

# AGENDA

## UPPER YAMPA WATER CONSERVANCY DISTRICT BOARD OF DIRECTORS MEETING THURSDAY, NOVEMBER 19, 2020 (12:00 PM)

Online Meeting:

<https://zoom.us/j/98916413897?pwd=clQ5dFRKWjJtZ3dVVmIxdHdIc1hIZz09>

### INSTRUCTIONS ON HOW TO JOIN A ZOOM MEETING FOLLOW THE AGENDA

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

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

- (1) **12:00PM** Establishment of Quorum and Call to Order
- (2) **12:00PM** Approval of Agenda for Meeting **Action item**
- (3) **12:05PM** Public Input and Comment  
The Board will make no decision nor take action, except to direct the General Manager. Those addressing the Board are requested to identify themselves by name, organization, if any, and address. Comments shall not exceed three (3) minutes.
- (4) **12:10PM** Consent Agenda; **Action item**
  - a) Approval of the minutes of October 15, 2020 Annual Retreat and Special Board Meeting
  - b) Approval of Disbursement
  - c) Budget Comparison
- (5) **12:15PM** Report of General Manager
  - a) Presentation on UYWCD Assets with COLOTrust
  - b) **12:35 PM** Colorado Division of Water Resources Update from Div. 6 Representative
  - c) **12:50 PM** Colorado Agricultural Water Alliance Presentation
  - d) **1:05 PM** Resolution to Adopt Routt County Hazard Mitigation Plan **Action item**
  - e) **1:10 PM** Proposed UYWCD Board of Directors meeting schedule for 2021 **Action item**

- f) **1:25 PM** Financial Audit Schedule Update
- g) **1:30 PM** UYWCD 2021 Strategic Plan & Work Plan Implementation
- h) **1:45 PM** 2021 Proposed Budget (with 3 Resolutions) **Action item**
- i) **2:15 PM** City of Steamboat Springs Municipal Water Use Presentation
- j) **2:45 PM** Stagecoach Reservoir Water Marketing Policy
- k) **3:15 PM** Steamboat Ski and Resort Corporation Water Contract **Action item**  
Storage Accounting Letter
- (6) 3:20PM 5 Minute Break**
- (7) **3:25 PM** District Engineer Report
  - a) Reservoir Water Status
- (8) **3:35 PM** Communication-Marketing Updates
  - a) Grant Program
- (9) **3:40 PM** Board Member Reports
  - a) YWG Round Table
- (10) **3:50 PM** Pending Water Cases
  - a) Water Resumes;
  - b) Status of other Water Cases, if any; **Action item**
- (11) **4:10 PM** New Business (Limited to emergency matters that came up during the course of the meeting) **Action item**
- (12) **4:15 PM** Executive Sessions:
  - a) Executive session under CRS § 24-6-402(4)(b) to discuss legal issues on **Water Resumes, Water Cases, Contract Negotiations**. Mere presence or participation of an attorney at an executive session is not sufficient to satisfy the requirements of CRS § 24-6-402(4)(b). Executive sessions to discuss legal matters are not recorded.
  - b) Executive session under CRS § 24-6-402(4)(e)(I) for the purpose of determining positions relative to matters that may be subject to **negotiations; developing strategy for negotiations; and instructing negotiators with respect to Water Pricing and Water Contract Requests**. This session will be recorded, and a copy of the recording maintained for not less than 90 days. **(45 minutes)**
- (13) **5:00 PM** Board actions in regard to Executive Session: **Water Cases, Water Pricing, or Water Contract Requests** **Action item**
- (14) **5:05 PM** Determination of Next Meeting Agenda
- (15) **5:10 PM** Adjournment.

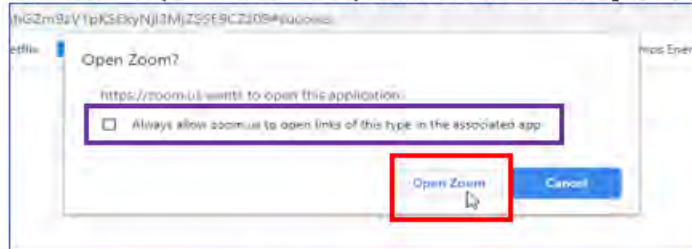
## How to join a Zoom meeting

### Join via "Join Zoom Meeting" link:

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

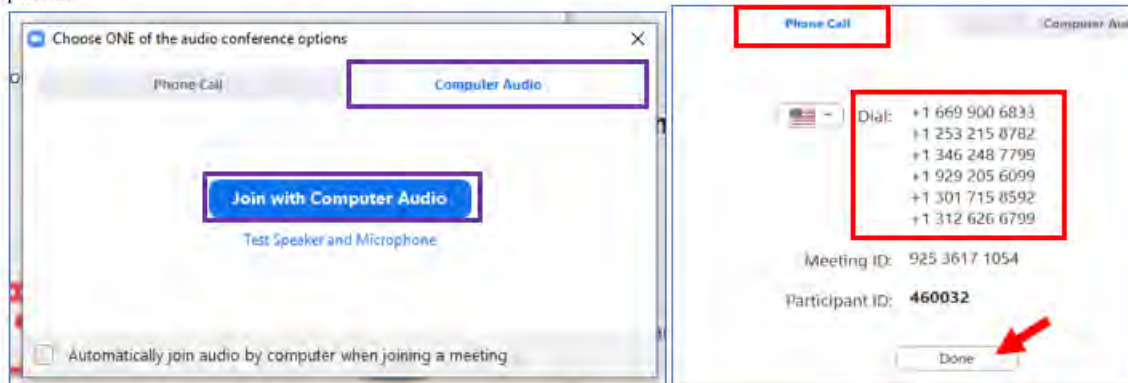


If you have not used Zoom before, you may receive this dialogue box to open Zoom. First, click on **"always allow zoom.us..."** so you will automatically connect for future meetings. Then, click on **"Open Zoom"** and follow the prompts.



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

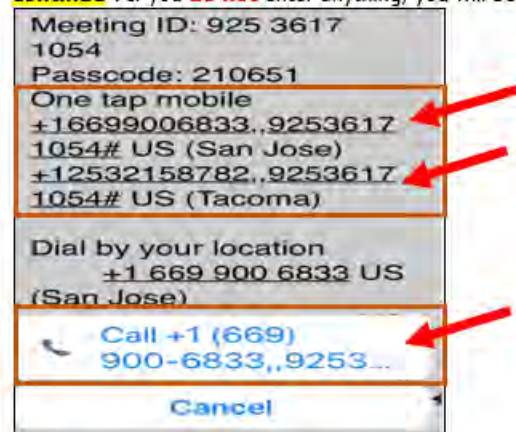
To use your cell phone or landline, click on **"Phone Call"** and then choose a number from the list. Once you dial the number, you will be asked for the Meeting ID and Participant ID to enter the meeting. Click on **"Done"** once you are connected to the Zoom meeting. Or, you can use the **"One tap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



### Join via cell phone with "One tap mobile":

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

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



**Join via "Dial by your location":**

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



**Be sure you are identified properly:**

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



Contact Deb Bastian for any questions

- Email: [dbastian@upperyampawater.com](mailto:dbastian@upperyampawater.com)
- Phone: 970-819-0189

## **PUBLIC INPUT AND COMMENT**

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



## RECORD OF PROCEEDINGS

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### UPPER YAMPA WATER CONSERVANCY DISTRICT ANNUAL RETREAT & SPECIAL BOARD OF DIRECTORS MEETING THURSDAY, OCTOBER 15, 2020 (9:00 AM)

#### Online Meeting:

<https://zoom.us/j/98463950224?pwd=TUNZOEhER0hUUkxmV0sxakY4bm84UT09>

#### 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, Jim Haskins, John Redmond, Ron Murphy, Lyn Halliday, Tom Sharp, and Webster Jones. General Manager Andy Rossi, Communication/Marketing Manager Holly Kirkpatrick, Business Manager Deb Bastian, Chief Accountant Karina Craig, Dam Operator Matt Blankenship, Dam Operator Eddie Rogers and General Counsel Bob Weiss were also present. Members of the public present for some portion of the meeting included Kelly Romero-Heaney, City of Steamboat Springs; Jason Lacy and Sonja Macys, City of Steamboat Springs City Council; Dave Hunter, Steamboat Ski Corporation; Frank Alfone, Mt. Werner Water & Sanitation District; Mickey O'Hara & Alyson Gould, Colorado Water Trust; Erin Light, Colorado Division of Water Resources; Jerry Smith, Geovanny Romero, Kent Holt, Dave Bower, J Bock, Katie Duncan and Doug Robotham.

This meeting was held entirely by videoconference utilizing Zoom. The meeting agenda included instructions to the public describing the process to participate in the meeting and comment on agenda items.

The following agenda was proposed:

#### **RETREAT AGENDA**

- (1) 9:00 AM Start
- (2) 9:00-9:15 AM Welcome, Agenda Review, Expectations for the Day
- (3) 9:15-10:00 AM Board Member Break Out Sessions by Division Representation:
  - a) **Division 1**
    - i) UYWCD Board Members: Haskins, Monger, Murphy
    - ii) UYWCD Staff Moderator: TBD
  - b) **Division 2**
    - i) UYWCD Board Members: Brenner, Jones, Sharp
    - ii) UYWCD Staff Moderator: TBD
  - c) **Division 3**
    - i) UYWCD Board Members: Halliday, Redmond, Woodmansee
    - ii) UYWCD Staff Moderator: TBD

## RECORD OF PROCEEDINGS

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- (4) 10:00-10:30 AM) Break Out Session Summaries
- (5) 10:45-12:00 PM Strategic Plan Update
  - a) **2021 UYWCD Strategic Plan Committee Report:**  
General Manger and Board President to present findings/Recommendations from Strategic Plan Committee and Staff on proposed revisions and updates to the UYWCD Strategic Plan.
  - b) **2021 UYWCD Strategic Plan Review:**  
Incorporation of Strategic Plan Committee Recommendations and Feedback from morning break-out session into 2021 UYWCD Strategic Plan
  - c) **2021 Strategic Plan Schedule:** **Action item**  
Adopt schedule for the finalization of 2021 Strategic Plan and 2021 UYWCD Budget

### Lunch Break 12:00-12:30 PM

### Special Board Meeting Agenda

- (1) **12:30 PM** Establishment of Quorum and Call to Order
- (2) **12:35 PM** Approval of Agenda for Meeting **Action item**
- (3) **12:40 PM** Public Input and Comment  
The Board will make no decision nor take action, except to direct the General Manager. Those addressing the Board are requested to identify themselves by name, organization, if any, and address. Comments shall not exceed three (3) minutes.
- (4) **12:45 PM** Consent Agenda; **Action item**
  - a) Approval of the minutes of September 17, 2020 Board Meeting
  - b) Acceptance of minutes of September 23, 2020 and October 1, 2020 Strategic Plan Committee Meeting and approval of October 7, 2020 Strategic Plan Committee Meeting
- (5) **12:50 PM** Report of General Manager
  - a) 12:50 PM Proposed Stagecoach Reservoir Water Pricing Policy
  - b) 1:50 PM Steamboat Ski Corporation Request for Additional Stagecoach Water Contract **Action item**
  - c) 2:05 PM Routt County Agreement **Action item**
  - d) 2:10 PM Morrison Creek Letter of Support **Action item**
  - e) 2:15 PM Stillwater Ditch Agreement Amend **Action item**
- (6) **2:20 PM** Pending Water Cases
  - a) Water Resumes
  - b) Status of other water cases



## RECORD OF PROCEEDINGS

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- (7) **2:30 PM** New Business (Limited to emergency matters that came up during the course of the meeting) **Action item**
- (6) **2:35 PM** Executive Sessions:
- a) **Executive session under CRS § 24-6-402(4)(b) to discuss legal issues on Water Resumes, Water Cases, Contract Negotiations** and \_\_\_\_\_ (insert description) . Mere presence or participation of an attorney at an executive session is not sufficient to satisfy the requirements of CRS § 24-6-402(4)(b). Executive sessions to discuss legal matters are not recorded.
  - b) **Executive session under CRS § 24-6-402(4)(e)(I) for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators with respect to Stagecoach Municipal Water Contracts.** This session will be recorded, and a copy of the recording maintained for not less than 90 days.
- (7) **3:05 PM** Board actions regarding Executive Session **Action Item**
- (8) **3:25 PM** Determination of Next Meeting Agenda
- (9) **3:30 PM** Adjournment.

### Annual Retreat

Chairman Brenner established a quorum and called the Annual Retreat to order at 9:12 AM.

**Welcome, Agenda Review, Expectations for the day.** General Manager Rossi welcomed all and reviewed the agenda and plan for today's meeting.

**Board Member Break Out Sessions by Division Representation.** Directors and staff participated in their assigned Division Break Out sessions.

**Break Out Session Summaries.** A representative from each Division presented a recap of the discussion held in their break out session.

**Public Input and Comment.** City of Steamboat Springs City Council President Jason Lacy commented on the City's concerns related to the Districts rate setting policy for water contracts. He referenced the City's letter sent to the District which outlined their analysis and concerns and that the District did not address many of the stated items. Lacy proposed an in-person publicly held meeting the City to discuss the District's the rate setting policy and address the City's concerns.

City Council Member Sonja Macys commented that this Council is focused on collaboration and sees the District as a strategic partner with a shared obligation in terms of ecosystem health and river function. The Council would like to discuss how to better partner on these issues along with the rate setting policy.

## RECORD OF PROCEEDINGS

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Public Member Jerry Smith voiced concern that water quality is not being addressed in terms of variability. There has been an increase in the use of chemicals to stop weed infestation in recent years due to foreign hay being used to feed cattle.

**Strategic Plan Upgrade.** Chairman Brenner noted that the Strategic Plan Committee met several times to develop the draft that is being presented for review. The Board reviewed the draft document and presented comments. General Manager Rossi will incorporate the comments into a final Strategic Plan document, work plan and final budget to be presented at the November 19, 2020 Board Meeting.

### Special Board Meeting

Chairman Brenner established a quorum and called the Special Board Meeting to order at 12:42 PM.

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

**Public Input and Comment.** Chairman Brenner invited the members of the public present to comment on items not otherwise scheduled on the agenda. There were no comments.

**Consent Agenda.** Director Haskins moved to approve of the consent agenda. Director Woodmansee seconded the motion which was unanimously approved.

### **Report of the General Manager**

#### Proposed Stagecoach Reservoir Water Pricing Policy

General Manager Rossi provided an overview of the draft policy. He noted that the review today is for discussion and consideration purposes. Chairman Brenner asked if there was any public comment on length of contract.

Kelly Romero-Heaney of the City of Steamboat Springs identified several items of concern for the City in the proposed Water Marketing Policies and requested that the City and UYWCD staff coordinate a plan and schedule to further discussions about municipal water contracts out of Stagecoach and Yamcolo Reservoirs.

Frank Alfone of Mt. Werner Water & Sanitation District (MWW) asked for clarification on the extension letter they received in 2017. General Counsel Weiss provided clarification.

Mickey O'Hara of the Colorado Water Trust (CWT) limited his comments to the term for environmental and recreation contracts. The CWT would like to engage with the District to work towards a solution.

The water pricing policy document should be updated for the November UYWCD BOD meeting with a possible document ready for adoption at the January meeting.

## RECORD OF PROCEEDINGS

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The Board reviewed the pricing matrix and provided thoughts and feedback. Chairman Brenner asked if there was any other public comment on the pricing matrix. Kelly Romero-Heaney of the City of Steamboat Springs commented.

Frank Alfone of MWW inquired about the methodology used for calculating the price for existing municipal water contracts at Stagecoach Reservoir. General Manager Rossi noted the District is bound by current contract language and has provided some form of the methodology to the City of Steamboat Springs. The District has not endeavored to change the existing municipal contract forms for Stagecoach Reservoir.

Mickey O'Hara of the CWT provided comments on ERC pricing.

### Steamboat Ski Corporation Request for Additional SC Water Contract

Dave Hunter from Steamboat Ski Corporation provided an overview of their September 17, 2020, letter to the Board. Director Sharp moved to direct the General Manager and Special Counsel to draft a Resolution for the Board confirming the update of the Steamboat Ski Corporation's 250 AF from the more junior pool, originally under their contract, to the most senior pool for consideration by the Board at the November or December board meeting. Director Jones seconded the motion that was unanimously approved.

### Routt County Agreement

General Manager Rossi discussed the request for an update to the agreement and that the District's Bylaws require the Board to approve. Director Sharp moved to approve the Routt County Mutual Aid Agreement. Director Woodmansee seconded the motion that was unanimously approved.

### Morrison Creek Letter of Support

The Board reviewed the letter of support. Director Jones moved to direct the General Manager to sign and submit the letter of support for Morrison Creek. Director Haskins seconded the motion. Directors Woodmansee and Sharp abstained from voting due to their responsibilities as board member and General Counsel with the Morrison Creek Board of Directors. Directors Redmond and Monger were no longer present at the meeting. The vote passed with a 5-0 in favor.

### Stillwater Ditch Agreement Amendment

The agreement amendment was reviewed. Director Sharp moved to approve the amendment as presented and authorize the Chairman and General Manager to sign the agreement. Director Murphy seconded the motion that was unanimously approved.

### ***Pending Water Cases***

#### Water Resumes

The water resume report was reviewed.

## RECORD OF PROCEEDINGS

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### Status of other water cases

The Board reviewed the water court cases update. Director Woodmansee if General Counsel Weiss could provide more detail regarding when a decision would be made on the Water Horse Resources case at the November Board Meeting.

***New Business.*** There was no new business.

***Executive Session.*** At 3:34 PM Director Sharp moved, Director Jones seconded, and it was unanimously agreed to go into Executive Session under provision CRS § 24-6-402(4)(e)(I) for the purpose of determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators with respect to **Stagecoach Municipal Water Contracts**. This session will be recorded, and a copy of the recording maintained for not less than 90 days.

The Board discussed direction for the Negotiation Committee. The Board came out of Executive Session at 3:33 PM.

Chairman Brenner asked the Board if there was any discussion in the Executive Session that was outside the scope of the Executive Session. No directors expressed that concern.

***Board actions regarding Executive Session.*** General Counsel Weiss stated there was no action required.

***Determination of next meeting agenda.*** The agenda for the November 19, 2020 Board Meeting was reviewed. Chairman Brenner requested an addition for a report from the Basin Roundtable meeting be added to the agenda. Items for consideration for upcoming meetings included a presentation on stream flow and sediment study and an annual review for the General Counsel.

Director Woodmansee moved to adjourn the meeting at 4:56 PM. The motion was seconded by Director Halliday, which was unanimously approved.

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

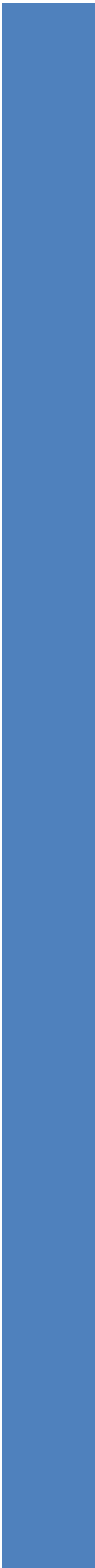
\_\_\_\_\_  
Andy Rossi, District Secretary/Manager

Date: \_\_\_\_\_

**CONSENT AGENDA**

**APPROVAL OF DISBURSEMENTS & BUDGET  
COMPARISON**

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## BOARD COMMUNICATION FORM

**From:** Karina Craig, Chief Accountant.

**Date:** November 12, 2020

**Item: Financial Reports: Cash Disbursement Report, Budget Comparison Report.**

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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### I. Request/Issue and Background Information:

The **Cash Disbursement Report** contains disbursements of reconciled monthly statements. These include disbursements incurred with check payments through October 31, 2020 and credit card payments through October 3, 2020. Disbursements include operating and capital expenditures.

The **Budget Comparison report** was run on November 1, 2020 with transactions accrued up to and including October 31, 2020. Additional transactions for the month of October and the remainder of 2020 are expected.

**Power Revenues** reported are for the period January-October 2020. Annual power revenues are expected to be at 90% of budget, due to drought conditions experienced this year.

**Water Sale Revenues** projected for the year 2020 vary from budget, arising from:

- ✓ Stagecoach Reservoir:
  - A sale of 1,000 AF of water to Colorado Water Trust (\$42,240.00)
  - Augmentation water application fees (\$1,800.00)
  - Newly signed augmentation water contracts (\$636.24)
- ✓ Yamcolo Reservoir: The sale of 325 AF of enlargement water for agricultural use, at a price of \$13.00/AF or \$4,225.00 in revenues.
- ✓ Both reservoirs: The small price adjustments that follow the publication of the semiannual CPI index, after the annual budget is approved.

**Stillwater Ditch revenues** and **Interest earned** are expected to be below budgeted amounts. Revenues were budgeted based on facility cost agreement included in the original Stillwater Ditch Assignment of Shares Agreement. A new shareholder agreement and carriage contracts were renegotiated in the current year. According to the new cost share agreements, ditch shareholders



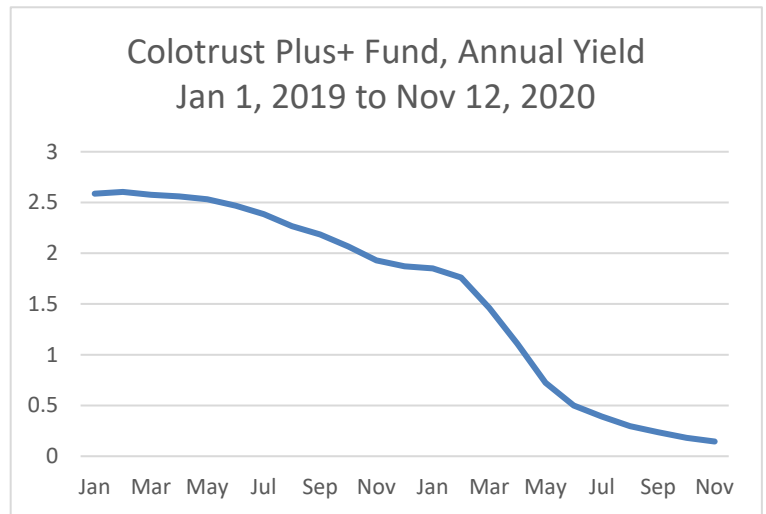
paid \$0.74/per share, producing a revenue of \$8,186. The dollar amounts owed through carriage contracts are based on Yamcolo storage volume and credits applied for shareholder capacity used for the conveyance of Yamcolo storage volume. Therefore, carriage fees are calculated after the irrigation season is finished and the season’s ditch use is fully tallied. The annual revenue for this facility is projected to be approximately eleven thousand dollars.

Routt County and Moffat County *Tax Revenues* reported are those received through October 15, 2020, for the period January-September 2020. Tax revenues received are slightly above budget, with projected annual revenues being about 5% above budget (\$34,100).

*Interest revenues* are projected to be 58% below budget (\$171,100). The District holds some of its liquid funds in Certificate of Deposits at local banks. Most of the District funds are invested with Colostrust. While interest generated through certificate of deposits experience change at maturity and renewal, interest revenues from Colostrust funds are more susceptible to changing market conditions.

Colostrust 2020 budget revenues were conservatively budgeted based on year-end 2019 interest rates. These have steadily declined since then. The following charts provide annual yield rates and the rate ratio to the same period twelve months prior.

| Annual Yield | 2019   | 2020   | ratio to 12 mo. prior |
|--------------|--------|--------|-----------------------|
| Jan          | 2.5875 | 1.8499 | 0.71                  |
| Feb          | 2.6045 | 1.7612 | 0.68                  |
| Mar          | 2.5757 | 1.4617 | 0.57                  |
| Apr          | 2.5599 | 1.1082 | 0.43                  |
| May          | 2.5318 | 0.7238 | 0.29                  |
| Jun          | 2.4691 | 0.4999 | 0.20                  |
| Jul          | 2.3843 | 0.3905 | 0.16                  |
| Aug          | 2.2667 | 0.2960 | 0.13                  |
| Sep          | 2.1850 | 0.2364 | 0.11                  |
| Oct          | 2.0665 | 0.1813 | 0.09                  |
| Nov          | 1.9291 | 0.1456 | 0.08                  |
| Dec          | 1.8712 | NA     | NA                    |
| Annual       | 2.3343 | 0.8207 |                       |



*Other revenues* were collected through the receipt of \$20,835 from insurance coverage of a totaled vehicle. A replacement vehicle has been ordered.

Overall District revenues are expected to be \$18,500 below budget. Both operating and capital expenditures from all departments are projected to be within budget.



Treasurer fees account for roughly 3% of tax revenues and thus shadow tax revenue fluctuations. Treasurer fees are expected to be slightly above budget.

*Pass through* revenues and accrued expenditures in reference to the *Upper Yampa River Basin Nutrient and Sediment Study* are shown in the report as well, for both the 2019 Fiscal Year and 2020-to-date.

**II. Summary and Alternatives:** none.

**III. Staff Recommendation:** Accept reports.

**IV. Legal Issues:** None

**V. Consistency with Board Goals and Policies:** Goal 3.

**Attachments:**

Attachment 1: Cash Disbursement Report.

Attachment 2: Budget Comparison Report.



**Upper Yampa Water Conservancy District**  
**Cash Disbursement Report**  
**October 31, 2020**

| Date       | Name                                   | Memo  | Amount   |
|------------|--|---|----------|
| 08/05/2020 | NDS Northwest Data Services            | Monthly monitoring and management   | 140.50   |
| 08/05/2020 | CrashPlan Code42                       | Admin Software: Cloud Backup  | 9.99     |
| 08/06/2020 | Your Membership.com                    | Advertising. Colorado School of Mines Alumni Job Center. District Engineer position | 199.00   |
| 08/06/2020 | Jennifer Poelman                       | July to Aug 2 Office Cleaning   | 225.00   |
| 08/07/2020 | Garmin                                 | Monthly Support   | 34.95    |
| 08/10/2020 | AWRA American Water ResourceCareer Ctr | District Engineer job posting   | 495.00   |
| 08/10/2020 | Your Membership.com                    | Advertising. SWE Career Center. District Engineer position                          | 270.00   |
| 08/10/2020 | Your Membership.com                    | Advertising. SHPE. District Engineer position                                       | 179.00   |
| 08/10/2020 | CNA Surety                             | Additional premium  | 20.00    |
| 08/10/2020 | Colorado Motor Vehicle Services        | Vehicle registration  | 0.17     |
| 08/11/2020 | CMNM Colorado Mountain News Media      | Advertising for District Engineer Position  | 453.50   |
| 08/11/2020 | GoPro                                  | Stagecoach  | 150.63   |
| 08/14/2020 | Amazon                                 | HDMI cable  | 10.38    |
| 08/15/2020 | Amazon                                 | Office supplies   | 16.60    |
| 08/17/2020 | Amazon                                 | IOGEAR display port with wireless keyboard and mouse                                | 227.49   |
| 08/17/2020 | Adobe                                  | Monthly subscription  | 118.93   |
| 08/17/2020 | Edge Communications                    | 4 SIP trunks 5 US DID June 2020. 8/6 to 9/5 2020 service.                           | 112.02   |
| 08/17/2020 | Amazon                                 | HDMI Adapter cable  | 28.04    |
| 08/18/2020 | Steamboat Pilot                        | Advertising, Diversion Infrastructure Improvement Project.                          | 1,133.00 |
| 08/20/2020 | Colorado Water Congress CWC            | CWC Summer Conference registration. Directors Brenner, Halliday and Woodmansee      | 1,125.00 |
| 08/20/2020 | YVEA                                   | 6/29 to 7/31 electric at SC Powerhouse & Shed                                       | 251.11   |
| 08/20/2020 | USPS                                   | Postage   | 226.00   |
| 08/21/2020 | Association of Metro Water Agencies    | Advertising of District Engineer Position   | 200.00   |
| 08/21/2020 | SDA Special District Association of CO | Registration to SDA annual meeting  | 100.00   |

Subtotal

5,726.31

**Upper Yampa Water Conservancy District**  
**Cash Disbursement Report**  
**October 31, 2020**

| Date       | Name                                   | Memo   | Amount    |
|------------|--|--|-----------|
| 08/21/2020 | Restaurant                             | IWMP lunch   | 45.94     |
| 08/24/2020 | CenturyLink                            | SC Telephone. Aug 1, 2020 to Aug 31, 2020.                       | 158.40    |
| 08/24/2020 | CRWCD Co River Water Conservation Dist | Phase III Risk Study Contribution                                | 10,896.50 |
| 08/24/2020 | Ed's Excavating of Steamboat, Inc      | Equipment mobilization. Yamcolo, Stillwater Ditch and Stagecoach | 9,559.80  |
| 08/24/2020 | USGS                                   | Streamgaging Stations Above and below Stagecoach Reservoir       | 5,399.00  |
| 08/24/2020 | Water Education Colorado (CFWE, WeCO)  | Annual River Level Membership                                    | 500.00    |
| 08/24/2020 | NDS Northwest Data Services            | IT services  | 225.00    |
| 08/24/2020 | ECS Employers Council Services, Inc.   | Compensation Consulting  | 87.50     |
| 08/24/2020 | Mountain View Car Wash                 | Vehicle Maintenance  | 14.00     |
| 08/25/2020 | CMNM Colorado Mountain News Media      | Advertising for District Engineer Position                       | 727.68    |
| 08/25/2020 | Colorado Water Congress CWC            | CWC Summer Conference. Holly Kirkpatrick                         | 375.00    |
| 08/25/2020 | Colorado Water Congress CWC            | CWC Summer Conference. Andy Rossi                                | 375.00    |
| 08/25/2020 | CMNM Colorado Mountain News Media      | Advertising for District Engineer Position                       | 334.94    |
| 08/27/2020 | SmartVault                             | Software, interphase with quickbooks                             | 42.40     |
| 08/30/2020 | CenturyLink                            | Office Telephone. August 7 to September 6, 2020.                 | 222.95    |
| 08/30/2020 | Zoom                                   | Meeting software   | 16.24     |
| 08/31/2020 | Resource Engineering                   | Stagecoach streamflow monitoring and water rights analysis       | 3,387.02  |
| 08/31/2020 | Schrader Propane                       | Propane gas  | 668.34    |
| 08/31/2020 | All Natural of Yampa Valley Inc        | August cleaning services   | 300.00    |
| 08/31/2020 | NDS Northwest Data Services            | IT Services  | 298.25    |
| 08/31/2020 | K-D Flags                              | Flag, Stagecoach Reservoir                                       | 208.10    |
| 08/31/2020 | NDS Northwest Data Services            | IT services  | 187.50    |
| 08/31/2020 | Napa                                   | Vehicle maintenance  | 83.33     |
| 08/31/2020 | ACE Hardware                           | Facility supplies  | 38.20     |

Subtotal

34,151.09

**Upper Yampa Water Conservancy District**  
**Cash Disbursement Report**  
**October 31, 2020**

| Date       | Name                                | Memo  | Amount    |
|------------|-------------------------------------|---|-----------|
| 09/01/2020 | Internal Revenue Service            | Federal Taxes   | 12,088.64 |
| 09/01/2020 | Mountain Valley Bank                | July Rent   | 6,471.94  |
| 09/01/2020 | LRE Water                           | Water quality services at Stagecoach, Discharge monitoring at Yamcolo. June and July. | 1,215.00  |
| 09/01/2020 | Metlife                             | Dental Insurance  | 968.43    |
| 09/01/2020 | Steamboat Pilot                     | Advertising, Diversion Infrastructure Improvement Project.                            | 45.46     |
| 09/02/2020 | Verizon Wireless                    | SC cell phones 7/14/19 - 8/13/2020.   | 106.33    |
| 09/03/2020 | ICMA-401a                           | Retirement accounts   | 3,086.14  |
| 09/03/2020 | ICMA-457                            | Retirement accounts   | 1,568.06  |
| 09/03/2020 | Family Support Registry             | Remittance  | 930.58    |
| 09/05/2020 | CrashPlan Code42                    | Admin Software: Cloud Backup  | 9.99      |
| 09/07/2020 | Garmin                              | Monthly Support   | 34.95     |
| 09/10/2020 | Newegg                              | Logitech cameras  | 288.68    |
| 09/13/2020 | Safeway                             | Office supplies   | 3.79      |
| 09/14/2020 | Western Slope Health Care           | Health Insurance  | 10,422.81 |
| 09/14/2020 | NDS Northwest Data Services         | Computer for Engineer   | 2,618.84  |
| 09/14/2020 | John Redmond                        | Diversion Infrastructure Improvement Project. Parshall flum and headgates             | 2,384.58  |
| 09/14/2020 | Colorado School of Mines            | John Fetcher Scholarship  | 2,000.00  |
| 09/14/2020 | NDS Northwest Data Services         | IT services   | 787.50    |
| 09/14/2020 | Eddie Rogers                        | Reimbursement of gasoline   | 72.96     |
| 09/15/2020 | UC Boulder - Bursar's Office        | John Fetcher Scholarship. Tanya Petach.   | 2,000.00  |
| 09/15/2020 | ACS Advanced Copier Solutions, Inc. | Savin Printer. August   | 84.44     |
| 09/17/2020 | Edge Communications                 | 4 SIP trunks 5 US DID June 2020. 9/6 to 10/5 2020 service.                            | 108.80    |
| 09/17/2020 | Big House Burgers                   | Board meeting supplies  | 68.45     |
| 09/18/2020 | Colorado Watershed Assembly         | 2020 SCW Conference Sponsorhip  | 1,250.00  |

