

AGENDA
UPPER YAMPA WATER CONSERVANCY DISTRICT
BOARD OF DIRECTORS MEETING
WEDNESDAY, NOVEMBER 20, 2019 (1:30 PM)
MOUNTAIN VALLEY BANK COMMUNITY ROOM
2220 CURVE PLAZA, STEAMBOAT SPRINGS, CO

- (1) *1:30 pm* Establishment of Quorum and Call to Order;
- (2) Consent Agenda;
 - a) Approval of Disbursements
 - b) Budget Comparison
- (3) Approval of Agenda for Meeting; action item
- (4) *1:40 pm* Public Input and Comment;
- (5) *2:10 pm* Report of the General Manager;
 - a) Grant Items
 - i) Keller Ditch Grant
 - ii) Yampatika Grant Application
 - b) Reserves / Cost accounting / Financial Planning (Randy Watkins/ACM)
 - c) 2020 Budget action item
 - d) Retreat Priorities and Minutes Approval action item
 - e) Governance and Approval of By-Law Amendments action item
 - f) 2020 meeting schedule action item
 - g) Christmas party
 - h) 2020 Board appointments
 - i) Report from District Engineer
 - i) Reservoir water status
 - ii) Capital Projects update
- (6) *4:40 pm* Report from General Counsel;
 - a) Water Resumes action item
 - b) Status of other Water Cases, if any
 - c) Contract negotiation action item
- (7) *4:55 pm* December Work Session Agenda;
- (8) Board Member Reports;
- (9) *5:00 pm* Executive Session with Bob Weiss, legal Counsel, under CRS § 24-6-402(4)(b) to discuss legal issues on Water Resumes, Water Cases, and Contract Negotiations. Mere presence or participation of an attorney at an executive session of the local politic body is not sufficient to satisfy the requirements of this subsection (4).
- (10) New Business;
- (11) Adjournment.

2)





BOARD COMMUNICATION FORM

From: Karina Craig

Date: November 15, 2019

Item: Financial Reports: Cash Disbursement Report, Budget Comparison Report, Banking Resolution

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

The Cash Disbursement Report contains reconciled disbursements incurred through credit card through November 8, 2019 and check payments through October 31, 2019. Disbursements include operating and capital expenditures.

The Budget Comparison report was run on November 12th, for transactions up to and including October 31st, 2019. Additional transactions for the month of October are expected.

All expenditure line items (operating & capital expenditures) in the budget comparison report are expected to be within budget.

Power Revenues, Routt County and Moffat County Property Tax Revenues reported are for the period January-October 2019. Water storage revenues for the year have been invoiced and are accrued in the attached budget comparison report.

II. Summary and Alternatives: none.

III. Staff Recommendation: Accept reports.

IV. Legal Issues: None

V. Consistency with Board Goals and Policies:

Attachments:

Attachment 1: Cash Disbursement Report

Attachment 2: Budget Comparison Report

Additional Attachments: none.

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

Date	Name	Memo	Amount
08/06/2019	Edge Communications	Phone & Internet. 4 sip trunks & 5 lines. 8-6-19 to 9-5-19	106.30
08/16/2019	Restaurant.	Board: Meeting supplies Wild Plum	85.00
08/16/2019	Moxie Home Consignment	Office Furniture	220.55
08/19/2019	Hotel	Board: Travel and Meeting	38.56
08/21/2019	Colorado Water Congress CWC	2019 Systaining Colorado Watersheds Conference	305.00
08/21/2019	Amazon	Office Supplies	101.12
08/21/2019	Amazon	Office Supplies	5.89
08/22/2019	SmartVault	Software, interphase with quickbooks	42.40
08/23/2019	Adobe	Adobe software	24.99
08/23/2019	Restaurant.	Big House Burgers	40.67
08/23/2019	Verizon Wireless	Cell phones	3.59
08/26/2019	Big House Burgers	BOD Meeting 8/26/19	91.00
08/28/2019	Hotel	Hilton Gard	373.96
08/29/2019	Amazon	Cable for Yamcolo	7.57
09/01/2019	Amazon	office supplies	119.00
09/03/2019	NDS Northwest Data Services	Cloud Services September	92.50
09/04/2019	Hotel	Board Travel and Meeting	71.61
09/04/2019	CrashPlan Code42	Admin Software - Cloud Backup	9.99
09/06/2019	ACE Hardware	Office Supplies	202.68
09/06/2019	Advanced Copier Solutions, Inc.	Savin Printer August	241.49
09/06/2019	AECOM	2018 1201 Svcs 6/29-7/26/19	15,125.44
09/06/2019	All Weather Services	Right of Way Easement Clearing	4,377.50
09/06/2019	CBI - Consensus Building Institute	Board: UY 360 Assessment - Golten, Sneeringer, Osthues - 02/01-02/28	17,983.09
09/06/2019	Conoco Universal WEX	Fuel purchases August	525.88
09/06/2019	Environmental Solutions	USGS Nutrient and Sediment Study	3,370.00
09/06/2019	Flat Tops Ranch Supply	Maintenance Supplies SC	43.43
09/06/2019	Jennifer Poelman	Offcie Cleaning August	600.00
09/06/2019	NDS Northwest Data Services	Consulting onsite and remote 8/13-8/22/19	455.00
Subtotal			44,664.21

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

Date	Name	Memo	Amount
09/06/2019	PostNet	Admin: Office - Shredding	55.44
09/06/2019	Resource Engineering	Umbrella Plan Elk Creek 07/01/19 through 07/31/19 and Ditch Flow	2,595.75
09/06/2019	YVEA	Shed and Powerhouse electricity 7/31 - 8/29/19	231.49
09/06/2019	CenturyLink	SC Telephone. Sep-Sep 30	0.30
09/06/2019	Arrow Performance Group	Consulting services July	3,402.00
09/06/2019	Frances L Iacovetto Trust	Mini Grant Dora Irrigation Ditch	397.50
09/06/2019	Restaurant.	Big House Burgers staff lunch	42.75
09/06/2019	US Postal Service	Postage	15.65
09/07/2019	Hotel	Hilton Garden Inn Parking	36.00
09/12/2019	Colorado Parks & Wildlife	2019 snowmobile registration	30.25
09/12/2019	Ed's Excavating of Steamboat, Inc	Pine Ditch mntc./ Measuring Device.	7,780.56
09/12/2019	Kenneth & Marilyn Dalton Residence Trust	Mini Grants Parshall Flume	680.29
09/12/2019	Nancy L. Wilson	Administrative Contract Labor August	672.00
09/12/2019	NDS Northwest Data Services	Computer Consulting	365.00
09/12/2019	Rabbit Ears Motel	Lodging	89.00
09/12/2019	Robert P. Teters	Mini grants Parshall Flume	795.00
09/12/2019	vistaprint	Holly Business Cards	15.59
09/16/2019	Hotel	refund Winter Park	-11.10
09/17/2019	Safeway	office supplies	24.69
09/17/2019	Edge Communications	Phone & Internet. 4 sip trunks & 5 lines. 8-6-19 to 9-5-19	106.30
09/18/2019	Microsoft	Subscription addition	37.47
09/20/2019	NDS Northwest Data Services	Computer for Marketing Manager	1,787.75
09/20/2019	Big House Burgers	work meeting	61.00
09/22/2019	SmartVault	Software, interphase with quickbooks	34.60
09/22/2019	SmartVault	Software, interphase with quickbooks	42.40
09/23/2019	Restaurant.	Natural Grocers	17.30
09/24/2019	Verizon Wireless	SC cell phones 8-14 to 9-13	107.30
09/24/2019	ACE Hardware	Yamcolo Maintenance Supplies and Office Supplies	81.80

Subtotal

19,494.08

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

Date	Name	Memo	Amount
09/24/2019	Catterson & Company P.C.	Accounting Audit Services 2018	4,800.00
09/24/2019	CBI - Consensus Building Institute	uy 360 Assessment, May & June	7,120.00
09/24/2019	Four Points Surveying & Engineering	Stagecoach Reservoir Topos	1,450.00
09/24/2019	Staples	Office Supplies	40.75
09/24/2019	Weiss & Van Scoyk	147-000M	6,026.00
09/24/2019	X Field Services	Stagecoach Project	40,747.50
09/24/2019	Restaurant.	Yampa Sandwich Co.	322.50
09/24/2019	Adobe	Adobe software	24.99
09/25/2019	USGS	Stagecoach streamflow gaging	15,722.00
09/25/2019	Hotel	Best Western Alpenglo Lodge	120.62
09/25/2019	NDS Northwest Data Services	Video Conferencing Camera	657.50
09/26/2019	Metlife	Lie and Accident September	941.22
09/26/2019	Family Support Registry	Remittance ID 13032339	930.58
09/26/2019	ICMA-457	Retirement Funds	3,869.23
09/26/2019	ICMA-401a	Retirement Funds	4,223.52
09/27/2019	Quickbooks Payroll Service	Payroll September	31,822.48
09/27/2019	Nancy L. Wilson	Administrative Contract Labor August	1,106.00
09/28/2019	Skype	SC Annual Maint: Phone - Skype annual subscription	30.48
09/30/2019	Internal Revenue Service	84-0776538	12,984.74
10/01/2019	Mountain Valley Bank	October Rent	2,900.00
10/02/2019	Hotel	Westin Riverfront Resort	150.62
10/02/2019	Restaurant.	Skull Creek Greek	78.65
10/03/2019	Staples	Easel Pad and office Supplies	123.61
10/03/2019	Restaurant.	Wild Plum Steamboat	130.08
10/04/2019	Colorado Department of Revenue	CO State Tax withholdings	4,621.00
10/04/2019	ACE Hardware	Supplies for Yamcolo, Office and Stagecoach	103.89
10/04/2019	Balcomb & Green, P.C.	July and August Legal Matters Miscellaneous and Opposition MWW	3,146.00
10/04/2019	Conoco Universal WEX	September Gasoline Stagecoach / Yamcolo	419.69

Subtotal

144,613.65

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

Date	Name	Memo	Amount
10/04/2019	esri - Environmental Systems Research Ins	ARCGIS Software 12/1/19 to 11/30/20	400.00
10/04/2019	Four Points Surveying & Engineering	YC O&M Dam Monitoring	1,520.00
10/04/2019	Midco Diving& Marine Services Inc	SC Stem Guides	4,526.00
10/04/2019	Mountain View Car Wash	SC Yamcolo Annual Maint: Chevy	14.00
10/04/2019	NDS Northwest Data Services	Computer Hardware and Remote Consulting	270.00
10/04/2019	Advanced Copier Solutions, Inc.	Savin Printer September	532.99
10/04/2019	Resource Engineering	Umbrella Plan Elk Creek , Water Resource Engineering Yamcolo 8/1 thru	1,360.75
10/04/2019	CrashPlan Code42	Software - Cloud Backup	9.99
10/06/2019	Home Depot	Turnbuckle	40.40
10/09/2019	Bob Woodmansee	Director Fees	1,200.00
10/09/2019	Ken Brenner	Director Fees	500.00
10/09/2019	Douglas Monger	Director Fees	300.00
10/09/2019	Hugh Webster Jones	Director Fees	600.00
10/09/2019	Jim Haskins	Director Fees	400.00
10/09/2019	John Redmond	Director Fees	100.00
10/09/2019	Ron Murphy	Director Fees	300.00
10/09/2019	Steve Colby	Director Fees	200.00
10/09/2019	Tom Sharp	Director Fees	400.00
10/09/2019	Home Depot	14" chain	52.48
10/10/2019	Hotel	Westin Riverfront Resort	16.24
10/10/2019	City Market	Batteries and office supplies	56.43
10/10/2019	Amazon	Gel Pens	53.33
10/11/2019	ACE Hardware	SC Maintenance Supplies	80.04
10/11/2019	CenturyLink	Telephone charges October	378.38
10/11/2019	Environmental Solutions	Project Management/Administration 8/27-10/10/19	550.00
10/11/2019	Flat Tops Ranch Supply	Maintenance Supplies Stagecoach	76.68
10/11/2019	NDS Northwest Data Services	Consulting remote 9/25 thru 10/3	770.00
10/11/2019	YVEA	Power and Shed Electricity 8/29-9/27	251.16

Subtotal

14,958.87

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

Date	Name	Memo	Amount
10/11/2019	AECOM	Professional services July 20 to Sep 20. SC Dam Part 12 Inspection	10,000.00
10/11/2019	Arrow Performance Group	Consulting Services September	2,394.00
10/11/2019	Catterson & Company P.C.	Accounting Audit Services	500.00
10/11/2019	John Elway Chrysler Dodge Jeep RAM	2019 Ram 1500 4x4 Quad	27,772.00
10/12/2019	Amazon	Office Supplies	332.35
10/12/2019	Edge Communications	Phone & Internet. 4 sip trunks & 5 lines. 8-6-19 to 9-5-19	106.73
10/12/2019	Steamboat Chamber	Gift Card for Barbara	52.00
10/12/2019	BlueJeans	Video capability	15.77
10/14/2019	Balcomb & Green, P.C.	September Legal Miscellaneous Matters	1,344.00
10/14/2019	Jennifer Poelman	Office Cleaning 9/5 9/12 9/19 9/26	300.00
10/15/2019	Microsoft	Office: Microsoft 365 annual subscription	2,160.00
10/17/2019	NDS Northwest Data Services	Administrative Cloud Services October	101.75
10/18/2019	Colorado SDA Property and Liab Pool	2019 Dodge Insurance	201.01
10/18/2019	Environmental Solutions	Grant management 8/28-10/10	1,920.00
10/18/2019	Intermountain Environmental, Inc IEI	SWD Measuring Device	4,694.21
10/18/2019	Kenny Harris	Hobson Ditch Flow Meter	191.72
10/18/2019	Staples	Office Supplies	184.95
10/22/2019	All Trades Handyman of Steamboat	New Office maintenance	382.50
10/22/2019	Steamboat Pilot CMNM	Notice of Budget publication	19.31
10/22/2019	Verizon Wireless	SC cell phones 0914 through 1013	107.32
10/22/2019	Upper Colorado Conference	Colorado Water Congress CWC	165.00
10/22/2019	SmartVault	Software, interphase with quickbooks	34.60
10/22/2019	Colorado Department of Revenue	License plates for Dodge 250	12.28
10/22/2019	City Market	Barbara card	3.89
10/24/2019	MJK Sales	3/4 inch die	23.99
10/25/2019	Parking	Parkwell Denver	20.00
10/25/2019	Colorado River District	Upper Colorado River Basin Water Forum	340.00
10/25/2019	Restaurant.	Seedz meeting with Jackie Brown CWCB grant	54.31

Subtotal

53,433.69

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

Date	Name	Memo	Amount
10/25/2019	Adobe	Acrobat Pro	14.99
10/27/2019	SmartVault	Software, interphase with quickbooks	42.40
10/28/2019	ICMA-401a	Retirement Contribution	4,080.35
10/28/2019	ICMA-457	Retirement Contribution	1,469.23
10/28/2019	Metlife	Life and Disability November	941.22
10/28/2019	Western Slope Health Care	Health Care November	9,943.57
10/28/2019	Family Support Registry	Remittance ID 13032339	930.58
10/28/2019	ACE Hardware	SC Maintenance and Office Supplies	122.97
10/28/2019	Pour Boy's Concrete LLC	Construct concrete walls and slabs SW Ditch	17,250.00
10/28/2019	Hotel	The Source Hotel	181.00
10/29/2019	Quickbooks Payroll Service	Created by Payroll Service on 10/29/2019	0.88
10/29/2019	Quickbooks Payroll Service	Created by Payroll Service on 10/29/2019	0.97
10/30/2019	Quickbooks Payroll Service	Created by Payroll Service on 10/29/2019	35,396.63
10/30/2019	Internal Revenue Service	Federal, Medicare and Social Security Oct	13,653.60
11/01/2019	NDS Northwest Data Services	Cloud services November	123.00
11/01/2019	Hotel	Fairfield Inn and Suites GJ 11/12-11/14	249.63
11/01/2019	Hotel	Fairfield Inn and Suite GJ 11/12-11/13	127.66
11/08/2019	CrashPlan Code42	Admin Software: Cloud Backup	9.99

Subtotal **84,538.67**

Total **361,703.17**

UPPER YAMPA WATER CONSERVANCY DISTRICT - OCTOBER 31, 2019 BUDGET COMPARISON REPORT

	2017 ACTUALS	2018 ACTUALS	2019 BUDGET	2019 YTD ACTUALS	2019 PROJECTIONS
Fund Opening Balance including Encumbered Funds	10,938,095	12,683,250	14,274,361	14,274,361	14,274,361
Encumbered Funds	919,734	919,734	919,734	919,734	919,734
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
Unencumbered Funds	10,018,361	11,763,516	13,354,627	13,354,627	13,354,627
Revenues					
Facilities					
Stagecoach Reservoir					
Power Sales	185,472	129,492	200,000	190,620	200,000
Water Sales	451,518	505,201	403,144	433,769	427,790
Yamcolo Reservoir					
Water Sales	128,275	130,760	133,410	121,052	121,052
Stillwater Ditch & Reservoir Company	7,523	7,744	7,965	7,965	7,965
Property taxes	2,172,483	2,269,399	2,284,084	2,374,078	2,350,000
Interest earned	122,297	261,280	284,500	251,593	284,500
Other income	0				
	revenues	3,067,568	3,303,875	3,313,103	3,379,076
Expenditures					
Operating					
Facilities					
Stagecoach Reservoir - Power Generation	180,845	171,623	248,954	186,800	248,954
Stagecoach Reservoir - Water storage	227,639	279,641	266,927	158,824	266,927
Yamcolo Reservoir	127,624	132,790	144,594	87,096	144,594
Stillwater Ditch & Reservoir Company	25,134	13,379	45,065	23,533	45,065
Administration	127,512	139,144	203,198	137,117	203,198
Board of Directors	49,330	65,006	83,105	60,149	83,105
External Affairs	57,688	58,016	129,754	54,535	129,754
Finance	95,906	99,340	132,880	94,012	132,880
Legal	97,116	166,889	178,567	102,510	178,567
Planning	80,112	136,625	432,927	195,905	432,927
Grants, Scholarships & Public Information	67,411	39,038	257,588	117,805	257,588
Treasurer fees	70,180	72,507	73,786	74,254	73,786
	Subtotal Operating	1,206,499	1,373,999	2,197,345	1,292,539
Capital					
Stagecoach Reservoir - Power Generation	35,421	3,967	102,900	19,483	102,900
Stagecoach Reservoir - Water storage	54,644	27,462	62,900	18,984	62,900
Yamcolo Reservoir	25,566	302,537	108,900	57,719	108,900
Stillwater Ditch & Reservoir Company	283		40,300	28,947	40,300
Office Space		4,800	130,000	77,975	100,000
	Subtotal Capital	115,914	338,766	445,000	203,107
	expenditures	1,322,413	1,712,765	2,642,345	1,495,647
	net income (loss)	1,745,155	1,591,111	670,759	778,963
Ending Fund Balance	12,683,250	14,274,361	14,945,119	16,157,790	15,053,323

5)



a)



i)





BOARD COMMUNICATION FORM

From: Holly Kirkpatrick

Date: 11/14/19

Item: Keller Ditch Grant Application

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

Arie Hoogendoorn, representing all owners of the Keller Ditch on the Elk River, is requesting a super mini grant 50% reimbursement for the adjustment of a weir box to comply with DWR Division Engineer's Order. The total estimated cost of the project is \$3,000, resulting in an estimated \$1500 ask for UYWCD grant funds.

II. Summary and Alternatives:

The Division Engineer's office has confirmed that successful completion of the project will bring them into compliance with the DWR Order.

III. Staff Recommendation:

I recommend approving the Keller Ditch grant for a 50% reimbursement of approximately \$1500.

IV. Legal Issues:

V. Consistency with Board Goals and Policies:

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

Attachments:

Attachment 1: UYWCD Grant Application

Additional Attachments: Project Estimate, Division of Water Resources Order, Keller Ditch Water Rights Summary

STEP 1: 2018 UYWCD MINI-GRANT PROGRAM APPLICATION

1.1- Project and Grantee Information

PROJECT TITLE <i>REPAIR INOPERABLE MEASURING DEVICE</i>		
PROJECT APPLICANT <i>ARIE HOOGENDOORN - REPRESENTING KEKERO DITCH 5300TH UPPER YAMPA WATER CONSERVANCY DISTRICT</i>		
APPLICANT MAILING ADDRESS <i>PO BOX 776370, SS 80477 DITCH USERS</i>		
CONTACT NAME <i>ARIE L. HOOGENDOORN</i>		
PHONE <i>970 879 1750</i>	FAX	E-MAIL <i>ALHOOGS@WIKDBLUE.NET</i>
ESTIMATED START DATE <i>OCTOBER 2019 - AS SOON AS NORDIC EXCAVATING AVAILABLE</i>		ESTIMATED COMPLETION DATE <i>1-2 DAYS</i>
TOTAL PROJECT COST <i>EST \$3000</i>		REQUESTED GRANT AMOUNT <i>MINIGRANT AS AVAILABLE</i>
PROJECT LOCATION/ADDRESS: <i>CR 129 ELK RIVER - ± 200 YARDS DOWNSTREAM OF CR 56 BRIDGE</i>		COUNTY OF PROJECT LOCATION <i>ROCKY</i>
STRUCTURE NAME: <i>MEASURING DEVICE</i>		
PROJECT SUMMARY/DEVICE TO BE INSTALLED: <i>REMOVE AND RESET PRESENT MEASURING DEVICE</i>		

1.2- Division Engineer's Approval of proposed device

Proposed device is appropriate for accurate water control and/or measurement.

	Division of Water Resources, Division 6, Division Engineer
<i>Erin Light</i>	Title
_____ Name	_____ Title
_____ Signature	_____ Date

1.3- UYWCD Internal Use Only

Complete Application receipt date: _____

map with device location provided? _____

1.1 _____

1.2 _____

Return receipt sent: _____

Acceptance date: _____

Grant Number: _____

STEP 2: PROOF OF PROJECT COMPLETION & REQUEST FOR REIMBURSEMENT

2.1- Grantee to complete:

Completion Date: _____

Total Cost incurred: _____

2.2- Division of Water Resources approval

Measuring Device Installed: _____

Is installation acceptable? yes no

	Water Commissioner
_____ Name	_____ Title
_____ Signature	_____ Date

2.3- UYWCD Internal Use Only

Complete reimbursement request receipt date: _____

Notes: _____

Proof of payment provided (\$): _____

Reimbursement applicable (\$): _____

Reimbursement Date: _____

ii)





BOARD COMMUNICATION FORM

From: Holly Kirkpatrick
Date: 11/14/19
Item: Yampatika Grant Application

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

Yampatika has received YWG BRT grant funding in the amount of \$99,053 to create a youth water education program for K-12 schools in the Yampa River Basin. This program development and implementation is a 3 year project starting in 2020. They are requesting \$5,000/year (\$15,000 total) for the 3 year project.

II. Summary and Alternatives:

The objectives of this science-based K-12 program align with Goal 8 in the strategic plan draft. However, Yampatika has not stated how UYWCD will be represented or involved in the education program.

III. Staff Recommendation:

Pending an appropriate level of UYWCD involvement/representation within the program, I would recommend approving the Yampatika grant for \$5,000/year from 2020-2022.

IV. Legal Issues:

V. Consistency with Board Goals and Policies:

Goal 8: District constituencies understand water issues in the Upper Yampa Basin and the role of the District in addressing them.

Attachments:

Attachment 1: UYWCD Grant Application

Attachment 2: YWG Basin Roundtable Grant Application

Additional Attachments:

**Upper Yampa Water Conservancy District
Grant Program Application**

Project Title:		Youth Water Education in the YWG Basin			
Project Sponsor:		Yampatika Outdoor Awareness Association (dba: Yampatika)			
Contact Name:		Joe Haines, Executive Director		Address: 925 Weiss Drive, Steamboat Springs, CO 80487	
Phone:	970-871-9151	Fax:	970-870-2284	Email:	joe@yampatika.org
Name & Title of Person Authorized to execute Contract (if different than above):					Same
Estimated Start Date:			1/1/2020	Estimated Completion Date:	
				12/31/2022	
Requested Grant Amount:		\$15,000 (\$5K per year for 3 yrs)		Match Amount (All Sources):	
				\$99,053	
Total Project Cost:		\$ 126,553		Project location:	
				Schools located in the Yampa White Green Water Basin	
Project Summary: (Attach additional pages if necessary)					
<p>Please see the attached Scope of work submitted to the YWG Basin Roundtable regarding details of the larger project. Support from the Upper Yampa Water Conservancy District will be focused on education in the UYWCD boundaries.</p> <p>This project supports the UYWCD's mission of "conserving and protecting" the water resources of the Upper Yampa River Basin. Specifically, this project supports goal eight of the UYWCD's Strategic Plan. This includes objectives 1, 2 and 4.</p> <p>Youth Water Education is an important piece of helping constituencies understand water issues. This project develops and implements water education for youth from Kindergarten through 12th grades with specific curriculum adapted for the specific region that the school is in.</p> <p>All Yampatika programs offer a science-based perspective that is balanced. The overall emphasis is on the importance of water to the overall health of the region.</p>					
FOR UYWCD Use Only:					
Date Received:				Grant Contract No:	



Last Update: September 3, 2019

Colorado Water Conservation Board	
Water Supply Reserve Fund	
Exhibit A –Statement of Work	
Date:	September 3, 2019
Water Activity Name:	Yampa White Green Rivers K-12 Curriculum
Grant Recipient:	Yampatika
Funding Source:	Yampa/White/Green Basin Roundtable
Water Activity Overview: (Please provide brief description of the proposed water activity (no more than 200 words). Include a description of the overall water activity and specifically what the WSRF funding will be used for.)	
<p>Yampatika proposes to develop and implement a K-12 focused youth water education program for the Yampa/White/Green (YWG) Basin Roundtable. This project will include the development of curriculum based on Next Generation Science Standards (NGSS) state standards, a comprehensive evaluation system that measures both quantitative and qualitative success and professional development opportunities for educators related to water education.</p> <p>Youth water education programs will focus on increasing general water education, which includes highlighting the importance of water in the Basin to all relevant stakeholders including agriculture, municipalities, recreation, businesses, community members, and the environment. These education programs will be a valuable opportunity to highlight Colorado Water Plan, the Basin Implementation Plan, and the critical role of the YWG Basin Roundtable to address the consumptive and non-consumptive water needs across the Basin.</p> <p>Evaluation components will be created for school-based programs and professional development opportunities to ensure short and long-term success of water education programs.</p> <p>The WSRF funds will be used over a three-year period to accomplish these educational objectives.</p>	
Objectives:	
<ol style="list-style-type: none">1. Offer a selection of water education opportunities throughout the YWG Basin focusing on new K - 12 NGSS and other Colorado State Standards.2. Evaluate youth water education programs throughout the YWG Basin.3. Collaborate and communicate amongst relevant agencies to increase the educational outreach and promote the educational objectives of the grant.4. Promote relationships between schools and their local water resource agencies and alliances.	



Last Update: September 3, 2019

Tasks	
<u>Task 1 – Planning phase</u>	
Description of Task:	
Review data, requests, and collect new information to inform the most impactful youth water education plan for the Basin.	
Method/Procedure:	
<ul style="list-style-type: none"> ▪ Review survey and pilot program results from 2018-2019. Focus on feedback from specific water education areas of interests from teachers and administrators working in the YWG Basin. ▪ Develop a list of contacts with school districts and within individual schools that can be “champions” for water education programs. ▪ Develop a list of local speakers willing to support water education programs. 	
Grantee Deliverable: (Describe the deliverable the grantee expects from this task)	
<ul style="list-style-type: none"> ▪ Meet with Administrative staff at schools and school districts in each Basin so they have an opportunity to express their interest in a program allowing all schools an opportunity to be part of the strategic plan process that will be implemented during the grant cycle. ▪ Create a plan to offer water education programs throughout the Basin starting in the 2020 school year (ready by June 2020). 	
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)	
<ul style="list-style-type: none"> ▪ Yampatika will share the YWG water education plan with CWCB in the first 6-month report. 	

Tasks	
<u>Task 2 - Water Education Programs in YWG Basin Schools</u>	
Description of Task:	
Design, promote, and implement water education programs throughout YWG Basin that build upon results of the initial research and piloted programs. Offer a selection of water education opportunities throughout the YWG Basin focusing on new K - 12 NGSS and Colorado State Standards.	
Arrange and financially support school field trips to enable hands-on, place-based learning for the participating students and teachers.	
Method/Procedure:	



Last Update: September 3, 2019

<ul style="list-style-type: none"> ▪ Arrange and support water education focused field trips with YWG Basin teachers/district transportation directors to support transportation and field trip costs. ▪ Create 5 new water education programs targeting the standards and topics highlighted in the survey. ▪ Schedule and implement water education programs with schools including in-class and field based instruction. ▪ Adjust existing and add additional programs based on teacher feedback.
Grantee Deliverable: (Describe the deliverable the grantee expects from this task)
<ul style="list-style-type: none"> ▪ Yampatika will have five standardized water education programs that meet current/new state education standards. ▪ Water education programs will reach 50% of a K-5 school; and 1 MS and 1 HS class in each district each year.
CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)
<ul style="list-style-type: none"> ▪ Send a progress report to CWCB at 6 month intervals. This progress report will include a list of programs implemented, locations and schools served, along with participant numbers.

Tasks
Task 3 - Creating Evaluation Tools for Measuring Impact of Water Education Programs
Description of Task:
<p>Evaluating the success of water education programs is an essential piece for maintaining quality and relevance. Yampatika will work with an outside evaluator to create, implement and analyze data and feedback to evaluate the success of the program on an annual basis and make programmatic changes based on the results.</p> <p>Evaluation tools will be designed for both students and teachers. Evaluation tools will measure both quantitative and qualitative impacts of the program. Teacher surveys will be administered following each water education program to gain feedback and evaluate if the program is helping teachers reach their learning goals and reinforce important standards.</p> <p>The evaluation component will be implemented starting with the 2020-2021 school year to ensure a full year of programming is measured.</p>
Method/Procedure:
<ul style="list-style-type: none"> ▪ Yampatika staff will work with an outside evaluator to create evaluation survey tools. ▪ Yampatika staff will create a system for effective implementation of student and teacher surveys. ▪ Surveys will be used starting with the 2020-2021 school year. ▪ Staff will review the relevance and feedback of the programs every semester. ▪ A final evaluation report will be created at the end of the school year and shared. ▪ Programs, surveys, and processes will be adjusted for the 2021-2022 school year based on report findings.



Last Update: September 3, 2019

<ul style="list-style-type: none"> Evaluations completed will include (though not limited to): qualitative and quantitative data collection (i.e. numbers of participants, increased knowledge of water issues, etc.)
<p>Grantee Deliverable: (Describe the deliverable the grantee expects from this task)</p> <ul style="list-style-type: none"> Yampatika will create evaluation tools to measure student learning as well as post-program surveys for teachers (ready for the 2020- 2021 school year). Yampatika will create an annual report at the end of each school year highlighting both quantitative and qualitative measures of success, areas for improvement and additional recommended programs for the future.
<p>CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)</p>
<ul style="list-style-type: none"> Yampatika will send an evaluation report by the end of June 2021 and include any relevant updates in the 6-month reports.

Tasks
<p><u>Task 4- Final Program Report</u></p>
<p>Description of Task:</p> <p>Create a final report sharing the scope of work completed along with qualitative and quantitative data collected.</p> <ul style="list-style-type: none"> At the end of the grant period, Yampatika will create a final report evaluating the overall plan and highlight the successes and challenges with a lens of looking forward to continuing free water education programs throughout the YWG Basin.
<p>Method/Procedure:</p> <ul style="list-style-type: none"> At the end of the grant period, Yampatika will create a final report evaluating the overall plan and highlight the successes and challenges with a lens of looking forward to continuing free water education programs throughout the YWG Basin.
<p>Grantee Deliverable: (Describe the deliverable the grantee expects from this task)</p> <ul style="list-style-type: none"> A final report will be created and submitted within two months of the end of funding.
<p>CWCB Deliverable: (Describe the deliverable the grantee will provide CWCB documenting the completion of this task)</p> <ul style="list-style-type: none"> A final report will be submitted to CWCB within two months of the end of funding.

Budget and Schedule
<p><u>Exhibit B - Budget and Schedule:</u> This Statement of Work shall be accompanied by a combined <u>Budget and Schedule</u> that reflects the Tasks identified in the Statement of Work and shall be submitted to CWCB in <u>excel format</u>. A separate <u>Excel formatted</u> Budget is required for engineering costs to include rate and unit costs.</p>

Reporting Requirements



Last Update: September 3, 2019

Progress Reports: The grantee shall provide the CWCB a progress report every 6 months, beginning from the date of issuance of a purchase order, or the execution of a contract. The progress report shall describe the status of the tasks identified in the statement of work, including a description of any major issues that have occurred and any corrective action taken to address these issues. The CWCB may withhold reimbursement until satisfactory progress reports have been submitted.

Final Report: At completion of the project, the grantee shall provide the CWCB a Final Report on the grantee's letterhead that:

- Summarizes the project and how the project was completed.
- Describes any obstacles encountered, and how these obstacles were overcome.
- Confirms that all matching commitments have been fulfilled.
- Includes photographs, summaries of meetings and engineering reports/designs.

Payments

Payment will be made based on actual expenditures, must include invoices for all work completed and must be on grantee's letterhead. The request for payment must include a description of the work accomplished by task, an estimate of the percent completion for individual tasks and the entire Project in relation to the percentage of budget spent, identification of any major issues, and proposed or implemented corrective actions.

The CWCB will pay the last 10% of the entire water activity budget when the Final Report is completed to the satisfaction of CWCB staff. Once the Final Report has been accepted, and final payment has been issued, the water activity and purchase order or contract will be closed without any further payment. Any entity that fails to complete a satisfactory Final Report and submit to CWCB within 90 days of the expiration of a purchase order or contract may be denied consideration for future funding of any type from CWCB.

Performance Requirements

Performance measures for this contract shall include the following:

(a) Performance standards and evaluation: Grantee will produce detailed deliverables for each task as specified. Grantee shall maintain receipts for all project expenses and documentation of the minimum in-kind contributions (if applicable) per the budget in Exhibit B. Per Grant Guidelines, the CWCB will pay out the last 10% of the budget when the final deliverable is completed to the satisfaction of CWCB staff. Once the final deliverable has been accepted, and final payment has been issued, the purchase order or grant will be closed without any further payment.

