

# RECORD OF PROCEEDINGS

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**UPPER YAMPA WATER CONSERVANCY DISTRICT  
BOARD OF DIRECTORS MEETING  
MARCH 20, 2019 1:30 PM  
MOUNTAIN VALLEY BANK COMMUNITY ROOM  
2220 CURVE PLAZA, STEAMBOAT SPRINGS, CO**

## MINUTES

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

Members of the public present included Clinton Whitten, National Resources Conservation Service; Craig Preston, Colorado Parks and Wildlife; Erin Light, Colorado Division of Water Resources; Lyn Halliday, Environmental Solutions Unltd. and Upper Yampa River Watershed Group; Frank Alfone, Mount Werner Water District; Kelly Romero-Heaney, City of Steamboat Springs; Jeff Clyncke, Kevin Krausgrill, Anne Clyncke, Gary Clyncke, Tyler Snyder, Al Snyder, Jay Whaley, Jerry Smith, and Andi Schaffner, water storage contract holders;

Ryan Golten, Consensus Building Institute; and Scott Grosscup, Balcomb & Green, attended parts of the meeting by phone.

The following agenda was proposed:

### AGENDA

- (1) *1:30 pm* Establishment of Quorum and Call to Order;
- (2) Consent Agenda;
  - a) Resolution for Posting Place action item
- (3) Approval of Agenda for Meeting; action item
- (4) Public Input and Comment;
- (5) *1:40 pm* 360 Review;
- (6) *2:00 pm* Report of the General Manager;
  - a) Contract Negotiations Update Yamcolo Irrigators Association action item
  - b) Environmental-Recreational Contract (ERC) pricing
  - c) Office Update
  - d) Stagecoach Firing
  - e) Super Mini Grant
  - f) New Hire Job Description Draft & Discussion
- (7) *4:00 pm* Report from District Engineer;

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- a) Reservoir Water Status
- b) South Shore Parking Lot Proposal
- (8) 4: 30 pm Report from General Counsel;
  - a) Water Resumes
  - b) Status of other Water Cases, if any
  - c) Settlement Dequine, case 2016cw3016 action item
  - d) Board Appointments
  - e) Instream Flow Bill action item
- (9) 5:00 pm Executive Session with Bob Weiss, legal Counsel, under CRS § 24-6-402(4)(b) to discuss legal issues on Water Resumes, Water Cases, and Contract Negotiations. Mere presence or participation of an attorney at an executive session of the local politic body is not sufficient to satisfy the requirements of this subsection (4).
- (10) New Business;
- (11) Adjournment.

**Consent Agenda** Director Jones made a motion to approve the consent agenda, Resolution for Posting Place. Director Woodmansee seconded the motion which was unanimously approved.

There was general support for Counsel Weiss to bring a proposal to the Board for the April Board meeting for adding the District's website as a Posting Place in the District's Bylaws.

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

**Public Comment** Frank Alfone, General Manager for Mount Werner Water District (MWW) spoke and acknowledged the past good relationship with the District. He also recognized the District staff for their understanding during the remodel of MWW offices. Also Mr. Alfone thanked the Board for including MWW in the 360 review process.

**360 Review** Ryan Golten, Consensus Building Institute (CBI), joined the meeting by phone and referred to the memo included in the Board packet. Ms. Golten also reviewed the "5 Buckets" as outlined in the memo for the Next Steps from the previous Board Meeting. The Upper Gunnison River Water Conservancy District Mission and Values document was briefly discussed.

Director Brenner suggested two sub-committees be formed:

1. Board governance
2. Strategic Planning; Mission and values

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There was general agreement that strategic planning was needed for the District and that the Upper Gunnison River Water Conservancy District Mission and Values document was a good place to start in developing this. Director Brenner will continue to work on adapting this document for the District. Director Sharp noted that he continues to disagree with the need for sub-committees.

There was general agreement from the Board for additional funding for CBI not to exceed \$20,000.

Director Monger moved to table the creation and appointments of sub-committees. Director Jones seconded the motion which was unanimously approved.

Director Brenner will bring formal proposals for formation of sub-committees to the next Board meeting.

Directors Jones, Brenner, and Woodmansee volunteered for the Board Governance sub-committee. Counsel Weiss reminded the Board that committee members need to be appointed by the Board. In addition, any meeting involving more than two Board members will be considered a public meeting which will require legally posting the meeting and creating the necessary documentation including Minutes.

### *Report of the General Manager*

Contract Negotiations Update Yamcolo Irrigators Association – Director Sharp requested guidance from the Board about how the District should move forward with the pricing negotiations with the Yamcolo Irrigators Association (YIA). The District and YIA have different opinions on what percentages should be included in costs to administrate the reservoir.

Al Snyder, YIA negotiator, presented a PowerPoint. YIA members: Jay Whaley, Tyler Snyder, and Andi Schaffner, presented and discussed topics including cost analysis, irrigation efficiency, future costs of water, and public relations.

Director Jones briefly left the meeting at 3:00 pm.

Director Brenner asked the Board for direction and discussion followed.

Director Sharp made a motion for the District to approve the pricing for the 2019 YIA at \$12/af and \$13/af for purposes of the 2020 starting price if the YIA contract is amended. The 3000/af for Individual Irrigators would be \$11/af beginning 2020, except for 500/af of Early Termination water of Individual Irrigators would be \$10/af. If we cannot agree to negotiations regarding to defining administrative costs, defer to 2041. Director Brenner seconded the motion which was unanimously approved.

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The 2019 YIA offer of \$12 was communicated to YIA in the meeting and will be confirmed in an e-mail to YIA by the General Manager which will need to be accepted by YIA prior to the end of March or arbitration will be triggered.