Subtotal

48,616.37

**Upper Yampa Water Conservancy District**  
**Cash Disbursement Report**  
**October 31, 2020**

| Date       | Name                            | Memo   | Amount    |
|------------|---------------------------------|--|-----------|
| 09/18/2020 | YVEA                            | Electrical bill, Stagecoach powerhouse and shed. July 31 to August 30 service. | 256.54    |
| 09/21/2020 | Adobe                           | Computer software  | 118.93    |
| 09/21/2020 | Zoom                            | Software   | 98.06     |
| 09/21/2020 | Safeway                         | Office supplies  | 8.65      |
| 09/22/2020 | CenturyLink                     | SC Telephone. Sept 01, 2020 to Sept 30, 2020.                                  | 153.02    |
| 09/22/2020 | LRE Water                       | Water quality services August 2020. Stagecoach.                                | 437.25    |
| 09/22/2020 | All Natural of Yampa Valley Inc | Cleaning services  | 300.00    |
| 09/23/2020 | Conoco Universal WEX            | Gasoline   | 346.82    |
| 09/25/2020 | Family Support Registry         | Remittance of September  | 930.58    |
| 09/25/2020 | Internal Revenue Service        | Federal Taxes  | 12,255.08 |
| 09/25/2020 | Colorado Department of Revenue  | 2020 Q3 Employee Colorado Tax Withholdings                                     | 5,474.00  |
| 09/25/2020 | ICMA-401a                       | Retirement accounts  | 3,233.61  |
| 09/25/2020 | ICMA-457                        | Retirement accounts  | 1,641.80  |
| 09/27/2020 | SmartVault                      | Software, interphase with quickbooks   | 42.40     |
| 09/29/2020 | Western Slope Health Care       | Health Insurance   | 10,422.81 |
| 09/29/2020 | Weiss & Van Scoyk               | Legal services August  | 2,656.50  |
| 09/29/2020 | Metlife                         | Dental and life insurance  | 938.46    |
| 09/29/2020 | NDS Northwest Data Services     | IT Services  | 933.55    |
| 09/29/2020 | Eddie Rogers                    | Reimbursement of gasoline, 7/27 to 9/2   | 341.47    |
| 09/29/2020 | Flat Tops Ranch Supply          | Facility supplies  | 328.86    |
| 09/29/2020 | Matt Blankenship                | Mileage reimbursement. 8/25 to 9/10.409.2 miles.                               | 235.29    |
| 09/29/2020 | ACE Hardware                    | Facility & office supplies   | 185.55    |
| 09/29/2020 | Mountain View Car Wash          | Vehicle Maintenance  | 17.00     |
| 09/29/2020 | Quickbooks Payroll Service      | September Payroll Service  | 30,996.27 |

Subtotal

72,352.50

**Upper Yampa Water Conservancy District**  
**Cash Disbursement Report**  
**October 31, 2020**

| Date       | Name                                 | Memo   | Amount    |
|------------|--------------------------------------|--|-----------|
| 09/29/2020 | Quickbooks Payroll Service           | September expense reimbursements. Phone, mileage   | 1,022.18  |
| 09/30/2020 | CenturyLink                          | Office Telephone. September 7 to October 6, 2020.  | 222.95    |
| 10/01/2020 | NDS Northwest Data Services          | Monthly monitoring and management  | 140.50    |
| 10/01/2020 | Zoom                                 | Software   | 16.24     |
| 10/01/2020 | Mountain Valley Bank                 | July Rent  | 6,471.94  |
| 10/06/2020 | HydroLogik                           | Reservoir level with State satellite telemetry.  | 12,256.38 |
| 10/06/2020 | Blizzard Broadcasting, LLC           | KBCR Radio Advertising 8-20 to 9/30  | 1,200.00  |
| 10/06/2020 | Flat Tops Ranch Supply               | Facility supplies  | 67.96     |
| 10/06/2020 | ACS Advanced Copier Solutions, Inc.  | Savin Printer. September   | 27.63     |
| 10/13/2020 | USGS                                 | For the characterization of streamflow, suspended sediment, and nutrients in the Upper Yampa River | 20,781.57 |
| 10/13/2020 | USGS                                 | 19REJFACO050 Characterization of streamflow, suspended sediment, and nutrients in the Upper Yampa  | 20,781.57 |
| 10/13/2020 | CDC Civil Design Consultants         | Coal Creek Diversion. September 2020 services.   | 1,942.80  |
| 10/13/2020 | CMNM Colorado Mountain News Media    | Advertising, Diversion Infrastructure Improvement Project.   | 1,236.00  |
| 10/13/2020 | CRM Confluence Resource Management   | Treatment of weeds at Stagecoach   | 1,092.50  |
| 10/13/2020 | CDC Civil Design Consultants         | SW Ditch Services September 2020   | 688.75    |
| 10/13/2020 | ECS Employers Council Services, Inc. | Compensation Consulting  | 568.75    |
| 10/13/2020 | NDS Northwest Data Services          | IT services.   | 337.50    |
| 10/13/2020 | ACE Hardware                         | Facility supplies  | 160.70    |
| 10/13/2020 | ACE Hardware                         | Facility supplies  | 40.79     |
| 10/13/2020 | ACE Hardware                         | Facility supplies  | 36.74     |
| 10/13/2020 | Auto Glass Masters - Geiger Glass    | Ram pick up. Vehicle maintenance.  | 35.00     |
| 10/14/2020 | Conoco Universal WEX                 | Gasoline   | 140.45    |
| 10/20/2020 | Balcomb & Green, P.C.                | Miscellaneous Matters, 19CW3005 and 20CW3019/20CW3020 Opposition - Public Service Co. August.      | 3,152.00  |
| 10/20/2020 | Balcomb & Green, P.C.                | Miscellaneous Matters, 19CW3005 and 20CW3019/20CW3020 Opposition - Public Service Co. August.      | 2,768.00  |

Subtotal

75,188.90

**Upper Yampa Water Conservancy District**  
**Cash Disbursement Report**  
**October 31, 2020**

| Date       | Name                               | Memo   | Amount     |
|------------|------------------------------------|--|------------|
| 10/20/2020 | CBI - Consensus Building Institute | Consulting 09/01-09/30/20                        | 2,450.00   |
| 10/28/2020 | Weiss & Van Scoyk                  | Legal services September. General matters        | 3,512.50   |
| 10/28/2020 | AECOM                              | 10/15 SC Stem Guide Replacement Design           | 2,000.00   |
| 10/28/2020 | Weiss & Van Scoyk                  | Legal services September. Yamcolo and Stagecoach | 853.00     |
| 10/28/2020 | All Natural of Yampa Valley Inc    | Cleaning services October                        | 300.00     |
| 10/29/2020 | Quickbooks Payroll Service         | October Payroll Service                          | 30,799.15  |
| 10/29/2020 | Quickbooks Payroll Service         | October Payroll Service                          | 1,184.31   |
| 10/29/2020 | Internal Revenue Service           | Federal Taxes                                    | 12,184.32  |
| Subtotal   |                                    |  | 53,283.28  |
| Total      |                                    |  | 289,318.45 |

UPPER YAMPA WATER CONSERVANCY DISTRICT - 2020 BUDGET COMPARISON REPORT, AS OF OCTOBER 31, 2020

|  | 2018<br>ACTUALS   | 2019<br>ACTUALS   | 2020<br>BUDGET<br><br>Amended<br>June 18, 2020 | 2020 YTD<br>ACTUALS<br><br>11/1/2020 | 2020<br>PROJECTIONS<br><br>11/1/2020 |
|--|-------------------|-------------------|--|--------------------------------------|--------------------------------------|
| <b>Fund Opening Balance including Encumbered Funds</b> | 12,688,407        | 14,279,517        | 16,012,901                                     | 16,012,901                           | 16,012,901                           |
| <b>Encumbered Funds</b>                                | 919,734           | 919,734           | 6,222,280                                      | 6,222,280                            | 6,222,280                            |
| Emergency Facilities Reserve                           |                   |                   | 4,485,814                                      | 4,485,814                            | 4,485,814                            |
| Capital Maintenance Reserve                            |                   |                   | 752,436  | 752,436                              | 752,436                              |
| Stagecoach Wetlands Mitigation Reserve                 | 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                              |
| Tabor Reserve  |                   |                   | 64,296   | 64,296                               | 64,296                               |
| <b>Unencumbered Funds</b>                              | 11,768,673        | 13,359,783        | 9,790,621                                      | 9,790,621                            | 9,790,621                            |
| <b>Revenues</b>  |                   |                   |  |                                      |                                      |
| <b>Facilities</b>                                      |                   |                   |  |                                      |                                      |
| <b>Stagecoach Reservoir</b>                            |                   |                   |  |                                      |                                      |
| Power Sales  | 129,492           | 234,324           | 200,000  | 162,432                              | 180,000                              |
| Water Sales  | 505,201           | 433,769           | 116,379  | 161,597                              | 161,597                              |
| <b>Yamcolo Reservoir</b>                               |                   |                   |  |                                      |                                      |
| Water Sales  | 130,760           | 121,052           | 163,653  | 167,913                              | 167,879                              |
| <b>Stillwater Ditch &amp; Reservoir Company</b>        | 7,744             | 7,965             | 45,279   | 8,186                                | 11,174                               |
| Property taxes   | 2,269,399         | 2,415,730         | 2,496,565                                      | 2,586,022                            | 2,633,000                            |
| Interest earned  | 261,280           | 327,104           | 296,100  | 110,877                              | 124,967                              |
| Other income   |                   | 4,000             |  | 20,835                               | 20,835                               |
| Pass through income                                    |                   | 23,644            |  | 25,417                               |                                      |
| <b>revenues</b>  | <b>3,303,875</b>  | <b>3,567,587</b>  | <b>3,317,976</b>                               | <b>3,243,279</b>                     | <b>3,299,452</b>                     |
| <b>Expenditures</b>                                    |                   |                   |  |                                      |                                      |
| <b>Operating</b>                                       |                   |                   |  |                                      |                                      |
| <b>Facilities</b>                                      |                   |                   |  |                                      |                                      |
| Stagecoach Reservoir - Power Generation                | 171,623           | 214,868           | 224,582  | 138,885                              | 190,134                              |
| Stagecoach Reservoir - Water storage                   | 279,641           | 220,348           | 300,537  | 157,958                              | 259,321                              |
| Yamcolo Reservoir                                      | 132,790           | 125,183           | 156,631  | 74,835                               | 121,841                              |
| Stillwater Ditch & Reservoir Company                   | 13,379            | 34,520            | 40,834   | 32,288                               | 40,825                               |
| Administration   | 139,144           | 184,031           | 334,465  | 207,661                              | 264,417                              |
| Board of Directors                                     | 65,006            | 71,720            | 190,684  | 107,499                              | 136,460                              |
| External Affairs                                       | 58,016            | 70,807            | 121,909  | 90,760                               | 108,693                              |
| Finance  | 99,340            | 111,594           | 152,813  | 89,354                               | 119,420                              |
| Legal  | 166,889           | 125,521           | 158,090  | 128,223                              | 154,318                              |
| Planning   | 136,625           | 205,229           | 74,572   | 36,620                               | 74,070                               |
| Grants, Scholarships & Public Information              | 39,038            | 170,299           | 253,390  | 122,010                              | 165,575                              |
| Treasurer fees   | 72,507            | 74,607            | 80,650   | 75,072                               | 81,317                               |
| Pass through expenses                                  |                   | 11,724            |  | 28,117                               |                                      |
| <b>Subtotal Operating</b>                              | <b>1,373,999</b>  | <b>1,620,451</b>  | <b>2,089,156</b>                               | <b>1,289,282</b>                     | <b>1,716,391</b>                     |
| <b>Capital</b>   |                   |                   |  |                                      |                                      |
| Stagecoach Reservoir - Power Generation                | 3,967             | 27,533            | 50,000   | 29,872                               | 25,000                               |
| Stagecoach Reservoir - Water storage                   | 27,462            | 22,214            | 50,000   | 32,664                               | 35,000                               |
| Yamcolo Reservoir                                      | 302,537           | 57,852            | 80,000   | 37,335                               | 52,500                               |
| Stillwater Ditch & Reservoir Company                   |                   | 38,426            | 120,000  | 11,848                               | 120,000                              |
| Office Space   | 4,800             | 67,728            |  |                                      |                                      |
| <b>Subtotal Capital</b>                                | <b>338,766</b>    | <b>213,752</b>    | <b>300,000</b>                                 | <b>111,719</b>                       | <b>232,500</b>                       |
| <b>expenditures</b>                                    | <b>1,712,765</b>  | <b>1,834,203</b>  | <b>2,389,156</b>                               | <b>1,401,001</b>                     | <b>1,948,891</b>                     |
| <b>net income (loss)</b>                               | <b>1,591,111</b>  | <b>1,733,384</b>  | <b>928,820</b>                                 | <b>1,842,278</b>                     | <b>1,350,561</b>                     |
| <b>Ending Fund Balance</b>                             | <b>14,279,517</b> | <b>16,012,901</b> | <b>16,941,721</b>                              | <b>17,855,179</b>                    | <b>17,363,462</b>                    |







## BOARD COMMUNICATION FORM

**From:** Karina Craig, Chief Accountant.

**Date:** November 12, 2020

**Item:** Overview of District investments at Colotrust

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

---

### I. Request/Issue and Background Information:

As a local government, the Upper Yampa Water Conservancy District (District) receives tax revenues which it administers for operations, the long-term financial viability of its facilities, and the services it provides. As a custodian of liquid assets, the District invested significant funds with Colotrust (largest government investment pool in Colorado). The District participates in the Colotrust Plus + fund, which has returned healthy yields over the years.

It is to the benefit of the Board and the District to receive an overview of our investments from Colotrust representatives. Recent District Colotrust investments have been characterized by continued and ongoing decrease in yields. Much of the recent Colotrust investment performance is due to the unprecedented economic environment associated with the Covid pandemic.

Ben Mendenhall, Vice President of Investment Advisory Services at Colotrust, will discuss the following topics:

- Review of the last few years interest rates and earnings.
- 12-month review of where interest rates moved.
- Economic overview of current environment.
- Interest rate expectations for the next 24 months.
- Safety & liquidity of Colotrust report.

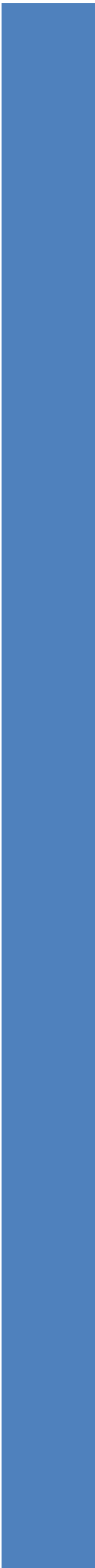
**II. Summary and Alternatives:** none.

**III. Staff Recommendation:** none.

**IV. Legal Issues:** None

**V. Consistency with Board Goals and Policies:** Goal 3.

**Attachments:** none







## BOARD COMMUNICATION FORM

**From:** Greg Peterson, Colorado Agricultural Water Alliance

**Date:** 11/06/20

**Item:** Colorado Agricultural Water Alliance (CAWA)

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

---

**I. Request/Issue and Background Information:**

The Colorado Agricultural Water Alliance is meeting with groups throughout the state to provide information and receive feedback on two issues that are important to the agricultural community.

First, is water quality. In 2012, the State of Colorado passed Regulation 85, which began more stringent regulation of “point source” nutrient dischargers, such as wastewater treatment plants. Nonpoint sources, including most of agriculture, are discussed in the regulation, but mandatory requirements were not implemented. Regulation 85 set a 2022 deadline for evaluation of a voluntary approach for reducing nutrient pollution. Nonpoint sources, including agriculture, and their contributions to nutrient levels will be assessed. Additional regulations may be considered, depending on the success of voluntary efforts. We are meeting with producers around the state to discuss what efforts are being made to maintain Colorado as a non-regulatory state, and how individual producers can be involved.

The second issue is the Colorado Water Plan Update. The Colorado Water Conservation Board is planning to update the Water Plan and revamp the section on Agriculture. There will be a lot of attention paid to Agricultural Viability and using Agricultural Water Metrics to measure progress of addressing water issues impacting the agricultural community.

CAWA is working to get as much involvement from the agricultural community as possible to make sure that the end product meets the needs of producers across the state and we’d like your input.

**II. Summary and Alternatives:**

NA

**III. Staff Recommendation:**

NA



**IV. Legal Issues:**

NA

**V. Consistency with Board Goals and Policies:**

UYWCD SP Objectives 2.2, 4.4

**Attachments:**

CAWA Reg 85 Fact Sheet

CAWA Meeting Flyer



# Reducing Nutrients in Water: What's in it for Colorado Ag Producers?

**Colorado agricultural producers can influence what happens next with state regulation of nutrients and water quality.**

## BACKGROUND

In Colorado and across the United States, agriculture is being identified as one source of nutrient pollution. Nutrients such as nitrogen and phosphorus run off farmlands and accumulate in surface waterways, causing water quality issues. Most agricultural nutrient pollution is considered “nonpoint source,” or difficult to trace to a particular origin.

## NUTRIENTS

Nitrogen (N) and phosphorus (P) are two major essential elements required for crop growth. When lacking in soils, nutrients may be supplemented with fertilizers.

Excess nitrogen and phosphorus that runs off farmland and enters surface water and groundwater can cause:

- algal blooms
- reduced dissolved oxygen content
- harm to aquatic plants and animals
- impaired drinking water supplies



## REGULATION 85

Starting in 2012, Regulation 85 began more stringent regulation of “point source” nutrient dischargers, such as wastewater treatment plants. Nonpoint sources, including most of agriculture, are discussed in the regulation, but mandatory requirements are currently not implemented. Instead, nonpoint sources are encouraged to adopt best management practices that can help reduce nutrient pollution in surface waterways.

### VOLUNTARY ACTION NOW MAY PREVENT FUTURE REGULATION

Regulation 85 sets a 2022 deadline for evaluation of a voluntary approach for reducing nutrient pollution.

Nonpoint sources, including agriculture, and their contributions to nutrient levels will be assessed.

Additional regulations may be considered, depending on the success of voluntary efforts.

## WHAT ARE BEST MANAGEMENT PRACTICES?

Best management practices (BMPs) can include improvements in the management of fertilizer, irrigation, manure handling, and soil erosion. BMPs improve water quality and have agronomic and economic benefits. Examples include:

- Optimizing fertilizer usage through rate, placement, timing and source
- Reducing runoff through improved irrigation systems and scheduling
- Minimizing erosion through conservation tillage
- Installing buffer strips near waterways



## WHAT'S THE BENEFIT TO AGRICULTURE?

Widespread adoption of best management practices:

- allows landowners to make the most of their soil and water resources without government intervention
- increases the efficiency of fertilizer and water application
- maintains or improves the land's productivity by reducing runoff and erosion
- reduces nutrient pollution to avoid the need for future regulation



## WHAT CAN PRODUCERS DO?

Many agricultural producers already utilize BMPs that reduce agricultural nonpoint source pollution. In addition, producers are encouraged to take an active role by:

- continuing to adopt best management practices
- participating in projects to monitor and collect water quality data
- attending Water Quality Control Division meetings
- encouraging fellow producers to become involved and stay engaged

## POINT AND NONPOINT SOURCES

A point source is a single, easily identifiable source of pollution. Examples include:

- pipe or drain
- industrial discharge
- wastewater treatment plant

A nonpoint source is diffuse and more difficult to pinpoint. Examples include:

- most agriculture
- forestland
- some urban stormwater areas

## WHAT HELP IS AVAILABLE FOR PRODUCERS TO ADOPT BMPS?

The Natural Resources Conservation Service (NRCS) offers technical and financial assistance. Contact a local NRCS office or visit [nrcs.usda.gov](http://nrcs.usda.gov).

Colorado State University Extension offers numerous publications and factsheets on best management practices for Colorado agriculture. Contact your local county extension office or visit [ColoradoAgNutrients.org](http://ColoradoAgNutrients.org).

## COLORADO AG WATER QUALITY

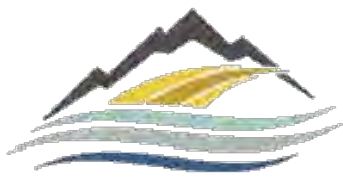
Colorado Ag Water Quality is an outreach and education program produced by:



Colorado State University  
EXTENSION



COLORADO  
Department of Public  
Health & Environment



# Colorado Ag Water Alliance

"Committed to the preservation of agriculture through the wise use of Colorado's water resources"



## Ag Water Meeting

December 7<sup>th</sup>, 2020

Craig, CO

Moffat County Fairgrounds -  
Pavilion

640 E Victory Way

Craig, CO 81625

2:00PM-4PM

Sign-up at:

<https://craigwater.eventbrite.com>

We will be discussing...

Reservoir Releases and Managing  
Storage in the Basin for  
Agriculture

State of the Colorado River  
Abandonment and Partial  
Abandonment

Grant and Loan Options for  
Getting Ag Water Projects  
Funded

Watch Virtually at: <https://us02web.zoom.us/j/86792430856>







## BOARD COMMUNICATION FORM

**From:** Andy Rossi, General manager

**Date:** 11/06/20

**Item:** Resolution to Adopt the Routt County 2020 Hazard Mitigation Plan

---

DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

---

### I. Request/Issue and Background Information:

Hazard mitigation is defined as a way to alleviate the loss of life, personal injury, and property damage that can result from a disaster through long- and short-term strategies. Strategies include planning, policy changes, programs, projects, and other activities that can mitigate the impacts of hazards. The responsibility for hazard mitigation lies with many, including private property owners; business and industry; non-government organizations; and local, state, and federal government agencies.

The federal Disaster Mitigation Act (DMA) of 2000 (Public Law 106-390) requires state and local governments to develop hazard mitigation plans as a condition for federal disaster grant assistance. Before 2000, federal disaster funding focused on disaster relief and recovery, with limited funding for hazard mitigation planning. The DMA increased the emphasis on planning for disasters before they occur.

The DMA encourages state and local authorities to work together on pre-disaster planning. It promotes “sustainable hazard mitigation,” which includes the sound management of natural resources and the recognition that hazards and mitigation must be understood in the largest possible social and economic context. The planning protocol called for by the DMA helps local governments articulate accurate needs for mitigation, resulting in faster allocation of funding and more cost-effective risk reduction projects. This hazard mitigation plan (HMP) was prepared for unincorporated Routt County and the following participating communities and jurisdictions: City of Steamboat Springs (including Steamboat Springs Fire Rescue), Town of Hayden, Town of Oak Creek, Town of Yampa, North Routt Fire Protection District (FPD), Oak Creek FPD, West Routt FPD, Yampa FPD, Mount Werner Water and Sanitation District (Mount Werner Water), and the Upper Yampa Water Conservancy District (UYWCD). The HMP is developed to reduce risks from natural disasters and to comply with the DMA.



**II. Summary and Alternatives:**

NA

**III. Staff Recommendation:**

Adopt the proposed Resolution.

**IV. Legal Issues:**

Adoption of the proposed Resolution requires UYWCD Board of Directors authorization.

**V. Consistency with Board Goals and Policies:**

UYWCD SP Goals 2.1, 2.3

**Attachments:**

Attachment 1: Routt County 2020 Hazard Mitigation Plan, Chapter 1.

Note: Full Routt County 2020 Hazard Mitigation Plan Posted to UYWCD Website.

## Adoption Resolution

Upper Yampa Water Conservancy District

### RESOLUTION

WHEREAS, *Routt County Office of Emergency Management* with the assistance from *Upper Yampa Water Conservancy District*, has gathered information and prepared the *Routt County Hazard Mitigation Plan*; and,

WHEREAS, the *Routt County Hazard Mitigation Plan* has been prepared in accordance with FEMA requirements at 44 C.F.R. 201.6; and,

WHEREAS, *Upper Yampa Water Conservancy District* is a local unit of government that has afforded the citizens an opportunity to comment and provide input in the Plan and the actions in the Plan; and

WHEREAS, *Upper Yampa Water Conservancy District Board of Directors* has reviewed the Plan and affirms that the Plan will be updated by *Routt County Office of Emergency Management* with the assistance from *Upper Yampa Water Conservancy District* no less than every five years;

NOW THEREFORE, BE IT RESOLVED by *Upper Yampa Water Conservancy District Board of Directors* that the *Upper Yampa Water Conservancy District* adopts the *Routt County Hazard Mitigation Plan* as this jurisdiction's Multi-Hazard Mitigation Plan and resolves to work with the *Routt County Office of Emergency Management* to execute the actions in the Plan.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020 at the meeting of the *Upper Yampa Water Conservancy District*.

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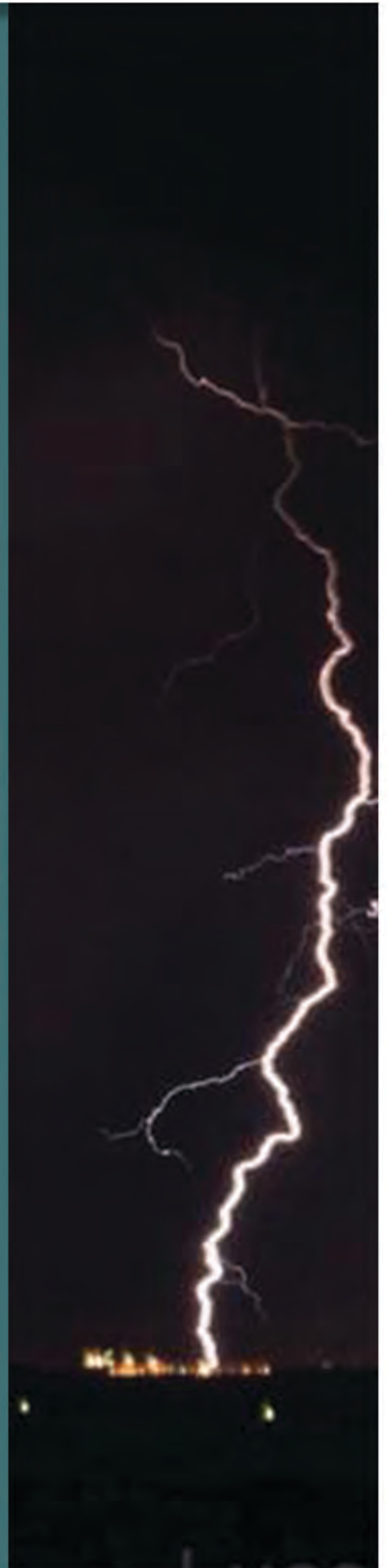
*Upper Yampa Water Conservancy District Board President.*



# Hazard Mitigation Plan

Federal Emergency Management Agency  
Region 8 Review Draft

September 24, 2020





# Routt County Hazard Mitigation Plan

September 2020

## PREPARED FOR

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Routt County Office of Emergency Management

136 6th Street, Suite 113  
Steamboat Springs, CO 80477

## PREPARED BY

---

Tetra Tech

1560 Broadway, Suite 1400  
Denver, CO 80202

Phone: 303.312.8800  
Fax: 303.295.2818  
[tetratech.com](http://tetratech.com)





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The planning team wishes to recognize the efforts of the leadership and supporting members of the planning team, supporting agencies, nongovernment organizations, and the public in preparing this Hazard Mitigation Plan update.

### Project Manager

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David “Mo” DeMorat  
Routt County Office of Emergency Management  
136 6th Street, Suite 113  
Steamboat Springs, CO 80477

### Steering Committee and Stakeholders

---

- City of Steamboat Springs, Jon Snyder, Director of Public Works
- Town of Hayden, Greg Tuliszewski, Police Chief
- Town of Oak Creek, Mary Alice Page-Allen, Town Administrator [followed by: Chuck Wisecup, District Fire Chief (Oak Creek Fire Protection District)]
- Town of Yampa, Eric Berry, Public Works Superintendent
- North Routt Fire Protection District (FPD), Mike Swinsick, Fire Chief
- Oak Creek FPD, Chuck Wisecup, District Fire Chief
- West Routt FPD, Trevor Guire, Interim District Fire Chief
- Yampa FPD, Machia “Ky” Cox, District Fire Chief
- Mount Werner Water and Sanitation District, Frank Alfone, General Manager
- Upper Yampa Water Conservancy District, Andy Rossi, Interim General Manager
- Steamboat Springs Fire Rescue, Chuck Cerasoli, Interim Fire Chief

The planning team would also like to acknowledge other departments, agencies, nonprofit organizations, and citizen stakeholders; these parties shared necessary data, local knowledge, and other input through meetings, calls, in-person discussions, and on-line survey input.

### Technical Consultant

---

Tetra Tech, Inc.

- Laura D. Johnston, First Half Project Manager
- Rob Flaner, Second Half Project Manager

### Alternate Point of Contact for Routt County OEM

---

Cheryl R. Dalton, Emergency Management Specialist  
136 6th Street, Suite 113, Steamboat Springs, CO 80487  
Phone: 970-870-5549  
e-mail: [cdalton@co.routt.co.us](mailto:cdalton@co.routt.co.us)



## **Part 1. PLAN ELEMENTS AND PARTICIPATING COMMUNITIES**

---



# 1. INTRODUCTION TO THE PLANNING PROCESS

---

## 1.1 WHY PREPARE THIS PLAN?

### 1.1.1 The Big Picture

Hazard mitigation is defined as a way to alleviate the loss of life, personal injury, and property damage that can result from a disaster through long- and short-term strategies. Strategies include planning, policy changes, programs, projects, and other activities that can mitigate the impacts of hazards. The responsibility for hazard mitigation lies with many, including private property owners; business and industry; non-government organizations; and local, state, and federal government agencies.

The federal Disaster Mitigation Act (DMA) of 2000 (Public Law 106-390) requires state and local governments to develop hazard mitigation plans as a condition for federal disaster grant assistance. Before 2000, federal disaster funding focused on disaster relief and recovery, with limited funding for hazard mitigation planning. The DMA increased the emphasis on planning for disasters before they occur.

The DMA encourages state and local authorities to work together on pre-disaster planning. It promotes “sustainable hazard mitigation,” which includes the sound management of natural resources and the recognition that hazards and mitigation must be understood in the largest possible social and economic context. The planning protocol called for by the DMA helps local governments articulate accurate needs for mitigation, resulting in faster allocation of funding and more cost-effective risk reduction projects. This hazard mitigation plan (HMP) was prepared for unincorporated Routt County and the following participating communities and jurisdictions: City of Steamboat Springs (including Steamboat Springs Fire Rescue), Town of Hayden, Town of Oak Creek, Town of Yampa, North Routt Fire Protection District (FPD), Oak Creek FPD, West Routt FPD, Yampa FPD, Mount Werner Water and Sanitation District (Mount Werner Water), and the Upper Yampa Water Conservancy District. The HMP is developed to reduce risks from natural disasters and to comply with the DMA. The defined planning area for this planning effort is contiguous with the Routt County Boundary. Figure 1-1 shows the planning area and the participating partner geographical areas.

### 1.1.2 Drivers for Planning

This planning effort is an update to the County’s 2010 Local HMP (Routt County 2010a). Several drivers initiated this and prior planning efforts:

- Routt County has experienced past hazard events that triggered disaster declarations;
- Routt County is exposed to hazards that have caused past damage;
- Limited local resources make it difficult to be pre-emptive in reducing risk. Eligibility for federal financial assistance is paramount to promote successful hazard mitigation in the area; and
- Routt County and its partners participating in this plan want to be proactive in preparing for the probable impacts of natural hazards.