(b) Accountability: Per the Grant Guidelines full documentation of project progress must be submitted with each invoice for reimbursement. Grantee must confirm that all grant conditions have been complied with on each invoice. In addition, per the Grant Guidelines, Progress Reports must be submitted at least once every 6 months. A Final Report must be submitted and approved before final project payment.

(c) Monitoring Requirements: Grantee is responsible for ongoing monitoring of project progress per Exhibit A. Progress shall be detailed in each invoice and in each Progress Report, as detailed above. Additional inspections or field consultations will be arranged as may be necessary.

(d) Noncompliance Resolution: Payment will be withheld if grantee is not current on all grant conditions. Flagrant disregard for grant conditions will result in a stop work order and cancellation of the Grant Agreement.

b)





BOARD COMMUNICATION FORM

From: _ Kevin McBride_____

Date: _ November 15, 2019_____

Item: _ Reserves/Cost Accounting/ Financial Plan_____

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

These items, reserves, cost accounting and financial planning are all in one agenda item so that they can be discussed with our consultant Randy Watkins of ACM. Randy worked with us for several years originally to help with cost accounting related to contractual issues. Randy will be on the phone to help us with these discussions.

The three issues will be discussed in an order moving from the most specific, capital reserves to cost accounting to financial planning which are less well defined. District Engineer Rossi has put together a communication form and memo on capital reserves and those reserves are proposed in our 2020 budget.

Cost accounting is the next topic and is primarily intended as background. We think it will be important for the Board to reengage in this in order to move to the next topic, financial planning. Financial planning, and associated pricing appears to be high on the Board's strategic planning priorities. Randy will be able to help us tie what we have done in cost accounting to what needs to be done soon to frame financial planning for the District.

We think one of the most important things the District can do is have clear understanding and agreement at the Board level of what are considered costs and how they are distributed within the District as a whole. It will be difficult to determine the level of subsidization any particular contract represents without that foundation.

II. Summary and Alternatives:

Information only

III. Staff Recommendation:

Information only



IV. Legal Issues:
Information only

V. Consistency with Board Goals and Policies:
Goal 3, objectives 1 and 2

Attachments:



BOARD COMMUNICATION FORM

From: UYWCD Staff

Date: 11/13/19

Item: Recommended Reserves

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information:

The Upper Yampa Water Conservancy District (UYWCD) has a stated goal of ensuring that the UYWCD infrastructure is safe and maintained, or improved as needed, to serve the needs of the UYWCD. To ensure that sufficient funds are maintained to achieve this goal, the UYWCD staff was asked to analyze the UYWCD facilities to determine recommended Emergency Reserves and Capital Maintenance Reserves for each UYWCD facility.

II. Summary and Alternatives:

See attached memorandum for summary and details of recommended reserves analysis.

Alternatives:

UYWCD BOD direct the UYWCD staff to complete a more extensive analysis of recommended reserves.

Do not identify any reserves.

III. Staff Recommendation:

Identify the amounts indicated in the attached memorandum as Emergency and Capital Maintenance Reserves.

IV. Legal Issues:

NA

V. Consistency with Board Goals and Policies:

Strategic Plan Goal 2.3

Attachments:

Memorandum RE: Stagecoach Dam and Hydro-Electric Facility, Yamcolo Dam, and Stillwater Ditch Recommended Reserves.



MEMORANDUM

TO: Upper Yampa Water Conservancy Board of Directors

FROM: Andy Rossi, District Engineer
Kevin McBride, General Manager
Karina Craig, Office Manager

DATE: 11/15/19

RE: Stagecoach Dam and Hydro-Electric Facility, Yamcolo Dam, and Stillwater Ditch Equipment Replacement Costs, Long-Term Maintenance Costs, Recommended Reserves.

The Upper Yampa Water Conservancy District (UYWCD) has a stated goal of ensuring that the UYWCD infrastructure is safe and maintained, or improved as needed, to serve the needs of the UYWCD. To ensure that sufficient funds are maintained to achieve this goal, the UYWCD staff was asked to analyze the UYWCD facilities to determine recommended Emergency Reserves and Capital Maintenance Reserves for each UYWCD facility. The methodology used to determine these reserves is presented in this memorandum. The limitations of the methodologies described herein are noted.

Emergency Reserves

The Emergency Reserves for the UYWCD facilities were derived from a calculation of Emergency Repair Replacement costs for Stagecoach Dam, Yamcolo Dam, and the Stillwater Ditch. For the purposes of this analysis, The Emergency Repair Replacement cost is defined as the sum (\$) required to cover the cost of repair and/or rebuilding (complete or partial) of the UYWCD facilities in the event of a catastrophic failure of the facilities considered. The failure modes considered for each facility were determined to be of a level to render the individual facility inoperable. For Stagecoach Dam, the failure modes considered would require the complete rebuild of the dam structure and powerhouse. For Yamcolo Dam and the Stillwater Ditch, the failure modes considered would require partial, but significant rebuilds of the facilities structures. The Emergency Replacement Repair cost components calculated for the UYWCD facilities do not include cost related to the interruption of services provided by each facility. The Emergency Repair Replacement cost component only includes the costs of the physical



rehabilitation of each facility. A summary of the Emergency Repair Replacement cost component for each facility is presented below.

Stagecoach Dam

The Emergency Repair Replacement cost estimate for Stagecoach Dam was developed in 2017 based on a consulting engineering team's review of the following materials:

- Plans and Specifications for Stagecoach Dam and Hydro-electric facility.
- Original Construction and Procurement Cost Documents.
- Engineer's knowledge of current replacement costs for equipment to be considered in the analysis and modern repair practices.
- Design documents, studies, and analyses associated with the original construction of Stagecoach Dam and the 2010 Stagecoach Spillway Raise Project.
- Current condition of Stagecoach facility as observed during site visits.

The Emergency Repair Replacement cost estimates for Stagecoach Dam considered both an engineer's best estimate of the cost for the replacement of individual equipment and components at Stagecoach Dam as well as the estimated cost of complete dam and hydro-power facilities replacement.

The estimated cost of complete dam and hydro-power facilities replacement was determined to be the most conservative cost component for the Emergency Repair Replacement for Stagecoach Dam. The summary composite replacement and repair costs for Stagecoach Dam are included with this memorandum. The Emergency Repair Replacement cost estimate for Stagecoach Dam was calculated in 2017 dollars and is presented in Table 1.

Yamcolo Dam

The Emergency Repair Replacement cost estimate for Yamcolo Dam was developed in 2010 based on the UYWCD staff's review of the following materials:

- Plans and Specifications for Yamcolo.
- Original Construction and Procurement Cost Documents.
- Engineer's knowledge of current replacement costs for facilities components and modern repair practices.
- Current condition of Yamcolo facility as observed during site visits.

The Emergency Repair Replacement cost estimate for Yamcolo Dam considered an engineer's best estimate of the cost for the full excavation of the Yamcolo Dam outlet works. This 2010 cost estimate does not include repair costs associated with the failure of the outlet works mechanical systems. The 2010 analysis would need to be updated to include such costs. The summary composite replacement and repair costs for Yamcolo Dam are included with this memorandum as the *Earthwork Volume Calculation and*



Engineer's Cost Estimate of Materials Repair Required for the Full Excavation of the Yamcolo Dam Outlet Works (2010). The Emergency Repair Replacement cost estimate for Yamcolo Dam was calculated in 2010 dollars and is presented in Table 1.

Stillwater Ditch

The Emergency Repair Replacement cost estimate for Stillwater Ditch was developed in 2017 based on the UYWCD staff's review of the following materials:

- Plans and Specifications for Stillwater Ditch.
- Original Construction and Procurement Cost Documents.
- Engineer's knowledge of current replacement costs for facilities components and modern repair practices.
- Current condition of Stillwater Ditch as observed during site visits.

The Emergency Repair Replacement cost estimate for Stillwater Ditch considered an engineer's best estimate of the cost for the repair of the water conveyance components of the ditch in the event of high flow or flooding conditions. The Emergency Repair Replacement cost estimate for Stillwater Ditch was calculated in 1988 dollars and is included in Table 1

The determination of the recommended Emergency Reserves based on the Emergency Repair Replacement costs for the UYWCD facilities is described below in the Recommended Reserves section of this memorandum.

Capital Maintenance Reserves

The Capital Maintenance Reserves for the UYWCD facilities were derived from calculations of the estimated 30-year capital maintenance costs for Stagecoach Dam, Yamcolo Dam, and the Stillwater Ditch. Both the total 30-year capital maintenance cost as well as the single year highest cost maintenance items for each facility were considered. The Stagecoach 30-year capital maintenance costs were calculated in 2017 by the same team of consulting engineers that determined the Emergency Repair Replacement costs for Stagecoach Dam. The 30-year capital maintenance costs for Yamcolo Dam and the Stillwater Ditch were calculated in 2017 by the UYWCD staff with the same methodologies used for the analogous Stagecoach Dam calculations. The capital maintenance cost components calculated for the UYWCD facilities do not include cost related to the interruption of services provided by each facility. In addition, no present value adjustments were made to the 30-year Capital Maintenance cost estimates. All the composite 30-year capital maintenance cost components were calculated in 2017 dollars and are include in Table 1.

The 30-Year Capital Maintenance plan recommendations and associated costs for each UYWCD facility are included with this memorandum.



The determination of the recommended Capital Maintenance Reserves for the UYWCD facilities is described below in the Recommended Reserves section of this memorandum.

Price Index Adjustment of Cost Components

The cost components for the recommended reserves for the UYWCD facilities were originally calculated in dollar amounts referenced to different years. Therefore, an index adjustment was applied to all cost components to normalize the amounts to 2019 dollars. The Consumer Price Index for All Urban Consumers (CPI-U), All Items in Denver-Aurora-Lakewood, Colorado, Half-1 was used for this adjustment. The CPI-U values used are:

CPI-U 1988 = 112.800
CPI-U 2010 = 210.978
CPI-U 2017 = 252.760
CPI-U 2019 = 264.147

The cost component amounts normalized to 2019 dollars are included in Table 1.

Recommended Reserves

The UYWCD staff, in consultation with the UYWCD's financial consultant ACM, determined that a range of 5 to 10% of the emergency replacement costs are commonly set aside by agencies with significant infrastructure. The UYWCD recommends that 10% of the Emergency Repair Replacement cost be identified as Emergency Reserves to reduce financial risk.

The UYWCD staff recommends that the full estimated cost of the largest single year capital maintenance item for the 30-year maintenance plan for each facility be identified as Capital Maintenance Reserves. For each of the UYWCD facilities the cost of the largest single year capital maintenance item is sufficient to cover the cost of single higher cost items as well as the combined costs of multiple smaller capital maintenance items. Furthermore, with prudent scheduling it is unlikely that the sum cost of multiple smaller capital maintenance items would ever exceed this amount in any given year.

The individual category Recommended Reserves and combined total Recommended Reserves are presented in Table 1.

DRAFT Table 1 DRAFT

UYWCD FACILITIES CAPITAL RESERVES CALCULATIONS			
	Stagecoach Dam	Yamcolo Dam	Stillwater Ditch
COST COMPONENT (\$, 1988, 2010, 2017, as noted)			
Emergency Repair Replacement ¹	\$ 40,000,000 (\$, 2017)	\$ 2,207,165 (\$, 2010)	\$ 125,000 (\$, 1988)
Total 30 yr, Capital Maintenance ²	\$ 2,026,500 (\$, 2017)	\$ 700,500 (\$, 2017)	\$ 159,500 (\$, 2017)
\$ Amount, Largest Single Year Capital Maintenance Item from 30 yr Capital Maintenance Plan	\$ 500,000 (\$, 2017)	\$ 185,000 (\$, 2017)	\$ 35,000 (\$, 2017)
CPI ADJUSTMENT FACTOR³			
1988 To 2019			2.342
2010 To 2019		1.252	
2017 To 2019	1.045	1.045	1.045
COST COMPONENT (\$, 2019)			
Emergency Repair Replacement	\$ 41,802,026 (\$, 2019)	\$ 2,763,397 (\$, 2019)	\$ 292,716 (\$, 2019)
\$ Amount, Largest Single Year Capital Maintenance Item from 30 yr Capital Maintenance Plan	\$ 522,525 (\$, 2019)	\$ 193,334 (\$, 2019)	\$ 36,577 (\$, 2019)
RESERVES (\$, 2019)			
Emergency Reserve ⁴	10% \$ 4,180,203 (\$, 2019)	\$ 276,340 (\$, 2019)	\$ 29,272 (\$, 2019)
Capital Maintenance Reserve ⁵	\$ 522,525 (\$, 2019)	\$ 193,334 (\$, 2019)	\$ 36,577 (\$, 2019)
Combined Reserves (per Facility) ⁶	\$ 4,702,728 (\$, 2019)	\$ 469,674 (\$, 2019)	\$ 65,848 (\$, 2019)
Total Combined Reserves (All Facilities)	\$ 5,238,250 (\$, 2019)		

Notes:

- Total Cost Component for the Emergency Repair Replacement for Stagecoach Dam was calculated as a Composite Facility Replacement Cost by Jeff Allen, HDR 2017 and reviewed by Long-term Maintenance Consulting Team 2017. Total Cost Component for Yamcolo Dam and Stillwater Ditch calculated by UYWCD staff 2010 and 2017.
- Total Cost Component for the 30 yr, Non Emergency Capital Maintenance was for Stagecoach Dam calculated by Long-term Maintenance Consulting Team 2017. Total Cost Component for Yamcolo Dam and Stillwater Ditch calculated by UYWCD staff 2010 and 2017.
- CPI for All Urban Consumers (CPI-U), All items in Denver-Aurora-Lakewood, CO, HALF 1:
 CPI 1988 = 112.800
 CPI 2010 = 210.978
 CPI 2017 = 252.760
 CPI 2019 = 264.147

Index Reference Link:

https://data.bls.gov/pdq/SurveyOutputServlet?data_tool=dropmap&series_id=CUURS48BSA0,CUUSS48BSA0

- Emergency Reserve = Emergency Repair Replacement Total Cost (\$, 2019) x 10%
- Capital Maintenance Reserve = \$ Amount, Largest Single Year Capital Maintenance Item from 30 yr Capital Maintenance Plan
- Combined Reserves = Emergency Reserve + Capital Maintenance Reserve

Stagecoach Dam Hydro-Electric Equipment Replacement Cost Estimate and Long Term Maintenance Plan

Composite Facility Replacement Cost

During the August 22-23, 2017 Workshop a big-picture facility replacement cost was prepared, providing the workshop team a judgment-based idea of what costs might look like if a replacement project was constructed today. In addition to describing the basis and limited effort applied during the workshop this memo offers a similar judgment of the costs if hydropower had not been included in the original design. While founded in sound judgment and experience, it is important to keep an accurate perspective of the thoughts offered both at the workshop and in this recap. While the basis of the costs are described below, they are not based on: study; development of current unit costs or a review of prior cost estimating; or a breakdown of work quantities.

Summary

As developed at the workshop a replacement cost of \$40M was provided; within a range of \$30M to \$55M. Driving the cost was the underlying assumption that the project's function would be provided by a new but similar dam slightly downstream of the existing dam. Some costs were added expecting that the new dam would be slightly larger – longer and in a less efficient location, and that the existing dam would be demolished to a functional degree. Discussion touched on the qualitative likelihood that the lower side of the range would be less likely than the upper side of the range. One approach to quantify that discussion could be considered as follows: applying a 10% likelihood of \$30M, a 60% likelihood of \$40M, and a 30% likelihood to \$55M yielding a weighted likely project cost of about \$43.5M.

The cost growth and its uncertainty reflects more than industry and cost escalation. Cost aspects that have grown beyond escalation include such factors as: regulatory changes and emphases in construction safety, applicable insurances, and financial markets; and environmental, legal, and cultural conditions and requirements that affect permitting as well as mitigating strategies and costs. Consequently, simply escalating costs by industry indices may not accurately reflect project cost growth, particularly concerning non-contract type costs – the necessary project costs beyond the “construction contract”.

If the project had been originally considered without hydropower, it is unlikely much would have changed other than the powerhouse and equipment being replaced by a much smaller and simpler outlet works valve house or vault. Today's replacement cost decrease, if the project were built without hydropower, could be considered between \$4M and \$8M with a likely of about \$5M.

Stagecoach Dam Hydro-Electric Equipment Replacement Cost Estimate and Long Term Maintenance Plan

Composite Facility Replacement Cost

Cost Table

The following table was prepared during the workshop and illustrates the buildup or morphing of the original construction cost to a replacement cost and range.

<u>Stagecoach - 30 minute replacement cost opinion</u>			
1987-88 construction contract costs			\$ 8,000,000
USBR - 1987 ending Conc Dams cost index			161
USBR - Apr 2017 Conc Dams cost index			373
Index Factor			232%
Straight Cost - Escalated			\$ 18,534,161
Cost Aspect - Adjustments	28%		\$ 5,189,565
environmental - direct	3%		
environmental - mitig	20%		
safety	2%		
Other ?	3%		
Subtotal - greenfield (as is, where is) replacement construction cost			\$ 23,723,727
Downstream Replacement - Adjustments	25%		\$ 5,930,932
Downstream cross section increase factor	15%	←	increase 50K cy to 57.5k cy
Downstream abandonment factor	10%	←	demo + ?
Other ?	0%		
Subtotal - Contract Replacement Cost - Guess			\$ 29,654,658
Non-contract costs: i.e. design, studies, CM, permitting	25%		\$ 7,413,665
Unspecified contingency	10%		\$ 2,965,466
Total - Project Replacement Costs - Guess			\$ 40,033,789
Recommended Range for Consideration:		\$ 30 M to \$ 55 M	
Check on gross volume and composite construction cost guess...			
	57,500 cy	@ \$ 500 /cy	\$ 28,750,000

Cost Discussion

Approach

Evident in the table, the 1987 construction costs, adding in the subsequent hydro equipment and installation contract value, was escalated according to The U.S. Bureau of Reclamation's construction cost trends published at <https://www.usbr.gov/tsc/techreferences/mands/cct.html>. Considering some aspects of construction, and in our case specifically, dam construction has changed over the last 30 years. A few factors were listed and summed to a 28% additive cost



Stagecoach Dam Hydro-Electric Equipment Replacement Cost Estimate and Long Term Maintenance Plan

Composite Facility Replacement Cost

adjustment recognizing that additional work, and/or higher cost work would be required today. Assuming a replacement dam constructed immediately downstream (i.e. within a few hundred feet) of the existing dam, a factor (25%) was added for a slightly wider valley and for costs related to demolishing and abandoning portions of the existing structure, leading to a "Contract" replacement costs. Additional studies, design, permitting and other unlisted (i.e. construction management, legal, right of way, etc.) non-contract costs were then added at 25% along with a 10% contingency. Together, this \$40M total represents what full project costs might look like if a new downstream dam was designed and constructed to replace the function of the existing dam. Notice that the costs are not driven by quantities, unit prices, or even a specific work breakdown considering a downstream location.

Hydropower

If the facility was constructed without hydropower it seems the dam configuration, spillway and stilling basin, multi-level outlet works intake, and outlet works piping would be the same. One possible exception might be using a smaller diameter outlet conduit (i.e. perhaps 48" rather than 72"). An outlet works valve house or vault of some type would still be needed but not to the size or depth of the current powerhouse. Judgment-reduced construction costs for civil and structural and non-power mechanical components would be on the order of \$1,000k. If the turbine-generator, and related control equipment and electrical work were eliminated, it may reduce the costs by an additional \$3M. Applying the non-contract costs and contingency as applied in the replacement cost table above, the low end of the full hydropower deduct would be on the order of \$5.5M. A prudent reduction range might be \$4M to \$8M, to build a new facility with strong outlet capacity but without hydropower.

Jeff Allen

December 14, 2010

Upper Yampa Water Conservancy District

Internal Memo

To: Kevin McBride
Director
Upper Yampa Water Conservancy District
POB 775529
Steamboat Springs, CO 80477

From: Andy Rossi
District Engineer
Upper Yampa Water Conservancy District
POB 775529
Steamboat Springs, CO 80477

Subject: Earthwork Volume Calculation and Engineer's Cost Estimate of Materials Repair Required for the Full Excavation of the Yamcolo Dam Outlet Works.

Earthworks Volume Calculation

The volume of material that would need to be excavated from the Yamcolo Dam structure to allow for potential repair work on the entire Yamcolo Dam outlet works was calculated by the District with the following assumptions:

1. A 20' wide base trench would be required along the full length of the outlet works to allow for repair crew and machinery access. The base trench extents were set at a 10' offset from the centerline of the existing outlet works alignment.
2. The material excavation would be graded at 2:1 slopes from a lowest extent at the edge of the 20' wide outlet works base trench to a highest extent at the daylight interface with the existing Yamcolo Dam surface.
3. All dimensions, elevations, and detail data for the existing Yamcolo Dam outlet works configuration and structural geometry used for the volume calculations were taken from the *As-Built Plan Yamcolo Reservoir Dam Plans, Specifications and Contract*, dated September 2, 1981, prepared by Western Engineers, Inc. of Grand Junction, Colorado.

The District used Autodesk Civil 3D 2010 software to calculate the volume of material that would need to be excavated from the Yamcolo Dam structure to allow for potential repair work on the entire Yamcolo Dam outlet works.

The total volume of material that would need to be excavated from the Yamcolo Dam structure to allow for potential repair work on the entire Yamcolo Dam outlet works was calculated to be 110,358.25 cubic yards (CY).

Engineer's Estimate of Cost of Materials Handling

The cost for dam material repair necessary to allow for potential repair work on the entire Yamcolo Dam outlet works was calculated by the District with the following assumptions:

1. \$20 per CY for dam materials repair.

The estimated cost of dam materials repair for 110,358.25 CY of material necessary to allow for potential repair work on the entire Yamcolo Dam outlet works is \$2,207,165.00.

DRAFT DRAFT

STILLWATER - FIVE MESA PINE DITCH Inspection and Long-Term Capital Maintenance Schedule																	
			Month														
Reservoir Condition			Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec			
Active Use Period																	
Highest Likelihood of Yamcolo Spill																	
Predictive Yamcolo Reservoir Management																	
Stillwater - Five Pine Ditch			Month														
Component	Activity	Estimated Cost (\$, 2017)	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Estimated 30-YR Cost (\$, 2017)	Ditch	Gardner Park Dam
Bifurcation Headgate	Repair	25,000										30			25,000	x	
Main HG Measuring Device	Repairs and Replacement	35,000										30			35,000	x	
Upper Ditch Channel	Maintenance and Clearing/Cleaning	4,500										5			27,000	x	
Lower Ditch Channel	Maintenance and Clearing/Cleaning	4,500										5			27,000	x	
Upper Ditch Culverts	Repairs and Replacement	25,000										30			25,000	x	
Lower Ditch Culverts	Repairs and Replacement	10,000										30			10,000	x	
Turnouts	Repairs and Replacement	7,500										30			7,500	x	
Access Gates	Repairs and Replacement	3,000										30			3,000	x	
Gardner Park Dam																	
Dam Body Structure	Repairs	20,000							30						20,000		x
Toe Drains	Repairs and Replacement	5,000										30			5,000		x
Dam Crest	Regrade	5,000							10						15,000		x
Outlet Works	Inspection	2,500										10			7,500		x

Annual Increment (30 yr Period)

Total System Estimated 30-YR Cost (\$, 2017)	207,000	6,900
Total Estimated Ditch 30-YR Cost (\$, 2017)	159,500	5,317
Total Estimated Gardner Park Dam 30-YR Cost (\$, 2017)	47,500	1,583

1 = Annually during month(s) indicated
 5 = Intervals not exceeding 5 years
 10 = Intervals not exceeding 10 years
 30 = Intervals not exceeding 30 years

Total Estimated Emergency Large-Scale Replacement/Repair Cost for SW Ditch 125,000 (\$, 1988)

DRAFT DRAFT



Memo

To: Management and Board of Directors
Upper Yampa Water Conservancy District

From: Randy Watkins, Partner
Anton Collins Mitchell LLP

cc: N/A

Date: October 10, 2017

Re: Water Rate Study Review

As more fully discussed in our letter dated January 5, 2017, the Upper Yampa Water Conservancy District (the “District”) has completed a water rate study following best practices as more fully described in, *Setting Small Drinking Water System Rates for a Sustainable Future*, published by the United States Environmental Protection Agency (EPA), and further supported by, *Asset Maintenance and Replace* and *Incorporating the Capital Budget into the Budget Document*, both “Best Practices” publications released by the Government Finance Officers Association (“GFOA”). In this study, the District followed the following steps:

1. Identify Direct Costs of providing irrigation water
2. Identify Indirect Costs of providing irrigation water
3. Determine appropriate drivers to allocate indirect cost to specific functions and to the delivery of irrigation water
4. Determine the appropriate long-term capital repair and replacement plan, incorporating a review by engineering

Within step four, the District has prudently determined a short-term emergency reserve would provide further stability to the District in the event of an unforeseen event. We have seen this mandated within debt agreements, in addition to the capital repair and replacement reserve, as a means to provide additional security to the debt holders.

The District has elected an emergency reserve percentage of between 5% and 10% of the **replacement cost infrastructure**. **Any number within this range is consistent with what we’ve** seen with other organizations with significant infrastructure.

It is again important to note that the purpose of the long-term repair and replacement reserve is to stabilize over time, the price of irrigation water provided to customers, and to avoid burdening subsequent generations with deferred repairs and/or replacements.



January 5, 2017

Mr. Kevin McBride, District Manager
and
Board of Directors
Upper Yampa Water Conservancy District
3310 Clearwater Trail
Steamboat Springs, CO 80477

Dear Mr. McBride and Board of Directors:

We were engaged as consultants to assist the Board of Directors of the Upper Yampa Water **Conservancy District (the “District”)** in calculating a water purchase rate for the reservoirs owned and operated by the District.

Our engagement included inquiries of Kevin McBride, District Manager, Karina Craig, Office Manager and Andy Rossi, District Engineer.

We also evaluated certain financial information provided to us by Karina Craig and made general observations concerning the financial information provided to us. Our engagement is intended to supplement information obtained by the District, as a result of its own procedures in calculating a water purchase rate for the reservoirs owned and operated by the District.

We make no representations as to the sufficiency of our procedures relative to the District's procedures.

Our engagement was performed in accordance with the statement on standards for consulting services established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the District and we make no representations regarding the sufficiency of the procedures either for the purpose which this report was requested or for any other purpose.

Our work was limited by the time available, scope of the engagement and incomplete access to information sources. Information furnished to us by Karina Craig included unaudited financial data, management responses to inquiries and other data which was not audited by us, nor did we perform any other procedures, other than those specifically described herein, to verify the accuracy, reliability or completeness of the information. Furthermore, we did not conduct an audit or review or any other form of assurance of the District's financial statements. Accordingly, we make no representation as to the accuracy or reliability of the financial or other information presented.

You should recognize that an engagement of this nature and scope would not necessarily disclose all matters of operating or financial significance. If we had performed additional procedures or had we audited the information in accordance with generally accepted auditing standards, additional matters may have come to our attention.

Background Information

The Following information is provided to serve as context for calculating a water purchase rate for the reservoirs owned and operated by the Upper Yampa Water Conservancy District **(the “District”)**.

About the Upper Yampa Water Conservancy District

The District was formed in 1966 to provide legal authority to plan and construct water conservation projects in the Yampa Valley. Yamcolo and Stagecoach Reservoirs represent two major water conservation projects constructed by the District. The District's boundaries include most of Routt County and a portion of Moffat County.

The District is governed by a board of nine directors. Upon instigation and certification as a district, the District was able to collect a levy on general taxes from both Routt and Moffat County. The District is able to maintain its status as the guardian of critical water rights in the Yampa Valley. Through on-going efforts of the Upper Yampa Water Conservancy District, residents and wildlife in the valley benefit greatly.

Agricultural Water Supply

Prior to the construction of District facilities productive hay and pasture lands on the head waters of the Yampa River Basin were often short of irrigation water. The need for a reservoir to provide a reliable source of water for the entire growing season was apparent. In the drought year of 1977 with little or no flow in the river, several ranchers did not harvest a single bale of hay. And having no winter feed, they had to sell their herds.

Yamcolo Reservoir

The Yamcolo Reservoir, completed in 1980, has been helpful to irrigated agriculture and cattle ranching in the upper end of the valley.

Stagecoach Reservoir

Stagecoach Reservoir captures snow melt and releases it to contractees in the Yampa River to supplement flows and furnish a reliable year-round water supply for agricultural irrigation as well as for municipalities, industry and hydropower generation, and the environment. This project was conceived in 1983 by the Board of the Upper Yampa Water Conservancy District and designed to provide a reliable source of water for the growing population and economy of Northwest Colorado.

River and Diversion Projects During late July and August in dry years, the Yampa River drops so low that it is difficult for ranchers to divert irrigation water into their ditch headgates. The ranchers built temporary dams in the river to raise the water level to permit flow into the headgates, but these dams wash out and environmental questions are raised when equipment is needed to work in the river bottoms. The District has worked with irrigators to

replace these structures in some locations in order to improve infrastructure and the environment.

Budget Structure Rate Review Process¹

The purpose of the budget structure and water purchase rate review process, as described by the United States Environmental Protection Agency (“US EPA”), is to achieve the following objectives with respect to the rate charged to customers of the District:

- Supports Board oversight of management and budgetary decisions.
- Insures proper allocation of direct and indirect costs to District facilities.
- **Maintain the District’s financial stability by ensuring costs associated with operating the District’s two reservoirs are adequately covered by rate charged for the purchase of water.**
- Collect the funds needed to cover the costs of asset repairs, rehabilitations, and replacements.
- Plan ahead for reasonable and gradual increases in the rate, when necessary.

The purpose of this process is further supported by contracts with current customers, which support periodic reviews of the rates being charged by the District, excerpts of which follow:

EXCERPT FROM DAKOTA RIDGE HOMEOWNERS ASSOCIATION AGREEMENT

3.3 The purchase price during the extended period (on a per acre-foot per year basis) shall be based upon the District's costs of operating, repairing, renovating and maintaining Stagecoach Reservoir. The price per acre-foot for any given year will be computed by dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet. The District shall render a statement to the Association of the per acre-foot per year price for each year during the extended period on or before July 1st of that year. The annual purchase price shall be due July 31st of that year.

4. OPERATION AND MAINTENANCE OF STAGECOACH RESERVOIR:

4.1 It is hereby expressly acknowledged that the District shall be solely responsible for constructing, operating, repairing and maintaining Stagecoach Reservoir, and that the District shall be the sole owner of the dam and all facilities used in connection with the construction, operation, repair and maintenance of said Reservoir, and the water rights adjudicated thereto. Nothing herein contained shall be deemed to create a partnership, a joint venture, or joint ownership or joint responsibility in any way between the parties hereto.

¹ Based on guidance found in “Setting Small Drinking Water System Rates for a Sustainable Future” released by the U.S. Environmental Protection Agency in January of 2006.

EXCERPT FROM YAMCOLO IRRIGATORS ASSOCIATION, INC. AGREEMENT

3.2 After the first 30 years, the purchase price for the water allocated to the Irrigators Association shall be determined annually by the District, and such price shall be the pro rata portion (based on the ratio that the water allocated to the Irrigators Association bears to the total water allocated to all users at the time of such determination) of the Operation and Maintenance Costs of the Yamcolo Reservoir for the prior year in proportion to the allocations of water made among users herein. "Operation and Maintenance Costs", as used in this Subparagraph 3.2, shall mean actual costs reasonably incurred during the previous year, including administrative costs of the reservoir. Capital expenses (as determined under general accounting principles) deemed essential for proper maintenance of facility shall be amortized over the life of improvement. The District shall notify the Irrigators Association in writing, on or before January 31 of each such year (after the first 30 years), of this agreement of the purchase price per acre-foot of water allocated to the Association for the ensuing year and shall supply the Association with the computations by which the District arrived at such price. The District shall annually submit to the Irrigators Association a copy of the District's proposed budget for the ensuing year, certified by the District's directors, on or before November 30 of the year preceding the year in which the budget is to be effective. The Irrigators Association shall have the right upon reasonable notice to the District to inspect the books of account, records and documents of the District during normal business hours. Unless the Association disputes such purchase price by notice to the District given within 30 days thereafter such purchase price shall conclusively be deemed accepted by the Association. Any notice by the Association disputing the purchase price for the ensuing year shall specify the reasons for such dispute. Thereafter, the directors of the District

and representatives of the Association shall meet in good faith to resolve such dispute to the end of arriving at an agreeable purchase price for the ensuing year, but if no such agreement be reached by March 30 of such year, then the District and the Association shall submit the question of the purchase price for the water allocated to the Association for that year to binding arbitration in Steamboat Springs, Colorado, pursuant to the Colorado Uniform Arbitration Act of 1975 (as may then be amended). Each side shall elect an arbitrator within 15 days after either side has served notice on the other demanding arbitration, the two arbitrators shall select a third arbitrator, and the majority decision of the arbitrators shall bind the District and the Association with respect to that year's purchase price. The parties and the arbitrators shall conduct such arbitration expeditiously to the end that the decision of the arbitrators be rendered by May 14 of such year.

4. OPERATION AND MAINTENANCE OF YAMCOLO RESERVOIR:

4.1 It is hereby expressly acknowledged that the District shall be solely responsible for constructing, operating, repairing and maintaining Yamcolo Reservoir, and that the District shall be the sole owner of the dam and all facilities used in connection with the construction, operation, repair and maintenance of said Reservoir, and the water rights adjudicated thereto. Nothing herein contained shall be deemed to create a partnership, a joint venture, or joint ownership or joint

responsibility in any way between the parties thereto. The District covenants that it will defend, hold harmless and indemnify the Irrigators Association, its officers, members, agents, and employees against any tort or liability claim or demand, whether groundless or otherwise, arising out of any alleged act or omission occurring during and arising out of the construction, operation and maintenance of the Yamcolo Reservoir. The District will litigate or compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

Process to Determine Rate Review

The process the District followed in the development of the water purchase rate, was as follows:

1. Operating Costs - Calculate the cost of operating each of the reservoirs.
2. Reserve Requirements - Calculate reserve requirements necessary to fund future **repairs, rehabilitations and replacements, tied to the District's multi-year capital improvement plan.**
3. Reserve Recovery Rate - Calculate the amount needed to collect from users of the water from each of the reservoirs, on a per-acre-foot basis, in order to fund reserves.
4. Calculate Water Charge Rate - Using information obtained in steps 1-3, calculate the rate necessary for each reservoir, on a per-acre-foot basis, in order to cover annual operating costs on a full-cost basis, along with funding reserves.
5. Calculate Current Rate - Compare current rates to the calculated rate.
6. Implement New Rate Structure - Negotiate new rates with customers. Water pricing will be assessed according to multiple factors, including reservoir pool, firmness, water use and point of delivery.
7. Establish a Policy for Rate Reviews - Determine how frequently the rates should be reviewed, and how often the reserve requirements should be updated.

