

AGENDA
UPPER YAMPA WATER CONSERVANCY DISTRICT
BOARD OF DIRECTORS MEETING
WEDNESDAY, JANUARY 23, 2019 (1:30 PM)

MOUNTAIN VALLEY BANK COMMUNITY ROOM
2201 CURVE PLAZA, STEAMBOAT SPRINGS, CO

- (1) *1:30 pm* Establishment of Quorum and Call to Order;
- (2) Consent Agenda; action item
 - a) Approval of Disbursements;
 - b) Approval of the minutes of November 14, 2018 Board Meeting and the December 19, 2018 Board Meeting;
- (3) *1:40 pm* Approval of Agenda for Meeting; action item
- (4) Public Input and Comment;
- (5) *1:45 pm* Colorado River Management Drought Contingency Planning; Andy Mueller, General Manager and Peter Fleming, General Counsel, Colorado River District
- (6) *2:45 pm* Integrated Water Management Plan; Nicole Seltzer action item
- (7) *3:00 pm* 2018 Budget Comparison; action item
- (8) *3:10 pm* Election of Officers;
- (9) *3:20 pm* Report of the General Manager;
 - a) Office Update;
 - b) Stagecoach Firming;
 - c) Non-consumptive Water Pricing; action item
 - d) February 20, 2019 Work Session Agenda;
 - e) Contract Negotiations;
- (10) *4:20 pm* Report from District Engineer
 - a) Reservoir Water Status;
 - b) UYWCD Water Order Procedures;
 - c) Williams Fence Agreement; action item
 - d) Yampa River Basin Water Quality Study; action item
- (11) *4:40 pm* Report from General Counsel;
 - a) Water Horse; action item
 - b) Board Appointments; action item
 - c) Water Resumes; action item
 - d) 16CW3016 Diligence Case; action item
 - e) Response on Yampa Call by Division Engineer;
 - f) Status of other Water Cases, if any;
- (12) Executive Session with Bob Weiss, legal Counsel, under CRS § 24-6-402(4)(b) to discuss legal issues on Water Resumes, Water Cases, and Contract Negotiations. Mere presence or participation of an attorney at an executive session of the local politic body is not sufficient to satisfy the requirements of this subsection (4).
- (13) New Business;
- (14) Adjournment.

CONSENT AGENDA





BOARD COMMUNICATION FORM

From: Karina Craig

Date: January 15, 2019.

Item: Cash Disbursement Report

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

The Cash disbursement report contains reconciled disbursements incurred through credit card or check payments. Disbursements include legal and engineering services, and other operating and capital expenditures. Comments on select transactions:

USDA Forest Service: \$18,290.67; for the special use permit at Yamcolo Reservoir, for the 2019 calendar year.

Colorado SDA Property & Liability Pool: \$32,142.83. Is for 2019 District liability and property insurance, including vehicle and Stagecoach Powerhouse property insurance, worker compensation and Directors' insurance. This cost is distributed through all departments and is part of the 2019 budget.

Stagecoach State Park: \$35,000. Annual maximum reimbursement of capital improvements per 2004 Lease Agreement. 2018 capital improvements reported by Stagecoach State Park were \$641,085 and included re-lining of waste water ponds, install of new vault, regrading and expansion of swimbeach, replacement of stairs to the marina, remodeling of bathroom, and others.

\$2,222,912 capital improvements have been reported by Stagecoach Park between 2004 and 2018 and \$525,000 were reimbursed by the District.

\$175,000 may be reimbursed through the year 2023, in annual \$35,000 payments, as applicable.

USGS: \$10,166. For algae sampling, epilimnion and hypolimnion at Stagecoach, July-Dec 2018.

Other bills for USGS for the 2018 calendar year and that have not yet been received are \$35,523



for water quality monitoring at Stagecoach Inflows and outflows, and \$7,398 for Streamgaging above and below Stagecoach, both for 2018 services. These are reflected in the 2018 projections shown in the Budget Comparison Report and will be reported in a future cash disbursement report later in 2019.

II. Summary and Alternatives:

III. Staff Recommendation:

Accept report.

IV. Legal Issues:

V. Consistency with Board Goals and Policies:

Attachments:

Attachment 1: Cash Disbursement Report as of January 8, 2019.

Attachment 2:

Additional Attachments:

**Upper Yampa Water Conservancy District
Cash Disbursement Report
As of January 8, 2019**

Date	Name	Memo	Amount
10/15/2018	Microsoft	Office: Microsoft 365 annual subscription	1,680.00
10/18/2018	Hotel	External Affairs: Hotel	115.40
10/18/2018	PPI/Kaplan	PE Civil Water Resources & Environmental Reference Bundle	426.13
10/19/2018	Amazon	SC Annual Maint: Industrial boots	162.60
10/22/2018	SmartVault	Software, interphase with quickbooks	34.60
10/22/2018	Amazon	Stagecoach maintenance. Coveralls.	96.72
10/23/2018	Hotel	External Affairs: hotel	63.97
10/24/2018	Amazon	SC Annual Maint: First aid kits	195.09
11/02/2018	CMU Foundation - Water Center	External Affairs: Upper CO River Basin Water Forum	210.00
11/04/2018	CrashPlan Code42	Admin: Software - Cloud Backup	2.49
11/05/2018	Restaurant.	Mtg: lunch	53.00
11/06/2018	Restaurant.	External Affairs: Travel & Meetings	12.76
11/06/2018	Restaurant.	Mtg: lunch	50.96
11/08/2018	Hotel	External Affairs: hotel - Courtyard	134.08
11/13/2018	Western Bionomics LLC	SC Enlargement Wetland Monitoring. Seed Mix calculations, granite seed, preparation of monitorin...	991.32
11/13/2018	Advanced Copier Solutions, Inc.	Savin Printer. October.	118.91
11/13/2018	NDS Northwest Data Services	Admin: Computer Services - Monthly check, set up of email archive, Trouble shoot OneNote syncing	315.00
11/13/2018	Four Points Surveying & Engineering	Yamcolo dam monitoring, review & certification. Stagecoach Dam skating data & monitoring.	2,830.00
11/13/2018	Grainger	Yamcolo, pipe and cap.	375.37
11/13/2018	Steamboat Pilot CMNM	Legal budget notice	19.84
11/13/2018	Schrader Propane	Yamcolo Propane 740 gallons.	1,221.00
11/13/2018	CenturyLink	SC Telephone. ACC# 970-736-2437 903B	138.56
11/13/2018	CenturyLink	Office Telephone. ACC # 970-871-1035-239B.	247.90
11/13/2018	YVEA	9/30 to 10/29 electric at SC Powerhouse	230.69
11/13/2018	YVEA	9/30 to 10/29 electrical service to Shed Acct.	41.13
11/13/2018	ACE Hardware	Stagecoach O&M; bit drill, walplat, deadbolt, anchor shackel,lube spray, & other supplies.	363.39
11/14/2018	Restaurant.	Board: lunch	211.00
11/14/2018	City Market	Board: lunch	30.83
11/14/2018	City Market	Board: lunch	4.07
11/15/2018	US Postal Service	Admin: Office - Postage	3.95
11/16/2018	CO Division of Water Resources - WAFP	Streamgaging, Morrison Creek. October 1st 2018 to September 30 2019.	5,830.00
11/16/2018	Resource Engineering	Water Resource Eng: Master plan	8,055.25
11/16/2018	Steamboat Ski and Resort Corporation	Silver Medallion	3,999.00
11/16/2018	TSArchitect	Architectural services for UYWCD Office	1,997.50
11/16/2018	Confluence Resource Management	Equipment Mobilization, Bobcat Mini Exavator, 30 hrs. Wetlands work.	6,940.00
11/19/2018	Walmart	Yamcolo annual Maint: cleaning supplies	26.63
Subtotal			37,229.14

Upper Yampa Water Conservancy District
Cash Disbursement Report
As of January 8, 2019

11/19/2018	Walmart	Yamcolo annual Maint: cleaning supplies	2.16
11/22/2018	SmartVault	Software, interphase with quickbooks	34.60
11/24/2018	Intuit QuickBooks	Quickbooks Payroll Software: Annual subscription	650.00
11/27/2018	Dor-Mor, Inc	SC Annual Maint: Mooring Anchor	1,513.00
11/27/2018	Walmart	Office supplies	21.41
11/27/2018	Metlife	Dental & Life Insurance	1,007.88
11/27/2018	Western Slope Health Care	Health nsurance	9,507.64
10/31/2018	ICMA	Retirement Accounts	8,029.22
11/30/2018	Quickbooks Payroll Service	November Payroll	28,585.93
11/30/2018	Expense Reimbursements	Mileage, Phone, Travel and Training	570.29
11/27/2018	Verizon Wireless	SC cell phones	103.75
11/29/2018	Budget Conferencing Inc. - PGI	Conference calls	27.42
11/29/2018	Four Points Surveying & Engineering	Yamcolo Flow Measurement	250.00
11/29/2018	NDS Northwest Data Services	IT Services: troubleshooting monitor, VPN	105.00
11/29/2018	Weiss & Van Scoyk	October Legal Services: General Matters & Yamcolo Matters	8,126.00
11/29/2018	X Field Services	SC Annual Maint: Excavation ramp work	11,183.90
12/03/2018	Internal Revenue Service	Federal Payroll Taxes	9,151.74
12/04/2018	CrashPlan Code42	Admin: Software - Cloud Backup	2.49
12/06/2018	Conoco Universal WEX	Gasoline	256.48
12/06/2018	ACE Hardware	Yamcolo & Stagecoach O&M. Fasteners, pipes, glue, saw hole, flagging, key, seed.	260.60
12/06/2018	Flat Tops Ranch Supply	Stagecoach, Yamcolo O&M. Extension cord, fasteners, transmission fluid, oil.	72.70
12/06/2018	Mountain View Car Wash	SC Yamcolo Annual Maint: Chevy	17.00
12/06/2018	Mueller Construction	Yamcolo Flow measurement	83,809.00
12/06/2018	USDA Forest Service	Special Use Permit of 199 acres Yamcolo Res Land. For full 2019 year.	18,290.67
12/06/2018	YVEA	Electrical bill, Stagecoach Powerhouse & Shed, service 11/1/18 to 12/1/18	894.39
12/06/2018	Zirkel Wireless, LLC	Internet Service: 1/1/2019 to 1/31/2019	59.00
12/06/2018	Intermountain Environmental, Inc IEI	Yamcolo flow meter	4,668.33
12/06/2018	Staples	Admin: Office supplies - paper pads, misc	76.52
12/06/2018	CBI - Consensus Building Institute	Board: Annual Retreat - Ryan Golten	4,475.11
12/10/2018	City Market	Board: mtg supplies	86.08
12/11/2018	Colorado SDA Property and Liab Pool	2019 Liability, Public Official, Property, Vehicle and Workers Comp. Insurance.	32,142.83
12/11/2018	Stagecoach State Park	Stagecoach State Park- Improvements Subsidy.	35,000.00
12/12/2018	Amazon	Moving boxes	29.14
12/13/2018	Restaurant.	Board: 2 mtg lunches	136.00
12/13/2018	Advanced Copier Solutions, Inc.	Savin Printer. November	369.45
12/13/2018	Balcomb & Green, P.C.	October Legal Services: Master Plan, General Matters, Coal Creek	5,293.50
12/13/2018	CenturyLink	SC Telephone. ACC# 970-736-2437 903B	138.98
12/13/2018	Nicole Seltzer	Public Info: Consulting	1,650.00

Subtotal

266,598.21

Upper Yampa Water Conservancy District
Cash Disbursement Report
As of January 8, 2019

12/13/2018	Resource Engineering	Water Resource Eng: Master plan	2,947.00
12/13/2018	CenturyLink	Office Telephone. ACC # 970-871-1035-239B.	248.27
12/13/2018	Aurum Food and Wine	Annual Holiday party	1,707.30
12/20/2018	Steamboat Springs Chamber Resort Association	Employee holiday gift cards	235.00
12/20/2018	AECOM	Yamcolo: Flow Monitoring 0804 to 0928	4,309.35
12/20/2018	Staples	Office supplies	65.98
12/20/2018	Steve Williams	Fence work, west of the Stagecoach Reservoir inlet	2,028.11
12/20/2018	Verizon Wireless	SC cell phones	103.75
12/20/2018	NDS Northwest Data Services	IT services	150.00
12/20/2018	Snell & Wilmer LLP	October November Legals: Million Utah filing	9,500.00
12/21/2018	Metlife	Dental & Life Insurance	1,007.88
12/21/2018	Western Slope Health Care	Health nsurance	10,363.29
12/31/2018	Quickbooks Payroll Service	October Payroll	23,544.74
12/31/2018	Expense Reimbursements	Mileage, Phone, Travel and Training	190.26
10/31/2018	ICMA	Retirement Accounts	15,138.07
12/28/2018	Budget Conferencing Inc. - PGI	Conference calls	113.62
12/28/2018	Community Agriculture Alliance Inc	Dues: 2019 Annual Membership	300.00
12/28/2018	Grainger	SC Annual Maint: filter screens	21.00
01/02/2019	Internal Revenue Service	Federal Payroll Taxes	7,949.20
01/02/2019	Weiss & Van Scoyk	November Legal Services: General Matters	11,108.00
01/08/2019	Staples	Admin: Office supplies -Moving boxes	184.49
01/08/2019	Zirkel Wireless, LLC	Internet Service: 2/1/2019 to 2/31/2019	59.00
01/08/2019	Mountain View Car Wash	SC Yamcolo Annual Maint: Chevy	189.00
01/08/2019	NDS Northwest Data Services	IT Services: server check	140.00
01/08/2019	Advanced Copier Solutions, Inc.	Savin Printer. December	120.57
01/08/2019	Balcomb & Green, P.C.	November & December: legal services; Master Plan, General Matters, Opposition to MWW	6,914.00
01/08/2019	Weiss & Van Scoyk	December Legal Services: General & Yamcolo Matters	6,866.50
01/08/2019	Colorado Water Congress CWC	CWC 2019 Annual Conference, Director Sharp & Manager McBride	1,195.00
01/08/2019	SDA Special District Association of CO	SDA membership, 2019	1,237.50
01/08/2019	Napa	SC Yamcolo Annual Maint: Chevy seat cover and truck tuff	46.30
01/08/2019	Conoco Universal WEX	Gasoline	255.44
01/08/2019	Colorado Department of Revenue	Employee State Tax Withholdings	3,848.00
01/08/2019	YVEA	Electrical bill, Stagecoach Powerhouse & Shed, service 12/1/18 to 1/1/19	717.77
01/08/2019	USGS	Contract 18CMCO181400000. Water Quality Monitoring Stagecoach	10,166.00
Subtotal			122,970.39
Total			426,797.74

RECORD OF PROCEEDINGS

UPPER YAMPA WATER CONSERVANCY DISTRICT BOARD OF DIRECTORS MEETING NOVEMBER 14, 2018 12:00 PM 3310 CLEAR WATER TRAIL, STEAMBOAT SPRINGS

MINUTES

Chairman Brenner called the meeting to order and declared a quorum present. In addition to Chairman Brenner, the Board members present were Bob Woodmansee, Doug Monger, Jim Haskins, John Redmond, Ron Murphy, Stephen Colby, and Webster Jones. Director Tom Sharp joined the meeting by phone. General Manager Kevin McBride, District Engineer Andy Rossi, Office Manager Karina Craig, and General Counsel Bob Weiss were also present. Members of the public present included Erin Light, Division Engineer and Scott Hummer, Water Commissioner, Colorado Division of Water Resources; Claire Sollars, Attorney, Colorado Water Matters; Jackie Brown, Natural Resource Policy Advisor, Tri-State Generation & Transmission; Kelly Romero-Heaney, Water Resources Manager, City of Steamboat Springs; and Albert R. Dowden and Russell Atha, Agate Creek Preserve.

Scott Grosscup, Attorney, Balcomb & Green, Special Counsel to the District participated in his part of the meeting by phone.

The following agenda was proposed:

AGENDA

- (1) 12:00 pm Establishment of Quorum and Call to Order;
- (2) Executive Session:
The specific citation to the provision of C.R.S. §24-6-402, subsection (4) that authorize(s) the UYWCD Board of Directors to meet in an executive session is set forth below. The topic of the executive session identifies the particular matter to be discussed in as much detail as possible without compromising the purpose for which the executive session is authorized.
 - a) Evaluation of District Manager §24-6-402(4)(f)(I). "Personnel matters except if the employee who is subject of the session has requested an open meeting, or if the personnel matter involves more than one employee, all of the employees have requested an open meeting."
- (3) 1:30 pm Consent Agenda; action item
 - a) Approval of Disbursements
 - b) Budget Comparison
 - c) Approval of the minutes of the September 6, 2018; September 12, 2018; September 19, 2018 and October 10, 2018 Board Meetings
- (4) 1:35 pm Approval of Agenda for Meeting action item
- (5) Public Input and Comment;
- (6) 1:40 pm Financial Report; action item
 - a) 2019 budget and Approval of Resolutions
- (7) 2:00 pm Report of the General Manager;
 - a) External Affairs
 - i) Drought Contingency Plan
 - ii) Roundtable IWMP action item
 - iii) IBCC/ Water Plan funding discussion

RECORD OF PROCEEDINGS

- b) District Appointments to the Yampa/Green/White Roundtable action item
- c) New Hire Job Description action item
- d) Office Lease action item
- e) Contract Negotiations Scheduling
- f) Non-consumptive pricing
- g) Stagecoach Firing
- h) 2019 Proposed Board Meeting Calendar action item
- i) Holiday Party
- (8) 3:30 pm Report from District Engineer;
 - a) Reservoir Water Status, 2018 summary
 - b) Capital Projects Update
 - c) Upper Yampa Watershed Group/Roundtable Grant Application
- (9) 4:00 pm Report from General Counsel;
 - a) Yampa River Call
 - b) Annual Resolution Posting Place action item
 - c) Board Bylaws; Directors' Payment
 - d) Board Term Expirations/Applications (Monger, Jones, Woodmansee)
 - e) Stipulation on Master Plan Water Case
 - f) Other Water Case Updates
- (10) Executive Session with Bob Weiss, legal Counsel, under CRS § 24-6-402(4)(b) to discuss legal issues on Pending Court Cases, Yampa River Call, and Water Contract Negotiations. Mere presence or participation of an attorney at an executive session of the local politic body is not sufficient to satisfy the requirements of this subsection (4).
- (11) New Business;
- (12) Adjournment.

Executive Session

A motion was made, seconded and unanimously approved to go into Executive Session under CRS § 24-6-402(4)(f)(1) for evaluation of the District Manager. Manager McBride did not ask to have his review in open session. The Executive Session commenced at about 12:15 PM and concluded at about 1:45 PM. The Executive Session was electronically recorded. Manager McBride did not participate in the initial executive session discussion but participated in the last part of the 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.

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

Meeting Agenda Director Haskins moved to approve the agenda. Director Redmond seconded the motion which was unanimously approved.

Public Comment Jackie Brown requested, as a member of the public, if the Board would consider placing the documents for the Board Meetings online. The board instructed to put the Board materials online.

RECORD OF PROCEEDINGS

Kelly Romero-Heaney, Water Resources Manager, City of Steamboat Springs (City) said she was looking forward to discussing the items presented to the District through a letter from the City. Copies of the letter were distributed to the Board members.

Erin Light, Division Engineer, Colorado Division of Water Resources, discussed upcoming meetings for water users in the upper Bear River. Director Brenner commented that one of the goals of the meeting was to get written documentation about how water administration will occur in that area. Ms. Light stated another intent of those meetings is to receive input from water users.

Financial Report General Manager McBride presented the 2019 budget, including salary ranges. The 2019 budget was reviewed and discussed, including power revenues, water sales, expenses and capital items.

Director Monger moved to approve the 2019 Budget and pay ranges, to set the mill levy at 1.82 and to appropriate funds as budgeted. Director Woodmansee seconded the motion which was unanimously approved.

Report of the General Manager

External Affairs

Drought Contingency Plan - The Drought Contingency Plan was discussed. Director Monger suggested representatives from the River District might be able to attend a meeting to further discuss this topic. Director Brenner suggested that a discussion on the strategy on the Water Horse Resources Application be discussed also. It was generally agreed to include these topics on the January 2019 Board of Directors meeting.

Roundtable IWMP – The Integrated Water Management Project was discussed. Jackie Brown, chair of the project, presented information and discussion followed. Chairman Brenner summarized that the Board preferred that the District not be the project fiscal agent for now and to wait for the River District to respond to the Roundtable. The Board would reconsider it if the Roundtable made a proposal to the District.

Director Sharp made a motion that the District support the Integrated Water Management Project Board effort, and to contribute \$10,000 per year upon receipt of invoices, for the years 2019, 2020, 2021, and to decline fiscal agent services. Director Murphy seconded the motion which was unanimously approved.

IBCC/ Water Plan funding discussion- Manager McBride presented; he discussed water management and the need of future policy discussions.

RECORD OF PROCEEDINGS

District Appointments to the Yampa/Green/White Roundtable

Director Sharp moved to appoint General Manager Kevin McBride to the Roundtable. Director Monger expressed his opinion it was important to have a Director at the Yampa Green White Round Table, seeing board policy would be discussed, and the fact that at the General Manager would in either case be attending the meetings as well. Director Monger moved the Board appoint The District Chairman, Ken Brenner as its representative. Director Haskins seconded the motion. A vote was taken. Chairman Brenner was appointed to be the District representative at the Roundtable. Director Monger expressed the Board's request for the General Manager to continue attending the meetings.

New Hire Job Description Director Redmond moved to proceed in the process to hire an External Affairs/Public Information person and to have a committee of Directors; Woodmansee, Jones, and Monger; to conduct interviews and make a recommendation to the full board. The position to start May 1st, 2019. Director Woodmansee seconded the motion which was unanimously approved.

Office Lease Director Jones moved to authorize entering into an agreement with the lease of Mountain Valley Bank and to authorize Counsel Bob Weiss and General Manager McBride to make any small changes to the lease as needed. Director Murphy seconded the motion which was unanimously approved.

Contract Negotiations Scheduling Director Sharp gave an update on the Contract Negotiations meeting schedules and discussion followed.

Non-consumptive Pricing Director Sharp presented a memorandum pertaining pricing of environmental-recreational (ER) water, in continuation of October retreat discussions and as the Board seeks to adopt a policy regarding such water. The Document was reviewed. A discussion ensued; some of the topics examined were contract terms, ability to deliver water, prorated pricing, discounts, firmness of yield, value of recreational water to the community, environmental benefits, location of water use relative to District boundaries. Chairman Brenner proposed and there was agreement that the item should remain as standing item in Board meeting agendas, for the near future. Chairman Brenner suggested the item be listed to include public comment. Director Sharp commented that as discussions continue, staff ought to receive a recommendation from the Board regarding ER water pricing, by the end of May 2019.

Stagecoach Firming Director Redmond recused himself and left the room. A handout from AECOM regarding firming water supplies into Stagecoach Reservoir was reviewed and discussed. Director Brenner asked that the December 19th meeting, which would include a working session regarding the topic, be posted as a Board of Directors special meeting; if Directors were interested they could attend, yet they would not be obliged to. It was proposed that the meeting be held at the building where the District's new offices will be located soon.

RECORD OF PROCEEDINGS

2019 Proposed Meeting Calendar Director Sharp moved to approve the proposed Board meeting calendar for 2019. Director Haskins seconded the motion which was unanimously approved.

Holiday Party The event was set for December 13th, 6:00 PM., Aurum Food & Wine

Report from General Counsel

Annual Resolution Posting Place Director Monger moved to approve the District's designated posting place. Director Woodmansee seconded the motion which was unanimously approved.

Board Bylaws; Directors' Payment Counsel Weiss reviewed the District's Bylaws regarding Director's payment. Manager McBride recommended that if a District meeting is a publicly noticed meeting, then District staff will record attendance and no request for payment will be needed from Directors. For other meetings, Directors will have to request payment.

Board Term Expirations/Applications (Monger, Jones, Woodmansee) Counsel Weiss reviewed the Board appointment process and requested that Directors whose terms are ending and who are interested to reapply submit the appropriate forms.

Report from the District Engineer

Reservoir Water Status, 2018 Summary

There was no discussion of materials included in Board of Directors Meeting Information Packet.

Capital Projects The Yamcolo flow measuring device installation project is expected to be complete near the end of November. Stagecoach Reservoir intake gate stem guide repairs have been completed with a plan for more robust improvements next year. A small amount of work is left for wetlands mitigation in 2018.

Upper Yampa Watershed Group/Roundtable Grant Application Engineer Rossi will be presenting the grant application included in the Board of Directors Meeting Information Packet at tonight's Yampa-White-Green Roundtable meeting.

Report from General Counsel (cont.)

Yampa River Call A letter from the District to Erin Light, Division Engineer, Colorado Division of Water Resources was presented, reviewed, and discussed.

Director Sharp moved to authorize Chairman Brenner to sign the letter to the Division Engineer. Director Haskins seconded the motion which was unanimously approved.

RECORD OF PROCEEDINGS

Stipulations on Master Plan Water Case and Other Water Case Updates Scott Grosscup, special counsel to the District, joined the meeting by phone. Mr. Grosscup presented a memo on the status of current District water court cases. The Water Horse Resources Application process was discussed.

Executive Session

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 Monger made a motion to go into executive session. It was seconded by Director Woodmansee 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 to Pending Court Cases, Yampa River Call, and Water Contract Negotiations. 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 4:41 PM and concluded at about 5:10 PM.

Director Monger moved to delegate approval of Stipulation of the Master Plan case to the Executive Committee. Director Woodmansee seconded the motion which was unanimously approved.

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.

Determination of future meetings The scheduled date for the next Board meeting was confirmed, being Wednesday December 19, 2018 at the Mount Valley Bank conference room.

The meeting was adjourned at 5:10 PM.

RECORD OF PROCEEDINGS

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

_____ Date: _____
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 to Pending Court Cases, Yampa River Call, and Water Contract Negotiations constituted a privileged attorney-client communication in the opinion of the undersigned attorney.

_____ Date: _____
Robert G. Weiss, Counsel

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.

_____ Date: _____
Ken Brenner, Chairman

RECORD OF PROCEEDINGS

UPPER YAMPA WATER CONSERVANCY DISTRICT BOARD OF DIRECTORS SPECIAL MEETING DECEMBER 19, 2019 1:30 PM 2220 CURVE PLAZA, STEAMBOAT SPRINGS, CO

MINUTES

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

Members of the public present were Greg Glunz, Andrea Parker, Anne Ferguson, and Dave Merritt, AECOM; Scott Fifer and Ashley Moffatt, Resource Engineering; Michael Verdone, BBC Research and Consulting. Clinton Whitten, National Resources Conservation Service; Kris Middendorf and Craig Preston, Colorado Parks and Wildlife; Erin Light and Scott Hummer, Colorado Division of Water Resources; and Lou Dequine;

General Counsel Bob Weiss; Special Counsel Scott Grosscup, Balcomb & Green; and Jackie Brown, Tri-State Generation & Transmission attended the meeting by phone.

The following agenda was proposed:

AGENDA

- (1) 12:30 pm Establishment of Quorum and Call to Order;
- (2) Approval of Agenda for Meeting; action item
- (3) Consent Agenda;
- (4) 12:35 pm Work Session - Stagecoach Firming Task 1 – AECOM
Work session procedure: The Board will give direction to staff at work sessions for the presentation of action items at future Board of Directors Meetings, no motions will be considered. Public comment will be accommodated at the discretion of the Board of Directors majority.
- (5) 2:30 pm Public Input and Comment;
- (6) 3:00 pm February 20, 2019 Work Session agenda proposal;
- (7) 3:10 pm Agate Creek Extension; action item
- (8) 3:20 pm Approval of Master Plan Stipulation; action item
- (9) 3:30 pm Executive Session with Bob Weiss, legal Counsel, under CRS § 24-6-402(4)(b) to discuss legal issues on Agate Creek Extension and Approval of Master Plan Stipulation. 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) New Business;
- (11) Adjournment.

RECORD OF PROCEEDINGS

Consent Agenda No items were presented for the Consent Agenda.

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

Work Session – Stagecoach Firming Task 1 – AECOM

An agenda for the work session was presented and discussed. Director Sharp was asked to provide a brief history for the project: Director Sharp discussed the Pleasant Valley Project and its water rights and a history of Colorado Ute’s involvement with the Stagecoach project. The District knew that Stagecoach would benefit from a firming project.

Ashley Moffatt presented stating the District’s Master Plan set the stage for Task 1.1 Purpose and Need. Discussion followed.

Mike Verdone presented and discussed several drivers for the Purpose and Needs, including increases and decreases in future demands.

Dave Merritt presented referring to Task 1.2 Alternative Screening and Development.

Director Brenner inquired about public outreach. Andrea Parker clarified that during Task 1 public outreach would not be part of the permitting process. Public outreach that the District is or may do is not part of the specific requirements of permitting.

The General Manager explained that task 1 is to make sure the board is comfortable with the items included in a purpose and need statement. These include future demands from SWSI, non-consumptive needs modelled in the master plans, etc.

Scott Fifer stated the State Water Supply Initiative (SWASI) included electrical demands in Craig, Colorado.

Director Woodmansee spoke about the basic premise of the modelling and how conditions captured by the model don’t address fire and aridification.

Mr. Merritt and Ms. Parker reviewed that they need feedback from the Board to build the Purpose and Needs. The fundamental aspects include timing, location, supply, use, stream management objectives through town, and a strategic reserve.

Greg Glunz spoke and drew attention to risks and unknowns. Timeline for task 1 deliverables was discussed.

Public Comment Scott Hummer, Colorado Division of Water Resources, stated he thought it was important that the Board and staff remember not to congregate only in Steamboat, but to also meet in South Routt County to reach out to the area where a reservoir may be built.

RECORD OF PROCEEDINGS

February 20, 2019 Work Session agenda proposal

Director Brenner said a proposal would be brought to the January Board meeting for a 360 review of the District, including a list of who would be consulted. The list would include both internal and external participants. Director Woodmansee offered to work with Director Brenner on this item.

Approval of Master Plan Stipulation

Director Sharp moved to approve the proposed stipulation and draft decree in case Number 26CW3016. Director Woodmansee seconded the motion, which was unanimously approved.

Executive Session

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 Sharp made a motion to go into executive session. It was seconded by Director Redmond 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 to Agate Creek Extension and Approval of Master Plan Stipulation. 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 3:37 PM and concluded at about 4:15 PM.

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.

Director Sharp moved to authorize Counsel Weiss to tender to Agate Creek the contract submitted in Executive Session, with any conforming changes as necessary, including CPI so the resulting price is in sync with new contracts. Director Colby seconded the motion which was unanimously approved.

Determination of future meetings The scheduled date for the next Board meeting was confirmed, being Wednesday January 23, 2018 at 1:30 PM, at the Mountain Valley Bank Community Room.

The meeting was adjourned at 4:17 PM.

RECORD OF PROCEEDINGS

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

_____ Date: _____
Kevin McBride, District Secretary/Manager

STATEMENT FROM ATTORNEY REGARDING ATTORNEY-CLIENT PRIVILEGE

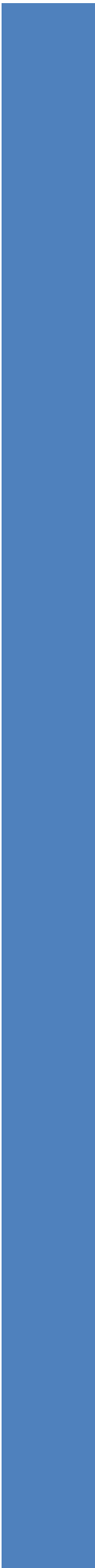
The undersigned Robert G. Weiss hereby attests, pursuant to CRS Section 24-6-402(2)(d.5)(II)(B), that the portion of the executive session that was not recorded and which related to Agate Creek Extension and Approval of Master Plan Stipulation constituted a privileged attorney-client communication in the opinion of the undersigned attorney.

_____ Date: _____
Robert G. Weiss, Counsel

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.

_____ Date: _____
Ken Brenner, Chairman





BOARD COMMUNICATION FORM

From: Kevin McBride

Date: 1/17/2019

Item: Colorado River Management Issues

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

The Yampa River is a Major tributary to the Colorado River. As the Colorado River flows decline due to drought, discussions on how to prevent, or respond to, the Colorado River Compact and its subsequent agreements known as “The Law of the River” intensify. The latest efforts to prevent actual compact administration are collectively called the Drought Contingency Plan (DCP). Andy Mueller, General Manager of the Colorado River District, and Peter Fleming, General Council will join us for a discussion about current efforts.

Background information on Colorado River Management issues are vast and technical from both a legal a scientific aspect. For this discussion consider that the DCP for Colorado will likely entail a reduction of consumptive use from current uses, storage of that water in Lake Powell as a “bank” in order to reduce the probability the compact being “called”. How administration of a call would occur is also an unknown at this time. Current discussions on how the DCP program is formulated and administered are likely to be part of the discussion. What would occur under various ways the compact might be administered, and components (like amounts necessary to bank, are being studied in the West Slope Risk Study. This will also be a topic.

Attached here are, the Yampa White Green’s position paper “white paper” from 2014, a power point, shown at the Basin Roundtable as a basic simplistic primer on the Compacts and a brief discussion of the Yampa White Green Roundtable’s Position from 2015. A technical power point from 2017 on the Risk Study, and a press release from the Colorado River District from October 2018. Hopefully these will provide some background and questions.

II. Summary and Alternatives:

N/A



III. Staff Recommendation:

N/A

IV. Legal Issues:

Information item only

V. Consistency with Board Goals and Policies:

Monitor important issues. Board may want to consider a position on certain proposals when appropriate.

Attachments:

2009 Memo of TRS stating formulation of the Yampa Doctrine

YWG White Paper 3_12_14 adopted version

YWG RT POSITION power point

draft-drought-contingency-planning-and-colorado-river-risk-study-john-carron-10-17-2017-2

press-release-2018-oct-crd-upper-colorado-river-basin-drought-contingency-planning-2

MEMO:

FROM: Tom Sharp, Steamboat Springs, CO

TO: Whom it may concern

RE: EXPLANATION AND JUSTIFICATION FOR THE “YAMPA DOCTRINE” REGARDING ARTICLE XIII OF THE UPPER COLORADO RIVER COMPACT

DATE: November 17, 2009

Article XIII of the Upper Colorado River Compact states that, “Subject to the provisions of this compact, the rights to the consumptive use of the water of the Yampa river . . . are hereby apportioned between the states of Colorado and Utah in accordance with the following principles: (a)The state of Colorado will not cause the flow of the Yampa River at the Maybell gauging station to be depleted below an aggregate of 5,000,000 acre-feet for any period of ten consecutive years reckoned in continuing progressive series”

Such Article XIII is an apportionment of the Yampa River between Utah and Colorado, in the amount of 5,000,000 AF per 10 year rolling periods. That number averages to 500,000 per year deliverable to Utah from the Yampa River. The apportionment nature of such Article XIII is also recognized in Article III(b)(3)(i).

Article IV(a)(c) provides one of the principles upon which the Upper Colorado River Commission shall determine curtailment of water by the Upper Basin states in the event such curtailment is necessary under Article III of the 1922 Colorado River Compact. Such Article IV(a)(c) states that “the extent of curtailment by each state of the upper division of the consumptive use of water apportioned to it by Article III of this compact [51.75% to Colorado] shall be such as to result in the delivery at Lee’s Ferry of a quantity of water which bears the same relation to the total required curtailment of use by the states of the upper division as the consumptive use of the Upper Colorado river system water which was made by each such state during the water year immediately preceding the year in which the curtailment becomes necessary bears to the total consumptive use of such water in the states of the upper division during the same water year;” In other words, Colorado must curtail, and therefore pass to Lee’s Ferry, the percentage of the entire upper basin states’ curtailment obligation represented by a fraction, the numerator of which is Colorado’s consumptive use of Colorado River water for the previous water year and the denominator of which is the total consumptive use of Colorado River water by all upper basin states for the previous water year. That fraction may be more or less than 51.75%, and that fraction is referred to herein as the “Colorado Curtailment Fraction.”

Within Colorado, the provisions of Article XIII do not interfere with the right or power of Colorado to regulate within Colorado the “appropriation, use and control” of water within its boundaries up to the 51.75%. See Article XV(b), determination by a state regarding curtailment

of use of water under Article IV due to a lower basin compact call. But please note that Article XV(b) does not say that the provisions of the 1948 compact do not apply to or interfere with the right or power of each upper basin state to formulate and apply curtailment rules within each state to accomplish the Colorado Curtailment Fraction. Indeed, as more fully explored below, provisions of the four apportionment Articles of the 1948 compact, being Article XI (Little Snake River), Article XII (Henry's Fork of Green River), Article XIII (Yampa River), and Article XIV (San Juan River), clearly show that the ability of each upper basin state to formulate and apply internal curtailment rules is limited by the apportionments of those 4 Articles.

Therefore, the "Yampa Doctrine" asserts that the apportionment of the water of the Yampa River under Article XIII must be taken into account internally within Colorado as Colorado determines how it will effectuate a curtailment of water pursuant to the Colorado Curtailment Fraction in the event of a lower basin compact call which has triggered a directive of curtailment by the Upper Colorado River Commission. Specifically, the "Yampa Doctrine" asserts that the State of Colorado may not impose a curtailment of consumptive uses of Yampa River water during such a lower basin compact call if the flow of the Yampa River past the Maybell gage to Utah has exceeded the apportionment requirement in the preceding water year, i.e., has exceeded 500,000 AF of water.

The analysis of the justification for the "Yampa Doctrine" relies upon a close review of the provisions of the Upper Colorado River Compact itself. Any legislation or contract must be interpreted in accordance with its plain meaning, giving effect to all provisions, and reference to outside sources can only be used in the case of clear ambiguity. The "Yampa Doctrine" assumes the 1948 compact is clear and unambiguous.

There are several major tributaries to the Colorado River arising in Colorado and delivering water into Utah: The Little Snake, Yampa, White, Colorado mainstem, Gunnison, Dolores, and San Juan are among those tributaries. Three are specifically referenced in separate Articles in the Upper Colorado River Compact: The Little Snake River, the Yampa River, and the San Juan River. Article XI applying to the Little Snake apportions that river between Colorado and Wyoming by a division of the river for administration purposes at approximately the confluence of Savery Creek, and subsection (b)(1) requires that "the curtailment," which must mean "curtailment" under Article IV, must be equally applied to waters consumed or stored in Wyoming and waters consumed or stored in Colorado, on the basis of equal application of irrigated acreage standard. Clearly, that directive on curtailment on the Little Snake is expected to be taken into account by each of Colorado and Wyoming in determining their respective policies of curtailment to meet a lower basin call.

In similar fashion, Article XIV applies to the San Juan River, and apportions the river between Colorado and New Mexico by requiring Colorado to always deliver to New Mexico in the San Juan River sufficient water, when added to the native water originating in the San Juan River from New Mexico drainages, to enable New Mexico to make "full use" of New Mexico's 11.25% apportionment under Article III, subject to recognition of existing pre-1949 water rights and planned US BuRec projects. But since that apportionment is "measured" by the very

allocation under Article III, Subsection XIV(d) then goes on specifically to add that “The curtailment of water use by either state in order to make deliveries at Lee’s ferry as required by Article IV of this compact shall be independent of any and all conditions imposed by this Article and shall be made by each state, as and when required, without regard to any provision of this article.” So, for the San Juan, the apportionment methodology may be ignored by either state in formulating their in-state curtailment rules.

What are we to make of one specific Article apportioning the Little Snake river and requiring that Colorado and Wyoming must take into account that apportionment when determining their in-state curtailment policy, whereas another specific Article apportioning the San Juan river requires that Colorado and New Mexico must not take into account that apportionment when determining their in-state curtailment policy? Why does the “Yampa Doctrine” hold that the “general rule” of interpretation of the interface between Article IV & Article XV(b), on the one hand, and the 4 apportionment Articles (XI, XII, XIII, and XIV), on the other hand, is that the apportionment language of such 4 latter Articles supercede any contrary in-state policy on curtailment and must be followed by the applicable states without authority to modify? The following reasons apply.

Article XII of the Upper Colorado River Compact apportions waters of Henry’s Fork of the Green River and its tributaries between Wyoming and Utah. It is significant here that the Article describes in detail how consumptive use of waters shall be charged, and the duty of water administrative officials of each state to release stored water to the other state under certain circumstances. That Article XII goes on to state that the state engineers of the two states will jointly appoint a special water commissioner who “shall have authority to administer the water in both states in accordance with the terms of this article.” The obvious implication is that such wording on administration is to be applicable and taken into account in the event of curtailment pursuant to a lower basin call, but Article XII, like Article XIII for the Yampa River, does not have specific wording regarding “curtailment.”

Article XIII, being the Article that apportions the waters of the Yampa River between Colorado and Utah, does not include the word “curtailment.” How is that “silence” to be interpreted? The “Yampa Doctrine” contends that the apportionment of the Yampa River under Article XIII must be included in Colorado’s in-state policy determinations regarding how a curtailment ordered by the Upper Colorado River Commission under Article IV can be implemented in Colorado. The “Yampa Doctrine” then contends that, if curtailment is ordered, the State of Colorado cannot curtail consumptive use in the Yampa River basin so long as the Yampa River is delivering 500,000 AF or more of water to Utah in the measured water year prior to the year of curtailment, so that Utah is getting its full portion of the apportionment of the Yampa River under Article XIII.

The conclusions of the “Yampa Doctrine” as above stated arise from a reading of the 1948 Compact and the application of ordinary legal principles of legislative and contract interpretation. The silence in Article XIII respecting how the apportionment is to be treated in

the event of a curtailment by Colorado due to a lower basin compact call can only be interpreted one of two ways: Either (i) Article XIII is entirely subordinate to the determinations of Colorado regarding how it will administer a curtailment order from the Upper Colorado River commission with respect to Yampa River consumption, or (ii) Article XIII is senior to such a determination, and the State of Colorado must administer such a curtailment with due applicability of the apportionment of Article XIII and a determination of whether the Yampa River is over-delivering water to Utah under Article XIII, and if not, exempting Yampa River consumption from such curtailment.

The following interpretation concepts are applicable:

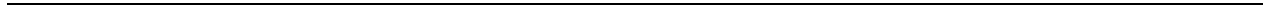
1. If the apportionments of Articles XI, XII, XIII, and XIV are subordinate to each state's internal determination of what water rights to curtail in the event of a compact call, then Article XIV(d) was unnecessary. If subordination was intended as the "general rule," there was no reason for inserting it in Article XIV. It was unnecessary surplusage. General interpretation principles assume that there is a reason for each section and subsection of legislation, and it should be interpreted to give full force to all wording.
2. If the "subordinate" interpretation is the general rule, the very specific provisions regarding Henry's Fork and the specially appointed joint water commissioner provisions of Article XII could be ignored by either state in determining how to implement that state's in-state curtailment policy. But that also makes no sense. The very insistence in XII(h) of a joint water commissioner renders that interpretation as applied to XII as nonsense. The very specificity evidences the compact drafters' intent that the apportionment wording in XII is intended to supercede any contrary application by each state internally.
3. The absence of wording regarding curtailment in Article XII regarding the Henry's Fork is illuminating, since a reading of the detail of such Article XII would lead to ordinary interpretation that the specifics, including the "joint" water commissioner's authority, are intended to "override" any contrary interpretation by either state in formulating its in-state curtailment policy. In other words, the very nature of the detail of such Article XII on the Henry's Form must mean that such terms, which are an apportionment, must be complied with by both states in formulating their in-state curtailment policy. Hence, silence in Article XII cannot be interpreted to mean that each state can adopt contrary administrative policies in formulating their respective in-state curtailment policies.
4. Since Article XIV for the San Juan River expressly provides that the apportionment not be regarded when each state determines its internal curtailment policy, it follows that the only reason for the inclusion of that specificity is to distinguish the San Juan from the more logical "general rule": That "general rule" would be that the apportionments described in the 4 apportionment Articles

(including the Article XII regarding Henry's Fork) are required to be an integral part of each upper basin state's policies on the in-state curtailment of water in the event of a lower basin compact call. Only the San Juan is "exempted" from that general rule by the specific language of Article XIV(d).

5. So if the "general rule" is that the apportionments must be regarded in each state's in-state curtailment rule, why did the drafter's include in the Little Snake apportionment, Article XI, Sections (b)(1) and (b)(2), wording regarding "curtailment"? In reading such sections, it is obvious that the inclusion of curtailment language was inserted to specify the detail about how each state must administer a curtailment internally, that for direct flow curtailments the consumptive use per acre must be equally curtailed on an acreage basis in Wyoming and in Colorado, and for storage curtailments the measurement must also be based upon irrigated acreage equality of sufferance by each state. Those subsections make clear that the seniority of the apportionment based upon "equality of irrigated acreage" supercedes each state's ability to come to contrary conclusions in its in-state policies respecting compact curtailment enforcement.

Thus, a general "rule" that the 4 apportionment Articles must not be superceded by any state's internal policies regarding enforcement of compact curtailment is the only interpretation making sense. A contrary interpretation would allow states to ignore the specifics of the Little Snake and Henry's Fork detail, and would render unnecessary a specific "exemption" wording in the San Juan Article. That makes no sense.

Under such correct "general rule," both the Yampa River Article XIII and the Henry's Form Article XII are subject to such "general rule." There is nothing in those two articles that would indicate that the absence of reference to curtailments in one is to be treated opposite of the absence of reference to curtailments in the other. Since the "general rule" must be that the apportionment of Article XIII must not be superceded by Colorado's policies regarding enforcement of compact curtailment, it follows that the consumptive uses in the Yampa Basin cannot be curtailed so long as the apportionment requirement of Article XIII is being met, i.e., so long as Colorado has not caused the flow of the Yampa River at the Maybell gaging station to be less than 500,000 AF per year on a 10 year running average.



Yampa/White/Green Basin Roundtable White Paper

Introduction

The Yampa/White/Green (Y/W/G) Roundtable represents three drainages in Northwest Colorado. These drainages are all tributary to the Green River, which is a tributary to the Colorado River. Each drainage basin can be considered independent for the purpose of local water planning as no diversions currently exist between them. The Yampa and White have headwaters in high precipitation elevations from the Park Range in the North to the Flattop Mountains and Gore Range in the South. The rivers hydrology is snowmelt dominated and, like most rivers in Colorado, flows fluctuate greatly between seasons. Landscapes vary greatly from wet, high mountain elevations to sagebrush steppes to downstream desert canyons. Seasonal flow variations on the rivers range from frozen winters to high flow springs to hot dry summers and flows occur with a different timing and amount each year.

The Yampa is the largest tributary to the Green River with an average flow at the confluence of approximately 1.5 MAF. The Little Snake River is a significant tributary to the Yampa River that has headwaters in both Wyoming and Colorado. The Yampa flows through several municipalities, the largest being Steamboat Springs and Craig, Colorado. Two large coal fired thermal electric generating stations use water from the Yampa and coal from large mines in the Basin. There is irrigated agriculture throughout the basin. The Yampa's confluence with the Green River is immediately upstream of the Utah State line. The White River flows through Meeker and Rangely, Colorado and into Utah prior to meeting the Green River. Average annual flow out of Colorado on the White River is approximately 0.5 MAF. Like the Yampa there is irrigated agriculture from the headwaters to the State line. Significant energy production occurs, particularly in the Piceance basin.

The Green River flows into and out of the northwest corner of Colorado and this part of Colorado is tributary directly to the Green River. Vermillion Creek is the largest tributary in this area. It flows from southern Wyoming and its yield is relatively small compared to the Yampa and White Rivers. The confluence of Vermillion Creek with the Green River lies in Brown's Park Colorado. Agricultural areas are dispersed throughout this basin.

The Yampa/White/Green drainages are, relatively undeveloped and have limited usage and storage compared to other basins in the State of Colorado. Total consumptive use is approximately 125,000¹ AF in the Yampa, 30,000 AF on the White, and 3,000 AF in the Green tributaries. Comparatively little storage exists in these basins and much of it is reserved as a backup for industrial and municipal uses. With little release from storage low late season flows can occur in dry years. On the main stem of the Yampa augmentation of endangered fish flows are sometimes necessary from Elkhead Reservoir, and gravel pushup dams sometimes are required to obtain agricultural diversions in dry years. Where no storage exists smaller tributary streams are often short in the late season.

¹ Yampa River PBO 1988

The Roundtable is concerned that in Yampa, White and Green basins significant growth occurred later than in other parts of Colorado thus water uses, particularly M&I uses, were more recently developed and adjudicated. Therefore these diversions lack seniority with respect to the Colorado River as a whole. Many M&I uses have post Colorado Compact adjudication dates which could put existing uses at risk of curtailment. We are concerned that any action to limit consumptive use due to any inter-basin/intrastate agreements which rely on a strict appropriation between Colorado River tributary basins would put the Y/W/G at a disadvantage. For example, compared to many trans-mountain diversions water rights, which are used to transfer water to the Front Range from the main stem of the Colorado River and its tributaries, the Y/W/G uses may have later appropriation dates. We are concerned that water uses could be curtailed if a strict appropriation doctrine is applied during administration of the river(s). This theoretical curtailment should be evaluated prior to the Y/W/G roundtable being party any intrastate agreements.

Due to the small amounts of storage and relatively junior water rights within the Y/W/G basins' the Roundtable is concerned about poor physical and legal reliability of its water resources, particularly during drought periods. Neither the main stem of the Yampa below Steamboat Springs or the White River are formally under administration. Some large tributaries such as the Elk River are, and administration practices are increasing, such as orders for infrastructure improvements. What effect administration of the Colorado River Compact(s) or other demand management would have on local diversions is unclear. Many local physical water shortages exist and the Basin Implementation Plan will be designed to address consumptive and non-consumptive needs in an integrated manner. Addressing basin specific needs in a "quest for certainty" for existing uses, future growth, recreational, and environmental values forms the core of the needs outlined in this white paper.

While population growth will drive additional municipal needs and additional irrigated agricultural areas have been identified in SWSI studies, the energy sector shows the potential to have the greatest growth in consumptive water demand. Endangered species, riparian plant communities, sport fisheries, rafting, and ecological integrity are important non-consumptive needs. The Yampa/White/Green Roundtable will seek through its Basin Implementation Plan (BIP) to make certain that existing consumptive uses are met, even during anticipated drought periods. This includes drought periods that are in the reconstructed paleohydrologic record and might be exacerbated by temperature increases. Additionally, the BIP will examine water development and administrative systems so that existing and future consumptive uses can be coordinated with non-consumptive uses. For example, flow between storage and diversion points might aid in meeting low-flow needs on the river. Flows out of the basin, to aid in interstate delivery compliance, could be timed to meet endangered fish recovery program flow targets. Additional storage on the system must be balanced with the needs for high spring flows for both recreational needs and ecological processes.

We recognize the Yampa and White Rivers play a significant role in providing water for compliance with the State of Colorado's downstream agreements, and that this must be recognized in the State Water Plan. We also think that equitable apportionment among Colorado River tributary basins must be included in IBCC agreements and in the Colorado Water Plan, as it was in previous interstate agreements, and envisioned by the 1177 process.

The Roundtable's View on Depletions in the Yampa/White/Green Basin, the Colorado Basin and the State of Colorado.

