

Ute Water Conservancy District
Board Meeting
October 11, 2023

Meeting No. 988 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, Robert Foster, Greg Green, Ken Henry, Sally Huddle, Ben Miller, Bruce Talbott, Troy Waters, and Bob Wilson were present. Tammy Eret was absent.

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

Guests in attendance included Tonya Marchun.

PUBLIC COMMENTS

No public comments were made.

MINUTES

A motion was made by Newt Burkhalter to approve the September board meeting minutes, No. 987. Sally Huddle seconded the motion. The board voted unanimously in favor of approving the September board meeting minutes.

BILLS

A motion was made by Bob Wilson to approve the September bills. The motion to approve the bills was seconded by Robert Foster. The board voted unanimously in favor of approving the September bills.

Board member, Robert Foster, asked about the specifics of the charge of \$79,576.56 associated with Garney Construction, and what role Burns and McDonnell serve in the Chemical Feed project. Assistant Manager, Dave Payne, explained that the amount paid to Garney Construction was for onboarding and deploying the contractor on-site. Burns and McDonnell will be the design engineers and will perform the construction oversight for the project.

Board member, New Burkhalter, asked whether the charges related to ACS Business Systems Inc. were billed on a monthly or annual frequency. Finance Director, Scott Olsen, confirmed that services performed by ACS are billed monthly.

2024 WATER RATE DISCUSSION

President, Greg Green, opened a discussion with the board about water rate increases. According to President Green, the purpose of the discussion is to gauge the viewpoint on a potential water rate increase for 2024 and to consider introducing annual rate increases versus occasional increases, such as the rate increase at the start of 2023.

Finance Director, Scott Olsen, gave a preface to the discussion that there is a District staff recommendation to raise the rate for the minimum (the first 3,000 gallons of water use) from \$25.00 to \$26.00. The staff proposed budget for 2024 includes this minimum-fee rate increase to cover regular operating costs determined by a review of department head expenditures and general price increases.

Board member, Bob Wilson, asked what the percentage operating profit would be according to the proposed 2024 budget including the proposed one-dollar rate increase. Mr. Olsen will provide these yearly percentages for comparison at the joint Finance Committee and Wage and Benefits Committee meeting on October 17th, 2023.

Board member, Sally Huddle, asked if the projected one-dollar rate increase would be sufficient to cover the operating costs for 2024. Mr. Olsen stated that the proposed one-dollar rate increase would cover the District's capital costs for 2024. Mr. Olsen added that while operational costs are experiencing increases, 2023 and 2024 may be outliers for exceptional capital costs driven by projects and above-average cost increases.

Board member, Ken Henry, expressed that he was in favor of annual rate increases to cover expected capital costs, inflation, and to save funds in anticipation of the potentially expanding Monument Reservoir.

Director Wilson expressed that 2023 was an above-average year for expenses, and referring to the historical operating profit percentages will provide guidance for how the District approaches future rate increases.

Board member, Robert Foster, asked if raising the tiered rate structure proportionally to the minimum had been considered. Mr. Olsen explained that the tiered rate structure was primarily constructed to incentivize water conservation. Board member, Troy Waters, expressed support for the importance of the tiered rate structure and its role in water conservation. Assistant Manager, Greg Williams, confirmed that the current tiered rate structure remains successful in serving the intended purpose of dissuading overuse of water. Director Henry asked why the proposed 2024 rate increase does not include increasing the tiered rate structure proportionally to the minimum. Mr. Olsen explained that it is the prerogative of the board to determine the avenues to fulfill capital costs.

There was no additional discussion, and no action was taken.

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.

Board Member, Bob Wilson, asked Finance Director, Scott Olsen, for the results of September tap sales. Mr. Olsen stated that 28 taps had been sold in September compared to the budgeted 31 taps.