Each of these steps is further described in detail in the following pages (and supported by the worksheet included as Exhibit B to this Memorandum).

Operating Costs

The Operating Costs of the individual reservoirs was calculated as follows:

1. Identify individual departments of the District, with each of the reservoirs, and the Ditch System representing an individual department.
2. Operating and maintenance costs directly attributable to the Stagecoach and Yamcolo reservoirs, and the Ditch System were allocated to these departments.
3. All payroll and benefit expenses of the District were allocated to the individual departments based on an analysis of hours performed during the year ended December 31, 2015 (Exhibit A).
4. Direct insurance costs of the District were allocated to each facility when possible. Remaining insurance costs were allocated to departments following Exhibit A. The resulting insurance cost allocation was approximately in the following percentages:
 - Stagecoach - 32%
 - Yamcolo - 6%
 - Ditch System - 2%
 - Other Departments - 60%
5. Legal costs were allocated based on an allocation of legal costs directly associated with individual reservoirs or Ditch Systems, with the remaining unallocated legal costs (considered indirect) being allocated based on the indirect costs allocation ratios discussed in the next step.
6. Remaining unallocated indirect costs of the District were allocated based on the analysis of personnel hours found in Exhibit A.
7. For this calculation, the Stagecoach reservoir costs were reduced by the estimated power generation revenues of approximately \$228,000.

Reserve Requirements

Stagecoach Reservoir - Additional engineering work will be required to determine estimated capital improvement costs associated with improving the Stagecoach reservoir's firm water supply. Additionally, major facility repair reserve requirements have not yet been developed for Stagecoach Reservoir. These anticipated costs are considered in calculating the water purchase rate.

Yamcolo Reservoir - Per discussion with Andy Rossi, District Engineer, it is anticipated that sometime within the next fifty years (weighted towards the end of this estimated term) there will be a significant repairs needed to the outlet works at Yamcolo reservoir. Based on a third-party cost estimate obtained during 2010, the repair would cost approximately **\$2.2 million. This estimate is expressed in "2010 dollars."** Therefore, using a 50-year historical inflation factor of 4.11%², this amount was projected to 2060, and then **discounted back to December 31, 2016, using the District's incremental borrowing rate of 4.50%** (determined based on debt outstanding as of December 31, 2015), resulting in a present value of approximately \$1.8 million.

² <http://www.inflation.eu/inflation-rates/united-states/historic-inflation/cpi-inflation-united-states.aspx>

Reserve Recovery Rate

The present value of the estimated future repairs were used to determine the annual amount required to be put into a reserve account to fund the future repair at Yamcolo Reservoir. This annual amount was calculated to be approximately \$42,000, which was included in the annual costs used to determine the water charge rate on a per-acre-foot basis.

Calculate Water Charge Rate

Based on the operating costs, and the calculated reserve for replacements, the following rates were calculated for each of the operating assets of the District:

Stagecoach Reservoir - \$28.90/acre-foot, averaged rate based on 2016 budgeted costs. (Not including capital expenditures, nor a reserve or project firming costs)

Yamcolo Reservoir - \$22.67/acre-foot

Ditch System - Pricing has not been determined at this time. A similar process will be used for ditch capacity charges.

Calculate Current Rate

Historical (and current) rates for the sale of water from the two reservoirs are determined based on individual contracts with customers, which will be negotiated separately using the evidence obtained and analyzed herein, as further described below.

Implement New Rate Structure

Based on the rates determined pursuant to the process described herein, management and the Board of Directors of the District, will negotiate future water sale rates with purchasers of water from each of the reservoirs, as described below.

Stagecoach Reservoir - Pursuant to the excerpt from an example agreement with certain customers of the Stagecoach Reservoir, the District is to determine the purchase price annually by **“dividing an estimate of the annual costs (computed each year) the District expects to incur for the operation, repair, renovation and maintenance of Stagecoach Reservoir (including replacement costs) as computed pursuant to standard accounting procedures, by 15,000 acre-feet.”** The analysis described herein is based on budgeted costs for the year ended December 31, 2016, and not including a reserve for anticipated future capital improvements or major repair. Additional work will be required to determine pricing per acre foot of water for Stagecoach Reservoir, including the overall cost factor, but also other factors of the water sold such as firmness and reservoir pools, water use, and point of delivery, among others.

Yamcolo Reservoir - Pursuant to the excerpt of the contract with the Yamcolo Irrigators Association, Inc. agreement, **“the purchase price for the water allocated to the Irrigators Association shall be determined annually by the District, and such price shall be the pro rata portion (based on the ratio that the water allocated to the Irrigators Association bears to the total water allocated to all users at the time of such determination) of the**

Operation and Maintenance Costs of the Yamcolo Reservoir for the prior year in proportion to the allocations of water made among users herein. **“Operations and Maintenance Costs”, as used in this Subparagraph 3.2, shall mean actual costs reasonably incurred during the previous year, including administrative costs of the reservoir. Capital expenses (as determined under general accounting principles) deemed essential for proper maintenance of facility shall be amortized over the life of improvement.**” Accordingly, for purposes of determining the rate supported by this specific agreement, the reserve for replacement costs (expressed on a per-acre foot basis as \$5.29) will be deducted from the rate described above, and will be replaced with an allocation of annual depreciation expense in the year 2015 of approximately \$8,500, or \$1.07 per acre-foot. The revised estimated water charge rate for the Yamcolo Irrigators Association would then be \$18.44.

Establish a Policy for Rate Reviews

Unless there are significant increases or decreases in the operations of the District or in the number of personnel (generally expected to correlate), management has determined that it is unnecessary to perform an Analysis of Personnel Hours more frequently than every five years. The process described above, will be performed annually, in connection with annual contract renewals, as explicitly described within individual customer contracts.

Conclusion

Based on procedures described herein, as performed by management of the District and observed by ACM, it appears that, in calculating water rates, the District is following **Generally Accepted Accounting Policies (“GAAP”) as established by the Government Accounting Standards Board (“GASB”), along with best practices for small water districts**, in part established by the US EPA, and pursuant to contract terms currently in place.

EXHIBIT B - DIRECT AND INDIRECT COST ALLOCATION WORKBOOK

UPPER YAMPA WATER CONSERVANCY DISTRICT - 2016 BUDGET

INDIRECT PRICE ALLOCATION

2016 YAMCOLO PROJECTIONS

Expenditures	Stagecoach	Yamcolo	Ditch	General	Total				
						38.0%	11.0%	3.0%	48.0%
Operating	542,072	150,613	52,807	1,457,574	2,203,067				
Facilities									
Stagecoach Reservoir - Power Generation	268,945				268,945				
Stagecoach Reservoir - Water storage	273,127				273,127				
Yamcolo Reservoir		117,248			117,248		117,248		
Stillwater Ditch & Reservoir Company			52,807		52,807			52,807	
Administration				162,564	162,564	(114,431.00)	48,133	I	18,291
Board of Directors				63,697	63,697	(41,106.00)	22,591	I	8,585
External Affairs				55,198	55,198	(45,670.00)	9,528	I	3,621
Finance				92,512	92,512	(87,312.00)	5,200	I	1,976
Grants & Scholarships				11,867	11,867	(11,867)	-	N/A	
Legal				521,164	521,164	(21,164)	(389,692)	D/I	87,322
Planning				287,306	287,306	(21,906)	265,400	N/A	
Public Information				157,088	157,088	(21,788)	135,300	N/A	
Treasurer fees				76,000	76,000	-	76,000	N/A	
Reserve for Repair and Replacement									42,349
Capital	5,000	10,000	0	0	15,000				0
Stagecoach Reservoir - Power Generation					0				
Stagecoach Reservoir - Water storage	5,000				5,000				
Yamcolo Reservoir		10,000			10,000				
Stillwater Ditch & Reservoir Company			0		0				
					0				
					0				
					0				
					0				
					0				
expenditures	547,072	160,613	52,807	1,457,574	2,218,067				
net income (loss)	164,300	(60,096)	(45,507)	734,773	793,470				
						661,867	181,337	55,900	527,832

* Direct Legal costs + General Matters by General Counsel

Calculation of Repair and Replacement Reserve:

Yamcolo Anticipated Repair Cost:	\$	2,207,165	
Year Dollars:		2010	
Estimated Year of Repair:		2060	
Inflation Rate:		4.11%	
Discount Rate:		4.50%	Based on debt instrument extinguished during 2015
Future Dollars	\$	17,204,842	yr 2060
Present Value	\$	(1,821,024)	
Annual Amount:		(42,349.40)	Calculated from 2017 to 2060, since we've lost 7 years
Monthly Amount:		(3,529.12)	

		15,000	8,000	Acre Feet
		\$44.12	\$22.67	
Average \$/AF price needed, adjusting for power revenues		\$28.90		
water sales	\$	482,960		
power sales	\$	228,412		
net profit (loss)	\$	49,505		

	Contribution to Price	
	Annual amount	
Operating Expenses	\$ 181,337	\$ 22.67
Depreciation	8,527	1.07
Subtotal	189,864	23.73
Capital Repair and Replacement	(42,349)	(5.29)
Total	\$ 147,515	\$ 18.44

c)





BOARD COMMUNICATION FORM

From: Kevin McBride GM

Date: November 15, 2019

Item: 2020 Proposed Budget

_____ DIRECTION
_____ INFORMATION
_____ MOTION
_____ RESOLUTION

I. Request/Issue and Background Information:

UYWCD Proposed 2020 Budget.

The proposed 2020 budget is attached.

Also attached are the resolutions adopting the Budget and Salary Range, Appropriating Money and setting the mill levy.

Also attached are worksheets that describe how the numbers in the budget were obtained by each department. This year many of the lines in these worksheets connect to specific goals and objectives of the draft strategic plan. All staff have been focused on incorporating the strategic plan into their work plans and budgets for the specific departments. We have worked together to discuss required activities and opportunities to develop the budget for the UYWCD. Each of us will be available to answer any specific questions regarding the worksheets. As discussed at the Board retreat, this is our first budget working with (a still draft) strategic plan so please give appropriate feedback, not only the numbers but on any suggestions on how the connection with the strategic plan can be facilitated in the future.

II. Summary and Alternatives:

Total 2020 budgeted revenues \$3,317,349 (2019 budget \$3,313,103)

Total 2020 budgeted expenditures \$2,143,179 (2019 budget \$2,642,345)

Alternatives to proposed budget lines will be discussed at the meeting.

III. Staff Recommendation:

Approve resolutions with adjustments as approved by the Board.

IV. Legal Issues:

No new issues. The Board must adopt resolutions.

V. Consistency with Board Goals and Policies:

Goal 3 – “District is financially sustainable and able to meet its stated goals”



Attachments:

Resolutions (3)

2020 Proposed Budget (including Salary Ranges)

2020 Budget worksheets (tabs)

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 2020, AND ENDING ON THE LAST DAY OF DECEMBER 2020.

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 2020 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 20, 2019, 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 2020, 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 2020.

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 20th day of November, 2019.

UYWCD Salary Ranges, 2020

Position	Salary Range		
	Minimum	Midpoint	Maximum
Business Manager	\$62,806	\$79,014	\$95,222
Dam Operator	\$54,822	\$68,528	\$82,233
Chief Accountant	\$54,423	\$68,028	\$81,634
District Engineer	\$105,205	\$131,507	\$157,808
General Manager	\$115,859	\$144,824	\$173,789
External Affairs Coordinator	\$62,806	\$79,014	\$95,222

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 2020 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 2020 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 2020 Budget of the District:

Operating Expenses	<u>\$ 1,963,179</u>
Capital Improvements	<u>\$ 180,000</u>
Emergency Reserve	<u>\$ 4,485,814</u>
(Ending Fund Balance)	<u>\$ 16,119,289</u>

ADOPTED as of the 20th day of November, 2019.

RESOLUTION TO SET MILL LEVIES

A RESOLUTION LEVYING GENERAL REAL PROPERTY TAXES FOR THE YEAR 2020 TO HELP DEFRAY THE COSTS OF GOVERNMENT FOR THE UPPER YAMPA WATER CONSERVANCY DISTRICT, ROUTT COUNTY AND MOFFAT COUNTY, COLORADO FOR THE 2020 BUDGET YEAR.

WHEREAS, the Board of Directors of the Upper Yampa Water Conservancy District has adopted the annual budget of the District for 2020 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 2020 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 2020:

General Operating Expenses	<u>0.833</u> mills
Other	<u>0.987</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 20th day of November, 2019

UPPER YAMPA WATER
CONSERVANCY DISTRICT

By: _____
Ken Brenner, President

ATTEST:

By: _____
Kevin McBride, Secretary

UPPER YAMPA WATER CONSERVANCY DISTRICT - NOVEMBER 2019 DRAFT OF 2020 BUDGET

PRELIMINARY DRAFT

	2018 ACTUALS	2019 BUDGET Approved Nov 14, 2018	2020 BUDGET November 2019 draft	STAGECOACH	YAMCOLO	SPM DITCH	GENERAL FUND	OPERATING	CAPITAL
Fund Opening Balance including Encumbered Funds	12,683,250	14,274,361	14,945,119						
Encumbered Funds	919,734	919,734	6,157,984	5,622,462	469,674	65,848			
Emergency Reserve			4,485,814	4,180,203	276,340	29,272			
Capital Maintenance Reserve			752,436	522,525	193,334	36,577			
Stagecoach Wetlands Mitigation Reserve	419,734	419,734	419,734	419,734					
Routt County Road #14 Contribution	500,000	500,000	500,000	500,000					
Unencumbered Funds	11,763,516	13,354,627	8,787,135				8,787,135		
Revenues									
Facilities									
Stagecoach Reservoir									
Power Sales	129,492	200,000	200,000	200,000				200,000	
Water Sales	505,201	403,144	116,379	116,379				116,379	
Yamcolo Reservoir									
Water Sales	130,760	133,410	163,653		163,653			163,653	
Stillwater Ditch & Reservoir Company	7,744	7,965	45,279			45,279		45,279	
Property taxes	2,269,399	2,284,084	2,495,938				2,495,938	1,141,769	1,354,170
Interest earned	261,280	284,500	296,100				296,100	296,100	
Other income									
revenues	3,303,875	3,313,103	3,317,349	316,379	163,653	45,279	2,792,038	1,963,179	1,354,170
Expenditures									
Operating				38%	11%	3%	48%		
Facilities									
Stagecoach Reservoir - Power Generation	171,623	248,954	224,582	224,582				224,582	
Stagecoach Reservoir - Water storage	279,641	266,927	278,537	278,537				278,537	
Yamcolo Reservoir	132,790	144,594	156,631		156,631			156,631	
Stillwater Ditch & Reservoir Company	13,379	45,065	40,834			40,834		40,834	
Administration	139,144	203,198	305,889	116,238	33,648	9,177	146,827	305,889	
Board of Directors	65,006	83,105	115,304	43,816	12,683	3,459	55,346	115,304	
External Affairs	58,016	129,754	121,909	46,325	13,410	3,657	58,516	121,909	
Finance	99,340	132,880	152,813	58,069	16,809	4,584	73,350	152,813	
Legal	166,889	178,567	158,090	60,074	17,390	4,743	75,883	158,090	
Planning	136,625	432,927	74,572	28,337	8,203	2,237	35,794	74,572	
Grants, Scholarships & Public Information	39,038	257,588	253,390	96,288	27,873	7,602	121,627	253,390	
Treasurer fees	72,507	73,786	80,629				80,629	80,629	
Subtotal Operating	1,373,999	2,197,345	1,963,179	952,266	286,647	76,293	647,973	1,963,179	
Capital									
Stagecoach Reservoir - Power Generation	3,967	102,900	50,000	50,000					50,000
Stagecoach Reservoir - Water storage	27,462	62,900	50,000	50,000					50,000
Yamcolo Reservoir	302,537	108,900	80,000		80,000				80,000
Stillwater Ditch & Reservoir Company		40,300							
Office Space	4,800	130,000							
Subtotal Capital	338,766	445,000	180,000	100,000	80,000				180,000
expenditures	1,712,765	2,642,345	2,143,179	1,052,266	366,647	76,293	647,973	1,963,179	180,000
net income (loss)	1,591,111	670,759	1,174,170	-735,887	-202,994	-31,014	2,144,065		1,174,170
Ending Fund Balance	14,274,361	14,945,119	16,119,289	-735,887	-202,994	-31,014	2,144,065		1,174,170

1,371,394,547		
1,820	0.833	0.987
2,495,938	1,141,769	1,354,170

WATER SALES	2019 BUDGET	2020 BUDGET DRAFT
Stagecoach	\$403,144	\$116,379
Stagecoach Pools	\$397,460	\$110,330
Agricultural (Individual Irrigators)	\$16,000	
Municipal	\$57,820	\$60,465
"New contracts"	\$19,140	\$19,140
Tristate	\$304,500	\$0
Steamboat Springs Ski Corporation		\$30,725
Augmentation	\$5,684	\$6,049
	\$5,684	\$6,049
Yamcolo	\$133,410	\$163,653
YIA	\$47,940	\$39,000
Agricultural (Individual Irrigators)		\$38,500
Yamcolo Enlargement	\$0	\$0
Municipalities	\$85,470	\$86,153
Total	\$536,554	\$280,032

PROPERTY TAX REVENUES

	Dec '19 assessed valuation	Mill Levy	Projected 2020 income	
UYWCD, RC	1,195,194,709	1.82	2,175,254	87%
UYWCD, MC	<u>176,199,838</u>	1.82	<u>320,684</u>	13%
	1,371,394,547		2,495,938	
Hayden Pwr Plant	71,731,300	1.82	130,551	
Twenty Mile Coal	<u>14,493,410</u>	1.82	<u>26,378</u>	
	86,224,710		156,929	
Craig Pwr Plant	156,397,100	1.82	284,643	
Trapper Mine	<u>15,544,422</u>	1.82	<u>28,291</u>	
	171,941,522		312,934	

2020 Projected income, excluding Energy sources listed above:

RC	1,108,969,999	1.82	2,018,325	99.6%
MC	<u>4,258,316</u>	1.82	<u>7,750</u>	0.4%
	1,113,228,315		2,026,076	

PROJECTED INCOME, BY SOURCE

ROUTT	1,195,194,709	1.82	2,175,254	
Energy	86,224,710	1.82	156,929	7.2%
Other	1,108,969,999	1.82	2,018,325	92.8%
MOFFAT	176,199,838	1.82	320,684	
Energy	171,941,522	1.82	312,934	97.6%
Other	4,258,316	1.82	7,750	2.4%
ROUTT & MOFFAT	1,371,394,547	1.82	2,495,938	
Energy	258,166,232	1.82	469,863	18.8%
Other	1,113,228,315	1.82	2,026,076	81.2%

INTEREST EARNED	2019 BUDGET	2020 BUDGET
int. Bank of the West	5,900	8,200
int. Colotrust	271,300	276,000
int. Mountain Valley Bank	2,527	6,000
int. Vectra 031-5	3,032	3,000
int. Vectra 064-8	790	780
int. WF A/C	85	96
int. WF Checking	107	36
int. Yampa Valley Bank	805	2,000
Total Interest	284,500	296,112
		<i>296,100</i>

Strategic Plan G&O #	STAGECOACH EXPENSES	2019 BUDGET		2020 BUDGET	
		POWER	WATER	POWER	WATER
2.3	SALARIES, BENEFITS, EMPLOYER TAXES	154,876.48	167,661.65	158,004.46	171,271.39
2.3	PROPERTY & LIABILITY INSURANCE	10,977.24	5,165.83	10,977.24	5,165.83
2.3	TRAINING			5,000.00	5,000.00
2.3	TRAVEL & CONFERENCES			500.00	500.00
2.3	USGS STREAM GAGE @ SC	12,000.00	12,000.00	12,000.00	12,000.00
2.3	O&M	71,100.00	82,100.00	38,100.00	84,600.00
	Colorado State Parks		35,000	0	35,000
	Electrical Power (yvea)	2,500	2,500	2,500	2,500
	Gasoline (Corkle Oil + other)	2,000	2,000	3,000	3,000
	Phone	1,850	1,850	1,850	1,850
	Snowplowing	2,250	2,250	3,250	3,250
	Facilities Maintenance	15,000	15,000	15,000	15,000
	Part 12 Inspection	35,000			
	SC Water Quality Monitoring		11,000		11,500
	Contingencies	12,500	12,500	12,500	12,500
	SUBTOTAL EXPENSES, SC POWER/ SC WATER	248,954	266,927	224,582	278,537
	TOTAL STAGECOACH	515,881		503,119	

Strategic Plan G&O #	STAGECOACH CAPITAL EXPENDITURES	2019 BUDGET		2020 BUDGET	
		POWER	WATER	POWER	WATER
45	Stagecoach - Hydroplant and Equipment	50,000		35,000	
2.3	Stemguide replacement	40,000	40,000	15,000	15,000
2.3	Stagecoach enlargement		5,000	0	5,000
	Inspection Wetlands/IME Pike Monitoring-Task 5		5,000		5,000
2.3	Safety buoys		5,000		
2.3	Union Ditch Headgate Repair				25,000
2.3	Vehicle	12,900	12,900		
	CAPITAL EXPENDITURES, SC POWER/ SC WATER	102,900	62,900	50,000	50,000
	TOTAL CAPITAL EXPENDITURES	165,800		100,000	

Strategic Plan G&O #	YAMCOLO	2019 BUDGET	2020 BUDGET
2.3	SALARIES, BENEFITS, EMPLOYER TAXES and TRAINING	105,303	107,140
2.3	PROPERTY & LIABILITY INSURANCE	2,991	2,991
2.3	TRAINING		5,000
2.3	TRAVEL & CONFERENCES		1,000
2.3	O&M	36,300	40,500
	USFS Special Use Permit	21,000	21,000
	Annual Maintenance	10,000	10,000
	Fuel/Mileage	2,000	2,000
	Contingencies	3,300	7,500
	TOTAL EXPENSES	144,594	156,631

Strategic Plan G&O #	YAMCOLO	2019 BUDGET	2020 BUDGET
2.3	Flow Control and Monitoring Equipment	50,000	25,000
2.3	Butterfly valve repair	15,000	15,000
2.3	Vehicle	3,900	0
2.3	Rip Rap Replacement	40,000	40,000
	TOTAL CAPITAL EXPENDITURES	108,900	80,000

Strategic Plan G&O #	STILLWATER DITCH AND RESERVOIR COMPANY FIVE PINE MESA DITCH	2019 BUDGET	2020 BUDGET
2.3, 2.5	SALARIES, BENEFITS, EMPLOYER TAXES	22,249	22,018
2.3	PROPERTY & LIABILITY INSURANCE	816	816
2.3	TRAINING		1,000
2.3, 2.5	O&M	10,000	10,000
2.3, 2.5	DITCH REPAIRS	10,000	5,000
2.3	CONTINGENCIES	2,000	2,000
	TOTAL	45,065	40,834

Strategic Plan G&O #	STILLWATER DITCH AND RESERVOIR COMPANY CAPITAL EXPENDITURES	2019 BUDGET	2020 BUDGET
2.3	Vehicle	300	0
2.3, 2.5	Measuring Devices	10,000	0
		40,300	0

Strategic Plan G&O #	ADMINISTRATION	2019 budget	2020 budget
10	SALARIES, BENEFITS, EMPLOYER TAXES and TRAINING	106,766	190,051
10	PROPERTY & LIABILITY INSURANCE	4,806	4,806
10	TRAINING		2,500
	TRAVEL AND CONFERENCES		0
10	OFFICE	91,626	108,532
10	Office supplies, postage, phone, computers & IT services, advertising	31,700	55,300
10	Office Supplies	4,300	7,200
10	Postage	800	900
10	Telephone & Cell Phone, Internet	6,000	8,900
10	Computers & Software	8,100	20,000
10	Computer Services	12,000	12,000
10	Advertising	500	2,000
10	Misc supplies and fees		300
10	Cleaning Services		4,000
10	Office Rent	34,800	34,800
10	Furniture	12,000	5,000
10	Professional Services	5,000	1,000
10	Electronic File management services	660	0
10	Mountain States compensation review		5,000
10	SDA & Mountain States Employers, annual membership	2,300	2,300
10	Contingencies/other	5,166	5,132
	TOTAL	203,198	305,889

	ADMINISTRATION	2019 budget	2020 budget
	CAPITAL EXPENDITURES	130,000	0

Strategic Plan G&O #	BOARD OF DIRECTORS	2019 BUDGET	2020 BUDGET
	SALARIES, BENEFITS, EMPLOYER TAXES and TRAINING	43,274	36,823
	PROPERTY & LIABILITY INSURANCE	1,631	1,631
	TRAVEL & CONFERENCES	3,000	40,000
	BOARD MEETINGS, DIRECTORS SALARIES	32,000	33,500
	Board meetings, food and supplies	3,500	5,000
	Annual retreat, food, supplies & professional facilitation	4,900	4,900
	District Annual Christmas Party	2,000	2,000
	Directors Fees	21,600	21,600
	CONTINGENCIES	3,200	3,350
	TOTAL	80,105	115,304

Strategic Plan G&O #	BOARD OF DIRECTORS	2019 BUDGET	2020 BUDGET
	SALARIES, BENEFITS, EMPLOYER TAXES and TRAINING	43,274	36,823
	PROPERTY & LIABILITY INSURANCE	1,631	1,631
	TRAVEL & CONFERENCES	3,000	40,000
	BOARD MEETINGS, DIRECTORS SALARIES	32,000	33,500
	Board meetings, food and supplies	3,500	5,000
	Annual retreat, food, supplies & professional facilitation	4,900	4,900
	District Annual Christmas Party	2,000	2,000
	Directors Fees	21,600	21,600
	CONTINGENCIES	3,200	3,350
	TOTAL	80,105	115,304

STRATEGIC PLAN G&O #	EXTERNAL AFFAIRS	2019 BUDGET	2020 BUDGET
	SALARIES, BENEFITS, EMPLOYER TAXES	111,452	101,606
	PROPERTY & LIABILITY INSURANCE	1,802	1,802
1.1, 7.2, 7.3, 7.4, 10.5	TRAINING		2,000
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	15,000	15,000
	Conference Registration	5,000	5,000
	Meeting expenses, travel, lodging, gas	10,000	10,000
	CONTINGENCIES	1,500	1,500
	TOTAL	129,754	121,909

Strategic Plan G&O #	FINANCE	2019 BUDGET	2020 BUDGET
3.1 & 3.2	SALARIES, BENEFITS, EMPLOYER TAXES and TRAINING	100,967	103,051
3.1 & 3.2	PROPERTY & LIABILITY INSURANCE	3,263	3,263
3.1 & 3.2	TRAINING		2,500
3.1 & 3.2	TRAVEL & CONFERENCES		1,000
3.1	AUDIT	6,500	10,000
3.2	CONSULTING	20,000	30,000
	Develop LT Financial Planning		10,000
	Pricing related work		10,000
	Business Efficiencies Project		10,000
3.1 & 3.2	CONTINGENCIES	2,150	3,000
	TOTAL	132,880	152,813

Strategic Plan G&O #	LEGALS	2019 BUDGET	2020 BUDGET
	SALARIES, BENEFITS, EMPLOYER TAXES	23,666	23,188
	PROPERTY & LIABILITY INSURANCE	901	901
	LEGAL CONSULTING	140,000	120,000
4.4, 4.b	Contract negotiations		50,000
1.2	Million Utah filing		5,000
3.2	Yamcolo Matters Reimbursable		5,000
3.2	Stagecoach Matters Reimbursable		5,000
2.4, 4.8	General Matters		40,000
1.2, 4.7, 4.8, 9.1,	Other Water Court Matters		15,000
	CONTINGENCIES	14,000	14,000
	TOTAL	178,567	158,090

STRATEGIC PLAN G&O #	PLANNING	2019 BUDGET Approved Nov 2018	2020 BUDGET
G 4,6,9	SALARIES, BENEFITS, EMPLOYER TAXES	24,595	24,152
	PROPERTY & LIABILITY INSURANCE	901	901
G 4,6,9	WATER RESOURCE ENGINEERING	365,000	40,000
4.3,4.7,4.8,	Other Water Res. Engineering	15,000	5,000
4.2	Elk river Augmentatin Plan		5,000
4.2	Yampa River Augmentation Plan		2,000
G 4, 9	Yamcolo accounting		8,000
	Stagecoach Firming Project	350,000	
	CDSS modeling update		20,000
	MORRISON CREEK RESERVOIR	19	19
	STATE STREAM GAGE @ MC	6,413	7,000
	CONTINGENCIES	36,000	2,500
	TOTAL	432,927	74,572

STRATEGIC PLAN G&O #	GRANTS, SCHOLARSHIPS & PUBLIC INFORMATION	2019 BUDGET	2020 BUDGET
	SALARIES, BENEFITS, EMPLOYER TAXES	82,637	73,265
	PROPERTY & LIABILITY INSURANCE	601	601
10.5	TRAINING		1,500
8.1, 8.4,	TRAVEL & CONFERENCES		
4.2, 4.5, 6.3, 6.4, 7.1, 7.3, Goal 8, 10.7	WEBSITE AND COMMUNICATIONS	20,000	35,000
1.1, 4.4, 4.5, 4.6, 5.1, 5.2, 6.2, 6.3, 6.4, 7.1, 7.2, 7.3, 8.1, 8.2, 8.3, 8.4, 9.6, 9.7, 10.7	DUES&CONTRIBUTIONS	24,500	30,500
	Colorado Water Congress (incl. CO River Water Users Project)	6,200	6,200
	Colorado Foundation for Water Education	1,300	1,300
	Community Agric Alliance	1,000	1,000
	Routt County Department of Environmental Health, water quality	12,000	12,000
	Discretionary	4,000	10,000
	SDA & Mountain States Employers, annual membership		
10.7	SCHOLARSHIP	4,000	4,000
4.1, 4.4, 10.7	PROJECT GRANTS	100,000	100,000
	Diversion Infrastructure Improvement Project		50,000
	Other		50,000
	PUBLIC INFORMATION CONSULTING FEES (NEW)	10,000	5,000
	CONTINGENCIES	15,850	3,525
	TOTAL	257,588	253,390

d)





BOARD COMMUNICATION FORM

From: Kevin McBride

Date: November 15, 2019

Item: Retreat Follow up and Minutes Approval

x _____ DIRECTION
x _____ INFORMATION
_____ MOTION
_____ RESOLUTION

I. Request/Issue and Background Information:

A summary of the retreat was prepared by Ryan Golten from CBI, our facilitator for the event. The GM would like to obtain confirmation of priorities any other input from the Board regarding decisions from the retreat. In consultation with the GC this summary can be adopted as minutes by the Board.

In addition, during the retreat, public outreach was requested for the draft strategic plan. Holly Kirkpatrick has implemented several measures for public outreach. Her attached memo summarizes those efforts and input received to date.

II. Summary and Alternatives:

N/A

III. Staff Recommendation:

N/A

IV. Legal Issues:

N/A

V. Consistency with Board Goals and Policies:

Consistent with the adoption and implementation of the strategic plan.

Attachments:

Board retreat summary/minutes

Kirkpatrick memo



MEMORANDUM

TO: Board of Directors
FROM: Holly Kirkpatrick
DATE: November 15, 2019
RE: Strategic Plan (DRAFT) Public Input

As directed by the Board at the October Board Retreat, the draft Strategic Plan has been distributed for public comment. The comment period was opened on November 1, 2019 and will close on December 1, 2019. The draft Strategic Plan was published on the website on October 30, 2019. A press release is posted on the home page of the UYWCD website. The same press release was also published in the Steamboat Pilot on November 6, 2019. The draft Strategic Plan was emailed to the 360° Review survey participants and several interested parties. Announcement of the public comment period has also been made at several meetings including, but not limited to the first Board meeting of the Yampa River Fund and the Integrated Water Management Plan (IWMP) meeting. A link to the draft Strategic Plan was also included in the monthly newsletter published by the Community Agriculture Alliance.

Thus far, I have only received feedback from Division Engineer, Erin Light. Her comments are attached for your review.

In some places you refer to Upper Yampa River basin and others Upper Yampa Basin. Was this intended? Is there a separate meaning between the two?



Rev. 10/23/19

UPPER YAMPA WATER CONSERVANCY DISTRICT STRATEGIC PLAN

Mission Statement

sounds nice, but how does this apply to UYWCD operations

To lead water resource management within the District's boundaries by responsibly conserving, protecting, developing, providing and enhancing the water resources of the Upper Yampa River Basin for the benefit of the Basin.

Vision Statement

An Upper Yampa River Basin with safe, secure water storage and supply customers that benefits all uses in the Basin.

So it sounds like the primary vision of the District is storage. Is this correct?

The Board of Directors believes the District's mission is reflected in the following statements. Some reflect the District's responsibilities and core mission, while others reflect values and opportunities for the District in carrying out its mission. The statements and goals below are not currently listed in order of priority.

The District's mission and goals are also informed by the legislative declaration of the Colorado Water Conservancy Act (the "Act") under which the District was created, in Colo. Rev. Stat. Ann. §37-45-102, as well as relevant ~~recent~~ federal and state mandates, statutes, policies, and regulations.

Policy Statements

How does the District define this? What is healthy functioning in their mind?

1. The Upper Yampa River Basin and the healthy functioning of its reservoirs, rivers and streams are essential to the District's agricultural, environmental, municipal, commercial, industrial, domestic and recreational cultures, and thus its economic future.

2. Climate change must be considered in planning.

Agricultural

3. ~~Irrigation~~, municipal, commercial, domestic and industrial uses, and opportunities to support water-based environmental and recreational values, are important matters for the District ~~and the public it serves~~.

This is a policy statement of the District not the public it serves. Maybe there is a way to re-word it.

