

RECORD OF PROCEEDINGS

UPPER YAMPA WATER CONSERVANCY DISTRICT BOARD OF DIRECTORS MEETING JULY 24, 2019 1:30 PM MOUNTAIN VALLEY BANK COMMUNITY ROOM 2220 CURVE PLAZA, STEAMBOAT SPRINGS, CO

MINUTES

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

Members of the public present included Claire Sollars, Andi Schaffner, Rick Milway, Jerry Smith, and Erin Light.

Ryan Golten, Consensus Building Institute Consultant, attended the meeting by phone.

The following agenda was proposed:

AGENDA

- (1) *1:30 pm* Establishment of Quorum and Call to Order;
- (2) Consent Agenda; action item
 - a) Approval of Disbursements
 - b) Budget Comparison
 - c) Approval of the minutes of the April 24, 2019; May 15, 2019; and June 19, 2019 Board Meetings
- (3) Approval of Agenda for Meeting; action item
- (4) Public Input and Comment;
- (5) *1:40 pm* 2018 Audit; action item
- (6) *1:45 pm* Report of the General Manager;
 - a) Contract Negotiations
 - b) Stagecoach FIRMING Project
 - c) New Hire
 - d) 360 Review Staff and Board Governance
- (7) *3:15 pm* Report from District Engineer
 - a) Reservoir Water Status
 - b) Capital Projects
 - c) Stillwater Ditch, Special Use Permit action item
- (8) *3:40 pm* Report from General Counsel;
 - a) Water Resumes
 - b) Status of other Water Cases, if any
 - c) Peabody (American Land Holdings) Water Contract action item

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- (9) *4:00 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 Monger made a motion to approve the consent agenda. Director Jones seconded the motion which was unanimously approved.

Meeting Agenda Director Sharp made a motion to approve the agenda and to add an agenda item, "AECOM", after the Executive Session. Director Monger seconded the motion which was unanimously approved.

Public Comment Director Brenner asked the members of the public to introduce themselves. Rick Milway, representing individual irrigators, requested the price of irrigation water to be \$9.00/share with CPI adjustment for 20 years. Discussion followed.

Andi Schaffner, representing the Stillwater Ditch, reviewed the process of transferring the Ditch ownership. Counsel Weiss said he and the lawyer Ms. Schaffner is working with are finalizing the documents.

Director Monger suggested adding an agenda item, "Director Comments". Director Brenner said we will do this on an interim basis until the bylaws are changed through the 360 Review process.

2018 Audit

Office Manager Karina Craig presented. The initial meeting with the auditor has occurred, an extension will be submitted, and the audit will begin in August. Manager McBride stated the District will be getting a new auditor next year. Director Brenner said the District needs to do an RFP for a new auditor. He also suggested we create a calendar item.

Director Monger made a motion to approve the extension for the 2018 audit. Director Sharp seconded the motion which was unanimously approved.

Director Brenner reminded the Board the August 21, 2019 Board meeting has been re-scheduled to August 22, 2019 due to the CWC summer conference conflict. Manager McBride reviewed that the August 22nd Board meeting agenda will be Stagecoach Firming and the 360 Review.

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Report of the General Manager

Contract Negotiations – Counsel Weiss presented the status of the negotiations:

Yamcolo Irrigators Association, YIA: The District received a response from YIA to the District's draft yesterday at 2:00 pm. Additional discussion will be in Executive Session.

Stillwater Ditch: Counsel Weiss is doing a re-draft of the Stillwater Ditch transfer for the negotiation committee to review.

Tri-State Agreement: The Tri-state negotiations are scheduled for the Executive Session. Tri-state has terminated their agreement, the District has sent a letter confirming that, and there are no ongoing negotiations at this time.

Yamcolo Individual Irrigators: An outline of the agreement with the Individual Irrigators is ready but a price needs to be determined.

Director Brenner re-iterated that the goal is to have a simultaneous closing of all contracts at one session.

District Engineer Andy Rossi reviewed the Stillwater Ditch diagram. The diagram displays the proposed ditch capacity allocations. Discussion followed.

Director Monger thanked the negotiation committee for working so hard.

