

Ute Water Conservancy District
Board Meeting
February 12, 2025

Meeting No. 1,004 of the Ute Water Conservancy District's Board of Directors and the Ute Water Activity Enterprise was called to order by President Greg Green at 5:30 p.m. at the District office.

ROLL CALL

Board Members: Briana Board, Pat Brennan, Newt Burkhalter, Carl Conner, Dan Cronk, Greg Green, Ken Henry, Sally Huddle, Ben Miller, Troy Waters, and Bob Wilson were present. Robert Foster attended remotely. Tammy Eret and Bruce Talbott were absent.

Ute Water employees at the meeting included Justin Bates, Nick Bierman, Sam Briscoe, Larry Clever, Gary Coup, Tanner DeGuire, John Eklund, Jamie George, Natalee Hall, Ben Hoffman, Tony Ibarra, Jesse Klingler, Andrea Lopez, Jeremy Lyon, Justin Marchun, Tim Moore, Brett Murphy, Scott Olsen, Pat Orient, Dave Payne, Dave Priske, and Greg Williams. Brett Murphy attended remotely. Ute Water's general counsel, Chris Geiger, was also in attendance.

Guests in attendance included Collbran Conservancy District (CCD) Manager Bruce Michaelson, CCD Board Member Forest Towns, and Centennial State Liquid Investment Pool (CSLIP) Administrator Ben Mendenhall.

PUBLIC COMMENTS

Centennial State Liquid Investment Pool (CSLIP) Administrator Ben Mendenhall introduced himself to the board and gave a brief CSLIP presentation. In November 2024, the board passed Resolution UW 24-04, authorizing the addition of the CSLIP account as an investment pool for the District.

MINUTES

A motion was made by Director Huddle to approve the January board meeting minutes, No. 1,003. Director Henry seconded the motion. The board voted unanimously in favor of approving the January board meeting minutes.

BILLS

A motion was made by Director Burkhalter to approve the January bills. The motion to approve the bills was seconded by Secretary Board. The board voted unanimously in favor of approving the January bills.

RESOLUTION UW 25-01 MAY 2025 BOARD MEETING DATE

Director Cronk made a motion to adopt Resolution UW 25-01, a resolution modifying the date of the May 14th, 2025, regular monthly meeting of the Board due to conflicts with the annual Western Colorado Children's Water Festival scheduled for May 12th and 13th, 2025. The resolution modifies the regular monthly meeting of the District's Board of Directors to be held on May 7th, 2025, at 5:30 p.m., and shall be held at the offices of the District, 2190 H ¼ Road, Grand Junction, Colorado. Director Wilson seconded the motion. The board voted unanimously in favor of approving Resolution UW 25-01.

EXECUTIVE COMMITTEE MEETING MINUTES

A motion was made by Director Brennan to approve the Executive Committee minutes. The motion to approve the minutes was seconded by Director Huddle. The board voted unanimously in favor of approving the Executive Committee minutes.

Director Huddle asked the Executive Committee if there would be a process for staff to provide input on the desired traits and qualities of a General Manager or leader to the Executive Committee when considering applicants. President Green stated that the Executive Committee will select the best applicant and present them as a recommendation to the Board of Directors. Director Huddle asked if staff input on desired traits and qualities of a leader could be considered and collected before the interview process for the committee to consider during the selection. Secretary Board agreed with Director Huddle's suggestions. President Green clarified that if the board would like to discuss a process for staff to provide input on desired traits and qualities, it should be addressed in the Executive Session planned following the board meeting.

FINANCE COMMITTEE MEETING MINUTES

A motion was made by Director Wilson to approve the Finance Committee minutes. The motion to approve the minutes was seconded by Secretary Board. The board voted unanimously in favor of approving the Finance Committee minutes.

WATER & CONSTRUCTION COMMITTEE MEETING MINUTES

A motion was made by Director Brennan to approve the Water & Construction Committee minutes, which was seconded by Secretary Board. The board voted unanimously in favor of approving the Water & Construction Committee minutes.