4. The District is committed to maintaining the structural and functional integrity and protecting the water rights of the District's Yamcolo and Stagecoach reservoirs.

5. Collaboration in watershed management is important to advancing the District's mission.

6. Ranching and ~~irrigated~~ agriculture provide critical economic, socio-cultural values, aesthetic, and environmental contributions to the community.

Wonder if this could be re-worded as a policy statement rather than a statement of fact.

7. ~~Prudent industrial uses, such as energy development and production, may require direct flow and storage water and can support the economic welfare of the District.~~

I would delete this or rethink how best to word it as a policy statement.

8. A long-term municipal water supply is critical to a vibrant, diverse, and resilient economy within the District. *Policy statement or statement of fact?*

9. Water-based outdoor recreational activities are likewise critical to a thriving and resilient economy within the District. *Policy statement or statement of fact?*

10. Local land use policies and practices that ensure the District's ability to manage and develop the water resources within its boundaries are crucial to safeguarding the Upper Yampa Basin's water resources. *I think this could be re-worded to be more of a policy statement than just a statement*

11. Science-based water quality programs are important to maintaining the chemical, physical, biological, and aesthetic integrity of the reservoirs, rivers, and streams within the District. *Policy statement or statement of fact?*

12. The District will participate in local and statewide ~~deliberative~~ processes to address climate, environmental, social, political, legal, and economic challenges as they affect water resources. *add agricultural*

13. The District opposes any new transfers of stream flow or storage water from the Upper Yampa River Basin and its tributaries to other basins.

14. Future water works may be important to the District's future, and the District should evaluate them where appropriate. *reword as a policy statement: i.e. The District will evaluate future water works that may be important to the District's future.*

15. As a taxpayer-supported public entity, the District ~~values a~~ two-way exchange of ideas and information with our community and constituents regarding the District's programs and priorities. *replace with "will participate in"*

District Goals

The goals below collectively represent the District's vision for the future, consistent with the policy statements above. These goals supplement the evolving regulatory compliance activities that form the core of much of the District's work.

It seems to me that each Goal needs to be reworded as a goal. I have provided a few re-word examples below.

Goal 1 ~~Upper Yampa Basin water resources and local water uses are protected from trans-basin diversions and Colorado River administration that would adversely impact those uses.~~

insert the word "Protect"

Objectives

Define Big River or change it to Colorado River.

- 1) Develop District understanding and policies to address Big River issues.
- 2) Prevent out-of-District transfers of water that could have adverse impacts for the District as a whole and its constituents.

Out of District or transbasin. The goal seems to focus on transbasin.

Goal 2 ~~District's infrastructure is safe and maintained, or improved as needed, to serve the needs of the District.~~

Maintain, or improves as needed, the District's infrastructure to serve the needs of the District.

Objectives

- 1) Ensure sufficient funds to maintain and/or improve our infrastructure.
- 2) Initiate or support efforts to address algae and other water quality issues in Stagecoach Reservoir.
- 3) Ensure integrity and safety of dams.
- 4) Ensure safe work environment for dam operators, employees and visitors.
- 5) Develop long-term capital plan for maintaining Stillwater Ditch if District remains the owner.
- 6) Maintain Stagecoach Reservoir as a public recreation facility.

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

Manage the  such that it is

Objectives

- 1) Develop short- and long-term financial planning to support District goals.
- 2) Clarify District's business model, including whether and how tax revenues will be used with respect to contract pricing.

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

Re-word as a goal of the District's

Objectives

- 1) Formalize and consider expanding District's grant program.
- 2) Promote District's existing augmentation plans on Yampa and Elk Rivers.
- 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.
- 4) Protect productive agricultural water uses in the District.
- 5) Effectively communicate with local municipalities regarding long-term water supplies.

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.

7) Increase flexibility of District's water rights portfolio in order to provide water for environmental and recreational purposes.

8) Clarify District policy and role regarding the use of District water to support non-consumptive water uses.

Is this a "vested" beneficial use of the District's. They must obtain a water right for such before they can enter into contracts for such. And are the uses intended for in reservoir or in stream?

How does this District envision this occurring?

Does the District already have such a policy?

Goal 5 Upper Yampa Basin water interests are ~~represented~~ at the local, regional and statewide levels on relevant policy, legislative, administrative, regulatory and judicial matters.

Represent 

Objectives

- 1) Ensure representation of District interests in local and state matters, including on the IBCC, Basin Roundtable, CWCB and Colorado River District.

- 2) Increase District collaboration with Roundtable members to advocate for Upper Yampa Basin interests.

Goal 6 Adequate water supplies within the District in light of changing climate conditions, population shifts, and other changes.

Re-word as a goal

Objectives

- 1) Maintain and improve District's CDSS hydrology/water rights administration model.
- 2) Increase District's understanding of relevant potential effects of climate change, population growth, and demographics for District planning.
- 3) Increase engagement with District constituents and other Upper Yampa Basin water interests in planning for long-term Yampa Basin water supply and use.
- 4) Expand Board's understanding of relevant issues and trends for District decision-making.

Goal 7 Healthy reservoirs, streams and watersheds within the District in support of the policy statements above.

Re-word as a goal

Objectives

- 1) Support water quality efforts in the District, and, where relevant, respond to concerns that arise, consistent with District's mission.
- 2) Anticipate potential future role and responsibilities for the District to support water quality in the District.
- 3) Support efforts in the District to improve watershed management and forest health.
- 4) Explore mechanisms to support use of District [absolute storage] rights for environmental purposes, e.g., in-stream flows.

Goal 8 District constituencies understand water issues in the Upper Yampa Basin and the role of the District in addressing them.

Assist

Objectives

- 1) Increase public understanding of the District's role and activities.
- 2) Improve Board collaboration, participation and representation with other organizations doing water-related work in the Upper Yampa Basin.
- 3) Improve two-way exchange among constituents, stakeholders, Board and staff regarding District priorities and activities.
- 4) Increase local awareness of local water issues and resources.

Goal 9 Robust District water rights portfolio.

What would be considered "robust"

Maintain a

Objectives

- 1) Maintain and, where appropriate, perfect District's water rights.
- 2) ~~Enhance District involvement/advocacy on water administration matters.~~
What does this have to do with a water rights portfolio and I am not clear on what role the District would plan in water administration.

- 3) Evaluate potential ~~and~~ conditional water rights.
- 4) Explore small tributary storage projects within the Upper Yampa Basin.
- 5) Pursue water projects that utilize/perfect Districts water rights and provide water supply for consumptive and non-consumptive purposes.
- 6) Explore increasing flexibility of use for District's stored water rights.

Define robust

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

Restate as a goal

Objectives

- 1) Begin succession planning ~~where appropriate.~~ there should always be an outlook on succession planning
- 2) Regularly review and update Board goals and objectives.
- 3) Clarify District governance structure that promotes interaction, transparency, trust, and *esprit de corp* between Board, General Manager, and staff.
- 4) Improve District organizational structure to maximize effectiveness, collaboration and teamwork.
- 5) Encourage opportunities for professional development.
- 6) Ensure District continues to be represented by competent legal staff.
- 7) Support an engaged and educated Board of Directors.
- 8) Demonstrate commitment to and capacity for public service and engagement with constituents.
- 9) Create an Upper Yampa Basin records and archive repository to catalogue and preserve historic water resources records.



**UPPER YAMPA WATER CONSERVANCY DISTRICT
BOARD OF DIRECTORS RETREAT
October 23, 2019, Catamount Lake House**

The retreat started at 8:30 a.m. Board members present were Ken Brenner, Bob Woodmansee, Doug Monger, Jim Haskins, Ron Murphy, Steve Colby, Webster Jones, and Tom Sharp (by phone). Also in attendance were General Manager Kevin McBride, District Engineer Andy Rossi, Office Manager Karina Craig, Marketing-Communications Manager Holly Kirkpatrick, Administrative Assistant Barbara Wilson, Facilities and Hydroelectric Power Plant Operator, Eddie Rogers, and General Counsel Bob Weiss. Ryan Golten of the Consensus Building Institute facilitated the meeting. Members of the public included Willie Summers and Brian Romic (Colorado Division of Water Resources) and Jackie Brown (Tri-State Generation & Transmission).

This document is intended to summarize the substance of the items discussed at the Retreat and to constitute the minutes of the Retreat as approved by the Board. It is not intended to be detailed minutes of the discussion or to reflect specific comments from individual Board members or other Retreat participants.

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

Topic	Action	Who leads
<u>Strategic Plan</u>	Draft strategic plan will be edited in accordance with Board suggestions described below. The updated version will be posted on line for a 30-day public review. A link will be emailed to key stakeholders and press release prepared (~11/1).	Holly, in coordination with Kevin
<u>New admin position</u>	Refine job description and organizational chart Reach out to hiring committee for input Include line item for 1 FTE in 2020 budget	Kevin
<u>Develop fiscal & pricing policy</u>	Executive Committee to meet in December to develop a process ‘roadmap’ for early 2020 decision-making	Ken to call an EC meeting
<u>Draft budget</u>	Kevin work with staff to develop draft budget for Nov. Board meeting, with high-level explanation for how internal work plan /draft strategic plan have been incorporated. Budget will likely need refinement to reflect the Board’s priorities for 2020.	Kevin, with staff
<u>Governance</u>	CBI to share set of options/recommendations for Committee and full Board to consider. Bob Weiss to draft proposed bylaws amendments for Board review.	Ryan/CBI, Bob Weiss

A. Taking Stock of Past Year

After introductory remarks and review of the Retreat agenda (copy attached), the Board and staff reflected on the following accomplishments and significant changes over the past year:

- New office; establishment of more of a UYWCD ‘identity’
- Elk River Augmentation Plan

- Changing course on Stagecoach Firming
- Strategic planning (first-ever plan)
- Upper Yampa Irrigators contracts
- Hiring of Holly for new Marketing/Communications Manager position
- Increased involvement of the Board
- ‘360’ District/Stakeholder Assessment
- Input from District stakeholders that the District is ‘headed in the right direction’
- Kept water in the Yampa River
- Involvement in Yampa Integrated Water Management Plan

B. Finalizing & Operationalizing Strategic Plan – Staff/Board Discussion

Kevin and the staff reviewed a preliminary ‘internal work plan,’ organized by goals and objectives in the draft strategic plan, reflecting the current activities and existing plans for 2020. The work plan does not yet attempt to capture activities needed to fulfill new priorities identified in the draft strategic plan. Kevin’s intent was to share a strawman for discussion, in order to get a refined sense of Board priorities. Kevin will then refine the staff’s work plan in coordination with drafting a budget for the November Board meeting. These will be considered working documents, and will be refined by staff over time, with Board input, to reflect the Board’s strategic vision for 2020.

Following the discussion below, the Board agreed to circulate an updated draft strategic plan for a 30-day public review. The draft will incorporate the changes described in the first two bullets below.

1) Suggestions for draft Strategic Plan and staff’s internal work plan

- The Mission statement will be revised to include the following statement at the end ‘...for the benefit of the Basin.’
- Goal 7, Objective 4 will be revised to include ‘District [absolute storage] rights’ rather than ‘District water rights’. Board members asked that brackets be included, so the Board can revisit the precise wording, but agreed this language should be included for the public draft.
- It was agreed the District should factor a changing climate into its water resources planning, but that it should not (and current does not) try to tackle the complex issue of combatting climate change, which is beyond the District’s scope and capacity.
- Part of the District’s planning should and will include integrating its water resources planning along with the needs of the various Basin water uses, in the context of efforts such as the Yampa Integrated Water Management Plan and others.
- In terms of Goal 8 (outreach/education), one suggestion from the public was that the website may not need a full redesign, that it works well if folks know where to look, and that a higher value outreach strategy may be a regular newsletter from the District. Holly emphasized that, to be effective, she’ll need to understand the District’s position on key topics to represent the views of the Board accurately. Participation or partnering in a potential annual event is a topic to address in the 2020 work plan. Finally, the Board will expect to see communications expenses reflected in the 2020 budget.
- Regarding Goal 10 (internal functions), Kevin acknowledged the challenge of building internal collaboration while respecting people’s limited time and job duties. He will work

with staff, with support from CBI, to increase the collaborative environment. It was noted the goal of the District’s Governance work is to increase ‘esprit de corps’ among both staff and Board. Regarding the final objective, some Board members expressed a preference to keep a Yampa water records repository in the Basin rather than on the Front Range. Finally, an objective will be added to Goal 10 to support Board engagement, to continue efforts to make Board meetings efficient and productive.

- The staff’s internal work plan will be updated to reflect the updated goals/objectives in the version of the strategic plan that is posted for public review.

2) Priorities for 2020

Staff shared a number of objectives they consider to be non-discretionary ‘top priorities’ (for example, infrastructure and regulatory matters). The Board was in agreement. Staff also identified a number of areas on which they would like Board input regarding how to prioritize. To take the Board’s temperature for *initial* planning and budgeting – not for definitive decision-making – Board members were asked to evaluate these specific objectives in order of current priority. (Only seven members participated; Tom Sharp could not attend.) The staff will reflect this input in its draft budget in November for further refinement. Board members were asked to rank these particular objectives, on which the staff requested Board input, as follows:

1 = Must do in 2020

2 = Let’s work on this opportunistically (i.e., during a work session)

3 = Wait until 2021

Results of the exercise were as follows:

Goal/Objective	1 Must do	2 Do opportunistically	3 Wait till 2021	Total # of votes
1.1 (Big River issues)	2	4	2	8
3.1-3.2 (Financial/ pricing policy)	6	2	0	8
4.3 (Aug. plans)	3	4	3	10
4.6,7,8 (Support env/rec uses; clarify policy)	6	4	2	12
6.4 (Board water resources education)	0	3	1	4
7.1-7.3 (Support water quality/watershed work; clarify policy)	1	2	5	8
7.4 (District rights for env/rec purposes)	4	3	0	7

3) Follow up – Budget and November Meeting

In preparing a draft budget for the November meeting, Kevin will attempt to incorporate the above priorities for the Board’s review and input. The Board understands this will need further discussion and refinement, acknowledging the limited time between now and then. Kevin will draft a memo to

present with the draft budget, explaining the relationship of the above prioritization exercise and broader draft strategic plan to the draft budget.

November Board meeting items will include:

- Budget review, including staff response to Board prioritization of strategic plan
- Approval of budget and/or next steps
- Proposed 2020 work plan
- New hire update, if any (organizational chart/job descriptions)
- Follow up from Committee regarding governance ideas/recommendations

4) Circulating Draft Plan

The Board agreed to post and circulate the revised draft plan for a 30-day public review period. To do so, staff will post the draft plan on the District's website, develop a press release, and email a link to interviewees from the 360 Review process and other interested stakeholders as identified by staff or Board.

C. Fiscal Policy, Accounting Structure and Pricing

1) Developing a roadmap for decision-making

After some initial discussion, the Board agreed the Executive Committee should meet in December and propose to the Board a procedural roadmap and timeline for making decisions regarding the District's fiscal and pricing policies. An effective process, which should occur during the first quarter of 2020, should include the following:

- Clarify context and terminology (e.g., 'cost accounting' vs. 'enterprise accounting'). *What are we currently doing, where have we run into issues, etc?*
- Identify potential options for accounting, use of tax revenues, and pricing (including ERC).
- Clarify relationship between accounting structure, use of tax revenues, and pricing policy.
- What data or info do we need? How and from whom do we get this info? *(E.g., Karina can share last two years of data to show how District has been doing cost accounting.)*
- Overall timeframe for decision-making
- Immediate next steps

The Executive Committee and full Board should take into consideration the following questions and input:

- We need 5-10 year and longer term projections for revenues/expenses. The firming project should be excluded.
- How do we allocate indirect costs? Do we have current data?
- We have 16 million in reserves. How much do we need before we decide we have enough? What is our model?
- If/when there is future demand for storage, we want to be ready. There is strong interest in keeping the current mill levy.
- Designated versus undesignated reserves.
- Reserves should be earmarked.

- In setting policy, we need to consider perpetual as well as other contracts.
- In general, we need a defensible and transparent pricing strategy.
- In setting pricing policy, it will be important to list the factors the District considers, possibly in a matrix format. These could include, e.g., market rate, ability to pay, type of use, historic vs. new, contract terms, amount of water, length of time, clawback provision, firm yield.
- How do the above policy clarifications/decisions apply, if at all, to current contracts?

D. New Administrative Position

As described on the Board Communication Form, Kevin would like to move forward with hiring for a new full-time administrative position. Board members suggested that Kevin go ahead with including the FTE position in the 2020 budget. There was also a request that Kevin share a more detailed job description and organizational chart with the Hiring Committee and Board, and work with the Committee as needed to incorporate that input. The job description will set forth in more detail how the new position helps the District implement its strategic plan.

E. Governance Update

The Special Committee has identified several topics in need of clarification. Bob Weiss will draft proposed changes to bylaws, for Board review and consideration, to address the following:

- Process and roles for Board agenda-setting, as well as revised agenda template (reordering topics, including a consent agenda)
- Clarifying hiring/firing roles

Ryan/CBI are working with the Committee and will develop, for full Board consideration, potential language for a proposed Board Manual to address the following topics:

- Policy set by Board as a whole (responsibility of GM or Directors to clarify questions with full Board as needed)
- Board-staff communications (open communication, not ‘direction’)
- Board responsibilities and on-boarding of new members
- Use of subcommittees (if needed)
- Standardized, transparent annual review of GM
- Conflict resolution procedure
- Roles/expectations for representing District – messaging and coordination with staff
- Collaborative tone/approach
- Suggested protocol for productive, efficient Board meetings

F. Wrap Up and Adjourn

The next Board meeting will be **Wednesday November 20, 2019 at 1:30pm**, at the Mountain Valley Bank Community Room.

The meeting was adjourned at approximately 5:00 PM.



**UPPER YAMPA WATER CONSERVANCY DISTRICT ANNUAL RETREAT
OCTOBER 23, 2019 (8:30 AM – 5:00 PM)
CATAMOUNT RANCH & CLUB, LAKE HOUSE
30125 WATERS EDGE TRAIL STEAMBOAT SPRINGS**

- 8:00 am BREAKFAST
- 8:30 am **Welcome and Overview of the Day**
- 8:45 am **Taking Stock** Reflections on major accomplishments and changes affecting the District over the past year
- 9:15 am **What Does Draft Strategic Plan Say, and What Does It Mean for UYWCD?** Discussion and exchange among Staff and Board, including what may change or remain consistent, and other staff input to refine and ‘operationalize’ the plan.
- 11:15 am BREAK
- 11:30 am **2020 Prioritization** For budget/work plan purposes, prioritize opportunities identified in draft strategic plan for 2020 (as opposed to non-discretionary statutory/regulatory responsibilities).
- 12:15 pm LUNCH
- 1:00 pm **Debrief Prioritization Exercise and Address Remaining Questions from AM**
- 2:00 pm **Moving toward closure on draft Strategic Plan** Final questions, revisions, and adoption of draft.
- 2:45 pm BREAK
- 3:00 pm **Fiscal Policy, Accounting Structure, and Pricing** What *decisions* do we need to make, what *data* do we need to do so, and in what *process/sequence/timeline*?
- 4:00 pm **New Administrative Position** Action Item
- 4:30 pm **Governance Update from Special Committee**
- 4:55 pm **Wrap Up and Adjourn.**

e)





UPPER YAMPA WATER
—CONSERVANCY DISTRICT—

BOARD COMMUNICATION FORM

From: Ken Brenner, Strategic Plan/Governance Committee (the committee) _____

Date: 11/11/19 _____

Item: By-law Amendments proposal and Governance next steps _____

DIRECTION	X
INFORMATION	
MOTION	X
RESOLUTION	

I. Request/Issue and Background Information:

One of the October 2019 UYWCD Retreat topics concerned possible amendments to the By-laws for the District. Bob Weiss, General Counsel for the District, led a discussion of some proposed changes. Those included changes to the agenda, General Manager authority over District staff, hiring and termination of District employees and Conflict of Interest. Bob has prepared a draft with those topics for your consideration. These have been reviewed by the General Manager, Ryan Golten and myself. These should be considered “low hanging fruit” topics and other amendments may be prepared and presented for your consideration in the future. Please review these proposed By-law changes and Conflict of Interest Disclosure Form and contact either Bob Weiss or myself with additional questions.

Also, the committee wants to continue working on other possible By-law amendments. You will find attached or printed as an addendum to the packet a handbook prepared by East Valley Water District in California. This document may seem a little overwhelming at first but please take the time to read through the various sections of their handbook. Please consider this a “strawman” for the committee to discuss and possibly recommend additional By-law amendments, a Code of Conduct or even our own version of a handbook for your consideration.

Finally, there has been several detailed responses to our Draft Strategic Plan and we expect more before the end of November. The committee will need time to read, review, debate and bring back any possible additions, corrections or deletions for your consideration. This could take more time than we originally planned and the final adoption of the Strategic Plan could be after the first of the year. There is also both the Holidays and a considerable number of negotiating Committee meetings also possible for December which could delay the final adoption.



II. Summary and Alternatives:

The committee would like the Board to either adopt, modify or table the General Counsel's proposed By-law amendments. Also, we would like to hear the Board's initial response to the East Valley document. There are several ways we might utilize the document but before the committee spends time discussing those, we would like to hear your thoughts on next steps.

III. Staff Recommendation:

The committee recommends the adoption of the proposed By-law amendments.

IV. Legal Issues:

The General Counsel has stated the legal issues in his Communication Form

V. Consistency with Board Goals and Policies:

The committee work and subsequent actions from the Board of Directors is an important part of the District's response to the 360 review that was done a year ago.

Attachments:

- 1) Memo from Bob Weiss detailing By-law amendments
- 2) Conflict of Interest form to be filled out annually by the Directors of the District
- 3) East Valley Handbook



BOARD COMMUNICATION FORM

November 20, 2019 Board Meeting

From: Bob Weiss, Legal Counsel

Date: November 13, 2019

Item: Board Governance Bylaw Amendments

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information: At the October 23, 2019 Retreat the Board discussed potential Bylaw amendments as part of the 360 Committee's broader review of District operations and internal governance. I was asked to prepare potential Bylaw amendments for consideration by the Board at the November 20, 2019 Board Meeting. The attached Bylaw amendments have been reviewed by the 360 Committee and staff and are recommended for adoption.

II. Summary and Alternatives: These general areas have been discussed:

(a) Agenda. The existing Bylaws do not specify how the Agenda for meetings will be set. At the Retreat there was a consensus that the tentative agenda should be set at each meeting for the next meeting by the Board as an agenda item. Based on the tentative agenda approved by the Board, the General Manager in consultation with the Board President would prepare and distribute the final agenda and supporting agenda materials. Although it would be expected that the agenda for each meeting would be generally as approved by the Board, the general Manger would have authority to make changes as he deemed appropriate and would add items if requested to do by the Board President or any two Directors. Lastly, the following changes to Section 8 of the Bylaws which establishes the order items are considered at Board meetings, and which is not strictly followed, is proposed. Section 8 currently reads as follows:

- (1) Establishment of Quorum and Call to Order;
- (2) Approval of Agenda for Meeting;
- (3) Reading and approval, or approval as submitted, of the minutes of the previous meeting;
- (4) Public Input and Comment;
- (5) Report of General Manager, including financial report;

- (6) Approval of Disbursements
- (7) Report of Executive Committee;
- (8) Report of General Counsel;
- (9) Report of Executive or Special Committees;
- (10) Consideration/Action on District Projects;
- (11) Other Unfinished Business, New Business;
- (12) Board Member Reports;
- (13) Determination of Future Meetings; and
- (14) Adjournment\

It is proposed Section 8 be revised as:

- (1) Establishment of Quorum and Call to Order;
- (2) Approval of Agenda for Meeting;
- (3) Public Input and Comment;
 THE BOARD WILL MAKE NO DECISION NOR TAKE ACTION, EXCEPT TO DIRECT THE GENERAL MANAGER. THOSE ADDRESSING BOARD ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES AND SHOULD BE ADDRESSED TO ISSUES NOT ON THE MEETING AGENDA.
- (4) Consent Agenda, including minutes, financial report, disbursements, and other consent items;
- (5) Report of General Manager;
- (6) Committee Reports;
- (7) Report of General Counsel;
- (8) District Engineer Report;
- (9) Consideration/Action on District Projects;
- (10) Board Member Reports;
- (11) Determination of next meeting Agenda; and
- (12) Adjournment

(b) District staff. The current Bylaws are clear that the "General Manager shall have charge of and authority over the office of the District and of all employees thereof except for the District's attorneys." While nothing in this language precludes Board members from communication with District staff, including requests for information, such communication should not include unilateral requests by individual Board members to District staff to take or not take specific action in the context of their employment. To clarify this point an amendment to Article V, Section 5(a) is proposed.

(c) Hiring and termination of District employees. The District has taken the position that the General Manager is responsible for hiring, removal and discipline of employees. This is consistent with the Bylaw provision cited above. However, the Water Conservancy Act states in § 37-45-117 that the **Board** may also employ a chief engineer

who may be an individual, partnership, or corporation; an attorney, and such other engineers, attorneys, and other agents and assistants as may be necessary. § 37-45-118 vests in the Board on behalf of the District the authority to "employ such officers, attorneys, agents, and employees therefor as found by the board to be necessary and convenient." It is conceivable that this language could be interpreted to require Board approval for hiring. Therefore, for clarity it might be advisable to state specifically in the Bylaws that the authority to hire, remove and discipline employees is delegated to the General Manager. Lastly, according to the adopted Personnel Guidelines of the District (adopted 5-18-16) disciplinary action taken by the General Manager, including termination of employment, is conclusive and not subject to appeal to the Board of Directors of the District. The only exception to this is "grievances" filed by an employee against the General Manager. Grievances are not defined but presumably the filing of a grievance in connection with a termination of employment or other disciplinary action by the General Manger should not be a backdoor way to get Board review of disciplinary actions. Therefore the Personnel Guidelines should be clarified to state that the decision of the General Manger to hire, fire or discipline an employee may not be the subject of a grievance.

(d) Conflicts of Interest. The current Bylaws contain a section on conflicts which generally require Directors to maintain confidential matters confidential, disclose conflicts and to comply with the Colorado Code of Ethics law which is codified at C.R.S. § 24-18-101 et seq. The Committee has recently asked whether it would be appropriate for Directors on annual basis to file a conflicts disclosure. State law, C.R.S. § 24-18-109, requires a member of the governing body of a local government who has "a personal or private interest in any matter proposed or pending before the governing body" to disclose such interest to the governing body and not vote and refrain from attempting to influence the decisions of the other members of the governing body in voting on the matter. See also C.R.S. § 18-8-308 making it a misdemeanor to fail to disclose a conflict of interest in the exercise of any substantial discretionary function in connection with a government contract, purchase, payment, or other pecuniary transaction without having given seventy-two hours' actual advance written notice to the secretary of state and to the governing body of the government which employs the public servant of the existence of a known potential conflicting interest of the public servant in the transaction with reference to which he is about to act in his official capacity, "Local government" means the government of any county, city and county, city, town, special district, or school district. Water conservancy district are not explicitly included but the term "special district" could be construed to include water conservancy districts. These disclosure requirements appear to apply if the public official takes action notwithstanding the conflict. This is important in title 32 special districts run by developers and my review of the secretary of state data base on this seems to show that this is where most of the filings come from. I don't see any from Water Conservancy Districts and there is nothing in the water Conservancy Act which requires an annual disclosure. If any Board member is inclined to make such a filing attached is a form that could be used.

III. Staff Recommendation: Staff recommends that the Board consider the proposed Bylaw amendments and adopt them as the Board deems appropriate.

IV. Legal Issues: Legal issues are identified in Section II above.

V. Consistency with Board Goals and Policies: The Board should consider whether the proposed Bylaw amendments are consistent with Board Goals and Policies.

VI. Fiscal Impact: None of the proposed Bylaw amendments appear to have a significant direct financial impact.



**BYLAWS OF THE
UPPER YAMPA WATER CONSERVANCY DISTRICT
(Effective ~~April 24~~ November 20, 2019)**

PREAMBLE

For the purpose of providing for the orderly conduct and carrying on of the business, objects and affairs of the UPPER YAMPA WATER CONSERVANCY DISTRICT, the Board of Directors of said District hereby makes, publishes and declares these Bylaws.

ARTICLE I - DEFINITIONS

When used herein, the following words, terms and phrases shall have the following meaning, to-wit:

1. The term "Water Conservancy Act" or "Act" shall mean the act as set forth in C.R.S. §37-45-101 et seq., as amended.

2. The term "District" shall mean the UPPER YAMPA WATER CONSERVANCY DISTRICT, a Colorado water conservancy district.

3. The term "Open Meetings Law" shall mean C.R.S. § 24-6-401 et seq., as it may be amended from time to time.

4. The term "Open Records Act" shall mean C.R.S. § 24-72-201 et seq., as it may be amended from time to time.

5. The term "Decree" shall be the decree entered in Civil Action No. 3825 creating the District dated March 8, 1966, as the same may be amended from time to time.

ARTICLE II - BOARD OF DIRECTORS

SECTION 1 - Number, Qualifications, Power, Duties.

The number of Directors shall be nine (9). They shall be appointed and have the qualifications as provided in the Act. There shall be 3 separate divisions within the District, as described in the Decree, and 3 directors shall be appointed from each such division for 4-year terms. Such appointments shall be staggered, with one director from each district being appointed each year except every fourth year when no director terms expire. The powers and duties of the Directors are specifically provided for in the Water Conservancy Act, and the provisions of the Act concerning such matters are hereby made a part of these Bylaws. The following provisions are supplementary to said provisions.

SECTION 2 - Vacancies on the Board of Directors.

Vacancies in the Board of Directors shall be filled as provided in the Act.

SECTION 3 - Powers, Approval of Certain Matters by Board of Directors.

The Board of Directors shall have all of the powers granted it by the Water Conservancy Act and other provisions of Colorado and federal law applicable to the District; and said Board shall have such ancillary and incidental powers as may be proper, necessary or convenient for the full effectuation of the purposes, powers and objectives of the District. Except as set forth in Article VI, Section 3, all plats, deeds, other instruments encumbering the real property of the District, any contract or instrument authorizing or evidencing debt of the District, intergovernmental agreements, any document accepting the terms of any grant, loan, license, permit or other governmental authorization, any settlement of litigation to which the District is a party, applications for water rights and statements of opposition to water rights filings, any sale, lease, or other disposition of the use of water by term contracts or contracts for the perpetual use of such water and any instrument required by these Bylaws or law to be approved by the Board of Directors, shall be approved or ratified by the Board of Directors.

SECTION 4 - Compensation.

The compensation to be paid to the District's Directors shall be \$100.00 per meeting attended, in addition to their actual traveling and transportation expenses when away from their respective places of residence on District business. "Attending a meeting" to qualify for such \$100 compensation means preparation for, travel for, attendance at, or participation in: (1) telephonic and in-person meetings of the Board and Board Committees, regardless of whether the Director is a member of the Committee; and (2) the following if the Director is representing the District on a matter related to the District's business: meetings of or discussions with state, county, local, and federal officials and District constituents; educational and policy presentations and seminars; meetings or negotiations with District staff or third parties; and judicial or administrative hearings or proceedings. Notwithstanding the foregoing, the maximum annual compensation (excluding travel and transportation expenses) which may be paid to any Director shall be \$2,400.00 pursuant to the Act.

SECTION 5 - Performance of Duties.

A Director of the District shall perform all duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner which the Director reasonably believes to be in the best interests of District, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing the Director's duties, the Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs (a), (b), or (c) of this Section 5. The Director shall not be considered to be acting in good faith if he has knowledge concerning the matter in question that would cause such reliance to be unwarranted.

A person who so performs the Director's duties shall not have any liability by reason of being or having been a Director of the District. Those programs and groups upon whose information, opinions, reports, and statements a Director is entitled to rely are:

(a) One or more officers or employees of the District whom the Director reasonably believes to be reliable and competent in the matters presented;

(b) Counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional knowledge or expertise; and

(c) A committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of the Bylaws, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

ARTICLE III - MEETINGS OF THE BOARD OF DIRECTORS

SECTION 1 - Regular Meetings.

Regular bi-monthly meetings of the Board of Directors shall be held as required by the Act. The scheduled time, date, and place of such regular meetings shall be established by the Board of Directors at the last meeting of each year for the following year and shall not be varied except with the majority vote of the Directors.

SECTION 2 - Special Meetings.

A special meeting of the Board of Directors shall be held upon call of the President, Vice President or General Manager or three (3) or more Directors.

SECTION 3 - Place of Meetings.

2220 Curve Plaza, Suite 201, Steamboat Springs, Routt County, Colorado, is hereby designated as the place where the principal office of the District shall be maintained. All regular meetings of the Board of Directors shall be held at the Mountain Valley Bank community room adjacent to the principal office of the District, unless a different location is determined by the President of the Board or the General Manager. Special meetings may be held at any location proper and appropriate pursuant to the Act. Special meetings may be held entirely by telephone conference. In the event of a special meeting held entirely by telephone conference call, the location of such meeting shall be deemed to be the physical location of the District's principal office. Directors may participate in regular or special meetings by telephone, subject to the other provisions of these Bylaws.

SECTION 4 - Notice of Meetings.

(a) Not less than three (3) and not more than fifteen (15) days prior to the date of any regular meeting, and no less than twenty-four (24) hours prior to a special meeting, the General

Manager shall notify all Directors of the time, date, and place of such meeting, and (if a special meeting), the purpose for which it is called. Such notice may be by writing delivered in person, by FAX machine, by telephone, or by the US mails, or may be by email communication. In addition, the District shall post written notice of the meeting on the District website and in the designated posting place of the District no less than 24 hours prior to holding of the meeting. The notice shall be directed to each Director at the address, FAX number, and/or email address which he or she has provided to the General Manager. It is the Directors' responsibility to provide and revise their address, FAX number, and email address to the General Manager of the District as and when changed.

(b) Where possible, notices of all meetings shall include or be accompanied by an agenda stating the specific items of business expected to be considered. If a consent agenda is to be utilized at the meeting, a copy of the consent agenda shall be included with the notice.

(c) Notice of all regular and special meetings also shall comply with the Open Meetings Law.

SECTION 5 - Quorum.