A distinction must be made between existing Y/W/G in-basin consumptive uses (including projected PBO depletions), new development for use within the West Slope Basins as a whole, and "New Supply" to the Eastern Slope. Arrangements other than the prior appropriation doctrine were the core of the State of Colorado's arguments at the time of the original Colorado River Compact in 1922, between the Upper Basin States in 1948, and should now be included in the Colorado Water Plan between river basins. Discussions between roundtables involving the systematic planning of flows leaving the State to meet any obligation, the risk of curtailment of use, and the risk of underdevelopment of allocated water will be complicated. In 1922 the State of Colorado sought to avoid becoming legally water short and, in 1948, discussed deliveries with other upper basin States. The Yampa/White/Green Roundtable thinks that some framework protecting an apportioned supply within each drainage basin is critical to our BIP. With that said, the Roundtable recognizes the role of the prior appropriation system within each river basin and among developed water rights within each basin.

The Yampa White Roundtable will assume in its BIP that interstate compliance issues will not be problematic to development of the IPP's or to newly identified projects within the BIP. Further, it will assume that the depletion allotments (previously negotiated in the Yampa Basin and under discussion in the White River) as part of an endangered fish recovery program's programmatic biological opinion (PBO), are available for development of in-basin BIP projects.

The White Paper from the Colorado Basin lists numerous reasons why new trans-mountain diversions (TMDs) threaten all existing uses of the Colorado River. We agree that "new supply" meaning TMD diversion(s) out of any tributary of the Colorado River could not be considered a firm commitment for annual delivery. Water is not reliably available for additional TMDs. Any entity wishing to develop a TMD supply of water from the Colorado River must recognize that within the Colorado River any "extra" water available must be "triggered" by a full (or nearly full) supply in reservoirs built to carry the Colorado River Basin through a drought. Any trans-mountain diversion assuming future wet years will consistently fill these reservoirs is wishful thinking akin to the "rain follows the plow" mentality of the 1800's. Both wet and dry periods will occur on the Colorado River in a random fashion, and of that fact we can be certain.

With respect to "Preserving the Option for New Supply" (emphasis added) we reiterate that a large TMD appears to us to be an unsustainable option. This is demonstrated by the current news about potential operational problems in both Lake Powell and Lake Mead. Obviously release rates from lakes Powell and Mead are in excess of the supplies flowing to them. We encourage our representatives' to work appropriately with other States to deal with this deficit. To guarantee that any TMD for the East Slope is even feasible and could meet the triggers as noted above, any proposed TMD out of the Colorado River Drainage must be preceded by a full operational analysis. This analysis must be complete enough that the risks of operating project(s) in a junior manner to identified Y/W/G and other West Slope needs are completely understood by all, including its proponents and ratepayers. Such a project should not be funded by the State of Colorado, but by interests, public and/or private, willing to accept such operational and financial risk.

Goals and Objectives of the Yampa/White/Green Basin Implementation Plan

The goals and objectives of the Roundtables BIP is simply to meet the consumptive and non-consumptive needs identified in the Energy, Agricultural and Non-consumptive needs assessments along with additional needs identified by local input through the Roundtable and PEPO process. As relatively undeveloped basins, the Yampa, White, and Green basins have the opportunity to meet both consumptive and non-consumptive needs with less acrimony than might occur if the basins were over-developed. This means that during periods of droughts with appropriately planned storage, delivery, and administrative structure these basins may be able to meet both consumptive and non-consumptive uses in a manner not available in over-developed basins. The critical consumptive uses include: existing municipal, industrial, agricultural, and augmentation uses (including storage needed to meet these through drought periods), as well as additional PBO depletions for future use within the basins. Priority non-consumptive uses include endangered fish and species of concern, riparian plant communities and recreational activities including whitewater boating and fishing. Through our BIP we will evaluate the IPP's and new projects using the available tools including CDSS modelling and the Flow Evaluation Tool developed for the Y/W/G Basins. Data regarding variable precipitation, available and proposed storage volumes, current and future consumptive uses, seasonal high and low flows needed to maintain aquatic and riparian habitat will be considered. We expect to develop a balanced plan that compares these needs to administered flow amounts in a variety of hydrologic situations or scenarios. A key scenario will be high future demands coupled with low supply, in other words our current and future needs during a drought. The Roundtable seeks to meet these critical needs within its basins prior to any discussion about unappropriated water availability from our river basins.

We think the Yampa and White Rivers have the capacity to meet current consumptive uses with a firm supply. These Rivers can provide for abundant recreational opportunities, have potential for future growth, while maintaining and enhancing ecological values. It can accomplish this while consuming a relatively small amount of its water resources. Through appropriately planned storage, contracting, and administration these rivers can provide water to consumptive and non-consumptive needs through a variety of weather conditions. This integration is an important process in meeting the goals of the Y/W/G BIP.

An additional objective for the Y/W/G BIP is also to incorporate these goals into the Colorado Water Plan. This objective will be to frame the Yampa/White/Green's place in intrabasin/interstate agreements, in a "bottom-up" way. The roundtable might accomplish its consumptive use goals using a relatively small amount of water and storage. Allowing a greater amount of water to leave the basins than required by the 1948 compact could risk some of the region's the future development potential. However, an agreement could aid all the basins within the State, by helping to meet compact or other agreements for downstream water. An agreement implementing an equitable apportionment of native flow along with the Roundtables BIP projects could help mitigate risk of overdevelopment within our basin, the risk of curtailment of deliveries by current trans-mountain diversions, allow for other additional west slope water development, and provide for recreational and environmental flows to be conserved on the Yampa and White Systems. We hope our BIP will help frame discussions of regret free scenarios through the development of the Colorado Water Plan.



A Brief History the Colorado River Compacts and of YWG BIP/IBCC Positions

for discussion purposes only.

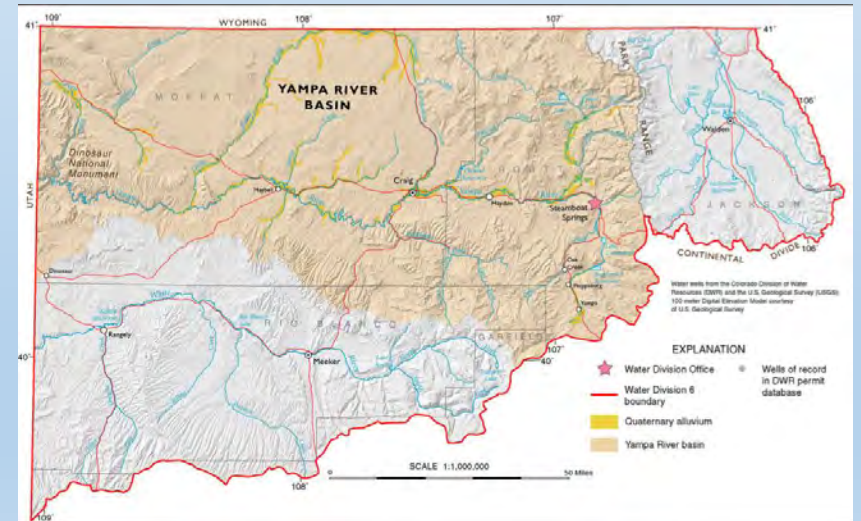
1922 Colorado River Compact



1948 Upper Basin Compact



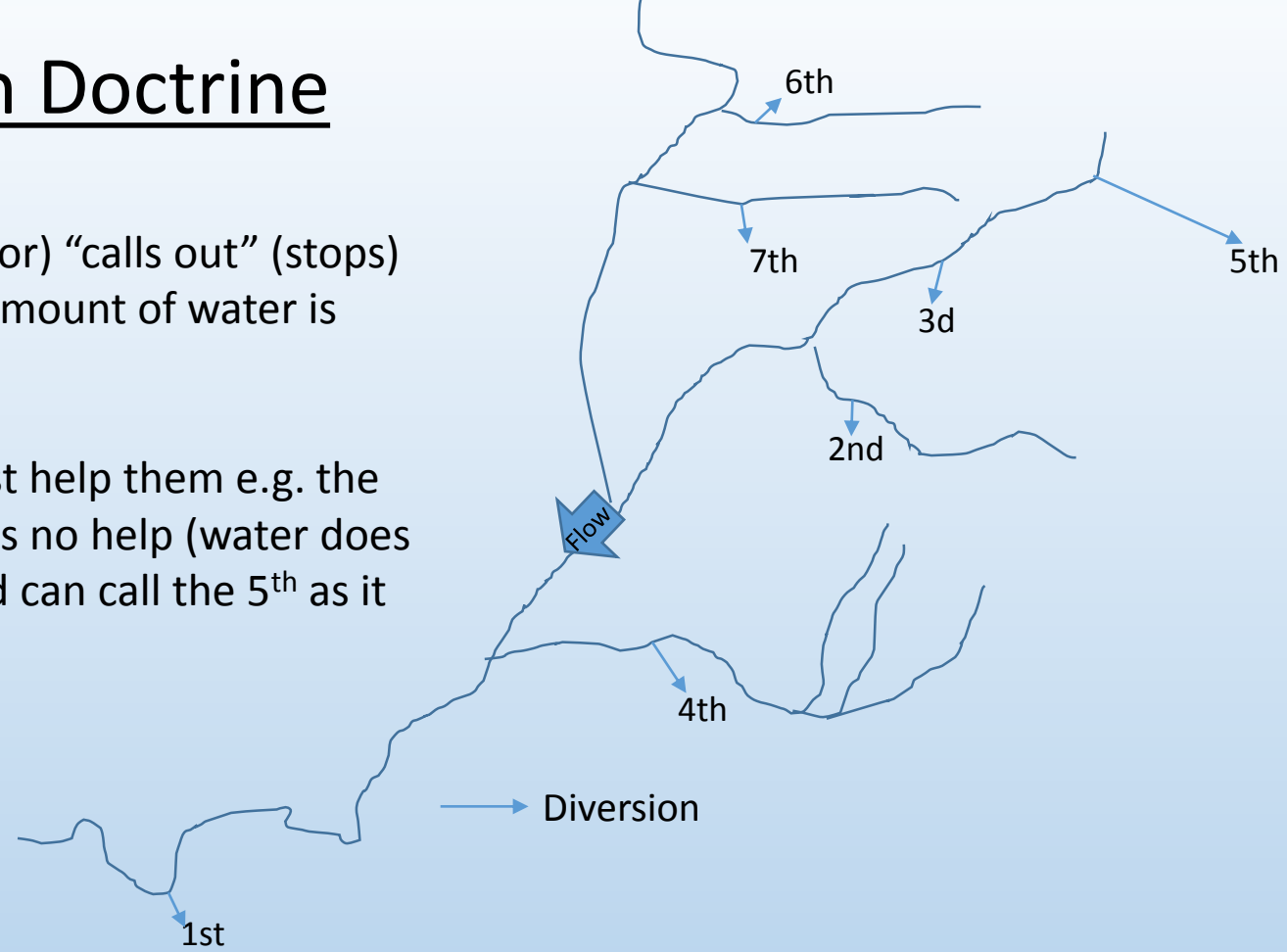
2015 Roundtable/IBCC/1177 Discussions



The Prior Appropriation Doctrine

Began in California, Mid 1800's

- First in Time first in right – 1st (or Senior) “calls out” (stops) Junior water rights diversion until its amount of water is satisfied.
- No futile calls, A “call” by a senior must help them e.g. the 2nd cannot call out others as it provides no help (water does not get to the diversion point). The 3^d can call the 5th as it is upstream from 3's diversion point.

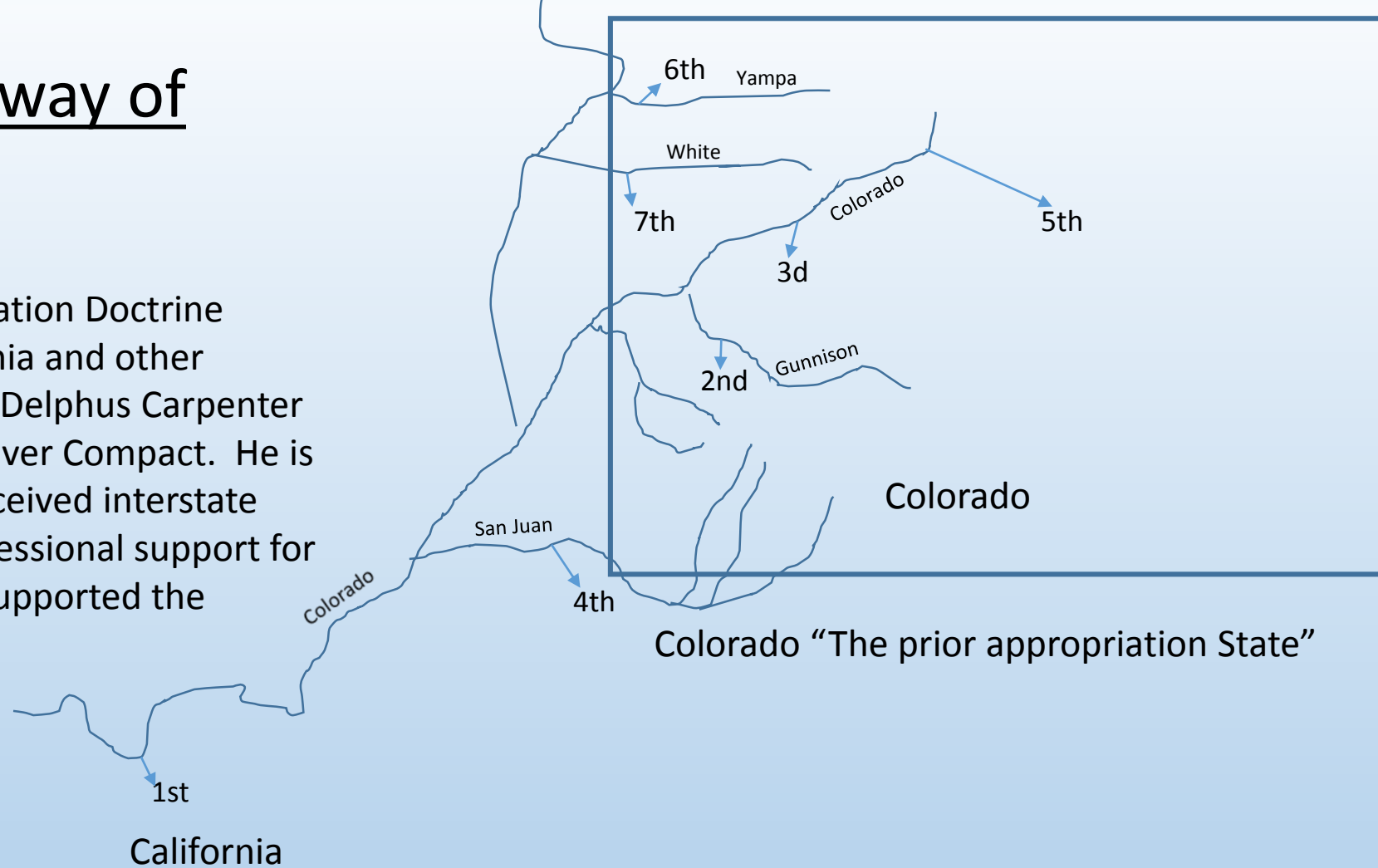


Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Utah, Washington, Wyoming all use the prior appropriation doctrine, with permitting and reporting as their regulatory system. (underline shows Colorado River Basin States)

In the early 1900's a key question was, will the Prior Appropriation Doctrine govern water allocation between states. Some U.S. Supreme Court Decisions seemed to suggest that it was. Wyoming v Colorado 1916

Compacts – a different way of dividing the water

Colorado Realized that the Prior Appropriation Doctrine might put it in a Junior position to California and other downstream States. The State appointed Delphus Carpenter from Greeley to negotiate the Colorado River Compact. He is widely recognized as the person who conceived interstate water compacts. California wanted congressional support for the construction of Hoover Dam, thus it supported the compact negotiations.

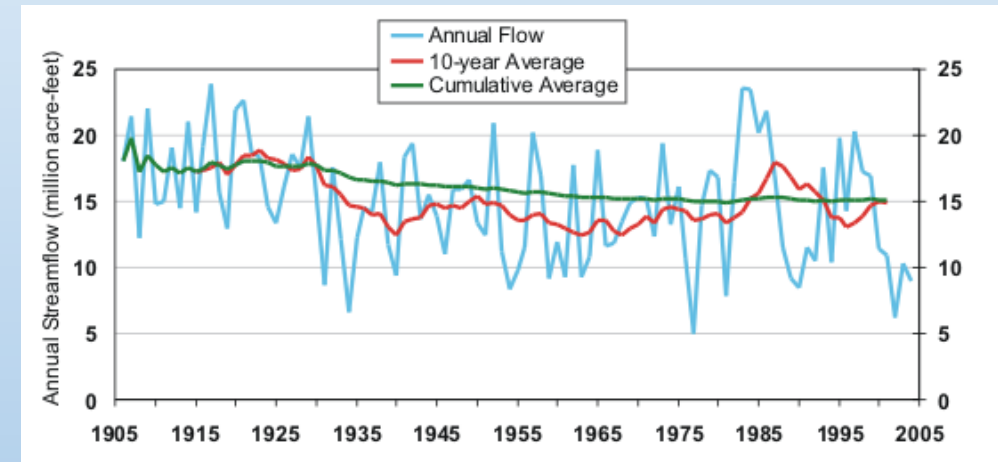


The irony in the situation is recognized in several writings. Colorado was the State in the forefront of formalizing the prior appropriation doctrine. However, it was seeking a method to avoid its use in 1922 in order to avoid being junior to California.

1922 Colorado River Compact

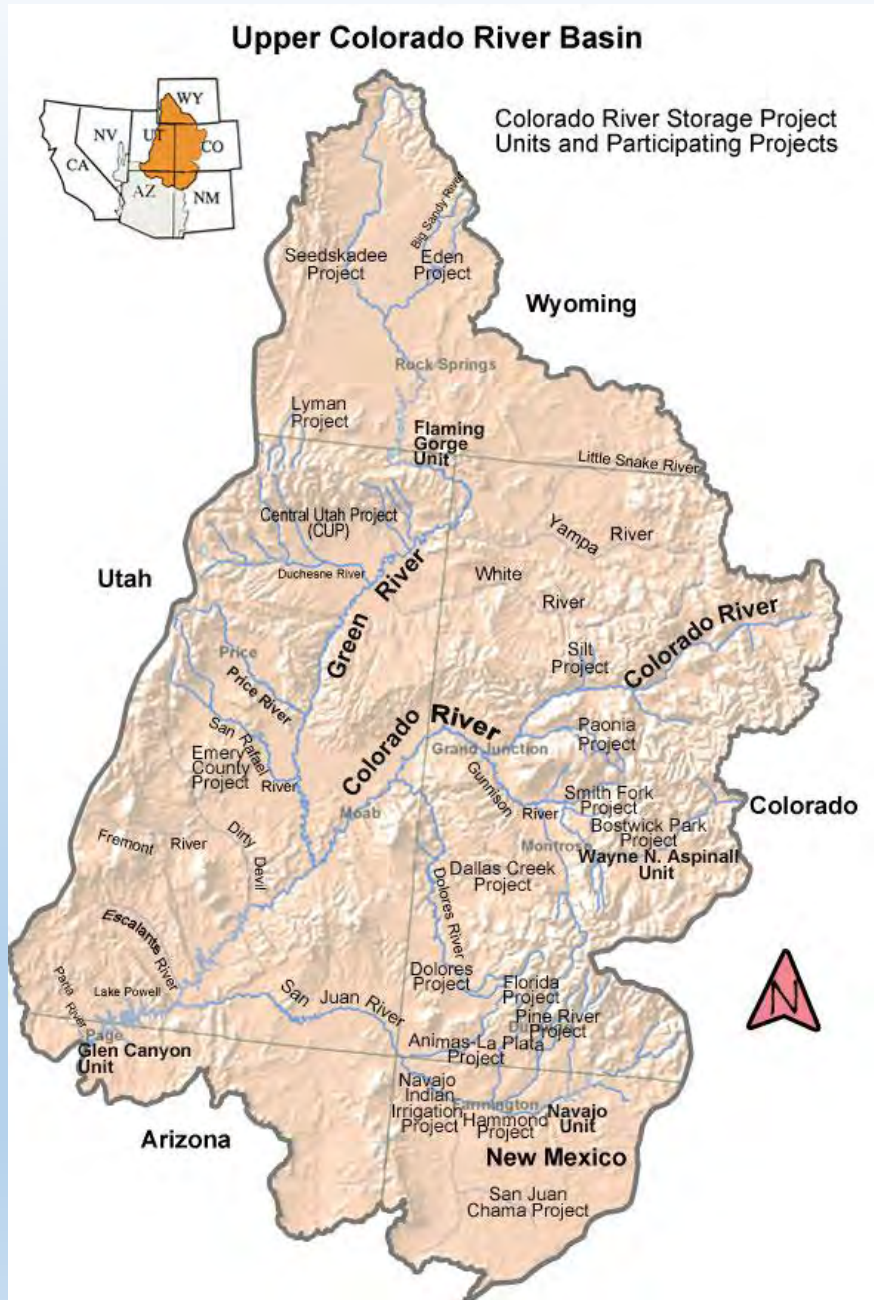


- Between the “Upper Basin” and “Lower Basin”
- AT Lee Ferry (upper basin must not deplete river to a flow less than) 7.5 MAF/yr over ten years + ??
?? = reservoir evaporation, Mexican treaty, extra 1MAF



- And present perfected rights are exempt
e.g. pre 1922 water rights will not be curtailed

How would the “Upper Basin Divide the Water?”



1948 Upper Basin Compact

Between the Wyoming, Colorado, Utah, New Mexico and Arizona. “The major purposes of this Compact are to provide for the equitable division and apportionment of the use of the waters of the Colorado River System,” Article I(a)

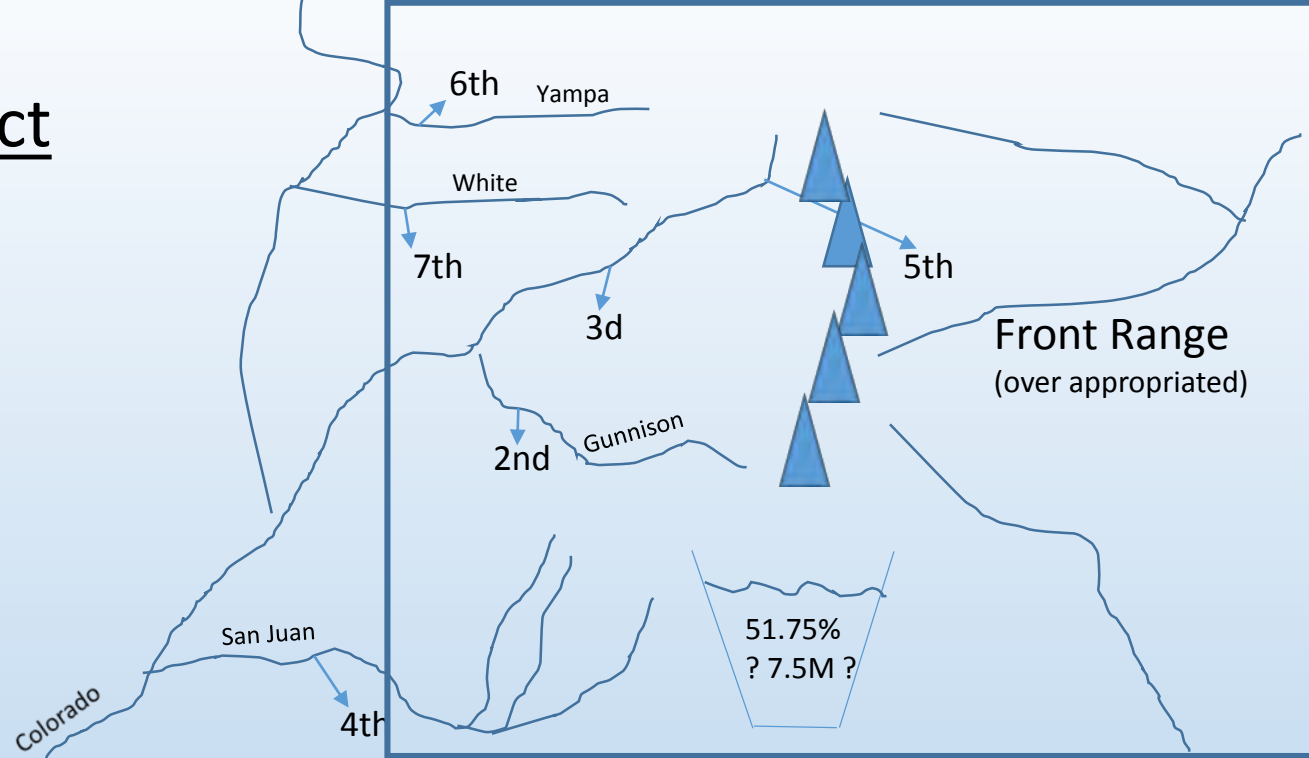
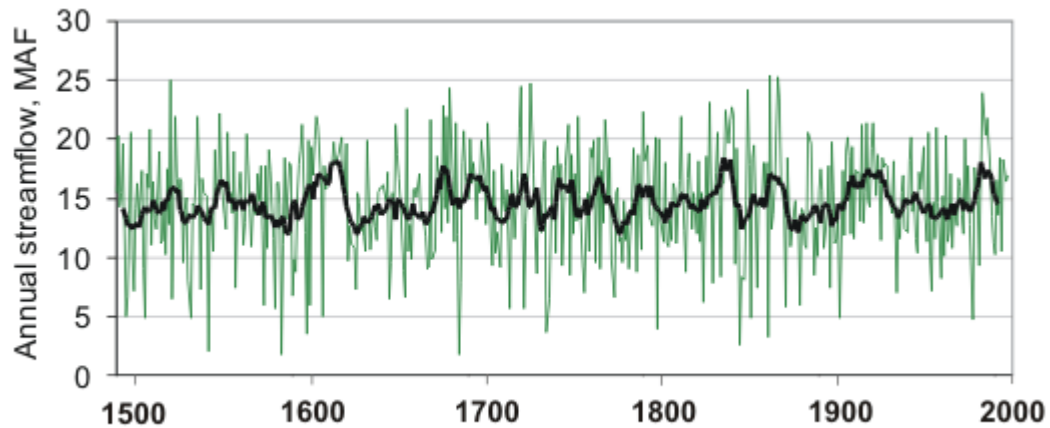
- 51.75% of Upper Basin water available to Colorado
- Penalty clause for over use (if 1922 compact “called”)
- Article XIII requires delivery of 0.5 MAF (of +/- 1.5MAF) to Utah from the Yampa (Yampa doctrine 1.0 MAF available, 66%?!!)

How will Colorado Divide the Water Between its Basins?

Colorado's Colorado River Compact Management

Colorado's Big ?

How much is 51.75%
(it varies)
and who gets what



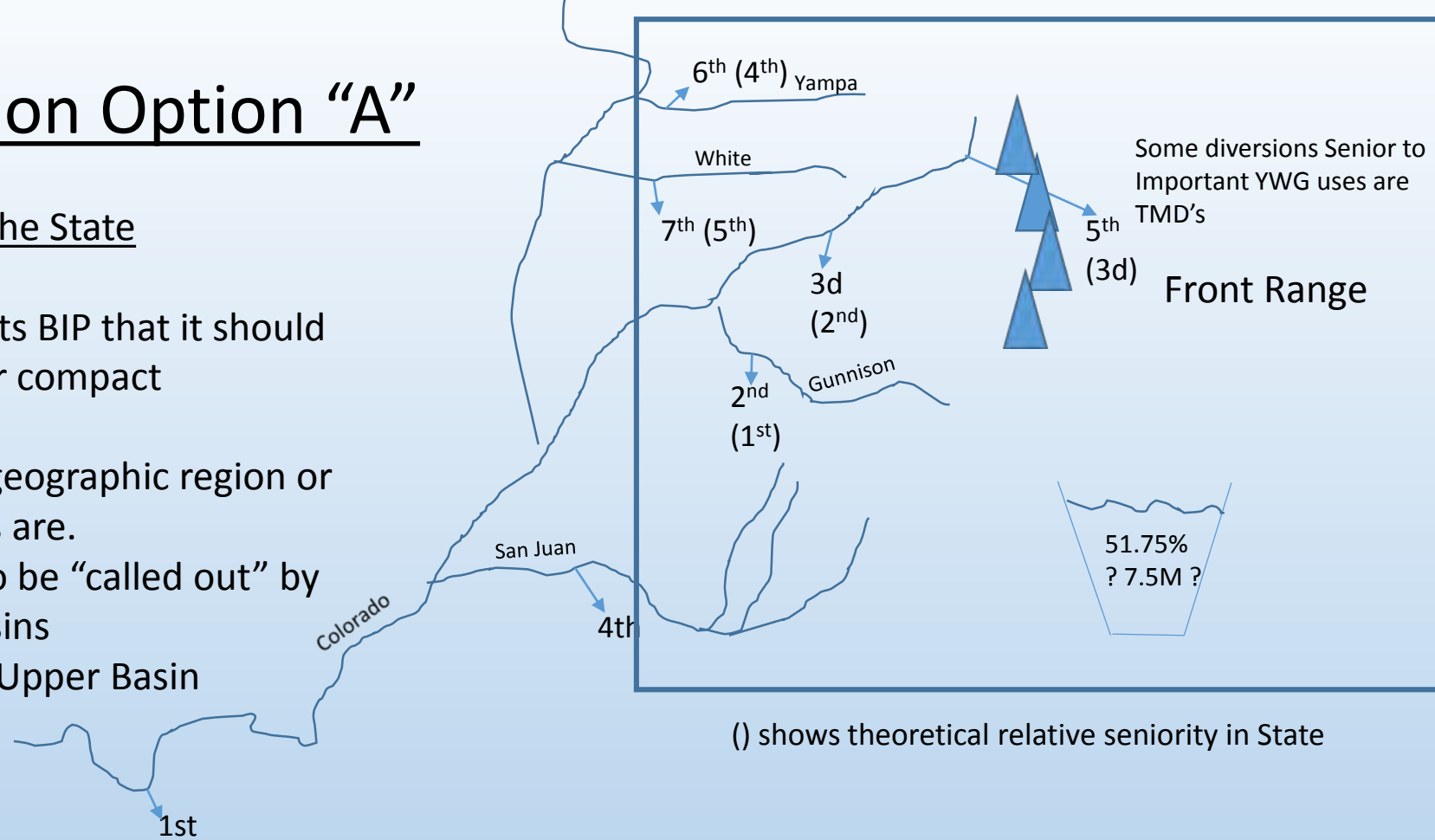
Studies Underway

- Bureau of Reclamation Basin Study
- Compact Compliance Study
- Colorado River Water Availability Study
- IBCC
- Colorado Water Plan
- Water Banking
- Contingency Plan

Compact Administration Option "A"

Strict Prior Appropriation Throughout the State

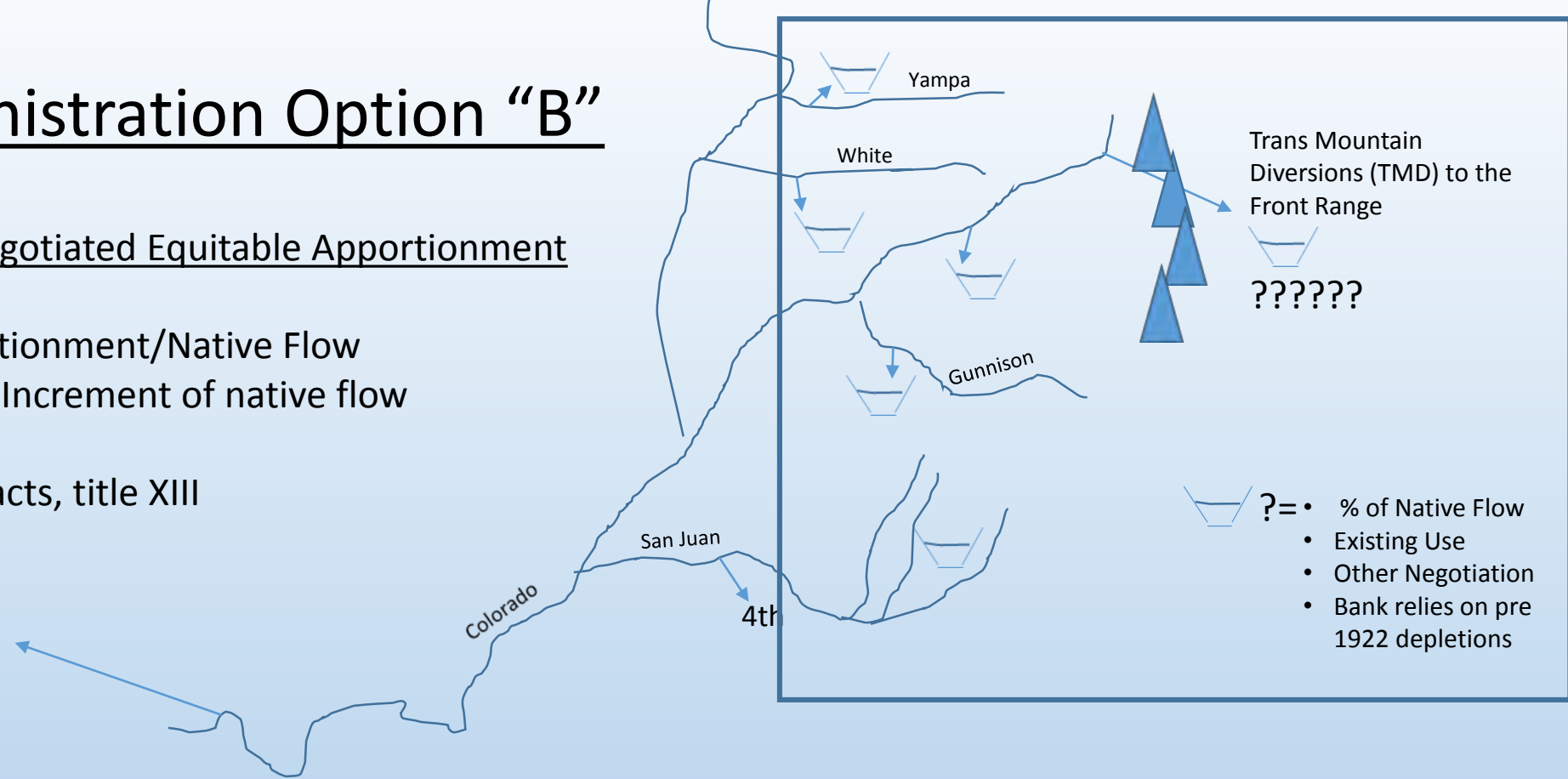
- The YWG expresses this concern in its BIP that it should not be placed in a junior position for compact management.
- Not equitable, is not based upon a geographic region or natural river flow as other compacts are.
- Could put the Y/W/G in a position to be "called out" by otherwise futile calls from other basins
- Wholly disregards Article XIII of the Upper Basin Compact



Compact Administration Option "B"

Compact Administration via Negotiated Equitable Apportionment

- Negotiate - Equitable Apportionment/Native Flow Allocation/Carve Out/Some Increment of native flow
- Wait and litigate – re Compacts, title XIII

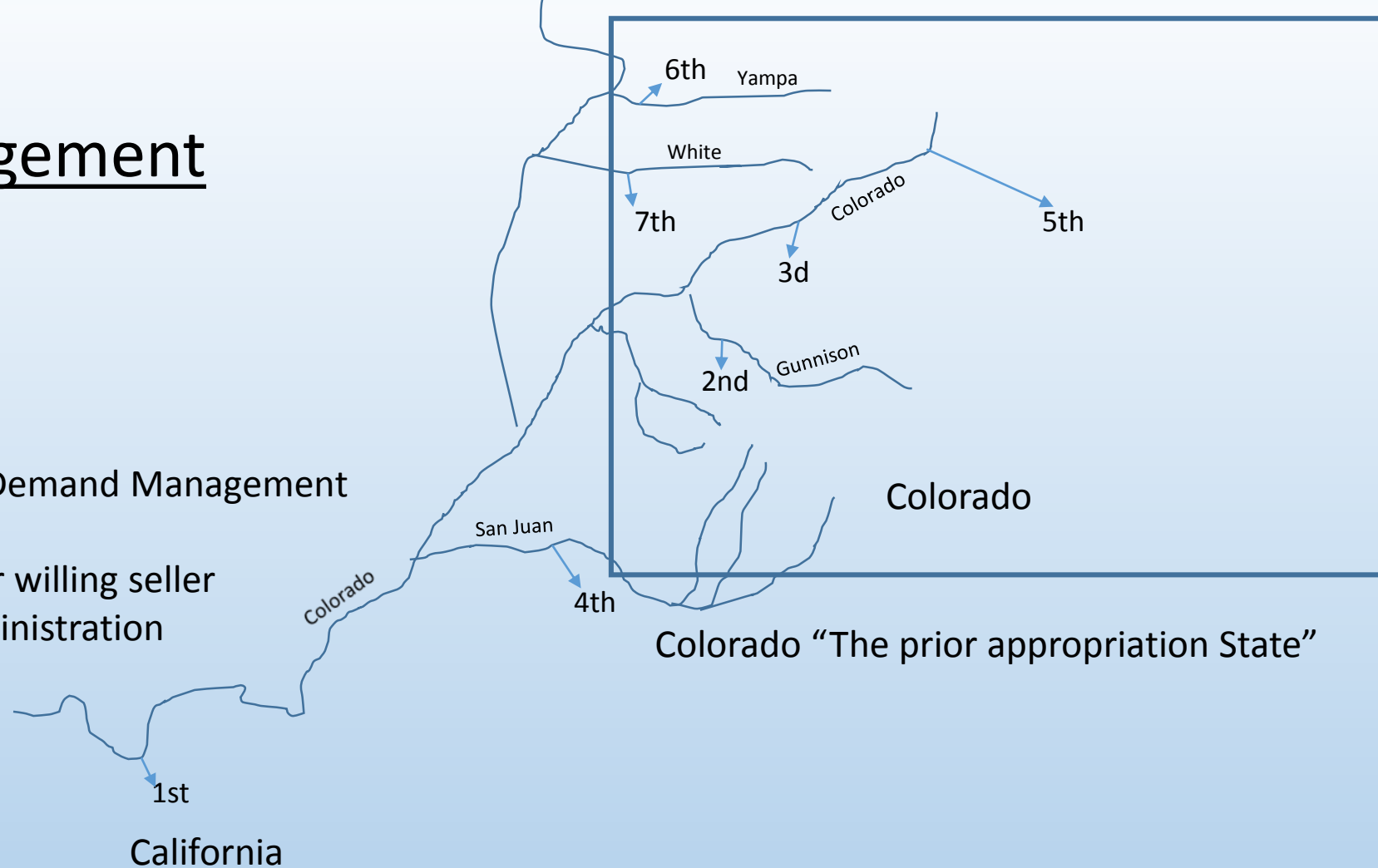


Compact Administration/Management Option "C"

Shortage Avoidance

Water Banking/ Contingency Planning/Demand Management
Will it be:

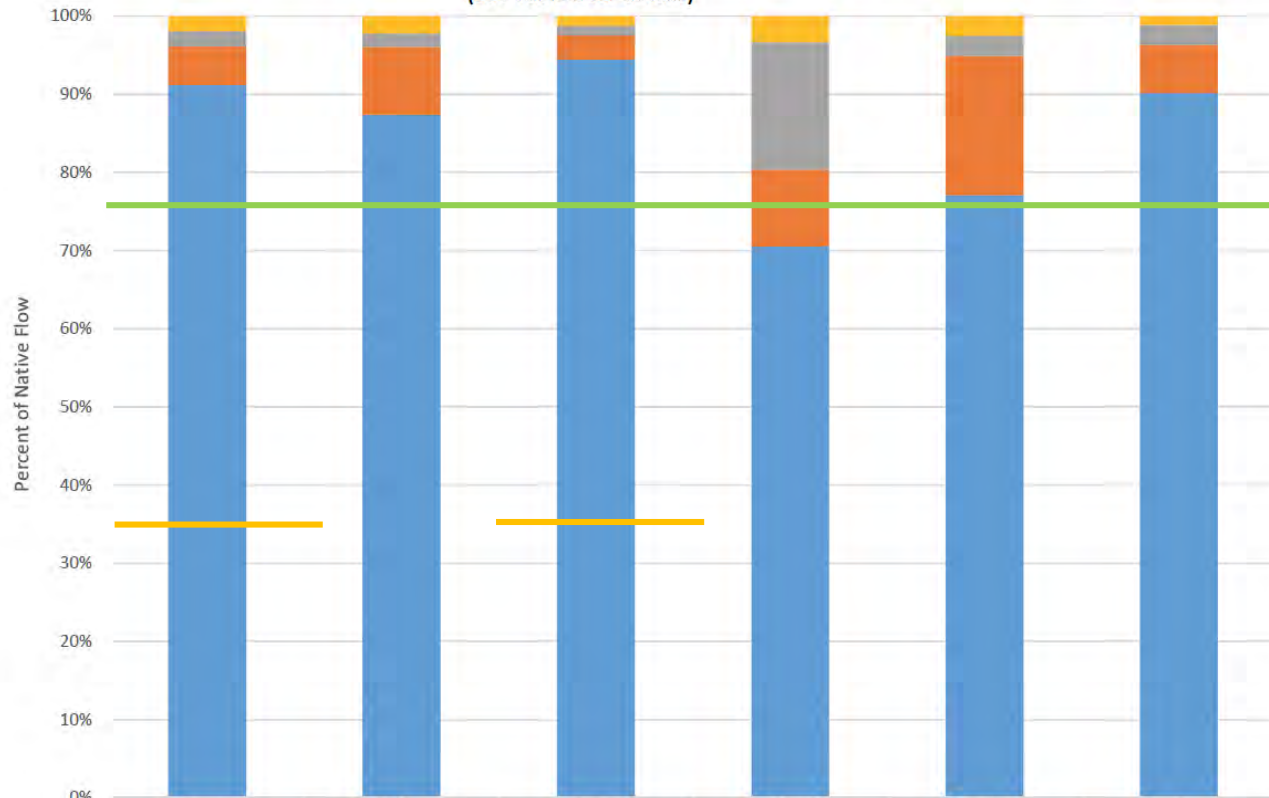
- Voluntary – based upon willing buyer willing seller
- Mandatory – a form of compact administration



Example of Water Use Estimates

Western Slope Flow Allocation Percentage by Basin

(See Table 1 for details)



	Yampa	White	Little Snake	Colorado	Gunnison	San Juan
Future Depletions	24,000	12,800	6,000	120,000	60,000	25,000
post-compact depletions	24,100	9,800	5,700	584,000	60,000	54,700
pre-compact depletions	61,500	49,800	14,600	352,000	417,000	133,000
Remaining Native Flow	1,130,000	501,000	442,000	2,524,000	1,803,000	1,937,000

all values in acre-feet

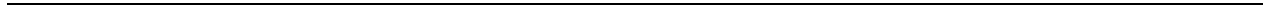
Dividing the Water ?

YWG Position and Future Decisions

← 26 % of Flow in each River available for use
(BIP suggests a “Native Flow Allotment”)

← Article XIII (Yampa Doctrine adopted by YWG)

← “Banking” Water ?



DROUGHT CONTINGENCY PLANNING AND COLORADO RIVER RISK STUDY-DRAFT

AN OVERVIEW AND STATUS REPORT FOR THE
COLORADO RIVER DISTRICT BOARD OF DIRECTORS

OCTOBER 17, 2017



OUTLINE

Drought Contingency Planning (DCP)

1. Background
2. Contingency Planning Process 2013-Present

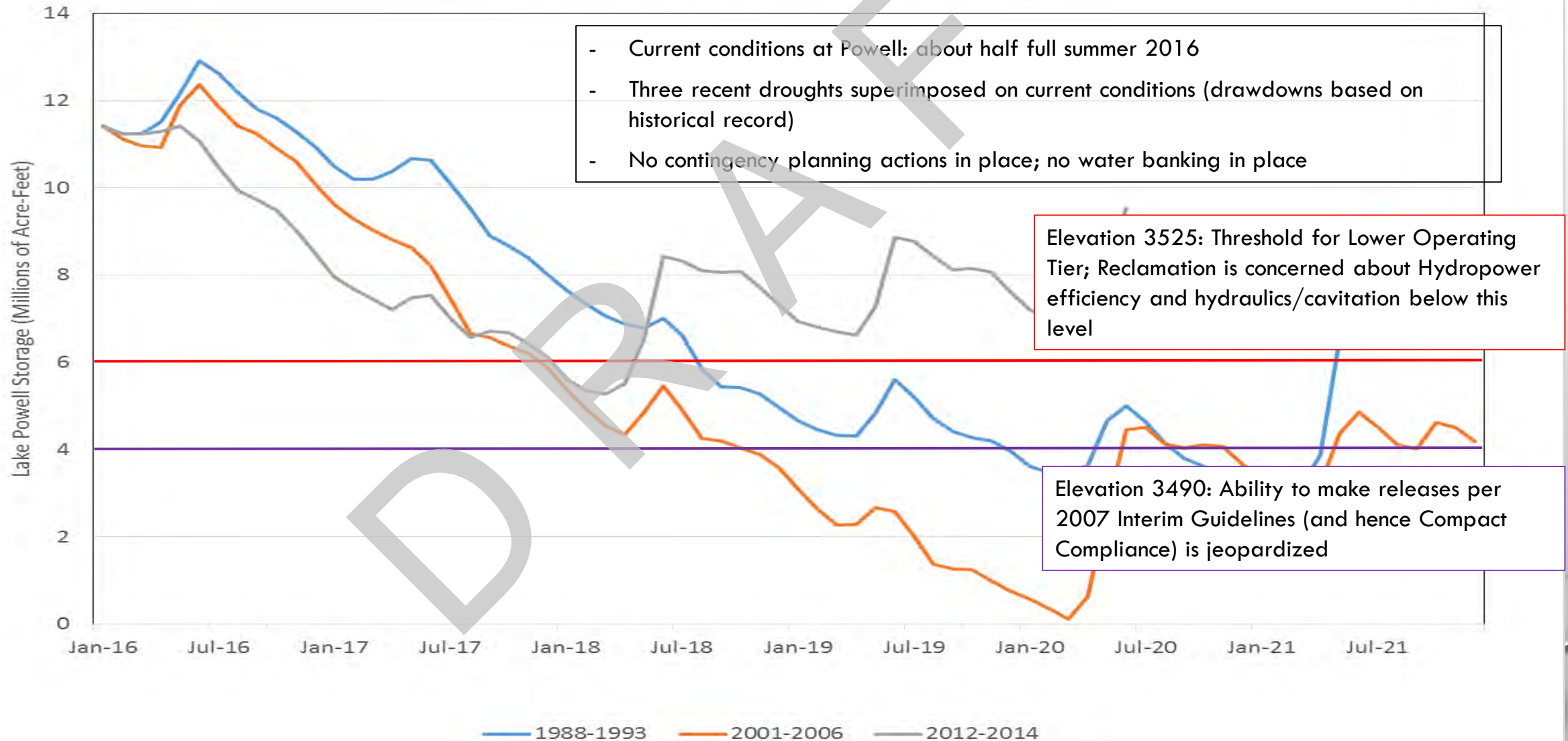
Colorado River Risk Study

1. Background
2. Link to DCP
3. Work to Date

What's Next?

What if drought periods of past 25 years repeated?

Recent Droughts - Powell Drawdowns

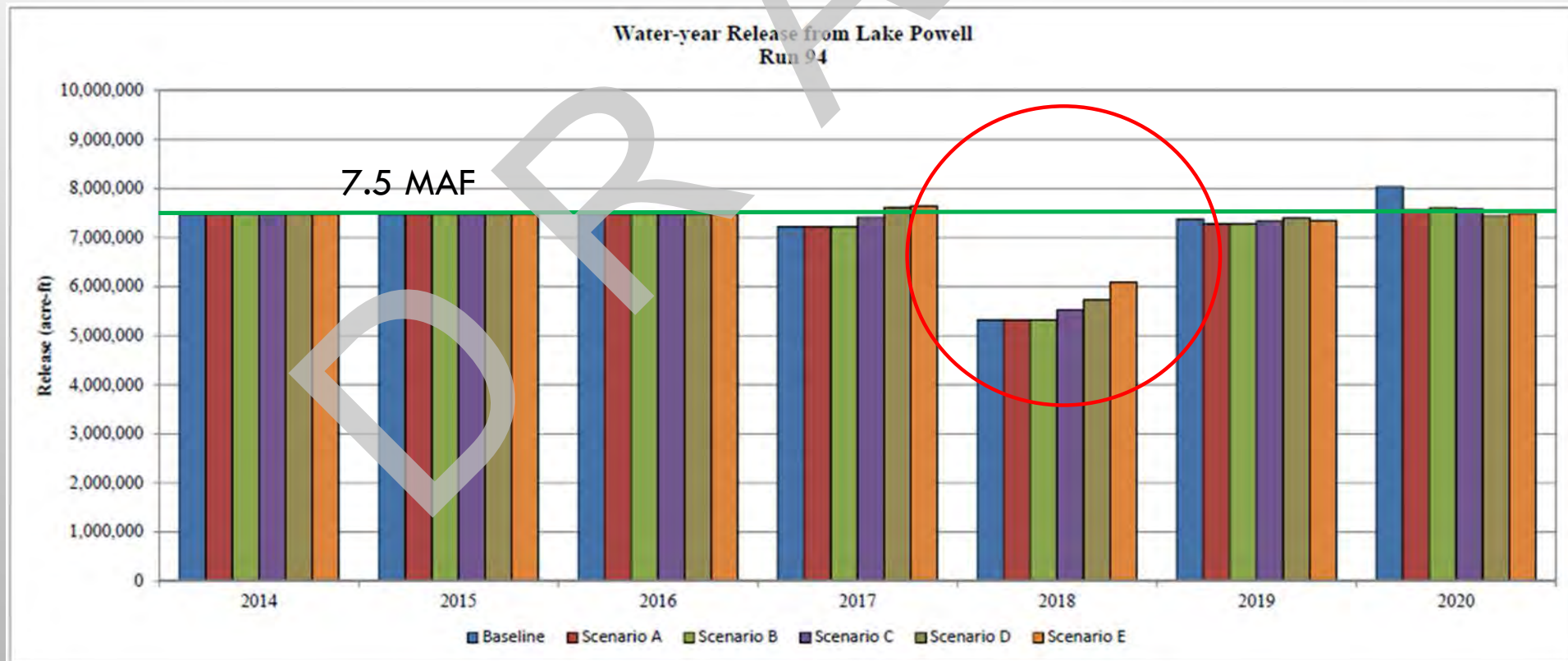


BACKGROUND AND CATALYST FOR DCP AND RISK STUDY

- July 2013: Secretary Jewell asks basin states “if 2000 – 2013” drought conditions continue, are you prepared: ANSWER – NO!
- Fall 2013: SNWA and Reclamation analysis for Lower Basin States illustrate possibility of critical storage levels in Mead and Powell and potential for a compact “hole”.
- Upper Basin and Lower Basin begin coordinated, but independent development of contingency plans.
- Dec 2014 Joint West Slope BRT Meeting, Request was made for additional studies.
- Colorado’s Water Plan: Take actions that will minimize risk of compact curtailment actions (pt. 4 of Seven Point Framework)

WHAT ARE “CRITICAL ELEVATIONS” AT POWELL?