Collbran Conservancy District (CCD) Manager Bruce Michaelson gave the board a brief presentation on the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) grant application that CCD is applying for. According to Mr. Michaelson, CCD must submit its initial application to the state by the end of February. If the initial application passes the state level, a federal application must be submitted in April. FEMA will announce selected projects in October.

The Water and Construction Committee unanimously recommended that the District commit \$250,000 in financial support to Colbran Conservancy District's application for a FEMA BRIC grant request to finance repairs at a landslide location adjacent to the South Side Canal in the Parker Basin. The board voted unanimously in favor of the Water and Construction Committee's recommendation.

ENGINEERING DEPARTMENT REPORT

No additional questions were asked of the Engineering department.

DISTRIBUTION DEPARTMENT REPORT

No additional questions were asked of the Distribution department.

TREATMENT & SOURCE DEPARTMENT REPORT

Assistant Manager Dave Payne informed the board that the Bureau of Reclamation's planned 30-day fall shutdown lasted nearly 75 days. According to Mr. Payne, the District has stabilized the impacts on the Jerry Creek Reservoirs that were experienced due to the shutdown length. Mr. Payne stated that the District was able to maintain the tie-in between the two reservoirs, and the Jerry Creek Reservoirs are currently 70 percent full. The District is considering increasing the Plateau Creek diversion but is evaluating the blending options and the impact on water quality.

Mr. Payne also updated the board on the newly promulgated PFAS Rule in which the trigger levels and Maximum Contaminant Levels (MCLs) will become effective April 26, 2027. The rule also requires public water systems to conduct an initial monitoring phase covering four sampling events within a single calendar year (quarterly) before April 1, 2026, to establish required sampling frequencies for when the rule is in effect. To satisfy this requirement, the District submitted the existing Unregulated Contaminant Monitoring Rule (UCMR) 5 sampling data for these compounds. According to Mr. Payne, because the UCMR5 sampling did not detect any PFAS compounds in the District's treated water, the Treatment Plant will likely be placed on a reduced three-year monitoring schedule when the rule becomes effective.

FINANCE DEPARTMENT REPORT

Finance Director Scott Olsen announced that the District experienced record-setting demand for January this year, and water sales reflected the demand, as they were 6.44 percent over budget for January. It is speculated that the increase in temperature led to increased water demand.

Mr. Olsen reminded the board that the District's audit will be conducted the week of March 10th.

HUMAN RESOURCES/RISK MANAGEMENT DEPARTMENT REPORT

Human Resources/Risk Manager Jamie George updated the board on the increase in the District's 2025 insurance costs. Mrs. George reviewed the current deductible limits and total insured values and determined that no adjustments were necessary after considering the state of the market and what is currently in place for the District's coverage. Mrs. George also confirmed her assessment with the District's broker. The Human Resources/Risk Management department is exploring unbundling the District's property coverage. The Pool of which the District is a member will allow a member to unbundle coverage lines not tied to the Pool's Public Entity Liability document. Ideally, the Pool would like to be notified in September if the District decides to unbundle property coverage. According to Mrs. George, the plan is to get mid-year quotes from other carriers, get the Pool to quote early for comparison, evaluate options, and then determine the next steps for 2026.

Mrs. George also briefly presented the District's benefits coverage utilization report from 2024. Based on utilization, Mrs. George anticipates an increase in 2026, which may prompt some changes.

EXTERNAL AFFAIRS DEPARTMENT REPORT

External Affairs Manager Andrea Lopez introduced Natalee Hall. Ms. Hall is the new External Affairs Coordinator and has been with the District since January 20th. Within her few weeks with the District, Ms. Hall has helped with recruitment materials, board administrative duties, webpage

design for the Drought Response Information Project (DRIP) committee and other various projects within the External Affairs department.