A quorum of the Board of Directors shall consist of a majority of the members thereof. Less than a quorum shall have power and authority to adjourn any regular or special meeting at which less than a quorum shall be present or to continue their meeting and to fix the time and place of the holding of the continued meeting. Once a quorum is established, a quorum shall be deemed to be present for the remainder of the meeting and any adjournment of that meeting notwithstanding the absence or recusal of any Board member initially counted to establish a quorum. Whether or not a meeting is noticed and held as a telephonic meeting, a Director participating in a regular or special meeting by telephone shall be counted in determining the existence of a quorum, provided that such participation is through a speaker phone in which all other Directors may hear the Director participating by telephone at the same time.

SECTION 6 - Voting.

Directors must be physically present or must attend by telephonic participation in order to vote at any regular or special board meeting. Voting by proxy shall not be allowed.

SECTION 7 - Actions at Meetings.

The Board shall not act at any regular meeting on any matter which has not been described by general reference in the notice (agenda) for that meeting except for new items brought up by the Manager or any Director under New Business on the agenda, or unless the President determines that such matter should be acted upon because of necessity for prompt or immediate action thereon, or unless the Board first votes to modify the agenda. A consent agenda, consisting of a list of routine action items to be considered collectively by the Board, may be utilized at any regular or special meeting. Items shall be removed from the consent agenda and addressed separately at the request of any Director.

SECTION 8 - Order of Business.

Unless otherwise provided in the agenda for the meeting, the business of all regular meetings of the Board shall be transacted, as far as practicable, in the following order:

~~(1) Establishment of Quorum and Call to Order;~~

~~(2) Approval of Agenda for Meeting;~~

~~(3) Public Input and Comment;~~

~~THE BOARD WILL MAKE NO DECISION NOR TAKE ACTION EXCEPT TO DIRECT THE GENERAL MANAGER. THOSE ADDRESSING BOARD ARE REQUESTED TO IDENTIFY THEMSELVES BY NAME AND ADDRESS. ALL COMMENTS SHALL NOT EXCEED THREE MINUTES AND SHOULD BE ADDRESSED TO ISSUES NOT ON THE MEETING AGENDA.~~

~~(4) Consent Agenda, including minutes, financial report, disbursements, and other consent items;~~

~~(5) Report of General Manager;~~

~~(6) Committee Reports;~~

~~(7) Report of General Counsel;~~

~~(8) District Engineer Report;~~

~~(9) Consideration/Action on District Projects;~~

~~(10) Board Member Reports;~~

~~(11) Determination of next meeting Agenda; and~~

~~(12) Adjournment~~

~~(1) Establishment of Quorum and Call to Order;~~

~~(2) Approval of Agenda for Meeting;~~

~~(3) Reading and approval, or approval as submitted, of the minutes of the previous meeting;~~

~~(4) Public Input and Comment;~~

~~(5) Report of General Manager, including financial report;~~

~~(6) Approval of Disbursements~~

~~(7) Report of Executive Committee;~~

~~(8) Report of General Counsel;~~

~~(9) Report of Executive or Special Committees;~~

~~(10) Consideration/Action on District Projects;~~

~~(11) Other Unfinished Business, New Business;~~

~~(12) Board Member Reports;~~

~~(13) Determination of Agenda for Future Meetings; and~~

~~(14) Adjournment~~

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SECTION 9 - Meeting Procedures.

Regular and special Board meetings shall be conducted generally in conformance with Robert's Rules of Order, Newly Revised, 10th Edition. Meeting procedures may be modified by the President as necessary to ensure the fair and efficient conduct of Board meetings.

Each and every action of the Board necessary for the governance and management of the affairs of District, for the execution of the powers vested in District, and for carrying into effect the provisions of the Water Conservancy Act, shall be taken by the passage of motions or resolutions.

Within a reasonable time after passage, all resolutions, motions and minutes of Board meetings shall be recorded in a book kept for that purpose and shall be attested by the Secretary/Treasurer. Minutes of regular sessions shall be available for public review as soon as practicable following acceptance of the minutes by adoption of a motion therefor by the Board. Minutes of executive sessions shall be kept separate from minutes of regular sessions as described in Article III, Section 9 of these Bylaws and shall not be open to the public except as required by law. Proposed minutes shall be sent to all Directors at least 3 days prior to the next meeting of the Board of Directors.

One or more members of the Board or of any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar tele-communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

If the directors of the Board become deadlocked with respect to resolution of any matter which by Colorado law or these Bylaws may be decided by a simple majority vote of directors, so that an equal number of director votes are cast in favor of and in opposition to a proposition, then no decision shall be deemed to have been made and such matter shall automatically be tabled to the next regular or special meeting of the Board.

At each Board meeting the tentative agenda for the next Board meeting shall be reviewed and approved by the Board. The General Manager shall finalize the tentative agenda and prepare for each meeting in consultation with the Board President and shall include any item on the final agenda distributed in advance of the meeting specifically requested by the Board President or by at least two (2) Directors.

SECTION 10 - No Informal Action by Directors/Executive Sessions.

All official business of the Board shall be conducted at regular or special meetings. Executive sessions may be called at regular or special meetings, and conducted according to the following guidelines:

(a) Calling the Executive Session. The topic for discussion in the executive session shall be announced in a motion, and the specific statute that authorizes the executive session shall be cited. The matter to be discussed shall be described in as much detail as possible

without compromising the purpose of being in executive session. An affirmative vote of two-thirds of the quorum present shall be required to go into executive session.

(b) Conducting the Executive Session. No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called. A record of the actual contents of the discussion in the executive session, using the same manner and media as are used to record minutes of regular sessions, shall be used. If handwritten notes of the executive session are kept, minutes of the executive session shall be created and shall contain a signed statement by the President that the minutes substantially reflect the substance of the discussion during the executive session. No record is necessary to be kept for any portions of the discussion which the District's attorney reasonably believes constitute attorney-client privileged communication. If minutes of the executive session are otherwise electronically recorded, the attorney shall state on the record when any portion of the executive session is not recorded as an attorney-client privileged communication. If minutes of the executive session are otherwise recorded in writing, then the attorney shall sign a statement to the same effect when any portion of the written Minutes is not recorded in writing as an attorney-client privileged communication.

(c) After Executive Session. The record of any executive session shall be retained by the District for ninety (90) days and then destroyed or erased. Minutes or recordings of the executive session shall not be released to the general public for review under any circumstances, except as required by law.

SECTION 11 - Adjournment and Continuance of Meetings.

When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting if the time, date and place of such meeting are announced at the meeting at which the continuance is taken, except as required by law. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.

SECTION 12 - Emergency Meetings.

Emergency meetings of the Board of Directors may be called by the President or Vice President or General Manager in the event of an emergency that requires the immediate action of the Board in order to protect the public health, safety and welfare of the persons or property of the users, customers, or electors of the District, without notice if notice is not practicable. If possible, notice of such emergency meeting may be given to the Board by telephone or whatever other means are reasonable to meet the circumstances of the emergency. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety and welfare may be taken; provided, however, that any action taken at an emergency meeting shall be effective only until the first to occur of (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting. At such subsequent meeting, the Board may ratify any emergency

action taken. If any emergency action taken is not ratified, then it shall be deemed rescinded as of the date of such subsequent meeting.

ARTICLE IV - OFFICERS

SECTION 1 - Designation.

The officers of the District shall be a President, Vice-President, and Secretary/Treasurer, and such other officers as may be authorized from time to time by Board resolution. The officers shall serve in their capacities for the District in the conduct of all of its affairs.

SECTION 2 - Qualification and Election of Officers.

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

SECTION 3 - Term of Office of Officers.

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

ARTICLE V - DUTIES OF OFFICERS

SECTION 1 - President.

The President shall be the Chairman of the Board of Directors and shall preside at all meetings of the Board. Except as otherwise provided herein or by Board action, the General Counsel for the District shall approve as to form and the President shall sign all documents required to be approved by the Board of Directors under Article II, Section 3 hereof.

SECTION 2 - Vice-President.

The Vice-President shall act, in all things, and shall possess all of the powers and be subject to all of the duties of the President in the event of the latter's absence from any meeting of the Board of Directors, or his/her inability to act.

SECTION 3 - Secretary/Treasurer.

(a) The Secretary/Treasurer shall be the secretary of the Board of Directors and all special and standing committees of the Board of Directors. The Secretary/Treasurer, or a designee working under his/her direction and control, shall keep a record of all meetings of the Board of Directors and all special and standing committees of the Board of Directors, except that the meeting minutes may initially be prepared by a recording secretary so designated by the Board of Directors from time to time.

(b) The Secretary/Treasurer shall have custody of the Seal of the District and shall attest the signatures of the President or Vice-President upon all instruments and other documents signed by such officer.

SECTION 4 - Assistant Secretary/Treasurer.

The Board may designate an Assistant Secretary/Treasurer, subject to confirmation by the Board of Directors, who shall discharge the duties of the Secretary/Treasurer in his/her absence or inability to act.

SECTION 5 - General Manager.

(a) The General Manager shall be an employee of the District. The General Manager of the District shall receive an annual salary as determined annually by the Board of Directors, and shall also receive such benefits as are provided to any other employees of the District, and such additional benefits not offered generally to the other employees the District as the Board of Directors may authorize, including (but not limited to) payment by the District of the cost of health/hospitalization/dental insurance premiums for the General Manager and his spouse. The General Manager shall have charge of and is delegated authority over the office of the District and of all employees thereof except for the District's attorneys, including the authority to hire, discipline and remove employees of the District. Except for the purposes of inquiry, the Board and its members shall deal with the subordinate employees of the General Manager through the General Manager, and neither the Board nor its members shall give orders to subordinate employees of the General Manager.

(b) The General Manager shall have authority to make contracts for goods and services and to approve purchase orders and expenditures for the administrative operations of the District, subject to the Board's budgeting and appropriating funds for such expenditures. The General Manager shall have authority to authorize expenditures in excess of budgeted line items provided that expenditures in excess of general categories of expenditures shown on the summary page of the adopted budget of the District shall not be exceeded without prior Board authorization.

(c) Notwithstanding anything to the contrary set forth in Article II, Section 3, the General Manager shall have the authority, without approval by the Board of Directors, to enter in to contracts for inclusion in area-wide augmentation plans decreed to the District for all applications which may be approved without the requirement that notice be given to persons who filed statements of opposition, other than the State and division engineers, in the water cases in which such plan of augmentation was decreed.

(d) The General Manager as Treasurer shall be the custodian of the funds of the District and shall deposit those funds in a bank, or banks, as authorized by the Board. The General Manager shall at all times keep an accurate and correct record of the funds of the District, including the amounts and sources of all receipts and amounts and purposes of all disbursements. The General Manager shall cause an audit of the books of the District to be made on behalf of the Board annually in compliance with Colorado governmental audit law or at such other times as the Board may direct by motion or resolution.

(e) The General Manager shall sign all warrants, checks or other instruments disbursing funds of the District in amounts less than \$10,000 and all checks for District employees' compensation from the District's "payroll" account. All warrants, checks or other instruments disbursing the funds of the District in amounts equal to or exceeding \$10,000 shall additionally require the signature of a member of the Executive Committee. At each regular meeting of the Board of Directors, the General Manager shall provide a listing of the check number, payee, and amount of each check issued on District funds for the period of time since

the last listing for the last regular meeting, including all such checks in the month prior to the month of the regular meeting for ratification by the Board.

(f) The General Manager shall give notices of regular and special meetings of the Board of Directors and of all special and standing committees of the Board of Directors as required by these Bylaws, by the Act or by the Open Meetings Law, and the District shall retain such notices or appropriate evidences thereof as part of the District's permanent records.

(g) In addition to the powers and duties stated herein, the General Manager shall do and perform any and all acts required by the Board of Directors.

(h) At each regular meeting, the General Manager shall deliver in writing to the Directors a Treasurer's Report including a list of investments held by the District and the yield being earned on such investments, a list of significant contracts not yet approved by the Board of Directors and executed by the District since the General Manager's last report, a current income statement, income comparison to budget, and balance sheet, and including identification of any recommended changes to policies and/or accounting procedures, instances of non-compliance, and similar matters.

(i) The General Manager, as Treasurer, shall work with the District's auditor to ensure that accounting transactions comply with final audit requirements.

(j) In the fall and in accordance with Colorado law, the General Manager, as Treasurer, shall prepare the draft of a proposed budget for the District for the ensuing year, and shall prepare upon request of the Board updates to the 5-year long-term capital plan of the District.

(k) The General Manager, as Treasurer, shall assist with implementing changes adopted by the Government Accounting Standards Board and recommend revisions to accounting procedures and policies in order to maintain compliance.

(l) Before entering upon his duties as Treasurer, the General Manager shall give a good and sufficient surety bond in such sum as the Board shall, from time to time, fix by motion or resolution, conditioned upon and for the honest and faithful discharge of his/her duties, and the full and complete accounting by him/her for all funds and properties of the District which shall come into his/her hands, which bond, and the surety or sureties thereon, before becoming effective, shall be approved by the President of the District. The cost of such bond shall be a District expense.

ARTICLE VI - COMMITTEES

SECTION 1 - Executive Committee.

An Executive Committee is hereby created in order to more efficiently and economically carry out and effectuate the express powers of the District set forth in the Water Conservancy Act, including operation of the District as an Enterprise.

SECTION 2 - Executive Committee Membership and Selection.

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

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

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

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

SECTION 3 - Powers and Duties of Executive Committee.

The Executive Committee shall have the following powers and duties, to-wit:

(a) To act on behalf of the Board as directed by the Board of Directors at any regular or special meeting of the Board of Directors.

(b) Between regular meetings of the Board of Directors, the Executive Committee shall have power and authority to make contracts and agreements for the development and implementation of the District's policies, provided that no one such contract shall involve the expenditure or disbursement of more than \$50,000.

(c) To direct the General Manager and General Counsel for the District to perform such duties and functions as are deemed necessary for the carrying on of the business and affairs of the District, until the next regular or special meeting of the Board of Directors.

(d) To authorize, subject to Board of Directors, ratification, statements of opposition in water cases and settlement of litigation.

(e) To act on behalf of the Board in an emergency.

SECTION 4 - Creation of Special Committees.

Special committees may be created upon motion or resolution adopted at any meeting of the Board of Directors. The number of members of such committees shall be provided in the motion or resolution creating the committee. The Directors who shall serve thereon shall be selected by vote of the Board of Directors, or, in default of such selection, shall be determined and appointed by the President. Authority of any such committee to act on behalf of or bind the Board shall only be delegated by Board motion or resolution. Any such committees can be dissolved by the Board. The President shall be an ex-officio member of all such committees and shall vote on committee actions only if necessary to break a tie vote of the other committee members or if there is a quorum only because of the President's attendance. The General Manager shall be an ex-officio member of each special committee, but shall have no vote thereon.

SECTION 5 - Meeting of Committees.

All Board members shall receive notice of committee meetings and information required by the Open Meetings Law. Locations and notices of such committee meetings shall conform with the requirements of Article III, Section 4. All directors are entitled to attend committee meetings, but only committee members may vote.

SECTION 6 - Conduct of Committee Meetings.

The provisions and requirements of Article III concerning quorum, voting, actions and procedures at Board meetings shall apply to committee meetings, subject to the provisions of this Article. The ex-officio member of such committees shall not be counted in determining the existence of a quorum.

ARTICLE VII - FINANCIAL ADMINISTRATION

SECTION 1 - Fiscal Year.

The fiscal year of the District shall commence on January 1 of each year and end on December 31.

SECTION 2 - Preparation of Budget.

On or before October 15th of each year, the General Manager shall prepare and submit to the Board of Directors a proposed budget for the ensuing fiscal year. Such proposed budget shall be based on policy and direction established by the Board at a regular meeting prior to preparation by the General Manager and shall be accompanied by a statement which shall describe the important features of the budget plan and by a general summary wherein shall be set forth the aggregate features of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding

figures for the last completed fiscal year and the current fiscal year. It shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.

SECTION 3 - Adoption of Budget.

On the day set for consideration of such proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease the items as it deems necessary in view of the needs of the District and the probable income of the District. The Board shall then adopt a budget setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance expenditures in the budget with special consideration given to the proposed property tax levy.

SECTION 4 - Levy and Collection of Taxes.

On or before December 15th of each year, unless an election for an increased operating tax levy is held, the Board shall certify to the Board of County Commissioners of the Counties of Routt and Moffat the mill levy established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners will levy such tax upon the assessed valuation of all taxable property within the District.

SECTION 5 - Filing of Budget.

On or before January 30th of each year, the Board shall cause a certified copy of such budget to be filed with the Division of Local Government in the State Department of Local Affairs.

SECTION 6 - Appropriating Resolution.

At the time of adoption of the budget, the Board shall enact a resolution establishing the District's mill levy and shall also enact a resolution making appropriations for the ensuing fiscal year. The amounts appropriated thereunder shall not exceed the amounts fixed therefor in the adopted budget. The income of the District, as estimated in the budget and as provided for in the tax levy resolution and other revenue and borrowing resolutions, shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution. The Board may make an appropriation to and for a contingent fund to be used in cases of emergency or other unforeseen contingencies.

SECTION 7 - No Contract to Exceed Appropriation.

The Board shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purposes, for which provision is not made in appropriation resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written,

contrary to this Section shall be void ab initio, and no District funds shall be expended in payment of such contracts, except as provided in Sections 8 and 9 below.

SECTION 8 - Contingencies.

In cases of emergency caused by a natural disaster, public enemy, or other contingency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the budget by resolution duly adopted by at least five Directors. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of such meeting. If so enacted, a copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the State Department of Local Affairs and shall be published in compliance with statutory requirements.

SECTION 9 - Payment of Contingencies.

If there is unexpended or uncommitted money in funds other than those to which the emergency relates, the Board shall transfer such available money to the fund from which the emergency expenditure is to be paid. To the extent that transferable funds are insufficient to meet the emergency appropriation, the Board may borrow money through (a) the issuance of tax anticipation warrants, to the extent that the mill levy authority of the District is available as provided by law, or (b) the issuance of bond anticipation notes payable from future bond proceeds or operating revenue, or (c) any other lawful and approved method.

SECTION 10 - Annual Audit.

The Board shall cause an annual audit to be made at the end of each fiscal year of all financial affairs of the District through December 31st of such fiscal year. In all events, the audit report must be submitted to the Board within six months of the close of such fiscal year. Such audit shall be conducted in accordance with generally accepted auditing standards by a registered or certified public accountant, who has not maintained the books, records and accounts of District during the fiscal year. The auditor shall prepare, and certify as to its accuracy, an audit report, including a financial statement and balance sheet based on such audit, an unqualified opinion or qualified opinion with explanations, and a full disclosure of any violation of State law pursuant to statutory requirements. A copy of the audit report shall be maintained by the District as a public record for public inspection at all reasonable times. A copy of the audit report shall be forwarded to the State Auditor or other appropriate State official pursuant to statutory requirements.

ARTICLE VIII - GENERAL COUNSEL

The Board may retain an attorney licensed to practice law in the State of Colorado to act as General Legal Counsel for the District, including its Enterprise. Such General Counsel shall report to and be responsible to the Board and its committees and shall conduct legal affairs on

behalf of the District subject to requirements of laws and rules governing the attorney-client relationship and with the assistance of such special legal counsel as the Board may authorize.

ARTICLE IX - PUBLIC RECORDS

SECTION 1 - General Procedures.

The Secretary/Treasurer, as custodian of the District's records, shall make the District's nonconfidential records available for inspection by the public during normal District office hours and provide copies of such documents to the public without the need for formal requests pursuant to the Open Records Act. The Secretary/Treasurer shall determine whether such records are confidential and therefore not available to the public by reference to the provisions of the Open Records Act concerning denial of inspection of public records and, as he/she deems appropriate, after conferring with the District's General Counsel. The Secretary/Treasurer also shall implement the procedures of the Open Records Act when requests for records are made by the public pursuant to that statute.

SECTION 2 - Requests for Board Meeting Information.

The Secretary/Treasurer shall provide copies of all nonconfidential documents which are provided to the Directors in connection with regular and special Board meetings to members of the public who request the same and agree to pay the costs thereof determined in accordance with the Open Records Act. In providing copies of documents to members of the public pursuant to this Section, the Secretary/Treasurer shall charge the amount allowed by statute.

ARTICLE X - CONFLICTS

SECTION 1 - Protection of Privileges.

At times Directors may be associated with other entities which have interests which are adverse to the interests of the District. Such Directors shall not disclose or use confidential information received as a District director contrary to the District's interests without approval of the Board. If a District director acts or intends to act for another entity on a matter in which there are or reasonably are expected to be adverse interests between that entity and the District, he/she shall recuse himself/herself from participating in the District's confidential discussions of that matter and decline to receive confidential District information about that matter. Such director also shall not vote on Board actions affecting the matter. In such a situation, the director shall promptly notify the District's General Counsel, or General Manager of his/her decision or intention to act on behalf of the adverse or potentially adverse entity, and General Counsel, and the General Manager thereafter shall not provide confidential information to such director about the matter.

SECTION 2 - Code of Ethics.

District directors, officers and staff shall comply with the Colorado Code of Ethics law which is codified at C.R.S. § 24-18-101 et seq., as it may be amended from time to time.

SECTION 3 - Disclosure of Conflicts.

District directors, officers and staff shall comply with C.R.S. § 18-8-308 concerning disclosure of conflicts of interest.

ARTICLE XI - SEAL

The Seal of the District shall consist of two concentric circles within the word "SEAL" and the name of the District within said circle.

ARTICLE XII - INDEMNIFICATION OF DIRECTORS,
OFFICERS AND EMPLOYEES

The District shall defend, hold harmless and indemnify any Director, officer, agent, or employee, whether elective or appointive, against any tort or liability, claim or demand, without limitation, arising out of any alleged act error or omission occurring during the performance of official duty, as more fully defined by law or by an indemnification resolution. The provisions of this Section shall be supplemental and subject to and, to the extent of any inconsistency therewith, shall be modified by the provisions of the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S.

ARTICLE XIII - BIDDING AND CONTRACTING PROCEDURES

Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work or material, or both, involving an expense of \$25,000 or more of District funds. The Board may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so in accordance with law. All other constitutional and statutory requirements relating to sole source contracts performance bonds, retainage, and similar matters shall also be complied with.

ARTICLE XIV - AMENDMENTS

These Bylaws may be amended by the affirmative vote of a majority of the entire Board of Directors. A copy of any amendments to these Bylaws proposed to be made shall be mailed by the General Manager to each member of the Board of Directors not less than ten (10) days prior to the meeting of the Board at which such amendment is to be considered.

CERTIFICATE OF SECRETARY

I hereby certify that the foregoing Bylaws were approved by the Board of Directors of the Upper Yampa Water Conservancy District effective as of ~~November 20~~April 24, 2019.

By _____
Kevin McBride, General Manager
and Secretary/Treasurer

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CONFLICTS DISCLOSURE FORM

TO: The Board of Directors of the Upper Yampa Water Conservancy District
and the Secretary of State

FROM:

RE: Disclosure of Conflict or Potential Conflict of Interest

The undersigned is a member of the Board of Directors of the Upper Yampa Water Conservancy District (the "District").

In accordance with Section 24-18-109(3)(b), Section 24-18-110, and Section 18-8-308, C.R.S., I hereby give notice to the District and the Secretary of State that to the best of my knowledge, information and belief as of the date hereof, and as disclosed herein, I have a conflict or a potential conflict of interest which may impinge on my fiduciary duty and the public trust with respect to the matters set forth on Exhibit A and Exhibit A-1 (agenda for the meeting), attached hereto and incorporated herein.

Further, in accordance with applicable law, Exhibit B attached hereto and incorporated herein contains disclosure of my ownership of any interest in property within the boundaries of the District, and any affiliation I may have with any business(es) or other private entity(ies), and the nature of any financial interest, with respect to my qualification as a director and to any other specific transaction under consideration by the Board of Directors of the District, which may give rise to my conflict or potential conflict of interest.

Date: _____

WHAT organizations are you member of?

CONFLICTS DISCLOSURE FORM
EXHIBIT A
(Description of Matter)

The interests in property within the District and business ventures described in Exhibit B to this Disclosure Form may create the potential for conflicts of interest in my service as a member of the Board of Directors of the District, in that actions under consideration or actions officially taken by the Board of Directors may benefit, directly or indirectly, my interests as disclosed herein. Such actions may include, but are not limited to: authorization of construction of public improvements, actions to engage contractors for improvements or services, actions relative to various requirements of state, local and federal laws and other matters to keep the District in good standing as a political subdivision of the State of Colorado, issuance of bonds or incurrence of other financial obligations in furtherance of District activities, approval of reimbursement agreements with business ventures in which I have a financial interest or in which I have a personal interest, establishing and collection fees and taxes, approval of payments and other official actions or decisions of the Board of Directors, and negotiations relative to any such matters.

In addition to the foregoing disclosure, which shall be deemed a continuing disclosure, and shall apply to all actions taken at meetings of the Board of Directors of the District in which I am a participant, and shall, by the filing hereof with the Board of Directors of the District and the Secretary of State, be deemed made at least 72 hours in advance of any such meeting, in accordance with law, I may also have a conflict or potential conflict of interest with respect to the following specific transactions which may come before the Board of Directors.

1. Exhibit A-1 which is the agenda for the meeting.

CONFLICTS DISCLOSURE FORM
EXHIBIT B
(Description of Interests)

I own the following real or personal property (i.e., taxable business property) interests within the boundaries of the District: _____

I am a director, president, member, general manager or similar executive officer, or I own or control directly or indirectly a substantial interest in the following entity(ies) participating in a transaction(s) with the District or which have the potential of a conflicting interest with the District: _____

I have the following financial interests in connection with official action I may take (include, as applicable, ownership of real or personal property, business ownership interest, directorship or officership in a business, creditor interest in insolvent business, loan or other debtor interest, employment or prospective employment, and any other personal or private interest which may impinge on the public official's fiduciary duty and public trust):

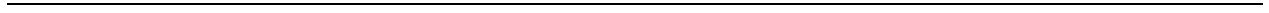
With respect to the specific transaction described in Exhibit A giving rise to my conflict or potential conflict of interest, the amount of my financial interest in the relationships disclosed above is: _____

With respect to the specific transaction described in Exhibit A giving rise to my conflict or potential conflict of interest, if I am engaged as counsel, consultant, representative or agent in a business or other private undertaking which may be benefited by my actions contemplated to be taken with respect to such disclosed specific transactions, I hereby make the following disclosure:

Purpose and duration of service: _____

Compensation received: _____

Other information necessary to describe my personal or private interests: _____





EAST VALLEY
WATER DISTRICT

Board of Director's Handbook

Updated June 2019



EAST VALLEY WATER DISTRICT

31111 Greenspot Road Highland, CA 92346



East Valley Water District Board of Director's Handbook

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Appendix 1 – Board Member Acknowledgement



East Valley Water District Board of Director's Handbook

In support of East Valley Water District's mission, the Governing Board will develop, adopt, and maintain a Board of Director's Handbook. The intent is to educate and continually guide the Board to a high level of strategic success and achievement in accord with best practices. Contained in the Handbook shall be pertinent District information, controlling legislation, rules and regulations having authority, as well as local policies enacted by the Board. The Handbook will serve as a resource for directors, staff and members of the public in determining the manner in which matters of District business are to be conducted.

Preamble

The customers served by the East Valley Water District are entitled to elected Board members who are fair, ethical, and accountable. Such Board members constantly seek to reflect the following qualities:

- They comply with both the letter and the spirit of the laws and policies affecting operations of the District;
- They are independent, impartial, and fair in their judgment and actions;
- They use their public office for the public good, not for personal gain; and
- They conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect, civility and transparency.

To this end, the East Valley Water District Board of Directors has adopted this Director's Handbook, along with its Code of Conduct, to encourage public confidence in the integrity of the District and its fair and effective operation. The Board's commitment to these principles is captured in the following Core Values:

1. **Leadership** in regional government, in the water industry, and in the local community.
2. **Partnership** with other agencies, stakeholders, and customers to enhance service.
3. **Stewardship** of ratepayer dollars and the region's precious water resources.



East Valley Water District Board of Director's Handbook

Chapter 1 – Role and Authority

Role of the Board

The primary role of the Board is to establish policies that guide the District to meet its mission. The policy decisions and actions of the Board constitute the "action" of the Board of Directors.

The Board has three (3) major responsibilities:

1. Promote the best interests of the District's customers by establishing policies that support the vision and mission of the District and by ensuring the implementation of those policies. Policies include the governing principles, plans, and course of action for the organization. Policy-making is the process of visionary planning and should reflect the broadest possible principles and provide parameters within which staff can operate. Policy-making sets the overall direction for the District.
2. The Board shall establish policies that ensure fiscal stability and the effective use of funds. In order to achieve this, each fiscal year the Board adopts a budget covering the anticipated revenues and expenditures of the District and reviews monthly and quarterly budget reports throughout the year. Additionally, from time to time, the Board reviews and/or adopts amendments to the District's cash reserve, investment, and other policies as necessary.
3. Hire a General Manager and CEO to manage the day-to-day operations of the District. The Board holds the General Manager/CEO accountable for the effective operational management of the District. An additional responsibility of the Board is to properly evaluate the General Manager/CEO on an annual basis.

In order to fulfill these responsibilities, the Board shall adhere to the following basic policy guidelines:

1. That the Board of Directors provides policy direction and leadership for the District.
2. That Board members recognize and respect the distinction between the policy setting role and the day-to-day implementation of policy by staff.
3. That it is the responsibility of the Board (from a policy perspective) to ensure that the District is a progressive, innovative, and well-managed agency.
4. That the Board exercises authority only collectively as a Board, and individual Board members shall not act on their own volition.
5. That the Board understands and provides leadership in regional, state, and national issues affecting the operations of the District.

6. That the Board respects the role of constituents in the governance of the District, and encourages their participation.
7. That key stakeholders should be consulted when and where appropriate.
8. That Board members represent the District in business related matters at meetings and events other than regular meetings of the Board.
9. That the Board maintains a high level of communication with the General Manager/CEO. When a Board member is going to be out of town or unavailable, the General Manager/CEO or the District Clerk is notified in a timely manner.
10. That Board members are provided the same information, where practical, including staff reports, committee agendas, customer inquiries, background information, etc.
11. That the Board is responsible for informing the General Manager/CEO of any specific information they want to receive from outside agencies or organizations.
12. That the Board is aware that all written and electronic documentation and communication is legally considered in the public domain. This excludes information protected by attorney-client privilege.

Authority

The East Valley Water District is a California Special District, an independent government agency which provides water delivery service to the customers within its boundaries. The District operates under authority of Division 12 of the California Water Code for County Water District. The District is governed by an elected Board of Directors who have authority to manage and conduct the business and affairs of the District, including the authority to fix terms and conditions of employment (including compensation) of District employees. The Board is authorized to delegate those powers. The Board has retained authority to employ and set terms and conditions for employment of the General Manager and CEO of the District, but the General Manager/CEO has management authority over subordinate employees.

In order for a Board of Directors to function in an effective manner, it is important that each member understand his/her respective role and the relationship they have to other members of the Board and to the General Manager/CEO. This also requires an understanding of the level of performance required to carry out the duties of a Board Member. The officers of the Board of Directors include the Chairman and Vice-Chairman. The Secretary to the Board of Directors is defined within the State Water Code as the General Manager/CEO of the District. Officers of the District are selected every two years corresponding with the general election for the Board or as otherwise determined by the Board of Directors.



East Valley Water District Board of Director's Handbook

Chapter 2 – Board Values and Principles

Adherence to established organizational values and principles can help to promote a collaborative work environment that encourages sharing, creativity, openness to new ideas, and an emphasis on customer satisfaction.

Putting Board Values into Play

Service Delivery

- Strive to exceed customers' expectations and proactively explore opportunities to provide better service
- Emphasize thoroughness and completeness
- Treat every person with kindness and humility
- Be courteous, responsive and professional
- Actively listen to understand others

Leadership

- Take ownership of, and responsibility for, actions, risks, and results
- Use outcomes, whether positive or negative, as learning opportunities
- Make sound decisions from experience, good judgment and collaboration
- Give and seek clear expectations
- Look for solutions that contribute to desired results
- Act in all endeavors with an ethical, honest and professional manner
- Honor commitments in order to build trust
- Be truthful in word and deed

Openness

- Approach every situation with good intentions
- Encourage new and diverse ideas
- Listen, cooperate, and share across the organization
- Value and recognize individual contributions

Balance

- Recognize the need for personal and professional balance
- Do not forsake long-term goals in order to satisfy short-term needs
- Support an environment that is optimistic and enjoyable in which relationships can prosper across the organization

Guiding Principles

1. Insuring a safe and efficient water delivery system.
2. Designing and administering the highest quality, secure and innovative programs.
3. Delivering services in an equal, accurate, courteous, professional and prompt manner.
4. Providing meaningful information and education to all customers in a timely manner.
5. Attracting, developing, and retaining a competent, creative and highly motivated workforce.
6. Maintaining public trust by being an ethical, sensitive, effective and cost efficient organization in service to customers and employees alike.
7. Sustaining our role as leaders in the community.



East Valley Water District Board of Director's Handbook

Chapter 3 – Board Member Interaction

When the members of the East Valley Water District Board are elected to office, there is an expectation that they will bring a body of personal experience, knowledge and judgment to the development of good public policies. However, there is also an expectation that each individual will strive to work with fellow Board members and District staff as part of a team to address the various challenges and opportunities that are presented to them. The following represents Board member “best practices” for interacting with each other.

1. Board members are representatives of the District's culture and values its customers at all times.
2. Business attire at Board meetings, and when representing the District at public events, is appropriate.
3. Relationships between Board members are informal and always professional.
4. Board members are aware of the rules governing communication among fellow Board members in compliance with mandated open meeting (Brown Act) law requirements. This includes communications by electronic, written and verbal methods.
5. Board members lead by example in their interaction and communication style and practice.
6. Board members function as a team and are not exclusive in their communication and interaction.
7. To the extent possible, Board members will be cooperative in supporting each other.
8. Personal attacks against fellow Board members or staff are not representative of a constructive culture.



East Valley Water District Board of Director's Handbook

Chapter 4 – Staff Interaction

The efficient and effective delivery of services to the customers of the East Valley Water District is a collaborative effort between the elected members of the Board of Directors and those individuals employed to execute the District's day-to-day operations. The Board's relationship and interaction with its professional staff must be carefully cultivated and nurtured at all times.