- If Lake Powell drops below el. 3525' on January 1, 2007 Guideline operations are in the Lower Balancing Tier – This can lead to an **increase** in releases
- Minimum elevation for turbine intakes is el. 3490', but Reclamation will be concerned about air entrainment and generation efficiency at ~el. 3525'



UPPER BASIN DROUGHT CONTINGENCY PLANNING

Upper Basin Objective:

Identify actions that can reduce the risk of either losing power production at Powell or lose ability to meet our compact obligations

Three Component Solution:

1. Coordinated Drought Operations of initial CRSP Reservoirs (Powell, Flaming Gorge, Aspinall , Navajo)
 - First line of defense against critical Powell elevations
2. Demand Management
 - System Conservation Pilot Project
 - Water Bank Work Group
3. Cloud Seeding

UPPER BASIN DCP DROUGHT OPERATIONS DETAILS

- Initial Storage Units of CRSP (Powell, Flaming Gorge, Aspinall, Navajo)
- If August 24-month forecast indicates January 1 Powell elevation will be below the trigger elevation (3525'), implement Drought Operations
- 1st option: modify timing of Powell Releases
- 2nd option: Utilize Flaming Gorge, Aspinall, Navajo
- Move water from those CRSP units to Powell
 - Implement at all three upper CRSP reservoirs simultaneously
 - Does not mean all three can necessarily contribute.
 - Constraints of Contracted water, Records of Decision, Hydrology
 - Operations covered by current Records of Decision (NO reconsultation)
- Formal agreement between Reclamation and States is in the works.

LOWER BASIN DCP (AND MEXICO)

- Lower Basin reductions based on Mead elevations, and are in addition to 2007 Interim Guidelines' Shortage Criteria
- Lower Basin conservation begins at elevation 1090' (200 kaf), which is higher than the current IG shortage criteria threshold
- Could result in as much as 1.2 maf of Lower Basin conservation if Mead is forecast to drop below 1020'
- Agreement valid through 2026 (if approved)
- Minute 323 – U.S. / Mexico Treaty
 - MX participation in shortage sharing pro-rata with 07 Guidelines
 - MX will participate in DCP if and when LB States approve and implement

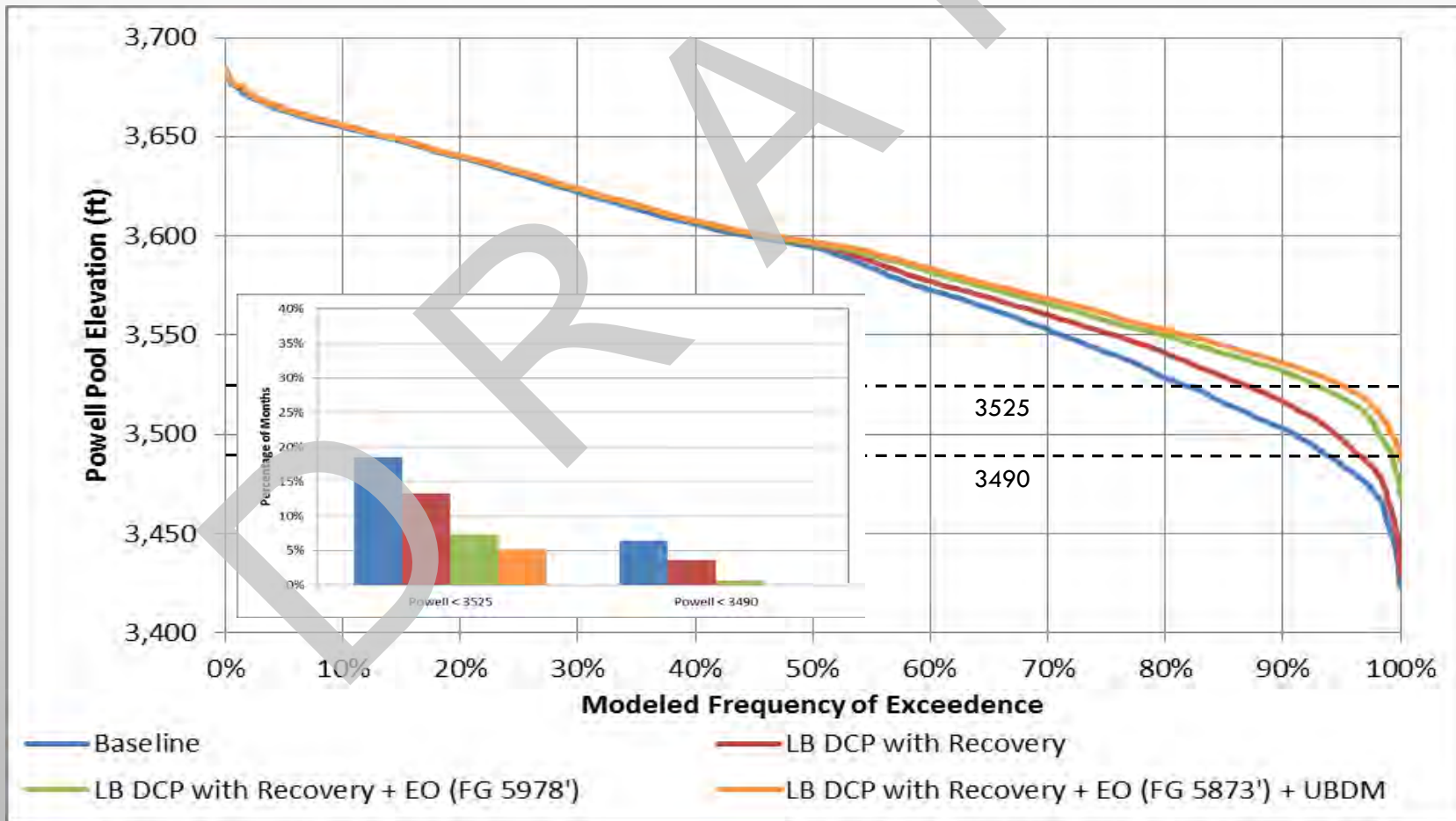
LOWER BASIN DCP CONSERVATION SCHEDULE

Lake Mead Elevation	AZ (2007)	AZ (Plan)	AZ Total	NV (2007)	NV (Plan)	NV Total	CA (2007)	CA (Plan)	CA Total	USBR	Mexico Minute 319*	Total
1,090-1,075	0	192,000	192,000	0	8,000	8,000	0	0	0	100,000	0	300,000
1,075-1,050	320,000	192,000	512,000	13,000	8,000	21,000	0	0	0	100,000	50,000	683,000
1,050-1,045	400,000	192,000	592,000	17,000	8,000	25,000	0	0	0	100,000	70,000	787,000
1,045-1,040	400,000	240,000	640,000	17,000	10,000	27,000	0	200,000	200,000	100,000	70,000	1,037,000
1,040-1,035	400,000	240,000	640,000	17,000	10,000	27,000	0	250,000	250,000	100,000	70,000	1,087,000
1,035-1,030	400,000	240,000	640,000	17,000	10,000	27,000	0	300,000	300,000	100,000	70,000	1,137,000
1,030-1,025	400,000	240,000	640,000	17,000	10,000	27,000	0	350,000	350,000	100,000	70,000	1,187,000
<1,025	480,000	240,000	720,000	20,000	10,000	30,000	0	350,000	350,000	100,000	125,000	1,325,000

DCP OUTCOMES

Powell and Mead are operationally coupled through the '07 Guidelines

Neither Basin can completely mitigate its own risk: The best solutions require participation by both Upper and Lower Basins.



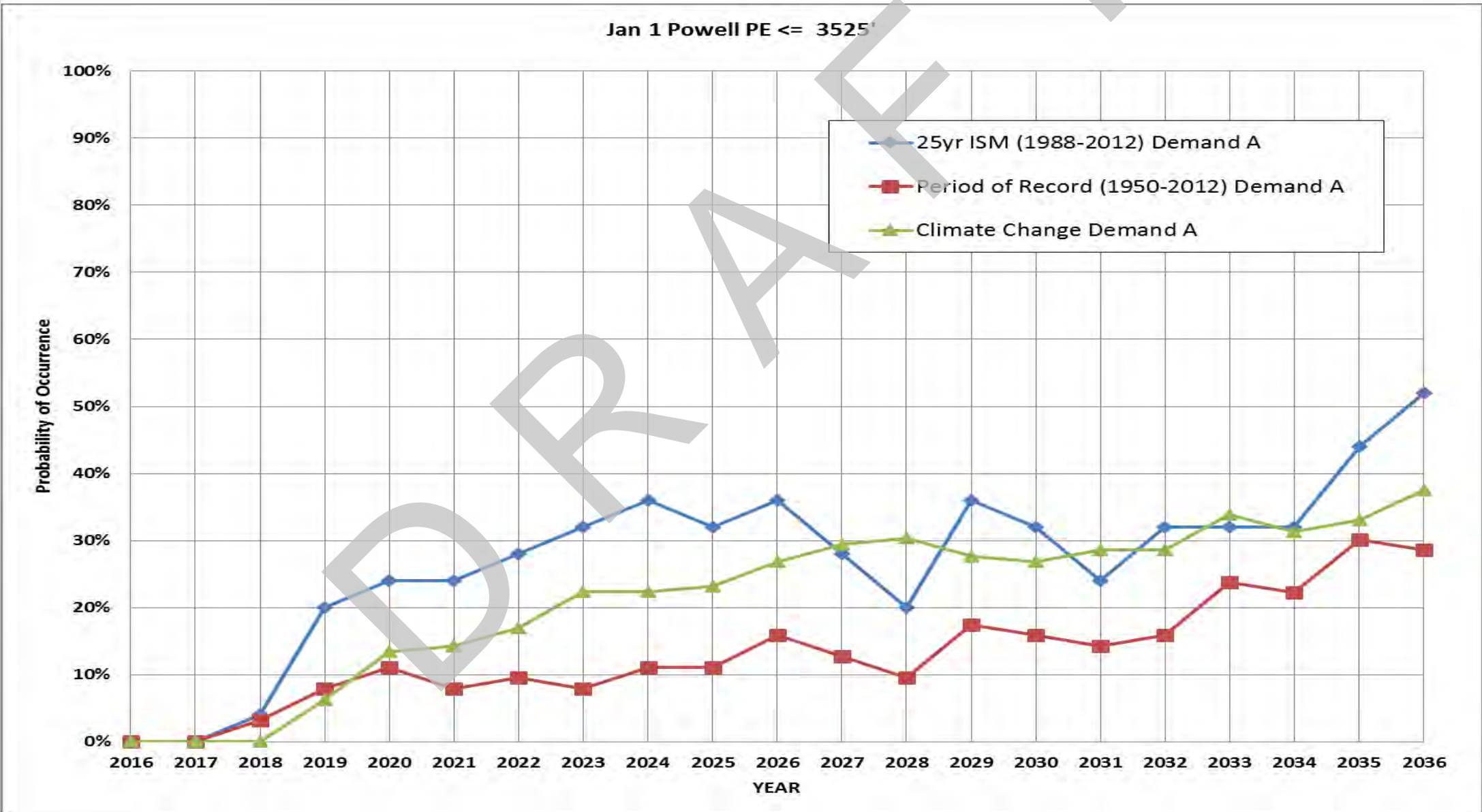
COLORADO RIVER RISK STUDY

- Originated from joint West Slope BRT discussions and reflection on DCP process
- Funding via Colorado River District, Southwestern Water, W.S. BRTs (CWCB)
- Colorado's Water Plan: Take actions that will minimize risk of compact curtailment actions (pt. 4 of Seven Point Framework)
- Phase I completed Fall 2016
- Phase II ongoing (completion est. Spring 2018)

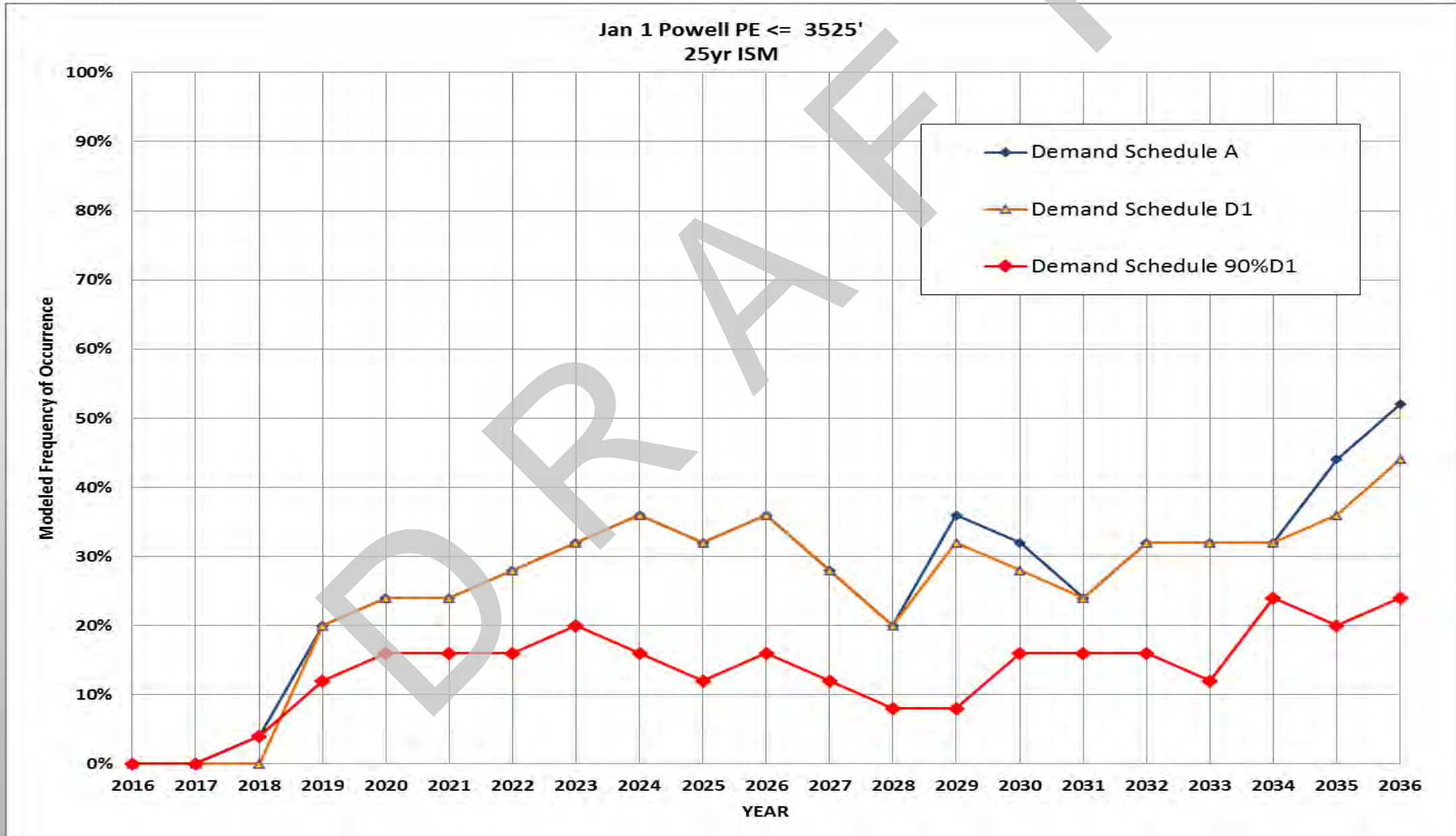
WEST SLOPE BRT STUDY – PHASE I

- Questions to answer in Phase I:
 - What are magnitude and duration of Powell shortages below elevation 3525'?
 - How much of the above shortages can be met by contributions from Drought Operations of CRSP reservoirs? (A: up to about 2 MAF)
 - How much consumptive use reduction (“demand management”) would be needed by Upper Basin states - AFTER use of stored CRSP water - in order to maintain Powell pool elevations?
 - What are possible implications to Colorado River water users? What is range of volumes that Colorado might need to conserve? (Colorado’s apportionment under the 1948 Upper Basin Compact is 51.75%, but we’re currently using about 56-58% of UB total)
- Use CRSS Model to address these “What If” questions...

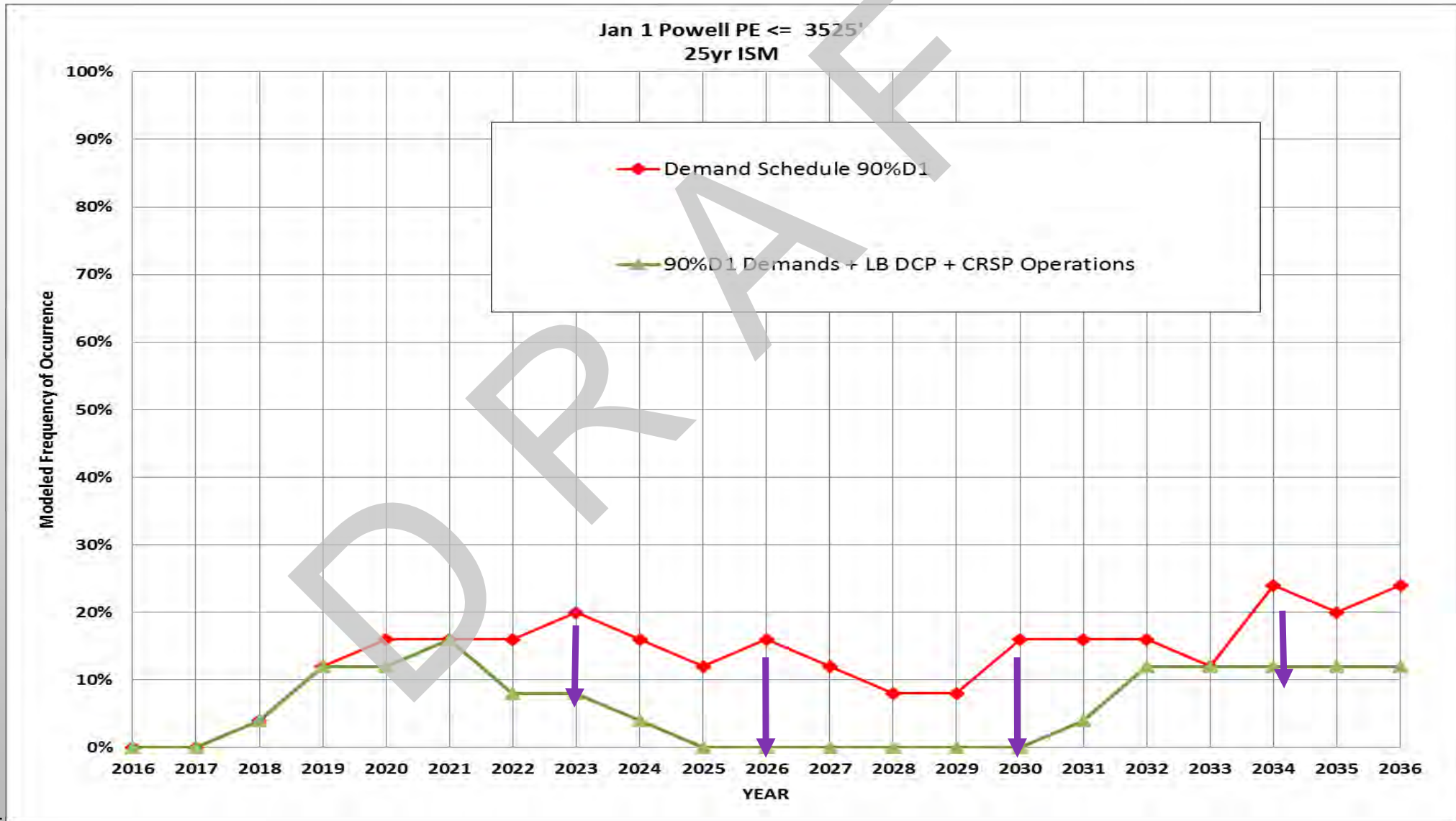
EXAMPLE : HYDROLOGIC SENSITIVITY



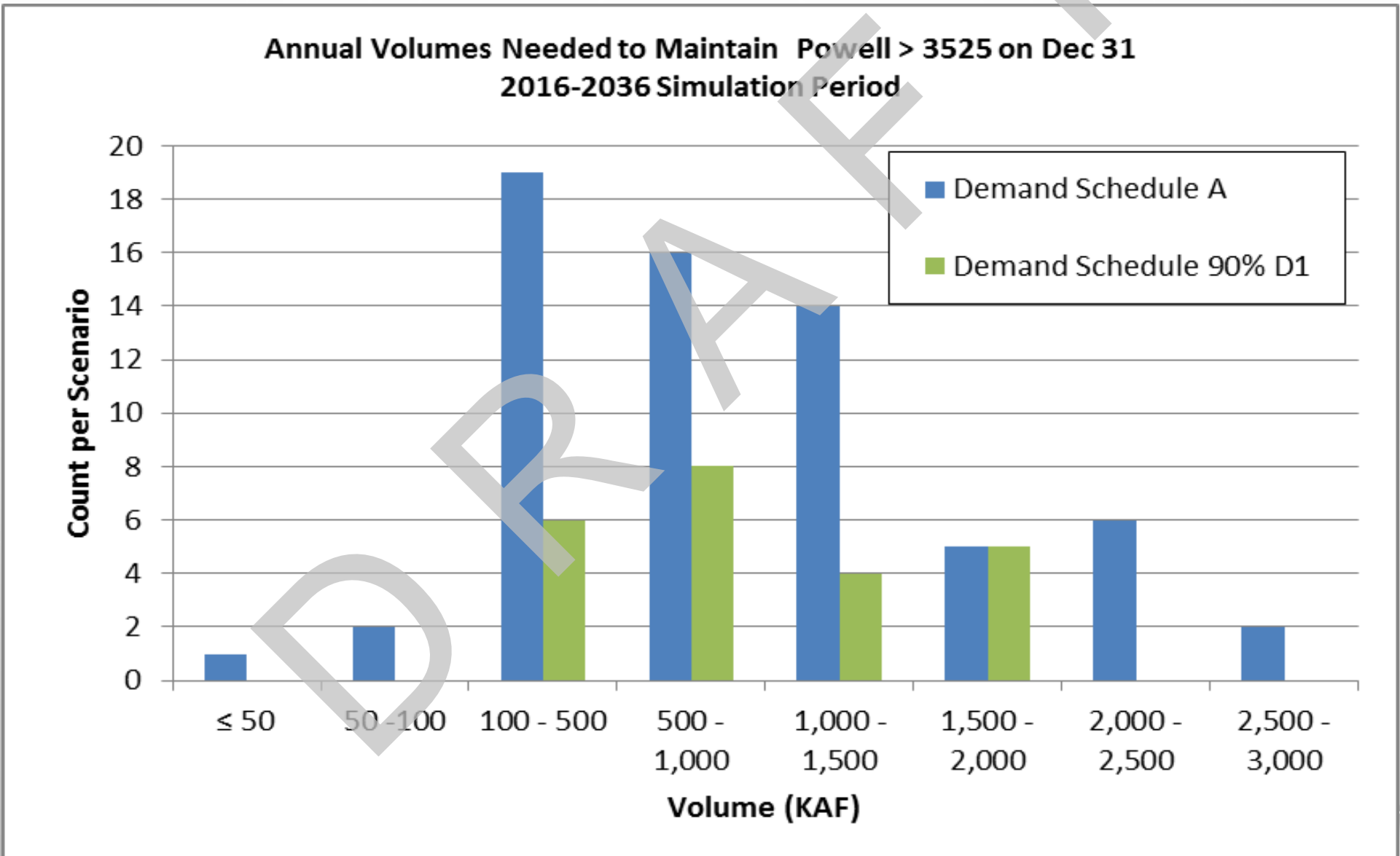
EXAMPLE : DEMAND SENSITIVITY



CRSP DROUGHT OPERATIONS AND LOWER BASIN CONSERVATION REDUCES THE RISK, BUT DOES NOT ELIMINATE IT



WHAT WOULD IT TAKE TO COMPLETELY ELIMINATE RISK?



WEST SLOPE BRT STUDY – PHASE II

Phase II Scope of Work:

- Task 1: CRSS “Infilling” - additional model runs and completion of CRSS modeling report
 - Water Banking
 - Paleo Hydrology
 - Sensitivity Analysis (Storage Conditions, Demands)
- Task 2: StateMod investigations
 - Investigate use of StateMod for addressing water use, storage, and demand management questions
 - Look at coupling of StateMod / CRSS and

PHASE II STATEMOD WORK

- *“Evaluate the utility of using StateMod in addressing questions related to voluntary demand management. Understand capabilities and limitations”*
 - a) Use of non-federal reservoirs to bank conserved water. Timing and magnitude of availability
 - b) “Allocation” of demand management (who/when/where)
 - c) Shepherding questions arising from a) and b)
 - d) Representation of storage and delivery for TBDs
 - e) Coupling with CRSS
- Scheduling: This task is in progress (10/2017).

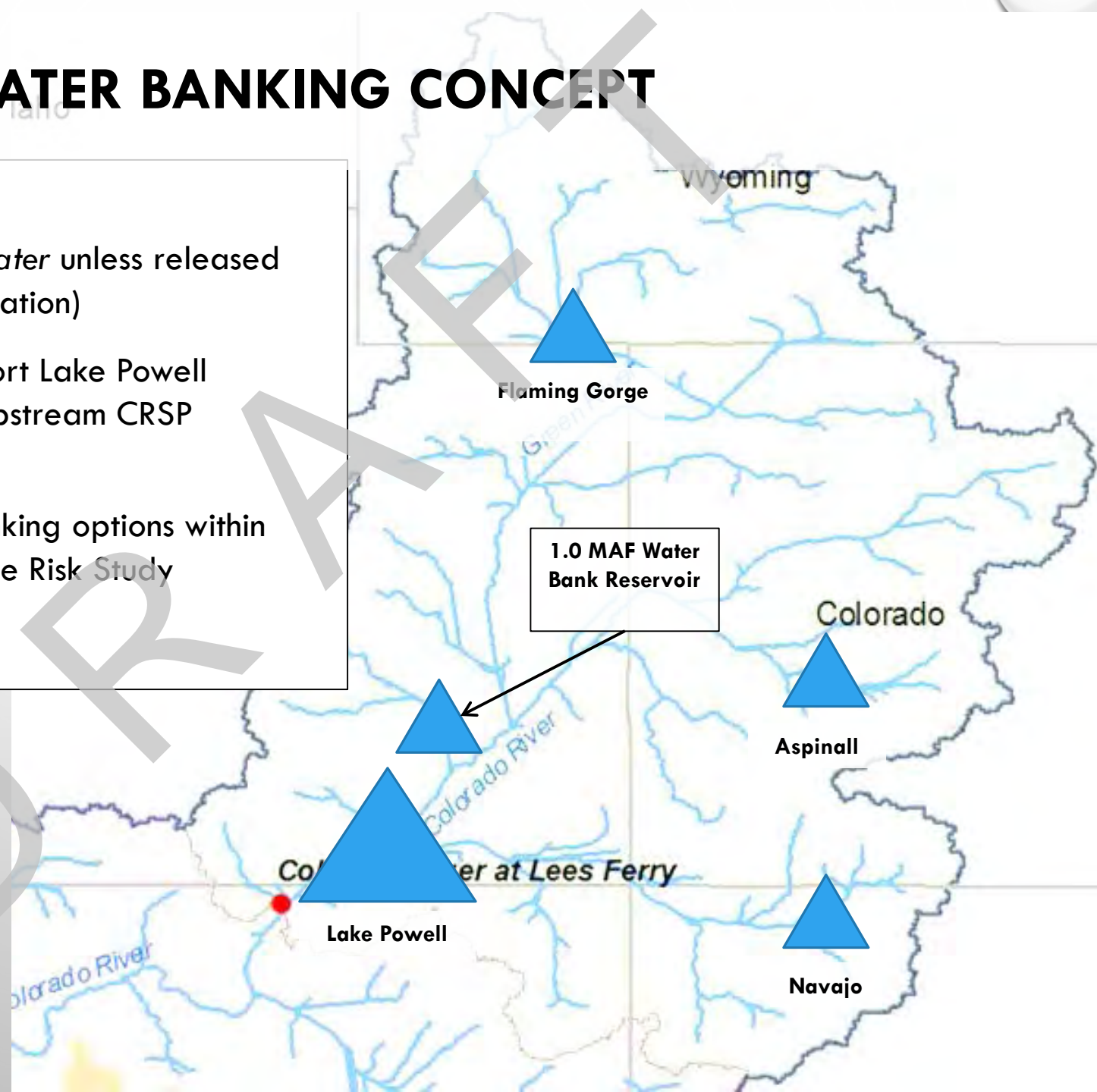
STATEMOD EXAMPLE

- Targeted reductions in Consumptive Use
- How much yield at State Line?

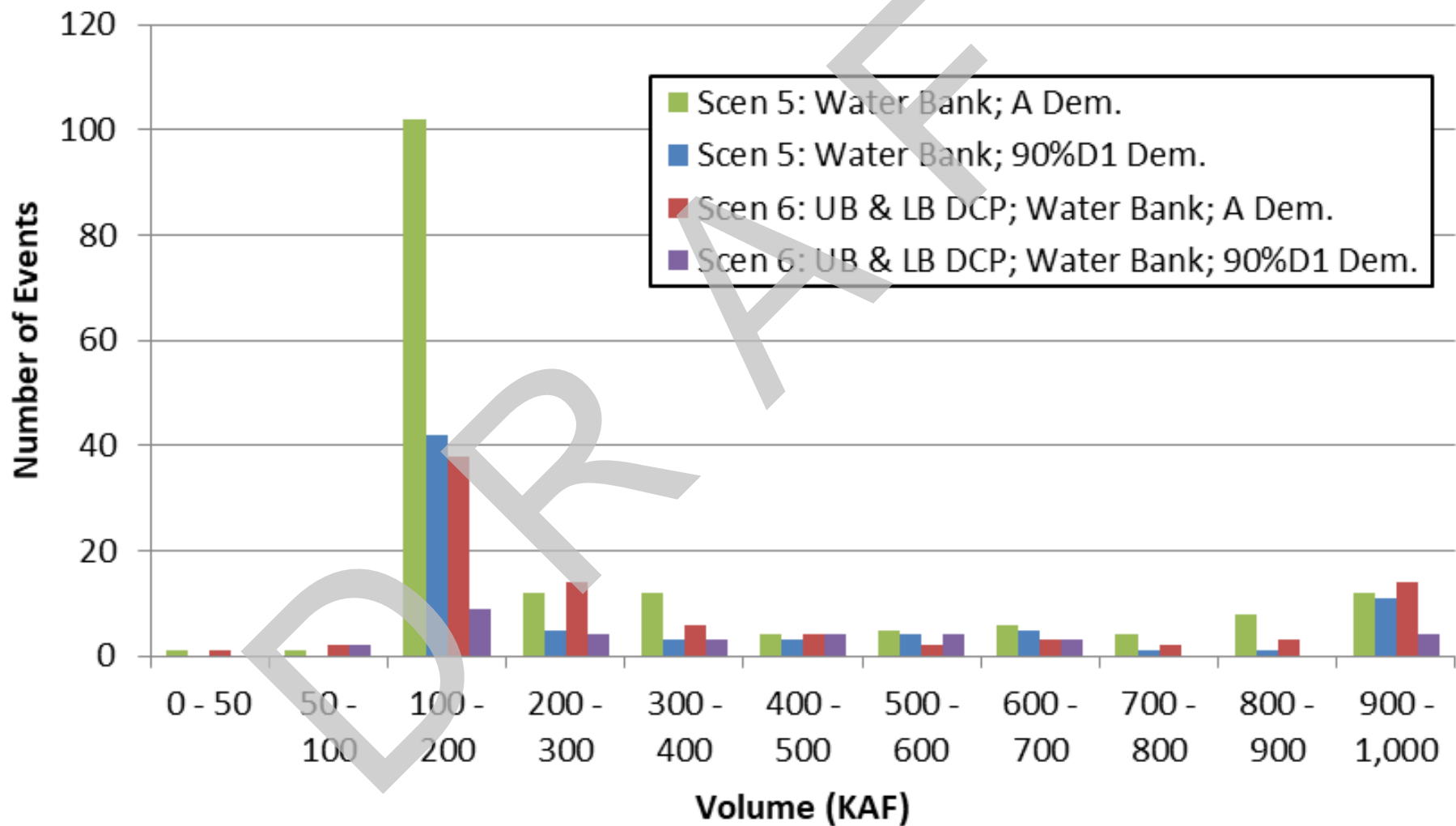
Demand Management Yield by Basin	5%			15%		
	Target CU	Outflow	Efficiency	Target CU	Outflow	Efficiency
Yampa	9,434	8,774	93%	28,322	27,189	96%
White	2,832	2,917	103%	8,514	8,940	105%
Upper Colorado	49,852	42,873	86%	150,226	133,701	89%
Gunnison	26,450	20,631	78%	79,328	64,256	81%
San Juan & Dolores	22,271	14,476	65%	66,823	49,449	74%

WATER BANKING CONCEPT

- Conserved CU is stored in the Bank
- Banked water does not become *system water* unless released from the Bank. (i.e., not subject to equalization)
- Water Bank releases water only to support Lake Powell elevation, after Drought Operations of upstream CRSP Reservoirs.
- We are looking at Colorado-specific banking options within StateMod model as part of Phase II of the Risk Study



Annual Volumes Release from Bank Storage 2016-2036 Simulation Period - Stress Test Hydrology



WATER BANK OUTCOMES

Stress Test Hydrology (1988-2012)	Count of Bank Release Years	Count of Release Years that did not fill to 3525'	Shortage 3525 after Bank Release (AF)
Scen 5: Water Bank; A Dem.	127	113	2,035,526
Scen 5: Water Bank; 90%D1 Dem.	61	50	1,570,560
Scen 6: UB & LB DCP; Water Bank; A Dem.	62	46	1,270,984
Scen 6: UB & LB DCP; Water Bank; 90%D1 Dem.	26	13	607,293

Effectiveness of water bank?

- Needs to be an add-on to Drought Contingency Plan
- Does not always keep Powell above 3525, but..
- Can increase minimum Powell elevation by ~15-20 ft. (e.g. 3481.2 to 3497.6 in Scenario 6 above)
- UB States need to control “if and when” of banked water releases

THE BIG PICTURE

- Hydrology, Demands and Future Development levels matter, the higher the consumptive use in the UB the higher the risk to existing users.
- The most successful DCP requires joint participation by both Upper and Lower Basins. Additional measures in the UB may be necessary to eliminate risk.
- Contingency Planning is essential; CRSP reservoir drought operations reduces the risk, but in more severe droughts (e.g., 1988-1993 & 2001-2005), demand management would be necessary.
- Some of the volumes we are seeing in the model are very large and may not be feasible, need to consider the “trade-offs” and alternative strategies
- Demand Management combined with a Water Bank:
 - Could limit the Annual impact to CU by spreading Conservation over many years
 - Would provide greater control over conserved water (a “must have” condition)

END

DRAFT

PHASE II CRSS WORK

Additional Model Scenarios / Assumptions

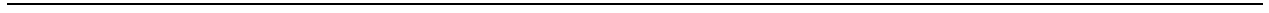
- Water Bank concept: Assume different levels of pre-emptive banking with a “non-equalized” storage pool at Powell. Questions: amount/timing/usage (e.g., maintain 3525 vs Compact deficit avoidance)
 - Example: 100kaf per year, until needed or WB = 1.0maf; Increase to 200kaf if drought operations are initiated.
- Hydrology: Request to use PaleoHydrology ala Basin Study, and compare with Stress Period, Period of Record, and CMIP-3 Climate Change results
- Sensitivity of Powell/Mead to hydrologic and demand variability

PHASE II CRSS WORK (CONT)

Additional Model Scenarios / Assumptions

- Continue evaluating risk sensitivity to demands. Scenarios A, 90%D1, Other ???
- Sensitivity of risk time horizon to initial conditions (e.g., Powell projection for January 2018 is ~35 ft higher than initial conditions for Phase I Risk Study runs)
- Interim Guidelines vs 602a beyond 2026?
- Drought Contingency Plan Changes?

Scheduling: Scenario definition and model setup is happening now, will continue through summer.





FOR IMMEDIATE RELEASE
Tuesday, October 9, 2018

CONTACT: [Jim Pokrandt](#) – 970.319.1807

Colorado River District Statement on Upper Colorado River Basin Drought Contingency Planning Documents

Glenwood Springs, CO —Upper Colorado River Commissioner, James Eklund, along with staff from the Colorado Attorney General’s Office and Colorado Water Conservation Board, hosted a webinar this morning to present, for the first time, draft documents outlining the framework of Drought Contingency Plans for the Upper Colorado River Basin states.

Andy Mueller, General Manager for the Colorado River Water Conservation District, issued the statement below following the webinar and subsequent posting of the draft plans for public review:

“I want to thank Commissioner James Eklund, First Assistant Attorney General Karen Kwon and Colorado Water Conservation Board Director Rebecca Mitchell for bringing Colorado’s water community together for a review of Drought Contingency Planning (DCP) efforts today. I appreciated their making the draft DCP documents available for public review.”

“The Colorado Water Conservation Board also deserves thanks for directing an outreach program on these important but controversial water management issues in the coming weeks. We applaud the recent direction from the Board requesting the CWCB staff to draft and present a proposed policy to guide the CWCB in the coming efforts to develop a Demand Management Program. We continue to encourage the Board to make sure that any Demand Management Program in the state of Colorado is voluntary, compensated, temporary and that water for such a program comes from conservation measures on both sides of the Continental Divide.”

“These Plans will undoubtedly shape the ways we use water here on Colorado’s West Slope, and they should require coordinated conservation efforts on both sides of the Continental Divide to protect water uses tied to the Colorado River.”

“We look forward to being part of this important conversation going forward.”

###

INTEGRATED WATER MANAGEMENT PLAN





BOARD COMMUNICATION FORM

From: Kevin McBride

Date: 1/17/19

Item: Yampa IWMP

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

The Yampa White Green Basin Roundtable has submitted funding requests for an Integrated Water Management Plan. This 3-year, \$650,000 planning effort will identify multi-purpose projects that help meet the BRT's goals in 4 segments of the basin: the Bear, the Elk, the Yampa from Steamboat to Elkhead Creek, and the Yampa from Elkhead Creek to Dinosaur National Monument. The BRT has appointed a 20-member committee that will select all contractors, consult on all scopes of work, budgets and deliverables to assure consistency across the four segments. The River District will act as the project fiscal agent. This agenda item is to:

- 1) Ensure the Upper Yampa Board and staff are up to date on IWMP progress (informational)
- 2) Appoint a member of the staff or Board to the IWMP committee (motion)

II. Summary and Alternatives:

N/A

III. Staff Recommendation:

Appoint Representative

IV. Legal Issues:

N/A

V. Consistency with Board Goals and Policies:

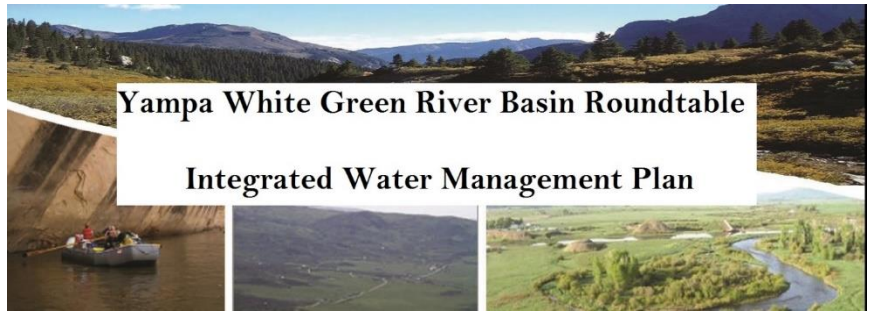
Monitor important programs

Attachments:

Attachment 1: IWMP Committee overview and members

IWMP Committee Overview and Short-term tasks

Draft for BRT discussion



1) IWMP Overview

The Yampa/White/Green Basin Roundtable (BRT) is committed to protecting and enhancing the Yampa River for agricultural, municipal, industrial, environmental and recreational users, as expressed in the 2015 Basin Implementation Plan and its eight goals. The BRT continued planning efforts in 2016-17 by creating a sophisticated hydrology model of the Yampa and White river systems. This proposal continues progress on the BIP through an Integrated Water Management Plan (IWMP).

This IWMP proposal provides a roadmap to collaboratively identify and support actions that help implement the basin goals. It was crafted through extensive stakeholder outreach in 2018. This project charts a path forward for the BRT to progress on BIP goals while also building relationships with water users in the basin and responding to their needs; both were key needs found in the scoping process. It will combine stakeholder input with science and engineering assessments to identify actions that users can take to protect existing and future water uses in the Yampa River basin and support healthy river ecosystems in the face of growing population, changing land uses and climate uncertainty.

2) IWMP Committee Purpose

The IWMP will be a multi-year effort that will require active oversight and contracting. To implement the IWMP, the BRT recommends a team approach for efficient decision-making and carrying out tasks, but it retains the final approval of all consultants, methods, scopes of work and budgets.

From the approved Scope of Work: "Voting members of the IWMP Committee will be made up of appointments from the BRT and will reflect a diversity of stakeholders. Non-BRT members can be appointed to the IWMP Committee and all meetings are open to the public. The IWMP Committee will select all contractors, consult on all scopes of work, budgets and deliverables to assure consistency across the four segments. The Committee will ensure regular communication with the BRT and the Fiscal Agent."

IWMP Committee members will meet more regularly and dive more deeply into the process with the consultant team. Using input and ideas from the BRT and other stakeholders, they will work to refine ideas and converge or agree on specific actions or approaches. The purpose of this group is to ensure that the individuals who feel strongly about the technical issues and elements have an opportunity to work with the technical/consultant team. The committee will ensure that there is consistency in approach between the four segments and that knowledge and activities in each segment are leveraged for basin-wide impact.

3) IWMP Committee Short-Term Tasks

The State of Colorado generally takes 3-5 months to issue a Notice to Proceed for grants approved in January. No CWCB grant funds can be spent prior to that time (though matching or other funds can be spent beforehand). In order to hit the ground running when a Notice to Proceed is issued, here is a recommended list of short-term tasks for the IWMP Committee to tackle.

By January BRT meeting

- Identify individuals interested in being appointed and approved or voted upon to the Committee by the BRT

By March BRT meeting

The following items will be circulated for input to BRT membership but will not require approval:

- Decision-making protocols and operating rules for the Committee
- Schedule/method of maintaining communication between the technical teams and the Basin Roundtable
- Finalize timing/order of task implementation
- RFPs for needed technical contractors
- Job descriptions (including time commitment and required budget) for Project Manager, Administrative Support, Segment Coordinators and any other needed support roles

By May (or July if needed) BRT meeting

- Conduct interviews with technical contractors and make hiring recommendation to BRT for approval
- Conduct interviews with any other needed support roles (ie segment coordinators) and make hiring recommendation to BRT for approval

4) IWMP Committee Time Commitment

Between January and July, expect at least monthly meetings of the IWMP Committee that will last up to three hours. In addition, committee members will be drafting and reviewing work products (RFPs, job descriptions, etc). Once technical contractors are hired, the Committee may meet less often.

2019 Committee Membership Recommendation

1. Geoff Blakeslee, The Nature Conservancy (Chair)
2. Frank Alfone, Mt Werner Water & Sanitation District
3. Ken Brenner, Upper Yampa Water Conservancy District (interim, board will officially designate on 1/23/19)
4. Jackie Brown / Kelly Beale (alt), Tri-State Generation & Transmission
5. Mike Camblin / Frankie Stetson (alt), Maybell Irrigation District
6. Nick Charchalis, Colorado First Conservation District
7. Jessica Counts, Moffat County Cooperative Extension
8. Brian Hodge, Trout Unlimited
9. David Graf/Kris Middledorf (alt), Colorado Parks & Wildlife
10. Tom Gray, Moffat County
11. Mathew Mendisco, Town of Hayden
12. Will Meyers, Headwater Engineering & Consulting
13. Doug Monger, Routt County
14. Kelly Romero-Heaney, City of Steamboat Springs
15. Claire Sollars, Colorado Water Matters and Routt County Purchase of Development Rights Program
16. Patrick Stanko/Michelle Meyer (alt), Community Agriculture Alliance
17. Kent Vertrees, Friends of the Yampa
18. Clinton Whitten, Routt County NRCS

2018 BUDGET COMPARISON





BOARD COMMUNICATION FORM

From: Karina Craig

Date: January 15, 2019.

Item: 2018 Budget Comparison Report, as of January 11, 2019.

_____	DIRECTION
<u> x </u>	INFORMATION
<u> x </u>	MOTION
_____	RESOLUTION

I. Request/Issue and Background Information:

The 2018 Budget Comparison Report is attached, with data as of January 11, 2019. Some of these figures might change slightly as some bills might still arrive. Comments:

Power Generation Revenues: \$98,920 lower than budget due to low inflow conditions at Yamcolo due to drought.

Stagecoach Water Sales: \$102,385 higher than budgeted. 2018 revenues not budgeted: \$72,414 Colorado Water Trust; \$29,533 Steamboat Ski Corporation

Yamcolo Water Sales: \$6,845 higher than budgeted. 2018 budget developed in 2017, prior to 2018 YIA pricing negotiations relied on 2017 YIA price, \$13.70/AF. 2018 negotiated YIA price was \$15.98/AF.

Property Tax revenues: 1.5% or \$33,120 higher than budgeted

Interest Earned: 130% or \$140,943 higher than budgeted

Overall Income: 6% or \$184,360 higher than budgeted

Legal Expenses: \$3,864 over budget; this includes a \$2,500 retainer with the firm *Snell & Willmer* for the Waterhorse/Utah Water Rights Protest.

Yamcolo Capital is over by \$10,050 due to a project cost of imported material necessary to complete the flow control and monitoring equipment.

Office Space Capital A small portion is allocated to 2018, most to 2019 budget.

Overall Expenditures: Both Operating and Capital Expenditures projected for the 2018 year are lower than budgeted.

II. Summary and Alternatives:

Amend Legal, Yamcolo Capital and Office Capital line items.



III. Staff Recommendation:

Amend the following expenditure budget line items:

Legal Expenses	from	\$163,000	to	\$166,864
Yamcolo Capital	from	\$292,500	to	\$302,537
Office Space, capital	from	\$500,000	to	\$6,000

Total District Operating + Capital Expenditures:

from	\$2,633,903	to	\$2,153,754
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IV. Legal Issues:

NA

V. Consistency with Board Goals and Policies:

UYWCD expenditures are to be within approved budgeted amounts.

Attachments:

Budget Comparison Report



BOARD COMMUNICATION FORM

From: Andy Rossi

Date: 01/16/19

Item: Yamcolo Facilities Capital Budget

<input type="checkbox"/>	DIRECTION
<input checked="" type="checkbox"/>	INFORMATION
<input type="checkbox"/>	MOTION
<input type="checkbox"/>	RESOLUTION

I. Summary and Background Information:

The 2018 Yamcolo facilities capital spending will be more than the approved 2018 approved budget amount. The over-budget expenditures are due to the import of adequate fill materials for the Yamcolo Flow Measuring Device construction project. The approved 2018 budget amount for the Yamcolo capital projects is \$292,500. The projected actual expenditures for 2018 Yamcolo capital projects are \$302,537.

II. Alternatives:

Amend 2018 Yamcolo Reservoir capital budget amount.

III. Staff Recommendation:

Amend 2018 Yamcolo Reservoir capital budget amount.

IV. Legal Issues:

NA

V. Consistency with Board Goals and Policies:

UYWCD expenditures are to be within approved budgeted amounts.

Attachments:

None. See Budget Comparison Documents.

UPPER YAMPA WATER CONSERVANCY DISTRICT - DECEMBER 31, 2018 BUDGET COMPARISON REPORT

	2017 ACTUALS	2018 BUDGET	12/31/18 ACTUALS	2018 PROJECTIONS	2018 PROPOSED AMENDED	2019 BUDGET
Fund Opening Balance including Encumbered Funds	10,938,095	12,683,250	12,683,250	12,683,250	12,683,250	14,215,343
Encumbered Funds	919,734	919,734	919,734	919,734	919,734	919,734
Stagecoach Wetlands Mitigation Reserve	419,734	419,734	419,734	419,734	419,734	419,734
Routt County Road #14 Contribution	500,000	500,000	500,000	500,000	500,000	500,000
Unencumbered Funds	10,018,361	11,763,516	11,763,516	11,763,516	11,763,516	12,237,456
Revenues						
Facilities						
Stagecoach Reservoir						
Power Sales	185,472	228,412	129,492	129,492	228,412	200,000
Water Sales	451,518	402,816	505,201	505,201	402,816	403,144
Yamcolo Reservoir						
Water Sales	128,275	123,915	130,760	130,760	123,915	133,410
Stillwater Ditch & Reservoir Company	7,523	7,756	7,744	7,744	7,756	7,965
Property taxes	2,172,483	2,236,544	2,269,663	2,269,663	2,236,544	2,284,084
Interest earned	122,297	108,400	249,343	249,343	108,400	284,500
Other income	0	0			0	
	revenues	3,067,568	3,107,843	3,292,203	3,292,203	3,313,103
Expenditures						
Operating						
Facilities						
Stagecoach Reservoir - Power Generation	180,845	203,498	167,132	173,580	203,498	248,954
Stagecoach Reservoir - Water storage	227,639	294,088	239,559	275,495	294,088	266,927
Yamcolo Reservoir	127,624	139,635	132,698	132,698	139,635	144,594
Stillwater Ditch & Reservoir Company	25,134	50,369	12,524	12,524	50,369	45,065
Administration	127,512	210,879	138,795	144,506	210,879	203,198
Board of Directors	49,330	77,519	63,436	64,556	77,519	83,105
External Affairs	57,688	67,078	57,966	57,966	67,078	129,754
Finance	95,906	122,244	99,239	99,239	122,244	132,880
Legal	97,116	163,000	166,864	166,864	166,864	178,567
Planning	80,112	185,161	88,639	143,935	185,161	432,927
Grants, Scholarships & Public Information	67,411	190,015	39,021	61,270	190,015	257,588
Treasurer fees	70,180	72,867	72,511	72,511	72,867	73,786
	Subtotal Operating	1,206,499	1,776,352	1,278,383	1,405,143	2,197,345
Capital						
Stagecoach Reservoir - Power Generation	35,421	34,000	3,967	18,967	34,000	102,900
Stagecoach Reservoir - Water storage	54,644	31,000	27,462	27,462	31,000	62,900
Yamcolo Reservoir	25,566	292,550	302,537	302,537	302,537	108,900
Stillwater Ditch & Reservoir Company	283	0		0	0	40,300
Elk River Augmentation	0	0			0	
Office Space		500,000		6,000	6,000	130,000
	Subtotal Capital	115,914	857,550	333,966	373,537	445,000
	expenditures	1,322,413	2,633,903	1,612,349	2,153,754	2,642,345
	net income (loss)	1,745,155	473,940	1,679,854	954,089	670,759
Ending Fund Balance	12,683,250	13,157,190	14,363,104	14,215,343	13,637,339	14,886,102

BOARD OF DIRECTORS

ELECTION OF OFFICERS





BOARD COMMUNICATION FORM

From: ___Kevin McBride_____

Date: ___1-8-2019_____

Item: ___Election of Board Officers_____

_____ DIRECTION
_____ INFORMATION
x _____ MOTION
_____ RESOLUTION

I. Request/Issue and Background Information:

As per the Board of Directors bylaws, the Board of Directors shall elect officers the first regular Board meeting of the year.

II. Summary and Alternatives:

Per Board bylaws:

“Qualification and Election of Officers.

The President and Vice-President shall be members of the Board of Directors. The Board of Directors shall elect a President and Vice-President at the first regular Board meeting of each year. The General Manager shall be appointed by the Board of Directors from time to time, to serve at the pleasure of the Board. The General Manager shall also be the ex officio Secretary/Treasurer of the District, but shall not be a member of the Board of Directors.

Term of Office of Officers.

