

RECORD OF PROCEEDINGS

UPPER YAMPA WATER CONSERVANCY DISTRICT BOARD OF DIRECTORS MEETING JANUARY 31, 2018 1:30 PM 3310 CLEAR WATER TRAIL, STEAMBOAT SPRINGS

MINUTES

Chairman John Redmond called the meeting to order and declared a quorum present. In addition to Chairman Redmond, the Board members present were Bob Woodmansee, Doug Monger, Jim Haskins, Ken Brenner, Stephen Colby, and Webster Jones. General Manager Kevin McBride, District Engineer Andy Rossi, Office Manager Karina Craig, and General Counsel Bob Weiss were also present. Director Sharp attended the meeting by phone.

Members of the public present included Greg Glunz, Andrea Parker, and Dave Merritt, AECOM; Andrea Schaffner and Rick Milway, members of the Yamcolo Irrigators Association; Erin Light, Division Engineer, Colorado Division of Water Resources (CDWR); Claire Sollars, Attorney, Cantafio Hammond; and Jerry Smith and Lou DeQuine. Scott Grosscup, Attorney, Balcomb & Green and Kelly Romero-Heaney, Water Resources Manager, City of Steamboat Springs joined part of the meeting by phone.

The following agenda was proposed:

AGENDA

- (1) 1:30 pm Establishment of Quorum and Call to Order
- (2) Approval of Agenda for Meeting; action item
- (3) 1:35 pm Approval of the minutes of the November 15, 2017 Board Meeting and Ratification of the December 8, 2017 Executive Committee meeting; action item
- (4) Public Input and Comment;
- (5) 1:40 pm Financial Report;
 - a) Approval of Disbursements action item
 - b) Budget Comparison and Amendment action item
 - c) Schedule for Audit Meeting
- (6) 2:10 pm Report of the General Manager;
 - a) 2018 Work Plan
 - b) Office Update – Proposed Lease and Expansion Plan (draft LOI under separate cover)
 - c) External Affairs
 - d) Morrison Creek
 - i) Permitting (AECOM Representatives) action item
 - ii) Land issues (update) action item
 - f) Board Officers action item
 - g) Board of Directors Applications
 - h) Off-Month Executive Committee Meetings Schedule

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- (7) 3:40 pm Report from District Engineer;
 - a) Reservoir water status
 - b) Bear River Administration Update
- (8) 4:10 pm Report from General Counsel;
 - a) YIA negotiations
 - b) Resolution Designating Posting Place action item
 - c) Stagecoach Municipal Contract Extensions
- (9) Executive Session with Bob Weiss, legal Counsel, under CRS § 24-6-402(4)(b) to discuss legal issues on YIA negotiations, Mount Werner Water Office Lease negotiations, Morrison Creek Reservoir Legal/Pending Diligence Issues (16CW3016), Stagecoach Contract Extension, and other Pending Water Rights Cases. Mere presence or participation of an attorney at an executive session of the local politic body is not sufficient to satisfy the requirements of this subsection (4).
- (10) 4:40 pm Board Liaisons with City of Steamboat Springs;
- (11) 4:50 pm Consent Agenda; action item
 - a) CPW Letter re: Trail and Parking Lot
 - b) STARS Augmentation
- (12) New Business;
- (13) Adjournment.

Meeting Agenda Director Brenner moved to approve the agenda; swapping 6D and 6A to move the AECOM presentation earlier. Director Haskins seconded the motion which was unanimously approved.

Meeting Minutes Director Monger moved to approve the November 15, 2017 Meeting Minutes and ratify the December 8, 2017 Executive Committee Meeting Minutes. Director Jones seconded the motion which was unanimously approved.

Public Comment Andy Schaffner stated she was looking forward to hearing the Board's discussion regarding the Bear River administration. She requested to meet with some members of the Board and stated she would like to be on the agenda for the March 22, 2018 Board meeting or at the next Executive Committee meeting if appropriate.

Erin Light, Division Engineer with CDWR spoke about the South Shore Stagecoach subdivision, she stated a document had been circulated on the State's position. Ms. Light summarized the questions she had about the Elk River Augmentation plan, she stated they had been answered at a meeting with staff and District consultants from Balcomb & Green, P.C.