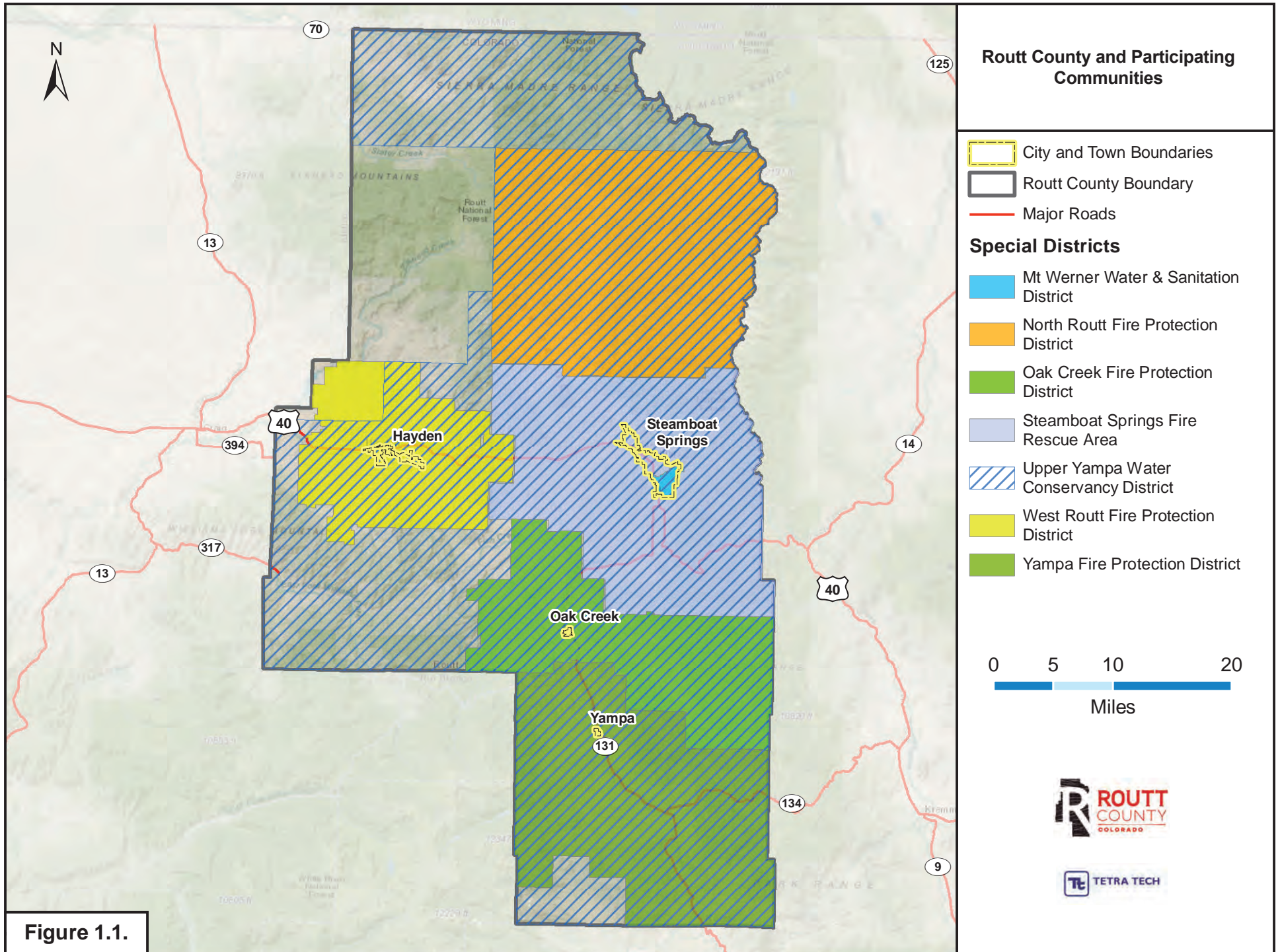


Figure 1.1.

### 1.1.3 Purposes for Planning

This HMP identifies resources, information, and strategies to reduce risk from natural hazards. Elements and strategies in the plan were selected because they meet a program requirement and because they best meet the needs of the planning partners and their citizens. One of the benefits of multi-jurisdictional planning is the ability to pool resources and eliminate redundant activities within a planning area that has uniform risk exposure and vulnerabilities. FEMA encourages multi-jurisdictional planning under its guidance for the DMA. This plan will help guide and coordinate mitigation activities throughout the planning area. In addition to the Goals and Objectives discussed in Part 3, the following objectives were referred to while this plan was updated:

- Meet or exceed requirements of the DMA.
- Enable all planning partners to use federal grant funding to reduce risk through mitigation.
- Meet the needs of each planning partner and address state and federal requirements.
- Create a risk assessment that focuses on Routt County’s hazards of concern.
- Create a single planning document that integrates all planning partners into a framework that supports partnerships within the county and puts all partners on the same planning cycle for future updates.
- Coordinate existing plans and programs so that high-priority initiatives and projects to mitigate possible disaster impacts are funded and implemented.

## 1.2 WHO WILL BENEFIT FROM THIS PLAN?

All citizens and businesses of Routt County will benefit from this plan. The plan helps reduce risk for those who live in, work in, and visit the county. It provides a viable planning framework for foreseeable natural hazards that may impact the county. Participation in development of the plan by key stakeholders in the county helps ensure that outcomes will be mutually beneficial. The resources and background information in the plan are applicable countywide, and the plan’s goals and recommendations can lay the groundwork for the development and implementation of local mitigation activities and partnerships.

## 1.3 ELEMENTS OF THIS PLAN

This plan includes all federally required elements of a disaster mitigation plan:

- A description of the planning process
- The public involvement strategy
- A list of goals and objectives
- A countywide hazard risk assessment
- County-wide mitigation actions
- A plan maintenance strategy
- Jurisdiction-specific information:
  - Jurisdiction specific risk ranking
  - Jurisdiction specific core capability assessment
  - Jurisdiction-specific mitigation action plan
  - Jurisdiction-specific action prioritization

The following appendices provide additional information or explanations to support the main content of the plan:

- Appendix A—A glossary of acronyms
- Appendix B—Letters of intent to participate and funding notices
- Appendix C—Public outreach

- Appendix D—Mitigation action planning documentation
- Appendix E—Jurisdiction-specific annexes
- Appendix F—Plan adoption resolutions from planning partners (to be prepared for final plan)
- Appendix G—A template for progress reports to be completed as this plan is implemented

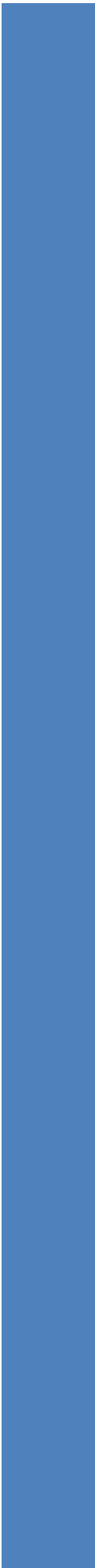
All participating jurisdictions will adopt the plan in its entirety.

## 1.4 LOCAL MITIGATION PLAN REVIEW TOOL

The Local Mitigation Plan Review Tool demonstrates how the Local Mitigation Plan meets the requirements of Title 44 of the Code of Federal Regulations (44 CFR) Section (§) 201.6 and offers state and FEMA Mitigation Planners an opportunity to provide feedback to the community. It addresses the following:

- The Regulation Checklist provides a summary of FEMA’s evaluation of whether the plan has addressed all requirements.
- The Plan Assessment identifies the plan’s strengths and documents areas for future improvement.
- The Multi-Jurisdiction Summary Sheet is an optional worksheet that can be used to document how each jurisdiction met the requirements of each element of the plan (Planning Process; Hazard Identification and Risk Assessment; Mitigation Strategy; Plan Review, Evaluation, and Implementation; and Plan Adoption).

The FEMA Mitigation Planner must reference the *Local Mitigation Plan Review Guide* when completing the Local Mitigation Plan Review Tool. The County will provide the Final FEMA Local Mitigation Plan Review Tool along with the draft HMP to the State of Colorado and FEMA to support their respective reviews.





## BOARD COMMUNICATION FORM

**From:** Upper Yampa Water Conservancy District Staff

**Date:** November 2, 2020

**Item: Proposed 2021 Upper Yampa Water Conservancy District Meeting Schedule and Proposed Purchase of Tablets for Board Meetings**

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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### **I. Request/Issue and Background Information:**

#### Meeting Schedule:

The proposed 2021 Upper Yampa Water Conservancy District (UYWCD) Meeting schedule is included with this communication for consideration. The UYWCD staff is proposing a return to the organizational practice of holding six regular Board of Directors (BOD) meetings during the odd numbered months of the year with the addition of one full-day, combined UYWCD BOD regular meeting and retreat in October.

The potential for additional UYWCD BOD timely action will be accomplished, if necessary, with the use of the UYWCD BOD Executive Committee. The UYWCD BOD President will request participation on the Executive Committee from the UYWCD BOD at the January 2021 regular UYWCD BOD meeting in conjunction with the annual election of officers.

#### Tablet Purchase:

UYWCD staff are asking the UYWCD BOD to consider the purchase of tablets for use by the Directors for in-person meetings in lieu of providing meeting packet binders. Currently, for in-person meetings, staff prepares 13 binders (9 for Directors, 4 for the Public) that consist of printing meeting materials that are, on average, over 250 pages each and assembling these materials with index dividers.

The use of tablets will free up staff time that would otherwise be spent preparing the binders. While there will be initial up-front costs, the UYWCD will not continue to spend funds on copy paper, binders, tab inserts and staff time which total approximately **\$3,921.76/year**.





**Estimated Tablet Meeting Materials Format Costs - \$6,000**

- **Tablets:** Tablet model recommended by IT consultants - \$3,000 cost for full set of Tablets. This is a one-time cost. Tablet minimum expected life span is approximately five to six years with daily use.
- **Setup:** IT consultants will setup a document site for staff to upload the meeting packet, establish a UYWCD BOD account on each device, prep the Tablets and provided training - \$3,000 estimated cost.

**II. Summary and Alternatives:**

Approve the proposed 2021 UYWCD Meeting Schedule as presented.  
Modify the proposed 2021 UYWCD Meeting Schedule.  
Direct UYWCD staff to transition to Tablet Meeting Materials Format.

**III. Staff Recommendation:**

The UYWCD staff recommends that the UYWCD BOD adopt the proposed 2021 meeting schedule and direct the UYWCD staff to purchase Tablets for use by the Directors from the 2020 budget.

**IV. Legal Issues:**

NA

**V. Consistency with Board Goals and Policies:**

NA

**Attachments:**

Proposed 2021 Upper Yampa Water Conservancy District (UYWCD) Meeting schedule

# 2021 BOD Meeting Calendar

UYWCD BOD Mtg **Holiday** MCWSD MWWD YWGRT UYWCD Potential Exec Comm

| January |    |    |    |    |    |    |
|---------|----|----|----|----|----|----|
| Su      | Mo | Tu | We | Th | Fr | Sa |
|         |    |    |    |    | 1  | 2  |
| 3       | 4  | 5  | 6  | 7  | 8  | 9  |
| 10      | 11 | 12 | 13 | 14 | 15 | 16 |
| 17      | 18 | 19 | 20 | 21 | 22 | 23 |
| 24      | 25 | 26 | 27 | 28 | 29 | 30 |
| 31      |    |    |    |    |    |    |

| February |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|
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| 7        | 8  | 9  | 10 | 11 | 12 | 13 |
| 14       | 15 | 16 | 17 | 18 | 19 | 20 |
| 21       | 22 | 23 | 24 | 25 | 26 | 27 |
| 28       |    |    |    |    |    |    |

| March |    |    |    |    |    |    |
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| 7     | 8  | 9  | 10 | 11 | 12 | 13 |
| 14    | 15 | 16 | 17 | 18 | 19 | 20 |
| 21    | 22 | 23 | 24 | 25 | 26 | 27 |
| 28    | 29 | 30 | 31 |    |    |    |

| April |    |    |    |    |    |    |
|-------|----|----|----|----|----|----|
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| 4     | 5  | 6  | 7  | 8  | 9  | 10 |
| 11    | 12 | 13 | 14 | 15 | 16 | 17 |
| 18    | 19 | 20 | 21 | 22 | 23 | 24 |
| 25    | 26 | 27 | 28 | 29 | 30 |    |

| May |    |    |    |    |    |    |
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| 9   | 10 | 11 | 12 | 13 | 14 | 15 |
| 16  | 17 | 18 | 19 | 20 | 21 | 22 |
| 23  | 24 | 25 | 26 | 27 | 28 | 29 |
| 30  | 31 |    |    |    |    |    |

| June |    |    |    |    |    |    |
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| 6    | 7  | 8  | 9  | 10 | 11 | 12 |
| 13   | 14 | 15 | 16 | 17 | 18 | 19 |
| 20   | 21 | 22 | 23 | 24 | 25 | 26 |
| 27   | 28 | 29 | 30 |    |    |    |

| July |    |    |    |    |    |    |
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| 11   | 12 | 13 | 14 | 15 | 16 | 17 |
| 18   | 19 | 20 | 21 | 22 | 23 | 24 |
| 25   | 26 | 27 | 28 | 29 | 30 | 31 |

| August |    |    |    |    |    |    |
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| Su     | Mo | Tu | We | Th | Fr | Sa |
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| 8      | 9  | 10 | 11 | 12 | 13 | 14 |
| 15     | 16 | 17 | 18 | 19 | 20 | 21 |
| 22     | 23 | 24 | 25 | 26 | 27 | 28 |
| 29     | 30 | 31 |    |    |    |    |

| September |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|
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| 5         | 6  | 7  | 8  | 9  | 10 | 11 |
| 12        | 13 | 14 | 15 | 16 | 17 | 18 |
| 19        | 20 | 21 | 22 | 23 | 24 | 25 |
| 26        | 27 | 28 | 29 | 30 |    |    |

| October |    |    |    |    |    |    |
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| 10      | 11 | 12 | 13 | 14 | 15 | 16 |
| 17      | 18 | 19 | 20 | 21 | 22 | 23 |
| 24      | 25 | 26 | 27 | 28 | 29 | 30 |
| 31      |    |    |    |    |    |    |

| November |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|
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| 7        | 8  | 9  | 10 | 11 | 12 | 13 |
| 14       | 15 | 16 | 17 | 18 | 19 | 20 |
| 21       | 22 | 23 | 24 | 25 | 26 | 27 |
| 28       | 29 | 30 |    |    |    |    |

| December |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|
| Su       | Mo | Tu | We | Th | Fr | Sa |
|          |    |    | 1  | 2  | 3  | 4  |
| 5        | 6  | 7  | 8  | 9  | 10 | 11 |
| 12       | 13 | 14 | 15 | 16 | 17 | 18 |
| 19       | 20 | 21 | 22 | 23 | 24 | 25 |
| 26       | 27 | 28 | 29 | 30 | 31 |    |

## Federal Holidays 2021

|        |                        |        |                         |        |              |        |                       |
|--------|------------------------|--------|-------------------------|--------|--------------|--------|-----------------------|
| Jan 1  | New Year's Day         | May 31 | Memorial Day            | Sep 6  | Labor Day    | Nov 25 | Thanksgiving Day      |
| Jan 18 | Martin Luther King Day | Jul 4  | Independence Day        | Oct 11 | Columbus Day | Dec 24 | Christmas Day (obs.)  |
| Feb 15 | Presidents' Day        | Jul 5  | Independence Day (obs.) | Nov 11 | Veterans Day | Dec 25 | Christmas Day         |
|        |                        |        |                         |        |              | Dec 31 | New Year's Day (obs.) |





## BOARD COMMUNICATION FORM

**From:** Karina Craig, Chief Accountant.

**Date:** November 13, 2020

**Item:** 2020 Financial Statements with Independent Auditor's Report

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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### I. Request/Issue and Background Information:

The District is subject to Colorado Auditing Standards and is required to undergo an annual audit of its financial books. The local firm Catterson & Company, P.C. provided these services to the District, successfully, for several years. Directors proposed a new auditing firm be hired, adhering to good standard practices of changing auditors periodically. In 2019 the District published the appropriate Request for Proposals throughout the state of Colorado. Governmental audits are a complex industry and require specialized expertise. Nine firms responded with a proposal for services. Mayberry & Company LLC of Englewood, CO was selected, and it successfully audited the District's 2019 financials. The audit was the first District audit to be carried out entirely online.

Mayberry & Co. experienced loss of staffing and due to current pandemic circumstances. Therefore, Mayberry & Co. will not be able to audit the District for the 2020 fiscal year.

The District is currently seeking new proposals for the District's audit for the 2020 fiscal year.

The following schedule is proposed:

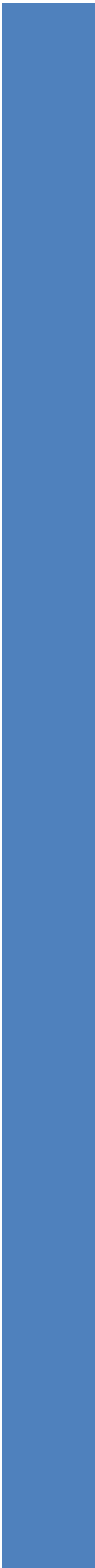
- Dec 7, 2020: Deadline to submit proposals
- Dec 7 -11, 2020: Staff (and UYWCD BOD) review of proposals
- Dec 17, 2020: Report & Recommendation to UYWCD BOD. Selection made.
- Dec 18, 2020: Offer made
- February/March 2021/TBD: Audit work

**II. Alternatives:** Accept schedule, Make alternative recommendations.

**III. Staff Recommendation:** Accept proposed schedule for selection of financial Auditor.

**IV. Legal Issues:** None

**V. Consistency with Board Goals and Policies:** Goal 3.





## BOARD COMMUNICATION FORM

**From:** Andy Rossi, General Manager

**Date:** 11/11/20

**Item:** 2021 Upper Yampa water Conservancy District Strategic Plan and Corresponding Work Plan for Newly Proposed UYWCD Efforts

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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### **I. Request/Issue and Background Information:**

The 2021 Upper Yampa Water Conservancy District (UYWCD) Strategic Plan and corresponding Work Plan efforts for newly proposed 2021 efforts is presented for consideration by the UYWCD Board of Directors (BOD).

### **II. Summary:**

The UYWCD Strategic Plan will be regularly reviewed and updated, as appropriate, by the UYWCD BOD and staff. The first review of the 2020 UYWCD Strategic Plan was completed in July of 2020. Subsequent reviews of the 2020 UYWCD Strategic Plan with the intent to update the Strategic Plan for presentation to the full UYWCD BOD as the 2021 UYWCD Strategic Plan were performed by the UYWCD Strategic Plan Committee during three meetings held on September 23, October 1, and October 7, 2020. In addition, a draft of the 2021 UYWCD Strategic Plan was presented to and discussed by the UYWCD BOD at the October 15, 2020 UYWCD BOD Retreat. The final 2021 UYWC Strategic Plan is included with this communication along with the 2021 UYWCD Staff Work Plan for newly proposed efforts.

### **III. Staff Recommendation:**

The UYWCD staff recommends that a review of the 2021 UYWCD Strategic Plan be performed by the UYWCD staff for the July 2021 UYWCD regular BOD meeting. This review will include a status update on the newly proposed work efforts as described in the UYWCD Strategic Plan.



**IV. Legal Issues:**

NA

**V. Consistency with Board Goals and Policies:**

UYWCD Strategic Plan 10.2

**Attachments:**

Attachments: 2021 UYWCD Strategic Plan and Corresponding Work Plan Information

## UYWCD Strategic Plan - Supplemental Chart for 2021 Internal Work Planning

| Objective   | History, 2020 Work & 2020 Plans   | Potential New Tasks   | Department  | 2021 Work Efforts   | Status of 2021 Potential New Tasks |
|---|---|---|---|---|------------------------------------|
| <b>1.Upper Yampa Basin water resources and local water uses are protected from transbasin diversions and Compact administration that would adversely impact those water resources and uses.</b> |   |   |   |   |                                    |
| 1.1   | <b>Develop District understanding and policies to address Big River issues</b>  | <ul style="list-style-type: none"> <li>• Communications Director is attending multiple state-wide and regional water planning group meetings as a representative of the UYWCD. Completed the WECO Water Fluency Program in 2020.</li> <li>• Risk Study Analysis of Yampa Doctrine and Equitable Apportionment Complete, UYWCD Staff to recommend next steps with UYWCD BOD input.</li> <li>• UYWCD represented on Basin Roundtable Big River Subcommittee by K. Brenner, H. Kirkpatrick. Regular reports provided to UYWCD BOD as necessary.</li> <li>• IBCC negotiations will be monitored proactively. The UYWCD needs to formalize organization approach to ensure that Yampa Basin interests and science to assist with the 2020-2026 Colorado River Interim Guidelines Renegotiations</li> <li>• UYWCD is actively monitoring CWCB and State Water Plan activities through attendance and representation at regional planning groups.</li> <li>• Legislative Activities are being monitored through Colorado Water Congress State Affairs Committee, and UYWCD Board Member Reports. Updates provided to UYWCD BOD at regular UYWCD BOD meetings.</li> <li>• General Manager will propose a plan and schedule for the continued development of UYWCD positions on state-wide, Big River issues following presentation of Risk Analysis study at UYWCD July BOD meeting.</li> </ul> | <b>Invite Regional/State Experts to give public presentations on Big River Issues: Demand Management, CO River Compact Interim Guidelines</b>   | <ul style="list-style-type: none"> <li>• External affairs</li> <li>• Legal</li> <li>• Board</li> </ul>                  | Identified                         |
| 1.2   | <b>Prevent out-of-District transfers of water that could have adverse impacts for the District and its constituents</b> | <ul style="list-style-type: none"> <li>• Legal Staff is monitoring resumes and reports are provided to UYWCD BOD at regular UYWCD BOD meetings</li> <li>• Legal staff reviews all UYWCD water contracts. Most 2020 activity has been focused on Yamcolo agricultural contracts. Proposed CWT Stagecoach contract will be reviewed before presented to UYWCD BOD for authorization.</li> <li>• Legal staff is engaged in activities in 1.1 as needed and at the request of UYWCD General Manager.</li> </ul>   | <b>Lobby legislature, in response to Big River Issues (State and Federal Representatives).</b>  | <ul style="list-style-type: none"> <li>• External affairs</li> <li>• Legal</li> <li>• Board</li> </ul>                  | Identified                         |
| <b>2. District's infrastructure is safe and maintained, or improved as needed, to serve the needs of the District.</b>  |   |   |   |   |                                    |
| 2.1   | <b>Ensure sufficient funds to maintain and/or improve our infrastructure</b>  | <ul style="list-style-type: none"> <li>• 2020 Budget for O&amp;M activities is adequate to date.</li> <li>• 2020 Budget for capital activities is adequate for Stagecoach and Yamcolo Reservoirs. 2020 budget for capital improvements for the Stillwater Ditch has been expanded as part of approved budget amendment.</li> <li>• Facilities reserves included in 2020 approved budget</li> <li>• Facilities maintenance and improvement plan implementation is ongoing with progress reports provided by District Engineer at UYWCD BOD regular meetings. Reports are included in public materials distributed for UYWCD BOD meetings.</li> </ul>   | <b>Funds designated for new facilities/project construction, including Water Quality funds in update of 30-year maintenance plan for Stagecoach.</b>  | <ul style="list-style-type: none"> <li>• Facilities</li> <li>• Finance</li> <li>• Board</li> </ul>                      | Identified                         |
| 2.2   | <b>Initiate or support efforts to address algae and other water quality issues in Stagecoach Reservoir</b>              | <ul style="list-style-type: none"> <li>• UYWCD staff and board members continue to be active participants in the Watershed Group. The UYWCD is the fiscal agent for water quality study grant. UYWCD Director Halliday is the project manager for the Nutrient and Water Quality Study.</li> <li>• UYWCD continues to participate in the baseline long term water quality monitoring effort through Routt County Department of Health as a fiscal partner. UYWCD staff maintain a working relationship with USGS regional staff.</li> <li>• UYWCD continues water quality monitoring as part of 401 water quality certification. Next round of data collection for 401 requirements scheduled as required. New WQ Data collection in 2020 in response to CDPHE rule making process.</li> <li>• CPW monitoring efforts at Stagecoach State Park are ongoing in 2020. UYWCD District Engineer is in direct communication with Stagecoach Stated Park Manager and CPW water quality staff.</li> <li>• Temperature string deployment and DO monitoring continues uninterrupted at Stagecoach Dam in 2020. Monthly data reports filed with FERC by District Engineer.</li> </ul>   | <b>Engage with CPW to develop long-term Water Quality monitoring program and Media/Public Outreach campaign at Stagecoach Reservoir. Water Quality monitoring program should include necessary actions/responses.</b> | <ul style="list-style-type: none"> <li>• Planning?</li> <li>• Facilities</li> <li>• Board</li> <li>• Finance</li> </ul> | Identified                         |



|     |  |  |   |   |  |                   |
|-----|--|--|---|---|--|-------------------|
| 2.3 | <b>Ensure integrity and safety of dams</b>                               | <ul style="list-style-type: none"> <li>●FERC-required emergency action plan updates, reporting, and exercises are on schedule for 2020.</li> <li>●Stagecoach Dam 2020 annual inspections by FERC pending FERC Covid protocol requirements. Stagecoach Dam CDWR Dam Safety Inspection Scheduled for August 2020. Yamcolo Dam CDWR Dam Safety Inspection complete. UYWCD District Engineer and CDWR Dam Safety Division are coordinating on an update to the Yamcolo Dam seepage monitoring program.</li> <li>●Stagecoach Dam Part 12 inspection completed in 2019. Follow up item(s) responses filed with FERC June 2020.</li> <li>●UYWCD has contracted with AECOM for compliance with new FERC requirement for outside review of Owner's Dam Safety Plan. Review, report and recommendations to be filed with FERC in December 2020. UYWCD was an active participant in the Routt County Hazard Mitigation Plan development.</li> </ul> |   | ●Facilities   |  |                   |
| 2.4 | <b>Ensure safe work environment for all UYWCD employees and visitors</b> | <ul style="list-style-type: none"> <li>●Implementation of recommendation from 2014 safety review (safety procedures, equipment, documentation) is ongoing at all UYWCD facilities. Safety protocols have been modified in response to Covid development. UYWCD facilities staff designated as Critical Infrastructure Employees. Coordination with FERC staff has been modified to comply with additional request and reporting as determined by FERC Covid protocols. FERC Covid protocol updates ongoing in response to changing conditions.</li> </ul>  | <b>Explore connectivity upgrades for all UYWCD facilities, including UYWCD offices.</b>   | <ul style="list-style-type: none"> <li>●Facilities</li> <li>●Legal</li> </ul> |  | <b>Identified</b> |
| 2.5 | <b>Maintain Stagecoach as a public recreation facility</b>               | <ul style="list-style-type: none"> <li>●CPW Stagecoach master plan infrastructure improvements continue in 2020 with substantial electrical power infrastructure upgrades at Stagecoach State Park. UYWCD staff coordinated with CPW on permitting and project development for planned upgrades. Construction scheduled for summer of 2020.</li> <li>●CPW provides regular updates of annual activities through communications with the District Engineer.</li> </ul>  | <b>Schedule meetings with CPW in January of 2021 to begin renegotiation of Stagecoach lease. Establish CPW-UYWCD Lease Negotiation Committee.</b> | ●Facilities   |  | <b>Identified</b> |

**3. District is financially sustainable and able to meet its stated goals.**

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

**4.All in-basin beneficial vested water uses in the District are protected, consistent with policy statements above.**

|     |  |   |   |   |  |   |
|-----|--|---|---|---|--|---|
| 4.1 | <b>Formalize and consider expanding District's grant program</b>   | <ul style="list-style-type: none"> <li>UYWCD was granted \$100,000 in Water Supply Reserve Funds from the Basin Roundtable in January 2020. Marketing efforts include collaboration with outside agencies, local publications, and advertisements through local media including print and radio. The Diversion Infrastructure Improvement Project has received an influx of interested applicants who plan to complete projects in the coming months.</li> <li>A streamlined application process for the Diversion Infrastructure Improvement Project is currently in place. Reimbursement procedures for matching WSRF monies will be established with the first payment request submitted in July 2020.</li> <li>UYWCD staff is collaborating with local working groups and outside agencies to identify potential projects that could benefit from UYWCD grant funds.</li> </ul> | <p><b>Continue Infrastructure grant program with expansion to local reservoirs and stream gaging. Define explicit funding amount for non-infrastructure grant program (\$50,000 per year).</b></p>  | <ul style="list-style-type: none"> <li>Public</li> </ul>  |  | <p align="center"><b>Identified</b></p>             |
| 4.2 | <b>Promote District's existing augmentation plans on Yampa and Elk Rivers</b>  | <ul style="list-style-type: none"> <li>The first augmentation plan of 2020 was contracted in July. Communications Director is working with interested applicants on the Elk River.</li> <li>Website redesign is underway. Hive180 Marketing is in the development phase of the new website.</li> </ul>  | <p><b>Study potential coverage for areas of need not serviced by existing plans. Outreach/Education presentations to local non-water industry business groups. Use area wide mailing w/RC Assessor tools for educational materials.</b></p> | <ul style="list-style-type: none"> <li>Public</li> </ul>  |  | <p align="center"><b>Identified</b></p>             |
| 4.3 | <b>Explore potential expansion or creation of augmentation plans that aid in protecting the beneficial uses of junior priority water rights not currently within boundaries of the existing augmentation plans</b> | <ul style="list-style-type: none"> <li>Internal discussions to clarify potential future needs are identified as an important topic for inclusion in the 2020 UYWCD BOD retreat in October.</li> </ul>   | <p><b>Hold internal discussions to clarify potential future needs; engage DWR in discussions as needed</b></p>  | <ul style="list-style-type: none"> <li>Planning</li> </ul>  |  | <p align="center"><b>Identified</b></p>             |
| 4.4 | <b>Protect productive agricultural water uses in the District</b>  | <ul style="list-style-type: none"> <li>The Diversion Infrastructure Improvement Project offers funding for measuring devices that will help protect existing agricultural water rights in the District through record-keeping.</li> <li>Involvement from K.Brenner and H. Kirkpatrick in the Basin Roundtable and subsequent subcommittees including the Big River Subcommittee and Public Education, Participation, and Outreach (PEPO) Subcommittee and the Integrated Water Management Plan (IWMP) and its' Stakeholder Engagement Subcommittee ensures a role for the District in updating the Basin Implementation Plan (BIP) and educating the public on key water issues in the basin.</li> </ul>  |   | <ul style="list-style-type: none"> <li>Public</li> <li>Legal</li> <li>External Affairs</li> </ul> |  | <p align="center"><b>Planning, Implementing</b></p> |
| 4.5 | <b>Effectively communicate with local municipalities regarding long-term water supplies</b>  | <ul style="list-style-type: none"> <li>UYWCD staff is engaged with local municipalities as a supportive technical advisor on possible instrumentation upgrades and data collection.</li> </ul>  | <p><b>Adopt Stagecoach Water Pricing/Marketing Policy, Set schedule for existing municipal contract negotiations.</b></p>   | <ul style="list-style-type: none"> <li>Public</li> <li>Planning</li> </ul>                        |  | <p align="center"><b>Planning, Implementing</b></p> |

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

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| 6.2   | Increase District's understanding of relevant potential effects of climate change, population growth, and demographics for District planning | •CDSS model updates to include paleo study comparison with climate change hydrology. District Engineer maintains regular contact with Paleo Hydrology working group.                     | UYWCD will participate in the community Just Transition Program for West Routt and Moffat Counties, possibly in coordination with Steamboat Chamber of Commerce. Participate in Routt County Master Plan as warranted. Explore water-related opportunities to address climate change resilience.       | •Planning                           |  | Identified |
| 6.3   | Increase engagement with constituents and Upper Yampa Basin water interests in planning for long-term Yampa Basin water supply and use       | •Collaboration with existing agencies and interest groups is ongoing by UYWCD staff and BOD.   | Schedule and coordinate an annual event for 2021 a part of the 2021 work plan, Annual UYWCD Yampa Canyon trip.   | •Public                             |  | Identified |
| 6.4   | Expand Board's understanding of relevant issues and trends for District decision-making  | •Regular discussions of pending legislation and interpretation of new legislation is ongoing by UYWCD staff and BOD. •Collaboration with Colorado River District on Risk Study modeling. |  | •Board                              |  |            |
| <b>7. Healthy reservoirs, streams and watersheds within the District in support of the policy statements above.</b> |  |  |  |                                     |  |            |
| 7.1   | Support water quality efforts in the District, and, where relevant, respond to concerns that arise, consistent with District's mission       | •See 2.2   | Commission a Fire-Hazard Risk Study for the Yamcolo and Stagecoach contributing watersheds with USFS, NRCS and Rocky Mountain Restoration Initiative as partners. Continue to monetarily support ongoing upper basin water quality monitoring program in partnership with local stakeholders and USGS. | •Planning?<br>•Facilities<br>•Board |  | Identified |