Stagecoach Firming Project – Manager McBride reviewed the purpose and need for a firming project. Modeling was discussed. New demands will need to be clarified before the District moves forward with a NEPA process. Discussion followed on pausing and putting in a placeholder. Big river issues and the impact of curtailment on a firming project may need to be on the agenda in the future. Discussion on shortages followed. AECOM will present to the Board in the August Board meeting.

Colorado Division of Water Resources Division Engineer Erin Light asked if we are getting ahead of ourselves on the Big River topic in reference to Demand Management? Director Monger would like direction from the Board about how the District stands so he can provide input at the Roundtable meetings. He would also like further discussion on the Yampa Doctrine. Discussion followed.

New Hire – Manager McBride reviewed the hiring process and would like to make an offer and get the new hire here as soon as possible.

360 Review Staff and Board Governance – Director Brenner complimented the Board Governance committee and reviewed the process. The committee will present to the Board at the August 22, 2019 Board meeting. A Word document will be sent to the Board after the meeting for the Board to comment

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on. A draft document will be created after the Board reviews it, then the document will go to the public for comment.

Director Sharp suggested a possible modification of Goal 2, item 3, page 4. Director Sharp does not want to limit the Districts' negotiating options with Colorado Parks and Wildlife. Consultant Ryan Golten explained that the current document is for example only and the objectives shown are not comprehensive. Ms. Golten recorded these changes for future discussion.

Director Brenner reminded the Board that everyone is welcome at the Committee meetings.

There was general agreement to have the 360 review agenda item for the August 22nd meeting be 2-1/2 hours long.

Director Monger made a motion to approve an additional \$26,000 as an amendment to Consensus Building Institute contract. Director Woodmansee seconded the motion. Eight Directors approved, Director Sharp opposed.

Manager McBride will report on the staff review when complete. McBride hopes to have further discussion with the Board about the General Manager and governance of staff after the 360 committee discussions. He also hopes to get management expectations from the Board.

Report from the District Engineer

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

Capital Projects – The FERC Part 12 and State of Colorado Dam Safety inspections are complete. There are no follow up requests from FERC. The State of Colorado Dam Safety Inspector requested additional monitoring data from the UYWCD.

Stillwater Ditch, Special Use Permit - One typographical error on the Special Use Permit will be remedied. Counsel Weiss said the permit will be cancelled upon ownership transfer then the new owners would have to apply for a new permit.

Director Jones made a motion for the Board to approve the Special Use Permit as presented. Director Sharp seconded the motion which was unanimously approved.

Report from General Counsel

Water resumes – Counsel Weiss reported that Special Counsel Scott Grosscup did not see anything that required the Board's attention.

Status of other Water cases, if any - There were no questions from the Board on the report presented.

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Peabody (American Land Holdings) Water Contract – Director Sharp made a motion to accept the contract with Peabody as presented. Director Redmond seconded the motion which was unanimously approved.

Discussion on substitute supply plans followed. Counsel Weiss will verify that Special Counsel Grosscup is receiving notifications of substitute supply plans.

Executive Session

Director Sharp made a motion to go into executive session. It was seconded by Director Colby 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 Water Resumes, Water Cases, and 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 4:20 PM and concluded at about 5:30 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.

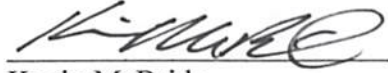
There was no action on AECOM agenda item added during the Approval of the Agenda.

Determination of future meetings The scheduled date for the next Board meeting was confirmed, being Wednesday August 22, 2019 at 1:30 PM, at Mountain Valley Bank Community Room, 2220 Curve Plaza, Steamboat Springs, CO.

Director Sharp made a motion for the meeting to adjourn. Director Murphy seconded the motion which was unanimously approved. The meeting was adjourned at 5:40 PM.

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

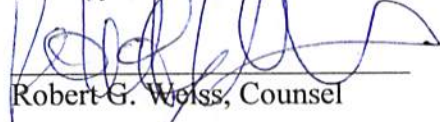


Kevin McBride,
District Secretary/Manager

Date: 9/18/2019

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 Water Resumes, Water Cases, and Contract Negotiations contract negotiations constituted a privileged attorney-client communication in the opinion of the undersigned attorney.



Robert G. Weiss, Counsel

Date: 9-18-19

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.



Ken Brenner, Chairman

Date: 9.18.19