

RECORD OF PROCEEDINGS

UPPER YAMPA WATER CONSERVANCY DISTRICT
BOARD OF DIRECTORS MEETING
NOVEMBER 19, 2020 12:00 PM
ONLINE MEETING:

<HTTPS://ZOOM.US/J/98916413897?PWD=CLQ5dFRKWJtZ3dVVMIXdHdIC1hIZZ09>

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, General Counsel Bob Weiss and Special Counsel Scott Grosscup were also present. Members of the public present included Ben Mendenhall, Colotrust; Kelly Romero-Heaney and Gary Suiter, City of Steamboat Springs; Sonja Macys, City of Steamboat Springs City Council; Mickey O'Hara and Alyson Gould, Colorado Water Trust; Erin Light, Colorado Division of Water Resources; Frank Alfone, Mt. Werner Water & Sanitation District; Greg Peterson, Colorado Agricultural Water Alliance; Brett Bovee, WestWater Research, LLC; Dave Hunter, Steamboat Ski & Resort Corp; Emily Lowell, Kevin McBride, Katie Duncan and Jerry Smith.

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:

AGENDA

- (1) **12:00PM** Establishment of Quorum and Call to Order
- (2) **12:00PM** Approval of Agenda for Meeting
- (3) **12:05PM** Public Input and Comment

Action item

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;
 - a) Approval of the minutes of October 15, 2020 Annual Retreat and Special Board Meeting
 - b) Approval of Disbursement
 - c) Budget Comparison

Action item

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- (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.

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Chairman Brenner established a quorum and called the meeting to order at 12:03 PM.

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

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

Consent Agenda Director Woodmansee requested to add an item to 9. Board Member Reports. Director Woodmansee moved to approve the consent agenda (approval of October 15, 2020 Annual Retreat and Special Board Meeting, cash disbursements and budget comparison), Director Haskins seconded the motion which was unanimously approved.

Report of General Manager

Presentation on UYWCD Assets with COLOTrust – Ben Mendenhall, VP of Investment Advisory Services at Colotrust presented a review of interest rates, earnings, current economic environment, expectations for interest rates for the next 24 months and the safety and liquidity of Colotrust.

Colorado Division of Water Resources Update – District Engineer Erin Light discussed the Yampa River over-appropriation concerns. Erin asked all to consider the positives and negatives of designating the basin as over-appropriated. By the end of the year, Erin will be providing a report to State Engineer Kevin Rein to consider if the Yampa River should be considered over-appropriated and asked for the public to provide them with thoughts and opinions.

Colorado Agricultural Water Alliance Presentation – Greg Peterson provided an overview of Regulation 85. He further noted that there is a meeting in Craig on December 7th from 2:00-4:00 PM to discuss reservoir releases, managing storage in the Basin for agriculture and to learn more about abandonment. There will be a virtual option for the meeting on December 7th.

General Manager Rossi noted that the District wants to work with the Alliance to identify some voluntary agricultural users to participate in studies to help develop the required data for the Regulation 85 evaluation process. The District will work with the Alliance so it can be determined how best to move forward on this issue.

Resolution to Adopt Routt County Hazard Mitigation Plan – General Manager Rossi provided an overview of the County's Hazard Mitigation Plan.

Director Monger moved to adopt the Resolution, with the addition of adding a resolution number, as presented, Director Sharp seconded the motion which was unanimously approved.

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Proposed UYWCD Board of Directors meeting schedule for 2021 – The Board reviewed the proposed 2021 meeting schedule. Director Sharp moved to approve the 2021 BOD meeting schedule as presented, with meetings starting at noon, and with the amendment that the 2021 Executive Committee will review the proposed Executive Committee meeting dates and make adjustments as needed for their schedules, Director Murphy seconded the motion which was unanimously approved.

General Manager Rossi provided an overview of staff recommendation to move to the use of tablets for in-person board meetings in lieu of staff assembling binders. The Board agreed with staff's recommendation.

Financial Audit Schedule Update – Chief Accountant Karina Craig provided an overview of the financial audit schedule. Directors Brenner and Sharp agreed to assist with the review of proposals to select an auditing firm to perform the 2020 financial audit.

UYWCD 2021 Strategic Plan & Work Plan Implementation – General Manager Rossi provided a review of the Strategic and Work Plans. Director Monger moved to approve the 2021 Work Plan tasks as presented, Director Woodmansee seconded the motion which was unanimously approved.

2021 Proposed Budget (with 3 Resolutions) – General Manager Rossi provided an overview of the UYWCD Budget development process and Chief Accountant Craig provided a presentation on the Gallagher Amendment. Andy reviewed the overall proposed budget and addressed inquiries from the Directors.