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| 7.2   | Anticipate potential future role and responsibilities for the District to support water quality in the District                           | <ul style="list-style-type: none"> <li>•Collaboration with existing agencies and interest groups is ongoing. UYWCD staff actively engaged with CDPHE, CPW, and Routt County on water quality concerns.</li> </ul>  | Commission a Fire-Hazard Risk Study for the Yamcolo and Stagecoach contributing watersheds with USFS, NRCS and Rocky Mountain Restoration Initiative as partners.  | <ul style="list-style-type: none"> <li>•Planning?</li> <li>•External Affairs</li> <li>•Board</li> </ul> |  | Identified |
| 7.3   | Support efforts in the District to improve watershed management and forest health   | <ul style="list-style-type: none"> <li>•UYWCD staff is engaged in the Fish Creek Drainage forest health management plans as a supportive technical advisor on possible instrumentation upgrades.</li> </ul>  | Commission a Fire-Hazard Risk Study for the Yamcolo and Stagecoach contributing watersheds with USFS, NRCS and Rocky Mountain Restoration Initiative as partners.  | <ul style="list-style-type: none"> <li>•Planning?</li> <li>•External Affairs</li> <li>•Board</li> </ul> |  | Identified |
| 7.4   | Explore mechanisms to support use of District water rights for environmental purposes, e.g., in-stream flows                              | <ul style="list-style-type: none"> <li>•UYWCD staff presented an in-depth discussion on in-stream flow and ERC possibilities at the May 2020 UYWCD BOD meeting. CWT-UYWCD partnership for ERC at Stagecoach Reservoir has been renewed by the District Engineer for 2020, with concrete plans to continue the exploration of legal mechanism available to the UYWCD and Yampa River Basin for future ERC and in-stream support. UYWCD staff will remain engaged in CWCB rule making processes and continued legal developments for HBs 1037 and 1157.</li> </ul>   | Clarify District policy for support of instream flows (see 4.8 below), Specifically: work with CWT, consultants to identify HB20-1157 mechanisms for UYWCD reservoirs.                                       | <ul style="list-style-type: none"> <li>•Board</li> </ul>  |  | Identified |
| <b>8. District constituencies understand water issues in the Upper Yampa Basin and the role of the District in addressing them.</b> |   |  |  |   |  |            |
| 8.1   | Increase public understanding of the District's role and activities   | <ul style="list-style-type: none"> <li>•Hive180 Marketing is in the development phase for a new website.</li> <li>•UYWCD awarded \$15,000 in grant funds to Yampatika for the development of a K-12 water education curriculum. UYWCD staff is reviewing the curriculum development on an ongoing basis.</li> <li>•UYWCD sponsored a storage episode in the "Your Water Table" video series in collaboration with the Basin Roundtable. The series is currently in production.</li> <li>•UYWCD filmed an educational video on the Yampa River Project with Colorado Water Trust.</li> <li>•UYWCD is partnering with the Integrated Water Management Plan to produce an educational video on diversion assessments and improvements, which will include the Diversion Infrastructure Improvement Project. The video will be filmed in Fall 2020.</li> </ul> | Schedule and coordinate an annual event for 2021 a part of the 2021 work plan.   | <ul style="list-style-type: none"> <li>•Public</li> </ul>   |  | Identified |
| 8.2   | Improve Board collaboration, participation and representation with other organizations doing water-related work in the Upper Yampa Basin. | <ul style="list-style-type: none"> <li>•UYWCD staff and directors are directly involved in the Basin Roundtable and subsequent subcommittees, the Integrated Water Management Plan (IWMP), the Yampa River Fund Technical Advisory Committee, the Upper Yampa Watershed Group, Colorado Water Trust, and are currently working to identify other collaboration opportunities for water-related work in the basin.</li> </ul>   | Schedule and coordinate an annual event for 2021 a part of the 2021 work plan, WECCO coordination to avoid duplicate efforts. Consider preparing/publishing an Annual Report as a community outreach effort. | <ul style="list-style-type: none"> <li>•Public</li> </ul>   |  | Identified |

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| 8.3   | Improve two-way exchange among constituents, stakeholders, Board and staff regarding District priorities and activities                     | <ul style="list-style-type: none"> <li>UYWCD strategic plan was released for public comment for a one month period ending December 2019. Public comments were compiled by UYWCD staff and the Board Governance Committee incorporated changes to the strategic plan as necessary.</li> <li>Outreach to outside organizations and interested constituents through email, periodic publications, and local media outlets is ongoing.</li> </ul>  | Schedule and coordinate an annual event for 2021 a part of the 2021 work plan.                                     | <ul style="list-style-type: none"> <li>Public</li> </ul>     |  | Identified |
| 8.4   | Increase local awareness of local water issues and resources  | <ul style="list-style-type: none"> <li>See 8.1</li> </ul>  |  | <ul style="list-style-type: none"> <li>Public</li> </ul>     |  |            |
| <b>9. Robust District water rights portfolio.</b> |   |  |  |  |  |            |
| 9.1   | Maintain and, where appropriate, perfect District's water rights  | <ul style="list-style-type: none"> <li>Legal department is tracking upcoming due diligence, based on court decrees and Master Plan details.</li> <li>UYWCD Board is apprised of legal issues and relevant budget needs at all regular UYWCD BOD meetings.</li> </ul>   | Diligence cycle efforts (2025 target date): Coal Creek project investigation, explore update to WR/WS Master Plan. | <ul style="list-style-type: none"> <li>Legal</li> </ul>      |  | Identified |
| 9.2   | Enhance District involvement/advocacy on water administration matters   | <ul style="list-style-type: none"> <li>Updated water accounting system for Stagecoach Reservoir is 95% complete. Project completion by District Engineer pending finalization of Stagecoach reservoir Fill and Release Policies to be presented to UYWCD BOD for adoption at September UYWCD BOD meeting.</li> <li>The UYWCD continuously coordinates with Division Engineer's Office, partner Dam Owners, and contractees on dam releases. <ul style="list-style-type: none"> <li>District Engineer has held multiple meetings (virtual) with the Division Engineer in 2020.</li> </ul> </li> </ul> |  | <ul style="list-style-type: none"> <li>Facilities</li> </ul> |  |            |
| 9.3   | Evaluate potential and conditional water rights   | <ul style="list-style-type: none"> <li>Coal Creek Diversion project to be actively pursued in 2020.</li> </ul>   | Diligence cycle efforts (2025 target date): Coal Creek project investigation, explore update to WR/WS Master Plan. | <ul style="list-style-type: none"> <li>Legal</li> </ul>      |  | Identified |
| 9.4   | Explore small tributary storage projects within Upper Yampa Basin   | <ul style="list-style-type: none"> <li>Coal Creek Diversion project to be actively pursued in 2020.</li> <li>Small Reservoir Study update identified as BIP project.</li> </ul>  | Update Small Reservoir Study.  | <ul style="list-style-type: none"> <li>Planning</li> </ul>   |  | Identified |
| 9.5   | Pursue water projects that utilize/perfect District water rights and that provide water supply for consumptive and non-consumptive purposes | <ul style="list-style-type: none"> <li>Coal Creek Diversion project to be actively pursued in 2020.</li> <li>Small Reservoir Study update identified as BIP project.</li> </ul>  | Update Small Reservoir Study.  | <ul style="list-style-type: none"> <li>Planning</li> </ul>   |  | Identified |
| 9.6   | Support in-stream flow rights to help firm the District's portfolio.  | <ul style="list-style-type: none"> <li>See 4.6 and 4.7</li> </ul>  |  | <ul style="list-style-type: none"> <li>Board</li> </ul>      |  |            |
| 9.7   | Explore increasing flexibility of use for District's stored water rights  | <ul style="list-style-type: none"> <li>See 4.6 and 4.7</li> </ul>  |  | <ul style="list-style-type: none"> <li>Board</li> </ul>      |  |            |

**10. Robust staff, legal and administrative resources to ensure District's viability and ability to effectively serve its constituents.**

|      |   |  |  |        |  |                             |
|------|---|--|--|--------|--|-----------------------------|
| 10.1 | Begin succession planning where appropriate   |  | Conduct formal annual review of UYWCD General Counsel by UYWCD BOD. Consideration of term limits for BOD seats.  | •Board |  | Identified                  |
| 10.2 | Regularly review and update Board goals and objectives  |  |  | •Board |  |                             |
| 10.3 | Clarify District governance structure that promotes interaction, transparency, trust, and <i>esprit de corp</i> among Board, GM and staff | <ul style="list-style-type: none"> <li>• Final governance recommendations from 360 Committee adopted by UYWCD BOD. Staffing and budgeting changes due to search for, and eventual replacement of UYWCD General Manager have implemented by UYWCD staff, consultant, and Hiring Committee.</li> </ul>   |  |        |  |                             |
| 10.4 | Improve District organizational structure to maximize effectiveness, collaboration and teamwork   | <ul style="list-style-type: none"> <li>• Recent new hires for Communications and Marketing Manager, Business Manager, and Ditch Rider have addressed staffing needs for UYWCD. Permanent replacement for General Manager pending UYWCD BOD action. All UYWCD staff job descriptions have been updated in 2020.</li> <li>• Written policies and procedures are updated as needed by UYWCD staff.</li> <li>• UYWCD staff is working with ER Council on compensation survey, conducting a review and seeking quotes for health insurance plan and reviewing personnel guidelines for compliance and consistency.</li> <li>• UYWCD staff will be conducting an audit of personnel &amp; benefit files; will utilize ER Council as needed to confirm compliance.</li> </ul> |  |        |  |                             |
| 10.5 | Encourage opportunities for professional development  | <ul style="list-style-type: none"> <li>• Staff training and professional development is a high priority for the UYWCD. Multiple UYWCD staff members have completed new training programs in 2020. The UYWCD General Manager will continue to work with staff to identify training opportunities for all staff in the remainder of 2020.</li> </ul>   | Identify training programs for individual staff members during annual employee reviews.  |        |  | Identified                  |
| 10.6 | Ensure District continues to be represented by competent legal staff  | <ul style="list-style-type: none"> <li>• Bob Weiss and Scott Grosscup are doing an excellent job of representing the UYWCD for the organization's legal needs.</li> </ul>  | Conduct formal annual review of UYWCD General Counsel by UYWCD BOD.  | •Legal |  | Identified                  |
| 10.7 | Demonstrate commitment to and capacity for public service and engagement with constituents  | <ul style="list-style-type: none"> <li>• UYWCD staff has conducted outreach efforts including emails, phone calls, and in-person meetings with individuals involved in contract negotiations to increase transparency and address questions or concerns as they arise.</li> <li>• UYWCD staff has identified and met with key constituents involved in water-related work around the basin to identify collaboration opportunities.</li> <li>• UYWCD staff represents UYWCD at water-related events including the Yampa State of the River, Yampa Rendezvous, Yampa River Fest, and Community Agriculture Alliance Ag Week.</li> </ul>   | <ul style="list-style-type: none"> <li>• Implement 'low-hanging fruit' from 360 Assessment in 2019</li> <li>• Refine job description and work plan, e.g., for new Marketing/Outreach position</li> </ul> |        |  | Identified, Complete/Active |



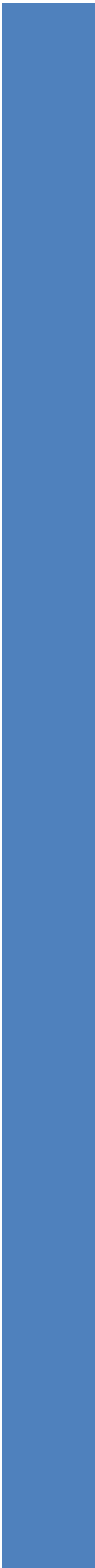
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| 10.8 | Create an Upper Yampa Basin records and archive repository | <ul style="list-style-type: none"> <li>Records archive to be included in 2021 work plan with associated inclusion in 2021 budget.</li> <li>Staff responded to Open Records Requests of archived documentation, ranging from 1966 to present date.</li> </ul> | Coordinate with local facility/entity to explore possibilities of cataloguing and preserving historic water resources records. CSU facility as model program.     |  |  | Identified |
| 10.9 | Promote Retention of UYWCD staff                           |  | Offer financial support to UYWCD employees for the specific purpose of primary dwelling purchase in the form of housing stipend and/or low (or no-interest) loan. |  |  | Identified |

## UYWCD 2021 Work Plan for Newly Identified Strategic Plan Tasks

| STRATEGIC PLAN GOAL  | STRATEGIC PLAN OBJECTIVE   | PROPOSED 2021 STRATEGIC PLAN NEW TASK  | ESTIMATED BUDGET (\$)                              | PERSONNEL  |
|--|--|--|--|------------|
| 1.Upper Yampa Basin water resources and local water uses are protected from transbasin diversions and Compact administration that would adversely impact those water resources and uses. | 1.1: Develop District understanding and policies to address Colorado River issues.   | Invite Regional/State Experts to give public presentations on Big River Issues: Demand Management, CO River Compact Interim Guidelines   | Annual Expense                                     | GM, PR     |
|  | 1.2: Prevent out-of-District transfers of water that could have adverse impacts for the District and its constituents.   | Lobby legislature, in response to Big River Issues (State and Federal Representatives).  | Annual Expense                                     | GM         |
| 2.District's infrastructure is safe and maintained, or improved as needed, to serve the needs of the District.   | 2.1: Ensure sufficient funds to maintain and/or improve our infrastructure   | Funds designated for new facilities/project construction, including Water Quality funds in update of 30-year maintenance plan for Stagecoach.  | Annual Expense, Facilities Capital Projects Budget | DE         |
|  | 2.2: Initiate or support efforts to address algae and other water quality issues in Stagecoach Reservoir   | Engage with CPW to develop long-term Water Quality monitoring program and Media/Public Outreach campaign at Stagecoach Reservoir.  | 2,000  | DE, PR     |
|  | 2.3: Ensure integrity and safety of dams   |  |  |            |
|  | 2.4: Ensure safe work environment for all UYWCD employees and visitors   | Explore connectivity upgrades for all UYWCD facilities, including UYWCD offices.   | Facilities Capital Projects Budget, 2,500 Office   | DE, Ops    |
|  | 2.5: Maintain Stagecoach as a public recreation facility   | Schedule meetings with CPW in January of 2021 to begin renegotiation of Stagecoach lease. Establish CPW-UYWCD Lease Negotiation Committee.   | NA   | GM         |
| 3. District is financially sustainable and able to meet its stated goals.  | 3.1: Develop short- and long-term financial planning to support District goals   | Develop Long-term financial planning methodology (e.g. 5, 10, 20yr, determine assumptions)   | Annual Expense                                     | GM, BM, CA |
|  | 3.2: Clarify District's business model, including the propriety, tenure, and extent of use of tax revenue with respect to contract pricing   | Clarify financial structure of UYWCD budget incorporating tracking of revenue stream support of UYWCD facilities and programs.   | Annual Expense, 5,000                              | GM, BM, CA |
| 4. All in-basin beneficial vested water uses in the District are protected, consistent with policy statements above.   | 4.1: Formalize and consider expanding District's grant program   | Continue Infrastructure grant program with expansion to local reservoirs and stream gaging. Define explicit funding amount for non-infrastructure grant program (\$50,000 per year). | see ex grants budget, 50,000                       | GM,PR      |
|  | 4.2: Promote District's existing augmentation plans on Yampa and Elk Rivers  | Study potential coverage for areas of need not serviced by existing plans.   | 5,000  | GM, DE, PR |
|  |  | Outreach/Education presentations to local non-water industry business groups.  | 1,000  | GM, PR     |
|  |  | Use area wide mailing w/RC Assessor tools for educational materials.   | 1,000  | PR         |
|  | 4.3: Explore potential expansion or creation of augmentation plans that aid in protecting the beneficial uses of junior priority water rights not currently within boundaries of the existing augmentation plans | Hold internal discussions to clarify potential future needs; engage DWR in discussions as needed   | Annual Expense                                     | GM, DE, PR |
|  |  | Water Rights Analysis  | 5,000  | GM, DE     |
|  | 4.4: Protect productive agricultural water uses in the District  |  |  |            |
|  | 4.5: Effectively communicate with local municipalities regarding long-term water supplies  | Adopt Stagecoach Water Pricing/Marketing Policy, Set schedule for existing municipal contract negotiations.  | Annual Expense                                     |            |
|  | 4.6: Enter into appropriate and financially prudent water allotment contracts for District water from Stagecoach Reservoir and/or Yamcolo Reservoir for environmental and recreational beneficial uses           |  |  |            |
|  | 4.7: Increase flexibility of District's water rights portfolio in order to provide water for environmental and recreational purposes   | Clarify District policy for support of instream flows (see 4.8 below), Specifically: work with CWT, consultants to identify HB20-1157 mechanisms for UYWCD reservoirs.               | Annual Expense                                     | GM, DE     |
| 4.8: Clarify District policy and role regarding the use of District water to support non-consumptive water uses  |  |  |  |            |

| STRATEGIC PLAN GOAL  | STRATEGIC PLAN OBJECTIVE   | PROPOSED 2021 STRATEGIC PLAN NEW TASK  | ESTIMATED BUDGET (\$) | PERSONNEL               |
|--|--|--|-----------------------|-------------------------|
| 5. Upper Yampa basin water interests are represented at the local, regional and statewide levels on relevant policy, legislative, administrative, regulatory and judicial matters. | 5.1: Ensure representation of District interests in local and state matters, including on the IBCC, Basin Roundtable, CWCB and Colorado River District | Formalize UYWCD participation and responsibilities for UYWCD representation at outside group (decide what groups/efforts to participate in, set expectations for reporting back to GM, UYWCD BOD). | Annual Expense        | GM, PR, BOD             |
|  |  |  | Annual Expense        | GM, PR, BOD             |
|  | 5.2: Increase District collaboration with Roundtable partners to advocate for Upper Yampa Basin interests  |  | Annual Expense        | GM, PR, BOD             |
| 6. Adequate water supplies within the District in light of changing climate conditions, population shifts, and other changes.  | 6.1: Maintain and improve District's CDSS hydrology/water rights administration model  | UYWCD Staff will keep current on CDSS model updates through participation in BIP process.  | 10,000                | GM, DE                  |
|  | 6.2: Increase District's understanding of relevant potential effects of climate change, population growth, and demographics for District planning      | UYWCD will participate in the community Just Transition Program for West Routt and Moffat Counties, possibly in coordination with Steamboat Chamber of Commerce.                                   | Annual Expense        | GM, PR                  |
|  |  | Participate in Routt County Master Plan as warranted.  | Annual Expense        | GM                      |
|  |  | Explore water-related opportunities to address climate change resilience.  | Annual Expense        | GM, DE                  |
|  | 6.3: Increase engagement with constituents and Upper Yampa Basin water interests in planning for long-term Yampa Basin water supply and use            | Schedule and coordinate an annual event for 2021   | 5,000                 | GM, PR                  |
|  |  | Annual UYWCD Yampa Canyon trip.  | 10,000                | All, BOD (8 max per yr) |
| 6.4: Expand Board's understanding of relevant issues and trends for District decision-making   |  |  |                       |                         |
| 7. Healthy reservoirs, streams and watersheds within the District in support of the policy statements above.   | 7.1: Support water quality efforts in the District, and, where relevant, respond to concerns that arise, consistent with District's mission            | Continue to monetarily support ongoing upper basin water quality monitoring program in partnership with local stakeholders and USGS.   | Annual Expense        | GM, DE                  |
|  |  | Commission a Fire-Hazard Risk Study for the Yamcolo and Stagecoach contributing watersheds with USFS, NRCS and Rocky Mountain Restoration Initiative as partners.                                  | 5,000                 | GM                      |
|  | 7.2: Anticipate potential future role and responsibilities for the District to support water quality in the District                                   |  |                       |                         |
| 7.3: Support efforts in the District to improve watershed management and forest health   |  |  |                       |                         |
| 8. District constituencies understand water issues in the Upper Yampa Basin and the role of the District in addressing them.   | 8.1: Increase public understanding of the District's role and activities   | Schedule and coordinate an annual event for 2021   | see 6.3               | see 6.3                 |
|  | 8.2: Improve Board collaboration, participation and representation with other organizations doing water-related work in the Upper Yampa Basin.         |  |                       |                         |
|  | 8.3: Improve two-way exchange among constituents, stakeholders, Board and staff regarding District priorities and activities                           | Consider preparing/publishing an Annual Report as a community outreach effort.   | 2,500                 | GM, PR                  |
|  | 8.4: Increase local awareness of local water issues and resources  |  |                       |                         |
| 9. Robust District water rights portfolio.   | 9.1: Maintain and, where appropriate, perfect District's water rights  | Diligence cycle efforts (2025 target date)   | Annual Expense        |                         |
|  |  | Coal Creek project investigation   | 10,000                | GM, DE                  |
|  |  | Explore updates to WR/WS Master Plan.  | 10,000                | GM, DE                  |
|  | 9.2: Enhance District involvement/advocacy on water administration matters   |  |                       |                         |
|  | 9.3: Evaluate potential and conditional water rights   |  |                       |                         |
|  | 9.4: Explore small tributary storage projects within Upper Yampa Basin   | Update Small Reservoir Study   | 7,500                 | GM, DE                  |
|  | 9.5: Pursue water projects that utilize/perfect District water rights and that provide water supply for consumptive and non-consumptive purposes       |  |                       |                         |
| 9.6: Support in-stream flow rights to help firm the District's portfolio.  |  |  |                       |                         |
| 9.7: Explore increasing flexibility of use for District's stored water rights  |  |  |                       |                         |

| STRATEGIC PLAN GOAL  | STRATEGIC PLAN OBJECTIVE  | PROPOSED 2021 STRATEGIC PLAN NEW TASK  | ESTIMATED BUDGET (\$) | PERSONNEL |
|--|---|--|-----------------------|-----------|
| 10. Robust staff, legal and administrative resources to ensure District's viability and ability to effectively serve its constituents. | 10.1: Begin succession planning where appropriate   | Conduct formal annual review of UYWCD General Counsel by UYWCD BOD.  | Annual Expense        | BOD, GC   |
|  |   | Consideration of term limits for BOD seats.  | Annual Expense        | BOD, GC   |
|  | 10.2: Regularly review and update Board goals and objectives  |  |                       |           |
|  | 10.3: Clarify District governance structure that promotes interaction, transparency, trust, and esprit de corp among Board, GM and staff                          |  |                       |           |
|  |   |  |                       |           |
|  | 10.4: Improve District organizational structure to maximize effectiveness, collaboration and teamwork   |  |                       |           |
|  | 10.5: Encourage opportunities for professional development  | Identify training programs for individual staff members during annual employee reviews.  | Annual Expense        | All       |
|  | 10.6: Ensure District continues to be represented by competent legal staff  | Conduct formal annual review of UYWCD General Counsel by UYWCD BOD.  | Annual Expense        | BOD, GC   |
|  | 10.7: Demonstrate commitment to and capacity for public service and engagement with constituents  |  |                       |           |
|  | 10.8: Create an Upper Yampa Basin records and archive repository  | Coordinate with local facility/entity to explore possibilities of cataloguing and preserving historic water resources records. | 5,000                 | GM, PR    |
| 10.9: Promote Retention of UYWCD staff   | Offer financial support to UYWCD employees for the specific purpose of primary dwelling purchase in the form of housing stipend and/or low (or no-interest) loan. | Annual Expense   | GM                    |           |





## BOARD COMMUNICATION FORM

**From:** : Andy Rossi, General Manager

**Date:** 11/11/20

**Item:** 2021 Upper Yampa water Conservancy District Budget

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION(S)

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### I. Request/Issue and Background Information:

The Upper Yampa Water Conservancy District (UYWCD) considers the upcoming year's budget in a multi-step process. The initial step in this process is to present, for review and discussion, a Preliminary UYWCD Budget at the September UYWCD Board of Directors' (BOD) Meeting. The presentation of the Preliminary UYWCD Budget in September is necessary to allow for UYWCD staff and BOD budget discussions before the Colorado Department of Local Affairs (DOLA) required deadline for Budget Officers to submit a proposed budget to the governing body (C.R.S. 29-1-105) and for the Governing Body to publish a "Notice of Budget" upon receiving proposed budget. (C.R.S. 29-1-106(1)) by October 15th each year. Following this October 15th deadline, the UYWCD traditionally adopts a final budget at the November UYWCD BOD meeting ahead of the DOLA deadline of December 15th for certification of a mill levy to county commissioners (C.R.S 39-5-128(1)). Local governments levying property tax must adopt their budgets before certifying the levy to the county. On or before January 30th of each year, the UYWCD BOD shall cause a certified copy of the UYWCD Budget to be filed with DOLA (UYWCD Bylaws, C.R.S 29-1-113(1)).

The Proposed 2021 UYWCD Budget included as an attachment with this communication is a final budget document to be considered by UYWCD BOD for adoption. Notable items included in the final 2021 UYWCD Budget are as follows:

- Reduction in Stagecoach Reservoir Water Sales revenues
- Changes (and uncertainty) in Stillwater Ditch annual revenues due to new carriage contract carriage fees, payment, and credits against fees
- Continued tracking of Reserve Funds associated with UYWCD Facilities
- Adjustments to Interest Earned revenues
- Final 2021 Estimates for Operating Expenses



- Final 2021 Estimates for Capital Expenditures
- Recommended UYWCD staff annual compensation. 2021 UYWCD staff compensation recommendations are derived from staff performance reviews conducted in October 2020 and CPI based cost-of-living adjustments to salary ranges. The UYWCD also performed a comparative review of compensation ranges for similar positions in the State of Colorado. The exceptions to this process are the UYWCD General Manager's (GM) and District Engineer's (DE) salaries. The UYWCD GM salary will remain unchanged from the current compensation amount for 2021. The UYWCD DE compensation was determined as part of the DE hiring process.
- UYWCD staff health insurance benefits will change in 2021, resulting in cost savings to the UYWCD
- UYWCD BOD meeting expenses have been modified in anticipation of the adoption of meeting materials format changes and the proposed 2021 UYWCD BOD meetings schedule.
- Facilities operating expense cost modifications derived from UYWCD facilities staff review of 2021 UYWCD facilities budget.
- New tasks identified in the 2021 UYWCD Strategic Plan.

Additional modifications to the 2021 UYWCD Budget format are anticipated early in 2021. The anticipated format changes will be the result of the final deployment of financial accounting software and financial operations reorganization. Individual line items in the budget summary will change as a result of this re-organization. However, the overall bottom line figure(s) of the approved 2021 UYWCD Budget will remain unchanged. The UYWCD staff will request the appropriate budget amendment from the UYWCD BOD before finalizing the new 2021 UYWCD Budget format.

A Memorandum Regarding 2021 Tax Revenues, Gallagher Amendment, and 2021 Water Prices is included with this communication for review and informational purposes.

## **II. Summary and Alternatives:**

A Proposed 2021 Budget is hereby submitted to the UYWCD BOD as required by DOLA for adoption.

## **III. Staff Recommendation:**

Adopt the proposed 2021 UYWCD Budget with the following three (3) resolutions:

1. Resolution to Adopt 2021 Budget
2. Resolution to Appropriate Sums of Money 2021
3. Resolution to Set 2021 Mill Levies



**IV. Legal Issues:**

Compliance with budget submittal and noticing requirements.

**V. Consistency with Board Goals and Policies:**

UYWCD Strategic Plan Objective 3.1

**Attachments:**

Proposed 2021 Upper Yampa Conservancy District Budget with Three Associated Resolutions.  
Memorandum Regarding 2021 Tax Revenues, Gallagher Amendment, 2021 Water Prices.





## MEMORANDUM

**TO:** UYWCD BOD, Andy Rossi, GM  
**FROM:** Karina Craig, CA  
**DATE:** 11/13/20  
**RE:** 2021 Tax Revenues, Gallagher Amendment, 2021 Water Prices.

### Tax Revenues

The District received the current year preliminary certification of values from Routt and Moffat Counties, to estimate tax receipts in the year 2021. They are as follows:

|                                 | Routt           | Moffat        |
|---------------------------------|-----------------|---------------|
| Gross Total Assessed Valuation: | \$124,608,980   | \$188,529,605 |
| (-) Less TIF:                   | \$49,772,883    | \$0           |
| Net Total Assessed Valuation:   | \$1,196,316,197 | \$188,529,605 |
| Projected revenues:             | \$2,177,295     | \$343,124     |

These values are within 1% of those assessed in December 2019. Minor adjustments are expected when both counties issue their final certification of values by December 10, 2020.

### Gallagher Amendment

#### Background information

In Colorado, authority for property taxation is both constitutional and statutory.

Assessors are tasked to discover, list and value all taxable property within their county boundaries. These are reported to the *Property Tax Administrator*, at the Division of Property Division, in the Department of Local Affairs. Based on this, the Administrator proposes a Residential Assessment Rate (RAR) tax rate to the General Assembly.

Currently real estate property taxes are determined by the constitution. The Gallagher amendment was passed in 1982, after a period of rapid demographic growth with increasing residential values and related property taxes in the 1970s. Gallagher simplified the methodology to assess property values, eliminated certain nuisance taxes, and it set a fixed ratio of 45:55 for the residential: non-residential tax base (Gallagher Adjustment).



Gallagher functions like a balancing scale. The fixed 45:55 contribution ratio means that when residential values go up, or when non-residential values go down, or when both occur, the RAR goes down.

Over the years, the rising residential property values have outpaced the growth in value of other property types. Thus, the residential property tax rate has changed from 21% in 1982 to 7.15% in 2020. The current non-residential rate is 29%. Residential property makes up 80% of the total assessed value of all property statewide.

Covid and other current events result in an estimated assessment decrease in non-residential properties (-36%, Oil and Gas, -20% Commercial). While residential property sales have slowed, values have not (+10%).

Within the frame of the 45:55 Gallagher ratio, the combination of increased residential and decreased non-residential values for the period 2019 to today/2021, result in the Property Tax Administrator forecasting it might propose an RAR of 5.88% to the General Assembly.

An RAR change from 7.15% to 5.88% represents an expected 18% loss of property tax revenues that would affect the 2021 valuation year, for 2022 and 2023 tax collections.

The Colorado Property tax system provides revenues exclusively for local government services. The largest share (52%) goes to support public schools, followed by county governments (23%), special districts (20%), municipal governments (5%) and local district colleges (1%)

The estimated statewide shortfall would be 491M to schools (RE-1 Hayden \$162K, RE-2 Stbt \$2.6M, RE-3 South Routt \$312K), and 204M for counties (Routt \$2M)

About half of the shortfall to schools would affect the state budget, because it is constitutionally mandated to backfill certain school funding shortfalls, even as the state itself faces diminishing sales taxes and other tax revenues due to the pandemic.

The property tax shortfall could be exacerbated if the economic downturn continues and property values decrease later. In this scenario, revenues would result from the lower RAR (5.88%) applied to property values lower than current ones. Property tax revenues could not be increased easily. As Colorado's Taxpayer's Bill of Rights (TABOR) dictates, all tax cuts are permanent without voter approval to reverse them.

Due to the projected budget shortfalls, state legislators approved a 2020 ballot initiative to repeal the Gallagher Amendment (Amendment B in the November ballot).

#### *Amendment B was brought for vote and it passed*

The repeal of the Gallagher amendment maintains the current 7.15% residential rate and the 29% non-residential rate. Effectively, in the near future residential tax payments *would* go up as assessed property values go up; with residential owners contributing more than 45% of the overall state property tax revenues, and non-residential less than 55% as residential property values increase. Statewide, revenues from non-residential properties are expected to decrease either way, following their lower assessed values.



The proposed repeal of the Gallagher Amendment was accompanied by a companion bill that will be brought before the State Legislature in January 2021. The companion bill will freeze the existing rates for residential (7.5%) and non-residential (29%) properties.

Another important change brought by the Gallagher's repeal is that there will be no assessment rates in the constitution, but solely in the statutes.

Property types and District revenues

The District receives tax revenues from different property types. The table below shows the projected 2021 tax receipts by property type, based on preliminary valuations released by Routt County in October 2020.

Residential property currently represents 56% of the District's expected tax receipts from Routt County in 2021. The failure of the Gallagher repeal would have meant the loss of some \$218,571 or about 10% of District tax revenues from Routt County in 2021.

| <i>Property Type</i>                        | <i>2020 preliminary gross valuation</i> | <i>Share</i> | <i>Net valuation</i> | <i>Projected 2021 revenues</i> | <i>RAR Adj.</i> | <i>Loss, if repeal unsuccessful</i> |      |
|---|---|--------------|----------------------|--------------------------------|-----------------|-------------------------------------|------|
| Vacant land                                 | 98,862,950                              | 8%           | 94,914,040           | 172,744                        |                 |                                     |      |
| Residential property                        | 694,948,410                             | 56%          | 667,189,892          | 1,214,286                      | 18%             | -218,571                            | -10% |
| Commercial property                         | 282,628,250                             | 23%          | 271,339,151          | 493,837                        |                 |                                     |      |
| Industrial property                         | 5,343,640                               | 0%           | 5,130,197            | 9,337                          |                 |                                     |      |
| Agricultural property                       | 22,838,400                              | 2%           | 21,926,159           | 39,906                         |                 |                                     |      |
| Natural Resources property                  | 13,975,350                              | 1%           | 13,417,129           | 24,419                         |                 |                                     |      |
| Oil and Gas property                        | 1,694,360                               | 0%           | 1,626,682            | 2,961                          |                 |                                     |      |
| State assessed property                     | 125,797,720                             | 10%          | 120,772,947          | 219,807                        |                 |                                     |      |
| Total Gross Assessed valuation (before TIF) | 1,246,089,080                           |              |                      |                                |                 |                                     |      |
| TIF   | -49,772,883                             |              |                      |                                |                 |                                     |      |
| Net Total assessed valuation                | 1,196,316,197                           |              | 1,196,316,197        |                                |                 |                                     |      |
| Total projected revenues                    |   |              |                      | 2,177,295                      |                 |                                     |      |



### **2021 Water Prices**

In compliance with District contracts and policies requiring annual CPI adjustments, the following prices are included in the proposed 2021 budget:

- ✓ Yampa River Augmentation Plan, Large & Small, Noncommercial: \$215.65/AF
- ✓ Yampa River Augmentation Plan, Large & Small Commercial: \$254.86/AF
- ✓ Elk River Augmentation Plan: \$215.65/AF
- ✓ Yamcolo Municipal: \$88.15/AF
- ✓ Yamcolo Irrigators Association: \$13.29/AF
- ✓ Yamcolo Individual Irrigators: \$10.27/AF, \$11.30/AF
- ✓ Ski Corporation: \$127.79/AF
- ✓ Stillwater Ditch: \$0.76/share

These prices have been adjusted from those in 2020 by 2.7% in accordance to with the Denver-Aurora-Lakewood CO, all urban, all items, semiannual Half 1 index. After year's end, the U.S. Bureau of Labor Statistics will publish the semiannual Half 2 index. Prices will be adjusted accordingly in early 2021.