The President and Vice-President shall serve for a term of one (1) year, and shall hold their offices until their successors shall have been elected. The term of consecutive service by the President of the Board in such President position shall not exceed six (6) consecutive years. A Director may again be elected to serve as President after a break in service of at least 2 years. The Vice President and Secretary/Treasurer are not subject to any term limitations.

Executive Committee Membership and Selection.

The Executive Committee shall consist of five (5) persons, all of whom shall be members of the Board of Directors selected in the following manner:



(a) The President shall be a member and chairman of the Executive Committee. The Vice President shall also be members of the Executive Committee.

(b) The remaining members of the Executive Committee shall be selected by the vote of the Board of Directors on an annual basis.

Appointment and selection of members of the Executive Committee shall be made at the first regular meeting of the Board of Directors in each year.”

III. Staff Recommendation:

none

IV. Legal Issues:

Per Board of Directors bylaws

V. Consistency with Board Goals and Policies:

Per Board of Directors bylaws:

Attachments:

none





BOARD COMMUNICATION FORM

From: Kevin McBride

Date: 1/17/2019

Item: Office Update

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

Office Move to MVB, update.

II. Summary and Alternatives:

Lease agreements for the UYWCD new space at MVB have been signed. An initial cost estimates for construction, furniture, IT, and moving to MVB are approximately \$280K

III. Staff Recommendation:

Info Item only

IV. Legal Issues:

N/A

V. Consistency with Board Goals and Policies:

New office space and location already agreed to.

Attachments:

Attachment 1: MVB lease

Attachment 2: Initial cost estimate sheet.

Preliminary Costs MVB

	total	sq ft	\$/ft	pd by bank	per ft UYWCD	TTL UYWCD
Construction	241053	1740	\$138.54	40	\$98.54	\$171,453.00
Furniture						\$60,000.00
Office Equipment						\$3,000.00
Moving						\$2,500.00
IT	nwd \$14,705.74	Comm upgrade \$3,000.00				\$17,705.74
SubTotal						\$254,658.74
Contingency 10%						\$25,465.87
Total						\$280,124.61

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made as of the 30th day of November, 2018 ("Date of Lease"), by and between MOUNTAIN VALLEY BANK ("Landlord") and UPPER YAMPA WATER CONSERVANCY DISTRICT, a political subdivision of the State of Colorado ("Tenant").

Section 1 Basic Lease Provisions

1.1 Premises. Suite No. 201 and Suite No. 202 located on the second floor of the Building as generally depicted on Exhibit A attached, consisting of approximately 1740 rental square feet.

1.2 Building. The building located at 2220 Curve Plaza, Steamboat Springs, Colorado and all improvements built thereon including, without limitation, the Land, Common Area, and Parking Facilities.

1.3 Land. Lot 1, Curve Subdivision Filing 4, as replatted, Routt County, Colorado and all rights, easements and appurtenances thereunto belonging or pertaining.

1.4 Common Area. All areas from time to time designated by Landlord for the general and nonexclusive common use or benefit of Tenant, other tenants of the Building, and Landlord, including, without limitation, roadways, entrances and exits, walkways, hallways, stairs, lavatories, washrooms, kitchens, lobbies, waiting areas, meeting rooms, elevators, common trash areas, common pipes, conduits, wires within the Building, exterior lighting, exterior utility lines, and Parking Facilities excluding (i) roofs, (ii) maintenance and utility equipment rooms and closets, and (iii) conduits, wires and appurtenant equipment within the Building and equipment rooms and closets, and exterior utility lines.

1.5 Parking Facilities. All parking areas now or hereafter designated by Landlord for use by tenants of the Building and/or their guests and invitees.

1.6 Permitted Use. Subject to the terms hereof, Tenant may use the Premises solely for general business office purposes and uses incidental thereto.

1.7 Commencement Date. As provided in Section 3.1.

1.8 Expiration Date. Five (5) years after the Commencement Date, subject to extension as provided in Section 22.24.

1.9 Term. Sixty (60) months, commencing on the Commencement Date, subject to extension as provided in Section 22.24.

1.10 Gross Rent. Commencing as of the Commencement Date, the amounts set forth in the following schedule:

<u>Month(s)</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
1 through 36	\$2,900.00	\$34,800.00
37 through 48	Month 36 rent plus CPI adjustment, if any	
49 through 60	Month 48 rent plus CPI adjustment, if any	

For purposes of this Lease, the "CPI Adjustment" shall be an amount determined by multiplying the monthly Rent in effect for the last month prior to the adjustment by the same percentage as the percentage increase in the Consumer Price Index – All Urban Consumers for West Regional Items (1982-84=100) adjusted on annual, non-seasonal basis (being 265.105 for September 2018), ("CPI") published by the U.S. Department of Labor Statistics for the most recent 12-month period prior to the adjustment date for which the CPI has been distributed. If publication of the CPI has been discontinued, the generally accepted replacement index shall be used in its place for purposes of this adjustment.

1.11 Security Deposit. \$2,900.00.

- 1.12 Deleted
- 1.13 Deleted
- 1.14 Landlord's Notice Address P.O. Box 279
Hayden, Colorado 81639
- 1.15 Tenant's Address: P.O. Box 775529
Steamboat Springs, Colorado 80477-5529

Section 2 Premises

2.1 Lease of Premises. Subject to the terms and conditions of this Lease, Landlord hereby leases to Tenant for the Term (i) the Premises and Tenant hereby leases the Premises from Landlord and (ii) the nonexclusive right, together with Landlord and the other tenants of the Building, to use the Common Area.

2.2 Landlord's Reservations. Landlord reserves the right from time to time to: (i) install, use, maintain, repair, replace and relocate pipes, ducts, conduits, wires and appurtenant meters and equipment above the ceiling surfaces, below the floor surfaces, within the walls and in the central core areas of the Premises and the Building; (ii) make changes to the design and layout of the Building, including, without limitation, changes to buildings, driveways, entrances, loading and unloading areas, direction of traffic, landscaped areas and walkways, parking spaces and parking areas; and (iii) use or close temporarily the Common Areas, and/or other portions of the Building while engaged in making improvements, repairs or alterations to the Building, or any portion thereof.

Section 3 Term

3.1 Commencement Date. The Term shall commence on the Commencement Date and expire at midnight on the Expiration Date. Landlord is obligated to construct improvements within the Premises prior to Tenant's occupancy, and such construction is governed by the terms of the Work Agreement attached hereto as Exhibit B. The Commencement Date shall be the first day of the calendar month following the date of Substantial Completion of the Tenant Finish Work, as described in Exhibit B.

3.2 Early Access and Possession. Tenant shall be allowed access to the Premises prior to the Commencement Date for purposes of moving in, provided that Tenant shall not thereby interfere with the completion of the Tenant Finish Work described on Exhibit B. If the Tenant Finish Work is substantially completed and Tenant takes exclusive possession of the Premises before the Commencement Date, such possession shall be subject to the terms and conditions of this Lease and Tenant shall pay daily prorated Gross Rent to Landlord for each day of exclusive possession before the Commencement Date.

Section 4 Rent

4.1 Gross Rent. Tenant shall pay Gross Rent to Landlord payable in monthly installments, in advance, without demand, notice, deduction, offset or counterclaim, on or before the first day of each and every calendar month during the Term. Such Gross Rent, together with the Additional Rent provided for in Section 4.2 are collectively referred to herein as "Rent." Tenant's covenant to pay Rent and the obligation of Tenant to perform Tenant's other covenants and duties hereunder constitute independent, unconditional obligations to be performed at all times provided for hereunder, save and except only when an abatement thereof or reduction therein is expressly provided for and as otherwise provided in Section 22.24.

4.2 Additional Rent. Pursuant to the Work Agreement attached hereto as Exhibit B, Landlord is obligated to complete certain improvements at the Premises prior to Tenant's occupancy and Landlord is obligated to pay the costs of such improvements. To the extent Landlord's actual costs of such improvements paid to third parties exceeds \$69,600.00 (\$40.00 per square foot of the Premises) Tenant shall pay the Landlord in forty-eight (48) equal monthly installments commencing on the thirteenth day of the thirteenth month of the Term and continuing on the first day of each month thereafter until paid in full ("Additional Rent").

Section 5 Security Deposit. To secure Tenant's performance of this Lease, Tenant shall deposit the Security Deposit with Landlord to be held by Landlord until disbursement in accordance with the terms of this Lease. The

Security Deposit shall not bear interest. Landlord shall be entitled to commingle the Security Deposit with Landlord's other funds. The Security Deposit is not an advance payment of Rent or a measure of Tenant's liability for damages. If an Event of Default shall occur or if Tenant fails to maintain the Premises in the condition required by this Lease, Landlord shall have the right, without prejudice to any other remedy which Landlord may have on account thereof, to apply all or any portion of the Security Deposit to cure such default or to remedy the condition of the Premises. Within sixty (60) days after the Expiration Date or earlier termination of this Lease, Landlord shall return the Security Deposit to Tenant, less such portion thereof as Landlord shall have applied in accordance with this Section. If Landlord so applies the Security Deposit or any portion thereof before the Expiration Date or earlier termination of this Lease, Tenant shall deposit with Landlord, upon demand, the amount necessary to restore the Security Deposit to its original amount. If Landlord shall sell or transfer its interest in the Building, Landlord shall have the right to transfer the Security Deposit to such purchaser or transferee, in which event Tenant shall look solely to the new landlord for the return of the Security Deposit, and Landlord thereupon shall be released from all liability to Tenant for the return of the Security Deposit.

Section 6 Parking. During the Term, Tenant shall have the right in common with other tenants in the Building to use the Parking Facilities. All parking rights are subject to the Rules and Regulations, validation, key-card, sticker or other identification systems set forth by Landlord from time to time. Landlord may restrict certain portions of the Parking Facilities for the exclusive use of one or more tenants of the Building and may designate other areas to be used at large only by customers and visitors of tenants of the Building. Tenant shall have the right to park up to two (2) vehicles overnight at the parking facilities.

Section 7 Use and Requirements of Law

7.1 **Permitted Use.** Subject to the Rules and Regulations and all other restrictions contained in this Lease, the Premises will be used only for the Permitted Use. Tenant and Tenant's agents and occupants will not directly or indirectly: (i) do or permit to be done in or about the Premises, nor bring to, keep or permit to be brought or kept in the Premises, anything which is prohibited by or will in any way conflict with any federal, state or local law, statute, ordinance or governmental rule or regulation which is now in force or which may be enacted or promulgated after the Date of Lease; (ii) conduct any activities or business that involves the production, use, distribution, or sale, directly or indirectly, of any cannabis or marijuana product or by-product (even though legal under state law) iii) do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants of the Building; (iv) do or permit anything to be done in or about the Building which is dangerous to persons or property; or (v) cause, maintain or permit any nuisance in, on or about the Premises or commit or allow to be committed any waste in, on or about the Premises. Except for matters which are the responsibility of Landlord under this Lease including, without limitation, matter related to the Tenant Finish Work described in **Exhibit B** and repairs, maintenance and replacement of Common Areas, Tenant shall, at its sole cost and expense, promptly comply with (a) all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or in force after the Commencement Date of the Lease regarding the operation of Tenant's business and Tenant's use, condition, configuration and occupancy of the Premises; (b) the certificate of occupancy issued for the Building and the Premises and (c) any recorded covenants, conditions and restrictions, if any, which affect the use, condition, configuration and occupancy of the Premises.

7.2 **Hazardous Materials.** Tenant shall not bring or allow any of Tenant's employees or permittees to bring on the Premises or the Building, any asbestos, petroleum or petroleum products, used oil, explosives, toxic materials or substances defined as hazardous wastes, hazardous materials or hazardous substances under any federal, state or local law or regulation ("**Hazardous Materials**"), except for routine office and janitorial supplies used on the Premises and stored in the usual and customary manner and quantities, and in compliance with all applicable environmental laws and regulations. In the event Tenant, its employees or permittees release Hazardous Materials on, from, under or about the Premises or the Building as the result of Tenant's occupancy of the Premises, Landlord shall have the right, but not the obligation, to cause Tenant, at Tenant's sole cost and expense, to clean up, remove, remediate and repair any soil or groundwater contamination or other damage or contamination in conformance with the requirements of applicable law. To the extent permitted by law, Tenant shall indemnify, protect, hold harmless and defend (by counsel acceptable to Landlord) Landlord, and its agents, officers and representatives and each of their respective successors and assigns, from and against any and all claims, damages, penalties, fines, liabilities and cost (including reasonable attorneys' fees and court costs) caused by or arising out of (i) a violation of the foregoing prohibitions or (ii) the presence or release of any Hazardous Materials on, from, under or about the Premises, the Building or other properties by Tenant as the result of Tenant's occupancy of the Premises.

7.3 ADA Compliance. Notwithstanding any other statement in this Lease, the following provisions shall govern the parties' compliance with the Americans With Disabilities Act of 1990, as amended from time to time, Public Law 101-336; 42 U.S.C. §§12101, et seq. (the foregoing, together with any similar state statute governing access for the disabled or handicapped collectively referred to as the "ADA"):

(a) To the extent governmentally required as of the Commencement Date of this Lease, Landlord shall be responsible for the cost of compliance with Title I and Title III of the ADA, with respect to the Tenant Finish Work described on Exhibit B or with respect to any repairs, replacements or alterations to the Common Areas of the Building. Landlord shall indemnify, defend and hold harmless Tenant and its Agents from all fines, suits, procedures, penalties, claims, liability, losses, expenses and actions of every kind, and all costs associated there with (including, without limitation reasonable attorneys' and consultants' fees) arising out of or in any way connected with Landlord's failure to comply with Titles I and III of the ADA as required above.

(b) Except with respect to the Tenant Finish Work described on Exhibit B, to the extent governmentally required, Tenant shall be responsible for compliance, at its expense, with Titles I and III of the ADA with respect to the Premises. To the extent permitted by law, Tenant shall indemnify, defend and hold harmless Landlord and its Agents from all fines, suits, procedures, penalties, claims, liability, losses, expenses and actions of every kind, and all costs associated therewith (including, without limitation, reasonable attorneys' and consultants' fees) arising out of or in any way connected with Tenant's failure to comply with Titles I and III of the ADA as required above.

Section 8 Assignment and Subletting. Tenant shall not assign, transfer, mortgage or otherwise encumber this Lease or sublet or rent (or permit a third party to occupy or use) the Premises, or any part thereof, nor shall any assignment or transfer of this Lease or the right of occupancy hereunder be effected by operation of law or otherwise, without the prior written consent of Landlord, which consent may be withheld by Landlord in its sole and absolute discretion.

Section 9 Maintenance and Repair

9.1 Landlord's Obligation. Landlord will maintain, repair and restore in reasonably good order and condition (i) the Common Area; (ii) the mechanical, plumbing, electrical and HVAC equipment serving the Premises and Common Area; (iii) the structure of the Building (including roof, exterior walls, foundation); (iv) exterior windows and doors of the Building; (v) Building standard lighting; (vi) interior walls; (vii) floor coverings; (viii) ceilings of the premises; and (ix) interior doors; and entrances to the Premises; Tenant will promptly advise Landlord of any damage to the Premises or the Building. If Landlord fails to make any repairs to the Premises for more than thirty (30) days after notice from Tenant, Tenant may, at its option, cause all required maintenance or repairs, restorations or replacements to be made and Landlord shall pay Tenant's actual and reasonable costs of the same upon demand.

9.2 Tenant's Obligation. Tenant, at its expense, shall maintain all of its furniture, fixtures and equipment at the Premises and, to the extent resulting from intentional damage or misuse by Tenant, its employees or permittees, Tenants shall reimburse to Landlord, on demand, Landlord's reasonable costs of maintaining, repairing or restoring the items listed in clauses (vi) through (ix) of Section 9.1. Tenant shall be responsible for scheduling and paying for janitorial services to the Premises.

Section 10 Initial Construction; Alteration

10.1 Initial Construction. Landlord and Tenant agree that the construction of the Tenant Finish Work shall be performed by Landlord in accordance with and as defined in Exhibit B. Subject to the construction of the Landlord Work, Landlord shall have no obligations whatsoever to construct any improvements to the Premises and Tenant accepts the Premises "AS IS", "WHERE IS" and "WITH ANY AND ALL FAULTS", and Landlord neither makes nor has made any representations or warranties, express or implied, with respect to the quality, suitability or fitness thereof of the Premises, or the condition or repair thereof. Except for punch list items involving Landlord's Work, Tenant taking possession of the Premises shall be conclusive evidence for all purposes of Tenant's acceptance of the Premises in good order and satisfactory condition, and in a state and condition satisfactory, acceptable and suitable for the Tenant's use pursuant to this Lease.

10.2 Installing and Operating Tenant's Equipment. Without first obtaining the written consent of Landlord, Tenant shall not install or operate in the Premises (i) any electrically operated equipment or other machinery, other than standard office equipment that does not require wiring, cooling or other service in excess of Building standards; (ii) any equipment of any kind or nature whatsoever which will require any changes, replacements or additions to, or changes in the use of, any water, heating, plumbing, air conditioning or electrical system of the Premises or the Building; or (iii) any equipment which exceeds the electrical or floor load capacity per square foot for the Building. Landlord's consent to such installation or operation may be conditioned upon the payment by Tenant of additional compensation for any excess consumption of utilities and any additional power, wiring, cooling or other service that may result from such equipment. Machines and equipment which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein so as to be objectionable to Landlord or any other Building tenant shall be installed and maintained by Tenant, at its expense, on vibration eliminators or other devices sufficient to eliminate such noise and vibration. Tenant and Tenant's telecommunications companies, including but not limited to, local exchange telecommunications companies and alternative access vendor services companies, shall have no right of access to the Land, or the Building for the installation and operation of telecommunications systems, including but not limited to, voice, video, data, and any other telecommunications services provided over wire, fiber optic, microwave, wireless, and any other transmission systems, for part or all of Tenant's telecommunications within the Building without Landlord's prior written consent, such consent not to be unreasonably withheld or delayed.

10.3 Alterations. Tenant shall not make or permit any alterations, decorations, additions or improvements of any kind or nature to the Premises, whether structural or nonstructural, interior, exterior or otherwise ("Alterations") without the prior written consent of Landlord, said consent not to be unreasonably withheld or delayed. Landlord may impose any reasonable conditions to its consent, including, without limitation: (i) prior approval of the plans and specifications and contractor(s) with respect to the Alterations (provided that Landlord may designate specific contractors with respect to Building systems); (ii) supervision by Landlord's representative, at Tenant's expense, of the Alterations; (iii) proof of worker's compensation insurance and commercial general liability insurance in such amounts and meeting such requirements as reasonably requested by Landlord; (iv) delivery to Landlord of written and unconditional waivers of mechanic's and materialmen's liens as to the Building for all work, labor and services to be performed and materials to be furnished, signed by all contractors, subcontractors, materialmen and laborers participating in the Alterations; (v) delivery of permits, certificates of occupancy, "as-built" plans, and equipment manuals; and (vi) any security for performance or payment that is reasonably required by Landlord. The Alterations shall conform to the requirements of federal, state and local governments having jurisdiction over the Premises, including, without limitation, the ADA, and shall be performed in accordance with the terms and provisions of this Lease and in a good and workmanlike manner using material of a quality that is at least equal to the quality designated by Landlord as the minimum standard for the Building. All or any part of the Alterations (including, without limitation, wiring), whether made with or without the consent of Landlord, shall, at the election of Landlord, either be removed by Tenant at its expense before the expiration of the Term or shall remain upon the Premises and be surrendered therewith at the Expiration Date or earlier termination of this Lease as the property of Landlord without disturbance, molestation or injury. If Landlord requires the removal of all or part of the Alterations, Tenant, at its expense, shall repair any damage to the Premises or the Building caused by such removal and restore the Premises and the Building to its condition prior to the construction of such Alterations.

10.4 Mechanics' Liens. Tenant will pay or cause to be paid all costs and charges for: (i) work done by Tenant or caused to be done by Tenant, in or to the Premises; and (ii) materials furnished for or in connection with such work. To the extent permitted by law Tenant will indemnify Landlord against and hold Landlord, the Premises, and the Building free, clear and harmless of and from all mechanics' liens and claims of liens, and all other liabilities, liens, claims, and demands on account of such work by or on behalf of Tenant. If any such lien, at any time, is filed against the Premises, or any part of the Building, Tenant will cause such lien to be discharged of record within thirty (30) days after the filing of such lien, except that if Tenant desires to contest such lien, it will furnish Landlord, within such 30-day period, a bond or other security reasonably satisfactory to Landlord of at least 150% of the amount of the claim. If a final judgment establishing the validity or existence of a lien for any amount is entered, Tenant will immediately pay and satisfy the same. If Tenant fails to pay any charge for which a mechanic's lien has been filed, and has not given Landlord a bond or other security as described above, Landlord may, at its option, pay such charge and related costs and interest, and the amount so paid, together with attorneys' fees incurred in connection with such lien, will be immediately due from Tenant to Landlord upon demand. Nothing contained in this Lease will be deemed the consent or agreement of Landlord to subject Landlord's interest in all or any portion of the Building to liability under any mechanics' lien or to any other lien law. If Tenant receives notice

that a lien has been or is about to be filed against the Premises or any part of the Building or any action affecting title to the Building has been commenced on account of work done by or for or materials furnished to or for Tenant, it will immediately give Landlord written notice of such notice. At least fifteen (15) days prior to the commencement of any work (including, but not limited to, any maintenance, repairs or Alterations) in or to the Premises, by or for Tenant, Tenant will give Landlord written notice of the proposed work and the names and addresses of the persons supplying labor and materials for the proposed work. Landlord will have the right to post notices of non-responsibility or similar notices, if applicable, on the Premises or in the public records in order to protect the Premises and Building against such liens.

Section 11 Signs. Except as expressly approved by Landlord, no sign, advertisement or notice shall be inscribed, painted, affixed, placed or otherwise displayed by Tenant on any part of the Building or the outside or the inside (to the extent visible from the exterior of the Premises or Building) of the Building or the Premises. Landlord shall provide, at Landlord's expense, a listing on the directory in the lobby of the Building listing all Building tenants. Landlord also shall, at Landlord's expense, place the suite number and/or Tenant name on or in the immediate vicinity of the entry door to the Premises using Building standard sign material and lettering. If any prohibited sign, advertisement or notice is nevertheless exhibited by Tenant, Landlord shall have the right to remove the same, and Tenant shall pay upon demand any and all expenses incurred by Landlord in such removal, together with interest thereon at the *Wall Street Journal* prime rate from the demand date.

Section 12 Right of Entry. Tenant shall permit Landlord or its agents to enter the Premises without charge therefor to Landlord and without diminution of Rent or claim of constructive eviction: (i) to clean, inspect and protect the Premises and the Building; (ii) to make such alterations and repairs to the Premises or any portion of the Building, including other tenants' premises, which Landlord determines to be reasonably necessary; (iii) to exhibit the same to prospective purchaser(s) of the Building or to present or future Mortgagees; or (iv) to exhibit the same to prospective tenants during the last 12 months of the Term.

Section 13 Insurance.

13.1 **Certain Insurance Risks.** Tenant will not do or permit to be done any act or thing upon the Premises or the Building which would: (i) jeopardize or be in conflict with fire insurance policies covering the Building, and fixtures and property in the Building; or (ii) increase the rate of fire insurance applicable to the Building to an amount higher than it otherwise would be for general office use of the Building; or (iii) subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being conducted upon the Premises.

13.2 **Landlord's Insurance.** At all times during the Term, Landlord will carry and maintain: (a) fire and extended coverage insurance covering the Building, its equipment and common area furnishings, and leasehold improvements in the Premises to the extent of any initial build out of the Premises by the Landlord; (b) bodily injury and property damage insurance; and (c) such other insurance as Landlord reasonably determines from time to time. The insurance coverages and amounts in this Section will be determined by Landlord in an exercise of its reasonable discretion.

13.3 **Tenant's Insurance.** On or before the earlier to occur of (i) the Commencement Date, or (ii) the date Tenant commences any work of any type in the Premises pursuant to this Lease (which may be prior to the Commencement Date) and continuing throughout the Term, Tenant will carry and maintain, at Tenant's expense, the following insurance, in the minimum amounts specified below or such other amounts as Landlord may from time to time reasonably request, with insurance companies and on forms reasonably satisfactory to Landlord:

(a) Public entity liability insurance with a combined single occurrence limit and aggregate of not less than \$2,000,000 including, without limitation, bodily injury, property damage, personal injury, advertising injury, products and completed operations liability, and contractual liability coverage for the performance by Tenant of the indemnity agreements set forth in this Lease;

(b) Special form property covering all of Tenant's furniture and fixtures, machinery, equipment, stock and any other personal property owned and used in Tenant's business and found in, on or about the Building, and any leasehold improvements to the Premises in excess of any initial buildout of the Premises by the Landlord, in an amount not less than the full replacement cost;

(c) Worker's compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the worker's compensation laws of the state in which the Premises are located, including employer's liability insurance in the limit of \$1,000,000 aggregate;

(d) If Tenant operates owned, hired, or nonowned vehicles on the Building, comprehensive automobile liability will be carried at a limit of liability not less than \$1,000,000 combined bodily injury and property damage;

(e) [Omitted]

(f) Business interruption, loss of income and extra expense insurance with a limit of not less than \$250,000.00.

(g) [Omitted]

13.4 Forms of the Policies. Landlord and its affiliates, Landlord's management company, Landlord's Mortgagee, and such other parties as Landlord shall designate to Tenant who have an insurable interest in the Premises or Building shall be: (i) named as additional insureds (other than for Worker's Compensation) and have waiver of subrogation rights with respect to the coverages provided for under Section 13.3 (a), (c), (d) and (e), and (ii) as loss payees as their interest may appear with respect to the coverage provided under Section 13.3 (b). Certificates of insurance together with any endorsements providing the required coverage will be delivered to Landlord prior to Tenant's occupancy of the Premises and from time to time at least thirty (30) days prior to expiration of the term, material change, reduction in coverage, or other termination thereof. All commercial general liability and property policies herein required to be maintained by Tenant will be written as primary policies, not contributing with and not supplemental to the coverage that Landlord may carry. Commercial general liability insurance required to be maintained by Tenant by this Lease will not be subject to a deductible.

13.5 Waiver of Subrogation. Landlord and Tenant each waive and shall cause their respective insurance carriers to waive any and all rights to recover against the other or against the agents, officers, and representatives of such other party for any loss or damage to such waiving party (including deductible amounts) arising from any cause covered by any property insurance required to be carried by such party pursuant to this Lease or any other property insurance actually carried by such party to the extent of the limits of such policy. Tenant agrees to cause all other occupants of the Premises claiming by, under or through Tenant, to execute and deliver to Landlord and its affiliates, Landlord's management company, and Landlord's Mortgagee such a waiver of claims and to obtain such waiver of subrogation rights endorsements.

Section 14 Landlord Services and Utilities

14.1 Ordinary Services to the Premises. Landlord shall furnish to the Premises throughout the Term so long as the Premises are occupied: (i) heating, ventilation, and air conditioning ("HVAC") appropriate for the Permitted Use during Normal Business Hours (as defined in the Rules and Regulations), (ii) reasonable use of all existing basic intra-Building telephone and network cabling; (iii) hot and cold water from points of supply; (iv) restrooms; (v) elevator service, provided that Landlord shall have the right to remove such elevators from service as may reasonably be required for moving freight or for servicing or maintaining the elevators or the Building; and (vi) proper facilities to furnish sufficient electrical power for Building standard lighting, facsimile machines, personal computers, printers, copiers and other customary business equipment, but not including electricity and air conditioning units required for equipment of Tenant that is in excess of Building standard. Landlord may establish reasonable measures to conserve energy and water.

14.2 Additional Services. Should Tenant desire any additional services beyond those described in Section 14.1, or a rendition of any of such services outside the normal times for providing such service, Landlord may (at Landlord's option), upon reasonable advance notice from Tenant to Landlord, furnish such services, and Tenant agrees to pay Landlord upon demand Landlord's additional expenses resulting therefrom. Landlord may, from time to time during the Term, set a charge for such additional services, or a per hour charge for additional or after hours service which shall include the utility, service, labor, and administrative costs and a cost for depreciation of the equipment used to provide such additional or after hours service.

14.3 Interruption of Utilities or Services. Landlord will not be liable to Tenant or any other person for direct or consequential damages (including, without limitation, damages to persons or property or for injury to, or interruption of, business), Tenant shall not be entitled to any abatement or reduction of rent except as expressly set forth in this Section, nor shall a constructive eviction exist or shall Tenant be released from any of Tenant's obligations under this Lease (a) for any failure to supply any heat, air conditioning, elevator, cleaning, lighting or security or for any surges or interruptions of electricity, telecommunications or other service Landlord has agreed to supply during any period when Landlord uses reasonable diligence to supply such services; (b) as a result of the admission to or exclusion from the Building of any person; or (c) for any discontinuance permitted under this Section. Landlord reserves the right temporarily to discontinue the services set forth in the foregoing sentence, or any of them, at such times as may be necessary by reason of accident, repairs, alterations or improvement, strikes, lockouts, riots, acts of God, governmental preemption in connection with a national or local emergency, any rule, order or regulation of any governmental agency, conditions of supply and demand which make any product unavailable, Landlord's compliance with any mandatory or voluntary governmental energy conservation or environmental protection program, or any other happening beyond the control of Landlord. In the event of invasion, mob, riot, public excitement or other circumstances rendering such action advisable in Landlord's reasonable opinion, Landlord will have the right to prevent access to the Building during the continuance of the same by such means as Landlord, in its reasonable discretion may deem appropriate, including, without limitation, locking doors and closing Parking Facilities and the Common Areas.

14.4 Meters. In the event Tenant's electrical usage exceeds normal business office usage levels as reasonably determined by Landlord, Landlord reserves the right to separately meter or monitor the utility services provided to the Premises, at Tenant's expense, and bill the charges directly to Tenant, or to separately meter any other tenant and bill the charges directly to such tenant and to make appropriate adjustments to the Operating Expenses based on the meter charges.

14.5 Utility Charges. All telephone and other utility service used by and billed directly to Tenant in the Premises shall be paid for directly by Tenant.

Section 15 Liability of Landlord

15.1 Indemnification. Except to the extent caused by the negligence or misconduct of Landlord, Tenant will neither hold nor attempt to hold Landlord, its agents or Mortgagee liable for, and to the extent permitted by law Tenant will indemnify, hold harmless and defend (with counsel reasonably acceptable to Landlord) Landlord, its agents and Mortgagee, from and against, any and all demands, claims, causes of action, fines, penalties, damages, liabilities, judgments, and expenses (including, without limitation, reasonable attorneys' fees) incurred in connection with or arising from (i) the use or occupancy or manner of use or occupancy of the Premises by Tenant or its agents or occupants; (ii) any activity, work or thing done, permitted or suffered by Tenant or its agents in or about the Premises or the Building; (iii) any acts, omissions or negligence of Tenant or its agents; (iv) any breach, violation or nonperformance by Tenant or its agents of any term, covenant or provision of this Lease or any law, ordinance or governmental requirement of any kind; and (v) any injury or damage to the person, property or business of Tenant or its agents.

15.2 Waiver and Release. Except to the extent caused by the negligence or misconduct of Landlord, Tenant covenants and agrees that Landlord, its agents and Mortgagee will not at any time or to any extent whatsoever be liable, responsible or in any way accountable for any loss, injury, death or damage (including consequential damages) to persons, property or Tenant's business occasioned by (i) any act or omission of Landlord or its agents; (ii) any acts or omissions, including theft, of or by any other tenant, occupant or visitor of the Building; or (iii) any injury or damage to persons or property resulting from any casualty, explosion, falling plaster or other masonry or glass, steam, gas, electricity, water or rain which may leak from any part of the Building or any other portion of the Building or from the pipes, appliances or plumbing works therein or from the roof, street or subsurface or from any other place, or resulting from dampness. Tenant agrees to give prompt notice to Landlord upon the occurrence of any of the events set forth in this Section or of defects in the Premises or the Building, or in the fixtures or equipment.

15.3 Survival. The covenants, agreements and indemnification obligations under this Section will survive the expiration or earlier termination of this Lease. Tenant's and Landlord's covenants, agreements and indemnification obligations are not intended to and will not relieve any insurance carrier of its obligations under policies required to be carried by Tenant or Landlord.

Section 16 Rules and Regulations. Tenant and its agents and occupants shall at all times abide by and observe the Rules and Regulations set forth in Exhibit C and any amendments thereto applicable generally to Building occupants that may reasonably be promulgated from time to time by Landlord for the operation and maintenance of the Building and the Rules and Regulations shall be deemed to be covenants of the Lease to be performed and/or observed by Tenant. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations, or the terms or provisions contained in any other lease, against any other tenant of the Building. Landlord shall not be liable to Tenant for any violation by any third party of the Rules and Regulations or the terms of any other Building lease. Tenant shall have the right to enforce Rules and Regulations on its own behalf against other occupants of the Building. If there is any inconsistency between this Lease (other than Exhibit C) and the then current Rules and Regulations, this Lease shall govern.

Section 17. Damage; Condemnation

17.1 Damage to the Premises. If the Premises or the Building shall be damaged by fire or other insured cause, Landlord shall diligently and as soon as practicable after such damage occurs (taking into account the time necessary to effect a satisfactory settlement with any insurance company involved) repair such damage at the expense of Landlord; provided, however, that Landlord's obligation to repair such damage shall not exceed the proceeds of insurance available to Landlord (reduced by any proceeds retained pursuant to the rights of Mortgagee). Notwithstanding the foregoing, if the Premises or the Building are damaged by fire or other insured cause to such an extent that, in Landlord's or Tenant's reasonable judgment, the damage cannot be substantially repaired within one hundred eighty (180) days after the date of such damage, or if the Premises are substantially damaged during the last Year of the Term as it may be extended, then either Landlord or Tenant may terminate this Lease as of the date of such damage by written notice to the other. Rent shall be apportioned and paid to the date of such damage.

During the period that Tenant is deprived of the use of the damaged portion of the Premises, Rent shall be reduced by the ratio that the Rentable Square Footage [defined someplace?] of the Premises damaged bears to the total Rentable Square Footage of the Premises before such damage. All injury or damage to the Premises or the Building resulting from the gross negligence or willful misconduct of Tenant or its agents or occupants shall be repaired by Landlord, at Tenant's expense, and Rent shall not abate nor shall Tenant be entitled to terminate the Lease. Notwithstanding anything herein to the contrary, Landlord shall not be required to rebuild, replace, or repair any of the following: (i) Except for the Tenant Finish work described in Exhibit B, which shall be rebuilt, repaired or replaced by Landlord, specialized Tenant improvements as reasonably determined by Landlord; (ii) Alterations; or (iii) personal property of Tenant.

17.2 Condemnation. If 20% or more of the Building or 50% or more of the Land or any portion of the Premises shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose (including, without limitation, sale under threat of such a taking), then at the election of the Tenant the Term shall cease and terminate as of the date when title vests in such governmental or quasi-governmental authority, and Rent shall be prorated to the date when title vests in such governmental or quasi-governmental authority. Tenant shall have no claim against Landlord (or otherwise) as a result of such taking, and Tenant hereby agrees to make no claim against the condemning authority for any portion of the amount that may be awarded to Landlord as compensation or damages as a result of such taking; provided, however, that Tenant may, to the extent allowed by law, claim an award for moving expenses and for the taking of any of Tenant's property (other than its leasehold interest in the Premises) as long as such claim is separate and distinct from any claim of Landlord and does not diminish Landlord's award. Tenant hereby assigns to Landlord any right and interest it may have in any award for its leasehold interest in the Premises.

Section 18 Default of Tenant

18.1 Events of Default. Subject to Section 22.24, each of the following shall constitute an Event of Default: (i) Tenant fails to pay Rent within ten (10) days after notice from Landlord; provided that no such notice shall be required if at least two such notices shall have been given during the previous twelve (12) months; (ii) Tenant fails to observe or perform any other term, condition or covenant herein binding upon or obligating Tenant within ten (10) days after notice from Landlord; provided, however, that if such failure cannot reasonably be cured within said 10-day period, then the period to cure the default shall be extended for up to an additional thirty (30) days provided Tenant has commenced to cure the default within the 10-day period and diligently pursues such cure to completion (notwithstanding the foregoing, if Landlord provides Tenant with notice of Tenant's failure to observe or perform any term, condition or covenant under this Section on two or more occasions during any 12-month

period, then Tenant's subsequent violation shall, at Landlord's option, be deemed an Event of Default immediately upon the occurrence of such failure, regardless of whether Landlord provides Tenant notice, or Tenant has commenced the cure of the same); (iii) Tenant abandons or vacates the Premises or fails to take occupancy of the Premises within ninety (90) days after the Commencement Date; (iv) Tenant fails to execute and return a subordination agreement or estoppel within the time periods required; (v) Tenant makes or consents to a general assignment for the benefit of creditors or a common law composition of creditors, or a receiver of the Premises for all or substantially all of Tenant's assets is appointed; (vi) Tenant hereafter files a voluntary petition in any bankruptcy or insolvency proceeding, or an involuntary petition in any bankruptcy or insolvency proceeding is filed against Tenant and is not discharged by Tenant within sixty (60) days; or (vii) Tenant fails to immediately remedy or discontinue any hazardous conditions which Tenant has created or permitted in violation of law or of this Lease. Any notice periods provided for under this Section shall run concurrently with any statutory notice periods and any notice given hereunder may be given simultaneously with or incorporated into any such statutory notice.

18.2 Landlord's Remedies. Upon the occurrence of an Event of Default, Landlord, at its option, without further notice or demand to Tenant, may, in addition to all other rights and remedies provided in this Lease, at law or in equity, elect one or more of the following remedies.

(a) Terminate this Lease, or terminate Tenant's right of possession to the Premises without terminating this Lease, and with or without reentering and repossessing the Premises. Upon any termination of this Lease, or upon any termination of Tenant's right of possession without termination of this Lease, Tenant shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Landlord. If Tenant fails to surrender possession and vacate the Premises, Landlord and its agents shall have full and free license to enter into and upon the Premises with or without process of law for the purpose of repossessing the Premises, removing Tenant and removing, storing or disposing of any and all Alterations, signs, personal property, equipment and other property therefrom. Landlord may take these actions without (i) being deemed guilty of trespass, eviction or forcible entry or detainer, (ii) incurring any liability for any damage resulting therefrom, for which Tenant hereby waives any right to claim, (iii) terminating this Lease (unless Landlord intends to do so), (iv) releasing Tenant in whole or in part, from any obligation under this Lease, including, without limitation, the obligation to pay Rent or Damages (as defined herein) or (v) relinquishing any other right given to Landlord hereunder or by operation of law;

(b) Recover unpaid Rent (whether accruing prior to, on or after the date of termination of this Lease or Tenant's right of possession and/or pursuant to the holdover provisions of Section 20.2), and/or any Damages (as defined herein). "Damages" shall mean all actual, direct damages, court costs, interest and attorneys' fees arising from Tenant's breach of the Lease, including, without limitation, (i) reletting costs, including, without limitation, the cost of restoring the Premises to the condition necessary to rent the Premises at the prevailing market rate, normal wear and tear excepted (including, without limitation, cleaning, decorating, repair and remodeling costs), brokerage fees, legal fees, advertising costs and the like); (ii) Landlord's cost of recovering possession of the Premises; (iii) the cost of removing, storing and disposing of any of Tenant's or other occupant's property left on the Premises after reentry; (iv) costs incurred in connection with collecting any money owed by Tenant to Landlord. Landlord may file suit to recover any sums falling due under the terms of this Section from time to time, and no delivery to or recovery by Landlord of any portion due Landlord hereunder shall be any defense in any action to recover any amount not theretofore reduced to judgment in favor of Landlord. Nothing contained in this Lease shall limit or prejudice the right of Landlord to prove for and obtain in proceedings for bankruptcy or insolvency by reason of the termination of this Lease, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damages referred to above.

(c) If Landlord elects to terminate Tenant's right to possession of the Premises without terminating this Lease, Tenant shall continue to be liable for all Rent and all other Damages, and Landlord may (but shall not be obligated to) relet the Premises, or any part thereof, to a substitute tenant or tenants, for a period of time equal to or lesser or greater than the remainder of the Term of this Lease on whatever terms and conditions Landlord, at Landlord's sole discretion, deems advisable. Notwithstanding any provision in this Section to the contrary, Landlord may at (i) any time after reletting the Premises elect to exercise its rights under Section 18.2(b) for such previous breach; and (ii) upon the default of any substitute tenant or upon the expiration of the lease term of such substitute tenant before the expiration of the Term of this Lease, either relet to still another substitute tenant or exercise its rights under Section 18.2(b). For the purpose of such reletting Landlord is authorized to decorate or to make any repairs, changes, alterations or additions in or to the Premises that may be necessary.

(d) Take any lawful self-help or judicial action to (i) reenter the Premises, repossess the Premises and exclude Tenant and other occupants from the Premises, and/or (ii) make such payment or do such act as Landlord determines is necessary (without obligation to do so) to cure the Event of Default or otherwise satisfy Tenant's obligations under the terms of this Lease. Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in connection with the foregoing actions, which expenses shall bear interest until paid at the Wall Street Journal prime rate, and that Landlord shall not be liable for any damages resulting to Tenant from such actions.

(e) Withhold performance or suspend payment that this Lease would otherwise require Landlord to make.

(f) Exercise any other remedy allowed to Landlord at law or in equity including injunction relief.

18.3 Mitigation of Damages. Tenant agrees that if Landlord markets the Premises in a manner substantially similar to the manner in which Landlord markets other space in the Building, then Landlord shall be deemed to have used commercially reasonable efforts to mitigate damages. Subject to Section 22.24, Tenant shall continue to be liable for all Rent and Damages. Without limitation to the foregoing, Landlord shall not be deemed to have failed to mitigate damages, or use efforts required by law to do so, because: (i) Landlord leases other space in the Building which is vacant prior to re-letting the Premises; (ii) Landlord refuses to relet the Premises to any related entity of Tenant, or any principal of Tenant, or any related entity of such principal; (iii) Landlord refuses to relet the Premises to any person or entity whose creditworthiness is not acceptable to Landlord in the exercise of its reasonable discretion; (iv) Landlord refuses to relet the Premises to any person or entity because the use proposed to be made of the Premises by such prospective tenant is not general office use of a type and nature consistent with that of the other tenants in the portions of the Building leased or held for lease for general office purposes as of the date Tenant defaults under this Lease (v) Landlord refuses to relet the Premises to any person or entity, or any affiliate of such person or entity, who has been engaged in a dispute or litigation with Landlord or any of its affiliates; (vi) Landlord refuses to relet the Premises because the proposed tenant is unwilling to execute and deliver Landlord's standard lease form or such tenant requires improvements to the Premises to be paid at Landlord's cost and expense; or (viii) Landlord refuses to relet the Premises to a person or entity whose character or reputation, or the nature of such prospective tenant's business, would not be acceptable to Landlord in its reasonable discretion.

18.4 No Waiver. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute. If Landlord shall institute proceedings against Tenant and a compromise or settlement thereof shall be made, the same shall not constitute a waiver of any other covenant, condition or agreement herein contained, nor of any of Landlord's rights hereunder. No waiver by Landlord of any breach shall operate as a waiver of such covenant, condition or agreement itself, or of any subsequent breach thereof. No payment of Rent by Tenant or acceptance of Rent by Landlord shall operate as a waiver of any breach or default by Tenant under this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Rent herein stipulated shall be deemed to be other than a payment on account of the earliest unpaid Rent, nor shall any endorsement or statement on any check or communication accompanying a check for the payment of Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease. No act, omission, reletting or re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of the Lease, shall be construed as an actual or constructive eviction of Tenant, or an election on the part of Landlord to terminate this Lease unless a written notice of such intention is given to Tenant by Landlord.

18.5 Late Payment. If Tenant fails to pay any Rent within fifteen (15) days after such Rent becomes due and payable, Tenant shall pay to Landlord a late charge of five percent (5%) of the amount of such overdue Rent. Such late charge shall be due and payable within two (2) days after written demand from Landlord.

18.6 Deleted

Section 19 Mortgages. This Lease is subject and subordinate to all ground or underlying leases and to any mortgage, deed of trust, security interest, or title retention interest affecting the Land or Building (the "Mortgage") and to all renewals, modifications, consolidations, replacements and extensions thereof. This subordination shall be self-operative; however, in confirmation thereof, Tenant shall, within ten (10) days of receipt thereof, execute any reasonable instrument that Landlord or any holder of any note or obligation secured by a Mortgage (the "Mortgagee") may request confirming such subordination provided that the instrument shall contain the agreement of the Mortgage that after a foreclosure (or deed in lieu of foreclosure) the rights of Tenant under this Lease shall remain in full force and effect during the Term, as extended, so long as Tenant shall continue to perform its covenants and obligations under this Lease. Notwithstanding the foregoing, before any foreclosure sale under a Mortgage, the Mortgagee shall have the right to subordinate the Mortgage to this Lease, and, in the event of a foreclosure, this Lease may continue in full force and effect and Tenant shall attorn to and recognize as its landlord the purchaser of Landlord's interest under this Lease. Tenant shall, upon the request of a Mortgagee or purchaser at foreclosure, execute, acknowledge and deliver any instrument that has for its purpose and effect the subordination of the lien of any Mortgage to this Lease or Tenant's attornment to such Purchaser.

Section 20 Surrender; Holding Over

20.1 Surrender of the Premises. Tenant shall peaceably surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, in broom-clean condition and in as good condition as when Tenant took possession, including, without limitation, the repair of any damage to the Premises caused by the removal of any of Tenant's personal property or trade fixtures from the Premises, except for reasonable wear and tear and loss by fire or other casualty. All trade fixtures, equipment, furniture, inventory, effects and Alterations left on or in the Premises or the Building after the Expiration Date or earlier termination of this Lease will be deemed conclusively to have been abandoned and may be appropriated, removed, sold, stored, destroyed or otherwise disposed of by Landlord without notice to Tenant or any other person and without obligation to account for them; and Tenant will pay Landlord for all expenses incurred in connection with the same, including, but not limited to, the costs of repairing any damage to the Premises or the Building caused by the removal of such property. Tenant's obligation to observe and perform this covenant will survive the expiration or other termination of this Lease.

20.2 Holding Over. In the event that Tenant shall not immediately surrender the Premises to Landlord on the Expiration Date or earlier termination of this Lease, including removing all trade fixtures, equipment, furniture, inventory, effects and Alterations from the Premises, Tenant shall be deemed to be a tenant-at-will pursuant to the terms and provisions of this Lease, except the daily Rent shall be one hundred ten percent (110%) of the daily Rent in effect on the Expiration Date or earlier termination of this Lease (computed on the basis of a 30-day month).

Section 21 Quiet Enjoyment. Landlord covenants that if Tenant shall pay Rent and perform all of the terms and conditions of this Lease to be performed by Tenant, Tenant shall during the Term peaceably and quietly occupy and enjoy possession of the Premises without molestation or hindrance by Landlord or any party claiming through or under Landlord, subject to the provisions of this Lease and any Mortgage to which this Lease is subordinate.

Section 22 Miscellaneous

22.1 No Representations by Landlord. Tenant acknowledges that neither Landlord nor its agents nor any broker has made any representation or promise with respect to the Premises, the Building, the Land or the Common Area, except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Tenant except as herein expressly set forth.

22.2 Estoppel Certificate. Landlord and Tenant shall, without charge, at any time and from time to time, within fifteen (15) days after request therefor by the other, execute, acknowledge and deliver to the other a written estoppel certificate certifying, as of the date of such estoppel certificate, the following: (i) that this Lease is unmodified and in full force and effect (or if modified, that the Lease is in full force and effect as modified and setting forth such modifications); (ii) that the Term has commenced (and setting forth the Commencement Date and Expiration Date); (iii) that Tenant is presently occupying the Premises; (iv) the amounts of Rent currently due and payable by Tenant; (v) that any Alterations required by the Lease to have been made by Landlord or Tenant have been made to the satisfaction of the other; (vi) that there are no existing set-offs, charges, liens, claims or defenses against the enforcement of any right hereunder, including, without limitation, Rent (or, if alleged, specifying the same in detail); (vii) that no Rent (except the first installment thereof) has been paid more than thirty (30) days in

advance of its due date; (viii) that the party giving the estoppel has no knowledge of any then uncured default by the other of its obligations under this Lease (or, if the party giving the estoppel has such knowledge, specifying the same in detail); (ix) that the party giving the estoppel is not in default; (x) that the address to which notices should be sent is as set forth in the Lease (or, if not, specifying the correct address); and (xi) any other certifications reasonably requested.

22.3 Waiver of Jury Trial. Landlord and Tenant each waive trial by jury in connection with proceedings or counterclaims brought by either of the parties against the other with respect to any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant hereunder or Tenant's use or occupancy of the Premises.

22.4 Notices. All notices or other communications hereunder shall be in writing and shall be deemed duly given if addressed and delivered to the respective parties' addresses, as set forth above: (i) in person; (ii) by Federal Express or similar overnight carrier service; or (iii) mailed by certified mail, return receipt requested, postage prepaid. Such notices shall be deemed received upon the earlier of receipt or, if mailed by certified mail, three (3) days after such mailing. Landlord or Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

22.5 Invalidity of Particular Provisions. If any provisions of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the full extent permitted by law.

22.6 Gender and Number. All terms and words used in this Lease, regardless of the number or gender in which they are used, shall be deemed to include any other number or gender as the context may require.

22.7 Benefit and Burden. Except as otherwise expressly provided above, the provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and each of their respective representatives, heirs, successors and assigns.

22.8 Entire Agreement. This Lease (which includes the Exhibits attached hereto) contains and embodies the entire agreement of the parties hereto, and no representations, inducements or agreements, oral or otherwise, between the parties not contained in this Lease shall be of any force or effect. This Lease (other than the Rules and Regulations, which may be changed from time to time as provided herein) may not be modified, changed or terminated in whole or in part in any manner other than by an agreement in writing duly signed by Landlord and Tenant.

22.9 Deleted

22.10 Attorneys' Fees. If either Landlord or Tenant commences or engages in any legal action or proceeding against the other party (including, without limitation, litigation or arbitration) arising out of or in connection with the Lease, the Premises, or the Building (including, without limitation (a) the enforcement or interpretation of either party's rights or obligations under this Lease (whether in contract, tort, or both) or (b) the declaration of any rights or obligations under this Lease), the prevailing party shall be entitled to recover from the losing party reasonable attorneys' fees, together with any costs and expenses, incurred in any such action or proceeding, including any attorneys' fees, costs, and expenses incurred on collection and on appeal.

22.11 Interpretation. This Lease is governed by the laws of the State of Colorado. Furthermore, this Lease shall not be construed against either party more or less favorably by reason of authorship or origin of language.

22.12 Deleted

22.13 Time of the Essence. Time is of the essence as to Tenant's obligations contained in this Lease.

22.14 Force Majeure. Landlord and Tenant (except with respect to the payment of Rent) shall not be chargeable with, liable for, or responsible to the other for anything or in any amount for any failure to perform or

delay caused by: fire; earthquake; explosion; flood; hurricane; the elements; acts of God or the public enemy; actions, restrictions, governmental authorities (permitting or inspection), governmental regulation of the sale of materials or supplies or the transportation thereof; war; invasion; insurrection; rebellion; riots; strikes or lockouts, inability to obtain necessary materials, goods, equipment, services, utilities or labor; or any other cause whether similar or dissimilar to the foregoing which is beyond the reasonable control of such party (collectively, "Events of Force Majeure"); and any such failure or delay due to said causes or any of them shall not be deemed to be a breach of or default in the performance of this Lease.