WATER & CONSTRUCTION COMMITTEE MEETING MINUTES

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

Board member, Ken Henry, asked for an update on the expected timeline for the 30-percent design of the Monument Reservoir Enlargement project. District Engineer, Dave Priske, affirmed that field testing lab samples from RJH Consultants are anticipated to have test results in January 2024. According to Mr. Priske, RJH Consultants reports that they expect to produce a 30-percent design by the spring of 2024, which will also provide a more accurate costing estimate.

ENGINEERING DEPARTMENT REPORT

District Engineer, Dave Priske, informed the board that staff and welding contractor, Faultless Fusion LLC, have tentatively scheduled December 7th, 2023, to install the valves in the northside transmission line.

DISTRIBUTION DEPARTMENT REPORT

Distribution Superintendent, Tim Moore, gave an update on the progress of the potholing to inspect service lines for their material type, in compliance with the revised Lead and Copper Rule. The Lead and Copper crew inspected 117 service lines in September. No lead has been found. Since efforts began, 5,871 service lines have been inspected.

Board member, Robert Foster, asked for details about the relocation of an eight-inch water line near the intersection of 25 Road and Foresight Circle. District Engineer, Dave Priske, answered that the work was performed ahead of the City of Grand Junction's second phase of the F ½ Parkway Project, which affects 25 Road between F ½ Road and Patterson Road. As a result of the City of Grand Junction's project, Excel Energy moved a large gas regulator to the Foresight Circle location. The District will be reimbursed for moving the water line infrastructure. The District has successfully relocated the waterline.

TREATMENT & SOURCE DEPARTMENT REPORT

Assistant Manager, Dave Payne, reported that the Jerry Creek Reservoirs are full as of the end of September, and the District did not divert from Plateau Creek in 2023 beyond the Molina Powerplant tailrace water. A portion of the District's Mason and Eddy water rights continues to be utilized to maintain water quality.

Mr. Payne also provided the board with an update on the recent news that Zebra Mussels have been reported to be reproducing at Highline Lake. Colorado Parks and Wildlife (CPW) has determined the reservoir is infested with Zebra Mussels, and they plan to treat and drain the water during the winter of 2024-2025. According to Mr. Payne, the concern to the District at this time is the introduction of mussels on bodies of water upstream of the District's infrastructure due to the anticipated displaced recreators. Mr. Payne also warned that the implications of treating and draining Highline Lake to remove invasive mussels may cause the Grand Valley Water Users Association to divert water upstream of the hydroelectric power plant. Without the tailrace water, native fish may experience a strain from the reduction of flows.

FINANCE DEPARTMENT REPORT

Finance Director, Scott Olsen, reminded the board that the Finance Committee will hold a joint meeting with the Wage and Benefits Committee on October 17th, 2023.

Board member, Carl Conner, asked about the progress of tap sales year to date. Mr. Olsen reported that tap sales for 2023 are above budget in terms of the dollar amount, but below budget in the number of taps. Mr. Olsen stated that the main driver of this discrepancy is the increase in taps sold serving multi-family residences, while single-family home tap sales are down by 50 percent.

HUMAN RESOURCES/RISK MANAGEMENT DEPARTMENT REPORT

Human Resources/Risk Manager, Jamie George, updated the board that documents regarding the Wage and Benefits Meeting on October 17th, 2023 will be distributed to the board by October 13th, 2023. Mrs. George has been delayed in compiling the documents due to awaiting national, statewide, and local information from outside agencies.

EXTERNAL AFFAIRS DEPARTMENT REPORT

No additional questions were asked of the External Affairs department.

MANAGER'S REPORT

General Manager, Larry Clever, announced that Robert Saunders passed away on October 4th, 2023. Mr. Saunders served on the District board for 41 years beginning in 1980.

Mr. Clever provided updates on Lake Powell and Lake Mead. Lake Powell is 36 percent full. Lake Mead is 34.29 percent full.

GENERAL COUNSEL REPORT

General Counsel, Chris Geiger, gave the board a brief update on the progress of the active cases his firm is working on.

GENERAL INFORMATION/DISCUSSION

There was no additional information or discussion.

President, Greg Green, adjourned the meeting at 6:50 p.m.

Respectfully submitted,



Briana Board, Secretary