**RESOLUTION TO ADOPT BUDGET AND SALARY RANGE SCHEDULE**

**A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND SALARY RANGE SCHEDULE FOR THE UPPER YAMPA WATER CONSERVANCY DISTRICT, ROUTT COUNTY AND MOFFAT COUNTY, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2021, AND ENDING ON THE LAST DAY OF DECEMBER 2021.**

**WHEREAS**, the Board of Directors of the Upper Yampa Water Conservancy District appointed the General Manager of the District to prepare and submit a proposed budget and salary range schedule for calendar year 2021 to said governing body at the proper time; and

**WHEREAS**, the Secretary has submitted a proposed budget and salary range schedule to this governing body for its consideration; and

**WHEREAS**, upon due and proper notice, published in accordance with Colorado law, said proposed budget and salary range schedule were open for inspection by the public at a designated place, a public hearing was held before the Board of Directors of the District on November 19, 2020, and interested tax payers were given the opportunity to file or register any objections to said proposed budget and salary range schedule; and

**WHEREAS**, whatever increases may have been made in the proposed expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Upper Yampa Water Conservancy District, Routt County and Moffat County, Colorado:

1. That the budget and salary range schedule of the District for 2021, as attached to this Resolution, is hereby approved and adopted as the budget and salary range schedule of the Upper Yampa Water Conservancy District for the fiscal year 2021.

2. That the budget and salary range schedule hereby approved and adopted shall be signed by the President and Secretary of the District and made a part of the public records of the District.

**ADOPTED** this 19th day of November, 2020.

UPPER YAMPA WATER CONSERVANCY  
DISTRICT

By: \_\_\_\_\_  
Ken Brenner, President

ATTEST:

By: \_\_\_\_\_  
Andy Rossi, Secretary

**RESOLUTION TO APPROPRIATE SUMS OF MONEY**

**A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS, IN THE AMOUNTS AND FOR THE PURPOSES AS SET FORTH BELOW, FOR THE UPPER YAMPA WATER CONSERVANCY DISTRICT, ROUTT COUNTY AND MOFFAT COUNTY, COLORADO FOR THE 2021 BUDGET YEAR.**

**WHEREAS**, the Board of Directors of the Upper Yampa Water Conservancy District has approved and adopted this day an annual budget for the District for 2021 in accordance with the Local Government Budget Law; and

**WHEREAS**, the Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

**WHEREAS**, it is necessary and required by law to appropriate the revenues provided in the budget to and for the purposes described below, so as not to impair the operations of the District.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Upper Yampa Water Conservancy District, Routt County and Moffat County, Colorado: That the following sums are hereby appropriated from the revenues of each fund, to each fund, for the purposes stated in the 2021 Budget of the District:

|                       |                      |
|-----------------------|----------------------|
| Operating Expenses    | <u>\$ 2,003,756</u>  |
| Capital Improvements  | <u>\$ 375,000</u>    |
| Emergency Reserve     | <u>\$ 4,606,931</u>  |
| (Ending Fund Balance) | <u>\$ 17,604,062</u> |

**ADOPTED** as of the 19<sup>th</sup> day of November, 2020.

UPPER YAMPA WATER  
CONSERVANCY DISTRICT

By: \_\_\_\_\_  
Ken Brenner, President

ATTEST:

By: \_\_\_\_\_  
Andy Rossi, Secretary

**RESOLUTION TO SET MILL LEVIES**

**A RESOLUTION LEVYING GENERAL REAL PROPERTY TAXES FOR THE YEAR 2021 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE UPPER YAMPA WATER CONSERVANCY DISTRICT, ROUTT COUNTY AND MOFFAT COUNTY, COLORADO FOR THE 2021 BUDGET YEAR.**

**WHEREAS**, the Board of Directors of the Upper Yampa Water Conservancy District has adopted the annual budget of the District for 2021 in accordance with the Local Government Budget Law; and

**WHEREAS**, revenues from the levy of general property taxes ARE necessary to balance the budget for bonds and interest; and

**WHEREAS**, revenues from the levy of general property taxes ARE necessary to balance the budget for general operating expenses; and

**WHEREAS**, revenues from the levy of general property taxes ARE necessary to balance the budget for capital construction; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Upper Yampa Water Conservancy District, Routt County and Moffat County, Colorado:

1. That for the purpose of meeting budget expenses of the Upper Yampa Water Conservancy District during the 2021 budget year there is hereby levied the following real property tax mills upon each dollar of the total valuation for assessment of all taxable property within the District for the year 2021:

|                            |                    |
|----------------------------|--------------------|
| General Operating Expenses | <u>1.071</u> mills |
| Other                      | <u>0.749</u> mills |
| TOTAL                      | <u>1.820</u> mills |

2. That the Secretary of the District is hereby authorized and directed to certify immediately to the County Commissioners of Routt County and Moffat County, Colorado, the mill levies for the District as hereinabove determined and set.

ADOPTED as of the 19<sup>th</sup> day of November, 2020

UPPER YAMPA WATER CONSERVANCY  
DISTRICT

By: \_\_\_\_\_  
Ken Brenner, President

ATTEST:

By: \_\_\_\_\_  
Andy Rossi, Secretary

UPPER YAMPA WATER CONSERVANCY DISTRICT - 2021 BUDGET

|  | 2019<br>ACTUALS   | 2020<br>BUDGET<br>Amended<br>June 18, 2020 | 2021<br>BUDGET<br>19-Nov-20 | STAGECOACH       | YAMCOLO          | SW DITCH         | GENERAL FUND     | FUND DISTRIBUTION<br>OPERATING CAPITAL |                  |
|--|-------------------|--|-----------------------------|------------------|------------------|------------------|------------------|--|------------------|
| <b>Fund Opening Balance including Encumbered Funds</b> | 14,279,517        | 16,012,901                                 | 16,941,721                  |                  |                  |                  |                  |  |                  |
| <b>Encumbered Funds</b>                                | 919,734           | 6,222,280                                  | 5,870,780                   | 5,249,436        | 482,355          | 67,626           | 71,363           |  |                  |
| Emergency Facilities Reserve                           |                   | 4,485,814                                  | 4,606,931                   | 4,293,068        | 283,801          | 30,062           |                  |  |                  |
| Capital Maintenance Reserve                            |                   | 752,436                                    | 772,752                     | 536,634          | 198,554          | 37,564           |                  |  |                  |
| Stagecoach Wetlands Mitigation Reserve                 | 419,734           | 419,734                                    | 419,734                     | 419,734          |                  |                  |                  |  |                  |
| Routt County Road #14 Contribution                     | 500,000           | 500,000                                    |                             |                  |                  |                  |                  |  |                  |
| Tabor Reserve  |                   | 64,296                                     | 71,363                      |                  |                  |                  | 71,363           |  |                  |
| <b>Unencumbered Funds</b>                              | 13,359,783        | 9,790,621                                  | 11,070,941                  |                  |                  |                  | 11,070,941       |  |                  |
| <b>Revenues</b>  |                   |  |                             |                  |                  |                  |                  |  |                  |
| <b>Facilities</b>                                      |                   |  |                             |                  |                  |                  |                  |  |                  |
| Stagecoach Reservoir                                   |                   |  |                             |                  |                  |                  |                  |  |                  |
| Power Sales  | 234,324           | 200,000                                    | 195,000                     | 195,000          |                  |                  |                  |  | 195,000          |
| Water Sales  | 433,769           | 116,379                                    | 118,288                     | 118,288          |                  |                  |                  |  | 118,288          |
| Yamcolo Reservoir                                      |                   |  |                             |                  |                  |                  |                  |  |                  |
| Water Sales  | 121,052           | 163,653                                    | 167,937                     |                  | 167,937          |                  |                  |  | 167,937          |
| Stillwater Ditch & Reservoir Company                   | 7,965             | 45,279                                     | 8,408                       |                  |                  | 8,408            |                  |  | 8,408            |
| Property taxes   | 2,415,730         | 2,496,565                                  | 2,520,419                   |                  |                  |                  | 2,520,419        | 1,483,079                              | 1,037,341        |
| Interest earned  | 327,104           | 296,100                                    | 31,045                      |                  |                  |                  | 31,045           | 31,045                                 |                  |
| Other income   | 4,000             |  |                             |                  |                  |                  |                  |  |                  |
| Pass through income                                    | 23,644            |  |                             |                  |                  |                  |                  |  |                  |
| <b>revenues</b>  | <b>3,567,587</b>  | <b>3,317,976</b>                           | <b>3,041,096</b>            | <b>313,288</b>   | <b>167,937</b>   | <b>8,408</b>     | <b>2,551,464</b> | <b>2,003,756</b>                       | <b>1,037,341</b> |
| <b>Expenditures</b>                                    |                   |  |                             |                  |                  |                  |                  |  |                  |
| <b>Operating</b>                                       |                   |  |                             |                  |                  |                  |                  |  |                  |
| <b>Facilities</b>                                      |                   |  |                             |                  |                  |                  |                  |  |                  |
| Stagecoach Reservoir - Power Generation                | 214,868           | 224,582                                    | 216,037                     | 216,037          |                  |                  |                  |  | 216,037          |
| Stagecoach Reservoir - Water storage                   | 220,348           | 300,537                                    | 269,616                     | 269,616          |                  |                  |                  |  | 269,616          |
| Yamcolo Reservoir                                      | 125,183           | 156,631                                    | 150,322                     |                  | 150,322          |                  |                  |  | 150,322          |
| Stillwater Ditch & Reservoir Company                   | 34,520            | 40,834                                     | 34,888                      |                  |                  | 34,888           |                  |  | 34,888           |
| Administration   | 184,031           | 334,465                                    | 329,216                     | 125,102          | 36,214           | 9,876            | 158,024          | 329,216                                |                  |
| Board of Directors                                     | 71,720            | 190,684                                    | 114,232                     | 43,408           | 12,566           | 3,427            | 54,832           | 114,232                                |                  |
| External Affairs                                       | 70,807            | 121,909                                    | 117,278                     | 44,566           | 12,901           | 3,518            | 56,294           | 117,278                                |                  |
| Finance  | 111,594           | 152,813                                    | 154,304                     | 58,636           | 16,973           | 4,629            | 74,066           | 154,304                                |                  |
| Legal  | 125,521           | 158,090                                    | 156,623                     | 59,517           | 17,229           | 4,699            | 75,179           | 156,623                                |                  |
| Planning   | 205,229           | 74,572                                     | 95,053                      | 36,120           | 10,456           | 2,852            | 45,625           | 95,053                                 |                  |
| Grants, Scholarships & Public Information              | 170,299           | 253,390                                    | 288,346                     | 109,572          | 31,718           | 8,650            | 138,406          | 288,346                                |                  |
| Treasurer fees   | 74,607            | 80,650                                     | 77,840                      |                  |                  |                  | 77,840           | 77,840                                 |                  |
| Pass through expenses                                  | 11,724            |  |                             |                  |                  |                  |                  |  |                  |
| <b>Subtotal Operating</b>                              | <b>1,620,451</b>  | <b>2,089,156</b>                           | <b>2,003,756</b>            | <b>962,573</b>   | <b>288,378</b>   | <b>72,539</b>    | <b>680,265</b>   | <b>2,003,756</b>                       |                  |
| <b>Capital</b>   |                   |  |                             |                  |                  |                  |                  |  |                  |
| Stagecoach Reservoir - Power Generation                | 27,533            | 50,000                                     | 80,000                      | 80,000           |                  |                  |                  |  | 80,000           |
| Stagecoach Reservoir - Water storage                   | 22,214            | 50,000                                     | 97,500                      | 97,500           |                  |                  |                  |  | 97,500           |
| Yamcolo Reservoir                                      | 57,852            | 80,000                                     | 70,000                      |                  | 70,000           |                  |                  |  | 70,000           |
| Stillwater Ditch & Reservoir Company                   | 38,426            | 120,000                                    | 125,000                     |                  |                  | 125,000          |                  |  | 125,000          |
| Office Space   | 67,728            |  | 2,500                       |                  |                  |                  |                  |  | 2,500            |
| <b>Subtotal Capital</b>                                | <b>213,752</b>    | <b>300,000</b>                             | <b>375,000</b>              | <b>177,500</b>   | <b>70,000</b>    | <b>125,000</b>   |                  |  | <b>375,000</b>   |
| <b>expenditures</b>                                    | <b>1,834,203</b>  | <b>2,389,156</b>                           | <b>2,378,756</b>            | <b>1,140,073</b> | <b>358,378</b>   | <b>197,539</b>   | <b>680,265</b>   | <b>2,003,756</b>                       | <b>375,000</b>   |
| <b>net income (loss)</b>                               | <b>1,733,384</b>  | <b>928,820</b>                             | <b>662,341</b>              | <b>(826,785)</b> | <b>(190,442)</b> | <b>(189,132)</b> | <b>1,871,199</b> |  | <b>662,341</b>   |
| <b>Ending Fund Balance</b>                             | <b>16,012,901</b> | <b>16,941,721</b>                          | <b>17,604,062</b>           |                  |                  |                  |                  |  |                  |

Ken Brenner, President

Andy Rossi, Secretary

|               |           |           |
|---------------|-----------|-----------|
| 1,384,845,802 |           |           |
| 1,820         | 1,071     | 0,749     |
| 2,520,419     | 1,483,079 | 1,037,341 |



| <b>Power Generation, revenue estimates</b> |                             |                              |                               |                              |                        |
|--|-----------------------------|------------------------------|-------------------------------|------------------------------|------------------------|
| <b>Year</b>                                | <b>Generation<br/>(Kwh)</b> | <b>10 - Yr Ave<br/>(Kwh)</b> | <b>Multiflying<br/>factor</b> | <b>Estimated<br/>revenue</b> | <b>2021<br/>Budget</b> |
| 2010                                       | 1,803,015                   | 3,707,477                    | x \$0.06                      | 222,449                      | 195,000                |
| 2011                                       | 4,745,384                   | 3,729,445                    |                               | 223,767                      |                        |
| 2012                                       | 1,857,047                   | 3,729,919                    |                               | 223,795                      |                        |
| 2013                                       | 2,095,434                   | 3,603,143                    |                               | 216,189                      |                        |
| 2014                                       | 5,029,362                   | 3,816,679                    |                               | 229,001                      |                        |
| 2015                                       | 3,918,642                   | 3,820,546                    |                               | 229,233                      |                        |
| 2016                                       | 3,588,200                   | 3,702,996                    |                               | 222,180                      |                        |
| 2017                                       | 3,091,200                   | 3,612,456                    |                               | 216,747                      |                        |
| 2018                                       | 2,077,200                   | 3,300,159                    |                               | 198,010                      |                        |
| 2019                                       | 3,905,400                   | 3,211,088                    |                               | 192,665                      |                        |

| WATER SALES   | 2020 BUDGET      | 2021 BUDGET      | Comments to 2021 budget   |
|---|------------------|------------------|---|
|   |                  |                  | CPI figures used are HALF1, will be adjusted in 2021 with HALF 2 INDEX  |
| <b>Stagecoach</b>                                   | <b>\$116,379</b> | <b>\$118,044</b> |   |
| <b>Stagecoach contracts, excluding augmentation</b> | <b>\$110,330</b> | <b>\$111,553</b> |   |
| Existing Municipal (Multiple)                       | \$54,320         | \$54,076         | \$35.00/AF  |
| American Holdings (ex. Peabody/Seneca)              | \$6,145          | \$6,390          | \$127.79/AF   |
| New contracts (Multiple)                            | \$19,140         | \$19,140         | \$43.50/AF  |
| Colorado Water Trust                                | \$0              | \$0              |   |
| Steamboat Springs Ski Corporation                   | \$30,725         | \$31,948         | \$127.79 / AF   |
| <b>Augmentation</b>                                 | <b>\$6,049</b>   | <b>\$6,491</b>   | \$215.65/AF   |
| Multiple  | \$6,049          |                  | 207.41/AF (2020); will be adjusted after the 1st of January. Budgeted price of \$207.41 was adjusted to \$212.72                        |
| <b>Yamcolo</b>                                      | <b>\$163,653</b> | <b>\$167,937</b> |   |
| Yamcolo Irrigators Association                      | \$39,000         | \$39,870         | adjusted by HALF1 CPI 2.7% and reduced by 0.5% per contract terms. Preliminary pricing for 2021 is \$13.29. It will be adjusted in 2021 |
| Individual Irrigators (Multiple)                    | \$38,500         | \$39,035         | \$11.30 & \$10.27/AF, 3,500 AF  |
| Yamcolo Enlargement                                 | \$0              | \$0              | 2021 budget assumes none of this water to be sold. Possible unbudgeted income later in 2021.  |
| Existing Municipal (Multiple)                       | \$86,153         | \$89,032         | \$88.15/af, total 1,010af   |
| <b>Total</b>  | <b>\$280,032</b> | <b>\$285,980</b> |   |

| Stillwater Ditch & Reservoirs Co. | 2020 BUDGET | 2021 BUDGET |
|-----------------------------------|-------------|-------------|
| Shareholder contracts             | 45,278.93   | 8,407.50    |
| Carriage contracts                | 0.00        | 0.00        |
| <b>Total</b>                      | 45,278.93   | 8,407.50    |

| TAX REVENUES  | Certified values |               |          | Levy    | 2020 Budget | 2021 Budget | Comments |
|---------------|------------------|---------------|----------|---------|-------------|-------------|----------|
|               | Dec 2019         | Oct 2020      | % change |         |             |             |          |
| <b>Routt</b>  | 1,195,534,241    | 1,196,316,197 | 0.1%     | 0.00182 | 2,175,872   | 2,177,295   |          |
| <b>Moffat</b> | 176,205,147      | 188,529,605   | 7.0%     | 0.00182 | 320,693     | 343,124     |          |
| <b>Total</b>  | 1,371,739,388    | 1,384,845,802 |          |         | 2,496,565   | 2,520,419   |          |

| INTEREST EARNED               | Estimated<br>12/31/20 balance | Maturity  | Yield   |         | 2021 budget | Comments |
|-------------------------------|-------------------------------|-----------|---------|---------|-------------|----------|
| Colotrust                     | 15,557,495.44                 | -         |         | 0.1456% | 22,644      |          |
| Mountain Valley Bank checking | 655,661.28                    | 6/17/2021 | 0.5000% | 0.4000% | 2,954       |          |
| Bank of the West              | 638,602.17                    | 4/12/2021 | 1.3000% | 0.2000% | 3,622       |          |
| Vectra -8                     | 200,115.09                    | 6/23/2021 | 0.0500% |         | 100         |          |
| Vectra -5                     | 150,000.00                    | 5/5/2021  | 0.0500% |         | 75          |          |
| Yampa Valley Bank             | 200,000.00                    | 6/13/2021 | 0.9000% | 0.7500% | 1,650       |          |
| <b>Total Interest</b>         | 17,401,873.98                 |           |         |         | 31,045.00   |          |

| Strategic Plan<br>G&O # | STAGECOACH<br><br>EXPENSES                   | 2021 BUDGET |            |
|-------------------------|--|-------------|------------|
|                         |  | POWER       | WATER      |
| 2.3                     | SALARIES, BENEFITS, EMPLOYER TAXES           | 151,859.06  | 164,396.90 |
| 2.3                     | PROPERTY & LIABILITY INSURANCE               | 12,077.91   | 6,618.91   |
| 2.3                     | TRAINING                                     | 1,500.00    | 1,500.00   |
| 2.3                     | TRAVEL & CONFERENCES                         | 500.00      | 500.00     |
| 2.3                     | USGS STREAM GAGE @ SC                        | 12,000.00   | 12,000.00  |
| 2.3                     | O&M  | 38,100.00   | 84,600.00  |
|                         | Colorado State Parks                         |             | 35,000     |
|                         | Electrical Power (yvea)                      | 2,500       | 2,500      |
|                         | Gasoline (Corkle Oil + other)                | 3,000       | 3,000      |
|                         | Phone  | 1,850       | 1,850      |
|                         | Snowplowing                                  | 3,250       | 3,250      |
|                         | Facilities Maintenance                       | 15,000      | 15,000     |
|                         | Part 12 Inspection                           | 0           | 0          |
|                         | SC Water Quality Monitoring                  |             | 11,500     |
|                         | Training                                     |             |            |
|                         | Contingencies                                | 12,500      | 12,500     |
|                         |  |             |            |
|                         | <b>SUBTOTAL EXPENSES, SC POWER/ SC WATER</b> | 216,037     | 269,616    |
|                         | <b>TOTAL STAGECOACH</b>                      | 485,653     |            |

| Strategic Plan<br>G&O # | STAGECOACH<br><br>CAPITAL EXPENDITURES          | 2021 BUDGET |        |
|-------------------------|---|-------------|--------|
|                         |   | POWER       | WATER  |
| 4.5                     | Stagecoach - Equipment                          | 65,000      | 35,000 |
| 2.3                     | Stemguide replacement                           | 15,000      | 15,000 |
| 2.3                     | Stagecoach enlargement                          |             |        |
|                         | Inspection Wetlands/IME Pike Monitoring-Task 5  |             | 35,000 |
| 2.3                     | Safety buoys                                    |             |        |
| 2.3                     | Concrete repairs - powerhouse exterior          |             | 2,500  |
| 2.3                     | Union Ditch Headgate Repair                     |             | 10,000 |
| 2.3                     | Vehicle   |             |        |
|                         | <b>CAPITAL EXPENDITURES, SC POWER/ SC WATER</b> | 80,000      | 97,500 |
|                         | <b>TOTAL CAPITAL EXPENDITURES</b>               | 177,500     |        |

|  |                           |         |         |
|--|---------------------------|---------|---------|
|  | SUBTOTAL EXPENSE+ CAPITAL | 296,037 | 367,116 |
|  | <b>ANNUAL TOTAL</b>       | 663,153 |         |

| <b>Strategic Plan<br/>G&amp;O #</b> | <b>YAMCOLO</b>                            | <b>2021 BUDGET</b> |
|-------------------------------------|---|--------------------|
| 2.3                                 | <b>SALARIES, BENEFITS, EMPLOYER TAXES</b> | <b>102,277</b>     |
| 2.3                                 | <b>PROPERTY &amp; LIABILITY INSURANCE</b> | <b>3,545</b>       |
| 2.3                                 | <b>TRAINING</b>                           | <b>3,000</b>       |
| 2.3                                 | <b>TRAVEL &amp; CONFERENCES</b>           | <b>1,000</b>       |
| 2.3                                 | <b>O&amp;M</b>                            | <b>40,500</b>      |
|                                     | <b>USFS Special Use Permit</b>            | <b>21,000</b>      |
|                                     | <b>Annual Maintenance</b>                 | <b>10,000</b>      |
|                                     | <b>Fuel/Mileage</b>                       | <b>2,000</b>       |
|                                     | <b>Contingencies</b>                      | <b>7,500</b>       |
|                                     | <b>TOTAL EXPENSES</b>                     | <b>150,322</b>     |

| <b>Strategic Plan<br/>G&amp;O #</b> | <b>YAMCOLO</b>                               | <b>2021 BUDGET</b> |
|-------------------------------------|--|--------------------|
|                                     | <b>CAPITAL EXPENDITURES</b>                  |                    |
| 2.3                                 | <b>Flow Control and Monitoring Equipment</b> | <b>15,000</b>      |
| 2.3                                 | <b>Butterfly valve repair</b>                | <b>15,000</b>      |
| 2.3                                 | <b>Vehicle</b>                               |                    |
| 2.3                                 | <b>Rip Rap Replacement</b>                   | <b>40,000</b>      |
|                                     | <b>TOTAL CAPITAL EXPENDITURES</b>            | <b>70,000</b>      |

| <b>Strategic Plan G&amp;O #</b> | <b>STILLWATER DITCH AND RESERVOIR COMPANY<br/>STILLWATER DITCH</b> | <b>2021 BUDGET</b> |
|---------------------------------|--|--------------------|
| 2.3, 2.5                        | <b>SALARIES, BENEFITS, EMPLOYER TAXES</b>                          | <b>21,982</b>      |
| 2.3                             | <b>PROPERTY &amp; LIABILITY INSURANCE</b>                          | <b>906</b>         |
| 2.3, 2.5                        | <b>O&amp;M</b>   | <b>10,000</b>      |
|                                 | Annual Maintenance   | 10,000             |
| 2.3                             | <b>CONTINGENCIES</b>   | <b>2,000</b>       |
|                                 | <b>TOTAL</b>   | <b>34,888</b>      |

| <b>Strategic Plan G&amp;O #</b> | <b>STILLWATER DITCH AND RESERVOIR COMPANY<br/>CAPITAL EXPENDITURES</b> | <b>2021 BUDGET</b> |
|---------------------------------|--|--------------------|
| 2.3                             | <b>Vehicle</b>   |                    |
| 2.3                             | <b>Lower Ditch Structures Replacement</b>                              | <b>125,000</b>     |
|                                 | <b>TOTAL</b>   | <b>125,000</b>     |



| Strategic Plan<br>G&O # | ADMINISTRATION  | 2021 BUDGET    | COMMENTS |
|-------------------------|---|----------------|----------|
| 10                      | <b>SALARIES, BENEFITS, EMPLOYER TAXES and TRAINING</b>                | <b>169,024</b> |          |
| 10                      | TRAINING  | 6,000          |          |
| 10                      | PROPERTY & LIABILITY INSURANCE  | 4,701          |          |
| 10                      | OFFICE  | 149,491        |          |
| 10                      | Office supplies, postage, phone, computers & IT services, advertising | 45,583         |          |
| 10                      | Office Supplies   | 6,819          |          |
|                         | Staff Meetings & Retreat  | 455            |          |
| 10                      | Postage   | 703            |          |
| 10                      | Telephone & Cell Phone, Internet                                      | 8,820          |          |
| 10                      | Computers & Software  | 13,650         |          |
| 10                      | Computer Services   | 9,236          |          |
| 10                      | Advertising   | 1,200          |          |
| 10                      | Misc supplies and fees  | 300            |          |
| 10                      | Cleaning Services   | 4,400          |          |
| 10                      | Office Rent   | 77,663         |          |
| 10                      | Furniture   | 10,000         |          |
| 10                      | Professional Services   | 6,000          |          |
| 10                      | Electronic File management services                                   | 500            |          |
| 10                      | Dues & Contributions  | 2,645          |          |
| 10                      | Contingencies/other   | 7,100          |          |
|                         | <b>TOTAL</b>  | <b>329,216</b> |          |

|  | ADMINISTRATION              | 2021 BUDGET  |  |
|--|-----------------------------|--------------|--|
|  | <b>CAPITAL EXPENDITURES</b> | <b>2,500</b> |  |

| <b>BOARD OF DIRECTORS</b>                          | <b>2021 Budget</b> |
|--|--------------------|
| <b>SALARIES, BENEFITS, EMPLOYER TAXES</b>          | 33,779             |
| <b>PROPERTY &amp; LIABILITY INSURANCE</b>          | 1,863              |
| <b>TRAVEL &amp; CONFERENCES</b>                    | 40,700             |
| <b>BOARD EXPENSES &amp; DIRECTORS COMPENSATION</b> | 37,890             |
| BOD Meetings                                       | 2,890              |
| Meals  | 2,490              |
| General expenses                                   | 400                |
| Annual retreat                                     | 6,100              |
| General expenses & meals                           | 1,100              |
| Professional facilitation                          | 5,000              |
| District Annual Holiday Party                      | 2,300              |
| Directors Compensation                             | 21,600             |
| Consulting Fees                                    | 5,000              |
| <b>TOTAL</b>                                       | <b>114,232</b>     |

| STRATEGIC PLAN<br>G&O #   | EXTERNAL AFFAIRS                       | 2021 BUDGET    |
|---|--|----------------|
|   | SALARIES, BENEFITS, EMPLOYER TAXES     | 100,015        |
|   | PROPERTY & LIABILITY INSURANCE         | 1,763          |
| 1.1, 7.2, 7.3, 7.4, 10.5  | TRAINING                               | 3,000          |
| 1.1, 1.2, 4.4, 4.5, 4.6, 5.1, 5.2, 6.3, 6.4, 7.1, 7.2, 7.3, 7.4, 8.1, 8.2, 8.3, 8.4, 10.5, 10.7 | TRAVEL & CONFERENCES                   | 12,500         |
|   | Conference Registration                | 5,000          |
|   | Meeting expenses, travel, lodging, gas | 7,500          |
|   | <b>TOTAL</b>                           | <b>117,278</b> |

| Strategic Plan G&O # | FINANCE                            | 2021 BUDGET    |
|----------------------|------------------------------------|----------------|
| 3.1 & 3.2            | SALARIES, BENEFITS, EMPLOYER TAXES | 101,778        |
| 3.1 & 3.2            | PROPERTY & LIABILITY INSURANCE     | 3,526          |
| 3.1 & 3.2            | TRAINING                           | 5,000          |
| 3.1 & 3.2            | TRAVEL & CONFERENCES               | 1,000          |
| 3.1                  | AUDIT                              | 10,000         |
| 3.2                  | CONSULTING                         | 30,000         |
| 3.1& 3.2             | CONTINGENCIES                      | 3,000          |
|                      | <b>TOTAL</b>                       | <b>154,304</b> |

| Strategic<br>Plan<br>G&O # | LEGALS                             | 2021 BUDGET    | COMMENTS |
|----------------------------|------------------------------------|----------------|----------|
|                            | SALARIES, BENEFITS, EMPLOYER TAXES | 21,742         |          |
|                            | PROPERTY & LIABILITY INSURANCE     | 881            |          |
|                            | LEGAL CONSULTING                   | 120,000        |          |
|                            | CONTINGENCIES                      | 14,000         |          |
|                            | <b>TOTAL</b>                       | <b>156,623</b> |          |

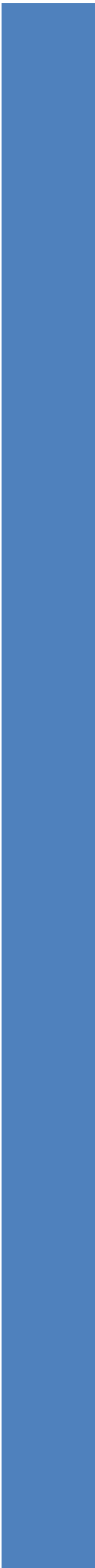
| <b>STRATEGIC PLAN G&amp;O #</b> | <b>PLANNING</b>  | <b>2021 BUDGET</b> |
|---------------------------------|--|--------------------|
| <b>G 4,6,9</b>                  | <b>SALARIES, BENEFITS, EMPLOYER TAXES</b>  | 22,652             |
|                                 | <b>PROPERTY &amp; LIABILITY INSURANCE</b>  | 881                |
| <b>G 4,6,9</b>                  | <b>WATER RESOURCE ENGINEERING</b>  | <b>62,500</b>      |
| 4.3,4.7,4.8,                    | Consulting: Water Res. Engineering   | 25,000             |
| 4.2                             | Elk River Augmentation Plan  | 2,500              |
| 4.2                             | Yampa River Augmentation Plan  | 2,500              |
|                                 | GIS Project  | 5,000              |
| G 4, 9                          | Stagecoach and Yamcolo Accounting  | 5,000              |
|                                 | Coal Creek Project Analysis  | 10,000             |
|                                 | Science and Engineering Studies: Small Reservoir Study, Watershed Health/Fire Hazard | 12,500             |
|                                 | <b>MORRISON CREEK RESERVOIR</b>  | 19                 |
|                                 | <b>STATE STREAM GAGE @ MC</b>  | 6,500              |
|                                 | <b>CONTINGENCIES</b>   | 2,500              |
|                                 | <b>TOTAL</b>   | <b>95,053</b>      |

| <b>STRATEGIC PLAN<br/>G&amp;O #</b>   | <b>GRANTS, SCHOLARSHIPS &amp; PUBLIC INFORMATION</b>                              | <b>2021 BUDGET</b> |
|---|---|--------------------|
|   | <b>SALARIES, BENEFITS, EMPLOYER TAXES</b>   | 73,559             |
|   | <b>PROPERTY &amp; LIABILITY INSURANCE</b>   | 588                |
| <b>10.5</b>   | <b>TRAINING</b>   | 3,000              |
| <b>4.2, 4.5, 6.3, 6.4, 7.1, 7.3, Goal 8, 10.7</b>   | <b>WEBSITE AND COMMUNICATIONS</b>   | 30,000             |
| <b>1.1, 4.4, 4.5, 4.6, 5.1, 5.2, 6.2, 6.3, 6.4, 7.1,<br/>7.2, 7.3, 8.1, 8.2, 8.3, 8.4, 9.6, 9.7, 10.7</b> | <b>PUBLIC RELATIONS PROJECTS, DUES&amp;CONTRIBUTIONS</b>                          | 52,200             |
|   | Colorado Water Congress (incl. CO River Water Users Project, State Affairs Comm.) | 7,200              |
|   | Water Education Colorado  | 7,500              |
|   | Community Agric Alliance  | 1,000              |
|   | Routt County Department of Environmental Health, Water Quality                    | 12,000             |
|   | Annual Event, Community Outreach, UYWCD River Trip, Water Resources Archive       | 20,000             |
|   | Annual Report   | 2,500              |
|   | WQ Outreach (Stagecoach)  | 2,000              |
| <b>10.7</b>   | <b>SCHOLARSHIP</b>  | 4,000              |
| <b>4.1, 4.4, 10.7</b>   | <b>PROJECT GRANTS</b>   | 125,000            |
|   | Diversion Infrastructure Improvement Project                                      | 75,000             |
|   | Other (Non-Infrastructure)  | 50,000             |
|   | <b>TOTAL</b>  | <b>288,346</b>     |

| <b>UYWCD Staff 2021 Pay Ranges</b> | <b>Range<br/>Minimum</b> | <b>Range<br/>Midpoint<br/>(50%)</b> | <b>Range<br/>Maximum</b> |
|------------------------------------|--------------------------|-------------------------------------|--------------------------|
| Dam Operator                       | \$56,382                 | \$70,788                            | \$85,194                 |
| Dam Operator                       | \$56,382                 | \$70,788                            | \$85,194                 |
| Chief Accountant                   | \$65,067                 | \$81,859                            | \$98,650                 |
| Business Manager                   | \$65,067                 | \$81,859                            | \$98,650                 |
| External Affairs Coordinator       | \$65,067                 | \$81,859                            | \$98,650                 |
| District Engineer                  | \$108,993                | \$136,241                           | \$163,489                |
| General Manager                    | \$115,859                | \$144,824                           | \$173,789                |









## BOARD COMMUNICATION FORM

**From:** Andy Rossi, General Manager

**Date:** 11/11/20

**Item:** Stagecoach Reservoir Water Marketing Policy

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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### I. Request/Issue and Background Information:

For the past several years, the Upper Yampa Water Conservancy District (UYWCD) has been working through water contract renewal processes for both Yamcolo and Stagecoach Reservoirs. To date, several water contract agreements have been finalized or are in the final steps of completion. The UYWCD is now positioned to consider a Stagecoach Reservoir Water Marketing Policy.

