

Ute Water Conservancy District
Board Meeting
July 10, 2024

Meeting No. 997 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, 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. Pat Brennan and Tammy Eret were absent.

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

PUBLIC COMMENTS

No public comments were made.

MINUTES

A motion was made by Ken Henry to approve the June board meeting minutes, No. 996. Sally Huddle seconded the motion. The board voted unanimously in favor of approving the June board meeting minutes.

BILLS

A motion was made by Newt Burkhalter to approve the June bills. The motion to approve the bills was seconded by Briana Board. The board voted unanimously in favor of approving the June bills.

RESOLUTION UW 24-02

Assistant Manager Greg Williams presented Resolution UW 24-02. During the June board meeting, the board approved Resolution UW 24-01 to appoint Larry Clever, Dave Payne, and Greg Williams as directors of the Bull Basin Reservoir Company. According to Mr. Williams, the Bull Basin Reservoir Company directors held a meeting on June 18th in which a plan for liquidation of the Bull Basin Reservoir Company was developed. Resolution UW 24-02 seeks the approval of the District's board for the plan of liquidation approved by the Bull Basin Reservoir Company, with primary components of the plan including finalizing the transfer of assets to the District as the sole shareholder of Bull Basin Reservoir Company.

Dan Cronk moved to adopt Resolution UW 24-02 to approve the plan for liquidation of the Bull Basin Reservoir Company. Robert Foster seconded the motion. The board voted unanimously to approve Resolution UW 24-02.

STANDARDS OF CONDUCT

General Counsel Chris Geiger presented a Standards of Conduct document to the board. Board members were asked to review, sign, and return the document, which is reviewed and signed by each board member in June of each year. The Standards of Conduct policy protects the District and the board from possible conflicts of interest.

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 Bob Wilson. The board voted unanimously in favor of approving the Water & Construction Committee minutes.

ENGINEERING DEPARTMENT REPORT

No additional questions were asked of the Engineering department.

DISTRIBUTION DEPARTMENT REPORT

Distribution Superintendent Tim Moore informed the board that the District recently learned that Governor Polis signed House Bill 24-1344, which requires a licensed plumber to test, repair, inspect, and remove cross-connection devices. According to Mr. Moore, the District has 4,836 cross-connection devices that are tracked, and 181 are owned by the District. Mr. Moore expressed that this change in requiring licensed plumbers to test, repair, and remove cross-connection devices will impact the District because there are not enough certified cross-connection licensed plumbers to maintain all the cross-connection devices, and most of the testing booked through plumbers is contracted out to certified cross-connection technicians. Colorado Department of Public Health and Environment (CDPHE) requires all backflow assemblies to be tested by certified cross-connection technicians, not plumbers. Without cross-connection certifications, plumbers are not authorized to test cross-connection devices. CDPHE Regulation 11.39 requires all water providers to conduct cross-connection surveys and report to CDPHE. Mr. Moore stated that because of this recently signed house bill, certified testers are afraid to test cross-connection devices due to the possibility of being fined. According to Mr. Moore, if there are limited or no backflow testers, all state water providers will no longer comply with Regulation 11.39 and will be in violation of CDPHE rules and regulations. Mr. Moore stated that the District is hopeful that a stay will be placed on this legislation, allowing the District to express its concerns as a water provider.

General Manager Larry Clever informed the board that other water providers are united in their concern for this change across the state. Mr. Clever stated that conversations with the bill sponsor have been initiated, and they have committed to carrying legislation to resolve the issue. Mr. Clever also stated that CDPHE directed water providers to continue testing as they were before the bill was passed.

TREATMENT & SOURCE DEPARTMENT REPORT

Dave Payne, Assistant Manager, informed the board that he recently had a conversation with Colorado Parks and Wildlife (CPW) about his frustration with the underwhelmed efforts during watercraft inspection for Aquatic Nuisance Species (ANS) at Vega Reservoir. Mr. Payne stated that it is critical that inspections be done properly in the District's watershed, as the closure of Highline Lake due to the ANS discovery would likely lead to an influx of recreational watercraft in the District's watershed, specifically Vega Reservoir. Mr. Payne informed the board that CPW

acknowledged that their efforts over Memorial Day weekend could have been improved, as they were not properly staffed.