Ms. Lopez also informed the board that the DRIP committee will be bringing Resource Central's Garden In A Box program to the Western Slope this spring. Resource Central is a conservation group local to Colorado and has gained notoriety around the state through programs such as Garden In A Box. District customers can add their information to an interest list to be the first to know when kits are available to purchase in early March. Limited discounts are available for City of Grand Junction, Clifton Water District, and Ute Water customers.

MANAGER'S REPORT

General Manager Larry Clever provided an update on Lake Powell and Lake Mead. Lake Powell is 33.57 percent full, and Lake Mead is 34.78 percent full.

Mr. Clever also announced that the District purchased nine water shares from Grand Valley Irrigation Company's (GVIC) annual auction in December. The District recently purchased 21 water shares from GVIC after a private sale of shares was advertised on social media.

Mr. Clever reminded Director Brennan, Director Burkhalter, and Director Conner that their terms expire in May. Information for directors interested in reappointment will be provided in March.

GENERAL COUNSEL REPORT

General Counsel Chris Gieger gave the board an update on the District's case 24CW3120. Mr. Gieger announced that the water judge issued a final ruling in the District's diligence case, confirming the District's claims of diligence in developing its conditional rights. Additionally, the ruling confirmed that the conditional portions of the Coon Creek Pipeline water rights be made absolute.

QUARTERLY OUTSIDE COUNSEL REPORT

No additional questions were asked of the Quarterly Outside Counsel Report.

EXECUTIVE SESSION – CASE 15CV30590 UTE WATER V. FONTANARI & 2025 GENERAL MANAGER POSITION OPENING

Director Miller made a motion to go into executive session, pursuant to Sections 24-6-402(4), to discuss the District's settlement opportunities in Case Number 15CV30590 Ute Water v. Fontanari and procedures to fill the 2025 General Manager position opening. These subjects are suitable for executive session because both involve determining positions relative to matters that may be subject to negotiation (C.R.S. Section 24-6-402(4)(e)); the board will receive legal advice on specific legal questions related to both topics (C.R.S. Section 24-6-402(4)(b)); the board will have discussions regarding the purchase or acquisition of real property related to Case Number 15CV30590 (C.R.S. Section 24-6-402(4)(a)); and the board will have discussions regarding personnel matters related to the General Manager position opening (C.R.S. Section 24-6-402(4)(f)). Participants in the Executive Session regarding Case Number 15CV30590 Ute Water v. Fontanari will include all members of the Board of Directors physically present, General Counsel Chris Geiger, General Manager Larry Clever, Assistant Manager Dave Payne, Assistant Manager Greg Williams, District Engineer Dave Priske, Project Engineer Jeremy Lyon,

Transmission and Distribution Superintendent Tim Moore, Finance Director Scott Olsen, Human Resources/Risk Manager Jamie George, and External Affairs Manager Andrea Lopez. Everyone except those members of the Board of Directors physically present and General Counsel Chris Geiger will be excused from Executive Session for discussion regarding the 2025 General Manager position opening. Director Henry seconded the motion. The board voted unanimously in favor of the motion.

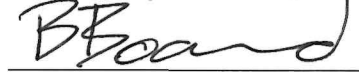
The executive session was held, and at the conclusion of the executive session, the board adjourned back into regular session. Once in regular session, Director Miller made a motion that the board authorize its management and general counsel to negotiate a purchase agreement to acquire lands owned by the Fontanari Trust near the District's Rapid Creek property in satisfaction of the District's judgement on such terms and conditions as they determine appropriate to the District, and that President Green be authorized to execute this purchase agreement upon the recommendation of management and general counsel. Director Huddle seconded the motion. The board voted unanimously in favor of the motion.

GENERAL INFORMATION/DISCUSSION

There was no additional information or discussion.

President Green adjourned the meeting at 7:38 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Briana Board". The signature is written in black ink and is positioned above a horizontal line.

Briana Board, Secretary