22.15 Headings. Captions and headings are for convenience of reference only.

22.16 Memorandum of Lease. Neither Landlord nor Tenant shall record this Lease nor a memorandum thereof without the written consent of the other.

22.17 Deleted

22.18 Landlord's Fees. Whenever Tenant requests Landlord to take any action or give any consent required or permitted under this Lease, Tenant will reimburse Landlord for all of Landlord's reasonable costs incurred in reviewing the proposed action or consent, including, without limitation, attorneys', engineers' or architects' fees, within ten (10) days after Landlord's delivery to Tenant of a statement of such costs. Tenant will be obligated to make such reimbursement without regard to whether Landlord consents to any such proposed action.

22.19 Special Damages. Under no circumstances whatsoever shall Landlord or Tenant ever be liable hereunder for consequential damages or special damages.

22.20 Counterparts. This Lease may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement.

22.21 Deleted

22.22 Deleted

22.23 Anti-Terrorism. Tenant represents and warrants to and covenants with Landlord that (i) Tenant, is not and shall not be at any time during the term hereof, in violation of any laws relating to terrorism or money laundering (collectively, the "Anti-Terrorism Laws"), including without limitation Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and regulations of the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) related to Specially Designated Nationals and Blocked Persons (SDN's OFAC Regulations), and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56) (the "USA Patriot Act"); (ii) to Tenant's actual knowledge Tenant, employees, vendors, subcontractors or agents is or shall be during the term hereof a "Prohibited Person" which is defined as follows: (1) a person or entity owned or controlled by, affiliated with, or acting for or on behalf of, any person or entity that is identified as an SDN on the then-most current list published by OFAC at its official website, <http://www.treas.gov/offices/eotffc/ofac/sdn/t11sdn.pdf>, or at any replacement website or other replacement official publication of such list, and (2) a person or entity who is identified as or affiliated with a person or entity designated as a terrorist, or associated with terrorism or money laundering pursuant to regulations promulgated in connection with the USA Patriot Act; and (iii) to Tenant's actual knowledge Tenant has taken appropriate steps to understand its legal obligations under the Anti-Terrorism Laws and has implemented appropriate procedures to assure its continued compliance with such laws.

22.24 Superseding Provisions. Notwithstanding any other provisions of this Lease or anything to the contrary in any other provision of this Lease, the provisions of this Section control over all other provisions of this Lease and any inconsistent or conflicting provision is modified or eliminated to be consistent with the following:

(a) Lease Subject to Appropriation.

(i) The Gross Rent, Additional Rent and the other amounts, if any, due hereunder shall be payable from and limited to legally available funds or revenues of the general fund of Tenant.

(ii) It is the intention of the parties that this Lease is subject to annual appropriation by the governing board of Tenant (herein, the "Board"). This Lease (and the Gross Rent, Additional Rentals and the other amounts, if any, due hereunder) do not constitute a debt or indebtedness or multiple fiscal year debt or other financial obligation of Tenant within the meaning of any constitutional or statutory provision or limitation, and shall not be considered or held to be general obligations of Tenant.

(iii) Not later than December 1st in each year, Tenant's authorized officer, or other official charged with responsibility for preparation of Tenant's annual budget, shall include or cause to be included in Tenant's proposed budget for the ensuing fiscal year, for consideration by the Board, the amount of Gross Rent, Additional Rent and other amounts under this Lease estimated to become due hereunder in such ensuing fiscal year. The Board shall determine in its absolute discretion whether such items shall be included in the final budget as adopted. In the event that the Board has either (i) not adopted a proposed budget for the ensuing Fiscal Year which includes such items by December 15 of the then current year; or (ii) notifies the Landlord in writing of its intent not to appropriate for Gross Rent, Additional Rent or other amounts estimated to become due hereunder for the ensuing fiscal year, an Event of Nonappropriation shall be deemed to have occurred. If an Event of Nonappropriation occurs, this Lease will be deemed terminated at the end of the then current fiscal year and Tenant shall not be obligated to make payment of Gross Rent or Additional Rent or other amounts under this Lease for the ensuing fiscal year or thereafter. If an Event of Nonappropriation occurs, and in addition to any other remedy to which it is entitled at law or in equity:

- A. Landlord may demand that Tenant surrender the possession of the Premises, no later than the end of the current fiscal year.
- B. Following any such surrender of possession, Landlord may lease or sublease the Premises or any portion thereof.
- C. Landlord may proceed by appropriate court action to enforce specific performance by Tenant of the covenants herein or to recover for the payment of all amounts legally due from Tenant to the extent such funds were appropriated by the Board for the year in which the Event of Nonappropriation occurred.

"Event of Nonappropriation" means the termination of this Lease by Tenant, determined by the Board's exercise of its right, for any reason, to not enact by the last day of each fiscal year an appropriation resolution for the ensuing fiscal year which includes (a) amounts authorized and directed to be used to pay all Gross Rent, Additional Rent and other amounts payable under this Lease as are estimated to become due under this Lease during such fiscal year.

(b) Sovereign Powers of Tenant. Nothing in this Lease shall be construed as diminishing, delegating or otherwise restricting any of the sovereign powers of Tenant.

(c) Limitations on Remedies. Landlord's remedies in connection with an Event of Lease Default shall be limited as set forth in this Section 22.24. A judgement requiring a payment of money may be entered against Tenant by reason of an Event of Default only as to Tenant's liabilities under this Lease for which a specific appropriation has been effected by Tenant for such purpose. A judgment requiring a payment of money may be entered against Tenant by reason of an Event of Nonappropriation only to the extent that the Tenant fails to vacate and surrender possession of the Premises as required by this Lease, and only as to the liabilities.

(d) No Recourse against Officers and Agents. Pursuant to Section 11-57-209, C.R.S., if a member of the Board, or any officer or agent of the Tenant acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the rentals due under this Lease. Such recourse shall not be available either directly or indirectly through the Board or the Tenant, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By acceptance of the Lease and as part of the consideration of and for the Lease, the Lessor specifically waives any such recourse.

(e) No Waiver of Immunity. Tenant's obligations to Landlord in any provision of this Lease, including indemnity obligations, (a) shall not be deemed a waiver of sovereign immunity under the Colorado Government Immunity Act (the "Act"), (b) shall only be effective to the extent of the liability limits of the Act, as

those may be amended from time to time, and (c) shall only be effective if obligation to indemnify is insured or could have been insured by Tenant's general liability carrier. The parties acknowledge that a purported indemnification by Tenant's may violate the state constitution and be an ultra vires act. The parties acknowledge and agree that Tenant does not waive or intend to waive by any provision of this Lease the monetary limitations or any other rights, immunities and protections provided by the Act.

(f) Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease, shall be a day other than a day on which Landlord is open for business, such payment may be made or act performed or right exercised on the next succeeding day that Landlord is open for business, with the same force and effect as if done on the nominal date provided in this Lease.

(g) Options to Extend Term. Provided this Lease is in enforce and effect and has not been previously terminated or expired, Tenant shall have options to extend the Term for five (5) additional terms of three (3) years each ("extended terms"). An option to extend the Lease for an extended term must be exercised by Tenant delivering written notice of Tenant's election to exercise such option no later than sixty (60) days prior to the expiration of the then current Term. Tenant shall not be entitled to extend the Term of this Lease pursuant to this Section if Tenant is in default of any material obligations of Tenant under this Lease at the time notice of extension is given. All terms, conditions and provisions of this Lease shall remain in effect in each extended term except (i) Tenant shall have no further options to extend the Lease term after the end of the fifth extended term; (ii) Gross Rent shall be adjusted for each twelve month period of an extended term by adding the CPI Adjustment, as defined in Section 1.10, if any, to the monthly rent in effect for the last month of the preceding 12-month period.

(h) Property Tax Reduction. Tenant may, at its option, apply for or otherwise obtain reductions in property taxes and assessments for the Building due to Tenant's occupancy of the Premises. Tenant's Gross Rent shall be reduced, on a monthly prorated basis, by an amount equal to any reduction in property taxes or assessments obtained based on Tenant's occupancy of the Premises.

(i) Meeting Room Priority. Tenant shall have first priority for use of the common area second floor meeting room for the regularly scheduled meetings of Tenant's Board.

(j) Termination Rights. Without limiting any other provision of this Lease, during any extended term Tenant shall have the right to terminate this Lease by giving Landlord at least one hundred eighty (180) days' prior notice of the effective date of termination.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease Agreement as of the Date of Lease.

LANDLORD:

MOUNTAIN VALLEY BANK

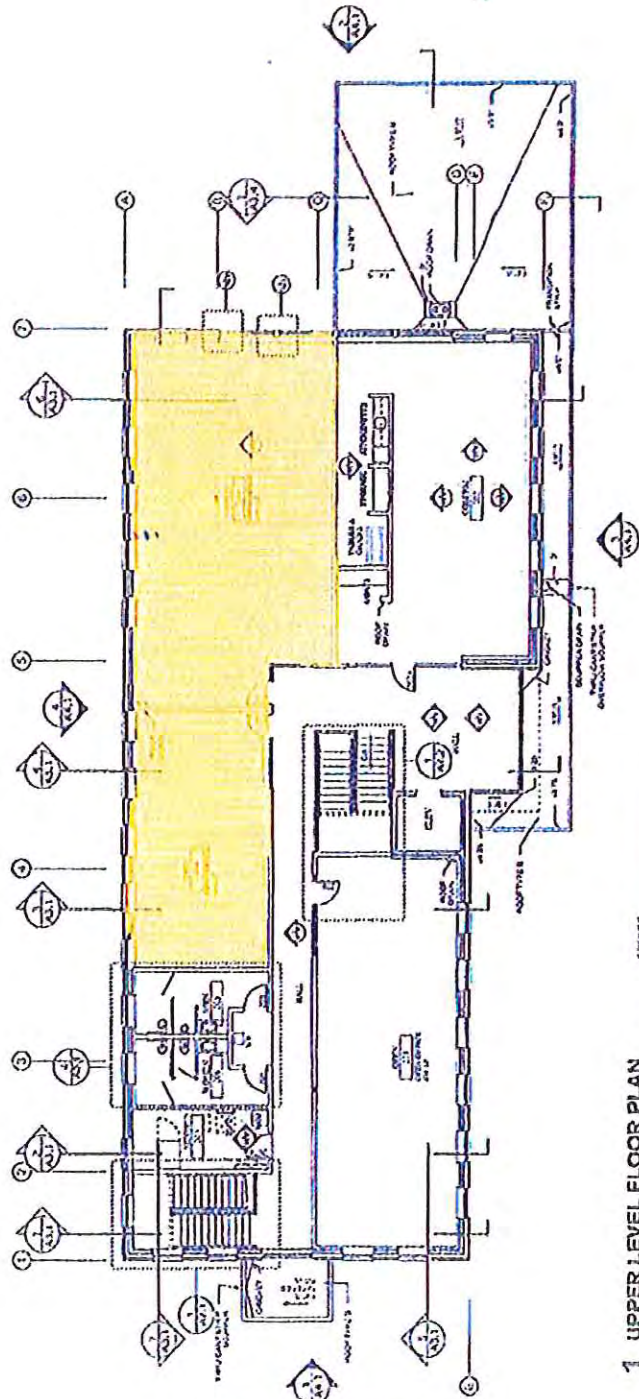
By: WADE GERHARDT
Name: WADE GERHARDT
Title: PRESIDENT

TENANT:

UPPER YAMPA WATER CONSERVANCY
DISTRICT

By: Kevin McBride
Name: Kevin McBride
Title: General Manager

Exhibit A – Square Footage and Floor Plan Second Floor Offices



Source: MVB Permit Set

EXHIBIT B

WORK AGREEMENT

THIS WORK AGREEMENT is executed in connection with the Lease Agreement dated November 30, 2018 (the "Lease", between MOUNTAIN VALLEY BANK, as Landlord and UPPER YAMPA WATER CONSERVANCY DISTRICT, as Tenant. Any capitalized term that is not defined in this Work Agreement has the meaning given that term in the Lease.

In consideration of the execution of the Lease, Landlord and Tenant agree to the terms and conditions below relating to the construction of improvements which will be permanently installed in or affixed to the Premises in connection with Tenant's initial occupancy. The labor, materials, supplies and other work required to complete such improvements are collectively referred to in this Work Agreement and the Lease as the "Tenant Finish Work".

1. Tenant shall consult with Landlord's architect, Scott Myller (the "Architect") with respect to the design, plans and specifications of the Tenant Finish Work. Interior finishes included in the Tenant Finish Work shall be substantially similar to those specified by Landlord for other office areas within the Building. The design, plans and specifications of the Tenant Finish Work shall be as mutually agreed by Landlord and Tenant. Landlord and Tenant will agree on the design, plans and specifications for the Tenant Finish Work on or before December 15, 2018.

2. The Tenant Finish Work shall be installed under the supervision of Landlord by one or more contractors selected by Landlord (the "Contractor"). Except as otherwise provided in Section 4.2 of the Lease, Landlord shall, at Landlord's cost and expense, cause the construction or installation of the Tenant Finish Work at the Premises. To the extent Landlord's actual costs of the Tenant Finish Work paid to third parties, including the Architect's costs with respect to the Tenant Finish Work, exceeds \$69,600.00 Tenant shall pay the excess to Landlord in installments as provided in Section 4.2 of the Lease. All costs of the Tenant Finish Work shall be paid by Landlord, and Tenant shall have no obligation to pay any third party for any portion of the Tenant Finish Work. Tenant's only obligation with respect to the costs of Tenant Finish Work shall be as set forth in this Section and in Section 4.2 of the Lease. Costs of Tenant Finish Work shall not include costs of office equipment, including telecommunications equipment, to be installed within the Premises for Tenant's exclusive use, except to the extent Tenant requests that the Contractor install such equipment, in which case the cost of such installation shall be part of the cost of Tenant Finish Work.

3. For purposes of this Agreement, the Tenant Finish Work shall be substantially completed upon the issuance of a certificate of occupancy for the Premises. The Tenant Finish Work shall be substantially completed no later than April 1, 2019 ("Completion Date"), provided that the Completion Date may be reasonably extended due to delays in completion of the Tenant Finish Work resulting from matters not within Landlord's control. Tenant shall be allowed early occupancy to the Premises for purposes of moving in as provided in Section 3.2 of the Lease. In the event the Tenant Finish Work is not substantially completed and exclusive possession of the Premises delivered on or before April 15, 2019, in addition to any other available remedies to Tenant, Tenant may, at any time on or before April 30, 2019, elect to terminate the Lease.

4. No earlier than ten (10) days prior to the anticipated date of substantial completion of the Tenant Finish Work, representatives of Landlord, Tenant and Contractor shall meet at the Premises to perform an inspection of the Premises and Tenant Finish Work and create a list of the items that require correction or completion (the "punch list"). Landlord shall cause Contractor to complete the punch list items before or promptly after Substantial Completion of the Tenant Finish Work and delivery of the Premises to Tenant.

LANDLORD:

MOUNTAIN VALLEY BANK

By: WADE GERHARDT
Name: WADE GERHARDT
Its: PRESIDENT

TENANT:

UPPER YAMPA WATER
CONSERVANCY DISTRICT

By: Kevin McBride
Name: Kevin McBride
Its: General Manager

EXHIBIT C

RULES AND REGULATIONS

1. No part or the whole of the sidewalks, plaza areas, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls of the Building shall be obstructed or encumbered by Tenant or used for any purpose other than ingress and egress to and from the Premises. Tenant shall not have access to the roof of the Building, unless accompanied by a representative of Landlord.
2. No equipment, furnishings, personal property or fixtures shall be placed on any balcony of the Building without first obtaining Landlord's written consent. No awnings or other items shall be attached to the exterior walls of the Building. No skylight, window, door or transom of the Building shall be covered or obstructed by Tenant, and no window shade, blind, curtain, screen, storm window, awning or other material shall be installed or placed on any window or in any window of the Premises except as approved in writing by Landlord. If Landlord has installed or hereafter installs any shade, blind or curtain in the Premises, Tenant shall not remove the same without first obtaining Landlord's written consent thereto.
3. No showcases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the Common Area.
4. Tenant shall not place or permit its agents to place any trash or other objects anywhere within the Building (other than within the Premises) without first obtaining Landlord's written consent.
5. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish bags or other substances (including, without limitation, coffee grounds) shall be thrown therein.
6. Tenant shall not mark, paint, drill into or in any way deface any part of the Building or the Premises. No boring, cutting or stringing of wires shall be permitted.
7. No cooking shall be done or permitted in the Building by Tenant or its occupants except that Tenant may install and use microwave ovens. Tenant shall not cause or permit any unusual or objectionable odors to emanate from the Premises.
8. The Premises shall not be used for the manufacturing or storage of merchandise.
9. Tenant shall not make or permit any unseemly or disturbing noises or disturb or interfere with other tenants or occupants of the Building or neighboring buildings or premises by the use of any musical instrument, radio, television set, other audio device, unmusical noise, whistling, singing or in any other way.
10. Nothing shall be thrown out of any doors, windows or skylights or down any passageways.
11. No additional locks or bolts of any kind shall be placed upon any of the doors or windows of the Premises, nor shall any changes be made in locks or the mechanism thereof without prior notice to and the approval of Landlord. Tenant shall, upon the termination of its Lease, return to Landlord all keys to the Premises and other areas furnished to, or otherwise procured by, Tenant. In the event of the loss of any such keys or card keys, as applicable, Tenant shall pay Landlord the cost of replacement keys.
12. Tenant shall not use or occupy or permit any portion of the Premises to be used or occupied as an employment bureau or for the storage, manufacture or sale of liquor, narcotics or drugs, including cannabis products. The Premises shall not be used, or permitted to be used, for lodging or sleeping or for any immoral or illegal purpose.
13. Subject to Tenant's priority use of the second floor meeting room as provided in the Lease, Landlord reserves the right to control and operate the Common Area in such manner as it deems best for the benefit of the Building tenants. Landlord may exclude from all or a part of the Common Area at all hours, other than during Normal Business Hours, all unauthorized persons. "Normal Business Hours" shall be deemed to be between the

hours of 7:30 A.M. and 5:30 P.M. Monday through Friday and between the hours of 8:00 A.M. and 12:00 P.M. Saturday, but excluding banking holidays. Tenant shall be responsible for all visitors, invitees, agents and employees of Tenant who enter the Building on holidays and during other than Normal Business Hours and shall be liable to Landlord for all acts of such persons.

14. Tenant shall have the responsibility for the security of the Premises and, before closing and leaving the Premises at any time, Tenant shall see that all entrance doors are locked and all lights and office equipment within the Premises are turned off, and Landlord shall have no responsibility relating thereto. Landlord will not be responsible for any lost or stolen personal property, equipment, money or jewelry from Tenant's area or Common Areas regardless of whether such loss occurs when the area is locked against entry or not.

15. Vending, canvassing, soliciting and peddling in the Building are prohibited, and Tenant shall cooperate in seeking their prevention.

17. No animals of any kind shall be brought into or kept about the Building by Tenant or its agents or occupants, except service animals to the extent that the law prohibits any restriction on the same.

18. Tenant shall keep the windows and doors of the Premises (including, without limitation, those opening on corridors and all doors between any room designed to receive heating or air conditioning service and room(s) not designed to receive such service) closed while the heating or air conditioning system is operating in order to minimize the energy used by, and to conserve the effectiveness of, such systems.

19. The elevator designated for freight by Landlord will be available for use by all tenants in the Building during the hours and pursuant to such procedures as Landlord may determine from time to time. The persons employed to move Tenant's equipment, material, furniture or other property in or out of the Building must be acceptable to Landlord. The moving company must be a locally recognized professional mover, whose primary business is the performing of relocation services, and must be bonded and fully insured. A certificate or other verification of such insurance must be received and approved by Landlord prior to the start of any moving operations. Insurance must be sufficient in Landlord's sole opinion, to cover all personal liability, theft or damage to the Building, including, but not limited to, floor coverings, doors, walls, elevators, stairs, foliage and landscaping. All moving operations will be conducted at such times and in such a manner as Landlord will direct, and all moving will take place during non-business hours unless Landlord agrees in writing otherwise. Tenant will be responsible for the provision of Building security during all moving operations, and will be liable for all losses and damages sustained by any party as a result of the failure to supply adequate security. Landlord will have the right to prescribe the weight, size and position of all equipment, materials, furniture or other property brought into the Building.

20. A directory of the Building will be provided for the display of the name and location of tenants only and such reasonable number of the principal officers and employees of tenants as Landlord in its sole discretion approves, but Landlord will not in any event be obligated to furnish more than one (1) directory strip. All entries on the building directory display will conform to standards and style set by Landlord in its sole discretion. Space on any exterior signage will be provided in Landlord's sole discretion.

21. Neither Landlord nor any operator of the Parking Facilities within the Building, as the same are designated and modified by Landlord, in its sole discretion, from time to time will be liable for loss of or damage to any vehicle or any contents of such vehicle or accessories to any such vehicle, or any property left in any of the Parking Facilities, resulting from fire, theft, vandalism, accident, conduct of other users of the Parking Facilities and other persons, or any other casualty or cause. Further, Tenant understands and agrees that: (i) Landlord will not be obligated to provide any traffic control, security protection or operator for the Parking Facilities; (ii) Tenant uses the Parking Facilities at its own risk; and (iii) Landlord will not be liable for personal injury or death, or theft, loss of or damage to property

22. Tenant (including Tenant's employees and guests) will use the Parking Facilities solely for the purpose of parking passenger model cars, small vans and small trucks during the period in which they are working or visiting the Premises and not remotely (at other locations during work hours). Except as otherwise provided in the Lease the Parking Facilities may not be used by Tenant or its agents or occupants for overnight parking of vehicles. Tenant will ensure that any vehicle parked in any of the Parking Facilities will be kept in proper repair and will not leak excessive amounts of oil or grease or any amount of gasoline.

23. Tenant's right to use the Parking Facilities will be in common with other tenants of the Building and with other parties permitted by Landlord to use the Parking Facilities. Landlord reserves the right to assign and reassign, from time to time, particular parking spaces for use by persons selected by Landlord provided that Tenant's rights under the Lease are preserved. Landlord will not be liable to Tenant for any unavailability of Tenant's designated spaces, if any, nor will any unavailability entitle Tenant to any refund, deduction, or allowance. Tenant will not park in any numbered space or any space designated as: RESERVED, HANDICAPPED, VISITORS ONLY, or LIMITED TIME PARKING (or similar designation).

24. Tenant has no right to assign or sublicense any of its rights in the Parking Facilities.

25. Smoking of cigarettes, pipes, cigars or any other substance is prohibited at all times within the Premises, elevators, common area restrooms and any other interior Common Area of the Building.

26. These Rules and Regulations are in addition to, and shall be construed to modify and amend the terms, covenants, agreements and conditions of the Lease; provided, however, in the event of any inconsistency between the terms and provisions of the Lease and the terms and provisions of these Rules and Regulations, the terms and provisions of the Lease shall control.

27. Landlord reserves the right to amend these Rules and Regulations and to make such other and further reasonable generally applicable Rules and Regulations as, in its judgment, may from time to time be needed and desirable.

28. Tenant will refer all contractors, contractors' representatives and installation technicians rendering any service for Tenant to Landlord for Landlord's supervision and/or approval before performance of any such contractual services. This shall apply to all work performed in the Building, including, but not limited to, installation of telephones, telegraph equipment, electrical devices and attachments, and installations of any and every nature affecting floors, walls, woodwork, trim, windows, ceilings, equipment or any other physical portion of the Building. None of this work will be done by Tenant without first obtaining Landlord's written approval.





BOARD COMMUNICATION FORM

From: AECOM, Andrea Parker

Date: January 16, 2019

Item: Stagecoach Firming

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

To present questions for consideration during the February 20, 2019 Board meeting to further frame the Purpose and Need for Stagecoach firming.

II. Summary and Alternatives:

N/A

III. Staff Recommendation:

Request approval for a Board Work Session on February 20, 2019.

IV. Legal Issues:

N/A

V. Consistency with Board Goals and Policies:

Yes – been asked to pursue firming to help achieve District’s mission

Attachments:

Attachment 1: Notes and PowerPoint presentation from the December 19, 2018 Work Session

Attachment 2:

Additional Attachments:

M E E T I N G N O T E S

DATE: December 19, 2018

SUBJECT: Stagecoach Reservoir Firming Project
Purpose and Need/Alternatives Board Work Session

MEETING LOCATION: Upper Yampa Water Conservancy District
Mountain Valley Bank Community Room
2205 Curve Plaza, Steamboat Springs, CO

ATTENDEES:

Upper Yampa Water Conservancy District (District) – Kevin McBride, Andy Rossi, Thomas Sharp, Doug Monger, Steve Colby, Bob Woodmansee, Ron Murphy, Ken Brenner, John Redmond, Webster Jones, Karina Craig, Barbara Wilson

Weiss and Van, Scoyk – Bob Weiss (attended by phone)

Tri-State Generation and Transmission Association - Jackie Brown (attended by phone)

Colorado Parks and Wildlife – Kris Middledorf, Craig Preston

Natural Resources Conservation Service – Clinton Whitten

Division of Water Resources - Erin Light

Division of Water Resources – Scott Hummer

Property Owner – Lou Dequine

AECOM – Greg Glunz, Andrea Parker, Dave Merritt, Anne Ferguson

Resources Engineering – Scott Fifer, Ashley Moffatt

BBC – Michael Verdone

MEETING NOTES:

On December 19, 2018, the Upper Yampa Water Conservancy District's Board of Directors (Board) and staff met with the AECOM Team to conduct a workshop regarding the potential Stagecoach Reservoir Firming Project. The goals of the workshop were to discuss and receive direction from the Board regarding the development of the Purpose and Need for a project and to identify criteria that could be considered in the selection and screening of various project alternatives. Members of the public and agencies were also present and were allowed to provide comments.

To aid in this discussion, the AECOM Team presented a PowerPoint presentation titled *Stagecoach Reservoir Firming Project Board Work Session* that provided background information related to the Purpose and Need for the project and the development of alternatives. Through the ensuing discussions, the Board provided the AECOM Team with direction and recommendations concerning

the evaluations that will occur during the planning process, which will be further developed by the AECOM Team through continued coordination with the Board and District staff.

The following notes are organized as follows: Section 1.0 provides a summary of the PowerPoint presentation that was made by the AECOM Team. A copy of the presentation is attached to these notes. Section 2.0 summarizes the direction that the AECOM Team received from the Board regarding the Purpose and Need for the project and potential preliminary alternative components. Section 3.0 contains a list of follow-up questions for the Board that are designed to help the AECOM Team further develop its analysis of the project Purpose and Need and preliminary alternatives.

1.0 Technical Presentation

1.1 Purpose and Need (Slides 4-22)

- Thomas Sharp provided a brief history of the development of Stagecoach Reservoir and the inability to fill to capacity in dry years. Steps have been taken to improve reservoir yield by increasing capacity by 3,165 acre-feet (AF) and securing additional water rights on Morrison Creek.

Master Plan

- A Water Supply Master Plan and a Water Rights Master Plan (Master Plan) were developed by the District in May 2016 to help identify demand shortages in the basin and physical and legal availability of water. While the two plans certainly overlap, the Water Supply Master Plan established a foundation for the Purpose and Need to firm Stagecoach Reservoir.
- The Master Plan was built on the foundation of evaluating basin water demands that were set forth in State sponsored studies against a 1,000+ year streamflow record based on paleo hydrology using a State approved water right allocation model. The demands linked to Stagecoach Reservoir receive supplemental storage water when direct sources are physically and/or legally unavailable. These demands represent existing and future needs within the District’s service area that are or would likely be served by the District.
- The existing and future demands for supplemental supplies from Stagecoach Reservoir that were identified in the Master Plan exist, in part, as a byproduct of the basin’s historical agricultural needs. The majority of water use in the Yampa River basin is for agricultural irrigation, and agricultural water users tend to have the most senior water rights in the basin. As such, in dry-years, this sector consumes most of the available supply or is shorted. In either case, water users in the municipal/industrial (M&I) and self-supplied industrial water users (SSI) sectors need supplemental water supplies in order to operate. These more junior water users would therefore benefit from reliable storage from the District. Alternatively, the “buy-and-dry” of agriculture could help supply water users in the M&I and SSI sectors.

- Key findings of the Master Plan were that there are multiple years of extended water shortages; multiple years where releases exceeded inflows into Stagecoach Reservoir; and that modeling shows a new reservoir on Morrison Creek improves the firm supply stored in Stagecoach Reservoir (i.e. would improve the control and duration of shortages in Stagecoach Reservoir).
 - 1) There were multiple years when the available physical and legal water supplies in the Yampa River dropped well below forecasted demands.
 - 2) During dry years there was significant demand for storage releases from Stagecoach Reservoir to meet current and future water demands within the District’s boundary.
 - 3) There were multiple years when the demands on Stagecoach Reservoir exceeded the available inflow and carryover supplies were needed.
 - 4) With the addition of Morrison Creek Reservoir, the storage in Stagecoach Reservoir recovered more quickly, reducing the number of years that the reservoir was unable to fill to capacity.

- *Modeled Demand Scenario 1.A (Existing Contract Demand Future M&I and SSI Demands):* In critical dry years, storage supplies in Stagecoach Reservoir were insufficient to meet the supplemental water demands that were projected for existing and future uses within the District’s service area. These shortages, which ranged between 380 AF to 1,400 AF, represent the quantity of additional water that is needed to fully support future M&I and SSI demands. In addition, during the study periods, there were dry year sequences wherein the reservoir was unable to refill to capacity. Moreover, there were times within those dry year sequences when the reservoir was below the emergency and preferred remainder pools for multiple years.

- *Modeled Demand Scenario 2 (Existing Contract Demand Future M&I and SSI Demand, Non-Consumptive Demand):* With the addition of non-consumptive demands, the demand shortages and reservoir levels are further stressed. Shortages are up to 6 times greater (8,400 AF) and the reservoir remains below capacity more often. The non-consumptive demand model in the Master Plan was 100 cfs instream flow for municipal water quality.

- *Modeled Demand Scenario 1.B (Scenario 1.A Demands with Morrison Creek Reservoir):* Similar to Scenario 1.A, the demands modeled in Scenario 1.B represent existing contract demands and future M&I and SSI demands within the District’s service area. The Master Plan modeled the operation of Morrison Creek Reservoir as a potential firming supply as this project has an existing storage right in the District’s overall water rights portfolio. The modeling showed that with Morrison Creek storage supplies, Stagecoach Reservoir could support an additional 1,200 AF of project M&I and SSI demand and water levels stayed above the preferred and emergency remainder pools more often.

- *Modeled Demand Scenario 2.B (Scenario 2.A Demands with Morrison Creek Reservoir):* Similar to Scenario 1.B, the demands modeled in Scenario 2.B included the addition of a non-consumptive demand for municipal water quality. With Morrison Creek storage supplies, Stagecoach Reservoir could support an additional 5,350 AF of project M&I,

SSI, non-consumptive demand and water levels stayed above the preferred and emergency remainder pools more often. Alone, Stagecoach Reservoir was insufficient to fully meet future demands that would likely be served by the District. Moreover, during drought sequences, the storage level in Stagecoach Reservoir were stressed and many contract pools were shorted.

- In discussing the modeled scenarios from the Master Plan, there were questions related to Tri-State's contract in Stagecoach Reservoir and how releases were modeled. Tri-State has a combined 18,000 AF supply between Elkhead and Stagecoach Reservoirs. For the Yampa River StateMod model, Tri-State directed that releases be made first from Stagecoach Reservoir and then from Elkhead Reservoir. This directive was based on Tri-State's desire to bring reservoir releases through the City of Steamboat Springs, if the need for such releases is foreseen. If releases were needed unexpectedly, then Tri-State would utilize its storage supplies in Elkhead Reservoir. As unexpected events cannot feasibly be integrated into StateMod, Stagecoach Reservoir is used first, and Elkhead Reservoir is used second.

Purpose and Need Refinement

- The framework of the Purpose and Need began with the Master Plan and input at the Work Session, but will be further developed by the AECOM Team by evaluating the Board's responses to a series of questions related to the location/timing of future water supplies and other anticipated needs (e.g. strategic water reserve) **See Follow-Up Questions for the Board and Staff below**
- Since the completion of the District's 2016 Master Plan, water supply planning efforts have continued at all levels (interstate, intrastate, and in-basin). Therefore, as the District moves forward in structuring the Purpose and Need for a potential Stagecoach Reservoir firming project, the AECOM Team recommends that the demand analysis be updated with the latest 2018/2019 SWSI projections when they become available, that the operational assumptions be verified, and that the amount and timing of shortages be more precisely identified.
- Definition of Project Purpose will be developed as a component of the Purpose and Need in Task 1.
- Initial discussion for Need drivers included:
 - 1) Protection of existing agricultural uses in the basin
 - 2) Meeting future demands that may include M&I, SSI, agricultural, recreation, snow making and non-consumptive beneficial uses (Stream Management Objectives)
 - 3) System redundancy and resiliency, including the development of a strategic water reserve
- Conservation efforts (voluntary demand reductions) will be documented as part of the Purpose and Need to the extent possible.

1.2 Alternative Screening and Development (Slides 23-32)

- The Master Plan examined one potential project for firming Stagecoach Reservoir, which was the delivery of additional water supplies from a new reservoir on Morrison Creek. The District already has water rights decreed for this project, which was why it was modeled in the Master Plan. If implemented, the Master Plan showed that Morrison Creek Reservoir would reduce shortage and improve storage levels in Stagecoach Reservoir. There are, however, a number of other alternatives that could potentially be implemented to address system shortages. For instance, the District also has a direct flow water right on Morrison Creek that if developed could deliver water supplies to Stagecoach Reservoir in a similar manner. This alternative was not modeled in the Master Plan process, as the StateMod model operates on a monthly timestep and daily streamflow data would be necessary to evaluate a direct flow project. The AECOM Team will therefore need to update the Morrison Creek Water Availability Study in order to fully examine project alternatives located in the Morrison Creek basin.
- The AECOM Team, with input from the Board, will identify other potential structural and non-structural alternative components.
- Previous alternatives studies in the basin will be used as the starting point to screen and refine preliminary action alternative concepts/components. The concepts/components will be filtered through a Pass/Fail screen, then numerically scored and ranked to allow for comparison.
- Potential structural supply concepts may include new reservoir construction, expansion of existing reservoirs, new storage opportunities within exiting reservoirs, and new diversions into existing reservoirs (e.g. Morrison Creek Siphon Diversion to Stagecoach).
- Potential non-structural demand concepts may include municipal water conservation, agricultural rotational fallowing and groundwater supplies and storage (not much available groundwater to be developed on the West Slope, mostly alluvial aquifers).
- Agricultural water conservation – consider alternative ways to promote more conservation such as center pivots, drip lines or sprinkler systems vs. the standard practice of flood irrigation. How would return flows would be addressed if agricultural practices change?
- Need to consider the ongoing Drought Contingency planning efforts in the State.
- At a minimum, screening criteria will include Purpose and Need, existing technology commonly used by other water providers, environmental consequences, geographic location, logistics, practicability and other criteria as directed by the Board.
- No Action Alternative – will consist of action(s) that do not require a federal permit or license, such as additional use of existing facilities, enhanced conservation measures, buy-and-dry, etc. There can be impacts or consequences from implementing the No

Action Alternative. Need to capture the extreme pressures on agricultural uses from buy-and-dry or if the District needs to convert agricultural water to other uses.

- Recommended suite of action alternatives (structural, non-structural) and No Action alternative will be presented to Board for vote on acceptance.

1.3 Schedule (Slides 33-36)

- The current project schedule for completing the Purpose and Need and alternative identification is from December 2018 through September 2019. The schedule allows for time to coincide with regularly scheduled Board meetings to allow input for each task. Ultimately, the Board will determine whether to proceed with a permit process based on the collective information evaluated in current task.
- The District may interact with the public anytime they prefer during Task 1, but it is recommended that the Purpose and Need and preliminary alternatives become more fully developed before extensive outreach occurs. Federal agencies have established periods of public engagement that will occur during a formal permitting process.

2.0 Direction Received from the Board

During the workshop, the Board and District staff provided the AECOM Team with initial direction and recommendations regarding the Purpose and Need for a potential project to firm Stagecoach Reservoir and subsequent alternatives for meeting that need. The AECOM Team has summarized this initial feedback into five categories outlined below. Board and District staff should review this documentation to ensure that their directive was correctly interpreted. The AECOM Team welcomes suggested edits, deletions, additions, etc.

2.1 Verification of Basin Water Demands

- The District’s 2016 Water Supply Master Plan concluded that “there will be multiple years of pronounced and extended water shortages in the Yampa River basin.” The AECOM Team should confirm that these findings remain valid based on updated 2018/2019 SWSI demand projections, to the extent that this information is publicly available.
- Then, if the updated analysis concludes that existing and future demands that would benefit from supplemental storage in Stagecoach Reservoir exceed the available supply, the AECOM Team should determine when those shortages will occur and when a firming project should be operational.

2.2 Protection of Existing Agricultural Uses

- It is the District’s goal to provide reliable water supplies to meet existing and identified future demands within its service area while protecting the basin’s agricultural heritage.
- The permanent dry-up of agricultural lands for the purpose of generating increased seasonal water supplies in the Yampa River basin is not a preferred alternative.

2.3 Location of Future Water Supplies

- Stagecoach Reservoir is a critical component of the District's existing and future water supply program. Providing its contract users with reliable water supplies is imperative.
- The Stagecoach Firming Project must be located at a position that contributes water supplies to Stagecoach Reservoir and/or the Yampa River at a location upstream of existing and foreseeable contract demands. Several of the District's existing contract users are located above the City of Steamboat Springs, and therefore, potential firming projects should provide benefit upstream of the City.
- Moreover, a firming project will have a secondary benefit of improving water levels for non-consumptive environmental and recreational uses. As such, the AECOM Team should include project alternatives that are located upstream of both consumption and non-consumptive needs.
- Location should consider proximity to the District's legally available water rights.

2.4 Non-Consumptive Beneficial Uses

- The District recognizes that there is a desire within its service area to provide supplemental storage for non-consumptive needs. The AECOM Team should include these demands in its updated analysis in a manner that is consistent with the District's water rights.
- Needs identified for consideration include: municipal (dilution at WWTF), fishery, temperature and recreation (RICD).

2.5 Strategic Storage Reserve

- The AECOM Team should provide the District with guidance in developing a strategic storage reserve that would be sufficient to ensure that the District can continue to provide reliable water supplies under unexpected emergency conditions and/or future changes in streamflow as might result from climate change.

3.0 Follow-up Questions for the Board and Staff

The workshop discussion and subsequent direction was helpful to the AECOM Team; however additional information is desired to further clarify the components that will form the basis of the project Purpose and Need and assessment of alternatives. Please respond to the following questions to the extent possible.

3.1 Future Demands

- Do you expect there to be additional demands in the future?
- Have these demands been adequately modeled?
- Are you going to continue to use SWSI demand scenarios for planning purposes?
- Does SWSI appropriately capture basin demands?
- Based upon your experience and local knowledge, how are anticipated demands for water changing, if at all?
 - Has SWSI identified any anticipated changes in operations of the Craig and/or Hayden power plants?
 - The City of Steamboat Springs is undertaking a water supply master plan update. Is there any information available regarding study findings?
 - Is the City of Steamboat Springs still interested in a contract release to provide water quality improvement below the outflow of its waste water treatment facility?
 - Are there any additional non consumptive uses, not already identified in Section 2.4 above that should be considered (e.g. Yampa Water Fund)?
 - What water right constraints, if any, does the District's water attorney foresee in providing storage supplies to non-consumptive uses?

3.2 Risk Assessment

- Are the five SWSI scenarios appropriate for planning?

3.2 System Resiliency

- Should some, or all, of Stagecoach Reservoir's emergency and preferred remainder pool be considered part of the District's Strategic Reserve?
- If so, can the pool be invaded periodically to meet contract commitments (consistent with how it was operated in the Master Plan)?

- Does the District have sufficient system redundancy and operational flexibility?
- Can the Board provide their thoughts on the most significant risk(s) to the District's existing and future operations and deliveries?
- Where and what type of resiliency is needed the most in the District's system? For example, a strategic water reserve, an additional storage bucket that could work in tandem with Stagecoach to allow downtime for maintenance, etc.

Stagecoach Reservoir Firming Project Board Work Session

Upper Yampa Water Conservancy District

December 19, 2018



Agenda

- **Welcome and Introductions**
- **Board Work Session Format**
- **Goals of Work Session**
 - Aid in the development of the content of the Purpose and Need
 - Identify Preliminary Alternatives and screening criteria
- **Task 1.1 Purpose and Need**
 - Definition of Project Purpose
 - Need Drivers
 - Framework

Agenda

A faded background image showing a large body of water, likely a lake or reservoir, surrounded by rolling hills and mountains under a cloudy sky. The image is in grayscale and serves as a backdrop for the text.

- **Task 1.2 Alternative Screening and Development**

- Alternative Development

- Structural Alternatives – Previously Identified Alternatives
 - Non – Structural Alternatives
 - No Action Alternative

- Screening Criteria

- **Schedule**

Task 1.1 Purpose and Need



Brief History

- Stagecoach Reservoir is a critical component of the District's long range plan to serve water users in the Upper Yampa River basin. This structure is the primary source of physical and augmentation supply. However, since its construction in the late 1980s, it has been unable to fill during dry years (5 years in 30+-).

Steps Taken to Improve Reservoir Yield

- **Physical Supply:** Increased the storage capacity of Stagecoach Reservoir by 3,165 AF.
- **Legal Supply:** Developed plans and secured water rights to import Morrison Creek streamflows into Stagecoach Reservoir (The Little Morrison Creek Diversion Project and Morrison Creek Reservoir). In addition, District maintained its portfolio of existing water rights that contribute to Stagecoach Reservoir through continued diligence.
 - Supreme Court Directive to District: [Demonstrate Need](#)
 - Division of Water Resource Directive to District: [Complete a Master Plan](#)

Master Plan – Purpose and Process

The 2016 Master Plan was divided into two parts:

➤ Water Supply Master Plan

Identify basin water requirements and potential shortages.

➤ Water Rights Master Plan

Assess the physical and legal availability of water in the basin and prioritize the development of the District's conditional water rights to best meet the anticipated demand.

Master Plan – Purpose and Process

Planning Tools

*Identify Basin
Water Demands*

*Identify Available
Water Supplies*

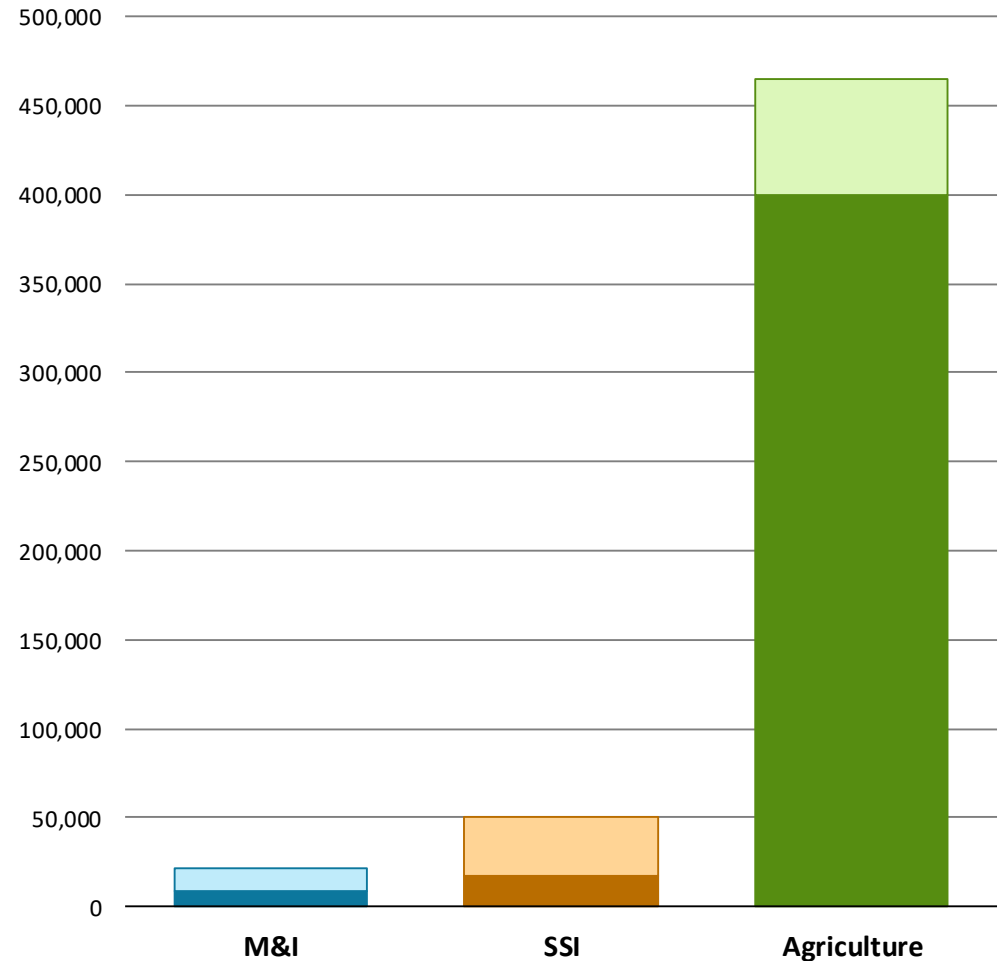
*Model Operations
based on Streamflow
Allocation*

- Statewide Water Supply Initiative (CWCB, 2010)
- Project and Methods Study (CDMSmith, 2014)
- Basin Implementation Plan (amecHydros, 2015)
- Paleo Hydrology (AMEC, 2013 and WWG, 2015)
- Yampa River StateMod Model (WWG, 2015)

Master Plan – Demands, SWSI 2010

- The demand for water in the Yampa River Basin is driven by **agricultural uses**
- Future water users in the **M&I and SSI** sectors will be **junior in-priority**; require supplemental supplies in dry-years

Future Demands within the Yampa River Basin
SWSI 2010



* Dark Shading = Existing Demand

* Light Shading = Projected Future Growth

Master Plan – Key Findings

FOUR SELECTED STUDY PERIODS

Paleo Record is 1,014 yrs. from 1000-2013

15-Year Study Periods

- 1146-1160
- 1580-1594
- 1998-2012
- 1497-1511

5-Year Droughts

- ✓ 1147-1151
- ✓ 1580-1584
- ✓ 2001-2005
- ✓ 1500-1504

Recurrence Intervals

- 1/1000
- 1/250
- 1/200
- 1/100

Within the selected study periods:

1. Multiple years of **pronounced** and **extended water shortages**
2. A **significant demand for storage** releases from Stagecoach Reservoir
3. Multiple years in which storage **releases exceeded** the **available inflow**
4. Morrison Creek Reservoir **improved firm water supply** of Stagecoach Reservoir

Master Plan – Stagecoach Reservoir

MODELED DEMAND

Scenario 1.A

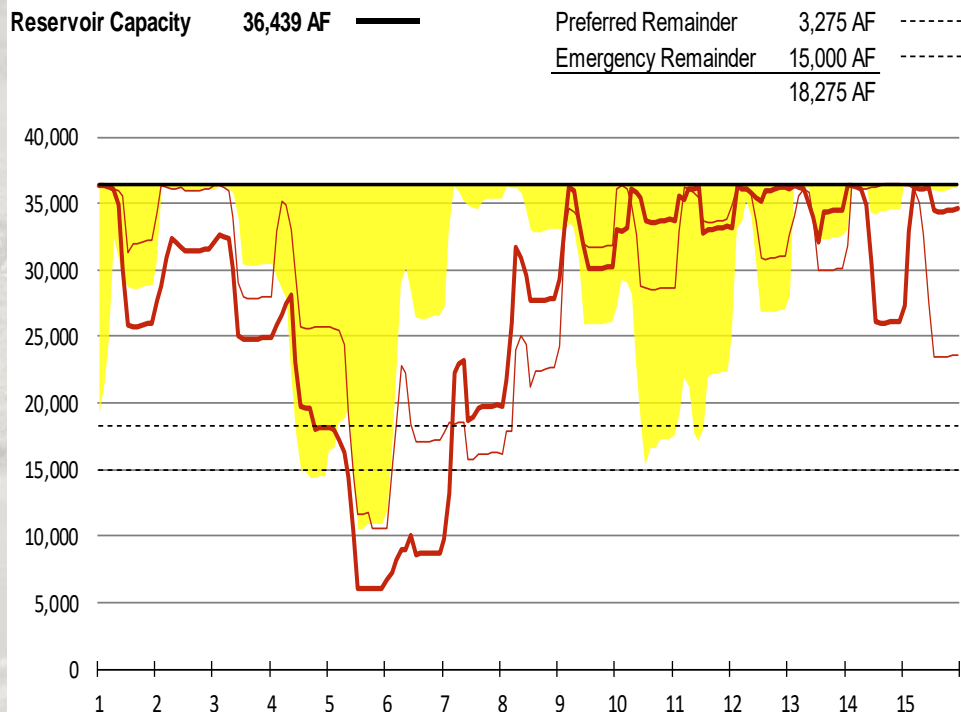
*Existing Contract Demand
Future M&I and SSI Demands*

- In each study period, the reservoir dropped below the emergency remainder pool on multiple occasions
- There were contract **shortages** in every scenario, ranging from **380 AF to 1,400 AF**
- The reservoir was **unable to refill** to capacity for **3 to 7 consecutive years**

Figure 4: Study Period Comparison - Scenarios 1.A & 2.A

Recurrence Interval	Study Period	Scenario 1.A	Scenario 2.A	Mean Streamflow
1/1000	1147-1151	Red line	Blue line	55,985 AF
1/250	1580-1584	Not Shown		62,026 AF
1/200	2001-2005	Red line	Blue line	62,157 AF
1/100	1500-1504	Yellow shaded area	Yellow shaded area	66,640 AF

Scenario 1.A: Paleo Hydrology + SWSI 2050 Demands



Master Plan – Stagecoach Reservoir

MODELED DEMAND

Scenario 2.A

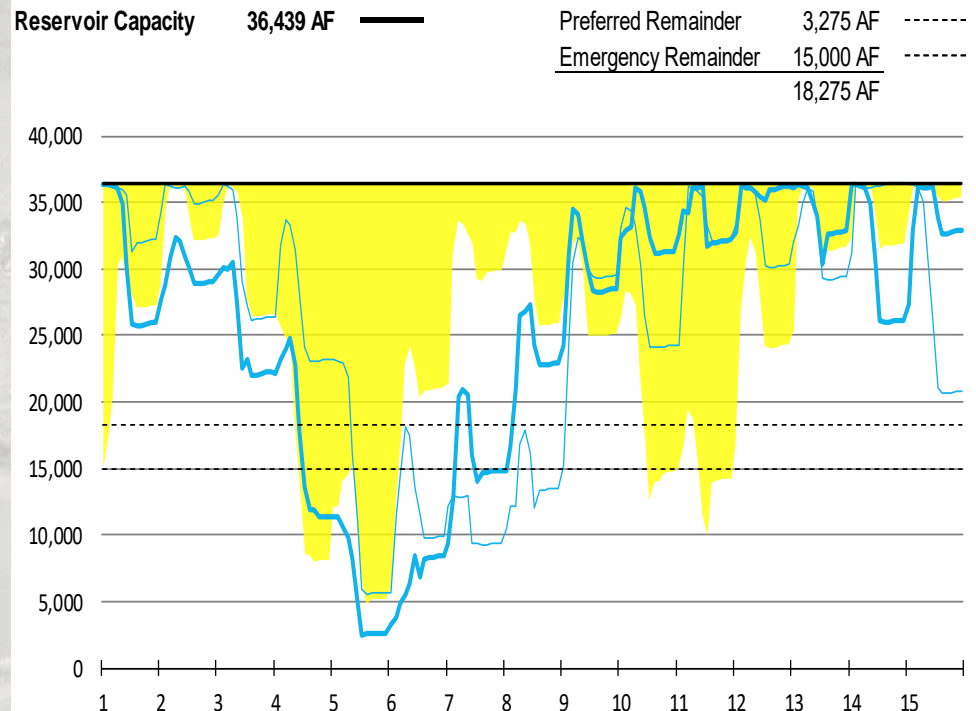
Existing Contract Demand
Future M&I and SSI Demands
Non-Consumptive Demand