### II. Summary and Alternatives:

The resolution of several contracting efforts is a culmination of over six years of efforts on behalf of the UYWCD Board of Directors (BOD) and staff and the UYWCD contract partners. Some water contracting decisions remain unresolved for Stagecoach Reservoir. Attached with this form is a proposed DRAFT Stagecoach Reservoir Water Marketing Policy. The proposed policy contains distinct parts for UYWCD BOD consideration (*updates from 10/09/20 UYWCD BOD Meeting Indicated*):

- DRAFT Text of Proposed Stagecoach Reservoir Water Marketing Policy (*updates to text reflect comments from contracting partners received by 11/11/20*).
- Appendix A: Contract Forms (*The Contract forms are to be determined pending final adoption of Stagecoach Water Marketing Policy*)
- Appendix B: DRAFT Stagecoach Water Price Matrix. DRAFT Pricing Matrix is presented for discussion purposes as UYWCD BOD considers policy components. (*Three options for Pricing Matrix are Included in response to comments and input from October UYWCD BOD meeting*)
- Appendix C: Contract Assignment Form (*The Contract Assignment Form is to be determined pending final adoption of Stagecoach Water Marketing Policy*)



- Appendix D: DRAFT of Proposed Stagecoach Reservoir Fill and Release Policy  
(*clerical corrections made to text*)

Each of the policy components listed above is dependent on the final form of the Stagecoach Water Marketing Policy adopted by the UYWCD BOD and should be considered in concert. The DRAFT Stagecoach Water Marketing Policy will provide a framework for the deliberations and, hopefully, final resolution of these outstanding water contracting decisions for the UYWCD at Stagecoach Reservoir. The UYWCD General Manager will direct a continued discussion of water marketing policy terms such as length of contract term(s), use categories, different factors that may influence water price, and potential contract renewal terms before taking up the task of setting explicit prices for Stagecoach Reservoir water contracts.

The UYWCD, in cooperation with the City of Steamboat Springs, will hold a joint UYWCD-Municipal Water User informational meeting tentatively scheduled for January 6, 2021. The purpose of this informational meeting is for the UYWCD to collect input on the Stagecoach Reservoir Water Marketing Policy from municipal water users.

After collecting input from potential contracting partners, the UYWCD staff will be well positioned to present a final draft of the Stagecoach Reservoir Water Marketing Policy to the UYWCD BOD at the January 20, 2021 UYWCD BOD meeting.

### **III. Staff Recommendation:**

Review the proposed DRAFT Stagecoach Reservoir Water Marketing Policy and make recommendations to the UYWCD staff for the final form of the Stagecoach Water Marketing Policy to be presented for adoption at the January 20, 2021 UYWCD BOD meeting.

### **IV. Legal Issues:**

Stagecoach Reservoir Water Contracting, UYWCD By-Laws

### **V. Consistency with Board Goals and Policies:**

UYWCD Strategic Plan Objective 3.2

### **Attachments:**

Attachment 1: DRAFT Stagecoach Reservoir Water Marketing Policy

**DRAFT**

**Stagecoach Reservoir**

**WATER MARKETING POLICY**

**Upper Yampa Water Conservancy District**

**November 11, 2020**

**DRAFT**

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PURPOSE OF MARKETING PROGRAM

The Upper Yampa Water Conservancy District (UYWCD) is authorized and directed to provide for the beneficial use of water available for use from the UYWCD's storage capacity in Stagecoach Reservoir. The UYWCD's Board of Directors (Board) has approved the marketing of such water and other UYWCD water supplies as may be used to complement the use of such Reservoirs' water supplies through a contracting program described herein. The person or entity contracting with UYWCD for stored water under this policy is sometimes herein referred to as a "user" or "contract user" or "contractor."

1. AUTHORITIES UNDER PROGRAM.

- a. The General Manager is delegated the authority of the Board to implement and administer this Policy and the water supply contracts and assignments made pursuant to this Policy subject to the several specific reservations of Board authority stated herein. The General Counsel shall assist in the negotiation and drafting of the Water Supply Contracts.
- b. The General Manager is authorized by the Board to execute the Water Supply Contracts of not more than 100 acre feet in volume and for contract term of not more than 1 year made pursuant to this Policy on behalf of the UYWCD without further Board action. The General Manager will notify the Board of all such contracts.
- c. The General Counsel is directed and authorized to oppose Water Court applications which propose use of the UYWCD's water supplies without the existence of a current Water Supply Contract or otherwise at variance with this Policy.

2. SOURCES AND SCOPE OF MARKETING PROGRAM.

- a. Source: "Stagecoach Reservoir". Water delivered from Stagecoach Reservoir, for which a storage water right decrees were obtained by the UYWCD in the following Cases:

***NEW TABLE OF STORAGE RIGHTS TO BE INCLUDED***

Additional storage water right decrees may be obtained in the future by the UYWCD, and other water sources available to the UYWCD for use in its Water Marketing Program.

- b. Geographic. The UYWCD may enter into contracts with third parties for use of UYWCD water supplies directly, or by exchange or augmentation, within the UYWCD Boundary, subject to site-specific determination by the UYWCD's Board of Directors, and subject to determination by the General Manager and General Counsel of the legal and physical feasibility of such use, and subject to the principles and limitations stated herein. The UYWCD will not contract to provide a water supply to any parcel of land or area that was previously served with water rights that were conveyed out of the UYWCD District Boundary, absent express approval by the UYWCD Board of Directors. Contracts with third parties for use of the UYWCD water supplies outside of UYWCD

Boundary or to facilitate uses outside of Water Division No. 6 (including for use outside of, or to facilitate use outside of, the UYWCD) require express approval, including pricing, by the Board of Directors. All contracts will describe the specific locations of use of the water supply by the Contract user, and for Environmental and Recreational Contracts, to the extent known, subsequent uses by downstream Reuse Contractors, so that any change of locations of use shall require prior approval of the Board of Directors.

3. NATURE OF WATER SERVICE.

- a. Contract Form. The UYWCD shall provide water supply for beneficial uses pursuant to contracts substantially in the forms attached hereto as Appendix A. The forms of the Water Supply Contract shall be used for all Contract applications made on and after the date of the adoption of this Policy as revised, and the forms also may be used for Contract applications which are in progress as of such date. The Board reserves the authority to modify the Water Supply Contract forms on a case-by-case basis. The General Manager and General Counsel may make non-substantive changes to the Contract on a case-by-case basis in order to tailor that Contract to specific situations. In the event of any conflict between an executed Water Supply Contract and these policies the Contract shall be controlling.
- b. Type of Service. ~~Service is "wholesale," which means that T~~ the UYWCD will deliver previously stored water at the outlet of the UYWCD's storage facilities into a stream system, ~~and The that the c~~ Contract user is responsible at the user's sole cost for arranging and obtaining the legal use or credit of such water, ~~and~~ shall bear the burden of any stream flow losses (seepage and evaporation) below such outlet, and shall be responsible, in consultation with the Division Engineer for Water Division No. 6, for arranging and administering the delivery of such stored water below such outlet to the place or places of use by such user. As reasonably requested by the Contract user under an Environmental or Recreational Contract, the UYWCD will cooperate with the Contract user in fulfilling the Contract user's responsibilities as described in this paragraph.
- c. Primary Sources of Supply. As previously described in subparagraph 3.a. above, the UYWCD's supply of water for the program described herein is anticipated to derive substantially from the following sources of supply:
  - i. Stagecoach Reservoir. The UYWCD's volume stored in priority of Stagecoach Reservoir, located on the Yampa River.
- d. Alternate Sources of Supply. The UYWCD may, in its sole discretion, provide water to a Contract user from alternate sources or facilities, provided that the releases from alternate sources or facilities are suitable to legally and physically meet the calling water right at the point or points of delivery of such water at such alternate sources or facilities.

4. CONTRACTING PROCESS AND TERMS.

- a. Timing. As to particular sources of supply, the UYWCD shall not execute any contracts until that source has been legally acquired by the UYWCD and all needed permits satisfactory to the General Manager have been issued by appropriate agencies and



received by the UYWCD. Pending legal acquisition of and the receipt of all permits for a particular source of supply by the UYWCD, the UYWCD will process contract applications for such source but will defer contract execution.

b. Applications and Fees.

- i. Prospective Contractors shall make written application to the UYWCD on forms prepared by UYWCD staff and approved by the General Manager and General Counsel. Such completed application forms shall be accompanied by the Contractor’s non-reimbursable payment to the ~~Enterprise-UYWCD~~ of \$300.00 as the fee for the UYWCD’s processing of the application.
- ii. The General Manager will impose a fee of \$600.00 for contract amendments and assignments. At the General Manager’s discretion, the assignment and/or amendment fee may be waived.

c. Verification of Need. The application process shall include a description by the contract applicant of the nature of its water service, its places of use, its available water rights and supplies, and its need for Contracted Water. The need of the contract applicant for program water in the quantity requested shall be verified by the General Manager, in consultation with the General Counsel, as necessary. If the General Manager determines that all or any portion of a water contract request is not based upon real, lawful, legitimate need, the General Manager shall report that finding to the UYWCD Board before approval of any contract, with a copy of such report provided to the Applicant. The Board will allow the contract applicant to present written information in support of its claimed need and in response to the General Manager’s report, and the Board may in its sole discretion approve, disapprove, or approve with modifications or conditions the application. The Applicant may modify its application up to the date of decision by the Board. The Board’s decision on such matters shall be final.

**Commented [AR1]:** The standards for such proof and verification are unclear for ERC releases. The UYWCD may consider additional language on this subject in the final ERC contract form(s) and application documents.

d. Consistency with UYWCD Programs. The General Manager and General Counsel shall review all contract applications for consistency with the principles and limitations stated herein, consistency with the District’s water rights for the requested water supply, and consistency with Colorado law and state and local governmental regulations and any separate agreements regarding water conservancy district water supply programs.

e. Minimum and Maximum Quantities. The minimum amounts of water which may be contracted pursuant to this Policy shall be not less than 1 acre-foot annually. The maximum amounts of water which may be contracted to each person or entity pursuant to this Policy shall be as set forth below unless otherwise approved in advance by the Board of Directors on a case-by-case basis. In determining such maximum amount, existing prior contracts by the District for water supply for the applicant or its affiliates shall be counted and included in determining whether the maximum quantity would be exceeded by a new requested application.

| Source               | Maximum  |
|----------------------|----------|
| Stagecoach Reservoir | 2,000 AF |

**Commented [AR2]:** The CWT indicated that they are likely to include requests for larger volumes as part of future proposed ERC programs.

f. Project Contract Year. The basis for calculating delivery obligations for water supply of

the District contracted to persons or entities shall be the “Project Contract Year” or multiples thereof, which shall be the period from ~~November~~ March 1 in one year through ~~October 31~~ February 28 (29) in the succeeding year. The date or dates of payment for contracted water supply shall be set forth in the Contract by the General Manager, shall normally be expected to be ~~July 15~~ August 1, of the Project Contract Year for municipal and industrial water supplies, and October 31 for agricultural supplies, but in all circumstances the date of payment for water to be delivered in a Project Contract Year shall be no later than October 31 of such Year.

g. Terms and Provisions of Contracts. Multiple options are available for Contract terms, as follows:

- i. Term for Municipal or Industrial Contracts: The maximum duration or term for delivery of stored water of the District for municipal or industrial contracts shall be from the date of execution of such Contract through the end of the 2041 Project Contract Year. Any such Contract shall require the District to commence and participate in discussions with the contracting user regarding possible execution of a new water supply Contract, for the same or a lesser or greater amount of stored water, to commence upon the end of the current Contract term, to be held within the final Project Contract Year of such Contract. The District reserves the right to change this policy and to change the pricing, duration, limitations, principles and forms for new water supply contracts going forward, at any time, and such changes are to be applicable to all new contracts for the same type of water use thereafter, including any new contracts after the end of the 2041 Project Contract Year to users whose existing contracts will expire as of the end of the 2041 Project Contract Year.

**Commented [AR3]:** The UYWCD will consider and discuss with the full UYWCD BOD the contract term length for municipal water agreements.

However, the municipal contract user of any municipal water supply contract which expires at the end of or before the 2041 Project Contract Year, who has not defaulted on such contract provisions during the term thereof and whose area of use remains the largest of (a) the lawful boundary of such municipality, including any annexations into such municipality, or (b) the approved urban growth boundary, or (c) the approved municipal water service area boundary, each as may be determined by the governing board of such municipality from time to time during the contract, ~~the boundary of such municipal user,~~ may request in writing to the District during the final Project Contract Year that the duration of a succeeding contract to such municipal user be for a term (a) ending at the end of the 2041 Contract Year, if the term of the existing contract ends before 2041, or (b) in the event that the final Project Contract year of the existing contract is 2041, then up to 20 years after 2041, in either case for an annual supply up to but not exceeding the maximum amount under the then-effective water supply contract. If such request is made during the final Project Contract Year, and if such municipal user otherwise agrees with the pricing, limitations, principles, and form for such new municipal water supply contract under the policies of the District in effect at that time (other than any duration limitation), then the Board during such final Project Contract Year shall enter into such new municipal water supply contract with such municipal user on the then-approved form of Contract and

then-prevailing municipal supply pricing, for the term requested by such municipal user but not exceeding (a) the end of the 2041 Contract Year if the term of the existing contract ends earlier than 2041, or (b) 20 years, if the term of the existing contract ends at the end of the 2041 Project Contract Year, for the amount of annual supply requested by such municipal user not exceeding the amount contracted for under the expiring Contract. It is expected that this policy and the pricing, limitations, principles and forms for new water supply contracts of the District will be changed from time to time in the future by the Board of Directors to adapt to changing conditions, including (but not limited to) changes in law and regulation, hydrologic changes, the financial condition of the District, availability of water sources, interstate conditions of the Colorado River system, environmental requirements or policies, water quality changes, or changes in the master planning of the District Board of Directors.

- ii. Term for Agricultural Contracts: The maximum duration or term for delivery of stored water of the District for agricultural contracts shall be from the date of execution of such Contract through the end of the 2041 Project Contract Year. Any such Contract shall require the District to commence and participate in discussions with the contracting user regarding possible execution of a new water supply Contract, for the same or a lesser or greater amount of stored water, to commence upon the end of the current Contract term, to be held within the final Project Contract Year of such Contract. The District reserves the right to change this policy and to change the pricing, duration, limitations, principles and forms for new water supply contracts going forward, at any time, and such changes are to be applicable to all new contracts for the same type of water use thereafter, including any new contracts after the end of the 2041 Project Contract Year to users whose existing contracts will expire as of the end of the 2041 Project Contract Year. Every agricultural use contract for delivery of stored water from Stagecoach Reservoir shall contain a limitation that the District may, in its sole discretion, upon written notice to such user terminate and end such contract prior to its stated termination date without liability of any kind to the contracting user if such contracting user physically uses the stored water to replace water lawfully available to such user from direct flow water rights or other storage supplies, if such user or its affiliates obtains economic benefits from the absence of use of lawfully available direct flow water rights or other storage supplies in an amount exceeding the pricing paid or payable by such user of the stored water under the District's agricultural use water supply contract then in effect.
- iii. Term for Environmental or Recreational Contracts: Unless otherwise determined by the Board of Directors on a case-by-case basis, the maximum duration or term for delivery of stored water of the District for environmental or recreational or in-stream flow enhancement purposes shall be from the date of execution of such Contract through the end of the second Project Contract Year after the Project Contract Year in which such Contract was executed, i.e., for no more than 3 Project Contract Years in succession. The Board of Directors and General Manager shall encourage one-year durations for Environmental or Recreational Contracts due to the

**Commented [AR4]:** Does the UYWCD want to consider Environmental use as a separate category from Recreational use?

**Commented [AR5]:** The UYWCD will consider and discuss with the full UYWCD BOD the contract term length for ERC water agreements.

unpredictability of extreme drought years. No environmental or recreational or in-stream flow enhancement contract shall contain any renewal or extension clause or provision. Contracts for storage of water for intended release for environmental or recreational use shall (a) preserve the right of the District for first use to generate hydro power through Stagecoach Dam for all such releases, and (b) permit the allottee to sub-contract the return flow from the contracted environmental or recreational location(s) of use to other water users approved by the District (a "Reuse Contractor") for subsequent use downstream from the original contracted location(s)(whether within or outside of the District boundary) so long as such Reuse Contractor or its affiliates does not use the subcontracted reuse water to replace water lawfully available to such Reuse Contractor or its affiliates from direct flow water rights or other storage supplies (including storage supplies from a District project), and (c) be "take or pay" contracts requiring payment to the District for the full amount of the water contracted for storage in Stagecoach Reservoir annually whether or not the environmental or recreational allottee calls for and/or uses the full stored amount, so long as such full contracted amount is in fact stored during the Project Year. The District reserves the right to change this policy and to change the pricing, duration, limitations, principles and forms for new environmental or recreational or in-stream flow enhancement water supply contracts going forward, at any time, and such changes are to be applicable to all new contracts for the same type of water use thereafter.

- h. Pricing. The pricing for each type of water use described above in subsection (g) will be reviewed and set annually by the UYWCD's Board of Directors (which decision normally will be made prior to March 1 each year). The approved pricing for the current Project Contract Year is attached hereto as Appendix B. Each contract for water supply from the District shall contain a Cost of Living Adjustment (COLA) provision by which the amount payable per acre foot in the next Project Contract Year shall automatically be adjusted upwards by annual changes to the COLA index for the Denver-Aurora-Lakewood index, "all items," "urban consumer" for the 12-months ending at the end of June of the then-applicable Project Contract Year.
- i. Minimum Charges. The pricing charge under Appendix B for District water supply for each type of water use will be based upon the amount contracted by the user times the then applicable per-acre-foot price as of the date of execution of such contract, except that the minimum annual billing for any type of water supply use for any amount shall be \$100.00, which amount shall escalate in the same manner as provided in subparagraph h. above.

~~j. Assessments. Contractor shall pay within 30 days after billing by the District for any special assessment levied by the UYWCD on Contractor and other users of the same class of use water, on a non-discriminatory proportionate basis dependent upon amount of contracted water but unrelated to remaining duration of contracts, to recoup expenses from extraordinary maintenance or repairs or replacements incurred by the UYWCD or assessed upon the UYWCD by its third party suppliers or any governmental entity.~~

~~k.~~ Contract Execution. The applicant(s) for a Stagecoach Reservoir Water Supply Contract

**Commented [AR6]:** The UYWCD will consider and discuss with the full UYWCD BOD the possibility of revised contract payment terms for ERC agreements. Details of legal mechanisms for ERC releases are not yet resolved in the State of Colorado. The final terms of legislative rule making proceedings will need to be considered before UYWCD adoption of ERC policies.

shall have sixty (60) days after mailing or electronically transmitting the final Contract document to them in which to execute the final Contract and deliver the executed originals to the UYWCD's offices. If such execution and delivery are not accomplished in that time, the applicant shall be deemed to have rejected the District's offer to contract.

4.k. Limitation on Disposition. Subject to the exceptions set forth below, Contractors may not sublet, sell, donate, loaned, or otherwise dispose of any of its rights to a Contract or Contracted Water. All Contracts will describe the specific locations of use of the water supply, so that any change of locations of use shall require prior approval of the Board of Directors. ~~For municipal use Contractors, the specific location of use shall be the lawful boundary of such municipality from time to time during the term of the contract, including any annexations into such municipality occurring during the term of the contract.~~ For municipal use Contractors, the specific location of use shall be the largest of (a) the lawful boundary of such municipality, including any annexations into such municipality, or (b) the approved urban growth boundary, or (c) the approved municipal water service area boundary, each as may be determined by the governing board of such municipality from time to time during the contract. The UYWCD will approve an assignment of a Contract for industrial or agricultural use water in all instances in which a permanent transfer and assignment of the Contract is to be made to a successor in interest of Contractor by reason of the transfer of the title or other legal right to use the property served by the Contracted Water, or where the transfer is made to an entity such as a homeowners' association or special district created to serve the property originally represented to the UYWCD to be served with the Contracted Water. Assignments and transfers of municipal use water shall require the approval of the Board of Directors of the District and will not be approved except in the case of merger or dissolution of the municipal user. Any disposition of a Contractor's rights to a Contract or Contracted Water must be by written instrument signed by the UYWCD. An example of a Contract Assignment form is attached hereto as Appendix C. As provided in subparagraph 4.b. ii. above, a \$600.00 fee will be imposed for each contract assignment. Water supply contracted for environmental or recreational use may be used by Reuse Contractors as set forth above in subparagraph 4.g.iii.

4.l. Pricing upon Assignment. Except for sub-contracts to Reuse Contractors of environmental or recreational water use contracts as described in Subsection 4(g) above, ~~e~~Every assignment of a Contract will be subject to review and approval by the UYWCD, and such approval shall require the assigning Contractor and assignee to agree in writing to such changes in provisions of such Contract as will bring such Contract into full compliance with the then-current pricing and contracting policies duration, limitations, and principles in effect at the time of the assignment.

5. SHORTAGE CRITERIA. Water shortages among the UYWCD's Contractors shall be apportioned in the sequence detailed in the Stagecoach Fill and Release Policy attached hereto as Appendix D.
6. DELIVERY CONTINGENCIES. There are several assumptions upon which the UYWCD's ability to deliver water pursuant to this Water Marketing Policy are contingent.

- 
- Terms and conditions of applicable Water Court decrees for the sources of supply.
  - Terms and conditions of permits for all of said sources of supply and their related facilities.
  - Terms and conditions of any substitute supply plans and plans for augmentation or exchange regarding Contractors' use of the sources of supply.
  - Hydrologic availability of water supply from natural sources to Stagecoach Reservoir sufficient to place enough water in storage in any year sufficient to meet all of the permitted demands for deliveries under the contracts of the District.
  - The physical condition of Stagecoach Reservoir sufficient to physically store water up to the designed capacity of the Reservoir and to deliver water out of the outlet works of the Reservoir into the Yampa River below the dam.
  - The water quality of stored water in Stagecoach Reservoir being sufficient to meet the water quality requirements of any governmental entity or agency permitting raw water deliveries into the Yampa River below the dam.

**APPENDIX A**

**CONTRACT FORMS**

**TO BE DETERMINED WITH FINAL VERSION OF POLICY**

**Stagecoach Reservoir Water Contract Pricing**

**DRAFT Appendix B- Option 1**  
**SAMPLE PRICING ALTERNATIVES FOR DISCUSSION PURPOSES ONLY**

| Contract Category          |   | Contract Period (Years)   |         |        | Notes: BP +/- "\$ amount"   |
|----------------------------|---|---|---------|--------|---|
| Industrial                 | Contract Volume (AF)                                | 10 to 20  | 5 to 10 | 1 to 5 | BP = Base Price (TBD by UYWCD BOD)  |
|                            | 500 to 2000   | BP + 35   | BP + 15 | BP - 5 |   |
|                            | 1 to 499  | BP + 40   | BP + 20 | BP     |   |
| New Municipal              | Contract Volume (AF)                                | 10 to 20  | 5 to 10 | 1 to 5 | BP = Base Price (TBD by UYWCD BOD)  |
|                            | 500 to 2000   | BP + 35   | BP + 15 | BP - 5 |   |
|                            | 1 to 499  | BP + 40   | BP + 20 | BP     |   |
| Existing Municipal         | Contract Volume (AF)                                | 10 to 20  | 5 to 10 | 1 to 5 | CP = Contract Price calculated as per existing contract terms w/Budget Data |
|                            | 500 to 2000   | CP  |         |        |   |
|                            | 1 to 499  | CP  |         |        |   |
| Environmental Recreational | Contract Volume (AF)                                | 1 to 3  |         |        | BP = Base Price (TBD by UYWCD BOD)  |
|                            | 500 to 2000   | BP - 5  |         |        |   |
|                            | 1 to 499  | BP  |         |        |   |
| Agricultural               | Contract Volume (AF)                                | 10 to 20  | 5 to 10 | 1 to 5 | BP = Base Price (TBD by UYWCD BOD)  |
|                            | 500 to 2000   | BP + 15   | BP + 5  | BP - 5 |   |
|                            | 1 to 499  | BP + 20   | BP + 10 | BP     |   |
| Augmentation               | Contract Volume (AF)                                | 40  |         |        | Price Approved by BOD Annually  |
|                            | 1 to 10   | Augmentation water pricing and contract specifics are indicated in the Yampa River Augmentation Plan. |         |        |   |
|                            | (Greater than 10 AF requires Approval by UYWCD BOD) |   |         |        |   |



**Stagecoach Reservoir Water Contract Pricing**

**DRAFT Appendix B- Option 2**  
**SAMPLE PRICING ALTERNATIVES FOR DISCUSSION PURPOSES ONLY**

| Contract Category          |  | Contract Period (Years or End Date)   |               |              | Notes: BP +/- "\$ amount"   |
|----------------------------|--|---|---------------|--------------|---|
|                            | Contract Volume (AF)   | 10 years to 2041  | 5 to 10 years | 1 to 5 years |   |
| Industrial                 | 500 to 2000  | BP - 15   | BP - 10       | BP - 5       | BP = Base Price (TBD by UYWCD BOD)  |
|                            | 1 to 499   | BP - 10   | BP - 5        | BP           |   |
|                            |  | Contract Period (Years or End Date)   |               |              |   |
|                            | Contract Volume (AF)   | 10 years to 2041  | 5 to 10 years | 1 to 5 years |   |
| New Municipal              | 500 to 2000  | BP - 15   | BP - 10       | BP - 5       | BP = Base Price (TBD by UYWCD BOD)  |
|                            | 1 to 499   | BP - 10   | BP - 5        | BP           |   |
|                            |  | Contract Period (Years or End Date)   |               |              |   |
|                            | Contract Volume (AF)   | 2021 to 2041  |               |              |   |
| Existing Municipal         | 500 to 2000  | CP  |               |              | CP = Contract Price calculated as per existing contract terms w/Budget Data |
|                            | 1 to 499   | CP  |               |              |   |
|                            |  | Contract Period (Years or End Date)   |               |              |   |
|                            | Contract Volume (AF)   | 10 years to 2041  | 5 to 10 years | 1 to 5 years |   |
| Environmental Recreational | 500 to 2000  | BP - 5  |               |              | BP = Base Price (TBD by UYWCD BOD)  |
|                            | 1 to 499   | BP  |               |              |   |
|                            |  | Contract Period (Years or End Date)   |               |              |   |
|                            | Contract Volume (AF)   | 10 years to 2041  | 5 to 10 years | 1 to 5 years |   |
| Agricultural               | 500 to 2000  | BP - 15   | BP - 10       | BP - 5       | BP = Base Price (TBD by UYWCD BOD)  |
|                            | 1 to 499   | BP - 10   | BP - 5        | BP           |   |
|                            |  | Contract Period (Years)   |               |              |   |
|                            | Contract Volume (AF)   | 40 years  |               |              |   |
| Augmentation               | 1 to 10<br>(Greater than 10 AF requires Approval by UYWCD BOD) | Augmentation water pricing and contract specifics are indicated in the Yampa River Augmentation Plan. |               |              | Price Approved by BOD Annually  |

**Stagecoach Reservoir Water Contract Pricing**

**DRAFT Appendix B- Option 3**  
**SAMPLE PRICING ALTERNATIVES FOR DISCUSSION PURPOSES ONLY**

| Contract Category          |  | Contract Period (Years or End Date)   |               |              | Notes: BP +/- "\$ amount"   |
|----------------------------|--|---|---------------|--------------|---|
|                            | Contract Volume (AF)   | 10 years to 2041  | 5 to 10 years | 1 to 5 years |   |
| Industrial                 | 1 to 2000  | BP -10  | BP - 5        | BP           | BP = Base Price (TBD by UYWCD BOD)  |
|                            |  | Contract Period (Years or End Date)   |               |              |   |
|                            |  | 10 years to 2041  | 5 to 10 years | 1 to 5 years |   |
| New Municipal              | 1 to 2000  | BP -10  | BP - 5        | BP           | BP = Base Price (TBD by UYWCD BOD)  |
|                            |  | Contract Period (Years or End Date)   |               |              |   |
|                            |  | 2021 to 2041  |               |              |   |
| Existing Municipal         |  | CP  |               |              | CP = Contract Price calculated as per existing contract terms w/Budget Data |
|                            |  | Contract Period (Years or End Date)   |               |              |   |
|                            |  | 10 years to 2041  | 5 to 10 years | 1 to 5 years |   |
| Environmental Recreational | 1 to 2000  | BP  |               |              | BP = Base Price (TBD by UYWCD BOD)  |
|                            |  | Contract Period (Years or End Date)   |               |              |   |
|                            |  | 10 years to 2041  | 5 to 10 years | 1 to 5 years |   |
| Agricultural               | 1 to 2000  | BP -10  | BP - 5        | BP           | BP = Base Price (TBD by UYWCD BOD)  |
|                            |  | Contract Period (Years)   |               |              |   |
|                            |  | 40 years  |               |              |   |
| Augmentation               | 1 to 10<br>(Greater than 10 AF requires Approval by UYWCD BOD) | Augmentation water pricing and contract specifics are indicated in the Yampa River Augmentation Plan. |               |              | Price Approved by BOD Annually  |

**APPENDIX C**

**CONTRACT ASSIGNMENT FORM**

**TO BE DETERMINED WITH FINAL VERSION OF POLICY**

**APPENDIX D**

**RESOLUTION NO. 2020-X**

**A RESOLUTION**

**ADOPTING STAGECOACH RESERVOIR FILL AND RELEASE POLICIES.**

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

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

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

**NOW THEREFORE**, be it resolved that the Upper Yampa Water Conservancy District Stagecoach Reservoir Fill and Release Policy attached hereto is approved and adopted effective **Month Day, 2020**.