Claire Sollars, Attorney, Cantafio Hammond, inquired about how someone would apply to the Elk River Augmentation plan. Manager McBride replied that once the plan is approved, the application process would be similar to that currently in place for the Yampa River augmentation program. Office Manager Karina Craig summarized the application process.

Financial Report The financial report was reviewed and discussed.

Director Monger moved to approve the disbursements. Director Woodmansee seconded the motion which was unanimously approved.

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An amendment to the budget was proposed, to include funds for the completion of a Yamcolo capital project budgeted and unspent in 2017. A memorandum from the District Engineer detailing the project and requested amendment, from \$60,000 to \$150,812, was presented, reviewed and discussed.

Director Monger moved to approve the amended 2018 Budget. Director Colby seconded the motion which was unanimously approved.

The initial Audit meeting is scheduled for Wednesday, February 7, 2018 at 2:00 pm, Director Monger volunteered to attend, and all directors were welcome to do so as well.

Report of the General Manager

Morrison Creek –

Permitting - Dave Merit, Andrea Parker, and Greg Glunz of AECOM gave a PowerPoint presentation on reservoir permitting. The pre-filing phase, Pre-Application Documents (PAD), and the second phase filings were discussed. Permit requirements with Routt County were also discussed. Mr. Merritt said a PAD could be filed this year if the Board decides to move forward. Director Monger commented that there would be a Request for Qualifications published for the development of the Pre-Application Documents by qualified consultants.

Director Woodmansee gave a PowerPoint presentation on alternatives to the Morrison Creek Reservoir project. Discussion followed. Director Monger invited Director Woodmansee to attend the Round Table and IBCC meetings; he expressed support for a project physically firming Stagecoach Reservoir. Directors Jones, Colby, and Brenner thanked Director Woodmansee for bringing up these issues. Director Woodmansee said it is imperative that the District give stakeholders information and the opportunity to partake in discussions; to make this a collaborative process. There was further discussion and general agreement that through the application process the project alternatives would be vetted and that adjustments to the plan would then take place as needed.

Director Monger moved to direct staff to generate an RFQ for the Morrison Creek project, publicize it, and move forward. Director Sharp seconded the motion which was unanimously approved. The Directors want to see the RFQ at the next Board meeting.

Land Issues – Claire Sollars, Attorney, gave an update on the Dequine land conservation easement application. They expect to receive some funding in 2018 working with the Yampa Valley Land Trust. Manager McBride stated that another major land owner in the Morrison Creek area, Gene Germain, has expressed interest in a conservation easement.

2018 Work Plan – General Manager McBride presented and discussed the 2018 District work plan. Manager McBride stated he would be contacting the Special District Association, SDA, for guidance on

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business operations. Director Monger said he has seen that service provided to the Colorado River District by SDA.

External Affairs – Manager McBride updated the Board on External Affairs, and recent meetings including the IBCC and the Integrated Management Plan at the Round Table. Augmentation water at Stagecoach South Shore and Morrison Creek Metro District were discussed.

Office Update – Counsel Weiss gave an update on the District Office Space negotiations and said this will be discussed in Executive Session.

Board Officers – Director Woodmansee nominated Director Brenner as President of the Board of Directors; Director Monger as Vice President; Directors Redmond, Jones, and Sharp as members of the Executive Committee. Director Monger seconded the nominations which were unanimously approved.

The Board President also serves as Chairman of the Executive Committee. The Board Vice President serves as a member of the Executive Committee.

Board of Directors Applications – All of the Directors whose terms are expiring are reapplying. Applications for the Board of Directors positions are due to the Routt County Court by February 16, 2018.

Off-Month Executive Committee Meetings Schedule – The proposed Executive Committee (EC) meetings schedule was presented and discussed. The EC meetings will be held as presented starting at 12:00 pm subject to need. The February 14, 2018 EC meeting will begin at 2:00 pm due to a scheduling conflict.

The Wednesday, March 21, 2018 regularly scheduled Board Meeting will be changed to Thursday, March 22, 2018 at 12:30 pm.

Rick Milway asked if he could meet with Manager McBride, Engineer Rossi, and Directors after the Executive Session at the current meeting, to discuss and share his knowledge of historical use at the Five Pines Mesa Ditch. Manager McBride stated that it was District staff's expectation to delegate this discussion to the Executive Committee.