- In each study period, the reservoir dropped below the emergency remainder pool on multiple occasions
- There were contract **shortages** in every scenario, ranging **650 AF to 8,400 AF**
- The reservoir was **unable to refill** to capacity for **7 to 9 consecutive years**

Figure 4: Study Period Comparison - Scenarios 1.A & 2.A

Recurrence Interval	Study Period	Scenario 1.A	Scenario 2.A	Mean Streamflow
1/1000	1147-1151	Red line	Blue line	55,985 AF
1/250	1580-1584	Not Shown		62,026 AF
1/200	2001-2005	Red line	Blue line	62,157 AF
1/100	1500-1504	Yellow bar	Yellow bar	66,640 AF

Scenario 2.A: Paleo/SWSI + Municipal Non-Consumptive Release



Master Plan – Potential Firming

SCENARIO COMPARISON

Scenario 1.B

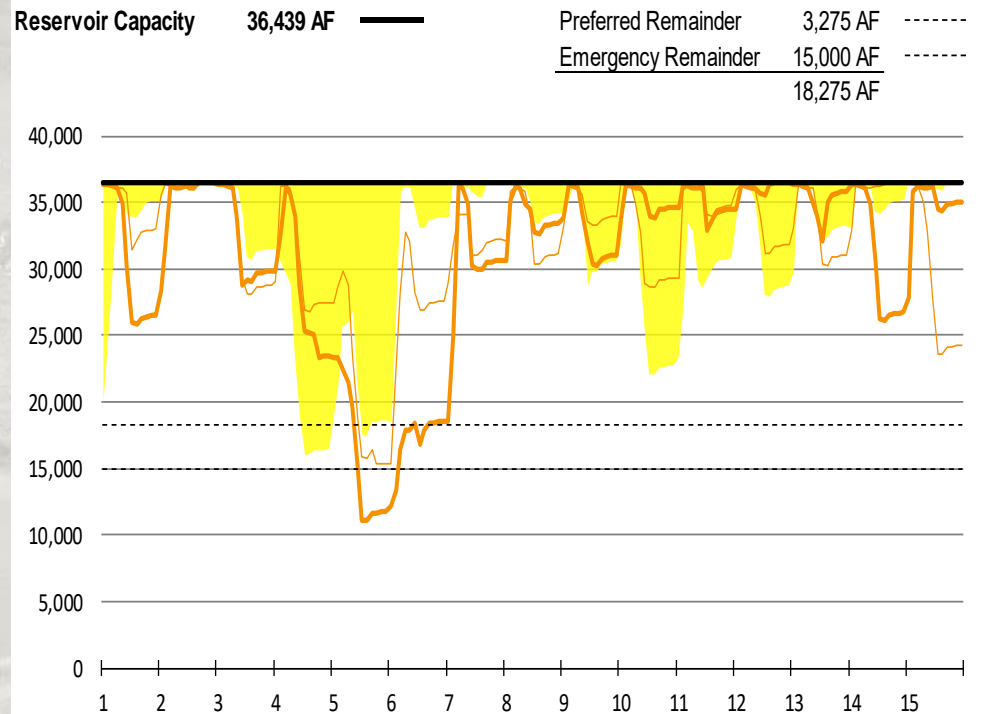
Scenario 1.A Demands with Morrison Creek Reservoir

- Storage supplies delivered from MCR to Stagecoach **reduced** the maximum annual shortage from **1,400 AF to 160 AF**
- The additional source of supply also **reduced** the maximum number of years that Stagecoach Reservoir was unable to refill from **7 to 2 years**

Figure 5: Study Period Comparison - Scenarios 1.B & 2.B

Recurrence Interval	Study Period	Scenario 1.B	Scenario 2.B	Mean Streamflow
1/1000	1147-1151			55,985 AF
1/250	1580-1584	Not Shown		62,026 AF
1/200	2001-2005			62,157 AF
1/100	1500-1504			66,640 AF

Scenario 1.B: Paleo/SWSI + Morrison Creek Reservoir



Master Plan – Potential Firming

SCENARIO COMPARISON

Scenario 2.B

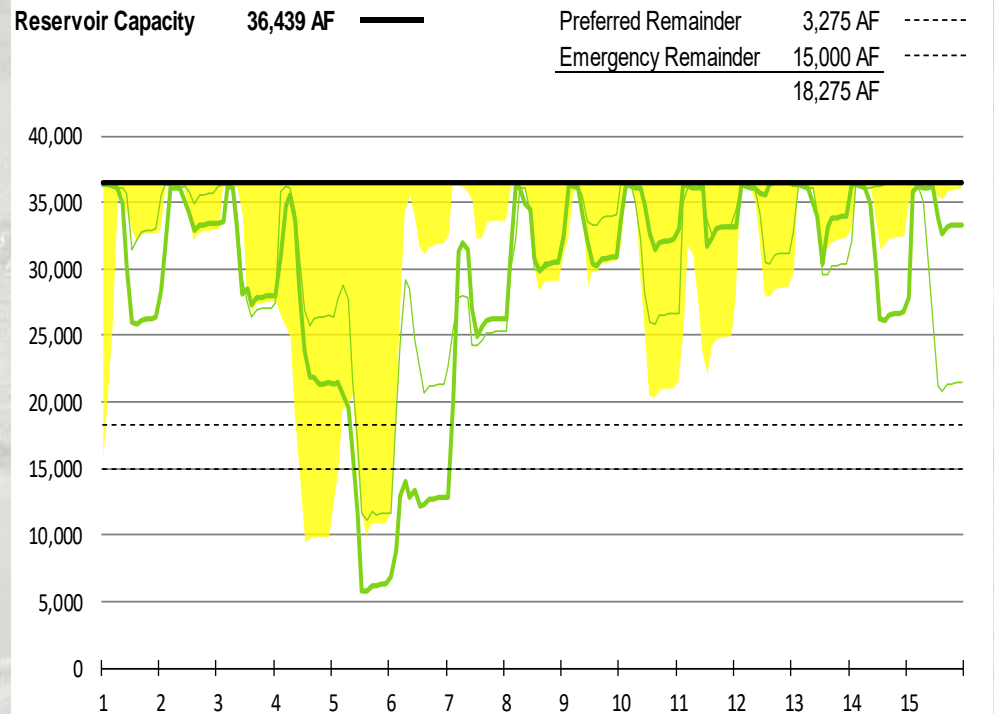
Scenario 2.A Demands with Morrison Creek Reservoir

- Storage supplies delivered from MCR to Stagecoach **reduced** the maximum annual shortage from **8,400 AF to 3,050 AF**
- The additional source of supply also **reduced** the maximum number of years that Stagecoach Reservoir was unable to refill from **9 to 3 years**

Figure 5: Study Period Comparison - Scenarios 1.B & 2.B

Recurrence Interval	Study Period	Scenario 1.B	Scenario 2.B	Mean Streamflow
1/1000	1147-1151			55,985 AF
1/250	1580-1584	Not Shown		62,026 AF
1/200	2001-2005			62,157 AF
1/100	1500-1504			66,640 AF

Scenario 2.B: Paleo/SWSI + Municipal NC Release + Morrison Creek Reservoir



Continued Planning Efforts

- As prolonged drought conditions in the Colorado River Basin persist, water supply planning efforts become more critical. As such, entities at all levels (interstate, intrastate, in-basin, and at home) have continued to reevaluate prior modeling assumptions, data, and operations in order to serve future demands without triggering a Compact Call.
 - **Interstate:** Development of Drought Contingency Plans by both the Upper and Lower Colorado River Basins.
 - **Intrastate:** Update the Statewide Water Supply Initiative; Refine Basin Modeling; Develop Projects Identified in the Colorado Water Plan.
 - **In-Basin:** Yampa River under administration in 2018.

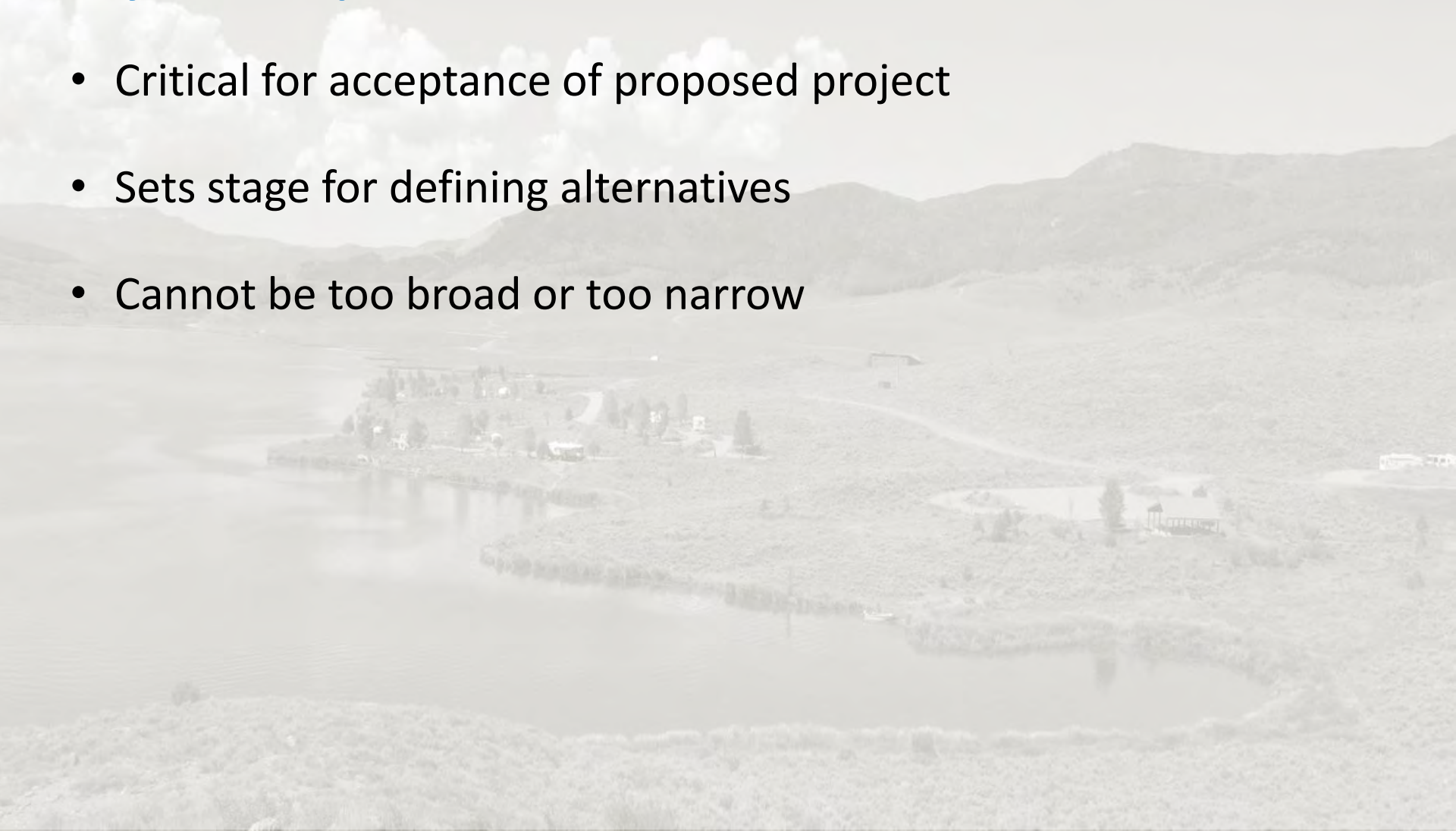
Master Plan – Refinement

- Based on the 2016 Master Plan, Stagecoach Reservoir alone is insufficient to meet future demands that would likely be served by the District.
- This initial study provides a foundation for developing the Purpose and Need Statement, but it's not enough...
 - **Update the demand analysis**
 - **More precisely identify shortage amounts and timing**
 - **Verify operational assumptions**

Refinement of Purpose and Need

Why this is important...

- Critical for acceptance of proposed project
- Sets stage for defining alternatives
- Cannot be too broad or too narrow



Refinement of Purpose and Need

Definition of Project Purpose

Need Drivers

- Address ability to meet future demands in the Upper Yampa Basin (amount, location, timing)
- Storage – system redundancy and resiliency (amount, location, timing)
- Demand reduction
- Potential supply changes
 - Future yield reduction
 - Impact of Drought Contingency Plan

Key Questions

Agencies will ask...

- Are the underlying assumptions for economic and demographic growth consistent with other accepted growth projections for the area?
- Are the assumptions for current and future water use intensity by District customers consistent with recent trends and conservation plans?
- Are projections of future water demands for other purposes, such as industrial and agricultural use, consistent with other sources of information?

Current Information

Need projections in 2016 Master Plan were based on:

- Projected growth in municipal and domestic water demands – after adjusting for passive conservation
- Projected growth in demands for thermoelectric cooling at Craig and Hayden power plants
- Projected increases in agricultural water demands, including additional irrigated acreage

Current Information

Need projections in 2016 Master Plan were closely tied to SWSI and State Water Plan

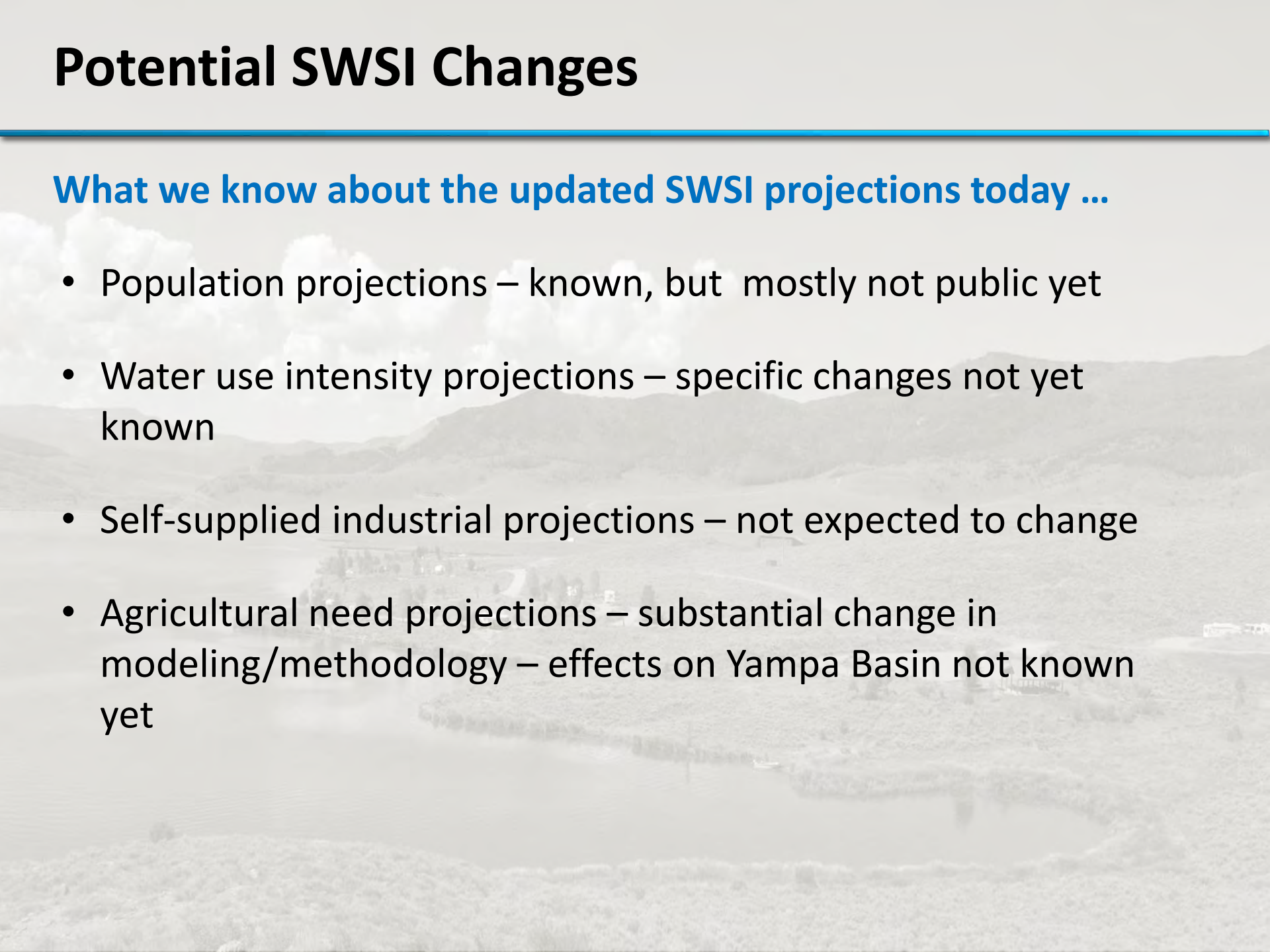
“The study methods and findings contained in the various reports prepared for the State provide a reasonable science-based approach for water supply planning within the District’s service area. This information, with exception of streamflow hydrology, was incorporated directly into the District’s WSMP process and provided the foundation for assessing the ability of the District’s water rights portfolio and water supply facilities to meet future demands (WRMP).”

-- WS&WRMP, 2015. Page 1.

That’s good, but these numbers are currently being updated for public release in Spring 2019...

Potential SWSI Changes

What we know about the updated SWSI projections today ...

- Population projections – known, but mostly not public yet
 - Water use intensity projections – specific changes not yet known
 - Self-supplied industrial projections – not expected to change
 - Agricultural need projections – substantial change in modeling/methodology – effects on Yampa Basin not known yet
- 
- The background of the slide is a faded, grayscale aerial photograph of a river valley. The river winds through the center of the valley, surrounded by dense vegetation and some buildings. In the distance, a range of mountains is visible under a cloudy sky.

SWSI Update's Impact on Basin's Population Projections

In the 2016 WS&WRMP, municipal demands were based on the high demand (high growth) population scenario from SWSI 2010

- Projected Routt/Moffatt population of 94,000 by 2050

Current SWSI Update & next water plan will include five scenarios:

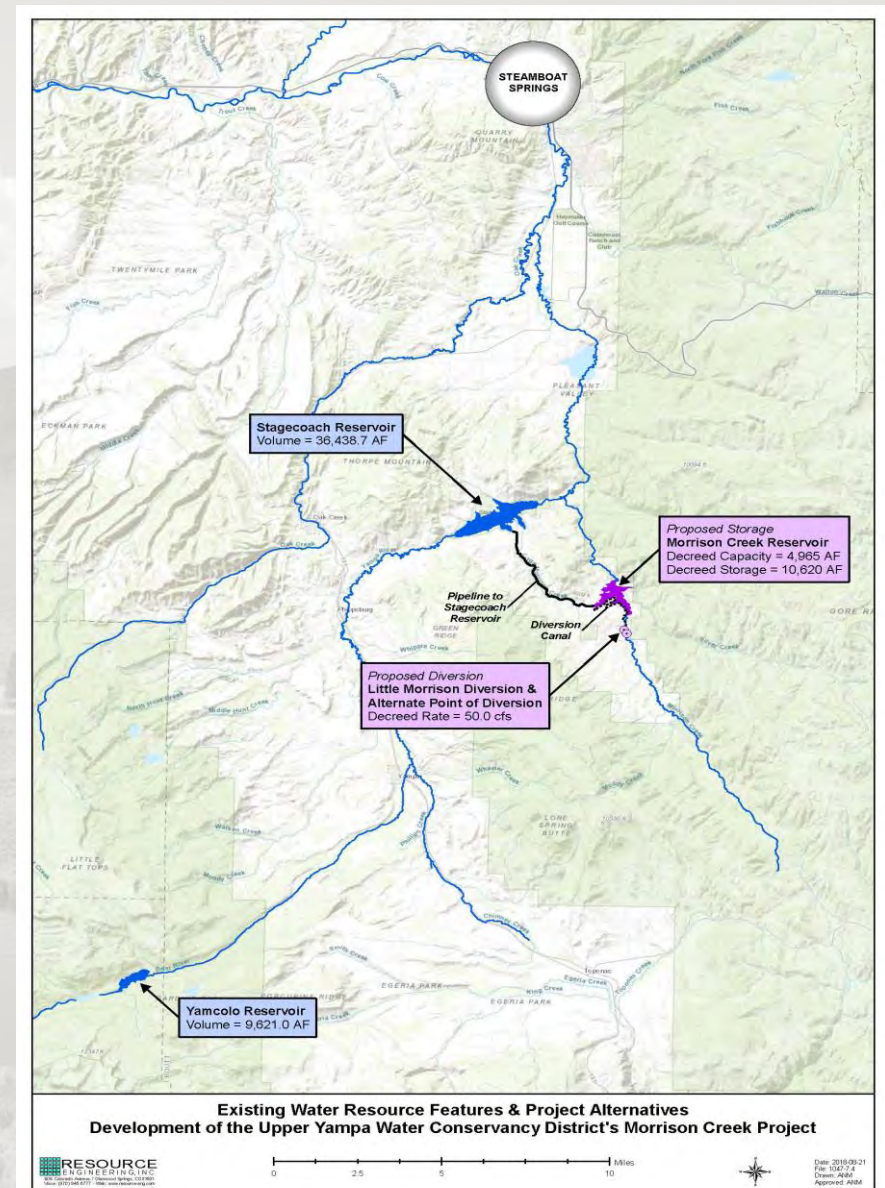
- Business as Usual – Current State Demographer forecast: 59,900 residents
- Weak Economy – About 40% lower than Business as Usual
- Cooperative Growth – About 6% higher than Business as Usual
- Adaptive Innovation – About 40% higher than Business as Usual
- **Hot Growth – Highest growth scenario. About 3% lower than SWSI 2010 high growth**

Task 1.2 Alternatives

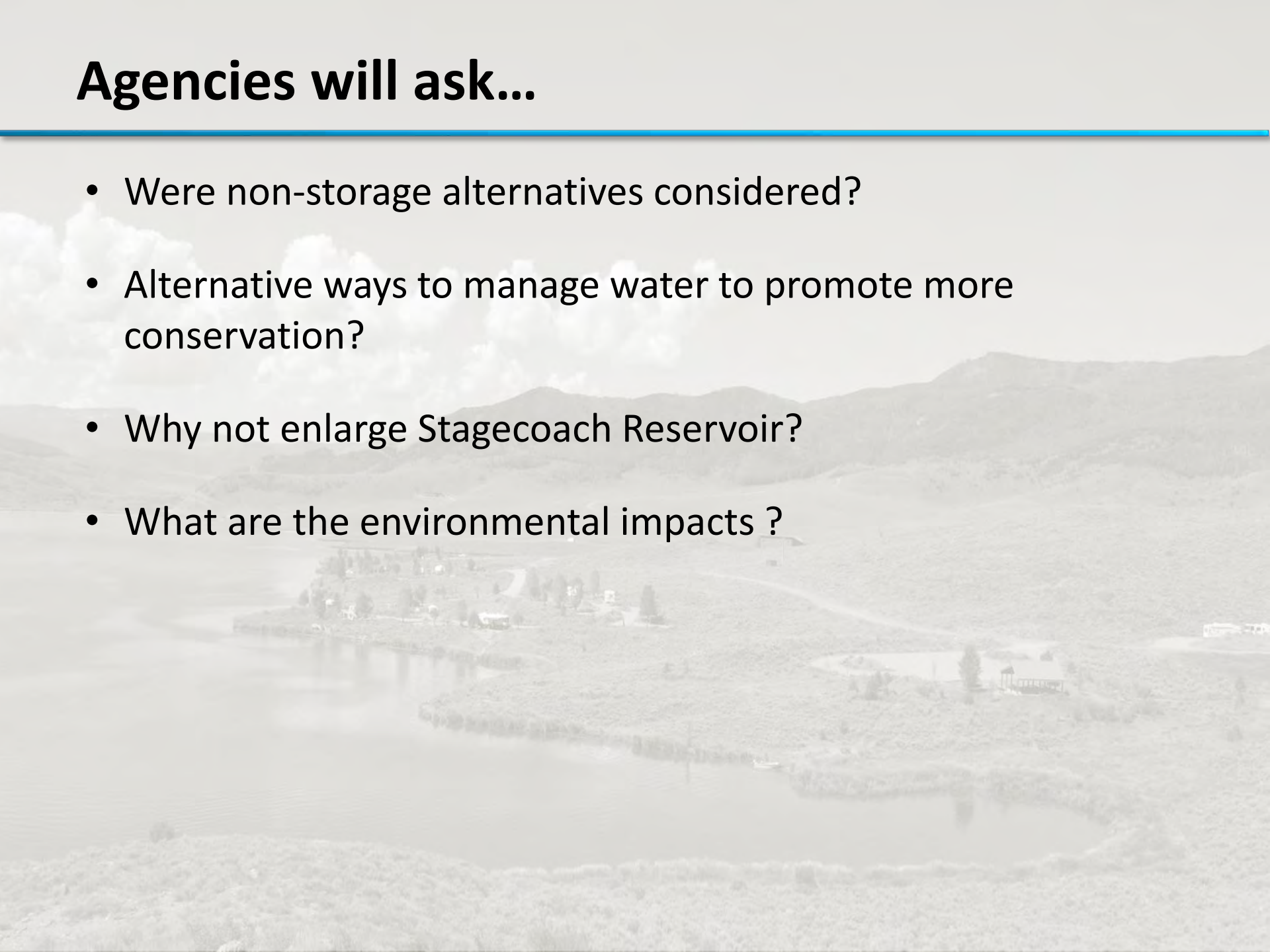


Screen and Refine Action Alternatives

- Identify Non Structural and Structural Components
- Pass/Fail preliminary screening
- Score and rank remaining alternatives
- Suite of action and no action alternatives
- Update of Morrison Creek Water Availability Study



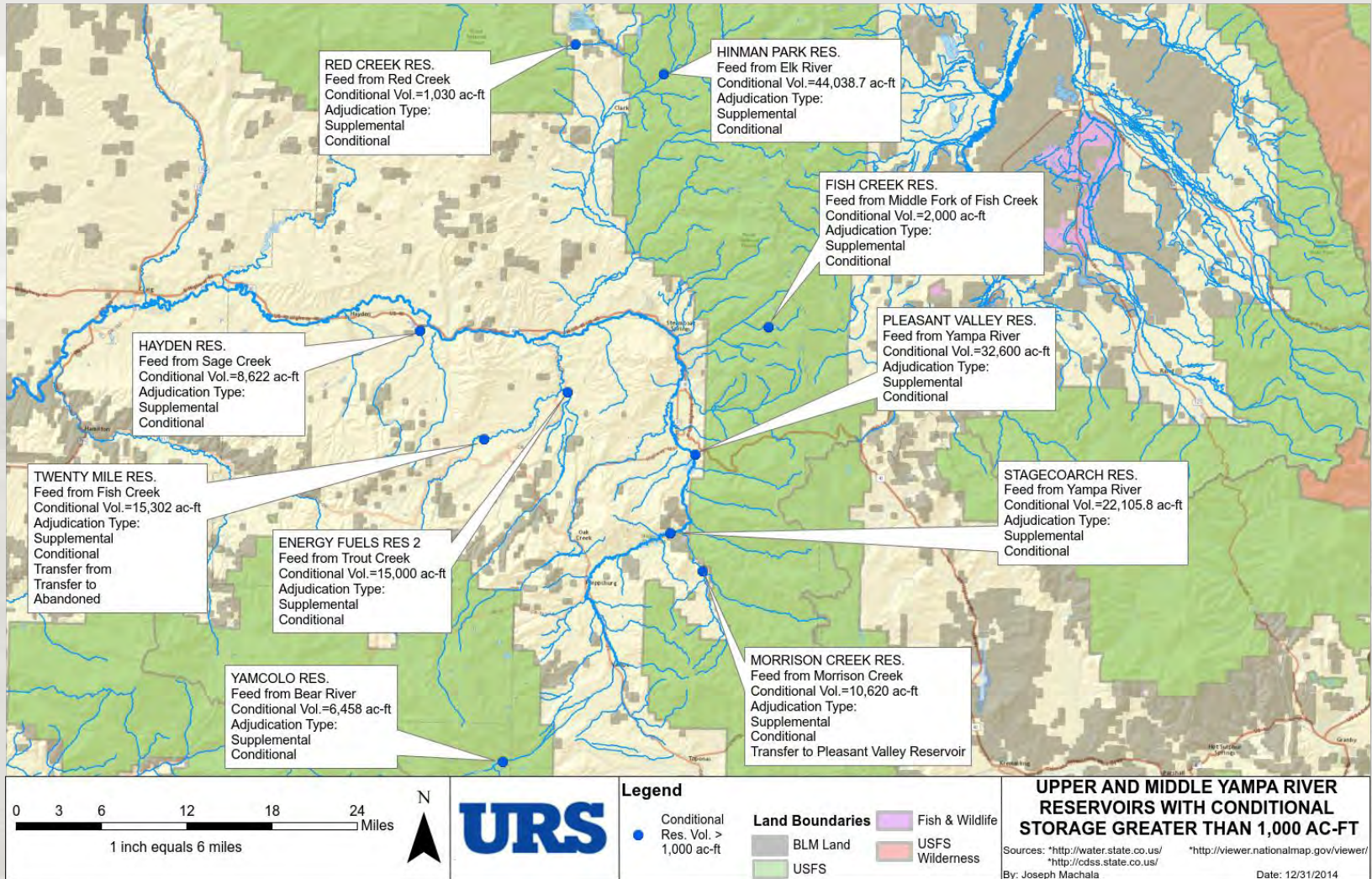
Agencies will ask...

- Were non-storage alternatives considered?
 - Alternative ways to manage water to promote more conservation?
 - Why not enlarge Stagecoach Reservoir?
 - What are the environmental impacts ?
- 
- An aerial photograph of Stagecoach Reservoir, a large body of water in a valley. The reservoir is surrounded by green hills and mountains in the background. There are some buildings and a road visible on the right side of the reservoir. The sky is blue with some clouds.

Defining the No Action Alternative

- Does not require an Order from FERC or a permit from the USACE or other Federal agency
- The No Action Alternative is prepared by Owner/Applicant and verified by the agencies
- Could involve additional use of existing facilities, conservation, groundwater development, or other strategies that do not require permit actions

Alternatives Assessed in Past Studies



Alternatives Development - Supply

Concepts	Components
New reservoir construction	<ul style="list-style-type: none">• Trout Creek• Red Creek Reservoir• Hinman Park Reservoir• Morrison Creek Reservoir• Twenty Mile Reservoir• Hayden Reservoir
Expansion of existing reservoirs	<ul style="list-style-type: none">• Stagecoach Reservoir• Steamboat Lake• Elkhead Reservoir• Yamcolo Reservoir
Storage within existing reservoirs	<ul style="list-style-type: none">• New storage contract in Stagecoach Reservoir• New storage contract in Steamboat Lake• Elkhead Reservoir
New diversion into existing reservoirs	<ul style="list-style-type: none">• Morrison Creek Gravity Diversion to Stagecoach• Morrison Creek Siphon Diversion to Stagecoach

Alternatives Development - Demand

Municipal water conservation	<ul style="list-style-type: none">• Work with domestic water suppliers to reduce demands
Agricultural rotational fallowing in the Yampa River Valley	<ul style="list-style-type: none">• Convert water rights• Dry year leasing
Agricultural water conservation	<ul style="list-style-type: none">• Work with agricultural water users to improve delivery systems and reduce diversions
Groundwater supplies and storage	<ul style="list-style-type: none">• Aquifer storage and recovery• Develop groundwater resources

Screening Criteria

Purpose and Need

- PN1 Must provide new firm yield
- PN2 Must recognize a strategic reserve
- PN3 Must produce a solution within a reasonable timeframe
- PN4 Water quality
- PN5 Hydropower potential

Existing Technology

- ET1 Must use proven technology and management practices
- ET2 Must not require extreme or extraordinary technical effort to overcome conditions at a site

Environmental Consequences

- EC1 Must provide water of sufficient quality to meet downstream augmentation demands
- EC2 Must not have any known environmental or permitting fatal flaws

Screening Criteria

Logistics - Geographic

- LG1 Must be within the state of Colorado and in Yampa River Basin above XXXX??
- LG2 Must be outside national and state parks, designated wild and scenic or wilderness areas, and Superfund sites
- LG3 Must be outside lands or sites known to be integral to development plans of other entities

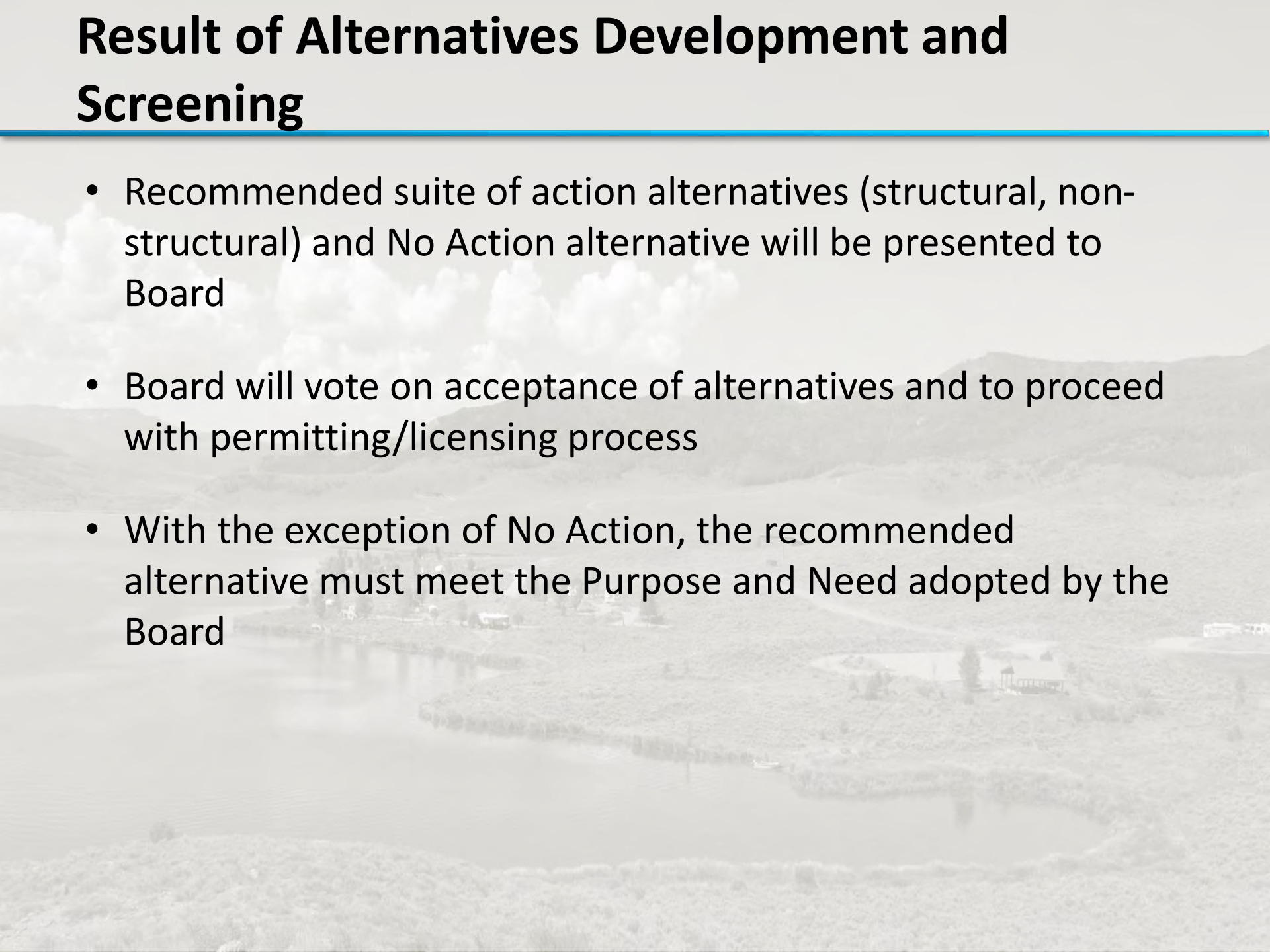
Logistics - Institutional

- LI1 Must not require Congressional action or acquisition of new water rights (three to seven years)
- LI2 Must conform to federal, state, and local laws, rules, and ordinances
- LI3 Must not require relocation of critical infrastructure

Logistics - Practicality

- LP1 Must be capable of storing at least XXXX AF in a surface impoundment (three-year critical drought)
- LP2 Water must be available (physically and legally) from a sustainable source in amounts sufficient to be practicably developed

Result of Alternatives Development and Screening

- Recommended suite of action alternatives (structural, non-structural) and No Action alternative will be presented to Board
 - Board will vote on acceptance of alternatives and to proceed with permitting/licensing process
 - With the exception of No Action, the recommended alternative must meet the Purpose and Need adopted by the Board
- 
- An aerial photograph of a large, calm lake surrounded by a dense forest. In the distance, there are rolling hills and a few small buildings or structures. The sky is overcast with soft, grey clouds. The overall scene is a natural, scenic landscape.

Schedule and Next Steps



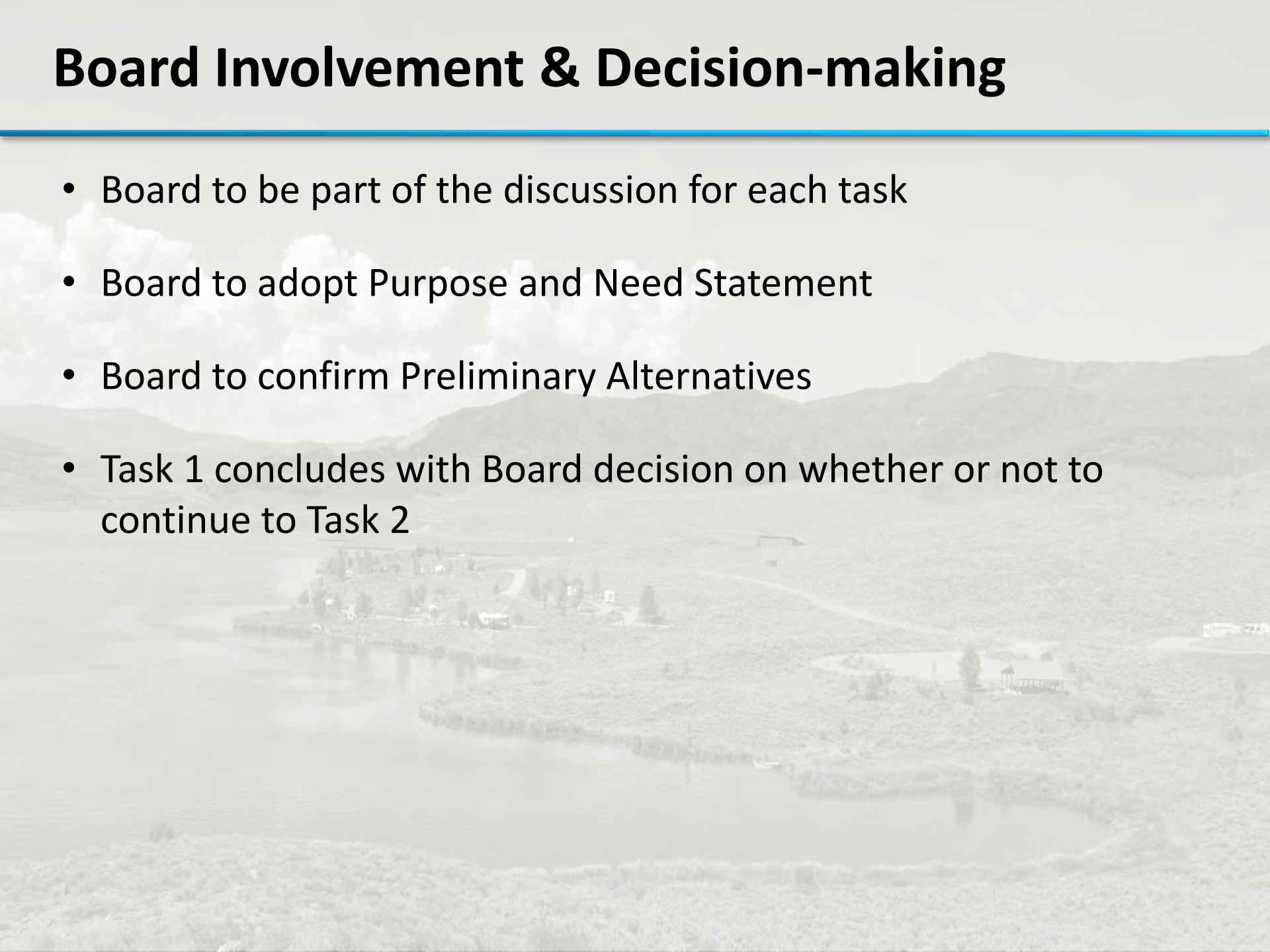
Phase 1 Tasks

- Task 1.1: Establish Purpose and Need Statement
- Task 1.2: Develop Preliminary Project Alternatives
- Task 1.3: Determine Appropriate Lead Agency and Permitting Process
- Task 1.4: Permitting, Design, Land Acquisition and Construction Costs for Project Alternatives

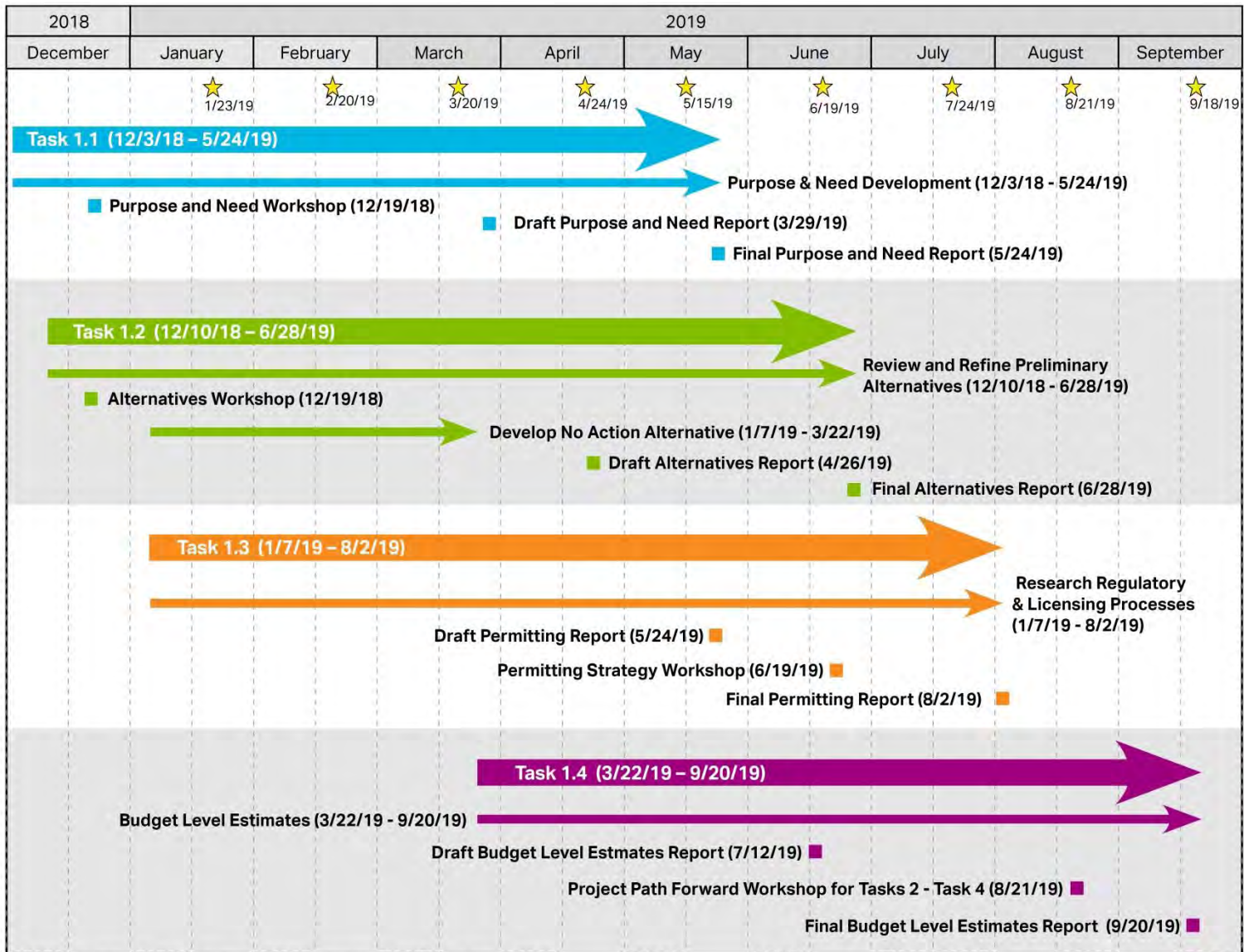
Based on collective information from Phase 1, Board will determine if they will proceed with Phase 2 licensing/permitting...

Board Involvement & Decision-making

- Board to be part of the discussion for each task
- Board to adopt Purpose and Need Statement
- Board to confirm Preliminary Alternatives
- Task 1 concludes with Board decision on whether or not to continue to Task 2



Schedule



Footnote: Schedule may be adjusted due to input from the Board.

★ - Denotes Board Meeting

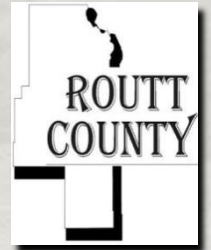


Task 1.3 Permitting

Develop a Permitting Strategy...

- To integrate the USACE permitting process into FERC license
- Timing of State 401 Water Quality Certification
- Forest Service 4e and Special Use Permit considerations
- Routt County requirements

**State and Federal guidance in place to promote cross-agency coordination*



Task 1.3 Permitting

Integrated Licensing Process (ILP)

- Used to license new hydropower projects or re-license existing hydropower projects

License Amendment

- Used for modifications to an existing FERC-licensed hydropower project - includes changes in project operations, modifications to project structures, or changes in a project boundary
- Required for modifications to project design or capacity including new powerhouses, dams, water conveying structures, or significant increases in the maximum elevation or surface area of the reservoir

FERC Classifies Amendments as Capacity Related or Non-Capacity Related

- Capacity related amendments have to increase the project's actual or proposed total installed capacity by 2 megawatts or more, and increase the project's maximum hydraulic capacity by 15 percent or more
- Project modifications not meeting both the previously mentioned criteria are considered non-capacity amendments

Task 1.3 Permitting

Differences between a License Amendment and the ILP

- Amendment process is less structured in terms of deadlines for completion of each step
- Amendment process has less FERC involvement until the License Application is submitted in Stage 3
- Applicant holds public meeting/site visit in the amendment process
 - Rather than FERC holding a Scoping Meeting under the ILP
- FERC does not make a determination of studies to be conducted under the amendment process

Task 1.3 Permitting

Process for a Non-Capacity License Amendment Requiring 3-Stage Consultation*

Pre-Filing

Stage 1

- Develop and Provide Project Information and Study Plans to Agencies, Tribes, and Public
- Consult with Agencies and Tribes
- Hold Joint Meeting with Site Visit
- Receive Comments on Project and Studies

Stage 2

- Implement Study Plans
- Draft Application and Study Results Submitted to Agencies and Tribes
- Receive Comments on Application and Study Results
- If Substantive Disagreements – Hold Joint Meeting with Agency / Tribe

Stage 3

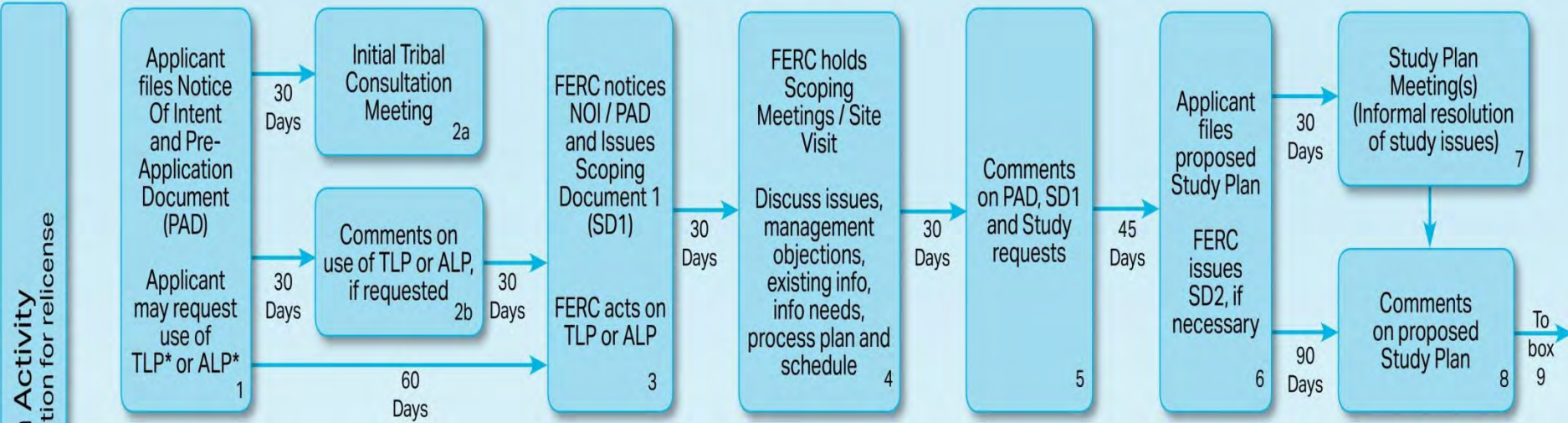
- Submit Amendment Application and Exhibits to FERC

Post-Filing

- FERC Reviews Application for Adequacy
- FERC Issues Public Notice of Proposed Modification
- FERC Initiates NEPA Process
- FERC Issues Amended License Order

*Based on 18 CFR 4.38 (a)(6)(v) and 18 CFR 4.38 (b), (c) and (d). Assumes no disputes during Stage 1 and no additional studies requested in Stage 2

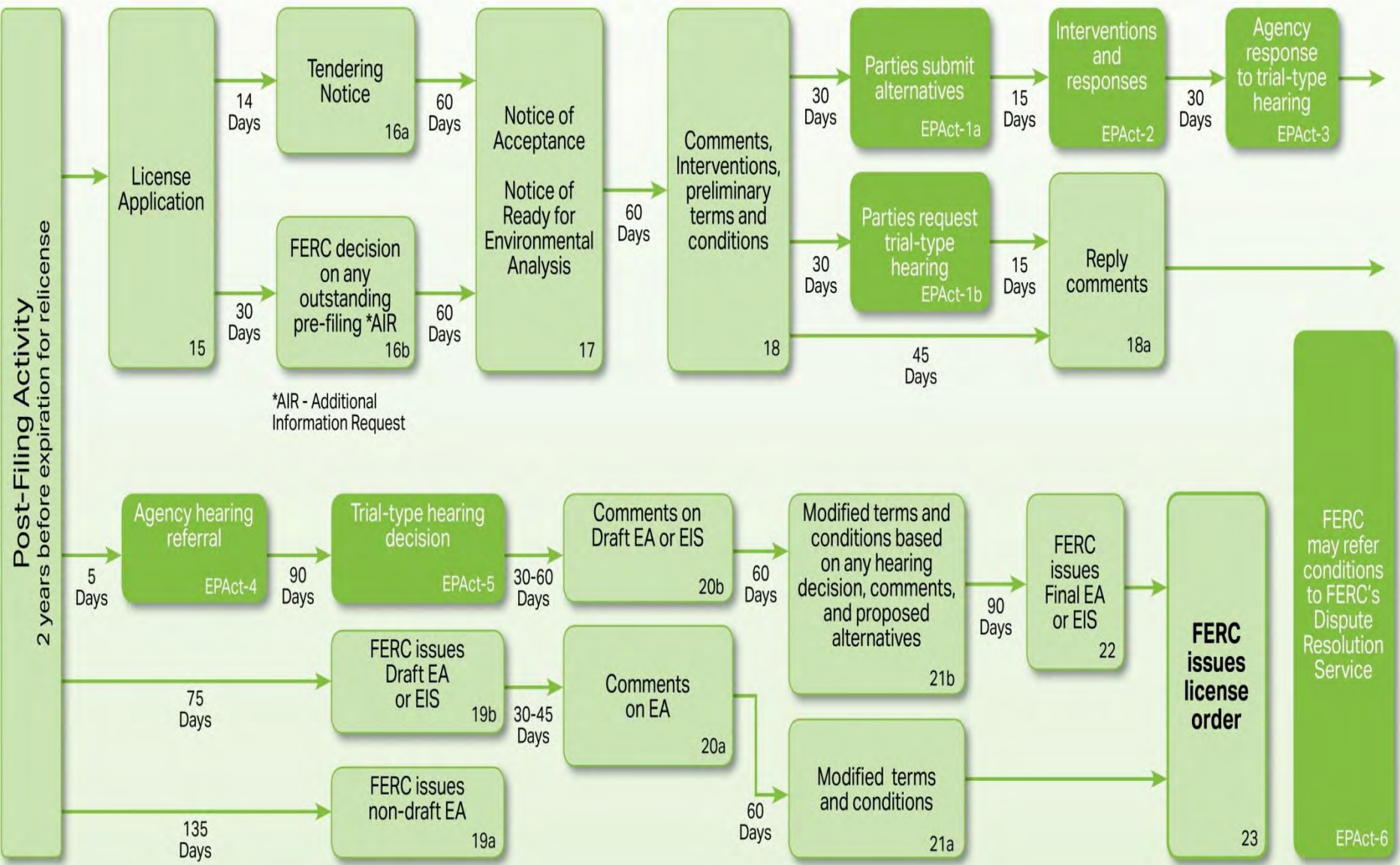
Integrated Licensing Process (ILP)*



*TLP - Traditional Licensing Process
 *ALP - Alternative Licensing Process



Pre-Application Activity
5.5 - 5 years before expiration for relicense



*Note: Section 241 of the Energy Policy Act of 2005 in dark green.