**UPPER YAMPA WATER  
CONSERVANCY DISTRICT**

By: \_\_\_\_\_

**ATTEST**

\_\_\_\_\_  
Andy Rossi, Secretary

**Upper Yampa Water Conservancy District**  
**Stagecoach Reservoir Fill and Release Policy**

**I. General Policy**

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

**II. Filling Policies**

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

**A. Water Rights**

**1. Water Rights Decreed for Storage**

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

**THIS TABLE NEEDS TO BE CHECKED AND UPDATED BY SCOTT GROSSCUP**

| <u>WATER RIGHT</u>   |       |      |       | <u>AMOUNT</u>  |      |      |     |            | <u>ADMIN NO.</u>           | <u>APPROP. DATE</u>      |
|--|-------|------|-------|--|------|------|-----|------------|----------------------------|--------------------------|
| <b>Ditch Rights (below per 95CW078)<sup>1</sup></b>        |       |      |       | <b>518.4 AF absolute</b>   |      |      |     |            |                            |                          |
| Ditch  | April | May  | June  | July   | Aug  | Sept | Oct | Total (AF) |                            |                          |
| Yellow Jacket  | 0.5   | 16.5 | 52.1  | 48.9   | 23.8 | 5.5  | 0.7 | 148.0      | 14175.00000<br>33782.25353 | 10/22/1888<br>06/01/1919 |
| Union  | 1.5   | 20.7 | 165.3 | 154.7  | 36.4 | 2.9  | 0   | 381.5      | 14563.00000<br>33782.24988 | 11/14/1889<br>06/01/1918 |
| Union reduction <sup>2</sup>                               | 1.3   | 18.7 | 149.1 | 139.5  | 32.8 | 2.6  | 0   | 344.0      | n/a                        | n/a                      |
| Little Chief   | 0.8   | 4.8  | 12.3  | 6.8  | 1.6  | 0.1  | 0   | 26.4       | 20450.19968<br>33782.25353 | 09/02/1904<br>03/01/1919 |
| Total  | 2.6   | 40.0 | 213.5 | 195.2  | 58.2 | 8.2  | 0.7 | 518.4      |                            |                          |
| <b>Four Counties Ditch No. 1 and No. 3</b>                 |       |      |       | <b>151 cfs (302 AF/day) absolute<br/>605 cfs (1210 AF/day) conditional</b> |      |      |     |            | <b>39599.00000</b>         | <b>06/02/1958</b>        |
| <b>Bear Reservoir</b>                                      |       |      |       | <b>11,614.2 AF absolute</b>  |      |      |     |            | <b>40815.00000</b>         | <b>09/30/1961</b>        |
| <b>Pleasant Valley Reservoir</b>                           |       |      |       | <b>20,854 AF absolute/ 9,246 AF conditional<sup>3</sup></b>                |      |      |     |            | <b>41727.39991</b>         | <b>06/29/1959</b>        |
| <b>Pleasant Valley Feeder Canal</b>                        |       |      |       | <b>300 cfs (600 AF/day) conditional</b>                                    |      |      |     |            | <b>41727.39991</b>         | <b>06/29/1959</b>        |
| <b>Four Counties Ditch No. 3 Enlargement and Extension</b> |       |      |       | <b>864 cfs (1728 AF/day) conditional</b>                                   |      |      |     |            | <b>41727.41412</b>         | <b>05/20/1963</b>        |
| <b>Bear Reservoir Enlargement</b>                          |       |      |       | <b>22,105.8 AF conditional</b>   |      |      |     |            | <b>44559.44488</b>         | <b>10/21/1971</b>        |
| <b>Stagecoach Reservoir 2<sup>nd</sup> Filling</b>         |       |      |       | <b>6,670 AF absolute</b>   |      |      |     |            | <b>53691.53386</b>         | <b>03/01/1996</b>        |

**Commented [AR1]:** A column defining the decreed uses to will be added to the final version of the table.

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

**2. Start of Fill**

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

**3. Carry Over Storage**

On the start of fill date, water in storage in the Reservoir will be first allocated to the Bear Reservoir water right up to a maximum of 11,614.2 acre-feet and then to the Pleasant Valley Reservoir water right. No water carried over shall be applied against the Four Counties Ditch No. 1 and No. 3 or the Yellow Jacket, Union or Little Chief Ditches water rights.

**4. First Fill**

After the start of fill date, the remaining capacity in Stagecoach Reservoir shall be filled under the water rights set forth above in order of seniority. Water stored under the Bear Reservoir and Pleasant Valley water rights and any other water rights decreed for augmentation use since the adoption of this policy shall include augmentation, if in priority for such use. Stagecoach Reservoir shall be deemed to have filled once when the volume of water stored is equal to the capacity of the Reservoir less water carried over from the prior year and less evaporation, seepage and releases occurring between start of fill and the completion of the first fill.

**5. Second Fill**

After the first fill, except for evaporation and seepage which shall be replaced by utilization of the Yellow Jacket, Union and Little Chief Ditches and the Four Counties water rights in order of seniority, water shall be stored under the Stagecoach 2<sup>nd</sup> Filling water right.

**6. Augmentation Use**

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

other uses, the District shall account separately for such water stored for purposes other than augmentation and such water shall not be released for augmentation purposes in the year of storage or afterwards but may be released for all other purposes.

**7. Raise Water Right**

All water stored in Stagecoach Reservoir in excess of 33,275-acre feet in 2011 was stored pursuant to the Pleasant Valley Reservoir conditional water rights described in paragraph 1 (A) above.

**8. Other Conditional Rights**

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

**9. Filling Priority**

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

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

**Commented [AR2]:** Diagram of pools will be added to final version.



## **10. Description of Pools**

### **a. Municipal/Industrial**

The Municipal/Industrial Pool currently consists of:

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

Water stored in the Municipal/Industrial Pool is available for release to municipal and industrial users including community water systems serving residential subdivisions and recreational in-channel diversions decreed to municipalities.

### **b. The Augmentation Pool**

The Augmentation Pool currently consists of:

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

### **c. The General Supply Pool**

The General Supply Pool currently consists of:

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

### **d. The Raise Pool**

The Raise Pool Currently consists of:

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

**e. The Preferred Remainder Pool**

The Preferred Remainder Pool currently consists of:

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

**f. The Emergency Remainder Pool**

The Emergency Remainder Pool currently consists of:

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

**III. Management of the Pools**

**A. Start of Year Allocation**

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

**B. Commitment of Reservoir Pools**

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

Remainder Pool is contracted to allottees in the future.

### **C. Post Billing Fill**

When water is not available to fill the Reservoir by July 15 in any year, the Emergency Remainder Pool, first, and then thereafter the Preferred Remainder Pool will be shorted and reduced by the amount of the fill shortage. Thus, contractual obligations will be available within Stagecoach Reservoir at a volume of 18,164 AF (elev. 7178.7 or 25.3 ft. below spillway elevation = 7204 ft.). In any year where Stagecoach Reservoir is not full by July 15 and storable inflow is available between July 15 and March 1 of the following year such storage will be made available to the unfilled pools in the order of the priority of pools set forth in Section 9 above, to be available during the water year of such filling . Such additional water made available to a previously unfilled pool will be made available proportionally among all allottees holding contracts from such pool, up to the amount in each instance such allottee was shorted or curtailed before such additional water storage became available. If only the Emergency Remainder Pool and/or the Preferred Remainder Pool were not filled in such water year, then the additional post-July 15 storable inflow will be allocated to supply these pools, applied first to the Preferred Remainder Pool up to the amount it was shorted.

## **IV. Release Policies**

### **A. Release Operations**

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

### **B. Outlet Capacity and ramping**

Because of limited outlet capacity, the total instantaneous rate for contract releases at which water may be released from Stagecoach Reservoir will not exceed turbine capacity or the maximum instantaneous rate of release specified in an allotment

contract, whichever is less. The District will make requested releases as soon as operationally possible (typically within 24 hours during the work week). Requested releases will be made in accordance with the District's ramping rate practices and current water order and release schedules.

### **C. Evaporation**

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

### **D. Minimum Streamflow releases**

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

### **E. Prevention of Ice Damage**

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





## BOARD COMMUNICATION FORM

**From:** Andy Rossi, General Manger

**Date:** 11/11/20

**Item: Steamboat Ski and Resort Corporation Request for Water Supply Contract for Additional Stagecoach Water**

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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### **I. Request/Issue and Background Information:**

The Steamboat Ski and Resort Corporation (SSRC) is interested in acquiring an additional 125 acre-feet of water out of Stagecoach Reservoir for snowmaking and other uses at the Steamboat Resort. The SSRC would like to discuss the possibility of either amending its existing contract or entering into a new contract with the Upper Yampa Water Conservancy District (UYWCD) that would follow the same basic terms and conditions as the current Water Supply Contract between the parties, dated October 3, 2018, subject to considerations requested in a letter from the SSRC dated September 17, 2020.

The SSRC requests a price of \$100 per acre foot per year for the new storage volume. The existing SSRC Stagecoach Reservoir Water Supply Contract 2020 price is \$124.43 per acre foot.

### **II. Summary and Alternatives:**

Approve, deny, or table the decision on the request by the SSRC.

### **III. Staff Recommendation:**

Discuss the request for additional water contract as detailed in the SSRC letter, dated September 17, 2020. Direct UYWCD staff to work with Special Counsel Scott Grosscup to produce a contract document to be offered to the SSRC for an additional 125 acre-feet of water storage in Stagecoach Reservoir.

### **IV. Legal Issues:**

All water storage contracts require UYWCD BOD approval.



**V. Consistency with Board Goals and Policies:**

UYWCD By-Laws

**Attachments:**

Attachment 1: September 17, 2020 Steamboat Ski and Resort Corporation Request for Water Supply Contract for Additional Stagecoach Water

Attachment 2: 2018 SSRC Water Supply Contract

Attachment 3: 10/28/20 Letter to SSRC Confirming Storage Priority of Existing Water Supply Contract



September 17, 2020

Board of Directors  
Upper Yampa Water Conservancy District  
P.O. Box 775529  
Steamboat Springs, Colorado 80477

*Re: Water Supply Contract for Additional Stagecoach Water*

Members of the Board:

I am writing to let you know that the Steamboat Ski & Resort Corporation (“SSRC”) is interested in acquiring an additional 125 acre-feet of water out of Stagecoach Reservoir for snowmaking and other uses at the Steamboat Resort. SSRC would like to discuss the possibility of either amending its existing contract or entering into a new contract with the District that would follow the same basic terms and conditions as the current Water Supply Contract between the parties, dated October 3, 2018, subject to the following considerations.

Under the existing Water Supply Contract, SSRC has the right to 250 acre-feet of water stored in Stagecoach’s Former Exchange Pool. It is our understanding that the District’s contract with TriState was not renewed, and that the 7,000 acre-feet previously allocated to TriState should now be available for other parties. Therefore, SSRC would be interested in leasing an additional 125 acre-feet of water from the Municipal/Industrial Pool in Stagecoach, or whatever other storage pool may be considered the most senior storage pool at this time. As part of any new or amended contract, SSRC would also request explicit recognition that the 250 acre-feet currently leased from the District come from the same senior Municipal/Industrial Pool. We believe that this is consistent with the existing Water Supply Contract, but would appreciate making this point clear to all parties.

In addition, SSRC knows that other stakeholders in the Yampa River basin have expressed concerns regarding the pricing of Stagecoach contract water. As both a contractor of District water and member of the larger community, SSRC believes that it is important that the pricing be fair and equitable for all water users. As such, SSRC would be willing to lease the additional water at \$100 per acre-foot/year, which is less than the current contract rate but higher than the amount being proposed by other parties. SSRC also understands and remains supportive of different pricing tiers for industrial, municipal, and agricultural users.

Finally, Stagecoach water represents an important component of the Steamboat Resort’s water rights portfolio, and SSRC believes that lengthier contracts could provide a greater level of certainty for both parties. Should the District be amenable to considering a longer term contract

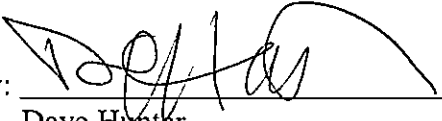


– like the 40-year contracts (with 35-year extensions) currently available from the Colorado River Water Conservation District – SSRC would certainly be interested.

We greatly appreciate our relationship with the District and look forward discussing this matter with you further.

Sincerely,

Steamboat Ski & Resort Corporation

By:   
\_\_\_\_\_  
Dave Hunter  
Vice President of Mountain Operations

cc: Andy Rossi  
Ron Perlman  
John Maas  
Scott Fifer  
Dave Bower

## WATER SUPPLY CONTRACT

This Water Supply Contract ("Contract") is entered into by and between STEAMBOAT SKI & RESORT CORPORATION, a Delaware corporation ("Contractor"), and UPPER YAMPA WATER CONSERVANCY DISTRICT, a Colorado water conservancy district ("Upper Yampa"), individually each a "Party" and collectively referred to herein as the "Parties," effective as of the date this Contract has been fully executed by both Parties.

### RECITALS

A. Upper Yampa is a Colorado water conservancy district formed under the Water Conservancy Act, C.R.S. §§37-45-101 through 153, and is the owner and operator of Stagecoach Reservoir (hereinafter referred to as the "Reservoir" or "Stagecoach Reservoir") in Routt County, Colorado.

B. Contractor has a need for wholesale water supply in the amount of 250 acre-feet of water annually during the term of this Contract, for municipal and/or industrial purposes (including snowmaking), at and on the Contractor's ski area in and adjacent to Steamboat Springs, Colorado (the "Steamboat Resort"), which beneficial uses will be accomplished by Contractor within the Yampa River drainage downstream from Stagecoach Reservoir within Routt County, Colorado.

C. Upper Yampa has stored and expects annually to store water in the Reservoir on the Yampa River under the absolute storage water rights it owns ("Water Rights").

D. Upper Yampa has designated certain pools of water within the Reservoir for the purpose of administration of the storage and release of water from the Reservoir (the below-described "Contract Pools," or individually, a "Contract Pool"). Upper Yampa has adopted a filling priority for the various Contract Pools under the District Fill Policy as follows:

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

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

(iii) 4,000 acre-feet "Former Exchange Pool" – The Former Exchange Pool consists of water formerly under contract to Tri-State and deliverable out of Yamcolo Reservoir pursuant to an exchange agreement which expired and was not renewed; the Exchange Pool water is not subject to any exchange obligation or right or limitations on storage and use other than the District Fill Priority, but is called the "Former Exchange Pool" only for definitional purposes;

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

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

(vi) 15,000 acre-feet, approximately, is the "Emergency Remainder Pool" – The Emergency Remainder Pool consists of water that represents the remaining capacity of the Reservoir not allocated to the Contract Pools described in paragraphs D(i) through D(v) above.

E. Upper Yampa and the Contractor desire to enter into this Contract for Upper Yampa to store and release unto Contractor 250 acre-feet of water stored in Stagecoach Reservoir from the Former Exchange Pool for beneficial uses by the Contractor on an annual basis during the Term of this Contract (the "Contracted Water").

F. Subject to the terms of this Contract, Contractor will pay Upper Yampa for the use of Contracted Water.

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

## USE OF WATER RIGHTS

### 1. Contract Price and Payment Procedure.

1.1. The purchase price for the Contracted Water from the Reservoir storage water allocated to the Contractor for Water Year 2018 under this Contract (the "First Water Year") shall be One Hundred Eighteen and 13/100 dollars (\$118.13) for each acre-foot of such Contracted Water stored in the Reservoir and available for release to the Contractor in such First Water Year. For purposes of this Contract, a "Water Year" shall

be the 12-month period from March 1 in a year through February 28 of the subsequent year, unless the beginning and end of such Water Year is changed by the Division Engineer for Water Division 6.

1.2. The annual price per acre-foot for the Contracted Water stored in the Reservoir and allocated and available for release to the Contractor in the next Water Year after the First Water Year, and in each Water Year thereafter during the Term of this Contract, shall be an amount equal to the greater of (i) the price per acre-foot charged to the Contractor for the Contracted Water the prior Water Year, or (ii) the product obtained by multiplying the price per acre-foot charged to the Contractor for the Contracted Water the prior Water Year by a fraction, the denominator of which is the Consumer Price Index for All Urban Consumers, Denver-Aurora-Lakewood Metropolitan Area, "All Items" (1982 – 84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor (the "CPI") for the semi-annual period ending December 31 in the Water Year prior to the prior Water Year and the numerator of which is the CPI for the semi-annual period ending December 31 of the prior Water Year. In the event the Bureau of Labor Statistics discontinues publication of the CPI in the format existing as of the Effective Date, then Upper Yampa shall select a reasonably comparable price index, which index shall be substituted for the CPI in this paragraph. If the base year used in computing the CPI is changed, the adjustment to the purchase price shall be changed accordingly, so that all applicable increases in the CPI are considered, notwithstanding any such change in the base year.

1.3. The first annual payment shall be made by Contractor to Upper Yampa no later than fourteen (14) days after execution of this Contract. Each annual payment thereafter shall be made by Contractor to Upper Yampa on or before July 31<sup>st</sup> of each year during the term of this Contract. Any annual payment not made within fourteen (14) days after the due date shall bear interest at the rate of twelve percent (12%) per annum until paid. Payments due are based on the amount of Contracted Water and shall be made regardless of the amount of water delivered to Contractor and there shall be no abatement or setoff against any such payment, nor shall Contractor be permitted to withhold any payment required for any reason whatsoever, except only in the event the full Contracted Water has not been stored in the Reservoir by July 15 as described in Section 2.4 below.

1.4. As security for Upper Yampa, Contractor agrees to be bound by the provisions of C.R.S. § 37-45-125 (2018). If the annual payments herein required or some portion thereof are not fully met from such sources of revenue as may be legally available to Contractor for such purpose, such annual payment or such portion thereof may be met from assessments levied by Upper Yampa pursuant to C.R.S. § 37-45-125 (2018).

## **2. Storage and Delivery of Contracted Water.**

2.1. Upper Yampa agrees, subject to physical water supply conditions, terms of the license issued by the Federal Energy Regulatory Commission, the administration of water rights by State of Colorado water officials, and the terms of this Contract, to store the Contracted Water in Stagecoach Reservoir prior to July 15<sup>th</sup> of each calendar year for

release for Contractor's beneficial use, upon request between July 15<sup>th</sup> and March 31<sup>st</sup> of the then current Water Year. Contractor shall be entitled to one use of the water delivered hereunder to extinction, but shall not be entitled to the reuse or successive uses of such water. Contracted Water may only be used during the then current Water Year and no unreleased Contracted Water will be booked over to the succeeding Water Year. Unreleased Contracted Water does not carry-over from one Water Year to the next.

2.2. The Contracted Water shall be stored as part of the Former Exchange Pool of Upper Yampa, to be stored in the priority of such Contract Pool under the District Fill Policy. In the event space is made available in the Municipal/Industrial Pool due to the termination or amendment of Tri State's existing contract with Upper Yampa, then all or a portion of the Contracted Water shall be delivered from the Municipal/Industrial Pool.

2.3. Except in times of emergency, Contractor shall give at least forty-eight (48) hours advance written notice to Upper Yampa specifying the time and quantity of the Contracted Water requested to be released out of the Reservoir. The point of delivery of the Contracted Water shall be the discharge of the outlet works of the Reservoir. Responsibility for transportation and delivery of such Contracted Water after the point of delivery, and for all transit and transportation and carriage losses sustained in such delivery, shall be borne solely by Contractor. Upper Yampa shall maintain records of all releases of water from storage in the Reservoir, and shall maintain records of water levels in the Reservoir measured not less frequently than once per week. Contractor shall be entitled to inspect such records and copies shall be furnished to Contractor upon written request.

2.4. Upper Yampa shall allocate and charge any evaporation losses from water stored in the Reservoir against the Emergency Remainder Pool, and if there is insufficient water stored in the Emergency Remainder Pool, against the next most senior of the Contract Pools in ascending order of priority until all evaporation is accounted for and charged. If evaporation is charged against the Contract Pool in which the Contracted Water is stored (*i.e.* either the Former Exchange Pool, or in the event of termination or amendment to the Tri-State contract, the Municipal/Industrial Pool), then Upper Yampa shall first charge the evaporation against the unallocated water in that Contract Pool, and only if there is evaporation that still needs to be accounted for, then against the Contractor's storage account on a pro rata basis with other water that is stored and allocated to other water users in that Contract Pool.

2.5. In any calendar year when insufficient water is stored in the Reservoir to supply the full Contract Pools as measured at time of peak annual storage as reasonably determined by Upper Yampa, then the amount of water captured by Upper Yampa to fill the Reservoir shall be allocated for filling purposes to the Contract Pools in descending order of priority so that each Contract Pool is filled before allocation of any storage water to the next lower Contract Pool. Parties holding water from a Contract Pool that does not completely fill due to insufficient water available to that Contract Pool shall abate and share proportionately in any shortfall of stored water in that Contract Pool. If any part of the water allocated to Contractor by this Contract is reduced by such abatement, Upper

Yampa shall notify Contractor in writing of such fact, and of the amount of the reduction in such water, by July 25<sup>th</sup> of that year, and in the absence of such notice the full amount of water for Contractor shall be deemed to have been in storage on or prior to July 15<sup>th</sup> of that year. The Contractor will be credited against that Water Year's contract purchase price for the amount of such abatement shortage in acre-feet allocated to the Contractor, multiplied by that year's purchase price per acre-foot.

2.6. The Contracted Water shall only be beneficially used by Contractor on its owned, leased, or permitted lands or within its own facilities, except that Contracted Water may be beneficially used by Contractor in a decreed water augmentation plan or decreed exchange or a substitute supply plan approved by the Division Engineer for Water Division 6.

2.7. The Parties acknowledge that the turbine capacity to release stored water through the outlet works of Stagecoach Reservoir is 105 cfs, and that Upper Yampa may diminish the instantaneous rate of release of the Contracted Water after a request from Contractor, proportionally with diminishment of rates of releases of stored water to other contractees without discrimination, to the extent that, in conjunction with other adjusted required release rates by Upper Yampa for such other contractees, the maximum safe release rate of stored water and required bypasses through the outlet works is not exceeded.

### **3. Contractor's Water Use Obligations of the Contracted Water.**

3.1. Carriage and Transit Losses. Contractor shall bear carriage and transit losses in the Contracted Water released by Upper Yampa, in such amounts as are determined by the Division Engineer for Water Division 6, from the point of delivery of Contracted Water to Contractor's point(s) of use and/or exchange or augmentation.

3.2. Use per Contract and Law. Contractor's use of Contracted Water shall in all instances be in accordance with the terms of this Contract, the permits and decrees of Upper Yampa's Water Rights, Upper Yampa's adopted Policies and Procedures, as they may change from time to time, and in accordance with applicable law and all decrees related to the Contracted Water. Upper Yampa warrants and represents to Contractor that the Contracted Water may be used by Contractor for snowmaking at the Steamboat Resort, or for augmentation to the Yampa River for diversions by Contractor from the Yampa River for snowmaking at the Steamboat Resort, subject to (a) transit losses after release from Stagecoach Dam, (b) the terms of Section 3.3 below and any augmentation plan decree or substitute supply plan obtained by Contractor to which Upper Yampa has consented, and (c) administration of the Yampa River at and above the Steamboat Resort. If the acts or directives of the Division Engineer for Water Division 6, including during administration of the Yampa River at and above the Steamboat Resort, materially adversely impedes or interferes with the ability of Contractor to use released Contracted Water for snowmaking purposes, Upper Yampa shall take such action, at its cost, as is necessary to assure the lawful right of Contractor to use the Contracted Water for snowmaking but does not otherwise interfere with the administration of water by the

Division Engineer. Contractor is not, however, authorized to apply for or secure any change in the Water Rights of Upper Yampa for or associated with any of the sources of supply of the Contracted Water.

3.3. Legal Approvals. Contractor shall at its sole expense adjudicate a plan or plans for augmentation or exchange and/or secure administrative approvals of any temporary substitute supply plans which are needed for Contractor to use its Contracted Water. Upper Yampa may in its discretion become a co-applicant or opposer in the prosecution of any such applications for the purpose of protecting its Water Rights and related policies and the operation of the Reservoir by Upper Yampa. If a Water Court decree is required for Contractor to use the Contract Water, Contractor shall cause to be included in any final decree of the Water Court a provision conditioning Contractor's use of the Contracted Water on the existence of an Upper Yampa contract.

3.4. Limitation on Disposition. Contractor shall not sublet, sell, donate, loan, or otherwise dispose of any of its rights to Contracted Water without prior written notice to, and the written approval of, Upper Yampa and the payment of a transfer fee at the prevailing rate set forth by Upper Yampa.

3.5. Assignment. This Contract shall not be assigned or otherwise transferred by Contractor without the prior written consent of Upper Yampa, such consent not to be unreasonably withheld, conditioned or delayed, provided that Contractor may, without such consent, assign this agreement to a subsequent owner and/or operator of the Steamboat Resort or in connection with a financing transaction affecting and encumbering all or a material part of the Steamboat Resort. All assignments and transfers not in compliance with the foregoing shall be void and of no effect.

3.6. Contractor's Water Rates. Contractor may charge its water customers who are supplied with Contracted Water such rates and charges as are permitted by Colorado law.

3.7. Nondiscrimination. Contractor and its employees shall not discriminate in the availability of or charges for any water service or water supply made available pursuant to or based upon the Contracted Water on account of race, color, religion, sex, disability, national origin, or any other criteria prohibited under state or federal law.

3.8. Accounting of Use. Contractor shall maintain an accounting of its use of all water used or supplied by Contractor on form(s) acceptable to Upper Yampa specifically to enable Upper Yampa to prove the use of the Water Rights and to administer and operate the Reservoir and water right decrees and/or administrative approvals related to Contractor's use of Contracted Water. Contractor shall submit its accounting forms and records to Upper Yampa promptly upon request and shall assist Upper Yampa as it may reasonably request in presenting and/or verifying such evidence of use in court or before administrative agencies by testimony of Contractor or its authorized and informed officers or agents.

3.9. Section 404 of the Clean Water Act (33 U.S.C. 1344) regulates the discharge of dredged or fill material into the waters of the United States. Contractor shall consult with the Army Corps of Engineers if construction of facilities necessary to use the Contracted Water requires Section 404 compliance, which may include obtaining a permit. Further consultation and approval by the United States Fish and Wildlife Service may be required to ensure compliance with the Endangered Species Act (16 U.S.C. 1531, et seq.) if Contractor proposes physical alterations to the designated critical habitat of the Colorado River endangered fish species.

#### 4. **Term.**

4.1. **Term.** Except in the event of an early termination as provided in Section 5 below, the term of this Contract shall commence upon the full execution of this Contract by the Parties and shall end on February 28, 2041 (the "Term"). This Contract is not renewable, although the Parties may at any time prior to the expiration of the Term enter into a new water allotment contract for the Contracted Water. Upper Yampa may not enter into a water allotment contract for the Contracted Water with any person or entity other than the Contractor during the Term of this Contract.

4.2. **Right of First Offer.** If Contractor and Upper Yampa do not enter into a new allotment contract for the Contracted Water before the end of the Term, then Contractor shall have a right of first offer for the Contracted Water for a period of five years after the end of the Term. If within the period of five years after the end of the Term of this Contract, Upper Yampa determines to offer for contract all or a portion of the Contracted Water from the applicable Contract Pool to any person or entity besides Contractor, Upper Yampa shall first notify Contractor of such decision and shall specify to Contractor the quantity, price (which may provide for annual adjustments), duration (but not to exceed 30 years), and terms and conditions upon which Upper Yampa offers to enter into a new water allotment contract (the "New Contract Offer"). For a period of 120 days after the giving of such notice, Upper Yampa will negotiate in good faith with Contractor regarding any and all of the provisions in such New Contract Offer, so long as Contractor first confirms in writing to Upper Yampa within 15 days of receipt of such notice that Contractor is willing to meet the quantity limitations and price and payment terms of the New Contract Offer. If the Parties have not entered into a new contract upon agreed terms and conditions within 120 days after the giving of such notice from Upper Yampa, then the New Contract Offer shall be deemed rejected. The terms and conditions of this Section 4.2 survive expiration of the Term to the extent set forth herein. If Upper Yampa enters into an allotment contract with any person or entity other than the Contractor for water from the applicable Contract Pool which does not include the Contracted Water, such action does not require compliance with this Section 4.2.

#### 5. **Contract Termination.**

##### 5.1. **Termination by Upper Yampa.**



5.1.1. Upper Yampa may terminate this Contract for a material breach of the terms of this Contract by Contractor, including Contractor's failure to pay timely any amount due under this Contract, provided that Upper Yampa has first given at least 60 days prior written notice specifying in detail such material breach and giving Contractor the right within such 60-day period to cure and remedy such material breach.

5.1.2. Upper Yampa may also terminate this Contract if it reasonably believes that any judicial or administrative proceedings initiated by Contractor as contemplated in Section 3 above materially threaten or interfere with Upper Yampa's authority to contract for delivery of Contracted Water or in any other way may injure Upper Yampa's Water Rights, permits, or other interests associated with Upper Yampa's Water Rights or the Reservoir or Reservoir operations.

5.1.3. Upper Yampa may terminate this Contract if its legal ability to deliver Contracted Water is materially impaired or is eliminated because of the termination or adverse modification of permits, decrees or other authorizations which are needed to deliver the Contracted Water.

**5.2. Termination by Contractor.**

5.2.1. Contractor may terminate this Contract only in whole and not in part, for any material breach of the terms of this Contract by Upper Yampa, including Upper Yampa's failure or inability to deliver Contracted Water for an extended period of time, provided that Contractor has first given at least 60 days prior written notice from Contractor to Upper Yampa specifying in detail such material breach and giving Upper Yampa the right within such 60-day period to cure and remedy such material breach.

5.2.2. Except as provided in these preceding sections, Contractor has no right to terminate or reform or rescind this Contract.

5.3. **Notice of Termination to Affected Officials.** Either Party may notify the Division Engineer and any other appropriate governmental officials of any termination of this Contract.

6. **Force Majeure.** Upper Yampa shall not be responsible for any losses or damages incurred as a result of Upper Yampa's inability to perform pursuant to this Contract due to the following causes if beyond Upper Yampa's control and when occurring through no direct or indirect fault of Upper Yampa, including without limitation: acts of God; natural disasters; actions or failure to act by governmental authorities; unavailability of supplies or equipment critical to Upper Yampa's ability to perform; major equipment or facility breakdown; and changes in Colorado or federal law, including, without limitation, changes in any permit requirements.

7. **Inspections.** Upper Yampa grants to the managerial staff of Contractor and any of its professional consultants access to Stagecoach Reservoir and Stagecoach Dam subject to this Contract at reasonable times and under reasonable protective terms and conditions.

8. **Miscellaneous Provisions.**

8.1. Upper Yampa may assign this Contract without necessity of Contractor's consent or approval to any entity which succeeds Upper Yampa in the ownership of Stagecoach Reservoir, and Upper Yampa or such successor may collaterally assign the proceeds of this Contract to any entity providing financing to Upper Yampa or its successor.

8.2. This Contract does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties.

8.3. The Parties agree to communicate, coordinate and cooperate, if needed, on any required or desired water use accounting.

8.4. It is expressly acknowledged that Upper Yampa shall be solely responsible for operating, repairing, maintaining, enlarging, permitting, changing, renovating, or modifying the Reservoir, and that Upper Yampa shall be the sole owner of the Water Rights and the dam and all facilities and all lands used in connection with the construction, operation, repair, maintenance, enlarging, permitting, changing, renovating, or modifying the Reservoir and all facilities in which Upper Yampa has ownership or rights which providing supplies of water for storage in the Reservoir.

8.5. No amendment, modification, or novation of this contract or its provisions and implementation shall be effective unless documented in writing which is approved and executed by both parties with the same formality as they have approved and executed this Contract.

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

If to Contractor:

Steamboat Ski & Resort Corporation  
Attn: Rob Perlman, President & COO  
2305 Mt. Werner Circle  
Steamboat Springs, Colorado 80487  
Email: rperlman@steamboat.com

With a copy to:

Alterra Mountain Company  
1621 18th Street, Suite 300  
Denver, Colorado 80202  
Attn: Chief Legal Officer  
Email: legal@alterramtnco.com

If to Upper Yampa:

Upper Yampa Water Conservancy District  
Attention: General Manager  
P.O. Box 883990  
Steamboat Springs, Colorado 80477  
Email: kmcbride@upperyampawater.com

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

**9. Limited Representations by the Parties.** Upper Yampa represents and warrants that it has full power and authority to execute this Contract, allocate and deliver the Contracted Water, and perform its obligations hereunder during the Term. Contractor represents and warrants that it has full power and authority to execute this Contract, receive Contracted Water at the delivery point and cause it to be delivered to Contractor's point and locations of use, and pay for and perform its obligations hereunder during the Term.

**10. Enforcement of this Contract; Remedies on Default.**

10.1. Before commencing any action for enforcement of this Contract, the Party alleging a material breach of this Contract shall first give at least 60 days prior written notice to the other Party specifying in detail such material breach and giving the other Party the right within such 60-day period to cure and remedy such material breach.

10.2. Specific performance and/or restraining orders and/or injunctive relief shall be the exclusive remedies for the violation or default by a Party in any provision of this Contract, except that Upper Yampa shall have all remedies at law for collection of sums required to be paid by Contractor hereunder which are not paid when due, including interest and attorneys' fees.

10.3. In the event of litigation between the Parties with respect to this Contract or any alleged material breach of the terms of this Contract, the Party substantially prevailing in such litigation shall recover from the other Party all reasonable attorneys' fees and costs of discovery and suit incurred by the substantially prevailing Party.

**11. Effective Date.** The effective date of this Contract shall be the last date below it is executed by all Parties.

IN WITNESS WHEREOF, Contractor and Upper Yampa have executed this Contract on the dates set forth below.