The Board's Relationship with the General Manager/CEO

One of the most vital relationships the District Board has is between itself and its General Manager/CEO. The General Manager/CEO is the primary agent of the Board and is the one to whom the Board delegates its authority to manage and administer the District's daily operations in accordance with approved policies. This position is important because to be successful, the District requires leadership and vision from its General Manager/CEO. In this capacity, the General Manager/CEO has two roles: Chief Executive Officer and top advisor to the Board. As the most visible employee, the General Manager/CEO truly represents the District to its many constituencies.

Much of the District's success will be dependent upon a positive relationship between the Board and its General Manager/CEO. Paradoxically, the leadership nature of both parties means that this relationship will likely create some inherent tensions; a strong Board and a strong General Manager/CEO will not always agree on every issue. However, both must consciously focus on maintaining a shared sense of purpose, open communication, honesty, trust and mutual support. While the General Manager/CEO is hired to carry out Board policy directives, the Board also looks to him/her for guidance and leadership.

One of the most important decisions a Board will make is the selection of a General Manager/CEO in whom they have confidence. The Board must be able to support the decisions of the General Manager/CEO and grant him/her the authority to manage and lead the District. This is critical for building the General Manager/CEO's credibility with the staff and the community. Both parties should always publicly support each other.

It is the General Manager/CEO's responsibility to ensure that the Board members have all the information they need to make Board-level decisions and that all Board members are provided the same information. Board members expect the General Manager/CEO to make a recommendation on every issue before the Board, except those that are strictly reserved to the Board.

The following are guidelines are intended to help define the relationship between the Board and the General Manager/CEO:

1. The General Manager/CEO prepares annual goals which are approved by the Board of Directors as a part of a formal performance review process.
2. The Board of Directors will provide the General Manager/CEO with a written evaluation annually.
3. Board members are encouraged to contact the General Manger/CEO about any subject related to the operations of the District. Similarly, the General Manger/CEO may discuss any District related issue with any member of the Board of Directors.
4. Concerns regarding overall District operations or specific department issues or department heads are addressed with the General Manager/CEO.
5. Critical information will be provided to all members of the Board by the General Manager/CEO, which feedback may be verbal, written, or electronic in nature.
6. The General Manager/CEO handles interdepartmental issues .
7. The General Manager/CEO shall advise the Board of Directors when he/she is out of the office for an extended period of time and shall designate the individual who shall be acting General Manager/CEO during that time.

Request for Staff Resources

Individual Board member requests for research by staff must be directed to the General Manager/CEO, or the District's legal counsel regarding legal matters. If, in the judgment of the General Manager/CEO, a significant amount of time will be required to complete the requested task/project, the item may be agendized to solicit Board authorization to expend the additional time necessary on the proposed item. Staff responses to Board member requests will be provided to the General Manager/CEO and distributed to all Board members.

Interactions with Staff

District staff serves the entire Board of Directors as a whole. Consequently, the Board should adhere to the following guidelines in its interaction with the staff:

1. A Board member shall not direct staff to initiate any action, change a course of action, or prepare any report without the approval of the General Manager/CEO and, if necessary, a majority of the Board.
2. Board members shall not attempt to pressure or influence discussions, recommendations, workloads, schedules, or priorities.
3. When preparing for Board meetings, Board members should direct questions ahead of time to the General Manager/CEO so that staff can provide the desired information at the Board meeting.
4. Any concerns by a member of the Board regarding the behavior or work of a District employee should be directed to the General Manager/CEO privately to ensure that the concern is addressed. Board members shall not reprimand employees directly nor should they communicate their concerns to anyone other than the General Manager/CEO.

5. Soliciting political support from staff (e.g., financial contributions, display of posters or lawn signs, name on support list, etc.) is prohibited. District staff may, as private citizens with constitutional rights, support political candidates, but all such activities must be done away from the workplace and may not be conducted while on the job.



East Valley Water District Board of Director's Handbook

Chapter 5 – Governance

The orderly conduct of District business is guided by certain rules, regulations and procedures that are intended to afford equal opportunity for input on policy-making decisions to both Board members and the public. While many governance guidelines are embodied in State law, others are subject to Board discretion.

Election of Officers

The Chair and Vice Chair of the Board will be elected by the members of the Board. The election will be held at the first regular meeting in December of every other year.

The Board shall also designate the General Manager/CEO, Board Secretary and Chief Financial Officer.

Roles of the Chair and Vice Chair of the Board of Directors

1. The Chair of the Board of Directors is selected biennially for a 2-year term, unless otherwise modified by the Board.
2. The Chair of the Board is selected by the Board of Directors. In addition to the duties of the Chair described below, the Chair presides at all Board of Directors meetings, makes rulings on procedural points of order, and should keep meetings on track and productive. The Chair should encourage open discussion and allow all members the opportunity to express their views. The Chair should lead and guide the Board of Directors and provide a stabilizing influence and bring out the best in all members. The Chair appoints all committees, standing and Ad Hoc; coordinates the efforts of committees; integrates committee work with that of the Board of Directors, and defines committee relationships the General Manager/CEO. The Chair makes declarations, extends official recognition of groups or events, and regularly communicates with the General Manager/CEO. The Chair can request an item to be placed on the Board agenda.
3. The Vice-Chair remains as one member of the Board and has no rights or authority different from any other member of the Board. However, in the event of a temporary absence of the Chair, or an early vacancy in the position of Board Chair, the Vice-Chair shall become the Board Chair and shall continue as such until the Board Chair's temporary absence is complete or for the remaining portion of the outgoing Board Chair's term as Board Chair.
4. The Board shall govern the succession of the Chair and Vice-Chair.
5. In the event of an early vacancy in the position of Vice-Chair, the Board shall determine, by vote, a replacement to fulfill the remaining portion of the outgoing Vice-Chair's term.

6. The Chair acts as the ceremonial head or representative of the District at various civic functions, and in his/her absence, the Vice-Chair serves in this capacity.
7. The Chair is the designated spokesperson for the Board of Directors when requests are made from external sources. The Chair may elect to appoint one of the other Board members to serve in this capacity.
8. The Chair acts as the signatory on all documents requiring the Board's execution. The Vice-Chair may do so in the Chair's absence.
9. The Chair makes appointments to the Representative Assignments annually.

Time and Place for Regular Meetings

The regular monthly meeting of the Board of Directors will be held on the second and fourth Wednesday of each month commencing at 5:30 pm at a site determined by the Board.

Quorum Requirements

Three members of the Board will constitute a quorum for the transaction of business.

Board Meeting Protocol

1. All noticed meetings of the Board of Directors shall be conducted using Roberts Rules of Order. Robert's Rules provide for constructive and democratic meetings and are intended to help, not hinder, the business of the Board. Under no circumstances should "undue strictness" be allowed to intimidate or limit full participation.
2. The General Manager/CEO is responsible for setting the agenda for the meetings of the Board. Any member of the Board may request that an item be placed on the agenda through notification to the General Manager/CEO and Chair.
3. Public comment shall be received pursuant to the Ralph M. Brown Act.
4. The Board shall treat members of the public with courtesy and respect.
5. Corrections to official minutes of the Board of Directors public meetings are passed on to the General Manager/CEO as soon as reasonably possible and shall be approved at the next regular Board meeting.
6. The General Manager/CEO shall inform the Board of items of significance that will be placed on future agendas.
7. The General Manager/CEO meets with the Board Chair and/or Vice Chair prior to the Board meetings to review and prepare for the upcoming meeting.
8. At the direction of the General Manager/CEO, department heads or appropriate departmental managers will be present at every meeting if they have an item on the agenda.

9. The Board of Directors' Report portion of the Agenda shall be utilized for members of the legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting pursuant to Government Code Section 53232.3.(d).
10. The Board Comment portion of the Agenda shall be an opportunity for Members of the Board to make brief statements regarding non-agendized items.

Consent Calendar

1. The District utilizes a Consent Calendar to approve routine business matters, such as minutes, production reports, cash reports, some resolutions, and previously approved budgetary items.
2. If a Board member has a question on a Consent Calendar item, they are encouraged to contact the General Manager/CEO for clarification prior to the official meeting, rather than having it pulled for separate discussion during the meeting.

Voting

A majority of all members of the Board present at a meeting will be required to approve any ordinance, resolution or motion, unless a different voting requirement to approve a particular action is specified under State law.

1. Each member may speak on an item prior to the making of a motion.
2. Roll call votes are required on all ordinances considered by the Board. On other items, a roll call vote may be requested by any member of the Board, but is at the discretion of the Chair.
3. Once an agenda item has been voted on, the disposition is considered as the "action" of the Board of Directors and subsequently supported by the individual members of the Board.

Closed Session

1. All closed session discussions and materials are considered legal and confidential information, and as such, are not shared outside the closed Session Conference unless specific action is taken, and then must be reported out of Closed Session.
2. Closed session staff reports are to be returned to the General Manager/CEO and/or District counsel immediately following the meeting. Electronic copies of the reports will not be provided to the Board.
3. Closed Session meetings may be held at times other than the regular meetings of the Board of Directors so long as the meeting is posted pursuant to the prevailing open meeting or Brown Act rules.
4. A Board Member should refer a request for information regarding a closed session item to the General Manager/CEO who in concert with the District's legal counsel, will prepare an appropriate response.



East Valley Water District Board of Director's Handbook

Chapter 6 – Public Interaction

As a public body, it is important for the East Valley Water District Board of Directors to establish a working environment that encourages public participation and trust. During their time as elected officials, Board members will have a wide range of interactions with the public including written communication (i.e., letters, email, etc.), social media, phone calls, face-to-face, social functions, regular and special Board meetings, etc. The following guidelines represent Board member “best practices” for interacting with the public.

Customer Concerns and Complaints

1. All customer concerns and inquiries shall be referred to the General Manager/CEO.
2. The General Manager/CEO or his designee will provide the Board with a written or verbal report of customer concern or inquiry that cannot be handled as a routine manner. The Board will also be provided with a response to the concern or inquiry.
3. The Board will be informed of significant, politically sensitive, urgent and/ or repetitive telephone or electronic communication inquiries. Staff will research the request as soon as possible, and provide the General Manager/CEO with the appropriate follow-up and response. The General Manager/CEO will review the communication prior to dissemination to the Board.
4. Copies of any written or electronic responses to customer concerns provided by a member of the Board shall be provided to the other members of the Board of Directors as well.
5. Information that may expose the District to liability will be shared with the Board at a noticed, closed session meeting of the Board of Directors.

Public Input on the Agenda

1. Prior to public input on an agenda item, the Board will consider reports, questions from the Board, and a response.
2. Agenda items noticed on the agenda for public hearing will follow procedures as outlined by the District's legal counsel.
3. The Chair of the Board may elect to defer action on an item brought forward by the public until such time as staff can prepare an appropriate response.

4. The Chair is responsible for maintaining an orderly progression of the business before the Board, and to the extent possible regulates the amount and type of input from the public and from members of the Board and staff.
5. Generally, Board members will not respond to public comments except for the Chair referring matters to the General Manager/CEO for follow-up. Board members may, through the Chair, ask clarifying questions to ensure that staff provides an appropriate response. Occasionally, a prompt response may be offered by the Chair or the General Manager/CEO when an obvious answer or resolution is available. The Board will not enter into a debate or make decisions in response to public comments that are not on the agenda for consideration.
6. Questions by a Board member to staff or consultants making presentations shall be directed to the Chair who will refer it to the General Manager/CEO for a response.

Representing an Official District Position

In order to ensure that they are properly representing their positions as elected officials of the East Valley Water District, Board members should adhere to the following guidelines:

1. Board members may use their title only when conducting official District business, for information purposes, or as an indication of background and expertise.
2. Once the Board of Directors has taken a position on an issue, all official District correspondence regarding that issue will reflect the Board's adopted position.
3. In most instances, the Board will authorize the Chair of the Board to send letters stating the District's official position to appropriate legislators.
4. No Board member shall attend a meeting of any outside agency or organization (including Representative Assignments) as an official representative of the District without prior Board authorization. Meetings of outside agencies and organizations that are included on the District's list of Representative Assignments are to be attended by the designated Board member and/or alternate. If the designated Board member and/or alternate cannot attend an assigned meeting, a duly appointed substitute may attend on their behalf.
5. If a member of the Board appears before the meeting of another governmental agency organization to give a statement on an issue affecting the District (including Representative Assignments), the Board member shall indicate the majority position and opinion of the Board. (NOTE: Board members shall report on any actions taken at the next Board meeting).
6. Personal opinions and comments that may be contrary to adopted policy may be expressed only if the Board member clarifies that these statements do not reflect the official position of the Board or the District.
7. Board members should exercise caution when utilizing the news media, social media or other forms of communications to specifically express views which are in opposition to adopted Board policy.

When two Board members are authorized/assigned by the Board to attend a meeting as the District's official representative, other Board members may not participate at the meeting in order to avoid violations of the Ralph M. Brown Act.



East Valley Water District Board of Director's Handbook

Chapter 7 – Director's Code of Conduct

In order to promote the public's trust in Board policies and to ensure the most effective and efficient delivery of District services, members of the Board shall abide by the following Director's Code of Conduct:

1. Board members shall refrain from abusive conduct, personal charges, or verbal attacks upon the character or motives of other members of the Board, committees, staff, or the public.
2. Board members duties shall be performed in accordance with the processes and rules of order established by the Board.
3. Communication between Board members, including electronic, verbal and written, shall comply with all State-mandated open meeting law requirements (Brown Act).
4. Board members shall inform themselves on public issues, listen attentively to public discussions before the body, and focus on the business at hand.
5. Board decisions shall be based upon the merits and substance of the matter at hand.
6. Board members shall represent the official policies and positions of the Board. When presenting their personal opinions or positions publicly, members shall explicitly state they do not represent the Board or the District.
7. Board members shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the District. They must neither disclose confidential information without proper legal authorization nor use such information to advance or adversely affect the personal, financial, or private interests of themselves or others.
8. It is the responsibility of Board members to publicly share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other Board members and the public prior to taking action on the matter.
9. Appropriate District staff should be involved when Board members meet with officials from other agencies and jurisdictions to ensure proper staff support as needed and to keep the General Manager/CEO informed.
10. Board members shall not attend internal staff meetings or meetings between District staff and third parties unless invited by the General Manager/CEO or directed by the Board to do so.
11. Board members shall disclose to the appropriate authorities and/or to the Board any behavior or activity that may qualify as corruption, abuse, fraud, bribery or other violation of the law.

12. Board members, by virtue of their public office, shall not take advantage of services or opportunities for personal gain that are not available to the public in general. They shall not accept gifts, favors or promises of future benefits that might compromise their independence of judgment or action or give the appearance of being compromised. Likewise, Board members shall not appear on behalf of, or advocate for, the private interests of a third-party before the Board.

Conflict of Interest

In order to assure their independence and impartiality on behalf of the public good, state law prohibits Board members from using their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law. In accordance with applicable State laws, the following provisions shall apply to all Board member actions:

1. A Board member will not have a financial interest in a contract with the District, or be a purchaser at a sale by the District or a vendor at a purchase made by the District, unless the Board member's participation was authorized under Government Code sections 1091 or 1091.5, or other provisions of law.
2. A Board member will not participate in the discussion, deliberation or vote on a matter before the Board of Directors, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has a prohibited interest with respect to the matter, as defined in the Political Reform Act, Government Code sections 81000, and following, relating to conflicts of interest. Generally, a Board member has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect (as defined by the Fair Political Practices Commission's ("FPPC") regulations) that is distinguishable from the effect on the public generally on:
 - a. A business entity in which the Board member has a direct or indirect investment in the amount specified in the then-effective FPPC regulations;
 - b. Real property in which the Board member has a direct or indirect investment interest, with a worth in the amount specified in the then-effective FPPC regulations;
 - c. A source of income of the Board member in the amount specified in the then-effective FPPC regulations, within twelve months before the Board decision;
 - d. A source of gifts to the Board member in an amount specified in the then-effective FPPC regulations within twelve months before the Board decision;
 - e. A business entity in which the Board member holds a position as a director, trustee, officer, partner, manager or employee;
 - f. The Board member's personal expense, income, assets or liabilities, and those of his or her immediate family, are likely to go up or down in a 12-month period as a result if the decision by the amount specified in the then-effective FPPC regulations.
3. If a Board member believes that he or she may be disqualified from participation in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be followed:

- a. If the Board member becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Board member will notify the District's General Manager/CEO and the District's legal counsel of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest;
 - b. If it is not possible for the Board member to discuss the potential conflict with the General Manager/CEO and the District's legal counsel before the meeting, or if the Board member does not become aware of the potential conflict until during the meeting, the Board member will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest;
 - c. Upon a determination that there is a disqualifying conflict of interest, the Board member: (1) will not participate in the discussion, deliberation or vote on the matter for which a conflict of interest exists, which will be so noted in the Board minutes; and (2) leave the room until after the discussion, vote and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters (i.e., the consent calendar), in which case the Board member will identify the nature of the conflict and not vote on the specified item on the consent calendar. If the item is agendaized for discussion and possible action, the Board member may speak on his or her personal interests in the matter during the time that the general public speaks on the issue but must leave the room during Board discussion and action on that item.
4. A Board member will not recommend the employment of a relative by the District. A Board member will not recommend the employment of a relative to any person known by the Board member to be bidding for or negotiating a contract with the District.

Handling of Legal Matters

The Board appoints the District's legal counsel to provide a wide range of professional legal services, assistance, and legal advice to the Board of Directors, General Manager/CEO and all District departments and offices.

1. The following guidelines shall be employed by Board members when dealing with legal and/or other confidential matters:
 - a. All written materials and verbal information provided to Board members on matters that are confidential and/or privileged under State law shall be kept in complete confidence to ensure that the District's position is not compromised. No disclosure or mention of any information in these materials may be made to anyone other than Board members, the General Manager/CEO or the District's legal counsel.
 - b. Confidential materials provided in preparation for and during Closed Sessions shall not be retained and electronic copies must be deleted or documents returned to staff at the conclusion of the Closed Session.
 - c. Confidential materials provided to Board members outside of Closed Sessions must be destroyed, deleted, or returned to staff within thirty (30) days of their receipt.

- d. Board members may not request confidential written information from staff that has not been provided to all Board members.
2. All Board members who are desirous of contact with the District's legal counsel, his or her staff, and/or attorney(s) contracted to work on behalf of the District shall obtain prior approval from the General Manager/CEO. Board members cannot enjoy or establish an attorney-client relationship with said attorney(s) by consulting with or speaking to same. Any attorney-client relationship established belongs to the District, acting through the Board of Directors, and as may be allowed in State law for purposes of defending the District and/or the Board in the course of litigation and/or administrative procedures, etc.

Ethics Training

AB 1234 requires elected or appointed officials who are compensated for their service or reimbursed for their expenses to take two hours of training in ethics principles and laws every two years. Those who enter office after January 1, 2006 must receive the training within a year of starting their service. They must then receive the training every two years after that.

The training must cover general ethics principles relating to public service and ethic laws including:

1. Laws relating to personal financial gain by public officials (including bribery and conflict of interest laws);
2. Laws relating to office-holder perks, including gifts and travel restrictions, personal and political use of public resources, and prohibitions against gifts of public funds;
3. Governmental transparency laws, including financial disclosure requirements and open government laws (the Brown Act and Public Records Act);
4. Laws relating to fair processes, including fair contracting requirements, common law bias requirements, and due process.

Sexual Harassment Prevention Training

AB 1661 requires elected or appointed officials who are compensated for their service or reimbursed for their expenses to receive at least two hours of sexual harassment prevention training and education within the first six months of taking office or commencing employment, and every two years thereafter.

The training must include information and practical guidance regarding the federal and state statutory provisions concerning the prohibition against, and the prevention and correction of, sexual harassment and the remedies available to victims of sexual harassment in employment.

Enforcement

Any actual or perceived violation of District policies, including the Code of Conduct, by a Board member should be referred to the Chair of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including but not limited to:

1. Adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy (i.e., censure);
2. Injunctive relief;
3. Referral of the violation to the District Attorney.



East Valley Water District Board of Director's Handbook

Appendix 1 – Board Member Acknowledgement

This Board of Directors Handbook, which includes the Director's Code of Conduct, shall be considered to be the definitive document relating to ethical conduct by the East Valley Water District Board of Directors.

I affirm that I have received a copy of the East Valley Water District Board of Directors Handbook and that I have read and understand its provisions.

Board Member Signature

Date

F)



2020 Calendar

Board of Director Meeting

Fed Holiday

CRWCD mtg

CWC mtg

MCWSD mtg

January						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
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27	28	29	30	31		

Federal Holidays 2020

Jan 1	New Year's Day	May 25	Memorial Day	Sep 7	Labor Day	Nov 26	Thanksgiving Day
Jan 20	Martin Luther King Day	Jul 3	Independence Day (obs.)	Oct 12	Columbus Day	Dec 25	Christmas Day
Feb 17	Presidents' Day	Jul 4	Independence Day	Nov 11	Veterans Day		

2020 Calendar Alternative

Board of Director Meeting

Fed Holiday

CRWCD

CWC mtg

MCWSD mtg

January						
Su	Mo	Tu	We	Th	Fr	Sa
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June						
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August						
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November						
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December						
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20	21	22	23	24	25	26
27	28	29	30	31		

Federal Holidays 2020

Jan 1	New Year's Day	May 25	Memorial Day	Sep 7	Labor Day	Nov 26	Thanksgiving Day
Jan 20	Martin Luther King Day	Jul 3	Independence Day (obs.)	Oct 12	Columbus Day	Dec 25	Christmas Day
Feb 17	Presidents' Day	Jul 4	Independence Day	Nov 11	Veterans Day		

g)





You and your guest are cordially invited to UYWCD's

ANNUAL HOLIDAY PARTY

December 11, 2019
6:00 pm

Aurum Food & Wine
811 Yampa St.
Steamboat Springs, CO 80487

Two cocktail tickets per person will be provided

Please R.S.V.P. by November 29, 2019
to Barbara at
Bwilson@upperyampawater.com
970-227-2908



н)



**Board of Directors
Upper Yampa Water Conservancy District 2019**

Name	Term Expires March 8	Division
Douglas Monger, Vice President Executive Committee	2019 - 2023	1
Webster Jones <i>Executive Committee</i>	2019 - 2023	2
Bob Woodmansee	2019 - 2023	3
Jim Haskins	2016 - 2020	1
Ken Brenner, President Executive Committee	2016 - 2020	2
Stephen E. Colby	2016 - 2020	3
Ronald Murphy	2018 - 2022	1
Thomas R. Sharp Executive Committee	2018 - 2022	2
John Redmond Executive Committee	2018 - 2022	3

1)





BOARD COMMUNICATION FORM

From: Andy Rossi

Date: 11/12/19

Item: Reservoir Water Status

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

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 2019 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

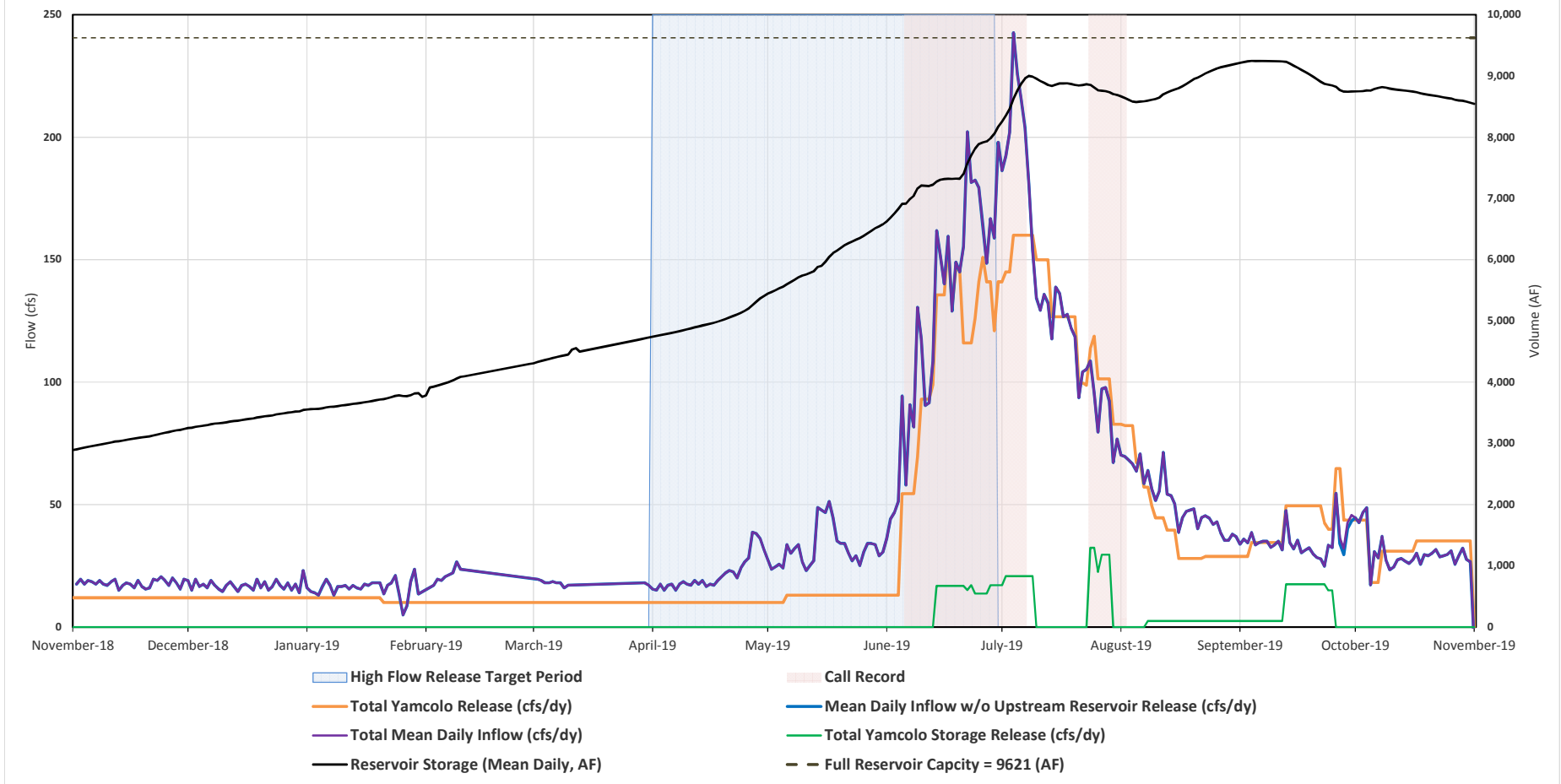
Attachments:

Yamcolo Water Storage Data
Stagecoach Water Storage Data

i)



Yamcolo Reservoir: WY 2019 (Provisional Data)



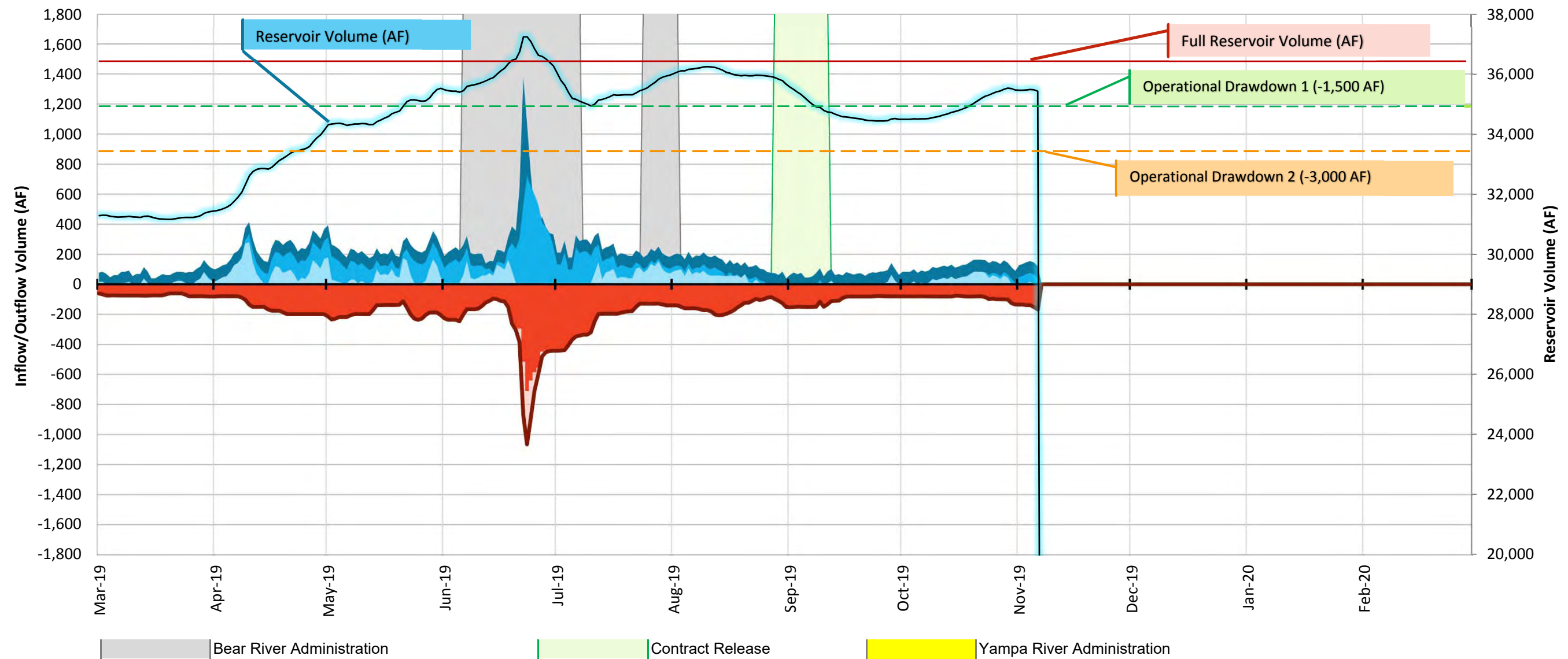
Stagecoach Reservoir Operations

Total Monthly Volume (AF)

Accounting Year 2019
11/6/2019

INFLOW	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total
Physical	2,475	7,391	7,401	10,886	7,283	4,485	2,265	3,793	831				46,810
Storable	413	5,011	4,942	7,800	4,823	2,090	172	1,343	355				26,950
Stored	405	2,869	1,764	1,354	1,904	1,468	152	1,156	29				11,100

OUTFLOW	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Total
Operator	-2,258	-4,544	-5,795	-9,820	-7,268	-4,532	-3,234	-2,705	-867				-41,023
pill	0	0	0	-1,273	0	0	0	0	0				-1,273
Gage	-2,254	-4,544	-5,795	-9,892	-7,268	-4,532	-3,234	-2,705	-867				-41,090



ii)





BOARD COMMUNICATION FORM

From: Andy Rossi

Date: 11/12/19

Item: UYWCD Facilities Maintenance - 2019, 2020

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

I. Request/Issue and Background Information:

The Upper Yampa Water Conservancy District (UYWCD) continues to invest in the construction and installation of multiple facilities maintenance projects. This memo presents a summary of these efforts for 2019 and 2020.

II. Summary and Alternatives:

The ongoing maintenance projects at the UYWCD facilities are contributing to the organization's operational effectiveness by improving the cleanliness, orderliness, functionality and safety of these facilities. The UYWCD staff will continue to identify facilities maintenance priorities proactively rather than reactively to extend the operational lifespan of the UYWCD infrastructure. Regular maintenance activities at all facilities will continue as needed and determined by the UYWCD staff. A summary of the facilities maintenance projects considered for 2019 and 2020 is presented in the tables included with this communication form.

III. Staff Recommendation:

Complete remaining or incomplete maintenance tasks from 2019.
Complete facilities maintenance tasks as planned in 2020.