Director Monger moved to approve the 2021 budget and the Resolution to Adopt Budget and Salary Range Schedule as presented, Director Haskins seconded the motion which was unanimously approved.

Director Monger moved to approve the Resolution to Appropriate Sums of Money as presented, Director Redmond seconded the motion which was unanimously approved.

Director Monger moved to approve the Resolution to Set Mill Levies for 2021 as presented, Director Woodmansee seconded the motion which was unanimously approved.

Director Monger moved to approve the 2021 water prices as presented and that the Yampa River Augmentation Plan, Large & Small, Noncommercial price is \$215.65/AF, Yampa River Augmentation Plan, Large & Small Commercial price is \$254.86/AF and the Elk River Augmentation Plan is \$215.65/AF and with the notation that an adjustment to the prices will be made when current CPI data is available, Director Haskins seconded the motion which was unanimously approved.

City of Steamboat Springs Municipal Water Use Presentation – Kelly Romero-Heaney provided a presentation on the City's water supply needs and Stagecoach contract. Additionally, General Manager Rossi and Kelly will work on confirming the proposed date and agenda for the District and City to meet to discuss the Stagecoach Reservoir Water Marketing Policy.

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Stagecoach Reservoir Water Marketing Policy – Alyson Gould of the Colorado Water Trust presented on the issues they would like addressed and provided examples of environmental contract terms with regard to the Stagecoach Reservoir water marketing policy being considered by the Board.

Chairman Brenner asked the Directors their opinion on the proposed language on the term for municipal contracts. The Board directed staff to revise the DRAFT Stagecoach Water Marketing Policies to include a revised new municipal contract (2021 and beyond) term to an initial term of 40 years with the option to renew the contract for up to an additional 35 years, subject to the specific language on the final Stagecoach reservoir Water Marketing Policies.

Steamboat Ski & Resort Corporation (SSRC) Water Contract Storage Accounting Letter – The Board reviewed SSRC's request. Director Sharp recommended that the Board amend the existing contract with Ski Corp. to increase the contracted for volume by up to an additional 124 AF, leave the contract term which ends in 2041 unchanged, and retain the SSRC right of first offer, leave all other existing contract provisions the same, including the pricing. The change in the Stagecoach Reservoir storage pool terms of the existing contract is to be changed to state that the SSRC entire contracted storage volume is to be assigned to the M&I Pool in Stagecoach. Director Monger moved to support the recommendation set by Director Sharp, Director Jones seconded the motion which was unanimously approved by a 7-0 vote as Directors Sharp and Woodmansee left the meeting prior to the vote.

District Engineer Report

Reservoir Water Status – General Manager Rossi provided an overview of the reservoir water status for Stagecoach and Yamcolo. Additionally, he announced that Emily Lowell is the new District Engineer for the Upper Yampa Water Conservancy District. The Board requested a press release to announce the new District Engineer.

Communications-Marketing Updates

Grant Program – Communications/Marketing Manager Kirkpatrick provided an update on the Diversion Infrastructure Improvement Project.

Board Member Reports

YWG Round Table – Director Brenner provided an overview of the last Yampa/White/Green Round Table meeting.

Director Monger stated that the Strategic Plan has a task related to term limits for Directors. General Counsel Weiss was directed to review if there are statutory requirements for Director term limits and provide a report at the December Board meeting.

Director Woodmansee provided his resignation from the Board effective immediately. General Counsel Weiss will begin the process to seek a replacement.

Pending Water Cases

Water Resume Review – Special Counsel Grosscup commented there was not anything in Divisions 5 or 6 to bring to the Board's attention.

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Status of other water cases – Special Counsel Grosscup provided an update of the current water court cases. General Manager Rossi asked Scott to provide some clarification on the Tri-State case and the potential for the Districts involvement. Scott noted that the status is that the initial steps will be for filing of initial disclosures by the applicant and then by the District and then a potential for further discovery that could occur later in the year. The intent now is to work on settlement conditions.

Scott reviewed conditional water rights and provided an update of the Wolf Creek Reservoir project.

New Business There was no new business.

Executive Session It was determined that an Executive Session was not warranted.

Board Actions Regarding Executive Session There was no Executive Session.

Determination of next meeting agenda The agenda for the December 17, 2020 Board meeting were reviewed. The Board requested the following additions to the agenda:

- Refinement of pricing matrix
- Comments on the Fill and Release policies.
- Status of January 6, 2021, meeting the City of Steamboat Spring

Director Monger moved to adjourn the meeting at 5:47 PM. Director Redmond seconded the motion 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: Dec 17, 2020

2020 1119 Minutes-draft final

Final Audit Report

2020-12-17

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