

Ute Water Conservancy District
Board Meeting
June 12, 2024

Meeting No. 996 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, Tammy Eret, Robert Foster, Greg Green, Ken Henry, Sally Huddle, Troy Waters, and Bob Wilson were present. Ben Miller was absent.

Ute Water employees at the meeting included Nick Bierman, Sam Briscoe, Larry Clever, Gary Coup, John Eklund, Jamie George, Tony Ibarra, Joe Isley, Andrea Lopez, Jesse Klingler, Jeremy Lyon, Tim Moore, Brett Murphy, Brian Ogan-Wood, Scott Olsen, Pat Orient, Dave Payne, Dave Priske, Rick Stengel, Greg Williams, and Tim Wygant. Ute Water's general counselors, Chris Geiger and Sara Dunn, were also in attendance.

Guests in attendance included Kevin Young, President of NorthPeak, Inc.

PUBLIC COMMENTS

Kevin Young, President of NorthPeak Inc., represented GJ Blackout, a local 501(c)(3) non-profit organization building the Blackout Sports Facility on 23 ½ Road. Mr. Young asked the board to waive the \$34,000 water tap fees to keep project costs down.

President Green thanked Mr. Young for bringing a project like the Blackout Sports Facility to the Grand Junction area and stated that the board has not historically granted variances on water tap fees for similar projects. President Green agreed that the facility is a beneficial project to the community, but the District's tap fees ultimately cover the costs for the growth in the District's system.

Board member Sally Huddle asked how individual board members could support the facility personally. Mr. Young informed the board that they could visit the project's website, gjblackout.com, for more information and to donate personally.

No additional questions were asked, and no action was taken.

MINUTES

A motion was made by Sally Huddle to approve the May board meeting minutes, No. 995. Robert Foster seconded the motion. The board voted unanimously in favor of approving the May board meeting minutes.

BILLS

A motion was made by Bob Wilson to approve the May bills. The motion to approve the bills was seconded by Briana Board. The board voted unanimously in favor of approving the May bills.

RESOLUTION UW 24-01

Assistant Manager Greg Williams presented a plan including resolutions that will require Board consideration to dissolve the Bull Basin Reservoir Company (BBRC). The District acquired 100 percent of the Bull Basin Reservoirs through three separate transactions with the final transaction occurring in March of 2009. However, the Bull Basin Reservoir Company was never officially dissolved, and it still exists, according to the Colorado Secretary of State. Therefore, staff proposed a similar process to the one used to dissolve the Monument Reservoir Company in 2009 to dissolve the BBRC. This process includes adopting a resolution by the District's board to appoint directors for the BBRC instead of a meeting by the Company for the sole purpose of winding up the reservoir company and distributing its assets. According to Mr. Williams, the staff is requesting the appointment of Larry Clever, Dave Payne, and Greg Williams by way of Resolution UW 24-01.

Robert Foster moved to adopt Resolution UW 24-01 to approve the appointment of Larry Clever, Dave Payne, and Greg Williams as directors of the Bull Basin Reservoirs Company. Bob Wilson seconded the motion. The board voted unanimously to approve the Finance Committee minutes.

FRUITA RESERVOIRS PROPOSAL

General Manager Larry Clever presented the City of Fruita proposal, including a letter and resolution in which Fruita seeks to divest itself from its Fruita Mountain Properties, including the water rights near Glade Park. This includes Fruita Reservoirs No.1, No.2, No.3, and a 125-acre parcel located on Pinon Mesa. Within the letter dated May 14, 2024, from City Manager Michael Bennett, Fruita offered to donate the subject properties and water rights to Ute Water. A response with the District's decision must be submitted by June 14, 2024. If a response is not received or the District declines, Fruita plans to provide formal offers to other specified entities.

Each department head was asked to present their thoughts on the proposal during the Water and Construction Committee meeting. The department heads and committee members discussed property and liability insurance increases; liability concerns related to public access; staffing, equipment, and materials needs if the assets were acquired; impacts to current users of the water rights; concerns surrounding public opinion as a result of a change in ownership or any changes to historical operation and use of the reservoirs; and the condition of dams and unknown concerns or conditions. During the Water and Construction Committee meeting, there was a general discussion regarding the decreed use versus the permitted uses of water leased to the Glade Park users and the decreed amounts and dates of the reservoir water.