DATE: 10/3/18

UPPER YAMPA WATER CONSERVANCY DISTRICT

BY: [Signature]  
Ken Brenner, President

ATTEST: \_\_\_\_\_



UPPER YAMPA WATER CONSERVANCY DISTRICT

BY: [Signature]  
Kevin McBride, General Manager

DATE: Oct. 2, 2018

STEAMBOAT SKI & RESORT CORPORATION

BY: [Signature]  
Rob Perlman, President & COO





October 28, 2020

Steamboat Ski & Resort Corporation  
Attn: Rob Perlman, President and COO  
2305 Mt. Werner Circle  
Steamboat Springs, Colorado 80487  
rperlman@steamboat.com

**Subject: Water Supply Contract**

Dear Mr. Perlman:

This letter informs the Steamboat Ski & Resort Corporation that its contracted for water supply in the amount of 250-acre feet will no longer be delivered from the Upper Yampa Water Conservancy District's Former Exchange Pool stored in Stagecoach Reservoir. Pursuant to paragraph 2.2 of that contract effective October 3, 2018, space is now available in the Municipal/Industrial Pool and the contracted for water will now be delivered from that pool as set forth in the contract. Except for this change in the reservoir pool, the contract remains unchanged.

Please contact us with any questions you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Rossi", with a small flourish at the end.

Andy Rossi, P.E.  
General Manager  
[arossi@upperyampawater.com](mailto:arossi@upperyampawater.com)

**5 MINUTE BREAK**

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## BOARD COMMUNICATION FORM

**From:** Andy Rossi

**Date:** 11/10/20

**Item:** Reservoir Water Status

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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**I. Request/Issue and Background Information:**

Water storage data for Yamcolo Reservoir and Stagecoach Reservoir are included as reference materials for a summary discussion of the 2020 water year to date.

**II. Summary and Alternatives:**

NA

**III. Staff Recommendation:**

NA

**IV. Legal Issues:**

NA

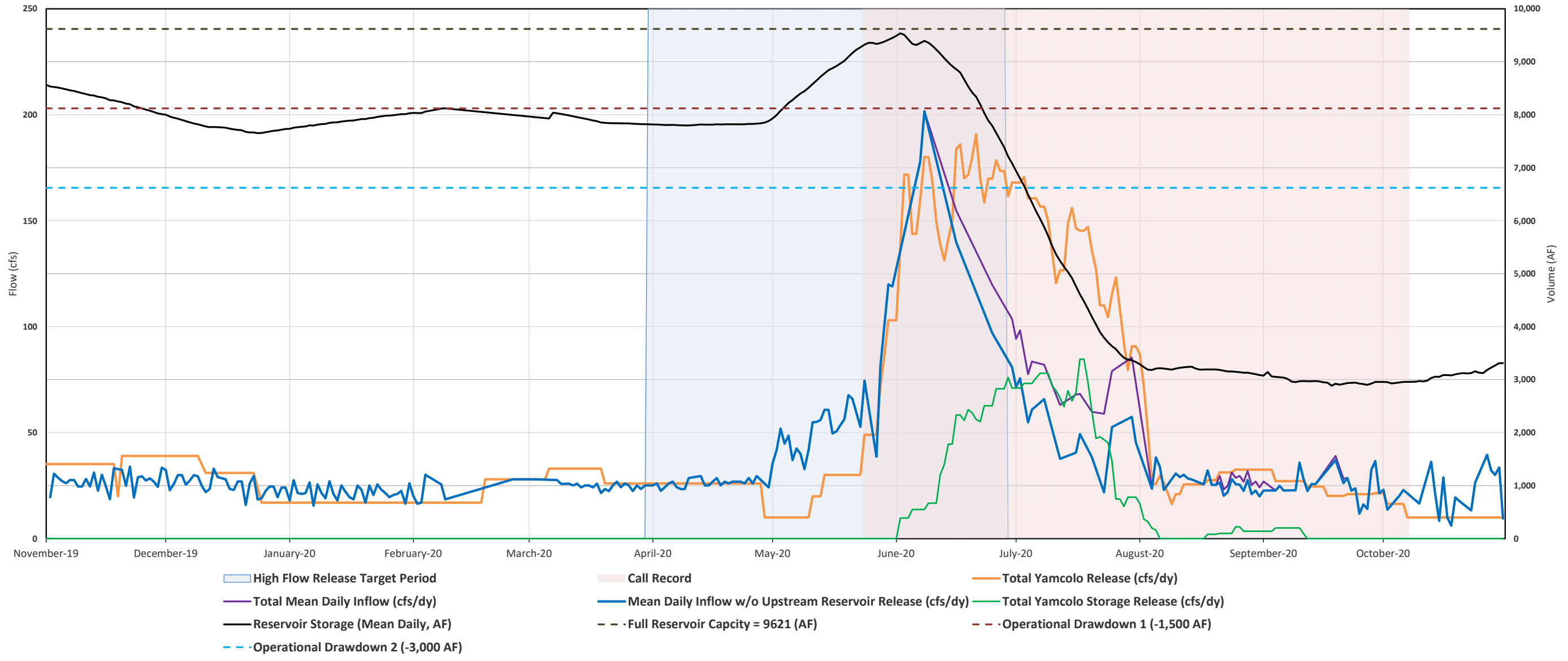
**V. Consistency with Board Goals and Policies:**

2

**Attachments:**

Yamcolo Water Storage Data  
Stagecoach Water Storage Data

Yamcolo Reservoir: WY 2020 (Provisional Data)



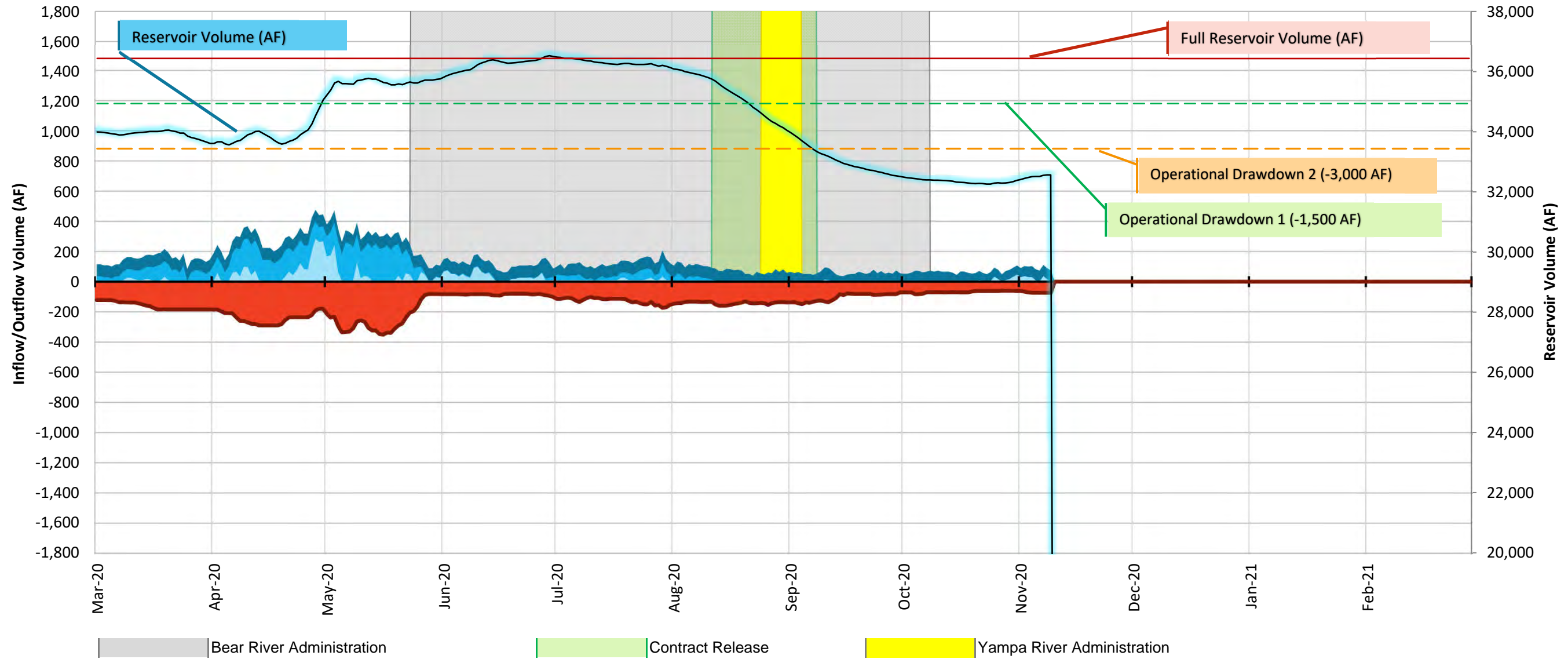
# Stagecoach Reservoir Operations

## Total Monthly Volume (AF)

Accounting Year 2020  
11/8/2020

| <b>INFLOW</b> | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov | Dec | Jan | Feb | Total  |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-----|-----|-----|-----|--------|
| Physical      | 4,632 | 8,820 | 8,537 | 3,606 | 3,893 | 2,557 | 1,785 | 2,076 | 828 |     |     |     | 36,732 |
| Storable      | 2,172 | 6,439 | 6,077 | 1,201 | 1,499 | 363   | 27    | 180   | 188 |     |     |     | 18,146 |
| Stored        | 223   | 2,114 | 1,290 | 1,072 | 402   | 115   | 21    | 180   | 188 |     |     |     | 5,605  |

| <b>OUTFLOW</b> | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov  | Dec | Jan | Feb | Total   |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|------|-----|-----|-----|---------|
| Operator       | -4,962 | -7,236 | -7,614 | -2,537 | -3,938 | -4,390 | -3,125 | -2,100 | -640 |     |     |     | -36,543 |
| Spill          | 0      | 0      | 0      | -28    | -8     | 0      | 0      | 0      | 0    |     |     |     | -36     |
| Gage           | -4,962 | -7,236 | -7,614 | -2,537 | -3,938 | -4,390 | -3,125 | -2,100 | -640 |     |     |     | -36,543 |







## BOARD COMMUNICATION FORM

**From:** Holly Kirkpatrick, Communications & Marketing Manager

**Date:** 11/10/2020

**Item:** Diversion Infrastructure Improvement Project Report – October 2020

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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### **I. Request/Issue and Background Information:**

The Diversion Infrastructure Improvement Project (DIIP) is in full swing as irrigators are beginning to look at projects they plan to complete this summer. The first completed applications were received in June. There were 4 more completed applications received in September. There are a number of applications pending. It seems as though many projects have been completed at this time and are awaiting approval from the Division of Water Resources (DWR) or are pending submission from the applicant.

As we have learned throughout this process, many applicants do not submit their paperwork for pre-approval, but wait until the project is complete to fill out the application. The Colorado Water Conservation Board (CWCB) criterion and guidelines for Water Supply Reserve Funds (WSRF) does not specify a need for pre-approval and the Yampa White Green Basin Roundtable only specifies approval that the project occurred at the point of diversion (not down ditch) and that the project has been completed and inspected by DWR. As such, UYWCD has changed the application process so that it does not require pre-approval or ear-marking of funds for pending projects.

Applications from projects completed in 2020 will be accepted through 2021.

### **II. Summary and Alternatives:**

N/A



**III. Staff Recommendation:**

N/A

**IV. Legal Issues:**

N/A

**V. Consistency with Board Goals and Policies:**

UYWCD Strategic Plan Goal: 4.1

**Attachments:**

Attachment 1: October 2020 Report

Attachment 2:

Additional Attachments:

| <b>Diversion Infrastructure Improvement Project</b><br><b>October 2020</b> |                    |               |
|--|--------------------|---------------|
|  | <b>Tier 1</b>      | <b>Tier 2</b> |
| Number of Applications Received:   | 33                 |               |
| Number of Applications Approved:   | 8                  |               |
| Amount Distributed (\$)  |                    |               |
| UYWCD:   | \$7,700.69         |               |
| WSRF:  | \$3,980.68         |               |
| <b>Total:</b>  | <b>\$11,681.37</b> |               |





## November 11, 2020 Yampa/White/Green basin round table notes

Arguably the most important item in the meeting happened after our agreed upon ending time and was tabled to the next meeting. The topic announced at the meeting was “What an over appropriation designation would mean to the Yampa River, especially well permits.” I reached out to both Erin Light and Kevin Rien immediately and they agreed to do the presentation for us at our November meeting. We may not have much in the way of a written statement prior to our meeting.

The basin Roundtable has ~\$743,000 in the basin account. We are likely to receive only about \$100,000 per year for each of the next three years. The governor’s budget proposal does have an additional ~\$10 million for forest health and watershed protection.

State Engineer Kevin Rein, did a detailed presentation of how he plans to develop a Compact Curtailment strategy/policy over the next few years. We are currently in the first phase, “measurement“. This emphasizes functioning headgates and accurate measuring devices on all water diverters. The rolling 10 year average of water delivery to the lower basin was 93 million acre feet in 2019. By 2025 the rest of meeting it could be down to 83 million acre feet of water. Our compact obligation is 75 million.

Kevin also stated that rulemaking will decide whether strict prior appropriation doctrine or some form of equitable apportionment will guide curtailment.

Any Ostdiek from the Colorado Water Conservation Board gave us an update on Demand Management. We are still in the feasibility phase and the CWCB will develop a framework for how demand management might work. She advised us to respond to the framework once it has been completed and released for comment.

Chris Treese, chair of the Club 20 water committee, spoke to us about the importance of the Colorado Forest and Water Association ([cofwa.net](http://cofwa.net)). This organization includes local government, state and federal agencies, timber industry representatives and environmental groups. Their vision is “healthy forests equals healthy watersheds“. They should prove valuable for us as we pursue that type of work in our 2021 work plan. The state of Colorado has an estimated 7.5 million acres of moderate to high danger forest for extreme wildfire.

Kelly Heaney-Romero gave a nice presentation on the work the City of SS has done so far on protecting their Fish Creek Watershed, ~90% of the water supply for the City of Steamboat. The City should be a good resource for us as we progress with our own forest/watershed health work.

Ken Brenner

Upper Yampa Water Conservancy District, Board President



# BOARD COMMUNICATION FORM

**From:** Scott Grosscup, legal counsel

**Date:** November 11, 2020

**Item:** Water Resume Review

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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**I. Request/Issue and Background Information:** I reviewed the Water Resumes for Water Divisions 5 for water court filings in the month of October and did not identify any water applications that would impair or injure the District's water rights. The Water Resume for Water Division 6 is not yet available.

**PENDING WATER CASES**

**STATUS OF OTHER WATER CASES**

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# BOARD COMMUNICATION FORM

**From:** Scott Grosscup, legal counsel

**Date:** November 11, 2020

**Item:** Water Court Cases Update

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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Following is an update of the status of water court cases in which the Upper Yampa Water Conservancy District is an Applicant or Opposer and matters pending before the Utah Division of Water Resources.

**Case No. 17CW3043** – This is the application by the City of Steamboat Springs for an augmentation plan for Casey’s Pond. The District has stipulated consenting to the form of ruling in 2019. The ruling uses the District’s water rights from Stagecoach reservoir in its augmentation plan for Casey’s Pond. The Water Referee entered his Ruling, which is consistent with the form of decree stipulated to by the District, and is now pending the Judge’s final approval.

**Case No. 18CW3020** – This is the application by the Mt. Werner Water & Sanitation District for new junior water rights at the Yampa Meadows Infiltration Gallery and plan for augmentation using water from Stagecoach and Yamcolo Reservoirs under two contracts with the UYWCD. The Water Referee has confirmed the proposed Ruling of Referee consistent with the District’s stipulation. The case is now headed to the Water Judge for entry of a final decree.

**Case No. 19CW3005** – This is an application for finding of reasonable diligence filed by Tri-State Generation and Transmission Association related to conditional water rights it owns in the Four Counties Ditch No. 3, Headgate 8 and in the Wessels Canal. The District has re-referred the case to the Water Judge. We have had settlement discussions with the Applicants. A two-day trial is scheduled to begin November 18, 2021.

**Case No. 20CW3015** – This is an application for finding of reasonable diligence and to make absolute the Lake Catamount Refill right in the amount of 4,000 acre feet. We have been provided a proposed Ruling of Referee and have responded with proposed terms and conditions limiting the refill right to only be used within the Catamount area boundaries and whereby it would not call out the District’s Stagecoach or Yamcolo rights. In discussions with the attorneys for Catamount, they have agreed to limit uses within the Catamount area but request additional information on the impacts of a no-call situation.

**Case No. 20CW3019** – This is the diligence application filed by Public Service Company of Colorado for 52.5 cfs decreed to the Wessels Canal. The opposition period expired at the end of August and no additional statements of opposition were filed. Next step is for the water referee to set an initial status conference.

**Case No. 20CW3020.** This diligence application filed by Public Service Company of Colorado is for Hinman Park Reservoir and the Saddle Mountain Pump Station. A number of landowners who would be inundated by the reservoir filed statements of opposition along with the State and Division Engineer. The Engineers' position is that the water rights should be cancelled. Next step is for the water referee to set an initial status conference.

**Water Horse Resources** – Utah Counsel has been in touch with the Regional Engineer who indicates a decision may be “soon” on the 2018 application to move water from Utah to Colorado's east slope.

**Yamcolo Reservoir Objection to Abandonment** – We filed the Statement of Objection to the listing of the Yamcolo Reservoir First and Second Enlargement water rights on the Decennial Abandonment List. Next step is for the Division Engineer's Office to respond to the Statement of Objection.

# BOARD COMMUNICATION FORM

**From:** Scott Grosscup, legal counsel

**Date:** November 11, 2020

**Item:** Conditional Water Right

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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**I. Request/Issue and Background Information:** The District obtained a decree from the water court continuing its conditional portfolio of water rights in May of 2019 in Case No. 16CW3016. As such, it is required to file another application for finding of reasonable diligence or to make absolute for those water rights on or before May 2025. In the last six-year diligence cycle, the District's consultants prepared a Water Supply & Water Right Master Plan that evaluated the need and demand for the District's water rights, assessed the physical and legal availability of water in the basin, and prioritized development of conditional rights to meet anticipated demand. The impetus for that master plan came in part from a stipulation between the District and the State and Division Engineer entered in the previous case in 07CW40.

The State and Division Engineer initially opposed the Application filed in Case No. 16CW3016. The District ultimately settled with the Engineers with an agreement whereby the District would continue its evaluation of the need and demand for its conditional water rights and alternate points of diversion and/or storage, within the ensuing diligence period. That stipulation is attached. In summary, the stipulation requires the District to:

- Identify how 7,456 acre feet decreed to the Pleasant Valley Reservoir and 400 cfs decreed to the Four Counties Project Rights, could be used and developed by the District;
- Evaluate the feasibility of undeveloped, but decreed alternate points of diversion and storage within the District's service area;
- Evaluate the frequency and reliability of when 750 cfs decreed to the Four Counties Project rights are available at Stagecoach Reservoir; and
- Cancel any water rights that are redundant or will not be diverted or developed.

**II. Summary and Alternatives:** Does the Board wish to begin the process to evaluate its conditional portfolio in 2021?

**III. Staff Recommendation:** The evaluation will be required in order to continue the conditional water rights. The study will take some time to complete.

**IV. Legal Issues:** Failure to complete the study and comply with the terms of the stipulation could subject all or portions of the District's conditional water rights portfolio to cancellation.

**V. Consistency with Board Goals and Policies:** The Board policy is to maintain and protect water rights for the District's reservoirs and to maintain a robust water rights portfolio.

**VI. Fiscal Impact.** There will be additional consultant fees necessary to complete the feasibility study.

**Attachments:**

Attachment 1: Stipulation and Agreement Upper Yampa Water Conservancy District and the State Engineer and Division Engineer for Water Division No. 6, Case No. 16CW3016, dated December 20, 2018



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| <p>DISTRICT COURT, WATER DIVISION 6, ROUTT COUNTY,<br/>         COLORADO<br/>         1955 Shield Drive, Unit 200<br/>         Steamboat Springs, Colorado 80487<br/>         Phone Number: (970) 879-5020</p>   |  |
| <p>Concerning the Application for Water Rights of:<br/> <b>Upper Yampa Water Conservancy District</b><br/>         IN THE YAMPA RIVER OR ITS TRIBUTARIES, IN ROUTT<br/>         AND MOFFATT COUNTY, COLORADO</p>   | <p>▲ COURT USE ONLY ▲</p>                        |
| <p><u>Attorneys for Applicant:</u><br/>         Robert G. Weiss, Atty. Reg. No. 8521<br/>         WEISS AND VAN SCOYK, LLP<br/>         600 So. Lincoln, Suite 202<br/>         Steamboat Springs, CO 80487<br/>         Telephone: (970) 879-6053<br/>         Fax: (970) 879-6058<br/>         E-mail: bweiss@wvsc.com</p> <p>David C. Hallford, Atty. Reg. # 10510<br/>         Scott Grosscup, Atty. Reg. #35871<br/>         Erika S. Gibson, Atty. Reg. #48923<br/>         BALCOMB &amp; GREEN, P.C.<br/>         Post Office Drawer 790<br/>         Glenwood Springs, CO 81602<br/>         Telephone: (970) 945-6546<br/>         E-mail: dhallford@balcombgreen.com<br/>                   sgrosscup@balcombgreen.com<br/>                   erika@balcombgreen.com</p> <p><u>Attorneys for Opposer: State Engineer and the Division Engineer<br/>         for Water Division No. 6</u><br/>         Cynthia H. Coffman, Attorney General<br/>         Jeffrey N. Candrian, Assistant Attorney General, 43839*<br/>         Andrew Nicewicz, Assistant Attorney General, 44903*<br/>         Colorado Department of Law<br/>         1300 Broadway, 7<sup>th</sup> Floor<br/>         Denver, Colorado 80203<br/>         Telephone: (720) 508-6288; (720) 508-6259<br/>         Email: Jeffrey.candrian@coag.gov; andy.nicewicz@coag.gov<br/>         *Counsel of Record</p> | <p>CASE No. 16CW3016</p> <p>WATER DIVISION 6</p> |
| <p><b>STIPULATION AND AGREEMENT UPPER YAMPA WATER CONSERVANCY DISTRICT AND THE STATE<br/>         ENGINEER AND DIVISION ENGINEER FOR WATER DIVISION No. 6</b></p>  |  |

The Applicant, Upper Yampa Water Conservancy District (“District”), and Opposers, State Engineer and Division Engineer for Water Division No. 6 (collectively “Engineers”), through their respective attorneys, hereby stipulate and agree as follows:

1. The District has incorporated terms and conditions into its proposed decree as requested by the Engineers. The Engineers consent to and will not oppose entry of a decree in this case that is no less restrictive on the District and no less protective of the Engineers’ interests than the decree version dated 12/14/18, attached hereto as **Exhibit A**.

2. In May of 2016, the District produced a *Water Supply & Water Right Master Plan* prepared by Resource Engineering Inc. (the “2016 Plan”), that identified needs and demands for water rights that are the subject of this Application. The Plan concluded the maximum amount of water that could be diverted by the Four Counties Project (Four Counties Ditches Nos. 1 and 3, and Four Counties Ditch No. 3, Enlargement and Extension) is 1,150 cfs. Of this amount, the 2016 Plan concluded that up to 750 cfs could be diverted and stored in Stagecoach Reservoir as one of the decreed alternate places of storage for these water rights based on historical streamflow conditions on the Yampa River above Stagecoach Reservoir and recommended that the remaining 400 cfs be continued as conditional rights. Additionally, of the total of 43,220 acre feet decreed for the District’s Pleasant Valley Reservoir water right, the 2016 Plan identified that 22,554 acre feet is to be stored in Stagecoach Reservoir, 10,620 acre feet is to be stored in the proposed Morrison Creek Reservoir location, and 2,500 is to be stored in Yamcolo Reservoir. The 2016 Plan recommended that the remaining 7,546 acre feet decreed to the Pleasant Valley Reservoir right be continued as a conditional right. With respect to the remaining 400 cfs decreed to the Four Counties Project rights and the remaining 7,546 acre feet decreed to the Pleasant Valley Reservoir right, the Engineers maintain that the 2016 Plan did not further describe how these water rights will be developed and did not provide a timeframe for when those rights would be developed, where these water rights will be diverted or stored, nor the amount of water from those water rights that might be diverted or stored in the future. During the six-year diligence period following entry of this decree, the District shall, with respect to the remaining 400 cfs decreed to the Four Counties Project rights and the remaining 7,546 acre feet decreed to the Pleasant Valley Reservoir right:

a. Identify the amount of water, by water right, that is physically and legally available for diversion or storage at alternate location(s) that is simultaneously available at the original points of diversion;

b. Identify the already decreed points of diversion or storage that the District plans to utilize in the future, and analyze how the District can and will utilize these structures in a reasonable time with the water rights listed in Paragraph 2 above; and

c. Identify any water rights that are redundant and cannot be developed in tandem in the future.

d. For any undecreed alternate points of diversion or storage identified by the District under Paragraph 2.a, above, assess the feasibility of utilizing, constructing, or

delivering water to said structures in a reasonable time, including

- i. describing the status of the District obtaining the right to;
  1. use an existing structure from the owner of said structure or
  2. use the land on which a new structure is to be located or
  3. contract with a third-party for beneficial use of the water by diversion or storage at an existing or new structure
- ii. describing an estimated timeline for changing the water rights listed in Paragraph 2 above to allow for diversion or storage at the undecreed alternate points of diversion or storage.

3. The 2016 Plan concluded that up to 1,150 cfs of the Four Counties Project water rights could be available at the original points of diversion and that up to 750 cfs could be available at Stagecoach Reservoir as an alternate place of storage. The Engineers maintain that the 2016 Plan did not establish that when 750 cfs is available at Stagecoach Reservoir, and the reservoir has yet to fill, that up to 750 cfs is also simultaneously available at the original points of diversion.

a. During the six-year diligence period following entry of this decree, the District shall evaluate the frequency and reliability that the 750 cfs of the Four Counties Project water rights are simultaneously available at both the originally decreed points of diversion and the Stagecoach Reservoir alternate point of storage. The analysis must also demonstrate a substantial probability that storage and beneficial use of the water rights will occur within a reasonable time.

b. This stipulation anticipates that the District will continue to evaluate the hydrologic conditions in the Yampa River and its tributaries. As such, it is possible that the 1150 cfs available at the original points of diversion and 750 cfs potentially available for storage at Stagecoach Reservoir could change.

4. At the end of six years, the District will abandon any amounts beyond what the District shows pursuant to the studies described in paragraphs 2 and 3 above is available and can be stored and beneficially used within a reasonable time.

5. The District agrees to notify the Division Engineer for Water Division 6 as soon as practicable if it knowingly releases water from Stagecoach Reservoir for no expected beneficial use or if it knowingly releases water for an undecreed use, except that notifications need not be given for required governmental permit bypasses.

6. The District's water rights contemplate two separate projects for diversion from Morrison Creek to Stagecoach Reservoir: the Morrison Creek Reservoir Project and Little Morrison Creek Diversion Project. Both projects are intended to increase the yield for Stagecoach Reservoir. Although these projects are redundant, the water rights associated with the projects

may be continued for another six years.

7. In future diligence cycles the District must demonstrate that its conditional water rights can and will be put to beneficial use in a reasonable time and have not become speculative over time. *Muni. Subdistrict, Northern Colorado Water Conservancy Dist. v. Oxy USA, Inc.*, 990 P.2d 701, 707-9 (Colo. 1999); see § 37-92-305(9)(b), C.R.S. (2018).

8. This Stipulation is entered into by way of compromise and settlement of this litigation. This Stipulation does not indicate acceptance by the Engineers of any conclusions, findings, or recommendations of the 2016 Plan, including any such conclusions, findings, or recommendations as described in this Stipulation. Any agreement by the Engineers not to oppose entry of this proposed decree shall not be construed as agreement with or a commitment to include any specific finding of fact, conclusion of law or administrative practice in a future court proceeding or stipulation and shall not constitute consent to, or agreement with, the conclusions, findings, recommendations, or specific engineering methodologies or opinions expressed in the 2016 Plan, including as described in this Stipulation. This Stipulation and proposed decree shall not be binding on the Engineers other than in the current proceeding.

9. The Engineers shall continue to receive copies of all pleadings in this case so that the Engineers may ensure compliance with the provisions of this Stipulation.

10. The Stipulation shall be binding on the parties, their successors and assigns. Any dispute over whether the parties have complied with the terms of this Stipulation shall be resolved by the Water Court, Water Division 6.


11. Each party shall bear its own costs and attorney fees.


12. The District shall file this Stipulation with the Water Court and may request an Order from the Court approving that Stipulation. This Stipulation shall be enforceable as an agreement between the Parties and, upon Court approval, as an Order of the Court.

Dated this 20<sup>th</sup> day of December, 2018.

Cynthia H. Coffman  
Attorney General

BALCOMB & GREEN, P.C.

By:   
Jeffrey N. Candrian, Senior Assistant  
Attorney General, Atty. Reg. No. 43839  
Andrew Nicewicz, Assistant Attorney  
General, Atty. Reg. No. 44903

By:   
David C. Hallford, Atty. Reg. No. 10510  
Scott A. Grosscup, Atty. Reg. No. 35871  
Erika S. Gibson, Atty. Reg. No. 48923

*Attorneys for the State Engineer and  
Division Engineer for Water Division 6*

WEISS AND VAN SCOYK, LLP



By: Scott Grosscup For  
Robert G. Weiss, # 8521

*Attorneys for Upper Yampa Water  
Conservancy District*

### CERTIFICATE OF SERVICE

I hereby certify that I have this date electronically served a copy of the Stipulation and Agreement via Colorado Courts E-Filing upon all parties of record as indicated in the Colorado Courts E-Filing electronic record.

Done this 20 day of December, 2018.

  
Lisa Passmore, Legal Secretary

*NOTE: In the event this document was filed electronically; an original signature copy is available for inspection at the office of the originating attorney, pursuant to Colorado Rule of Civil Procedure 121, § 1-26.*

# BOARD COMMUNICATION FORM

**From:** Scott Grosscup, legal counsel

**Date:** December 19, 2019

**Item:** Application of Rio Blanco Water Conservancy District, Case No. 14CW3043

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DIRECTION  
 INFORMATION  
 MOTION  
 RESOLUTION

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**I. Request/Issue and Background Information:** The Board asked for a case status summary of the Application filed by the Rio Blanco Water Conservancy District for Wolf Creek Reservoir. The case was filed in 2014 and initially claimed a water storage right in the amount of 90,000 acre feet with a pump station off the White River in the amount of 400 cfs. The most recent proposed decree has reduced that amount to between 66,720 and 72,720 depending on location. The Applicant claimed a number of uses, municipal, industrial, commercial, etc., and for maintenance and recovery of threatened and endangered species.

A number of parties opposed the application including landowners, energy interests, Colorado Water Conservation Board, Bureau of Land Management. While Applicant reached stipulations with nearly all of the opposers, the State and Division Engineer filed a motion to intervene. The court determined that as a matter of law, the court has the discretion to allow the Division Engineer to intervene.

The case is now scheduled for a 10-day trial on the merits to begin January 4, 2021. The primary issue is whether the Rio Blanco Water Conservancy District has demonstrated a need and demand for the uses of amount of water claimed.

The Engineers have filed a motion for partial summary judgment requesting the court to dismiss the claimed uses for not being able to demonstrate a need and demand for uses other than recreational. The Applicant has opposed the motion and the Colorado River Water Conservation has also filed an amicus brief on behalf of the Conservancy District arguing in part that conservancy districts need to be able to plan for compact curtailment and to mitigate environmental impacts.

**NEW BUSINESS**

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## EXECUTIVE SESSIONS

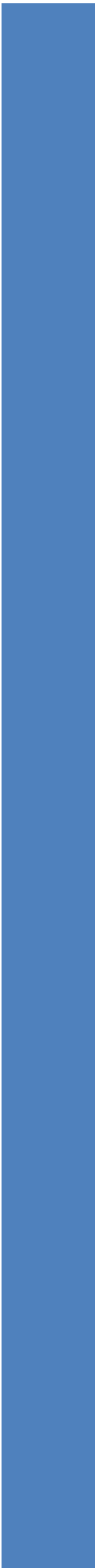
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Executive session under CRS § 24-6-402(4)(b) to discuss legal issues on **Water Resumes, Water Cases, Contract Negotiations**. Mere presence or participation of an attorney at an executive session is not sufficient to satisfy the requirements of CRS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

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

**BOARD ACTIONS IN REGARD TO EXECUTIVE SESSION**

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**DETERMINATION OF NEXT MEETING AGENDA**

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# AGENDA

**UPPER YAMPA WATER CONSERVANCY DISTRICT  
BOARD OF DIRECTORS MEETING  
THURSDAY, DECEMBER 17, 2020 (12:00 PM)  
ONLINE MEETING: [HTTPS://ZOOM.US/](https://zoom.us/)**

## INSTRUCTIONS ON HOW TO JOIN A ZOOM MEETING FOLLOW THE AGENDA

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

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

- (1) **12:00 PM** Establishment of Quorum and Call to Order
- (2) **12:00 PM** Approval of Agenda for Meeting **Action item**
- (3) **12:05 PM** Public Input and Comment  
The Board will make no decision nor take action, except to direct the General Manager. Those addressing the Board are requested to identify themselves by name, organization, if any, and address. Comments shall not exceed three (3) minutes.
- (4) **12:10 PM** Approval of the minutes of November 19, 2020 Board Meeting **Action item**
- (5) **12:15 PM** Communications-Marketing Updates
  - a) Augmentation Plans
- (6) **12:25 PM** New Business (Limited to emergency matters that came up during the course of the meeting) **Action item**
- (7) **12:30 PM** Adjournment.