Ken:

Thanks for advancing some thoughtful input on this environmental/recreation water contract pricing matter.

I would not favor inserting a “spread” of percentages in paragraphs E and F, because I think that would lead to potential discrimination in pricing by boards without any basis to decide why, in one instance, the price should be 70% of a 1-3 year contract as opposed to 80% for a 1-3 year contract, or why for a 4-7 year contract one allottee should get a price starting at 50% whereas another gets a price starting at 70%. It would result in board members “feeling” their way as to which allottees “deserve” a lower or higher price. The only way to make sense of a “spread” of percentages would be if there were expressed written criteria by which board members could “judge” an allottee deserving of a lower or higher percentage. I suggest that will be impossible to write. And irrelevant to the district or board, since if an entity contracts for ERC water to be sheparded by DEO down to, say, confluence of Yampa and Elk Rivers, why would it make a difference WHO the entity is or WHO its members are? Multiple people benefit from release of ERC water, a few who pay and many who do not.

I think we need to make it as simple and objective a process as possible.

So I continue to think the percentages in paragraphs E and F should be a single fixed percentage measured against that year’s pricing for new water contracts set by the Board. I believe that board members need to weigh in before finalizing this matter as to whether that percentage should be a discount as against new contract pricing, or the same price, and if a discount, what fixed percentage would be appropriate.

Further, if various entities are putting together the Water Fund in the Yampa Valley community foundation, they will want to know exactly, in their planning from time to time, what the price is for the ERC water that year. Just like the Northern Water conservancy district sets its pricing for M&I annual fees and irrigation annual fees each year, and then people know what to expect and know how to plan for it. Having a spread makes that planning impossible, and sets up the likelihood that entities will always come into the board and “plead” the case of why the pricing for their proposed contract should be at the lower end of the “spread.”

I think the 80% and 70% numbers are fair and reasonable, especially since paragraphs G and H provide for potential additional 15% credit IF the contracted water from Stagecoach will be protected to at least Craig, or the contracted water from Yamcolo will be protected to at least Stagecoach Reservoir inlet.

Anyway, again, thanks for thinking about these concepts. I would encourage other board members to think about all of it and come up with any comments or concerns or alternative proposals.

And I agree that before we can consider adopting a Policy Resolution or Regulation on this topic, we will need to have it heard in one or more public meetings to take in input from the public and involved entities. BUT, I believe before we can get to those “public meetings,” we need as a board to come up with the DRAFT policy Resolution or Regulation, even if it has alternative possible paragraphs, so that there is something IN WRITING that people and entities can sink their teeth into before coming to the public meeting. Otherwise, the public meetings will be more “chaos” than “constructive.”

tom

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From: Ken Brenner [mailto:kpbbrennersteamboat@gmail.com]
Sent: Thursday, November 29, 2018 12:05 PM
To: Tom Sharp
Cc: Kevin McBride; Andy Rossi; Bob Weiss; Scott Grosscup; robert.woodmansee@icloud.com; Doug Monger (dmonger@co.routt.co.us); Jim Haskins (haskywild@mail.com); John Redmond; Ron Murphy (rmurphy@wreawildblue.org); Steve Colby (scolby@mcwater.org); Webster Jones (hwebster@frii.com)
Subject: Re: T. Sharp thoughts on pricing strategy for environmental-recreation water storage contracts

Tom, Directors,

Thanks for sharing your thoughts on ERC pricing. I have a couple of suggestions that we can discuss further at our next meeting.

First, I believe we said that we would be willing to place this agenda item on both our worksessions and regular board meetings prior to making a final decision. We want to invite public comment and ensure a transparent process considering that there will likely be a fair number of public that may want to comment.

Second, I like almost all of the concepts that you suggested. You included included in E and F suggestions regarding a potential discounted price for ERC. I would like to propose for your consideration that for E. we use a range of 70% - 80% depending how far water is delivered downstream. And for F. the range would be from 50% - 70%, again depending on how far downstream the water is delivered.

I'll look forward to our discussion at our next meeting to hear all of your thoughts!

On Mon, Oct 29, 2018 at 12:26 AM Tom Sharp <tom@tomsharp.com> wrote:

Oct 28, 2018

Kevin & Staff & fellow Directors:

As discussed at the recent Board retreat, I believe the UYWCD needs to consider and adopt a policy

that sets out how we are going to price allotment contracts for environmental-recreational uses. Here are some of my thoughts:

1. Kevin has proposed in the past, and the Board has approved, short-term contracts with the Colorado Water Trust in certain years for rates, most recently \$43.50/AF. The rate represents the then highest M&I rate we have on our books, being the 7,000 AF allotment contract out of Stagecoach to Tri-State per the 1994 modification.
2. We should define what is an “environmental-recreational contract” (“ERC”). We should recognize differing pricing depending upon the requested length of contract, assuming we will continue to only execute “take or pay” contracts. We may want to recognize differing pricing depending upon where the ERC will “use” the released storage water and how far down-river we can get that water. We need to be careful in that definition, since many of our M&I contracts now in existence and which will be entered into in the future permit the allottee to make use of the stored water by augmentation or exchange plans, in which case the storage water is released from our storage and physically is escorted past the location of the actual junior priority M&I diversion and looks to the untrained eye like a “streamflow enhancement” release. For example, that is what happened with several of our allottees this past summer when the River went under administration. If an allottee proposes to use a water storage contract for augmentation of a junior priority diversion into such allottee’s physical diversion/use system, such a contract is not an ERC, but is a regular M&I contract. We have to be careful in definitions so that M&I users don’t contend they get the below-described ERC “discount” on pricing.
3. I recommend that, in the policy, we use percentages as related to a defining and objective pricing point, so that we don’t have to “reset” the actual dollar amounts every year.

Try this:

A. An “irrigation contract” (“IC”) is a contract for storage water in which the use of the water is limited only to irrigation and related agricultural uses (“irrigation uses”), and the allottee has no right of re-use or successive uses of the storage water. An “environmental-recreation contract” (“ERC”) is a contract for storage water in which the use of the water is limited only to stream flow enhancements in the Yampa River for a defined reach of the River, and the allottee may not use the storage water for other non-irrigation uses directly or indirectly by augmentation or exchange, and the allottee may not re-use or successively use the storage water for other purposes below the lower end of the defined reach of the River. An “M&I contract” (“MIC”) is any allotment contract that is not an IC or an ERC.

B. ERC contracts will only be entered into with public or private entities or governments which are legally authorized to obtain and direct the flow of storage water for environmental & recreational purposes, such as the CWCB, the USFWS Endangered Fish Recovery Program, CDPOR, the Colorado Water Trust, Nature Conservancy, YVCF Water Fund, and similar entities.

C. ERC contracts shall be “take or pay” contracts by which the allottee pays the annual price if the contracted water is placed in storage by the District, whether or not the allottee directs the release of all or any of the water. ERC contracts shall be entered into for terms of

consecutive years not exceeding the longer of (i) 10 years or (ii) the then-longest term MIC or IC from the applicable storage reservoir, and preferably for terms of 3-years or less.

D. The annual price for ERC contracts exceeding one year in duration shall include a CPI adjustment clause to increase the price in subsequent years by the increase in the Denver-Aurora-Littleton “all items” index for urban consumers, using the same wording we now include in our M&I contracts. Price shall be paid one-half by August 1 and the balance by November 1 each year.

E. The annual price for an ERC contract for 1 to 3 years shall be 80% of the highest MIC or IC of the District out of the applicable storage reservoir in year 1 of that contract. For 2019 our highest rate for an MIC out of Stagecoach is the the Ski Corp’s \$118.13/AF rate. Our highest rate for an MIC out of Yamcolo is somewhere around \$83/AF?

F. The annual price for an ERC contract for 4 to 10 years shall be 70% of the highest MIC or IC of the District out of the applicable storage reservoir in year 1 of that contract.

G. In any year in which the ERC allottee is able to obtain assured protection by the DEO and Water commissioner for the delivery of a contracted amount of storage water released out of Stagecoach Reservoir downstream to at least the location of the City of Craig municipal diversion structure, the allottee will be “credited” against the balance of the purchase price in the amount of 15% of that year’s purchase price of the amount of storage water so actually released and delivered to or past the City of Craig municipal diversion structure. If the released storage water is only “protected” for delivery through the City of Steamboat Springs, for example, the 15% credit would not apply. This encourages the allottees to try to figure out how to protect the stream flow for the furthest down-river distance. The credit only applies to actual stored water released per the allottee’s request and which makes it past the City of Craig structure that year.

H. In any year in which the ERC allottee is able to obtain assured protection by the DEO and Water commissioner for the delivery of a contracted amount of storage water released out of Yamcolo Reservoir downstream to at least Stagecoach Reservoir, the allottee will be “credited” against the balance of the purchase price in the amount of 15% of that year’s purchase price of the amount of storage water so actually released and delivered to Stagecoach Reservoir. Once the water arrives at Stagecoach Reservoir, it may be captured and stored by the District and used for any lawful purposes, and the allottee has no claim for the re-stored water in Stagecoach Reservoir.

I. Any ERC must contain the customary protections regarding maximum rate of flow delivery out of the dam, risk of transit loss on the allottee, advance notice for delivery requests & maximum frequencies of adjustment of release rates, etc.

Tom

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tom@tomsharp.com

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--

Ken Brenner

Colorado Mountain College, Trustee, Treasurer

Upper Yampa Water Conservancy District, Boardmember

Friends of the Yampa, Boardmember

FIS Alpine Technical Delegate

PO Box 772631

Steamboat Springs, Co 80477

970-819-6178





BOARD COMMUNICATION FORM

From: Ryan Golten, Consensus Building Institute

Date: 1/16/19

Item: 8(d)

x _____ DIRECTION
x _____ INFORMATION
_____ MOTION
_____ RESOLUTION

I. Request/Issue and Background Information:

A Committee formed by the Board, together with Ryan Golten of CBI, developed this draft plan for a '360 Assessment' for the District stemming from October 2019 Retreat discussions. The Committee is requesting input from the Board before launching the interview process.

II. Summary and Alternatives:

The plan would include confidential interviews, in person and by phone, with 15-20 District stakeholders, plus Board members and staff, to gather feedback regarding the District's strengths, areas for improvement, and how stakeholders would like to see the District engaging on Basin issues. Ryan Golten of CBI will summarize preliminary findings for a discussion with the Board at the February 20 Work Session, at which key themes and next steps will be discussed.

III. Staff Recommendation:

The GM and Committee formed by the Board supports this proposal.

IV. Legal Issues:

n/a

V. Consistency with Board Goals and Policies:

This is a follow-up to the discussions at and following the October 2019 Board retreat. It is consistent with the goals and interests identified by the Board.



Attachments:

Attachment 1: October 2019 Board Retreat Summary

Attachment 2: '360 District Assessment' Proposal

Upper Yampa '360' Stakeholder Assessment

Purpose

The Upper Yampa Water Conservancy District has been through rapid Board, staff, and project changes in recent years and has critical work to do in 2019. Current projects and issues include, e.g., evaluating future supply options, participation in the Basin Roundtable's Integrated Water Management Plan, Basin water fund proposals, and the uncertainty that surrounds supplying water in a changing climate. Our goal is to position Upper Yampa to be successful on all of these fronts, which will require a better understanding of both internal and external needs for the District.

Goals of the Assessment would be to:

- *Build trust and relationships* with partners and stakeholders by seeking their input, sharing the District's current priorities, and initiating a 2-way conversation about how the District can be most effective and supportive of Basin efforts going forward.
- *Improve the District's work* by better understanding our strengths, where/how we can improve, the substantive priorities of our key partners, and how to leverage the new Outreach position and other District resources to help meet those needs.
- *Identify options*, based on input received, for improving the District's long-term functioning and effectiveness, both internally and externally. This could include approaches ranging from improved governance and facilitated discussions to long-term planning and outreach.

We received preliminary feedback from constituents through a survey conducted in 2017. In some ways this process is a follow-up to that survey, to better understand from key stakeholders what they'd like to see from Upper Yampa as a resource and partner.

Proposed Approach and Schedule

The assessment would consist of up to 20 confidential interviews with key external stakeholders. In addition, it would include interviews with Board members regarding ideas for 1) strengthening Board functioning and Board-staff dynamics, and 2) positioning the District to follow up with the priorities identified at the October, 2018 Board retreat. It would also include staff input regarding District strengths, areas for improvement, and ideas for positioning the District for success.

Confidential interviews would be conducted in February. Without attribution, CBI would summarize the input according to theme. Based on issues and needs identified, the report would include options for a path forward to engage external partners, and support internal District functioning.

Schedule permitting, Assessment results will be shared through a facilitated discussion at the February 20 work session. Based on Board guidance, the Assessment may lead to follow-up discussions and/or actions to address issues raised by the assessment.

The following attachments have been refined by the Committee for Board review:

- **Attachments A:** draft interview questions
- **Attachment B:** draft list of interviewees, along with the criteria used to develop the list
- **Attachment C:** draft budget

Attachment A: Draft Interview Questions

Upper Yampa Water Conservancy District 360 Assessment – Stakeholder Interviews

Purpose of Interviews

The Upper Yampa Water Conservancy District has undergone significant Board, staff, and project developments in recent years. Together with the broader water community, we have critical work to do in upcoming years with respect to managing and protecting the Basin’s water resources. The purpose of this assessment is to solicit input about what stakeholders would like to see from the District, how the District can be an effective partner for Basin-wide water initiatives, how our staff and Board can help meet those needs, and what if anything the District can do to improve as a whole, both internally and externally.

We received preliminary feedback through a survey conducted with District constituents in 2017. This process is a follow-up to that survey. Your input will help us position the District to work effectively with our partners and stakeholders to conserve, protect, provide and enhance the water resources of the Yampa River Basin. Thank you!

Note: These discussions will remain confidential. CBI will produce a report for the District summarizing key themes, without attribution to particular interviewees.

Interview Questions

1. What do you consider to be strengths of the District, its Board, and its staff? (For this and Question #2, please address these categories separately as useful.)
2. What do you see as possible areas for improvement for the District, its Board, and its staff?
3. What would you like to see the District most focused on, in advancing its mission in the Basin? Please be as specific as possible.
4. Do you believe the District is properly involved in the various water efforts in the Basin? How so or how not? Please be as specific as possible.
5. What, if anything, do you see as holding the District back from doing the work you’d like to see it do? Please share any ideas for addressing this.
6. What ideas do you have for potential roles and responsibilities of a new District Outreach staff person?
7. Do you have other ideas for setting this staff person and the District up for success?
8. What else would you like to share?
9. How would you rate your satisfaction with the District on a scale from 1 to 5, with 5 being the most satisfied?

Additional questions for Board members:

1. What ideas do you have for improving the functioning of the Board and GM – e.g., strengthening governance (revisiting bylaws, clarifying roles/responsibilities), improved communications or conflict resolution (mediated discussions to work through issues), or other. Please explain. How would you like to be involved?

Additional questions for staff:

1. Are you satisfied with your experience as an employee at UYWCD? Please explain.
2. How efficiently and effectively do you think the staff is functioning internally? Please explain.
3. How, if at all, could that be improved?

Thank you!

Attachment B: Draft list of Interviewees for UYWCD 360 Assessment

To compile timely input from key groups, we are able to include interviews with up to 20 external stakeholders. In keeping with the goals described at the top of page 1, we have identified stakeholders who work closely with the District, are involved in other Basin water efforts, and are likely to have concrete input for the District. This list is not intended to be a comprehensive list of our partners and stakeholders. Future outreach will include engagement with these and many other District stakeholders. This list represents diverse stakeholder interests and key District partners. The list below is a draft. The Committee welcomes additional input from the Board.

	Entity	Representative
1	Division Engineer	Erin Light
2	Steamboat Springs	Kelly Heaney
3	Tri-State	Jackie Brown
4	Basin Roundtable	Jackie Brown
5	Ag users (Yamcolo)	Andy Schaffner; Tyler Snyder
6	Ag Users (Downstream)	Marsha Daughenbaugh
7	Cattemen	Marsha Daughenbaugh
8	TNC	Geoff Blakeslee
9	CWCB	Jay Gallager
10	Friends of Yampa	Kent Vertrees
11	TU	Brian Hodge
12	Co River District	Jim Pokrandt
13	IBCC	Tom Gray; T Wright Dickenson
14	Moffat County Ag	Tom Gray; T. Wright Dickinson
15	CO extension	Todd Hagenbuch
16	Mt Werner	Frank Alfone
17	CPW	Craig Preston; Kris Middledorf
18	Ski area	Jim Schneider
19	Stagecoach POA	John Troka
20	River Network/IWMP	Nicole Seltzer

Later outreach/engagement should include, among many others:

- Towns of Hayden, Oak Creek, Yampa, Catamount
- Elk River/Upland ranchers
- Routt County Planning; Routt County Health
- USFS, BLM, NRCS
- CDPHE (CO Dept of Health & Env't)
- Outfitters
- FERC

Attachment C: Draft Budget for '360 Assessment' of District

Consensus Building Institute, Inc. Budget Estimate UYWCD 360 Assessment and Follow-Up		As of 1/16/19		
		Golten - Facilitator \$160.00	CBI Admin Support \$60.00	Cost
Labor				
Finalize purpose/scope, list of interviewees, interview questions, interviewee invite letter, and plan/schedule with Board input	4			\$640
Schedule, conduct, and document interviews (assume 2 days of up to 14 in-person interviews, and up to 16 interviews by phone) - assumes 18 stakeholder interviews, plus 12 Board/staff interviews	42		10	\$7,320
Draft/refine/finalize assessment report+presentation for 2/20 Board mtg, with Committee input	14			\$2,240
Present findings and facilitation discussion at 2/23 Board meeting	4			\$640
Debrief 2/20 meeting, prepare/facilitate Assessment follow-up work with Committee, Board, and District (OPTIONAL)	40			\$6,400
Travel time for 3 trips (interviews + 2/23 Board mtg + 1 follow-up meeting), billed at half-rate, Longmont to Steamboat Springs	12			\$1,920
Total Hours	116		10	126
Total Labor		\$18,560	\$600	\$19,160
Travel Expenses for 3 trips (Longmont/Steamboat Springs)				
		-		
	<u>Number</u>	<u>Unit</u>	<u>Unit Cost</u>	
Lodging	2	night	\$99	\$198
Per diem for 5 travel days/SBS	3	travel days	\$42	\$126
Mileage - RT Longmont-SBS (362 miles RT x 3 trips = 1086 miles)	1086	miles	\$0.545	\$592
				\$0
Total Travel Expenses				\$916
Total Cost (Labor, ODCs and Travel)				\$20,076



UPPER YAMPA WATER CONSERVANCY DISTRICT
BOARD OF DIRECTORS RETREAT
October 10, 2018, Catamount Lake House

The retreat started at 8:30 a.m. The Board members present were Bob Woodmansee, Doug Monger, Jim Haskins, Ken Brenner, Ron Murphy, Stephen Colby, and Tom Sharp. General Manager Kevin McBride, District Engineer Andy Rossi, Office Manager Karina Craig, Administrative Assistant Barbara Wilson, Dam Operator Eddie Rogers, and General Counsel Bob Weiss were also present. Ryan Golten with Consensus Building Institute facilitated the meeting.

This document is intended to summarize the items discussed at the Retreat. It is not intended to be detailed minutes of the discussion.

The chart below describes the **Next Steps** identified at the end of the day. These are explained in more detail by the notes further below.

Topic	Action	Who leads
<u>Basin Participation/Leadership</u>	Strategic involvement with Round Table and IWMP Involvement (with clear parameters) with Water Fund Strong involvement and/or at table with other efforts Develop outreach message (elements below) Develop Job Description: Ext. Affairs/Public Ed.	Kevin to propose next steps; share w/ Board for discussion as needed
<u>Contract Pricing/Negotiations</u>	Develop non-consumptive price strategy Prep for Tri-state negotiations	Kevin, Tom, Ken
<u>Future Agenda Items</u>	Non-consumptive pricing strategy Outreach message -- address District's role, partnering, and pricing issues Legal counsel needs (long-term) Drought Contingency Plan	Kevin/Ken to put on Board agendas
<u>Work Planning</u>	2 Grant applications: Super mini-grant Stagecoach Firming Phase 2 Fund accounting consultant; designating financial reserves to specific buckets Follow up with survey results (relates to Outreach needs) Division Engineer follow-up (call)	Kevin to draft/propose for Board review or discussion as needed
<u>Office</u>	Letter of Intent Formal lease for November Board Meeting	Done

A. District's Participation/Leadership in Yampa Water Efforts

After introductory remarks and review of the Retreat agenda (see October 2018 Board packet), the Board discussed the District's function and role in the Basin, in light of the many current water-related efforts. Ryan shared the notes from the District's 2016 Retreat to inform today's discussion (see October 2018 Board packet). The 2016 'Strategic Planning' Retreat began by clarifying the

District's *mission, core functions, and principles* underlying the way in which the District pursues those functions. Today's discussion builds on that 2016 discussion.

General input about District's participation in Basin water efforts:

- District should provide **leadership/advocacy** on water rights/quantity issues in the Basin (and on an inter-basin and Compact administration level) through education and partnering.
- Our **consistent message** should be that the District is a good and important partner with interests that are aligned/consistent with environmental values.
- For other Basin efforts, e.g. water quality and watershed protection, District doesn't need to lead but should **be at the table** (staff and/or Board members), to monitor issues and potential impacts for the District or its members, provide input as needed, and ensure we're protecting District assets and reflecting constituent interests.
- Acknowledgement that the District has a limited staff; can't be all things to everyone.
- Partnering and outreach **goals** include: support for Stagecoach firming (through increased visibility, education about benefits, and developing trust/good will), represent Yampa constituents at a broader level, and educate our constituents and partners about water issues to support problem solving in the Basin.
- District's level of participation in external water efforts should not drastically increase, but should be strategically focused and include more leadership in key areas. Overall education and outreach should increase (need for additional staff person).
- Outreach should be focused on developing and improving **partnerships** – i.e., reaching out to current and potential partners about what they'd like to see from the District, addressing areas of concern or conflict, working to identify areas of aligned needs and goals, and clarifying what role the District can play.
- Education could include regular newsletters, blogs, and other written materials.

Elements of Upper Yampa Message:

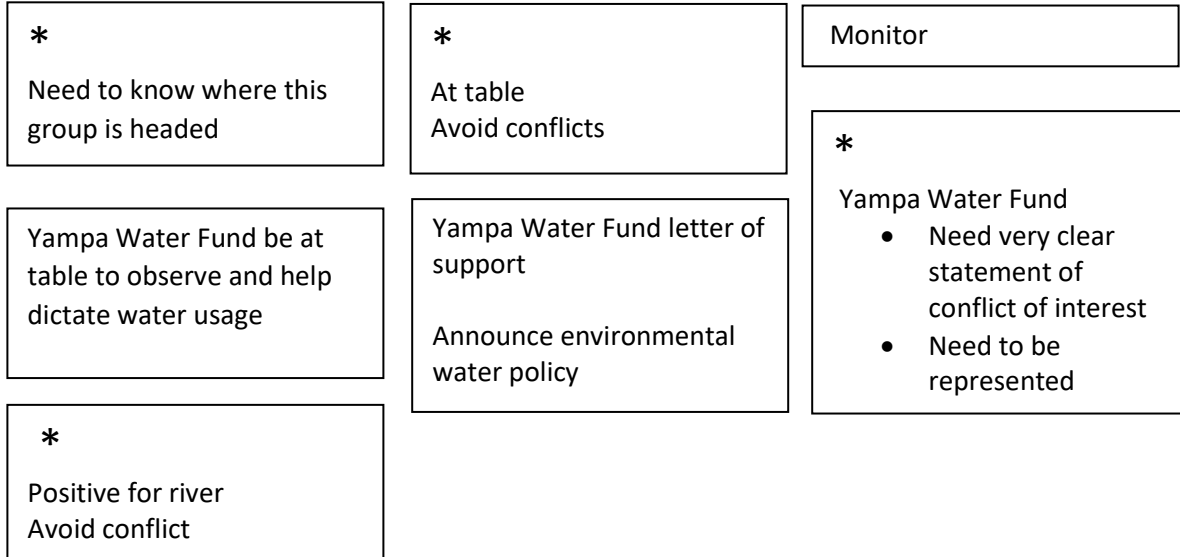
- Convey “business” needs of Upper Yampa; these can be fully consistent with supporting enviro goals, e.g., Water Fund, but need to navigate in light of District's water pricing needs and long-term contracts
- **Fire department** analogy: trusted, good neighbor, associated with water protection. Not everyone needs a detailed understanding.
- Offering expertise – water rights and how they work in our system/Basin
- Focus on clear priorities/projects, e.g.: Ag infrastructure

Guidance for District's participation in specific Basin water efforts:

*(note that * indicates priority in terms of providing leadership, as opposed to simply 'being at the table')*

*Yampa Water Fund

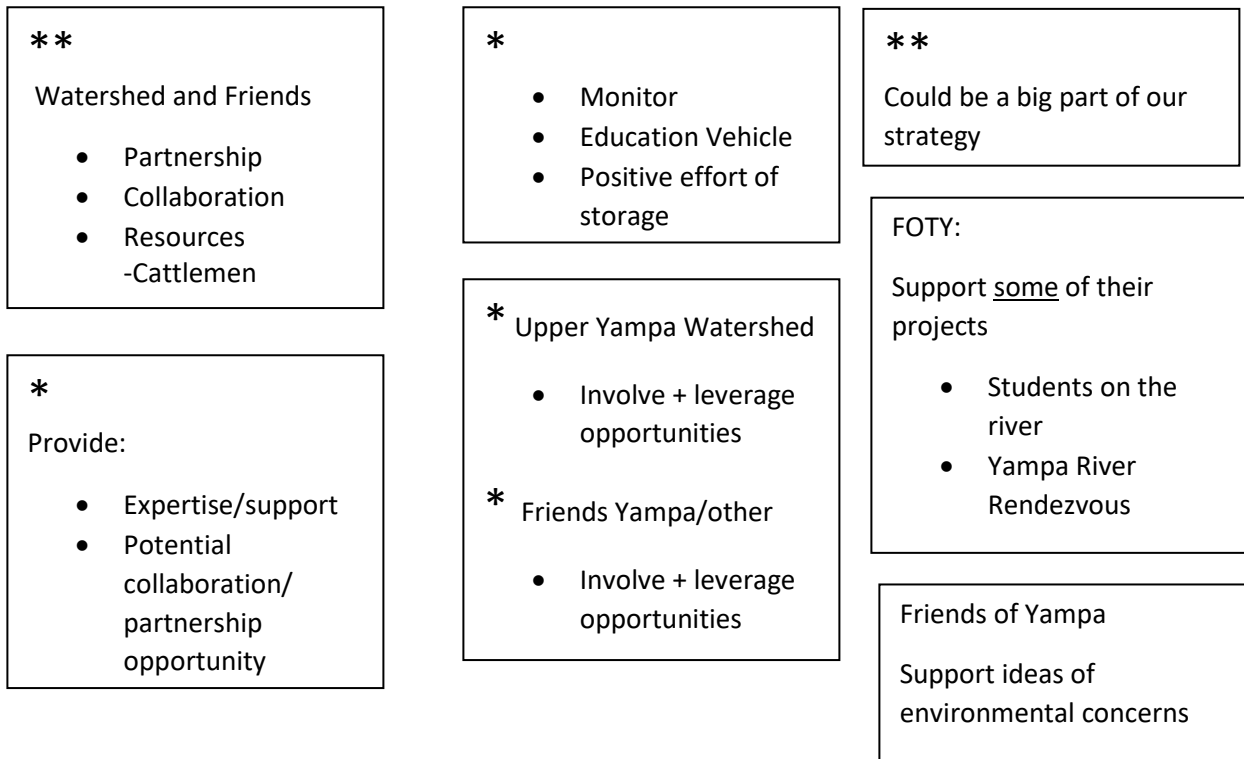
Endowment-Valley Community Foundation
 Purpose: \$ to purchase Environmental Water
 Want to support; careful of role



*Upper Yampa Watershed and Watershed Management Efforts

Friends of Yampa

Hiring for Operations and External Affairs
 Upper Yampa as potential resource/partner



AD HOC Partnering e.g.: Cattlemen’s Education Grant

More of a -0-
Can also assist Cattlemen locally by becoming ally not adversary

Cattleman support as needs to keep water in AG system

Cattlemen letter of support from grant
Support for watershed projections and forget health

Monitor

County Water Quality Monitoring

Continuous participation

Continue \$ support

Water Quality
Obviously

Leadership role to analyze data and provide decision makers accurate understandable info.

County Water Quality
Money + expertise

Involvement

****BRT (+IBCC)**

Upper Yampa Statutory Seat
Opportunity for alliances, relationships

- Equitable Apportionment
- No export to East Slope

Need to be leader/involved for basin wide issues

Heavy involvement

Continue level of effort at current level

BRT
Need to present our opinion of water control

BRT * IWMP
We need a message

- Partnerships/ Collaboration
- Future generations
- Influence of broader environment, ie: Lake Powell

Additional regular participation

****Integrated Water Management Plan
(4 sub-basins)**

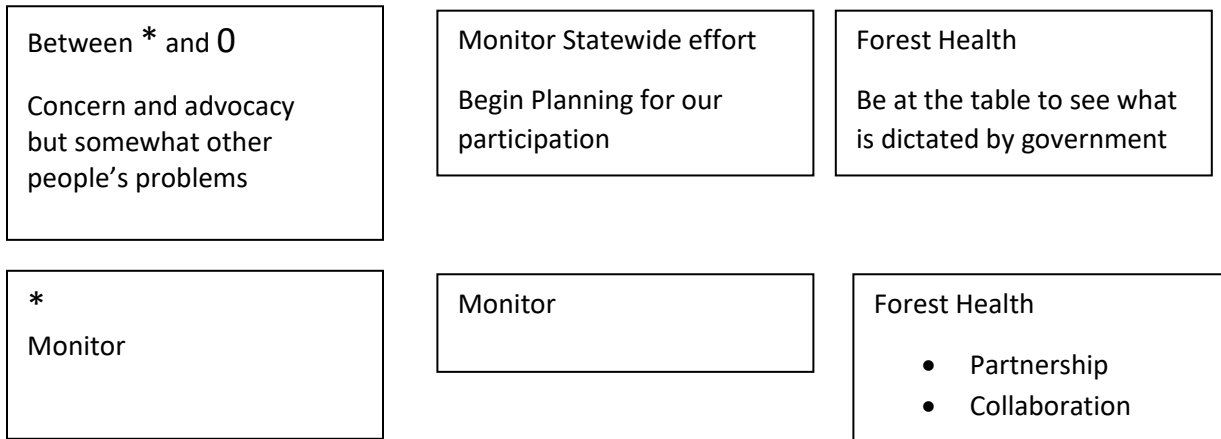
<p>*</p> <p>At the table as potential resource</p>	<p>*</p> <p>Continue current level of participation</p>	<p>Participate in all four sub-basins</p> <p>Active in three</p>
<p>*</p> <ul style="list-style-type: none"> • Monitor for equitable • Grant opportunity with headgates 	<p>**</p> <p>IWMP</p> <p>How water will be increased and not by taking from AG</p>	<p>Monitor</p>

***SBS SMP**

Opportunity for partnering
Bring expertise/solutions

<p>SBS SMP <u>Message</u></p> <ul style="list-style-type: none"> • Collaboration • Needs to consider whole river system 	<p>*</p> <p>Provide expertise/support</p>	<p>*</p> <p>At table to help the process since Steamboat is our constituency</p>
<p>Monitor</p>	<p>SBS SMP</p> <p>Be at the table</p>	<p>*</p> <p>Make sure City understand UYWCD operations</p>
<p>Support nursery production</p> <p>Other opportunities?</p> <p>Build trust</p>	<p>SBS SMP- Monitor Leverage opportunities</p> <p>Forest Health- Monitor Leverage opportunities</p>	

***CWC Statewide
Forest Health Initiative**



B. Contract Negotiations: Pricing Strategy and Policy Priorities

1) **Contract Negotiations.** Tom Sharp shared the background and current status of contract negotiations related to each reservoir: Yamcolo (negotiating with Yampa Irrigators Assn and individual irrigators) and Stagecoach (Tri-State, municipalities, master augmentation plan contracts, and one-year CO Water Trust contracts). We are working to determine and negotiate prices in light of firming expenses, future needs, and policies concerning environmental water, traditional Ag users, and M&I users.

Board discussed principles to emphasize to constituents and partners in our messaging regarding pricing changes and new contracts:

- For business reasons, District is re-pricing after 30 years of baseline pricing and abatement
- Reducing the degree to which we are subsidizing certain contracts
- Firming up municipal water
- Continuing to prioritize Ag use
- Committed to being a good partner and neighbor in light of business needs
- Seeking sustainable pricing structure that also supports the environment

2) **Non-Consumptive Water Policy.** The District will be working on developing this prior to June 2019. Board members emphasized the following principles:

Financial/business considerations:

- Since District needs to pay for it, for business purposes it is justifiable to simply charge what it costs.

- An environmental water policy can be consistent with subsidizing Ag. Consider subsidizing enviro water at under (or up to) 50% of full price.
- Consider allowing policy to be nuanced depending on time period – e.g., long-term vs. preferred pricing. Also, consider making it full price if purpose is outside of the District.
- Consider making the pricing revenue-neutral.

Public relations and messaging

- This is a tool for building public support and opportunity to be seen as leaders in the Basin.
- Conversely, there will be negative reactions to charging full price for environmental water.
- Need to explain that environmental water would not be firm.
- Would be hard to justify if we charge less for enviro water than what Ag users pay.
- A non-consumptive policy should benefit our taxpayers and ensure (justifiable) revenue.

Strategy considerations

- Could environmental water contracts be partially funded by State or feds through the DCP?
- Tri-State as potential partner if delivery of Tri-State water is for environmental scenarios.
- Note some enviro water would also be municipal water. It may depend on what happens when it goes through town: if non-consumptive until wastewater plant, may make more sense to subsidize because it provides benefits to users in lower part of the District.
- Need to consider that District is not only market; don't want to encourage buy+dry.

C. Organizational Planning

- 1) **Work Plan and Annual Review.** Kevin presented his draft work plan. Only significant addition was to suggest that the District add a new Outreach/Education/External Affairs staff person. The Board directed Kevin to develop a job description for Board review. This should also include working with staff and Board to develop a consistent **message** to share with stakeholders and constituents, and **tools/strategies** for sharing the message. See also 'Next Steps' at top of this meeting summary.
- 2) **Office Space.** The Board agreed to proceed with a letter of intent and sign the lease subject to ratification. Ken and Doug will work on moving things forward with the remodel (tenant finish, to be reimbursed). We'll review the lease at the November Board meeting.

VERBAL UPDATE





BOARD COMMUNICATION FORM

From: _Kevin McBride_____

Date: __1/18/2019_____

Item: __Contract Negotiations_____

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

Verbal update from Director Sharp

II. Summary and Alternatives:

N/A

III. Staff Recommendation:

N/A

IV. Legal Issues:

N/A

V. Consistency with Board Goals and Policies:

Update

Attachments:

N/A





BOARD COMMUNICATION FORM

From: Andy Rossi

Date: 01/16/19

Item: Reservoir Water Status

_____	DIRECTION
_____ X _____	INFORMATION
_____	MOTION
_____	RESOLUTION

I. Summary and Background Information:

2018 summary data for Yamcolo Reservoir, Stagecoach Reservoir, and the Yampa River are included for reference materials for a summary discussion of the 2018 water year. Water storage in and releases from Upper Yampa Water Conservancy District (UYWCD) facilities will be presented. Coarse tracking of releases from Stagecoach Reservoir through the Yampa River system will be presented. Yampa River flows from June through November 2018 will be presented. Early winter Yampa Basin snowpack data will be discussed along with preliminary 2019 UYWCD reservoir inflow forecasts.

II. Alternatives:

NA

III. Staff Recommendation:

NA

IV. Legal Issues:

NA

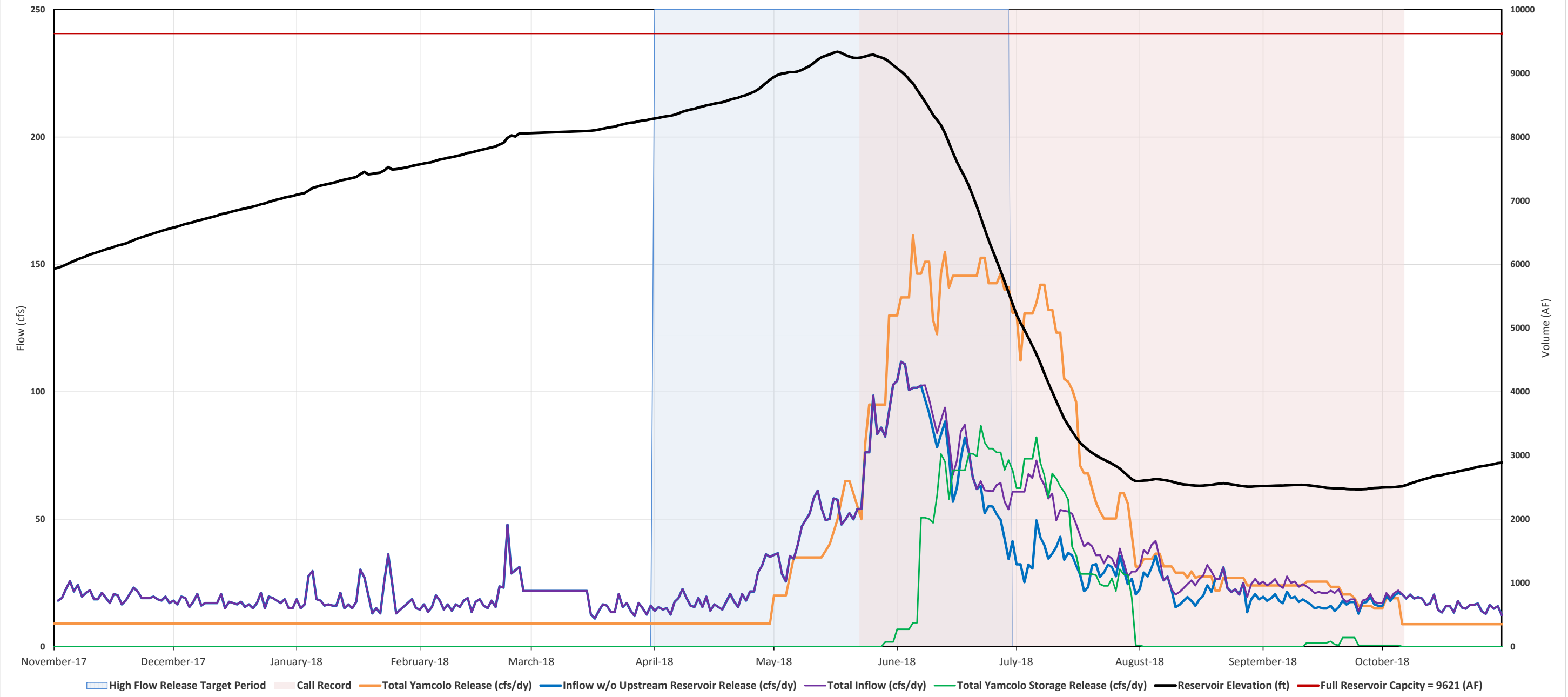
V. Consistency with Board Goals and Policies:

NA

Attachments:

Attachment 1: Reservoir and Yampa River 2018 Summary Data. NRCS Yampa, White, North Platte, Laramie River Basins January Precipitation and Snowpack Data Report.

Yamcolo Reservoir: WY 2018 (Provisional Data)



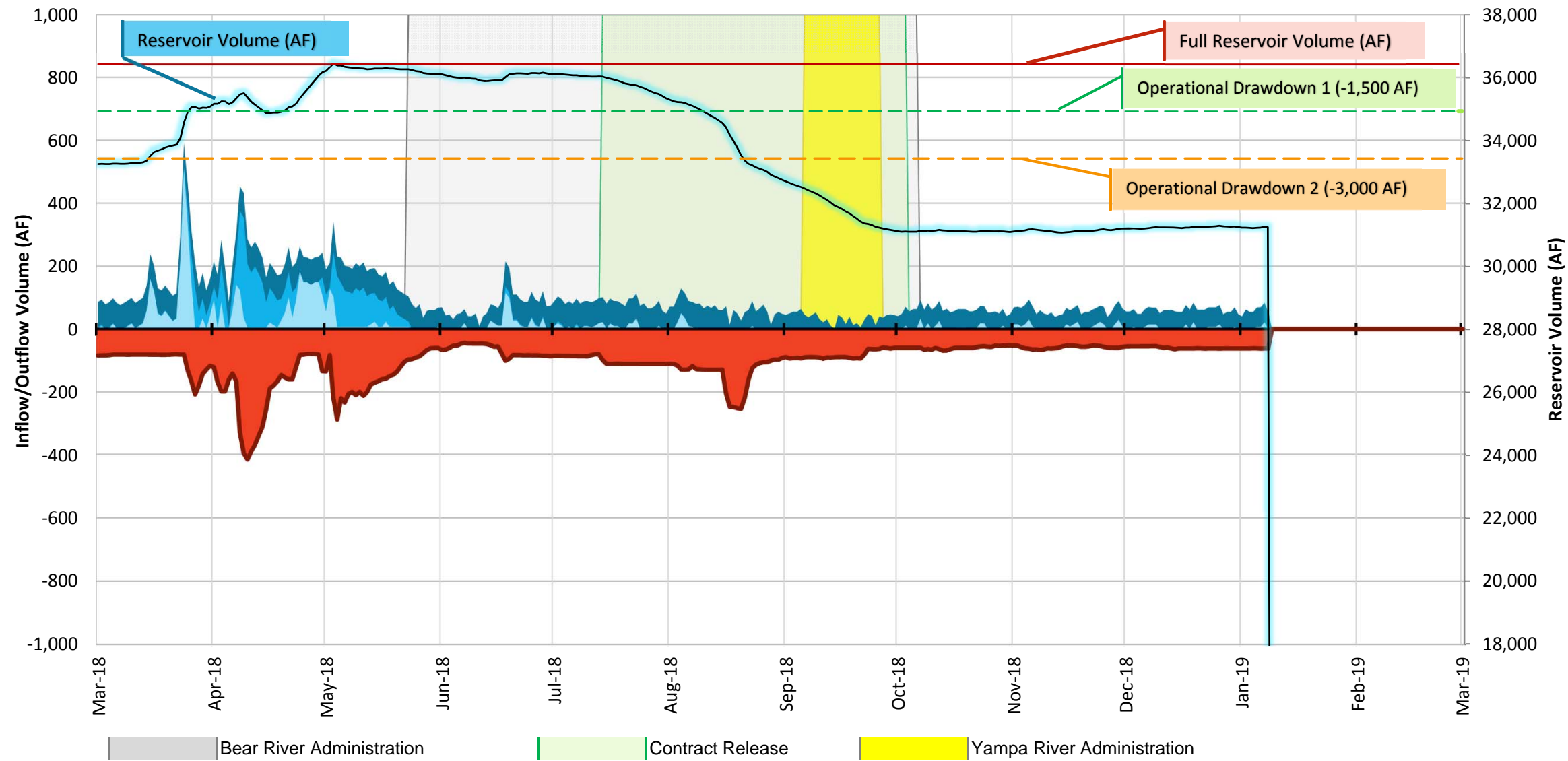
Stagecoach Reservoir Operations

Total Monthly Volume (AF)

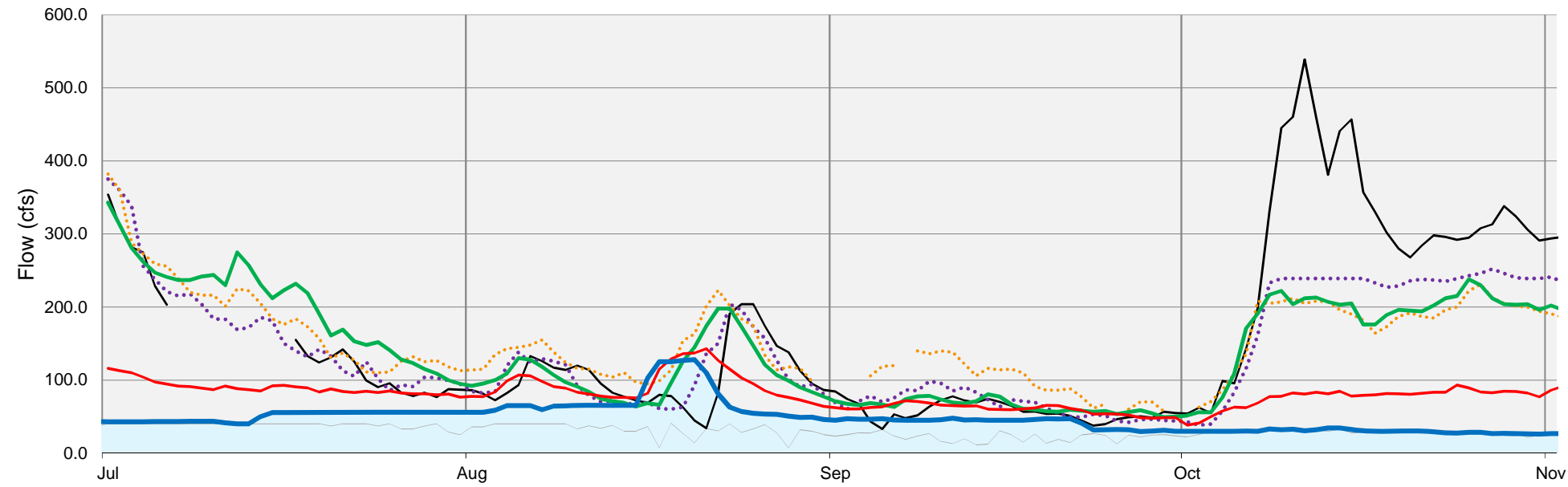
Accounting Year 2018

INFLOW	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total
Physical	4,919	7,081	4,762	2,347	2,637	2,066	1,063	1,903	1,852	1,893	487		31,010
Storable	2,464	4,700	2,439	537	275	133	0	167	268	138	36		11,157
Stored	1,952	1,953	481	475	255	133	0	167	268	138	36		5,858

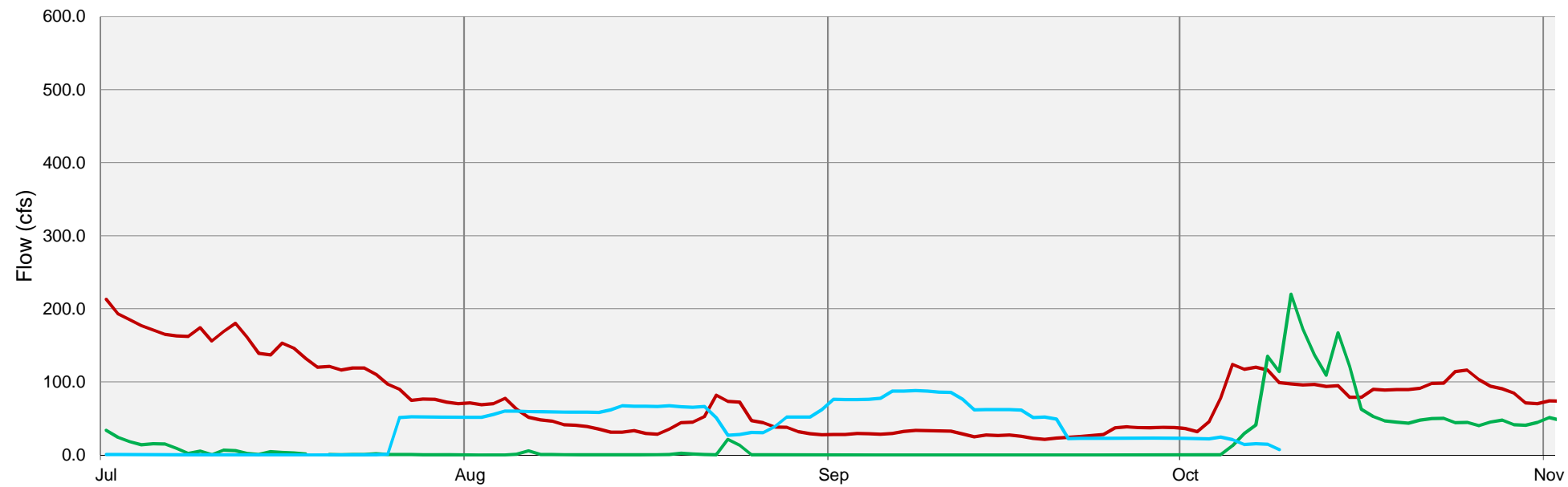
OUTFLOW	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total
Operator	-3,033	-5,856	-4,590	-2,027	-3,083	-4,407	-2,490	-1,842	-1,722	-1,843	-494		-31,387
Spill	0	0	-1	0	0	0	0	0	0	0	0		-1
Gage	-3,033	-5,856	-4,590	-2,027	-3,083	-4,407	-2,490	-1,842	-1,738	-1,845	-494		-31,406