Environmental-Recreational Contract (ERC) pricing– General Manager McBride reviewed Director's Sharp's first draft on the ERC and requested feedback.

Responses to ERC pricing follow:

- Director Haskin: A percentage higher. 70-80% but don't go lower. Maybe even go higher.
- Director Jones: More affordable. Should be subject to curtailment. The District needs protection for upcoming dry years.
- Director Murphy: Yearly rates same as M&I rate. No distance charges.
- Director Woodmansee: Place ecological and hydrological functioning of the river first then base the price on agriculture water price.
- Director Redmond: He agrees with Director Jones and make sure the District is covering its costs.
- Director Colby: He agrees with Director Jones. 70-80% of M&I, adjustment based on firmness. No contract longer than three years until we have a firmer reservoir.
- Director Monger: 70-80%. The District needs to differentiate between long and short-term contracts. Higher price for more firm water and maybe a little longer, possibly five years. Also consider the alternatives that are out there. Reservoir is an Enterprise Fund and the question is where is this discount coming from? Maybe it's appropriate for it to come from property taxes since 80% of our money comes from City property taxes.
- Director Brenner: He would like public comments. If price needs to drop as low as 50% he is OK with that. He suggested public meetings and possibly meeting for an hour before scheduled Board meetings.
- General Manager McBride: We need to hear from stakeholders and current buyers such as the Colorado Water Trust (CWT). Also explore ideas like subleasing. He will start getting ideas drafted.

Kelly Romero-Heaney with the City of Steamboat Springs was invited to speak. Ms. Romero-Heaney appreciates the District engaging with stakeholders as there is not one entity in charge of the health of the River; it is a group that needs to work together. She suggests reaching out to the CWT as a resource.

Office Update - District Staff will be working from home for a few weeks until the new office is available. Phones will be forwarded. Estimated date for move-in is April 14<sup>th</sup>.

Stagecoach Firming – General Manager McBride briefly reviewed the draft purpose and need. AECOM will be moving towards researching alternatives including a no-action alternative and that

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the permitting process will be its own public process, separate and distinct from what the District will undertake in any public information campaign of its own.

Super Mini Grant – General Manager McBride presented an initial draft of a grant proposal to increase funding opportunities for the District’s mini-grant program. That program cost shares (lesser of 50% or \$500 per device) headgate and measuring device installation or repair needed by the Division Engineer’s water commissioners. The initial proposal is for two years totaling \$50K (\$25K/yr) of UYWCD funds.

General agreement to change the District’s funding to \$50,000 annually. Director Monger asked that staff include administrative time as match in the grant request.

Director Sharp inquired if the river was over appropriated. Director Brenner stated that Division Engineer Erin Light has not determined this yet. There was general agreement that Counsel Weiss should be ready to advise the Board when this information becomes available.

Director Monger made a motion to proceed with Infrastructure Improvement Project based on the Draft presented. Director Sharp seconded the motion which was unanimously approved.

New Hire Job Description Draft & Discussion – General Manager McBride reviewed the draft job description. He stated the position is for a technical, marketing, and business skills person. Discussion followed. Director Woodmansee stated he thinks the District should be further along with the mission statement and goals prior to hiring. Director Brenner stated that the feedback from the 360 Assessment is the District should get “their ducks in a row” prior to filling this new position. Director Monger suggested keeping the search in-state.

Director Monger made a motion to approve the Communications Marketing Manager job description and for the General Manager to proceed to implement the hiring process. Director Jones seconded the motion. The motion was approved with Directors Woodmansee and Brenner voting against.

### ***Report from the District Engineer***

Reservoir Water Status – The current water storage status of Yamcolo and Stagecoach reservoirs were discussed.

South Shore Parking Lot Proposal – Stagecoach State Park Manager, Craig Preston, presented the proposal for building a new parking lot on the south shore of Stagecoach Reservoir.

Director Brenner requested a letter from Stagecoach Property Owners Association in agreement with this proposal if this project is on the District’s property.

Director Sharp requested staff research the four additional Stagecoach lots he thinks the District owns along the south shore of Stagecoach Reservoir.

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Director Monger made a motion to allow the General Manager to sign-off on the applications for proceeding forward with the South Shore Parking Lot. Director Woodmansee seconded the motion which was unanimously approved.

### ***Report from General Counsel***

Special Counsel Scott Grosscup joined the meeting by phone.

Water Resumes – Nothing to report.

Status of other Water Cases – Counsel Grosscup updated the Board of the City of Steamboat and Mount Werner Water cases.

Settlement Dequine, case 2016CW3016 – Director Sharp made a motion to ratify the stipulation between the Dequine family as provided to the Board by case 2016CW3016 and to have Counsel proceed to obtain the decree from the court. Director Woodmansee seconded the motion which was unanimously approved.

Board Appointments – All three of the current Board members who reapplied: Directors Monger, Jones, and Woodmansee, were reappointed by the judge.

Instream Flow Bill – Director Colby made a motion for Counsel Weiss to write a letter that the Board of Directors would support the Voluntary Instream Flow Loan Bill HB19-1218 if section II, lines 6 through 15 of the proposed bill, were deleted. Director Monger seconded the motion which was unanimously approved.

***Executive Session*** There was no Executive Session.

***Determination of future meetings*** The scheduled date for the next Board meeting was confirmed, being Wednesday April 24, 2019 at 1:30 PM, at Mountain Valley Bank Community Room, 2220 Curve Plaza, Steamboat Springs, CO.

The meeting was adjourned at 6:15 PM.

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



Kevin McBride, District Secretary/Manager

Date: 5/16/2019