IV. Legal Issues:

NA

V. Consistency with Board Goals and Policies:

UYWCD Strategic Plan Goal 2.3

Attachments:

2019 Facilities Projects Summary
2020 Facilities Projects Summary

2019 UYWCD Engineering Tasks and Planning

Update: 11/12/2019

Facility	Task	Personnel	Frequency	Status	Cost Estimate
Stagecoach	General Facilities Operation and Management	District Engineer, UYWCD Dam Operators, YVEA	Continuous	Ongoing	Annual budget
Stagecoach	Continued Powerhouse Re-Organization and General Building Upgrades	UYWCD Facilities Operators	On going, as needed	Ongoing	Annual budget
Stagecoach	Operating Procedure Manuals and Written Observation Logs	UYWCD Facilities Operators	Completion Scheduled for September 2019, annual updates (or as needed)	Ongoing	Annual budget
Stagecoach	RedLion Integration to IFix	District Engineer, Facilities Operators	Initial integration of existing hardware, updates as needed	2019 updates complete	TBD/Annual Budget
Stagecoach	Stem Guide Repair	District Engineer, Outside Contractor	TBD pending design recommendations	IC preliminary inspection complete, ROV inspection complete, repair of single stem guide bracket recommendations to be finalized by 12/15/19	\$30,000
Stagecoach	Turbine Repairs- Replace Wear Rings, W.G.	UYWCD Facilities Operators, Outside Contractor	Annual	New Wear Rings delivered 05/19	\$25,000
Stagecoach	Outflow Real Time Data Acquisition	USGS	One time set-up, continuous agency feedback	Initial gage re-programming complete, agency communication ongoing	Annual budget
Stagecoach	Bank Erosion/Willow Planting	Outside Contractor	One-time, installation 2017, annual maintenances possible	Planting area extended	\$5,000
Stagecoach	Regulatory Agency Reporting and Permit Compliance	District Engineer	Monthly, Annual, as needed	Ongoing	Annual budget
Stagecoach	Regulatory Agency Liaison (FERC, CPW, USFS, BLM, EPA, USACE....)	District Engineer, District Manager	Continuous	Ongoing	Annual budget
Stagecoach	EAP Updates and Exercises	District Engineer	Annual	Updates complete, Exercise to be scheduled 2019	Annual budget
Stagecoach	Inflow Forecasting	District Engineer	Annual for potential fill forecast period	Ongoing	Annual budget
Stagecoach	Water Rights Accounting, Water storage release orders	District Engineer, UYWCD Facilities Operators	Continuous	Ongoing	Annual budget
Stagecoach	FERC Part 12 Inspection and Report	District Engineer, Outside Contractor	5-Year Recurring	Inspection complete, final report submitted to FERC	\$38,500
Stagecoach	Safety Buoys - Hardware replacement	District Engineer, Facilities Operators	One time	Initial repairs complete, additional hardware purchases TBD	\$5,000
Stagecoach	Facility Budget Tracking and Individual Project Management	District Engineer	Continuous	Ongoing	Annual budget
Yamcolo	General Facilities Operation and Management	District Engineer, UYWCD Facilities Operators	Continuous	Ongoing	Annual budget
Yamcolo	Flow Measurement Bear River	UYWCD Staff, Outside Contractor, USGS	One-Time, as conditions allow	Installation complete 2018, job site clean up complete, calibration ongoing as conditions allow	\$50,000
Yamcolo	Butterfly Valve Repair	UYWCD Staff, Outside Contractor	One-Time, TBD based on observed conditions	Project scope and preferred remedy to be developed pending 2019 outlet inspection by CDWR scheduled for November 2019	\$15,000
Yamcolo	Existing Dam Toe Drains Clearing and Repair	District Engineer, Outside Contractor	5-Year recurrence interval	Complete	Annual Budget
Yamcolo	Regulatory Agency Reporting and Permit Compliance	District Engineer	Monthly, Annual, as needed	Ongoing	Annual budget
Yamcolo	EAP Updates and Exercises	District Engineer	Annual	Updates will be necessary pending final publication of CDWR Dam Safety Rules updates	Annual budget
Yamcolo	Inflow Forecasting	District Engineer	Annual for potential fill forecast period	First Draft of model complete, upgrades as necessary	Annual budget
Yamcolo	Water Rights Accounting, Water storage release orders	UYWCD Staff, Outside Contractor	Continuous	Update to consolidated calculations and tracking needed	Annual Budget
Yamcolo	Regulatory Agency Liaison (FERC, CPW, USFS, BLM, EPA, USACE....)	District Engineer, District Manager	Continuous	Ongoing	Annual budget
Yamcolo	Facility Budget Tracking and Individual Project Management	District Engineer	Continuous	Ongoing	Annual budget
Yamcolo	Riprap Replacement	UYWCD Staff, Outside Contractor	10 - 30 years depending on conditions	Phase 1 construction complete, Phase 2 scheduled for 2020	\$39,432
Stillwater Ditch	Flow Measurement at SW Ditch	District Engineer, Outside Contractor	10 - 30 years	SUP finalized, Design complete, construction 85% Complete, Final site grading and clean up scheduled for 2020	\$40,000

2020 UYWCD Engineering Tasks and Planning

Update: 11/12/2019

Facility	Task	Personnel	Frequency	Status	Cost Estimate
Stagecoach	General Facilities Operation and Management	District Engineer, UYWCD Dam Operators, YVEA	Continuous	Ongoing	Annual budget
Stagecoach	Continued Powerhouse Re-Organization and General Building Upgrades	UYWCD Facilities Operators	On going, as needed	Ongoing	Annual budget
Stagecoach	Operating Procedure Manuals and Written Observation Logs	UYWCD Facilities Operators	Completion Scheduled for September 2019, annual updates (or as needed)	Ongoing	Annual budget
Stagecoach	RedLion Integration to IFix	District Engineer, Facilities Operators	Initial integration of existing hardware, updates as needed	Ongoing	TBD/Annual Budget
Stagecoach	Stem Guide Repair	District Engineer, Outside Contractor	TBD pending design recommendations	Dive Contractor to be selected in 2020. Construction start TBD.	\$30,000
Stagecoach	Turbine Repairs- Replace Wear Rings, W.G.	UYWCD Facilities Operators, Outside Contractor	Annual	New Wear Rings delivered 2019, Turbine tear down scheduled for 2020	\$35,000
Stagecoach	Outflow Real Time Data Acquisition	USGS	One time set-up, continuous agency feedback	Initial gage re-programming complete, agency communication ongoing	Annual budget
Stagecoach	Bank Erosion/Willow Planting	Outside Contractor	One-time, installation 2017, annual maintenances possible	Planting area to be extended in 2020 as necessary	\$5,000
Stagecoach	Regulatory Agency Reporting and Permit Compliance	District Engineer	Monthly, Annual, as needed	Ongoing	Annual budget
Stagecoach	Regulatory Agency Liaison (FERC, CPW, USFS, BLM, EPA, USACE...)	District Engineer, District Manager	Continuous	Ongoing	Annual budget
Stagecoach	EAP Updates and Exercises	District Engineer	Annual	Updates complete, Exercise to be scheduled 2020	Annual budget
Stagecoach	Inflow Forecasting	District Engineer	Annual for potential fill forecast period	Ongoing	Annual budget
Stagecoach	Water Rights Accounting, Water storage release orders	District Engineer, UYWCD Facilities Operators	Continuous	Ongoing	Annual budget
Stagecoach	FERC Part 12 Inspection and Report	District Engineer, Outside Contractor	5-Year Recurring, completed 2019, next inspection 2024	Inspection required 2024	Annual budget
Stagecoach	Safety Buoys - Hardware replacement	District Engineer, Facilities Operators	One time	Completed 2019, regular maintenance incorporated into annual budget	Annual budget
Stagecoach	Facility Budget Tracking and Individual Project Management	District Engineer	Continuous	Ongoing	Annual budget
Yamcolo	General Facilities Operation and Management	District Engineer, UYWCD Facilities Operators	Continuous	Ongoing	Annual budget
Yamcolo	Flow Measurement Bear River	UYWCD Staff, Outside Contractor, USGS	One-Time, as conditions allow	Continue calibration and data connectivity to control house	\$25,000
Yamcolo	Butterfly Valve Repair	UYWCD Staff, Outside Contractor	One-Time, TBD based on observed conditions	Repairs dependent on conditions	\$15,000
Yamcolo	Existing Dam Toe Drains Clearing and Repair	District Engineer, Outside Contractor	5-Year recurrence interval	Toe drain outfalls repaired 2019	Annual Budget
Yamcolo	Regulatory Agency Reporting and Permit Compliance	District Engineer	Monthly, Annual, as needed	Ongoing	Annual budget
Yamcolo	EAP Updates and Exercises	District Engineer	Annual	Minor document updates will be necessary with CDWR Dam Safety Rules 2019 updates	Annual budget
Yamcolo	Inflow Forecasting	District Engineer	Annual for potential fill forecast period	First iteration of model complete, upgrades as necessary	Annual budget
Yamcolo	Water Rights Accounting, Water storage release orders	UYWCD Staff, Outside Contractor	Continuous	Update to consolidated calculations and tracking scheduled for 2020	Annual Budget
Yamcolo	Regulatory Agency Liaison (FERC, CPW, USFS, BLM, EPA, USACE...)	District Engineer, District Manager	Continuous	Ongoing	Annual budget
Yamcolo	Facility Budget Tracking and Individual Project Management	District Engineer	Continuous	Ongoing	Annual budget
Yamcolo	Riprap Replacement	UYWCD Staff, Outside Contractor	10 - 30 years depending on conditions	Phase 2 Construction Scheduled for 2020.	\$40,000
Stillwater Ditch	Flow Measurement at SW Ditch	District Engineer, Outside Contractor	10 - 30 years	SUP finalized, Design complete, construction 85% Complete, Final site grading and clean up scheduled for 2020	\$10,000
Stillwater Ditch	General Facilities Operation and Management	District Engineer, UYWCD Facilities Operators	Seasonal	Ongoing	Annual budget

6)



a)



BOARD COMMUNICATION FORM

From: Scott Grosscup, legal counsel

Date: November 14, 2019

Item: Water Resume Review

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

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

TriState Generation and Transmission Association filed an application requesting a finding of reasonable diligence on water rights decreed to the Juniper Reservoir in Case No. 19CW3024. The District may want to monitor this case as it has other diligence applications filed by Tri-State. I anticipate that TriState will receive similar push back from the Division Engineer in this matter as it has in its other diligence case discussed in the Case Status Memorandum.

b)



BOARD COMMUNICATION FORM

From: Scott Grosscup, legal counsel

Date: November 14, 2019

Item: Water Court Cases Update

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

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 entered a stipulation consenting to the form of ruling consistent with the version the board approved at its February meeting. The ruling uses the District’s water rights from Stagecoach reservoir in its augmentation plan for Casey’s Pond. The Applicant is addressing issues with the CWCB concerning whether the CWCB’s instream flow right extends through Casey’s Pond. We will continue to monitor the case to ensure that no concerns are raised in the use of the District’s water rights. Next status conference with Water Referee is scheduled for early December.

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 pursuant to two contracts with the UYWCD. We have worked with the Applicant and Division Engineer to accurately describe the water rights stored in Yamcolo Reservoir that may be used for augmentation purposes. Attached is a proposed Ruling of Referee incorporating the changes.

RECOMMENDATION. Staff recommends that it be authorized to enter into a stipulation consenting to the form of proposed Ruling.

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. No other statements of opposition were filed. The Division Engineer issued her consultation report questioning whether these water rights can ever be developed at the Craig Station Power Plant. She noted that the current structure is not even capable of diverting all of the absolute water rights decreed to the

structure (118.43 cfs), let alone the additional conditional amounts. She is recommending that the Court deny the application and cancel the conditional water rights.

At a recent status conference, the water referee requested the Applicant respond to the Division Engineer's report by early February. TriState is currently in the process of developing a master plan as part of a settlement with the Division Engineer in another case. I anticipate that TriState will try to incorporate these water rights into that planning process in an effort to continue these rights for another six years.

Water Horse Resources – Utah counsel (Graham Gilbert of Snell & Wilmer) submitted a letter reply to Water Horse's submittal of supplemental information on March 15, 2019. Counsel informs us that the Utah Division of Water Rights tries to issue its findings within six months of the hearing. A decision is expected this fall or winter but may be sooner or later as the Division sees fit.

DISTRICT COURT, WATER DIVISION 6, STATE OF COLORADO Routt County Justice Center 1955 Shield Drive, Suite 200 Steamboat Springs, CO 80487 (970) 879-5020	
CONCERNING THE APPLICATION FOR WATER RIGHTS OF: MOUNT WERNER WATER AND SANITATION DISTRICT, in the Yampa River and its tributaries, in Routt County, Colorado.	
	▲ COURT USE ONLY ▲ Case Number: 18CW3020
FINDINGS OF FACT, CONCLUSIONS OF LAW, RULING OF THE REFEREE AND DECREE OF THE WATER COURT	

The Application in this case was filed on May 31, 2018 (“Application”), and was referred to the Water Referee for Water Division 6, State of Colorado, by the Water Judge of this Court in accordance with C.R.S. §§ 37-92-101, *et seq.*, known as the Water Right Determination and Administration Act of 1969.

The undersigned Referee, having made such investigations as are necessary to determine whether or not the statements in the Application are true, and having been fully advised of the subject matter of the Application, does hereby make the following determination and Ruling as the Referee in this matter:

FINDINGS OF FACT

1. Application. The statements in the Application are true, except as may be otherwise stated herein.

2. Applicant. Name and address of Applicant:

Mount Werner Water and Sanitation District
c/o Frank Alfone, General Manager
P.O. Box 880339
Steamboat Springs, CO 80488-0339

District Court, Water Division 6
Case No. 18CW3020; Mount Werner Water and Sanitation District
Findings of Fact, Conclusions of Law, Ruling of the Referee and
Decree of the Water Court
Page 2 of 23

With copies to:

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3. Summary of Application. The Applicant, Mount Werner Water and Sanitation District (sometimes referred to herein as the “District” or “Applicant”) operates an integrated municipal water supply system that serves the southern portion of Steamboat Springs. The District’s boundaries are shown on **Exhibit A**. The Application includes claims for a new junior water right for the Yampa Meadows Infiltration Gallery (sometimes referred to herein as the “YMIG”), a request to establish the YMIG as an alternate point of diversion for the District’s existing conditional water right for the More Property Infiltration Gallery No. 1, and a plan for augmentation that is intended to allow these two water rights to operate reliably. The plan replaces out-of-priority depletions with water stored and released from Yamcolo and Stagecoach Reservoirs, which are both located upstream of the YMIG. The Application also includes sd a claim for a new appropriative right of exchange to exchange wastewater return flows attributable to the District’s diversions from the Steamboat Springs wastewater treatment plant upstream to the YMIG; in response to concerns raised by opposers, the Applicant has voluntarily withdrawn that claim.
4. Notice and Jurisdiction. Timely and adequate notice of the pendency of these proceedings has been given in the manner required by C.R.S. § 37-92-302(3). Applicant filed its Application for Conditional Underground Water Right, Change of Water Right, Approval of Plan for Augmentation, and Exchange on May 31, 2018. The Application was properly published in the resume for Water Division 6 and newspapers of general circulation as identified by the Court. The Court has jurisdiction over the Application and over all entities or persons who had standing to appear even though they did not do so.
5. Opposition. Statements of Opposition were timely filed by Steamboat Ski & Resort Corporation, Upper Yampa Water Conservancy District, City of Steamboat Springs, and Starwood Steamboat LLC. No other Statements of Opposition were filed, and the time for filing Statements of Opposition has expired. The Opposers’ objections to the Application have been resolved by stipulations with the Applicant, which are on file with the Court.

6. Report of the Division Engineer. The Court has given due consideration to the Report of the Division Engineer dated November 21, 2018, and Applicant's Response to Report of the Division Engineer dated March 1, 2019.
7. First Claim; Conditional Underground Water Right. The Application requests confirmation of a conditional underground water right described as follows:
 - A. *Name of structure*: **Yampa Meadows Infiltration Gallery**.
 - B. *Location*: NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 33, Township 6 North, Range 84 West of the 6th P.M. at a point 210 feet south of the north section line and 1,735 feet east of the west section line. UTM Coordinates NAD 83, Zone 13 N Northing: 4478443 Easting: 345748. The physical address of the property upon which this structure is located is 35899 Highway 40, Steamboat Springs, Colorado.

This point is depicted on the location map attached hereto as **Exhibit A** and on the aerial image attached hereto as **Exhibit B**.
 - C. *Source*: Groundwater tributary to the Yampa River.
 - D. *Depth*: 10 to 50 feet.
 - E. *Date of appropriation*: March 15, 2013.
 - F. *How appropriation was initiated*: Formation of the intent to appropriate water by means of an infiltration gallery and acquisition of the Yampa Meadows property for that purpose.
 - G. *Maximum rate of diversion*: 5.4 c.f.s., conditional.
 - H. *Maximum annual volume*: 2,296 acre feet.
 - I. *Uses*: Municipal, including but not limited to domestic, irrigation, stockwatering, commercial, industrial, recreation, and fire protection.
 - J. *Location of irrigated area*: Within the service area of the Mt. Werner Water and Sanitation District, as it currently exists and as it may exist in the future. The current boundaries of the District are shown on **Exhibit A**.
 - K. *Owner of land upon which structure is located*: Applicant.

- L. *Remarks:* This structure will include both a vertical component and a horizontal component which together will draw groundwater from the Yampa River alluvium and deliver it to the surface at a single point, the location of which is identified in Paragraph 7.B. above. This water right is a component of Applicant's integrated water supply system, and will operate pursuant to the plan for augmentation described in the Third Claim below.
8. Second Claim; Change of Conditional Water Right. The Application requests approval of a change of water right. The decreed water right for which the change is sought is described as follows:
- A. *Name of structure:* **More Property Infiltration Gallery No. 1.**
- B. *Original decree:* Case No. 03CW62, entered on April 28, 2006, by the District Court in and for Water Division 6.
- C. *Subsequent decrees:* Case No. 12CW10, entered on December 29, 2012, by the District Court in and for Water Division 6.
- D. *Location:* The well from which the water collected in the infiltration gallery will be diverted and pumped is to be located in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 6 North, Range 84 West of the 6th P.M., Routt County, Colorado, at a location 270 feet from the North Section Line and 2,250 feet from the East Section Line of said Section 33. UTM Coordinates NAD 83, Zone 13N Northing: 4478503.5, Easting: 346122.2. This point is depicted on the location map attached hereto as **Exhibit A** and on the aerial image attached hereto as **Exhibit B**.
- E. *Decreed source:* The alluvium of Walton Creek, tributary of the Yampa River, and the alluvium of the Yampa River itself.
- F. *Depth:* Between 10 feet and 40 feet in depth.
- G. *Appropriation date:* November 26, 2003.
- H. *Decreed amount:* 5.0 c.f.s. (2,245 g.p.m.), conditional.
- I. *Decreed uses:* Year-round supply of water for municipal, domestic, stock watering, lawn irrigation, commercial, industrial, and fire protection purposes.
- J. *Amount of water intended to change:* 5.0 c.f.s.

- K. *Description of proposed change:* The Application requests approval of the Yampa Meadows Infiltration Gallery, described in Paragraph 7 above, as an alternate point of diversion for the conditional water right decreed to the More Property Infiltration Gallery No. 1.
- L. *Owner of land upon which structure is located:* The proposed alternate point of diversion is located on property owned by Applicant.
- M. *Remarks:* The More Property Infiltration Gallery No. 1 was previously decreed as a component of Applicant's integrated municipal water supply system.
9. Third Claim; Plan for Augmentation. The Application requests approval of a plan for augmentation described as follows:
- A. *Names of structures to be augmented:*
1. Yampa Meadows Infiltration Gallery, as described in Applicant's First Claim, above.
 2. More Property Infiltration Gallery No. 1, as described in Applicant's Second Claim, above, when exercised at the YMIG.
- B. *Water rights to be used for augmentation:* Water stored in Stagecoach Reservoir and Yamcolo Reservoir. The Applicant currently holds contracts with the Upper Yampa Water Conservancy District for the release of up to 200 acre feet annually of water stored in Stagecoach Reservoir and 300 acre feet annually of water stored in Yamcolo Reservoir; the District may acquire the right to additional water from these sources in the future and may adjust the distribution of water between these two sources. Water is stored in Stagecoach and Yamcolo Reservoirs under several water rights, some of which are currently decreed for augmentation use; others are not currently decreed for that use. Applicant may replace depletions under this plan with water stored under any combination of water rights in Stagecoach and Yamcolo Reservoirs so long as, at the time Applicant seeks to use the water for that purpose, the water has been stored under water rights decreed for augmentation use. The water rights currently associated with these two reservoirs are described as follows:
1. **Stagecoach Reservoir (a/k/a Bear Reservoir):** Located at a point on the right abutment of dam from said reservoir whence the W $\frac{1}{4}$ corner Sec. 32, T4N, R84W 6th P.M. bears S 47°35' W at a distance of 4,633 feet in the SE $\frac{1}{4}$ Section 29, T4N, R84W, 6th P.M. The following water rights are decreed for diversion and/or storage in Stagecoach Reservoir and were changed by decree of this Court in Case No. 01CW41 to add and

include as beneficial uses appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes, and other augmentation uses:

(i) Four Counties Ditch No. 1 and No. 3: Priority Nos. 40 through 40-0, Water District No. 58, Civil Action No. 3538, Routt County District Court, Decree: March 30, 1964 amended September 8, 1970. Decreed for Domestic, municipal, irrigation, industrial, generation of electric power and energy, mining, recreation and all other beneficial uses including appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses. Pursuant to the decree entered in Case No. W-1091-76, District Court, Water Division 6, these water rights may be stored in Bear Reservoir. ~~The Four Counties Ditch No. 1 and No. 3 have the following decreed points of diversion and amounts:~~

~~(a) Four Counties Ditch No. 1, Headgate No. 6 (Priority No. 40A): 11 c.f.s., absolute, out of Granite Creek at a point S 14°04' East 24,498 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(b) Four Counties Ditch No. 1, Headgate No. 5 (Priority No. 40B): 10 c.f.s., absolute, out of a Branch of Granite Creek at a point S 15°26' East 22,560 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(c) Four Counties Ditch No. 1, Headgate No. 4 (Priority No. 40C): 50 c.f.s., conditional, out of Fish Creek at a point S 21°22' East 17,665 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(d) Four Counties Ditch No. 3, Headgate No. 9 (Priority No. 40D): 35 c.f.s., conditional, out of Hogan Creek at a point S 65°22' East 15,450 feet to the NW corner of Sec. 7, T5N, R82W, 6th P.M.~~

~~(e) Four Counties Ditch No. 3, Headgate No. 8 (Priority No. 40E): 210 c.f.s., of which 36 c.f.s. are absolute and 174 c.f.s. are conditional, of 260 c.f.s. out of Long Park Creek at a point S 42°48' East 9,195 feet to the NW corner of Sec. 7, T5N, R82W, 6th P.M.~~

~~(f) Four Counties Ditch No. 3, Headgate No. 7 (Priority No. 40F): 130 c.f.s., of which 26 c.f.s. are absolute and 104 c.f.s. are conditional, out of Fishhook Creek at a point S 39°16' East 8,555 feet to the NW corner of Sec. 7, T5N, R82W, 6th P.M.~~

~~(g) Four Counties Ditch No. 3, Headgate No. 6 (Priority No. 40G): 25 c.f.s., conditional, out of Unnamed Creek No. 5 tributary to Fishhook Creek at a point S 83°38' East 6,955 feet to the NW corner of Sec. 7, T5N, R82W, 6th P.M.~~

~~(h) Four Counties Ditch No. 3, Headgate No. 5 (Priority No. 40H): 20 c.f.s., conditional, out of Unnamed Creek No. 4, tributary to Fishhook Creek, at a point N 86°30' East 5,625 feet to the NW corner of Sec. 7, T5N, R82W, 6th P.M.~~

~~(i) Four Counties Ditch No. 3, Headgate No. 4 (Priority No. 40I): 15 c.f.s., of which 13 c.f.s. are absolute and 2 c.f.s. are conditional, out of Unnamed Creek No. 3, tributary to Walton Creek, at a point N 87°30' East 8,245 feet to the SW corner of Sec. 7, T5N, R82W, 6th P.M.~~

~~(j) Four Counties Ditch No. 3, Headgate No. 3 (Priority No. 40J): 20 c.f.s., of which 18 c.f.s. are absolute and 2 c.f.s. are conditional, out of Unnamed Creek No. 2, tributary to Walton Creek, at a point N 23°04' West 2,165 feet to the SW corner of Sec. 7, T5N, R82W, 6th P.M.~~

~~(k) Branch of Four Counties Ditch No. 3, Headgate No. 12 (Priority No. 40K): 35 c.f.s., of which 21 c.f.s. are absolute and 14 c.f.s. are conditional, out of Unnamed Creek No. 7, tributary to Walton Creek, at a point N 84°30' East 4,565 feet to the SW corner of Sec. 19, T5N, R82W, 6th P.M.~~

~~(l) Branch of Four Counties Ditch No. 3, Headgate No. 11 (Priority No. 40L): 25 c.f.s., of which 9 c.f.s. are absolute and 16 c.f.s. are conditional, out of Unnamed Creek No. 6, tributary to Walton Creek, at a point S 47°12' East 4,995 feet to the SW corner of Sec. 19, T5N, R82W, 6th P.M.~~

~~(m) Branch of Four Counties Ditch No. 3, Headgate No. 10 (Priority No. 40M): 15 c.f.s., of which 7 c.f.s. are absolute and 8 c.f.s. are conditional, out of Walton Creek, at a point N 78°28' East 2,155 feet to the NE corner of Sec. 19, T5N, R82W, 6th P.M.~~

~~(n) Four Counties Ditch No. 1 (Priority No. 40N): 30 c.f.s., conditional, from surface and ground flows along Four Counties Ditch No. 1 in Water District 58, other than at points of diversion described in Priority Nos. 40 through 40C above, at or above 9,567 feet above sea level.~~

~~(o) Four Counties Ditch No. 3 and its Branch (Priority No. 40O): 125 c.f.s., conditional, from surface and ground flows along Four Counties Ditch No. 3 in Water District 58, other than at points of diversion described in Priority Nos. 40D through 40M above, at or above 9,567 feet above sea level.~~

(ii) Four Counties Ditch No. 3, Enlargement and Extension: Priority Nos. 45 through 45M, Water District 58, Civil Action 3926, Routt County District Court, Decree: May 30, 1972. Decreed for domestic, municipal and power and including appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other

augmentation uses. Pursuant to the decree entered in Case No. W-1091-76, District Court, Water Division 6, these water rights may be stored in Bear Reservoir. ~~The Four Counties Ditch No. 3, Enlargement and Extension has the following decreed points of diversion and amounts:~~

~~(a) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 9 (Priority No. 45): 6 c.f.s., conditional, out of Hogan Creek at a point N 82°00'E 14,160 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(b) Four Counties Ditch No. 3, Enlargement and Extension, Headgate o. 13 (Priority No. 45A): 6 c.f.s., conditional, out of an unnamed tributary of Walton Creek at a point N 82°58'E 17,850 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(c) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 14 (Priority No. 45B): 49 c.f.s., conditional, out of Storm King Creek at a point S 83°25'E 22,850 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(d) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 15 (Priority No. 45C): 14 c.f.s., conditional, out of Beaver Creek at a point S 86°32'E 26,510 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(e) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 16 (Priority No. 45D): 70 c.f.s., conditional, out of an unnamed tributary of Walton Creek at a point S 61°02'W 589 feet to the NE corner of Sec. 26, T5N, R82W, 6th P.M.~~

~~(f) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 17 (Priority No. 45E): 52 c.f.s., conditional, out of an unnamed tributary of Fish Creek at a point S 68°26'E 24,640 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(g) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 18 (Priority No. 45F): 30 c.f.s., conditional, out of an unnamed tributary of Fish Creek at a point S 59°00'E 20,570 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(h) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 19 (Priority No. 45G): 70 c.f.s., conditional, out of Fish Creek at a point S 37°03'E 18,800 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(i) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 20 (Priority No. 45H): 130 c.f.s., conditional, out of the Middle Fork of Fish Creek at a point N 36°02'E 27,260 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(j) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 21 (Priority No. 45I): 12 c.f.s., conditional, out of an unnamed tributary of the Middle Fork of Fish Creek at a point S 33°25'E 26,910 feet to the NW corner of Sec. 6, T5N, R82W, 6th P.M.~~

~~(k) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 22 (Priority No. 45J): 75 c.f.s., conditional, out of Harrison Creek at a point S 65°25'E 4,610 feet to the SW corner of Sec. 31, T5N, R82W, 6th P.M.~~

~~(l) Four Counties Ditch No. 3, Enlargement and Extension, Headgate No. 23 (Priority No. 45K): 50 c.f.s., conditional, out of an unnamed tributary of Harrison Creek at a point N 65°25'E 6,045 feet to the SW corner of Sec. 31, T5N, R82W, 6th P.M.~~

~~(m) Four Counties Ditch No. 3, Enlargement and Extension (Priority No. 45L): 138 c.f.s., conditional, from surface and ground flows along Four Counties Ditch No. 3, Enlargement and Extension, from Headgate No. 9 to Headgate No. 21 in Water District 58, other than at points of diversion described in decrees for Headgates No. 9 through 21 at or above 9,567 feet above sea level.~~

~~(n) Four Counties Ditch No. 3, Enlargement and Extension (Priority No. 45M): 162 c.f.s., conditional, from surface and ground flows along Four Counties Ditch No. 3, Enlargement and Extension, in Water District 58, between Rabbit Ears Reservoir and Headgate No. 23, other than at points of diversion described in decrees for Headgates No. 22 through 23 at or above 9,500 feet above sea level.~~

(iii) Bear Reservoir: Decreed for 11,614.2 acre feet, absolute, with a priority date of September 30, 1961, Priority No. 52A in Water District No. 58, Civil Action No. 3538, Routt County District Court on March 30, 1964 as amended November 4, 1968. Decreed for irrigation, stock, domestic, municipal, industrial, piscatorial and recreational uses and appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses. ~~Fills from the Yampa River and tributaries and located at a point on the right abutment of dam from said reservoir whence the W¹/₄ corner Sec. 32, T4N, R84W 6th P.M. bears S 47°35' W at a distance of 4,633 feet in the SE¹/₄ Section 29, T4N, R84W, 6th P.M.~~

(iv) Bear Reservoir Enlargement: Decreed for 22,105.8 acre feet, conditional, with a priority date of October 21, 1971, in Case No. W-414-72, Water Division No. 6 on October 29, 1973. ~~Fills from the Yampa River and tributaries~~ Decreed for water storage and appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses. ~~The dam is located in the SW¹/₄ SE¹/₄, Sec. 29, T4N, R84W, 6th P.M. The reservoir will inundate portions of Sections 29, 30, 31, T4N, R84W, portions of Sec. 36 T4N, R85W, and portions of Sec. 1, T3N, R85W, 6th P.M. The southern terminus of the dam embankment at the right abutment is located~~

~~269.15 feet N 77°57' E of the S ¼ corner of Section 29. The centerline of the dam bears N 18°30' E from said southern terminus at the right abutment a distance of 800 feet. All bearings are referenced to the S line of Sec. 29, which bears N 87°14'59" W.~~

(v) Pleasant Valley Reservoir: Decreed for 40,720 acre feet out of 43,220 acre feet (of the 40,720 acre feet, 20,854 acre feet are absolute and 19,866 are conditional) with a priority date of June 29, 1959, Priority No. 39A, in Water District No. 58, Civil Action 3926, Routt County District Court, as modified by decree entered in Cases No. W-946-76 and 01CW41, Water Division No. 6. ~~Fills from the Yampa River tributaries~~ Decreed for irrigation, domestic, stock watering, municipal, industrial and power uses and appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses. The Reservoir has the following alternate points of storage:

~~(a) Original Decreed Location: The left abutment is located at a point whence the SW corner of Section 33, Township 5 N., R. 84 W., bears South 38°42' West at a distance of 11,076.6 feet.~~

~~(b) Alternate Storage Location No. 1: Woodchuck Reservoir: The intersection of the centerline axis of said dam and the left abutment thereof being located at a point whence the SW corner of Section 30, T4N, R84W, 6th P.M., bears S 66°30' W a distance of 16.660 feet.~~

~~(c) Alternate Storage Location No. 2: Yamcolo Reservoir: The intersection of the centerline axis of said dam and the right abutment thereof being located at a point whence the E¼ corner of Section 16, T1N, R86W, 6th P.M., bears N 41°53' E a distance of 873 feet.~~

~~(d) Alternate Storage Location No. 3: Bear Reservoir: The intersection of the centerline axis of said dam and the right abutment thereof being located at a point whence the W¼ corner of Section 32, T4N, R84W, 6th P.M., bears S 47°35' W a distance of 4633 feet.~~

(vi) Pleasant Valley Feeder Canal: decreed in Civil Action 3926, Routt County District Court, as modified by decree and entered in Case No. W-946-76, Water Division No. 6, granting alternate places of storage, with a priority date of June 29, 1959 and Priority No. 39 for 300 c.f.s., conditional. The canal is decreed for irrigation, domestic, stock watering, municipal, industrial, power, and appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses. ~~The Canal diverts water from Walton Creek and McKinnis Creek and has decreed point of diversion and alternate points of storage are located as follows:~~

~~(a) Original Decreed Points of Diversion: The Canal takes its water from Walton Creek and McKinnis Creek: The first headgate and point of diversion is located on the left bank of Walton Creek at a point whence the SW Corner of Sec. 10, Township 5 N., Range 84~~

~~W. bears S. 55°41' West a distance of 5112.6 feet. The second headgate is located on the left bank of McKinnis Creek at a point whence the SW Corner of Section 16, Township 5 N., Range 84 W. bears S. 73°22' West a distance of 7,576.6 feet.~~

~~(b) Alternate Storage Location No. 1: Woodchuck Reservoir: The intersection of the centerline axis of said dam and the left abutment thereof being located at a point whence the SW corner of Section 30, T4N, R84W, 6th P.M., bears S 66°30' W a distance of 16,600 feet.~~

~~(c) Alternate Storage Location No. 2: Yameolo Reservoir: The intersection of the centerline axis of said dam and the right abutment thereof being located at a point whence the E¼ corner of Section 16, T1N, R86W, 6th P.M., bears N 41°53' E a distance of 873 feet.~~

~~(d) Alternate Storage Location No. 3: Bear Reservoir: The intersection of the centerline axis of said dam and the right abutment thereof being located at a point whence the W¼ corner of Section 32, T4N, R84W, 6th P.M., bears S 47°35' W a distance of 4633.0 feet.~~

(vii) Yellow Jacket Ditch: The original construction was decreed on September 22, 1892 by the District Court, Water District No. 58 with an appropriation date of October 22, 1888, in the amount of 2.0 c.f.s. An enlargement right was decreed by the District Court, Water District No. 58 in Civil Action No. 2475 with an appropriation date of June 01, 1919, and in the amount of 4.0 c.f.s. The historical consumptive use credits were quantified in Case No. 95CW78, Water Division 6, and changed from direct flow to storage within Stagecoach Reservoir, municipal, domestic, industrial, irrigation, stock watering, recreational, piscatorial, power generation, evaporation, augmentation and exchange and appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses. As decreed in Case No. 95CW78, the historical consumptive use in acre feet per month for the Yellow Jacket Ditch and available for storage in Stagecoach Reservoir is as follows:

April	May	June	July	August	September	October	Total
0.5	16.5	52.1	48.9	23.8	5.5	0.7	148.0

(viii) Union Ditch: The original construction was decreed on September 22, 1892 by the District Court, Water District No. 58 with an appropriation date of November 14, 1889, in the amount of 7.0 c.f.s. An enlargement right was decreed by the District Court, Water District No. 58 in Civil Action No. 2475 with an appropriation date of June 1, 1918, and in the amount of 2.0 c.f.s. The historical consumptive use credits were quantified in Case No. 95CW78, Water Division 6, and changed from direct flow to storage within Stagecoach Reservoir, municipal, domestic, industrial, irrigation, stock watering, recreational, piscatorial, power generation, evaporation, augmentation and exchange and appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes

and all other augmentation uses. Case No. 95CW78 further recognized the use of the Union Ditch for irrigation for wetland development and maintenance, water supply for water fowl ponds. As decreed in Case No. 95CW78, the historical consumptive use in acre feet per month for the Union Ditch and available for storage in Stagecoach Reservoir is as follows:

April	May	June	July	August	September	October	Total
1.5	20.7	165.3	154.7	36.4	2.9	0.0	381.5

(ix) Little Chief Ditch: The original construction was decreed on September 22, 1892 by the District Court, Water District No. 58 with an appropriation date of September 2, 1904, in the amount of 0.67 c.f.s. An enlargement right was decreed by the District Court, Water District No. 58 in Civil Action No. 2475 with an appropriation date of June 1, 1919, and in the amount of 1.33 c.f.s. The historical consumptive use credits were quantified in Case No. 95CW78, Water Division 6, and changed from direct flow to storage within Stagecoach Reservoir, municipal, domestic, industrial, irrigation, stock watering, recreational, piscatorial, power generation, evaporation, augmentation and exchange and appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses. As decreed in Case No. 95CW78, the historical consumptive use in acre feet per month for the Little Chief Ditch is as follows:

April	May	June	July	August	September	October	Total
0.8	4.8	12.3	6.8	1.6	0.1	0.0	26.4

(x) Little Morrison Diversion and Little Morrison Diversion Alternate: Decreed in Case No. 94CW149, District Court, Water Division No. 6 with an appropriation date of December 30, 1994, in the amount of 50 c.f.s., conditional, from Morrison Creek for Municipal, industrial, domestic, irrigation, stock watering, power production, recreational, fishery and aesthetic purposes, appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses, and for use by exchange or for augmentation purposes, including diversion into Little Morrison Creek for such uses and for storage in Stagecoach Reservoir for such uses, including later releases from storage for such uses. The right may divert from the following two points: Little Morrison Diversion - SE¼ SW¼ of Section 14, Township 3 North, Range 84 West of the 6th P.M. at a point 400 feet from the South line and 1,500 feet from the West line of Section 14. Little Morrison Diversion, Alternate Point - N½ NE¼ NW¼ of Section 23, Township 3 North, Range 84 West of the 6th P.M., 300 feet south of the North section line of said Section 23 and 1,950 feet east of the West section line of said Section 23. The Little Morrison Diversion and Little Morrison Diversion Alternate may only be included in this plan for augmentation to the extent that the District Court, Water Division 6, enters a final, unappealable decree in Case No. 04CW10 to allow this right to be used for augmentation uses.