2018 Yampa River Flows (Provisional Data)



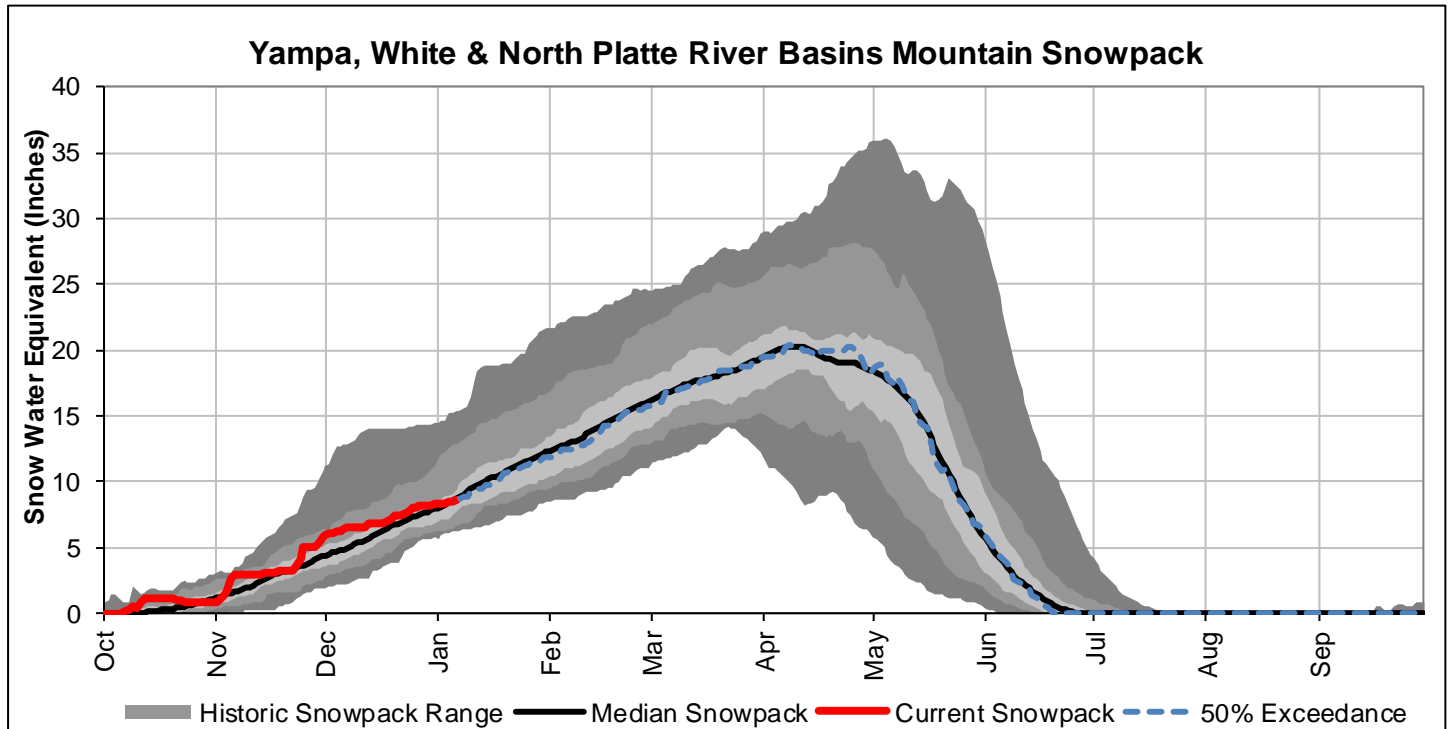
2018 Yampa River Tributary Flows (Provisional Data)



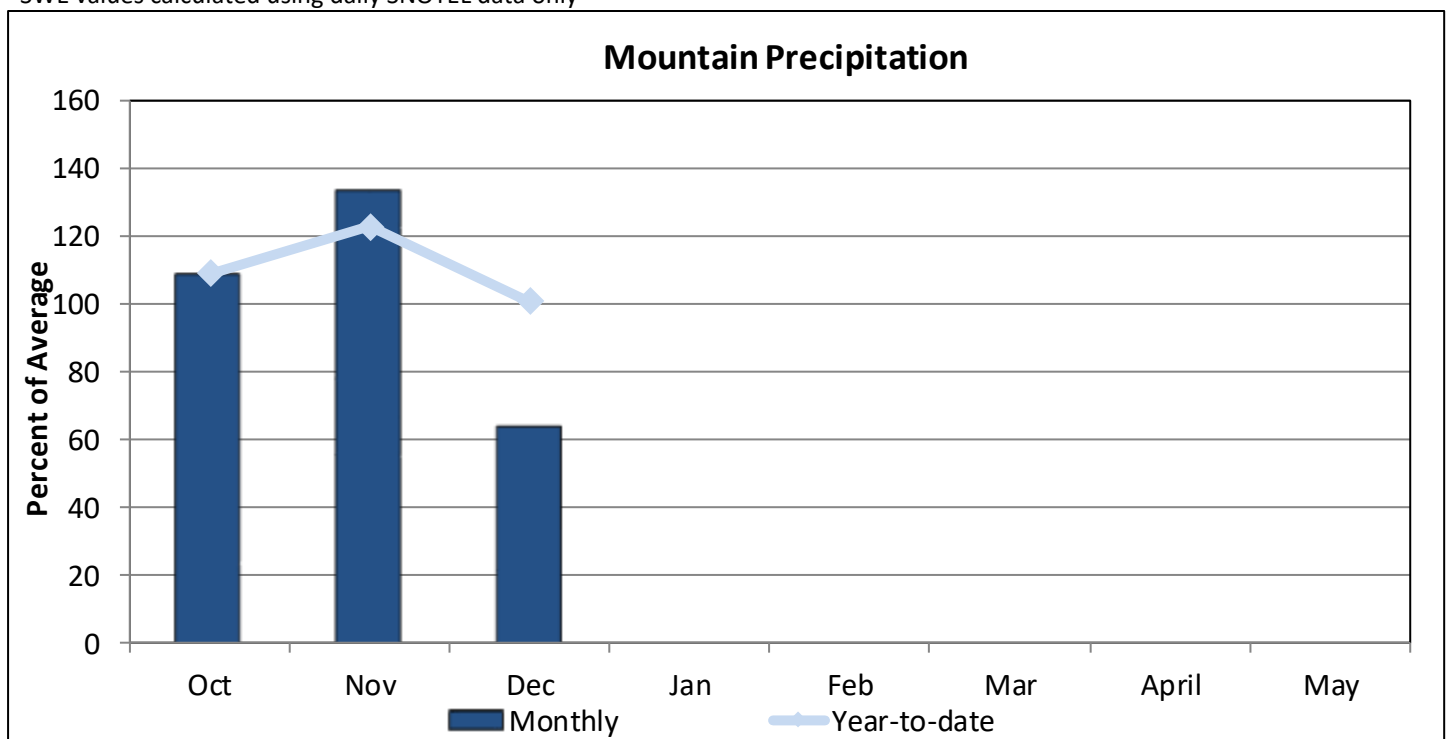
YAMPA, WHITE, NORTH PLATTE, AND LARAMIE RIVER BASINS

January 1, 2019

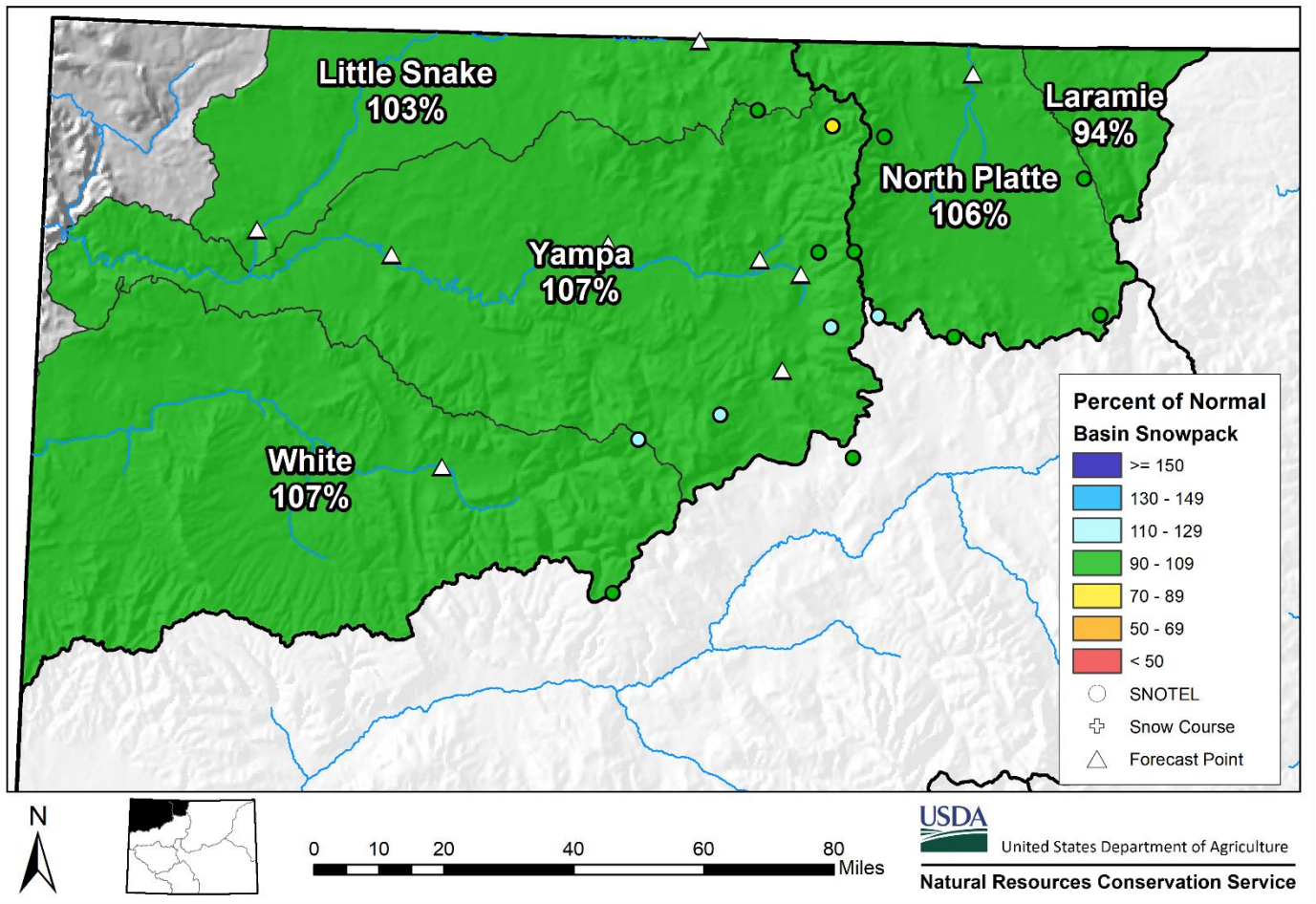
Snowpack in the Yampa, White & North Platte basins is above normal at 104% of the median. Precipitation for December was 64% of average and water year-to-date precipitation is 101% of average. Reservoir storage at the end of December was 97% of average compared to 117% last year. No forecasts are available for January.



*SWE values calculated using daily SNOTEL data only



Yampa, White, and North Platte River Basins Snowpack and Streamflow Forecasts January 1, 2019



Watershed Snowpack Analysis January 1st, 2019

Sub-Basin	# of Sites	% Median	Last Year %	
			% Median	Median
Laramie	2	94	118	
North Platte	8	106	83	
Total Laramie & North Platte	10	104	89	
Elk	2	90	68	
Yampa	9	107	73	
White	3	107	60	
Total Yampa & White	11	105	68	
Little Snake	7	103	71	
Basin-Wide Total	25	104	77	

*SWE values calculated using first of month SNOTEL data and snow course measurements





BOARD COMMUNICATION FORM

From: Andy Rossi

Date: 01/11/19

Item: Draft Water Order Procedure Letter

<input type="checkbox"/>	DIRECTION
<input checked="" type="checkbox"/>	INFORMATION
<input type="checkbox"/>	MOTION
<input type="checkbox"/>	RESOLUTION

I. Summary and Background Information:

The Upper Yampa Water Conservancy District (UYWCD) will notify Yampa River water users of changes to the water contract release procedures for Yamcolo and Stagecoach Reservoirs and water diversion order procedures for the Stillwater-Five Pine Mesa Ditch. The UYWCD will request written documentation from the CDWR of the Transit Losses to be assessed to releases from Stagecoach Reservoir. The UYWCD will request that the BRRC (Bear River Reservoir Company) information about releases from Stillwater Reservoir.

II. Alternatives:

NA

III. Staff Recommendation:

Distribute water order procedure letter to UYWCD water storage contract holders.

IV. Legal Issues:

NA

V. Consistency with Board Goals and Policies:

General information for UYWCD storage contract holders.

Attachments:

Attachment 1: Draft Water Order Procedure Letter



February XX 2019,

DRAFT

J Smith

XXXX

XXXX

XXXX

Dear Sir or Madam,

The Upper Yampa Water Conservancy District (UYWCD) is hereby notifying Yampa River water users of changes to the water contract release procedures for Yamcolo and Stagecoach Reservoirs and water diversion order procedures for the Stillwater-Five Pine Mesa Ditch.

The UYWCD will take and process all orders for storage contract releases from Yamcolo and Stagecoach Reservoirs and orders for water diversions to the Stillwater-Five Pine Mesa Ditch. These orders will be relayed to the Colorado Division of Water Resources (CDWR) staff for the administration of water rights on the Yampa River.

The UYWCD will accept telephone or written requests for water releases from Yamcolo and Stagecoach Reservoirs and water diversions to the Stillwater-Five Pine Mesa Ditch from authorized agents only. Written requests must be sent via e-mail to water@uppervampawater.com. Telephone requests can be made by calling the UYWCD at **970-871-1035, Extension 5**.

Yamcolo and Stagecoach Reservoir storage water release and Stillwater-Five Pine Mesa Ditch water diversion requests must include the following required information:

- Name;
- Storage account reservoir, Storage account name for reservoir storage releases and/or water source name for Stillwater/Five Pine Mesa Ditch diversion (direct flow water right, reservoir storage contract);
- Requested **release rate in cubic feet per second (cfs)** for reservoir storage release and/or requested **diversion rate in cubic feet per second (cfs)** for Stillwater/Five Pine Mesa Ditch diversion;
- Requested release and/or diversion **start date and end date**;
- Release diversion, ditch, or head gate target for CDWR water rights administration and Stillwater-Five Pine Mesa Ditch management.

The schedule for submitting Yamcolo and Stagecoach storage contract releases and Stillwater-Five Pine Mesa Ditch deliveries is as follows:

- Order changes will be made on Tuesday and Friday of every week from May 1, 2019 to October 1, 2019, by 9:00 am. These days will be referred to as “Turn Days”.

Mailing Address
P.O. Box 775529
Steamboat Springs, CO 80477-5529

Location
Fish Creek Filtration Plant
3310 Clear Water Trail

Telephone
(970) 871-1035
Fax (888) 519-3464



- Orders for Turn Days must be received by the UYWCD by 2:00 pm on the day before the Turn Day. Orders for the Tuesday Turn Day must be received by 2:00 pm on Monday. Orders for the Friday Turn Day must be received by 2:00 pm on Thursday.
- The UYWCD will submit the order information for Turn Days to the CDWR staff by 5:00 pm on the day before the Turn Day.
- Orders can be submitted either by telephone or by email as detailed above.

The UYWCD and the CDWR staff will be in the field conducting Yampa River management activities on the Turn Days listed above and on any other day necessary for the administration and delivery of water on the Yampa River. UYWCD and CDWR staff time on the Yampa River will not be limited to Tuesdays and Fridays.

Requests for Yamcolo and Stagecoach releases outside of the May 1, 2019 – October 1, 2019 period will be processed on an individual basis as needed. Please contact Andy Rossi at the UYWCD for all such requests.

Reservoir storage account and Stillwater-Five Pine Mesa Ditch delivery account tracking reconciliation will be completed, at a minimum, on a weekly basis. Reservoir storage account balances will be posted at www.upperyampawater.com every Friday afternoon from May 1, 2019 to October 1, 2019.

For questions concerning water storage account balances for Yamcolo and Stagecoach Reservoirs, please contact Andy Rossi at the contact information provided in this letter. For questions regarding water storage account balances for Stillwater Reservoir please contact Andrea Schaffner of the Bear River Reservoir Company.

The following additional information is included with this letter for your use:

1. Colorado Division of Water Resources Stream Transit Loss Information
2. Bear River Reservoir Company Storage Release Information for Stillwater Reservoir
3. Example Yampa River Water Order and Turn Day Water Order Data Sheet

Sincerely,

Andy Rossi
District Engineer
Upper Yampa Water Conservancy District
arossi@upperyampawater.com
970-871-1035



MEMORANDUM

To: Bear River Reservoir Water Users

From: Erin Light, Division Engineer

Date: April 9, 2018

Re: Assessment of Transit Loss for the Delivery of Stored Water

Water Division 6 will be implementing the assessment of a **transit loss** associated with the release and delivery of stored water from Stillwater and Yamcolo Reservoirs for the 2018 Irrigation Season as well as subsequent irrigation seasons.

The assessment of a **transit loss** is consistent with the State Engineer's Reservoir Administration Guidelines and assessed in order to ensure senior water rights are protected from injury.

A **transit loss** for each ditch on the Bear River taking delivery of stored water from either Stillwater or Yamcolo Reservoirs will be assessed based on the distance the delivery headgate is located, **in miles**, from the respective reservoir. The **transit losses** are as follows:

For ditches located **0.0 - 0.5 miles** from either reservoir the **transit loss will be 0%**.
For ditches located **0.5 - 4 miles** from either reservoir, the **transit loss will be 0.80%**.
For ditches located **4 - 8 miles** from either reservoir, the **transit loss will be 1.60%**.
For ditches located **8 - 12 miles** from either reservoir, the **transit loss will be 2.40%**.
For ditches located **12 - 16 miles** from either reservoir, the **transit loss will be 3.20%**.

All orders for the delivery of stored water must be for the amount the water user wants released from their contract account in Cubic Feet per Second (CFS).

Examples:

0.5 - 4 miles: 10 CFS desired delivery to headgate would require an order of reservoir water for **10.08 CFS** from the contract account. Or, 10 cfs desired release from contract account would result in **9.92 CFS** delivered at the headgate.



4 - 8 miles: 10 CFS desired delivery to headgate would require an order of reservoir water for 10.16 CFS from the contract account. Or, 10 cfs desired release from contract account would result in 9.84 CFS delivered at the head gate.

8 - 12 miles: 10 CFS desired delivery to headgate would require an order of reservoir water for 10.24 CFS from the contract account. Or, 10 cfs desired release from contract account would result in 9.76 CFS delivered at the head gate.

12 -16 miles: 10 CFS desired delivery to headgate would require an order of reservoir water for 10.32 CFS from the contract account. Or, 10 cfs desired release from contract account would result in 9.68 CFS delivered at the head gate.

Ditch Transit Loss Assessment From Stillwater Reservoir:

0% (ditches located between 0 - 0.5 miles):

None

0.8% (ditches located between 0.5 - 4 miles):

None

1.6% (ditches located between 4 - 8 miles):

Stillwater/Five Pine Mesa, Coal Creek

2.4% (ditches located between 8 - 12 miles):

Big Mesa, Hutchinson, Lindsey, Lancaster, Buckingham Mandall, Baumfalk, Charles & A. Leighton, Edmission, and Mandall

3.6% (ditches located between 12 - 16 miles):

Acton, Wooley, Fix, Mill, Cox, Hernage, Pennsylvania, Van Camp, Bird, Nickell

Ditch Transit Loss Assessment From Yamcolo Reservoir:

0% (ditches located between 0 - 0.5 miles):

Stillwater/Five Pine Mesa

0.8% (ditches located between 0.5 - 4 miles):

Coal Creek, Big Mesa

1.6% (ditches located between 4 - 8 miles):

Hutchinson, Lindsey, Lancaster, Buckingham Mandall, Baumfalk, Charles & A. Leighton, Edmission, Mandall, Acton, Wooley

2.4% (ditches located between 8 - 12 miles):

Fix, Mill, Cox, Hernage, Pennsylvania, Van Camp, Bird, Nickell



DISTANCES BETWEEN RESERVOIRS AND DITCHES

<u>Ditch</u>	<u>Stillwater</u>	<u>Yamcolo</u>
Stillwater	5.05	0
Coal Creek	6.42	1.37
Big Mesa	8.01	2.96
Hutchinson	9.28	4.23
Lindsey	10.47	5.42
Lancaster	10.71	5.66
Buckingham	10.86	5.81
Baunfalk	11.43	6.38
Charles A Leighton	11.62	6.57
Emmisson	11.75	6.1
Mandall	11.81	6.77
Acton	12.66	7.61
Wooley	12.86	7.81
Fix	13.19	8.14
Mill	14.41	9.36
Cox	14.54	9.49
Hernage	14.63	9.58
Pennsylvania	15.48	10.24
Van Camp	16.41	11.37
Bird	16.41	11.37
Nickell	16.58	11.54

Transit Loss	Mileage
0%	0.0 - 0.5
0.80%	0.5 - 4.0
1.60%	4.0 - 8.0
2.40%	8.0 - 12.0
3.20%	> 12.0

DRAFT

Turn Day Date: **08/31/18**

UPDATE:

	Original Order Date	Reservoir Source	Storage Contract	Release Rate (cfs)	Release Target	Release Start Date	Release End Date	Notes
1	08/21/18	Stillwater	Fisher	5	SW Ditch	08/21/18	TBD	Only while out of priority, SW ditch laterals: Myrin T=1cfs; Myrin=4cfs
2	08/21/18	Stillwater	Kirkpatrick	1	SW Ditch	08/21/18	exhaustion	
3	07/10/18	Yamcolo	Rossi, YIA	2	Wooley Ditch	07/10/18	09/14/18	
4	07/10/18	Yamcolo	Flint, Ind. Irr.	3	Hernage Ditch	07/24/18	TBD	Not to begin unless out of priority, standing order confirmed on 07/30/18.
5	08/31/18	Stagecoach	Tri-State	15	Craig Station	08/31/18	TBD	
6	08/31/18	Stagecoach	City of Steamboat Springs	10	CSST Muni	08/31/18	09/28/18	

Reservoir Total Storage Release (cfs)	Notes:
Stillwater 6	SW R Storage to SW D = 6
Yamcolo 5	SW R Storage to Bear R. = 0
Gardner Park 0	Yamcolo Storage to SW D = 0
Stagecoach 25	Yamcolo Storage to Bear R. = 5
Total Bear River Storage 11	Total Storage to SW D = 6
Total Yampa Blw SC Storage 25	Total Storage to Bear R. = 5
	2 =Total Storage to Bear R. w/o Hernage Diversions
	SW R + Yam Storage = 11
	w/Hernage
	SW R + Yam Storage = 8
	w/o Hernage

Target Total Storage Diversion to Bear River (cfs)	Notes:
Acton Ditch 0	All Diversions to be confirmed by CDWR
Baumfalk Ditch 0	
Big Mesa Ditch 0	
Bird Ditch 0	
Buckingham-Mandall Ditch 0	
Coal Creek Ditch 0	
Hernage Ditch 3	
Hutchison Ditch 0	
Lancaster Ditch 0	
Lindsey Ditch 0	
Mandall Ditch 0	
Pennsylvania Ditch 0	
SW Ditch 6	
Wooley Ditch 2	
TBD 0	
Total 11	

Target Total Storage Diversion to Yampa River Blw SC (cfs)
CSST Muni 10
Craig Station 15
Total 25

SW Ditch Laterals
Smith Basin
Kirkpatrick 1
Topping
Acord
Myrin T 1
Schaffner
Palmer
Redmond
Myrin 4
Upper Hamilton
Lower Hamilton
Myrin 700
Upper Hassig
Upper Crowner
Lower Hassig
Hill's Hill
Lower Crowner
New Flader
Ricca
Myrin Syphon
Total 6

GP to SW D = 0





BOARD COMMUNICATION FORM

From: Bob Weiss, Andy Rossi

Date: 01/11/19

Item: Stagecoach-Williams Fence and Boundary Agreement

<input type="checkbox"/>	DIRECTION
<input type="checkbox"/>	INFORMATION
<input checked="" type="checkbox"/>	MOTION
<input type="checkbox"/>	RESOLUTION

I. Summary and Background Information:

UYWCD is the owner of that certain real property in Routt County, Colorado known as Assessor's Parcel No. 950293001 ("UYWCD Parcel").

The Williams Parcel and UYWCD Parcel adjoin each other along the northern boundary of the Williams Parcel and the southern boundary of the UYWCD Parcel.

An old fence was located in the general vicinity of the above described common boundaries between the Williams Parcel and UYWCD Parcel (the "Old Fence"), said fence was in disrepair and in need of replacement. The Williams believe that the Old Fence was never intended to accurately delineate the legal boundaries nor to alter the boundaries of the respective properties.

The parties have constructed a new fence (the "New Fence"). The New Fence as it has been constructed at this date is not on the boundary between the respective parties' parcels. The cost of materials for the new fence was shared equally by the parties. Williams erected the new fence.

The proposed agreement attached was drafted by the Williams and submitted to the District for approval.

II. Alternatives:

Approve the Agreement as drafted or propose changes.

III. Staff Recommendation:

Authorize legally recognized UYWCD representative to sign Stagecoach-Williams Property Fence and Boundary Agreement.



IV. Legal Issues:

We have been advised by Counsel Weiss that it is common for adjacent owners to enter in to convenience fence agreements where a fence is not constructed on the property boundary. Such agreements often include provisions waiving adverse possession claims and sometimes contain provisions regarding shared maintenance. As a matter of Colorado law, adverse possession claims may not be made against government entities. It appears in this case that the old fence may encroach in to the Williams property. If the District agrees to this agreement as drafted it would be waiving any claim of adverse possession to this encroaching strip.

V. Consistency with Board Goals and Policies:

Board policy is to protect District assets and to maintain cordial relations with District constituents and neighboring property owners. The Board's action with respect to this agreement should be considered in light of these policies.

Attachments:

Attachment 1: Stagecoach-Williams Property Fence and Boundary Agreement

FENCE AND BOUNDARY AGREEMENT

THIS FENCE AND BOUNDARY AGREEMENT ("Agreement") is made on the ____ day of _____, 2018, by and between Steven J. Williams and Pamela A. Williams, as Trustees of the **Steven J. Williams Living Trust, dated October 11, 2005** and Steven J. Williams and Pamela A. Williams, as Trustees of the **Pamela A. Williams Living Trust, dated October 11, 2005**, whose address is 29655 Herold Way, Oak Creek, CO 80467 ("Williams") and **Upper Yampa Water Conservancy District**, whose mailing address is PO Box 775529, Steamboat Springs, CO 80477 ("UYWCD").

RECITALS

A. Williams are the owners of that certain real property in Routt County, Colorado more particularly described in the Warranty Deed recorded November 30, 2010 at Reception No. 706369 ("Williams Parcel").

B. UYWCDs are the owners of that certain real property in Routt County, Colorado known as Assessor's Parcel No. 950293001 ("UYWCD Parcel").

C. The Williams Parcel and UYWCD Parcel adjoin each other along the northern boundary of the Williams Parcel and the southern boundary of the UYWCD Parcel.

D. An old fence was located in the general vicinity of the above described common boundaries between the Williams Parcel and UYWCD Parcel (the "Old Fence"), said fence was in disrepair and in need of replacement as shown on the attached **EXHIBIT A**. The parties agree that the Old Fence was never intended to accurately delineate the legal boundaries nor to alter the boundaries of the respective properties.

E. The parties have constructed a new fence (the "New Fence"), the location of said New Fence is as shown on the attached **EXHIBIT A**. Again, the New Fence is not intended to designate a boundary or to alter the boundaries of the respective properties.

NOW, THEREFORE, in consideration of the Recitals, which are part of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Pursuant to Colo. Rev. Stat. §38-44-112, the parties agree that mutual boundaries between the Williams Parcel and the UYWCD Parcel shall be the actual legal descriptions of the parcels and that neither the Old Fence nor the New Fence lines shall alter such boundaries.

2. As to the Old Fence and New Fence (collectively, the "Fence"), Williams and UYWCD agree as follows:

- a. The Fence as it has been constructed at this date is not on the boundary between the respective parties' parcels and will not be claimed as a boundary fence;
- b. Neither party shall be required to remove such fence where it encroaches on the other party's real property;
- c. Either party may repair or maintain the Fence on such party's real property at such party's own discretion and own expense and without the consent of the other party provided that if and where there is continuous fence, such fence remains continuous to meet its intended purpose of containing livestock and protecting the river and riparian areas;
- d. Neither party shall be entitled to enter the real property of the other to remove such fence except as is necessary to connect the Fence to any fence in a manner necessary to contain

- livestock and protect the river and riparian areas; and
- e. Nothing herein is intended to preclude either party from constructing fences on such party's own property.

3. Williams hereby releases, relinquishes, any claim to the UYWCD Parcel, whether acquired by adverse possession, prescription or otherwise, relating to the area between the New Fence and the actual legal description boundary of the UYWCD Parcel.

4. UYWCD hereby releases, relinquishes, any claim to the Williams Parcel, whether acquired by adverse possession, prescription or otherwise relating to the area between the Old Fence and the actual legal description boundary line of the Williams Parcel

5. This Agreement shall run with the land and shall be binding on and inure to the benefit of each of the signatories hereto and their respective successors and assigns as the same relates to the common boundaries between the land of each signatory. This Agreement shall be governed by the laws of the State of Colorado.

6. By its execution hereof; each party hereto represents and warrants to the other parties that it or its representative signing hereunder has full power and lawful authority to execute this Agreement and bind said party and its respective real property to the terms hereof. Each party represents and warrants that they have obtained all necessary consents to the execution hereof and that no other person or entity has any interest in the real property affected hereby that would restrict such authority to execute this Agreement or affect the binding nature of this Agreement.

7. The parties may execute this Agreement in multiple counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the parties need not appear on the same counterpart. This Agreement is effective upon delivery of one executed counterpart from each party to the other parties. In proving this Agreement, a party must produce or account only for the executed counterpart of the party to be charged.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

STEVEN J. WILLIAMS LIVING TRUST
dated October 11, 2005

Steven J. Williams, Trustee

Pamela A. Williams, Trustee

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by Steven J. Williams and Pamela A. Williams as Trustees of the Steven J. Williams Living Trust dated October 11, 2005.

WITNESS my hand and official seal.
My commission expires: _____.

Notary Public

PAMELA A. WILLIAMS LIVING TRUST
dated October 11, 2005

Pamela A. Williams, Trustee

Steven J. Williams, Trustee

STATE OF COLORADO)
) ss.
COUNTY OF ROUTT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2018, by Pamela A. Williams and Steven J. Williams as Trustees of the Pamela A. Williams Living Trust dated October 11, 2005.

WITNESS my hand and official seal.
My commission expires: _____.

Notary Public

NE CORNER
S1/2 NE1/4
SECTION 2,
T3N, R85W, 6TH P.M.
RECOVERED ALUMINUM CAP
STAMPED RLS 16394

NOTES:

1. THIS EXHIBIT DOES NOT REPRESENT A MONUMENTED SURVEY. IT IS INTENDED ONLY TO DEPICT THE INFORMATION REQUESTED BY OUR CLIENT.
2. BOUNDARY INFORMATION IS SHOWN HEREON BASED ON INFORMATION PROVIDED BY OUR CLIENT TOGETHER WITH PROPERTY CORNER MONUMENTS RECOVERED IN THE FIELD.
END POINTS OF THIS PLAT TIE TO THE LAND SURVEY PLAT OF THE WILLIAMS WARRANTY DEED RECEPTION #706369 REFERENCED IN THE FENCE AND BOUNDARY AGREEMENT AND TO WHICH THIS PLAT IS EXHIBIT A
3. THE LOCATION OF THE YAMPA RIVER WAS NOT FIELD SURVEYED AND IS SHOWN APPROXIMATELY AND FOR INFORMATION PURPOSES ONLY.
4. FENCE LINE IS SHOWN BASED ON FIELD SURVEYED POINTS.

N LINE S1/2 NE1/4
SECTION 2,
T3N, R85W, 6TH P.M.
N89°51'25"W 2547.05'

S86°54'51"W
576.67'

"Old" WIRE FENCE

32.5'

Connector between "old and "new wire fences
35.66'

N24°14'16"W

N89°51'43"W
726.36'

"New" WIRE FENCE
ON ALIQUOT
SECTION LINE

UPPER YAMPA WATER
CONSERVANCY DISTRICT
ROUTT COUNTY PARCEL NO.
950293001

STEVEN J. WILLIAMS LIVING TRUST &
PAMELA A. WILLIAMS LIVING TRUST
RECEPTION NO. 706369

N55°26'58"W
95.53'

S77°39'08"W
79.85'

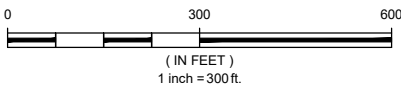
WIRE FENCE
S55°51'44"W
64.99'

YAMPA
RIVER

N89°51'34"W
1018.56'

"New" WIRE FENCE
ON ALIQUOT
SECTION LINE

RECOVERED NO. 5 REBAR
W/ PLASTIC CAP
STAMPED RLS 16394



www.landmark-co.com

PROJECT: 2365-002

DATE: 11-06-18

DRAWN BY: JAG

CHECKED BY:

DRAFT
11-06-18

EXHIBIT A
FENCE LINE LOCATION
LOCATED IN THE NE1/4 SECTION 2,
TOWNSHIP 3 NORTH, RANGE 85 WEST, 6TH P.M.;
COUNTY OF ROUTT,
STATE OF COLORADO

SHEET

1

Of 1 Sheets





BOARD COMMUNICATION FORM

From: Andy Rossi

Date: 01/16/19

Item: Upper Yampa River Water Quality Study

<input type="checkbox"/>	DIRECTION
<input type="checkbox"/>	INFORMATION
<input checked="" type="checkbox"/>	MOTION
<input type="checkbox"/>	RESOLUTION

I. Summary and Background Information:

The Upper Yampa River Watershed Group (UYRWG), operating under the Routt County Conservation District (RCCD), was established in 2011 and represents a collaboration to protect and enhance the long-term health of the upper Yampa River watershed, extending from the headwaters of the Yampa River to the confluence with, and including Elkhead Creek. The Upper Yampa Water Conservancy District (UYWCD) had a prominent role in the establishment of this group in the form of a significant financial contribution to the UYRWG and active participation in the UYRWG Technical Advisory Committee.

In 2014, the UYRWG completed the State of the Watershed Report. This report contains introductory information on watershed characteristics, water quality parameters, and natural and human influences on water quality. The 2014 State of the Watershed Report was followed in 2016 by the Upper Yampa River Watershed Plan (WP). This WP has now been accepted by the Colorado Department of Public Health and Environment's Watershed Division. The executive summary of the WP is included with this memorandum for reference. This WP, along with the State of the Watershed Report, constitute major milestones in the ongoing efforts to position the UYRWG to seek future funding for the implementation of individual projects of benefit to the Upper Yampa watershed.

There are several potential sources of funding for projects that have been identified in the WP. To qualify for these funding sources, a fiscal mechanism such as a 501(c)(3) non-profit organization or governmental agency acting as a fiscal agent is usually required. Accordingly, in 2018, the UYRWG began discussions with potential fiscal agents in our region including the UYWCD to assist with the UYRWG's first project:



Characterization of streamflow, suspended sediment, and nutrients in the Upper Yampa Basin, 1985 - 2018.

This study will be a water quality data analysis and interpretation performed by the United States Geological Survey's (USGS) Southwest Region Colorado Water Science Center. The main objective of the proposed study is to characterize selected water quality and quantity conditions in the Upper Yampa River Basin to better understand pending regulatory and toxicity concerns. Data used for the study will be subject to USGS quality assurance protocols. As part of the proposed study, the USGS will provide a printed USGS Scientific Investigation Report at the end of fiscal year 2019.

In March of 2018, the UYWCD Board of Directors (BOD) authorized the UYWCD staff to draft a formal agreement for the UYWCD to act as the fiscal agent to assist with the UYRWG's first project: Characterization of streamflow, suspended sediment, and nutrients in the Upper Yampa Basin, 1985 -2018. This agreement was drafted in consultation with the UYWCD General Counsel and District Manager and was presented to and approved by the UYWCD BOD at the May 2018 UYWCD BOD meeting.

The total estimated cost for the proposed study is \$144,500. The USGS has committed to requesting approval for a \$47,076-cost share for the proposed study from the USGS cost center. In addition to the USGS cost share, the UYRWG solicited funding in the amount of \$5,000 from each of the following sources: UYWCD, City of Steamboat Springs, Routt County, and Mount Werner Water. If successfully secured, these individual \$5,000 funding amounts coupled with the USGS funding will cover approximately 50% of the estimated project costs.

The UYRWG applied for \$77,424.00 in funding from the Yampa White Green Basin Roundtable (YWG RT) Water Supply Reserve Fund (WSRF) grant program and made a presentation on October 17, 2018 for the YWG RT's first reading of the grant application. The grant application was approved by a final YWG RT vote on November 14, 2018. The grant application has now been sent onto the Colorado Water Conservation Board (CWCB) for approval and final contracting. The CWCB board will vote on the final approval of the grant application on January 28, 2019.

The UYWCD's approved 2019 budget includes \$5,000 to be provided for this study. The UYWCD staff hereby requests that the \$5,000 included in the approved 2019 UYWCD budget be appropriate for the study.



II. Alternatives:

Vote on appropriation of funds.

III. Staff Recommendation:

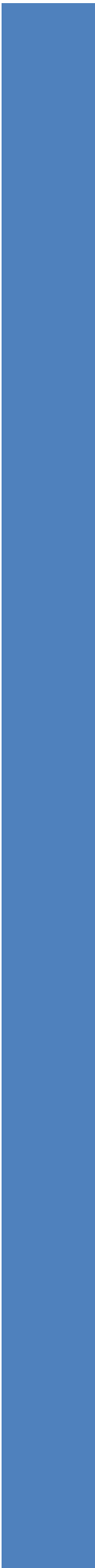
Approve the appropriation of \$5,000 from the approved 2019 budget for the *Characterization of streamflow, suspended sediment, and nutrients in the Upper Yampa Basin, 1985 - 2018 Study*.

IV. Legal Issues:

NA

V. Consistency with Board Goals and Policies:

The UYWCD seeks to lead water resource management within the District's boundaries by responsibly conserving, protecting, developing, providing and enhancing the water resources of the Yampa River Basin. The UYWCD will initiate and participate in projects that embody and promote the protection of water rights, provide broad benefits to District constituents and develop projects that provide responsible conservation, responsible growth, beneficial water storage and usage, and public awareness within the UYWCD.



BOARD COMMUNICATION FORM

From: Scott Grosscup, legal counsel

Date: January 15, 2019

Item: Water Horse Resources

X_____ DIRECTION
_____ INFORMATION
_____ MOTION
_____ RESOLUTION

I. Request/Issue and Background Information: Water Horse Resources made its presentation to the Utah State Engineer on November 7, 2018 about its request to divert water from the Green River to Colorado's eastern slope. Several opponents raised concerns about the application, including the Upper Yampa Water Conservancy District in cooperation with the Colorado River Water Conservation District.

On December 10, 2018, the Utah State Engineer provided Water Horse Resources with a letter requesting additional information to determine how the application satisfies Utah's export statute. The information request generally included information on how water would be counted against the two states' compact allocation, whether water was available for appropriation, cost estimates and financial viability of the project. The Applicant has until February 8 to respond and protestors until March 10 to respond to the supplemental information.

II. Summary and Alternatives: Does the Board desire to allocate additional funding above the \$12,500 previously authorized to Utah counsel for continued participation?

III. Staff Recommendation: It is unclear what information the Applicant has or will be able to produce in response to the Utah State Engineer's request. I suggest that the Board authorize Utah counsel to review any documents that may be provided in February in an amount not to exceed \$2,500 and that staff report back at the February meeting for additional Board input and direction.



BOARD COMMUNICATION FORM

(Not Confidential and Privileged Attorney-Client Communication)

From: Robert Weiss, legal counsel

Date: January 23, 2019

Item: Board Appointments

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information: Current Board terms for Directors Monger (Division 1, Jones (Division 2) and Woodmansee (Division 3) expire March 8, 2019.

II. Summary and Alternatives: Published notice attached. Application deadline is February 15, 2019.

III. Staff Recommendation: None. Appointments made by District Court.

IV. Legal Issues: None

V. Consistency with Board Goals and Policies: Not applicable.

VI. Fiscal Impact: None

Attachments:

Attachment 1: Published notice

PUBLIC NOTICE

**APPLICATIONS FOR APPOINTMENT OF DIRECTORS
OF THE UPPER YAMPA WATER CONSERVANCY DISTRICT**

NOTICE IS HEREBY GIVEN that applications for appointment of three (3) directors of the Upper Yampa Water Conservancy District are being accepted by the Clerk of the Combined Court, Routt County Courthouse, 1955 Shield Drive, Unit 200, Steamboat Springs, Colorado 80487. Applications with a resume showing a background in agricultural, municipal, industrial and other interests in the beneficial use of water within the District must be received by the Clerk no later than February 15, 2019 at the address set forth above. An application form may be requested from Karina Craig, Office Manager, at kcraig@upperyampawater.com. To be eligible, an applicant must have resided within the Upper Yampa Water Conservancy District for a period of one year and be the owner of real property within the District. In addition, the applicant must be a resident of the division which he seeks to represent.

One Board member will be appointed from each of the following divisions for a four-year term beginning March 8, 2019.

Division 1 (Hayden area) which consists of that part of the District lying West from the East boundary of Range 87 West of the 6th P.M., including all that part of the District contained in Moffat County.

Division 2 (Steamboat Springs area) which consists of that part of the District lying East of the West boundary of Range 86 West of the 6th P.M. and North of the South boundary of Township 6 North of the 6th P.M.

Division 3 (Oak Creek/Yampa area) which consists of that part of the District lying East of the West boundary of Range 86 West of the 6th p.m. and South of the North boundary of Township 5 North of the 6th P.M.

A map showing the District and the boundaries of each division within the District is available for inspection in the office of the District located at 3310 Clearwater Trail, Steamboat Springs, Colorado 80487.

Information about the District is available on the District's website at <http://www.upperyampawater.com/> Questions regarding the District and the responsibilities of Directors should be directed to Kevin McBride, General Manager, at 871-1035.

Date of Publication: January 13, 2019.

UPPER YAMPA WATER CONSERVANCY DISTRICT

By: /s/ Kevin McBride
Kevin McBride, Manager



BOARD COMMUNICATION FORM

From: Scott Grosscup, legal counsel

Date: January 15, 2019

Item: Water Resume Review

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

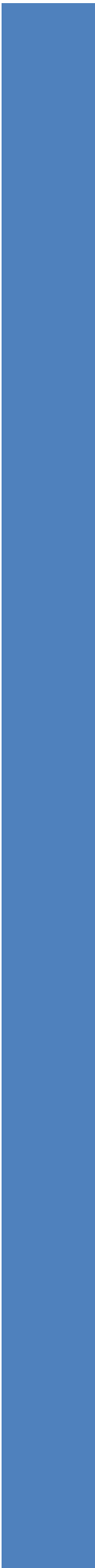
I. Request/Issue and Background Information: I reviewed the Water Resumes for Water Divisions 5 and 6 for water court filings in the month of December and did not identify any water applications that would impair or injure the District's water rights. Thus, I do not recommend the District file any statements of opposition at this time.

I did identify two applications of general interest, however. The first is Case No. 18CW3046, by the Steamboat Ski & Resort Corporation. This is an application to move the ski area's snowmaking intake downstream approximately 550, which will improve efficiency. While the District's water rights are not mentioned in this application, presumably this new intake will allow for the ski area's use of the contracted for water.

The second is an application is by Colowyo Coal Company for an appropriative right of exchange to deliver water from Elkhead Reservoir to the confluence of the Yampa River and Milk Creek in Moffat County and exchanged up Milk Creek to the Colowyo's diversion points. This case may be in part a result from administration of the Yampa River last summer.

VERBAL UPDATE





BOARD COMMUNICATION FORM

(Not Confidential and Privileged Attorney-Client Communication)

From: Robert Weiss, legal counsel

Date: January 23, 2019

Item: Yampa Call

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information: The District sent the attached letter to Erin Light regarding the Yampa Call. Her response is attached.

II. Summary and Alternatives: The options available to the District include monitoring the situation, making a request to the Division Engineer to provide additional information and to independently research this matter. Staff requests any direction the Board is prepared to give at this point.

III. Staff Recommendation: The staff believes the action to be taken in this matter is a Board policy decision. Counsel for the District will be prepared to discuss the legal issues connected with this matter in Executive session.

IV. Legal Issues: The legal issues connected with this matter include many of the questions posed to the Division Engineer. These involve the legal basis for the Yampa call and any process by the State Engineer to find the Yampa to be over-appropriated.

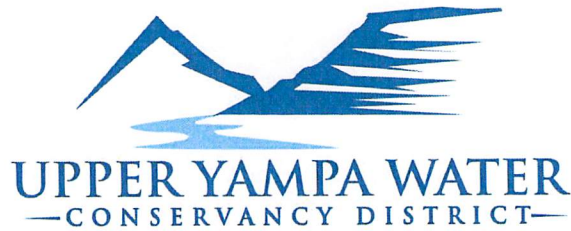
V. Consistency with Board Goals and Policies: The UYWCD Board has expressed concern about how future administration of the Yampa would affect its operation of Stagecoach Reservoir and the implications of administration to its constituency.

VI. Fiscal Impact: If this matter is further pursued by the District it is expected the District would incur additional engineering and legal costs.

Attachments:

Attachment 1: Letter to Erin Light dated November 19, 2018

Attachment 2: Erin Light Response dated January 2, 2019



November 19, 2018

Mrs. Erin Light, P.E.
Division Engineer, Water Division 6
505 Anglers Drive, Suite 101
Steamboat Springs, CO 80487

RE: Yampa River Administration

Dear Erin,

The Upper Yampa Water Conservancy District (“UYWCD”) appreciates you taking the time to discuss the administration of the Yampa River this summer with the Board at its September 19, 2018 meeting. The UYWCD would like to better understand the facts that caused the Yampa River to be under administration and the implications on future water development and water rights administration within the basin. The UYWCD is not only concerned about how future administration will affect its operation of Stagecoach Reservoir but it is also concerned about the implications of administration to its constituency.

The Board would appreciate getting a summary from you of the precipitating factors that caused you to put the Yampa River under administration. Who, i.e., which entity asked for the river to be placed on call? What was the calling structure, water right, and are structures in place to allow it to place a valid call? What factors did you consider when placing the call? Did the subsequent curtailment of water users affect river conditions and supply the calling water right(s)? Approximately how many water users were curtailed and what was the collective flow rate of the curtailment?

The UYWCD is also very concerned about what a call placed on the lower system means for future water use and development within the entire Yampa system. Does this mean that all future well permits, other than statutorily exempt wells, will require court-decreed augmentation plan or a substitute water supply plan? What does administration mean for the endangered fish recovery program? The UYWCD, on behalf of its constituents, believes that it is a stakeholder in any future determination of whether the Yampa is determined to be over-appropriated and will appreciate the opportunity to participate in those discussions.

The UYWCD thanks you for your time and thoughtful response to these questions.

Sincerely,

Ken Brenner
Board President
Upper Yampa Water Conservancy District



January 2, 2019

Ken Brenner, Broad President
Upper Yampa Water Conservancy District
P.O. Box 775529
Steamboat Springs, CO 80477
Email: kpbrennersteamboat@gmail.com

Re: Explanation of Yampa River Administration

Dear Mr. Brenner,

Thank you for your letter dated November 19, 2018 requesting information concerning the administration of the Yampa River in 2018. In this letter, you asked that I answer several questions that you and the Upper Yampa Water Conservancy Board had concerning the Yampa River administration. Below is my response to each one of these questions:

1. Who, i.e., which entity asked for the River to be placed on call?

As you are aware, I placed the call on the Yampa River. This occurred after the owner of the Lily Park Ditch No. 1 water right contacted me and informed me that they wanted to turn on their pumps, but were concerned that if they did, they would dry-up the river. I informed them that if they did turn on their pumps they would be diverting reservoir water that did not "belong" to them and was dedicated to the Endangered Fish Recovery Program through the critical habitat reach, and that they were not allowed to divert this water. I further told them that in order to turn on, I would have to place a call on the river to get stream flow down to them, which they would legally have a right to divert.

2. What was the calling structure, water right and are structures in place to allow it to place a valid call?

The best place to find this information is our website. Though the calling location did not change throughout the duration of the call, the calling priority did.

Please be assured, that we would not place a call on any stream system if all requirements were not met.

The link to find the call information is listed below:

<https://dnrweb.state.co.us/cdss/AdministrativeCalls/Historical>



3. What factors did you consider when placing the call?

The factors considered were those standard for placing any call, the only difference being that the stream was not to be dried up below the calling structure, rather the structure had to bypass all reservoir water dedicated to the Endangered Fish Recovery Program. This office has given countless presentations covering how calls work. Hopefully some of the Board members have had an opportunity to attend these presentations.

4. Did the subsequent curtailment of water users affect the river conditions and supply the calling water right?

Yes.

5. Approximately how many water users were curtailed and what was the collective flow of the curtailment?

We curtailed many water users, the number of which was not recorded. Likewise, we did not record the amount curtailed primarily due to the fact that many of the structures curtailed did not have measuring devices. Please note that some of the water curtailed was then diverted by water rights senior to the calling priority and thus in priority to divert.

6. Does a call placed on the system mean that all future well permits, other than statutorily exempt wells, will require court-approved augmentation plans or substitute water supply plan?

The well permitting process in those areas of the Yampa River not already considered over-appropriated will not change until and unless the areas are designated over-appropriated. I will be evaluating whether the basin should be designated over-appropriated and will be making a recommendation to the State Engineer. This recommendation may or may not be to designate the basin over-appropriated. It is ultimately up to the State Engineer as to whether the basin is designated over-appropriated. If he deems it to be over-appropriated, notification of this designation will be provided to all subscribers to the Substitute Water Supply Plan Notification List for the division in which the stream system is located. Notification may also be provided in other manners if so warranted. The notification will be provided at least 30 days before the designation is effective.

Lastly, I invite the Board to review the letter Kevin Rein wrote to the Routt County Planning Department concerning Well Permits and Subdivisions. Though this letter has already been provided to the Board, it is very informative when it comes to well permitting. A link to this document is below:



https://dnrweblink.state.co.us/dwr/0/edoc/3284951/DWR_3284951.pdf?searchid=57abc712-da63-49da-b253-ab0112a45d97

7. What does administration mean for the Endangered Fish Recovery Program?

I do not see how or why the Endangered Fish Recovery Program would change as a result of the 2018 administration on the Yampa River.

I hope I have adequately answered yours and the other Board members' questions. If you have any further questions, please do not hesitate to ask them.

Sincerely;



Erin C. H. Light, P.E.
Division Engineer, Water Division 6



NO REPORT