FINANCE DEPARTMENT REPORT

Finance Director Scott Olsen followed up with the board about a question that was asked during the Finance Committee meeting. Board member Robert Foster asked about the cost of mailing customer bills and how long check payments took to get to vendors. Currently, it costs the District 80 cents per customer bill. Mr. Olsen explained that it costs the District 13 cents for materials to send customer bills, including envelopes and the bill itself, and postage is 67 cents, with a postage increase occurring before the end of the month. Mr. Olsen explained that customers can sign up for electronic statements through Xpress Bill Pay, and the cost is nominal compared to receiving a paper bill.

Mr. Olsen also informed the board that the Finance Department tracked the speed of vendor checks delivered via the postal service as the District considers making electronic payments to vendors to avoid late fees accrued due to late payments. According to Mr. Olsen, payments were delivered to vendors in Denver, Colorado and Salt Lake City, Utah in four days. A payment delivered to Dallas, Texas, arrived in 17 days, and a payment delivered to Littleton, Colorado, took 28 days.

Board member Bob Wilson suggested the District explore paying vendors electronically to avoid late fees since the payments are arriving late in the mail. Mr. Olsen stated that several vendors would prefer electronic payments, so the District will work with them to test the feasibility.

Mr. Olsen also updated the board on two large tap sales that occurred earlier in July, including the development of a 135-unit complex for \$692,800 and a 51-unit complex for \$284,000. These two sales will likely put the District over budget on tap sales for the remainder of the year.

Mr. Olsen also announced that the Finance Committee will not meet in July but will meet in August to review the second-quarter variances.

HUMAN RESOURCES/RISK MANAGEMENT DEPARTMENT REPORT

Jamie George, Human Resources/Risk Manager, thanked Human Resources Specialist Nikki Dalpiaz for all her hard work coordinating a successful and fun company picnic. Mrs. George reported that the 2024 picnic was highly attended compared to years past, with 145 employees, families, and board members in attendance. The Human Resources department received great feedback regarding the change in location to Lincoln Park. Mrs. George also thanked Nick Bierman, Blair Elsberry, Tim Moore, Brian Ogan-Wood, Scott Olsen, Armando Romero, and Kylie Williams for their invaluable contributions to helping with the picnic.

EXTERNAL AFFAIRS DEPARTMENT REPORT

No additional questions were asked of the External Affairs department.

MANAGER'S REPORT

Larry Clever, General Manager, provided an update on Lake Powell and Lake Mead. Lake Powell is 40.62 percent full. Lake Mead is 33.23 percent full.

Mr. Clever informed the board that the Colorado Water Conservation Board asked if the District would consider leasing Ruedi Reservoir water shares. The District agreed to release 6,000 acre-feet at \$20 an acre-foot this year.

GENERAL COUNSEL REPORT

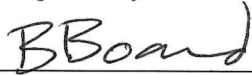
Chris Geiger, General Counsel, updated the board on the Fontanari matters. According to Mr. Geiger, on May 7th, Balcomb and Green submitted a request for inspection for entry to inspect land. Fontanari's counsel had 35 days to respond, and Balcomb and Green did not receive a response after several attempts. A motion was filed on June 14th to compel the Fontanari parties to permit the inspection and requested fees and costs for their failure to respond to the May 7th request for inspection. Fontanari's counsel filed a response on July 4th, and Balcomb and Green filed a reply on July 9th to further support the June 14th motion. Mr. Geiger stated that, at this point, the District is awaiting the court's decision.

GENERAL INFORMATION/DISCUSSION

Board member Carl Conner requested an update on the Shoshone Water Rights Preservation. General Counsel Chris Geiger updated the board on the pledge for funds the Colorado River District has secured. General Manager Larry Clever stated that the Colorado River District will need to file its federal grant to secure federal funds to help the Colorado River District reach its fiscal goal. Mr. Clever stated that the Colorado River District plans to have regular meetings with Western Slope entities that have pledged to support the Shoshone Water Rights Preservation, and the board expressed the importance of having regular meetings to address unanswered questions regarding the Shoshone water rights.

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "BBoard", written over a horizontal line.

Briana Board, Secretary