(xi) Stagecoach Reservoir, Second Filling: Decreed in Case No. 97CW84, by the District Court, Water Division No. 6 on December 27, 2000, in for 6,670 acre feet absolute with an appropriation date of March 1, 1996. The right abutment of the dam for Stagecoach Reservoir is located whence the West $\frac{1}{4}$ corner of Section 32, T4N. R84W of the 6th P.M. bears South $47^{\circ}35'$ West a distance of 4,633 feet. Water stored in the reservoir under this right may be used for municipal, industrial, domestic, irrigation, stock watering, power production, recreational, fishery and aesthetic purposes, and appropriative rights of exchange and substitution, augmentation and exchange for replacement purposes and all other augmentation uses.

(xii) Morrison/Silver Creek/Stagecoach Pipeline: The application for the Morrison/Silver Creek/Stagecoach Pipeline is the subject of Case No. 03CW53, pending in the District Court, Water Division No. 6. The point of diversion is located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 10, Township 3 North, Range 84 West of the 6th P.M. at a point 2,667.1 feet from the South section line and 128.0 feet from the East section line. Its source is Morrison Creek, tributary to the Yampa River, including Silver Creek, tributary to Morrison Creek. The date of appropriation is April 3, 2003. The claimed amount is 50 c.f.s., conditional, for municipal, industrial, domestic, irrigation, stock watering, power production, recreational, fishery, reservoir evaporation, and aesthetic purposes and for augmentation and exchange for replacement purposes as may be decreed in Case No. 03CW53. The Morrison/Silver Creek/Stagecoach Pipeline water right may only be used in this plan for augmentation to the extent that the District Court, Water Division 6, enters a final, unappealable decree in Case No. 03CW53 to allow this right to be used for augmentation uses.

2. Yamcolo Reservoir. The centerline axis of the dam intersects the left abutment at a point whence the E $\frac{1}{4}$ corner of Section 16, T1N, R86W, 6th P.M., bears S $63^{\circ}47'20''$ E at a distance of 2355.2 feet. The following water right is decreed for diversion and/or storage in Yamcolo Reservoir for, among other uses, augmentation:

(i) ~~(iii)~~ Coal Creek Diversion: Decreed for 100 c.f.s., conditional, in Case No. 03CW58 with a priority date of August 6, 2003 and diverts from Coal Creek for municipal, industrial, domestic, irrigation, stock watering, power production, recreational, fishery, reservoir evaporation, and aesthetic purposes, and for use by exchange, for appropriative rights of exchange and substitution, and for augmentation and exchange for replacement purposes, including diversion from Coal Creek for such uses and for storage in Yamcolo Reservoir for such uses, including later releases from storage for such uses. The point of diversion is located 2200 feet West of the East line and 400 feet South of the North line of Section 16, T1N, R86W of the 6th P.M.

~~(i)~~(ii) Yamcolo Reservoir, First Enlargement: Decreed for 1,000 acre feet in Case No. 80CW175 with a priority date of September 4, 1951, and made absolute in Case

No. 82CW211. The Reservoir is filled from the Yampa River and Coal Creek for water storage, irrigation, domestic, industrial, and all other beneficial uses.

Until such time as the following water rights described in the following Paragraphs 8.B.(1) through (3), and decreed for storage in Yamcolo Reservoir, are also decreed to allow augmentation of the various uses contemplated by this plan, they shall not be used by the Applicant in this plan for augmentation. However, if and when the court enters a decree allowing these rights to be used to augment depletions, then these rights shall be allowed in this plan for that purpose, subject to such limitations as may be imposed in the decree granting the change in use.

(iii) Yamcolo Reservoir: Decreed for 6,531.9 acre feet in Civil Action No. 3538 with a priority Date of February 26, 1963, and made absolute in Case No. 82CW210. The Reservoir is filled from the Yampa River and Coal Creek for storage, irrigation, domestic and manufacturing uses. ~~The centerline axis of the dam intersects the left abutment at a point whence the E $\frac{1}{4}$ corner of Section 16, T1N, R86W, 6th P.M., bears S 63°47'20" E at a distance of 2355.2 feet.~~

~~(iii) Coal Creek Diversion: Decreed for 100 c.f.s., conditional, in Case No. 03CW58 with a priority date of August 6, 2003 and diverts from Coal Creek for municipal, industrial, domestic, irrigation, stock watering, power production, recreational, fishery, reservoir evaporation, and aesthetic purposes, and for use by exchange, for appropriative rights of exchange and substitution, and for augmentation and exchange for replacement purposes, including diversion from Coal Creek for such uses and for storage in Yamcolo Reservoir for such uses, including later releases from storage for such uses. The point of diversion is located 2200 feet West of the East line and 400 feet South of the North line of Section 16, T1N, R86W of the 6th P.M.~~

(iv) Pleasant Valley Reservoir: described in Paragraph 8.A.(1)(v) above at its Alternate Storage Location No. 2: Yamcolo Reservoir, in the amount of 40,720 AF, conditional.

(v) Pleasant Valley Feeder Canal: described in Paragraph 8.A.(1)(vi) above, at its Alternate Storage Location No. 2: Yamcolo Reservoir, in the amount of 300 c.f.s., conditional.

(vi) Yamcolo Reservoir, Second Enlargement: Decreed for 525 acre feet in Case No. 89CW139 with a priority date of September 6, 1988, and made absolute for fish propagation, recreation and irrigation uses in Case No. 03CW04. The Reservoir is filled from Bear River and Coal Creek for municipal, domestic, industrial, fish propagation, recreation, irrigation and the right to the use, reuse and successive use

of the water. ~~The centerline axis of the dam intersects the left abutment at a point whence the E $\frac{1}{4}$ corner of Section 16, T1N, R86W, 6th P.M., bears S 63°47'20" E at a distance of 2355.2 feet.~~

(vii) Yamcolo Reservoir, Second Filling: Decreed for 8,000 acre feet in Case No. 81CW263 with a priority date of February 27, 1981, of which 914 acre feet are absolute and 7,086 are conditional. The Reservoir is filled from Bear River and Coal Creek for irrigation, stock watering and domestic uses. ~~The centerline axis of the dam intersects the left abutment at a point whence the E $\frac{1}{4}$ corner of Section 16, T1N, R86W, 6th P.M., bears S 63°47'20" E at a distance of 2355.2 feet.~~

C. *Statement of plan for augmentation:* As explained in greater detail below, groundwater will be diverted through the YMIG pursuant to the water rights described in the First and Second Claims above (referred to collectively as the "Subject Water Rights") when those water rights are in priority. Return flows, in the form of treated effluent, will accrue to the Yampa River at the point of discharge from the City of Steamboat Springs' wastewater treatment plant and return flows from irrigation within the District will accrue to the Yampa River upstream of its confluence with Fish Creek, and will be exchanged upstream to the point of depletion of the YMIG pursuant to the Mt. Werner Yampa River Exchange described below. When the Subject Water Rights are being exercised through the YMIG at times when they are out of priority and an administrative call originating from a senior water right downstream of the YMIG is being enforced, water stored in Stagecoach Reservoir and/or Yamcolo Reservoir will be released into the Yampa River to replace out-of-priority depletions resulting from the exercise of the Subject Water Rights.

The District has estimated its anticipated water demands and depletions under this plan based upon projected population of the District in 2045 and associated water and wastewater treatment obligations. Maximum annual diversions are expected to be 2,296 acre feet, including 1,651 acre feet of diversions for in-house uses and 644 acre feet of diversions for irrigation and other outdoor purposes. Maximum annual depletions resulting from those diversions are expected to be 598 acre feet, including 83 acre feet of depletions resulting from in-house uses and 516 acre feet of depletions resulting from irrigation and other outdoor uses. Estimates of depletions associated with irrigation use are based on an irrigation efficiency of 80%; estimates of depletions associated with in-houses uses are based upon a consumptive use rate of 5% of diversions. The mix of in-house and outdoor uses under this plan may vary, but total maximum annual diversions and depletions will not exceed 2,296 and 598 acre feet, respectively. **Table 1**, attached, provides diversions, return flows and depletions, adjusted to account for lagging effects, and augmentation requirements on a monthly basis.

D. *Operation of plan for augmentation:* There are three scenarios of operation of the plan for augmentation: (1) A call originating from below the point of discharge of the City’s wastewater treatment plant (the “WWTP”); (2) a call originating above the point of discharge of the WWTP and below the YMIG-confluence of the Yampa River and Fish Creek (within the “~~Exchange-WWTP-Fish Creek~~ Reach”); and (3) calls originating ~~simultaneously~~ from points below ~~and within the YMIG and above the confluence of the Yampa River and Fish Creek~~ the Exchange Reach. In order to allow continued diversions at the YMIG during the period of such calls, the District will replace its out-of-priority depletions in the following manner:

1. When a valid administrative call is being enforced that originates from a senior water right located below the WWTP-Fish Creek Exchange Reach, the District will release water from storage in an amount equal to the District’s diversions at the YMIG minus the total amount of its lagged return flows, including both the District’s wastewater return flows discharged from the WWTP and its irrigation return flows, or such lesser amount as may be sufficient to satisfy the calling water right. that accrue within the Exchange Reach (the “District’s Total Net Depletion”). ~~When the District is replacing depletions in this manner, the Mt. Werner Yampa River Exchange will continue to operate.~~
2. When a valid administrative call is being enforced that originates from a senior water right located within the WWTP-Fish Creek Exchange Reach, the District will release water from storage in an amount equal to the District’s ~~Total Net Depletion~~ diversions at the YMIG minus lagged irrigation return flow ~~calling water right~~ or such lesser amount as may be sufficient to satisfy the calling water right.
- ~~3.~~ When a valid administrative call is being enforced simultaneously that originates from a senior water right located below the YMIG and above the confluence of the Yampa River and Fish Creek ~~the Exchange Reach and a senior water right located within the Exchange Reach~~, the District will release water from storage ~~as follows:~~
- ~~4.~~
- ~~5.~~ The District will release in an amount equal to its diversions at the YMIG or such lesser amount as may be sufficient to satisfy the calling water right ~~located within the Exchange Reach, and~~
- ~~6.~~
- ~~7.~~ 3. ~~To the extent that the amount described in 3.a. above is less than the District’s Total Net Depletion below the point of discharge of the WWTP, the District will release such additional amount as is necessary to replace the District’s Total Net Depletion.~~

10. Fourth Claim; Appropriative Right of Exchange. The Application requests confirmation of a conditional appropriative right of exchange; however, the Applicant has voluntarily withdrawn that claim, described as follows:

~~A. Name of structure: Mt. Werner Yampa River Exchange.~~

~~C. Downstream terminus: The outfall of the City of Steamboat Springs Wastewater Treatment Plant on the Yampa River located in the NE¼ of the NE¼ of Section 9, Township 6 North, Range 85 West of the 6th P.M. The UTM coordinates for this point, as identified on the Colorado Decision Support System (“CDSS”) website, are UTM X: 337468.0 and UTM Y: 4484915.0.~~

~~E. Upstream terminus: The uppermost point of depletion to the Yampa River associated with diversions through the Yampa Meadows Infiltration Gallery. This point is shown on Exhibit A, attached.~~

~~G. Appropriation date: May 31, 2018.~~

~~I. How appropriation was initiated: Determination by the Board of Directors of the Mt. Werner Water and Sanitation District to appropriate the exchange and filing of this Application.~~

~~K. Amount:~~

~~0. Maximum rate of exchange: 5.13 c.f.s., conditional.~~

~~0. Maximum annual volume of exchange: 2,181 acre feet.~~

~~P. Uses: Delivery of return flows resulting from diversions through the YMIG for the uses described in Paragraphs 7.I. and 8.I., above.~~

~~R. Location of irrigated area: Within the service area of the Mt. Werner Water and Sanitation District, as it currently exists and as it may exist in the future. The current boundaries of the District are shown on Exhibit A.~~

~~F.A. Remarks: This water right is a component of Applicant’s integrated water supply system, and will operate pursuant to the plan for augmentation described in the Third Claim above.~~

11. Integrated System. The Court finds that the Yampa Meadows Infiltration Gallery, and More Property Infiltration Gallery No. 1 and Mt. Werner Yampa River Exchange, are additional components, along with the District’s other existing decreed water rights, of an

integrated water supply system that provides water for Mount Werner Water and Sanitation District.

CONCLUSIONS OF LAW

Based upon and fully incorporating the Findings of Fact set forth above, the Court concludes as a matter of law that:

12. Notice. All notices required by law have been properly made, including as required under C.R.S. § 37-92-302(3).
13. Personal and Subject Matter Jurisdiction. The Court has jurisdiction over the Application and over all entities or persons who had standing to appear, even though they did not do so. C.R.S. §§ 37-92-301(2) and -303(1).
14. Application Complete. The Application is complete, covering all applicable matters required pursuant to the Water Right Determination and Administration Act of 1969. C.R.S. §§ 37-92-101, *et seq.*
15. Authority for Confirmation and Approval. The Court has authority to confirm the underground water right, approve the change of water right, and approve the ~~alternative sources of water for~~ augmentation plan, and confirm the appropriative right of exchange requested in the Application. C.R.S. §§ 37-92-301(2), -302, -303(1), and -304.
16. First Step. The Applicant has demonstrated that it has taken the “first step” toward an appropriation of water for the Yampa Meadows Infiltration Gallery ~~and the Mt. Werner Yampa River Exchange~~, as described above. *Vought v. Stucker Mesa Domestic Pipeline Co.*, 76 P.3d 906, 912 (Colo. 2003).
17. Can and Will. Applicant has further demonstrated that the claimed water can and will be diverted, stored or otherwise captured, possessed, and controlled and will be beneficially used, and that the appropriations claimed for the Yampa Meadows Infiltration Gallery ~~and the Mt. Werner Yampa River Exchange~~ can and will be completed with diligence and within a reasonable time. C.R.S. § 37-92-305(9)(b).
18. Change of Water Right Meets Requirements for Approval. A change of water right shall be approved if it will not injuriously affect the owner or persons entitled to use water under a vested water right or decreed conditional water right. C.R.S. § 37-92-305(3). The Referee concludes that, provided the water right for More Property Infiltration Gallery No. 1 is exercised in accordance with the terms and conditions of this decree, the change requested in the Application will not injuriously affect the owner of or persons entitled to use water under a vested or decreed water right.

19. Plan for Augmentation Meets Requirements for Approval. The proposed plan for augmentation meets the statutory criteria for a plan for augmentation set forth in C.R.S. §§ 37-92-103(9), -302(1), and -305(8), as one contemplated by law. A plan for augmentation shall be approved if it will not injuriously affect the owner or persons entitled to use water under a vested water right or decreed conditional water right. C.R.S. § 37-92-305(3). The Court concludes that, if operated in accordance with the terms and conditions set forth herein, the use of water pursuant to the plan for augmentation described herein will not injuriously affect the owner or persons entitled to use water under a vested water right or decreed conditional water right.
20. Retained Jurisdiction. Any decree approving a change of water right or plan for augmentation must be conditional upon the retained jurisdiction of the court for a period necessary or desirable to preclude or remedy any injury to the vested rights of others. C.R.S. § 37-92-304(6).
21. Requirements for Decree Fulfilled. The Applicant has fulfilled all legal requirements for a decree for the requested underground water right, change of water right, and plan for augmentation, ~~and appropriative right of exchange.~~

RULING OF THE REFEREE

22. Findings and Conclusions Incorporated. The Findings of Fact and Conclusions of Law as set forth above are incorporated herein by reference and are hereby modified as necessary to constitute part of the Ruling of the Referee and final Decree of the Water Court.
23. Confirmation of Underground Water Right. The Application of Mount Werner Water and Sanitation District for confirmation of a conditional underground water right is granted. The Court hereby confirms a conditional water right for the Yampa Meadows Infiltration Gallery in the amount of 5.4 c.f.s. for municipal purposes, including but not limited to domestic, irrigation, stockwatering, commercial, industrial, recreation, fire protection ~~and wastewater treatment.~~
24. Change of Water Right Approved. The Application of Mount Werner Water and Sanitation District for approval of a change of water right is hereby granted. The Court hereby approves and decrees the change of water right for More Property Infiltration Gallery No. 1, as more particularly described above, subject to the terms and conditions of this decree.
25. Augmentation Plan Approved. The Application of Mount Werner Water and Sanitation District for approval of a plan for augmentation is hereby granted. The Court hereby approves and decrees the plan the augmentation, as more particularly described above, subject to the terms and conditions of this decree.

~~Confirmation of Exchange. The Application of Mount Werner Water and Sanitation District for confirmation of a conditional appropriative right of exchange is hereby granted. The Court hereby confirms and decrees the conditional appropriative right of exchange for Mt. Werner Yampa River Exchange, in the amount of 2,181 acre feet annually at a maximum rate of 5.13 c.f.s., subject to the terms and conditions of this decree.~~

27.26. Terms and Conditions.

- a. Limitation on Rate of Diversion. The total combined rate of diversion under the water right decreed to the More Property Infiltration Gallery No. 1 at its originally-decreed point of diversion and at the alternate point decreed herein shall not exceed 5.4 c.f.s.
- b. Well Permit. A well permit issued pursuant to C.R.S. §37-90-137(2) and the plan for augmentation approved herein shall be obtained prior to the construction and operation of the YMIG.
- ~~b. Limitation of Operation of Exchange. During times when an administrative call originating from a water right senior to the Mt. Werner Yampa River Exchange located downstream of the YMIG and upstream of the point of discharge into the Yampa River from the City's wastewater treatment plant is being enforced, the Mt. Werner Yampa River Exchange will be considered to be out of priority, or partially out of priority, and shall be curtailed in an amount sufficient to satisfy the calling water right. At such times, any required augmentation water will be released from Yameolo and/or Stagecoach Reservoirs pursuant to the plan for augmentation approved herein.~~
- ~~b. Notice of Exchange Operation. Applicant shall provide prior notice to the Division Engineer of the operation of the Mt. Werner Yampa River Exchange for the first time.~~
- c. Measuring and Accounting. Applicant shall install measuring devices, provide accounting, and supply calculations regarding the timing of depletions as required by the Division Engineer for the operation of the plan for augmentation approved herein.
- d. Curtailement. Pursuant to C.R.S. § 37-92-305(8), the Division Engineer shall curtail all out-of-priority diversions the depletions from which are not so replaced as to prevent injury to vested water rights.

28.27. Retained Jurisdiction. In consideration of the specific findings and conclusions made herein, and in conformance with C.R.S. § 37-92-304(6), the change of water right and plan

for augmentation decreed herein shall be subject to reconsideration by the Water Judge on the question of injury to the vested water rights of others as follows:

- a. For Change of Water Right: for a period commencing on the date of entry of this decree and continuing for five years after notice has been filed with the Court in this action that the change of water right approved herein has been operated; and
- b. For Plan for Augmentation: for a period commencing on the date of entry of this decree and continuing for five years after notice has been filed with the Court in this action that the plan for augmentation approved herein has been operated to replace at least 114 acre feet of out-of-priority depletion in response to senior calls below the wastewater treatment plant, as shown in Column (15) of Table 1.

If no petition for reconsideration of this decree is filed within the relevant period, retention of jurisdiction for this purpose shall automatically expire. Any party that desires to have the Court reconsider the question of injury based on the change of water right or plan for augmentation approved in this case must file a verified petition with the Court specifically identifying the alleged injury and setting forth the facts demonstrating that the cause of such injury is the result of the change of water right or plan for augmentation approved herein. The party filing the petition shall have the burden of going forward to establish the prima facie facts alleged in the petition. If the Court finds those facts to be established, the Applicant shall thereupon bear the burden of proof to show (a) that any modification sought by the Applicant will avoid injury to other water rights, or (b) that any modification sought by the petitioner is not required to avoid injury to other water right, or (c) that any term or condition proposed by Applicant in response to the petition does avoid injury to other water rights.

~~29-28.~~ Future Diligence Filing. Should the Applicant desire to maintain the conditional water rights confirmed herein, an Application for Findings of Reasonable Diligence shall be filed in the same month of the sixth calendar year following entry of this decree, unless a determination has been made that such conditional rights have been made absolute by reason of the completion of the appropriation, or is otherwise disposed of.

~~30-29.~~ Rule 9. Pursuant to Rule 9 of the Uniform Local Rules for All State Water Court Divisions, upon the sale or other transfer of the conditional water rights decreed herein, the transferee shall file with the Division 6 Water Court a notice of transfer which shall state:

- A. The title and case number of this Case No. 18CW3020;
- B. The description of the conditional water right transferred;
- C. The name of the transferor;
- D. The name and mailing address of the transferee; and
- E. A copy of the recorded deed.

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The owner of said conditional water right shall also notify the Clerk of the Division 6 Water Court of any change in mailing address. The Clerk shall place any notice of transfer or change of address in the case file of this Case No. 18CW3020 and in the case file (if any) in which the Court first made a finding of reasonable diligence.

A copy of the Ruling shall be filed with the Division Engineer for Water Division 6 and with the State Engineer.

It is further ORDERED that this Ruling shall be filed with the Water Clerk, subject to judicial review.

DATED this _____ day of _____, 20_____.

BY THE REFEREE:

Water Referee, Water Division 6
State of Colorado

District Court, Water Division 6
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DECREE OF THE WATER COURT

No protest was filed in this matter, and accordingly, the foregoing Ruling of the Referee is confirmed and approved, and is made the Decree of the Water Court. The conditional water rights described herein shall be in full force and effect until the end of the month six years from the date of this Order. If the Applicant wishes to maintain the conditional water rights thereafter, Applicant shall file an application for findings of reasonable diligence on or before that date, or make a showing on or before then that the conditional water rights have become absolute water rights by reason of the completion of the appropriation.

SO ORDERED this _____ day of _____, 20_____.

BY THE COURT:

Water Judge, Water Division 6
State of Colorado

c)



BOARD COMMUNICATION FORM

November 20, 2019 Board Meeting

From: Robert G. Weiss, Legal Counsel

Date: November 14, 2019

Item: Yamcolo/Stagecoach contracting update

DIRECTION
 INFORMATION
 MOTION
 RESOLUTION

I. Request/Issue and Background Information: This District Negotiating Committee is engaged in contracting discussions with a number of parties for Stagecoach and Yamcolo contracts.

A. Yamcolo Irrigators Association (YIA). YIA accepted the District's offer of \$12 /AF for 2019 water. The District sent proposed contract amendment to YIA on May 12, 2019 based on Board direction and after review of the draft by the Negotiating Committee. This draft made a number of changes to the YIA agreement, including the pricing provisions which would fix until 2041 the price of YIA water starting in 2020 at \$13/AF and increasing annually by CPI subject to certain limitations. YIA responded on May 30, 2019 expressing concern over some of the Amendment provisions. We received blackline from YIA on July 23, 2019 and negotiating committee met with YIA representatives on August 29. Some of the issues discussed were beginning price of \$13AF and the CPI escalator, which YIA wished to revisit, the necessity of including within the agreement provisions relating to the Stillwater ditch, including the allocation of capacity within the ditch and limits on export of water to Colorado drainage of YIA water, the proposed change from 24 hours to 48 hours' notice for releases, the maximum Yamcolo outlet release limit and abatement rules if excess releases requested, the snapback provision for pricing after 2041(YIA requested that the District agree to amendments to O,M&A definition which would be effective in 2041 if no new fixed pricing agreed to) and changes to the arbitration provisions. After the August 29 meeting with YIA, Director Sharp proposed certain changes in response to the concerns of YIA and we discussed these revisions with the negotiating committee on Monday, September 16, 2019. At the September 18, 2019 meeting the Board agreed with the negotiating committee that the \$13/AF opening price and the O,M&A definition which would be effective in 2041 should not be revisited in these negotiations. Based on these discussions I sent YIA a revised draft. Al Snyder says they will get their "extended team together to review and comment asap." Under the existing 1981 YIA contract the District will

need to give YIA the adopted budget for 2020 by November 30 and the annual pricing for 2020 by January 31, 2020 unless we reach agreement on the amendment before that date.

B. Stillwater Ditch. The District received draft contract from the former shareholders to re-acquire the Ditch Company and the Negotiating Committee met with the shareholder representatives on June 18. Bob Weiss prepared redraft after the meeting and Negotiating Committee met to discuss on July 10. The District sent an updated draft to the former shareholders and their counsel on August 14. The former shareholders have raised questions and expressed concerns including the following:

- 1) They want to better understand the allocation of capacity and reasons for restrictions on use of the Ditch.
- 2) They asked about the status of Gardner Park reservoir.
- 3) They asked about the cancellation of the Flattops amendment.
- 4) They question whether the Agreement should be perpetual. In their draft, they propose a term ending 2041.
- 5) They have questioned the provision we added prohibiting the Company from contesting in water court the District's Yamcolo export decree.
- 6) They asked about the limitation of the USFS SUP to irrigation and Ag use when the draft agreement contemplates potential delivery of up to 500 acre feet of non-Ag water through the Ditch.

The negotiating met with former Stillwater ditch representatives to discuss these concerns on Monday, September 16, 2019 at 11AM. After that meeting a revised draft was to the Stillwater Ditch representatives. Andi Schaffner says Jeff Houpt will be reviewing this week and he will get in touch with me. If we do not reach agreement on re-conveyance of the Ditch the District will continue to be responsible for its operation and maintenance. Starting in 2020, the original shareholders or successors in 36.3 cfs original Ditch capacity must pay pro rata share of Ditch costs rather than current payment of 40 cents/share plus CPI.

For your information we attach a chart showing the proposed allocation of the capacity of the Ditch.

C. Tri-State Agreement. Tri-State terminated its Stagecoach contract effective July 15, 2020. We have sent the attached proposal to Tri-State on August 19, 2019. Tri-State acknowledged receipt but no further response has been received. We have received a counter proposal from Tri-State. It was received 10-16 and forwarded to the Board. We have not discussed this at the Board level.

D. Yamcolo Individual Irrigators (3500 AF Yamcolo water). I completed a form of contact for the Individual irrigators for a term beginning 2020 irrigation season which has been approved by

the Negotiating Committee and sent to the irrigators. . We have met with the individual irrigator representatives and have an outline of a proposed agreement.

E. Other Stagecoach Municipal contracts. Several Stagecoach municipal contracting parties have entered in two year extensions of their original fixed pricing which will continue through the 2021. The City of Steamboat has not signed an extension but the District has told the City it will bill the City under current fixed price of \$35/AF through 2021. Under the Stagecoach municipal contract language, in the absence of an agreement to fix pricing, pricing will be based on annual Stagecoach O&M after current extensions expire. Stagecoach Municipal contracts. We have extensions of current pricing for these for 2020 and 2021 for all of them (I believe) except the City of Steamboat. We have unilaterally agreed to extend the City contact at existing pricing through 2021. After 2021 these will revert to annual repricing based on O &M unless we reach another agreement. Although we have discussed the idea of initiating meetings with these contract parties such meetings have not been scheduled. Peabody has not signed its renewal approved by the Board for Stagecoach water. Apparently, it is having second thoughts about the 2041 term.

II. Summary and Alternatives: See above

III. Staff Recommendation: Negotiating Committee Continue with discussions and preparation of proposed contracts.

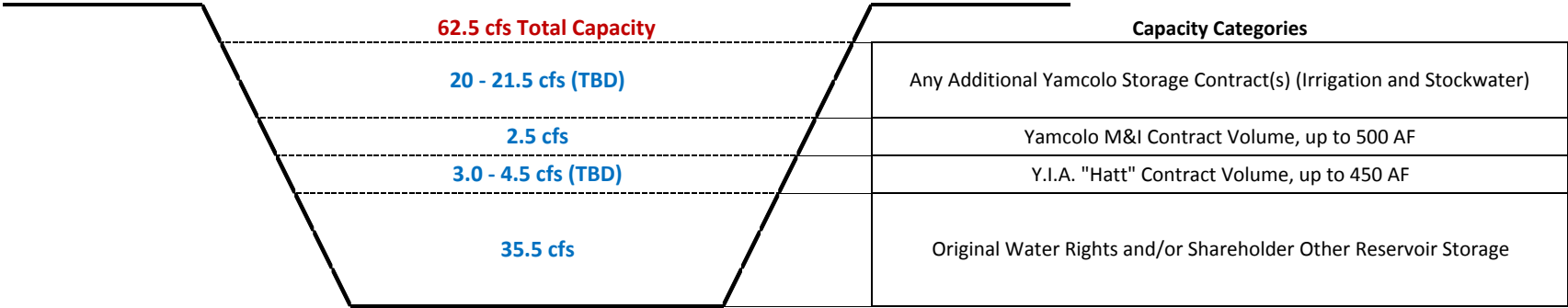
IV. Legal Issues: As described above.

V. Consistency with Board Goals and Policies: N/A

VI. Fiscal Impact: N/A

Attachments: Stillwater Dich allocation
Tri-State counter

**Stillwater Ditch
Proposed Ditch Capacity Allocation**



DRAFT



October 16, 2019

Mr. Ken Brenner, President
Mr. Kevin McBride, General Manager
Upper Yampa Water Conservancy District
2220 Curve Plaza Suite 201
P.O. Box 775529
Steamboat Springs, CO 80477-5529

RE: Stagecoach Reservoir Agreement

Gentlemen:

Thank you for your letter dated August 19, 2019 setting forth your Board's proposal for terms of a potential water contract or lease of Stagecoach Reservoir ("Lease") water with Tri-State. Tri-State's responses to the District's proposal are below:

1. The annual lease volume of 4,000 acre-feet is necessary and we request that amount for any lease/contract.
2. The commencement date of July 15, 2020 is fine, but we request a five-year term, renewable by mutual agreement of the parties before the termination of the lease/contract. We would consider a ten-year term, with a termination clause should the Craig Station no longer operate or water is no longer needed.
3. Our proposed lease/contract price is \$50 per acre foot, with a one percent annual increase throughout the term.
4. The first and senior priority proposal for the water allocated to Tri-State is essential and would require (a) a minimum of 2,000 acre-feet per year available for industrial use at the Craig Station, and (b) a minimum of 1,000 acre-feet available for instream fishery purposes through the "critical reach" for the benefit of Tri-State under the biological opinion referenced in your letter, or for other similar Tri-State benefit.
5. We request clarification of the meaning of the first clause of your paragraph 5, beginning "[t]he water allocated to Tri-State" through "the benefit of Craig Station." In relation to the fishery purpose described above in paragraph 4:
 - a. Tri-State understands it may not hold water rights for fishery purposes, but that such rights may be held by conservation districts and conservancy districts and by the Colorado Water Conservation Board. We also understand that the District does hold fishery rights and therefore, such rights would continue to be held by the District and released for Tri-State's benefit,





October 16, 2019
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- b. We understand that for the fishery flows to travel to and then through the ESA-protected fish species “critical reach,” which is beyond the boundaries of the District, it would be necessary for those flows to pass to and be held by the Colorado River Water Conservation District. The two Districts must enter into the appropriate agreement in order to facilitate fishery flows for Tri-State’s benefit.
6. Tri-State agrees that use for fishery purposes, which may be synonymous with your use of “bypass,” is single-use, provided that such fishery purposes would continue through the “critical reach” as outlined above. Tri-State agrees that uses at the Craig Station must include reuse, and successive use, to extinction.
7. We agree and support this item.
8. This paragraph is fine, provided the District’s consent would not be unreasonably withheld.
9. We believe it best to resolve the items listed above before getting into lease/contract details.

Tri-State has been a long-term customer of the District. We find it difficult to understand your request for us to compare the two small contracts you recently signed with our situation. The magnitude of Tri-State’s water volume substantially overshadows the value of these two contracts. We believe the terms of the lease/contract, including the lease/contract price, should reflect a significant volume discount for Tri-State to lease/contract for Stagecoach water.

We are certainly willing to participate in further discussions to see if we can overcome the broad differences that seem to exist between us. Please feel free to contact me at (303) 254-3208 at your convenience, if you have any additional questions or concerns or would like to schedule a meeting.

Sincerely,

Michael G. Sorensen
Senior Manager, Fuel and Water Resources

7)



AGENDA
UPPER YAMPA WATER CONSERVANCY DISTRICT
BOARD OF DIRECTORS MEETING
WEDNESDAY, DECEMBER 18, 2019 (1:30 PM)
MOUNTAIN VALLEY BANK COMMUNITY ROOM
2220 CURVE PLAZA, STEAMBOAT SPRINGS, CO

- (1) *1:30 pm* Establishment of Quorum and Call to Order;
- (2) Approval of Agenda for Meeting; action item
- (3) Public Input and Comment;
- (4) *1:35 pm* Discussion on Colorado River Issues with Andy Mueller,
General Manager Colorado River District;
- (5) *3:35 pm* 360 Review;
- (6) New Business;
- (7) *4:35 pm* Adjournment.