Mr. Clever informed the board that, concluding the Water and Construction Committee meeting, the staff's general position is that the potential benefits of acquiring the properties and water rights do not outweigh the cost, uncertainty, and issues. Therefore, the staff recommendation is to decline the City of Fruita's donation offer.

A motion was made by Newt Burkhalter to decline the City of Fruita's offer to donate the Fruita Mountain Properties to the District. The motion was seconded by Dan Cronk. The board voted unanimously to decline the City of Fruita's offer.

FINANCE COMMITTEE MEETING MINUTES

A motion was made by Bob Wilson to approve the Finance Committee minutes. The motion to approve the minutes was seconded by Newt Burkhalter. The board voted unanimously in favor of approving the Finance Committee minutes.

WATER & CONSTRUCTION COMMITTEE MEETING MINUTES

A motion was made by Pat Brennan to approve the Water and Construction Committee minutes. The motion to approve the minutes was seconded by Robert Foster. The board voted unanimously in favor of approving the Water & Construction Committee minutes.

Dave Priske, District Engineer, provided the board with an update regarding the progress on Monument Reservoir enlargement. According to Mr. Priske, the District is anticipating that a 30-percent design for the enlargement should be complete around June 18th. Mr. Priske will work with President Green to establish a committee that will participate in a series of workshops regarding the enlargement to help guide staff and the board on the feasibility of progressing with the enlargement.

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

Dave Payne, Assistant Manager, stated that the Jerry Creek Reservoirs are full and spilling.

Mr. Payne announced that the District has submitted the narrative to the state regarding its compliance with the Lead and Copper Rule. Mr. Payne presented an email from a state employee, who he believes confirms that the District's service line inventory is complete and that the state is classifying the District as a lead-free system.

FINANCE DEPARTMENT REPORT

Finance Director Scott Olsen announced that the District had converted the old inventory system and integrated it into Caselle, the main accounting software. Mr. Olsen thanked Purchasing Agent Joe Isley for his diligence and efforts to make that conversion as one of his first projects as the District's new Purchasing Agent. According to Mr. Olsen, the old inventory system software had become obsolete.

Mr. Olsen then presented the District's investment policy to the board for review.

HUMAN RESOURCES/RISK MANAGEMENT DEPARTMENT REPORT

Jamie George, Human Resources/Risk Manager, reminded the board that the District's annual Summer Picnic will take place on June 19th at Lincoln Park.

EXTERNAL AFFAIRS DEPARTMENT REPORT

External Affairs Manager Andrea Lopez thanked the staff for all their hard work coordinating another successful Children's Water Festival. Board member Sally Huddle thanked the board and staff for investing in a great community event that supports educators and the school district.

MANAGER'S REPORT

Larry Clever, General Manager, provided an update on Lake Powell and Lake Mead. Lake Powell is 36.77 percent full. Lake Mead is 34.15 percent full.

Mr. Clever also thanked all staff for a good year at the Children's Water Festival.

GENERAL COUNSEL REPORT

Chris Geiger, General Counsel, announced that Greg Green, Sally Huddle, Ben Miller, Troy Waters, and Bob Wilson were appointed to serve another four-year term as directors.

Mr. Geiger also updated the board on the Fontanari matters. According to Mr. Geiger, June 11th was the deadline for the Fontanari defendants to respond affirmatively or in opposition to the District's request to inspect several parcels of property for appraisals. No response was given. Mr. Geiger stated that the next step is for the District to file a motion with the court to compel the inspection for appraisal purposes in an effort to collect the judgment that is owed to the District.

Sara Dunn, General Counsel, briefly presented the legislative summary handout. Ms. Dunn stated that it was difficult to influence the legislative process this year. Ms. Dunn suggested that staff strategize in December about the process for the upcoming year.

GENERAL INFORMATION/DISCUSSION

There was no additional information or discussion.

President Green adjourned the meeting at 6:27 p.m.

Respectfully submitted,



Briana Board, Secretary