the remainder of 2021. 	<p>Identify training programs for individual staff members during annual employee reviews.</p>		<ul style="list-style-type: none"> Practice will continue in 2022. 	<p align="center">Implementing</p>
10.6	<p>Ensure District continues to be represented by competent legal staff</p>	<ul style="list-style-type: none"> Bob Weiss and Scott Grosscup are doing an excellent job of representing the UYWCD for the organization's legal needs. UYWCD BOD review of General Counsel complete. 		<ul style="list-style-type: none"> Legal 		<p align="center">Complete</p>
10.7	<p>Demonstrate commitment to and capacity for public service and engagement with constituents</p>	<ul style="list-style-type: none"> UYWCD staff has conducted outreach efforts including emails, phone calls, and in-person meetings with individuals involved in contract negotiations to increase transparency and address questions or concerns as they arise. UYWCD staff has identified and met with key constituents involved in water-related work around the basin to identify collaboration opportunities. UYWCD staff represents UYWCD at water-related events including the Yampa State of the River, Yampa Rendezvous, Yampa River Fest, and Community Agriculture Alliance Ag Week. 				<p align="center">Complete/Active</p>
10.8	<p>Create an Upper Yampa Basin records and archive repository</p>	<ul style="list-style-type: none"> Records archive to be included in 2021 work plan with associated inclusion in 2021 budget. Staff responded to Open Records Requests of archived documentation, ranging from 1966 to present date. Initial contact made with potential archive sites, further activities TBD. 	<p>Coordinate with local facility/entity to explore possibilities of cataloguing and preserving historic water resources records. CSU facility as model program.</p>		<ul style="list-style-type: none"> Further activities TBD. 	<p align="center">Planning</p>
10.9	<p>Promote Retention of UYWCD staff</p>	<p>Mutiple new employees hired in 2021.</p>			<ul style="list-style-type: none"> Ongoing 2022 work effort to identify incentives to promote retention of UYWCD staff. 	<p align="center">Identified</p>