Report from the District Engineer

Reservoir Water Status – Engineer Rossi updated the Board of Directors on the current storage levels in Stagecoach and Yamcolo Reservoirs. Snowpack data was discussed.

Bear River Administration Update – Engineer Rossi updated the Board of Directors on the Bear River water rights administration practices for the upcoming 2018 irrigation season.

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Report from General Counsel

YIA Negotiations – Counsel Weiss recommended that the Yamcolo Irrigators Association (YIA) negotiating committee schedule a meeting with the YIA representatives before the end of March.

Resolution Designating Posting Place – Director Jones moved to approve the Resolution Designating Posting Place. Director Monger seconded the motion which was unanimously approved.

Stagecoach Municipal Contract Extensions – Manager McBride reported that the District has not heard from the City of Steamboat Springs nor Mount Werner Water on the interim pricing agreement.

Robert Weiss, as counsel for the District, stated that in his opinion discussion of the matter announced to go into executive session constitutes a privileged attorney/client communication. He was therefore recommending that no further record be kept of the executive session.

Director Jones made a motion to go into executive session. It was seconded by Director Monger and was unanimously agreed to go into Executive Session under provision C.R.S. §24-6-402(4) (b) to discuss with counsel legal issues relating YIA negotiations, Mount Werner Water Office Lease negotiations, Morrison Creek Reservoir Legal/Pending Diligence Issues (16CW3016), Stagecoach Contract Extension, and other Pending Water Rights Cases. Mere presence or participation of an attorney at an executive session of the local public body is not sufficient to satisfy the requirements of this subsection (4). The Executive Session commenced at about 5:20 PM and concluded at about 5:49 PM. Director Sharp recused himself and was not present during discussions involving Mount Werner Water Office Lease Negotiations at the executive session.

The Chairman then announced that if any person who participated in the executive session believed that any substantial discussion of any matters not included in the motion to go into executive session occurred in the executive session, or that any improper action occurred during the executive session in violation of the Open Meetings Law, that such person state their concerns for the record. No one stated concerns.

Documentation regarding the Elk River Augmentation Plan was presented by water counsel Scott Grosscup and reviewed and discussed. Director Jones moved to approve the Elk River Augmentation proposed plan and to approve the stipulation to settle presented by Mr. Grosscup. Director Monger seconded the motion which was unanimously approved. Director Sharp was absent.

Director Monger nominated Directors Tom Sharp and Ken Brenner to be the liaisons with the City of Steamboat Springs. Director Brenner said the City had suggested quarterly meetings; Mr. Brenner suggested meeting more often at first. Mr. Brenner also suggested a charter outlining the work to be done. Director Monger commented that it was enough for the liaisons to report back to the Board.

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Counsel Weiss advised staff to post all meetings where three or more directors participate.

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

Determination of future meetings The scheduled date for the next Board meeting was confirmed, being Thursday March 22, 2018 at 12:30 PM, at the District's office.

The meeting was adjourned at 5:30 pm.

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



Kevin McBride, District Secretary/Manager

STATEMENT FROM ATTORNEY REGARDING ATTORNEY-CLIENT PRIVILEGE


The undersigned Robert G. Weiss hereby attests, pursuant to CRS Section 24-6-402(2)(d.5)(II)(B), that the portion of the executive session that was not recorded and which related YIA negotiations, Mount Werner Water Office Lease negotiations, Morrison Creek Reservoir Legal/Pending Diligence Issues (16CW3016), Stagecoach Contract Extension, and other Pending Water Rights Cases constituted a privileged attorney-client communication in the opinion of the undersigned attorney.


Robert G. Weiss, Counsel

Date: 5/16/18

STATEMENT FROM CHAIR OF EXECUTIVE SESSION REGARDING ATTORNEY-CLIENT PRIVILEGE

The undersigned chairman hereby attests, pursuant to CRS Section 24-6-402(2)(d.5)(II)(B), that all of the executive session was not recorded and was confined to the topics authorized for discussion in an executive session pursuant to subsection (4) of CRS Section 24-6-402.


John Redmond, Chairman

Date: 3/22/18