

Ute Water Conservancy District
Board Meeting
September 9, 2026

Meeting No. 1,023 of the Ute Water Conservancy District's Board of Directors and the Ute Water Activity Enterprise was called to order by President Ben Miller at 5:30 p.m. at the District office.

ROLL CALL

Board members at the meeting included Briana Board, Carl Conner, Dan Cronk, Tammy Eret, Robert Foster, Greg Green, Ken Henry, Sally Huddle, Ben Miller, Bruce Talbott, Troy Waters, and Bob Wilson. Pat Brennan and Robert Thome were absent.

Ute Water employees at the meeting included Justin Bates, Nick Bierman, Sam Briscoe, Jamie George, Cliff Gray, Ben Hoffman, Dusty Kreigshauser, Andrea Lopez, Jeremy Lyon, Natalee Machuca, Justin Marchun, Tim Moore, Brett Murphy, Scott Olsen, Pat Orient, Dave Payne, Dave Priske, Rick Stengel, and Greg Williams. Jesse Klingler attended remotely. Ute Water's general counsel, Chris Geiger, also attended.

Guests included Jim Brach, Jax Brach, Lowell King, Ron Phillips of the Palisade Insectary, and Janie VanWinkle. Maya Craig attended remotely.

PUBLIC COMMENTS

District customer Janie VanWinkle spoke on behalf of VanWinkle Ranch and other community agricultural producers about the District's drought rates and their effects on agriculture. She described a proposal she had submitted to President Miller and General Manager Greg Williams, outlining actions she would like the board to consider now and in the future. Mrs. VanWinkle said the agricultural community was not seeking an exemption from water conservation and supported reducing water use. She asked that water rate structures distinguish between consumption that can reasonably be reduced and water use essential to animal health, welfare, sanitation, biosecurity, and safe food production. She also proposed that the board consider water-use budgets, allow adjustments for legitimate changes in lifestyle or operating conditions, and apply a drought-rate surcharge to usage above the baseline. Mrs. VanWinkle urged the board to help customers affected now by revising the methodology and providing credits or adjustments for the 2026 drought periods and thanked the board for their partnership with the agriculture community.

Ron Phillips, Request-A-Bug Manager with the Palisade Insectary, informed the board that the insectary is now part of the Colorado Department of Agriculture under the Division of Conservation Resources. Mr. Phillips shared that the insectary is converting its landscaping to more native, drought-tolerant plants in response to drought conditions. He stated that the goal of the transformation was to reduce water consumption and showcase to the community and visitors what a low-water landscape can look like. He also stated that he wanted to ensure the planned work and efforts during this transformation are aligned, consistent, and support the District's conservation education and recommendations. President Miller thanked Mr. Phillips for his efforts and presentation and instructed him to work with District staff as the project progressed.

There being no further public comment, the public comment portion of the meeting concluded, and no action was taken.

MINUTES

Director Henry made a motion to approve the August board meeting minutes No. 1,022. Director Huddle seconded the motion. The board voted unanimously to approve the August board meeting minutes.

BILLS

Director Board made a motion to approve the August bills. Director Huddle seconded the motion. The board voted unanimously to approve the August bills.

2027 PROJECT MATERIALS AUTHORIZATION

General Manager Greg Williams provided the board with a brief summary of what was presented at the Joint Water & Construction and Wage & Benefits Committee regarding the procurement of materials needed for 2027 capital projects. Because certain project components have long lead times for manufacturing and delivery, staff must order certain materials and components in 2026 to ensure timely construction and completion.

Due to certain critical materials and components containing long lead times for manufacturing and delivery, staff is seeking approval and authorization to allow management to execute necessary contracts and issue purchase orders for the delivery of project materials and components for the Colorado River Aerial Crossing Replacement Project and the Treatment Plant Influent Meter Replacement Project, provided that any obligation of District funds in fiscal year 2027 is contingent upon and subject to appropriation by the Board in the fiscal year 2027 budget.

The Joint Water and Construction Committee and Wage and Benefits Committee recommended the board authorize management, contingent upon and subject to appropriation by the board in the fiscal year 2027 budget, to execute necessary contracts and issue purchase orders for the delivery of project materials and components for the Colorado River Aerial Crossing Replacement Project and the Treatment Plant Influent Meter Replacement Project in fiscal year 2027. The board voted unanimously in favor of the committee's recommendation.

2027 BENEFITS

Human Resources/Risk Manager Jamie George provided the board with a brief summary of what was presented at the Joint Water & Construction and Wage & Benefits Committee meeting. On August 24th, Colorado Employer Benefit Trust ("CEBT") representatives formally delivered the District's 2027 Benefits renewal to Mrs. George, Finance Director Scott Olsen, Assistant Manager David Payne, General Manager Greg Williams, and Director Green.

After the meeting with CEBT representatives, the District preliminarily evaluated renewal information and options for 2027 while awaiting follow-up information, data, and rates on alternative plan designs from CEBT. After receiving the requested additional information from CEBT regarding data for deductibles and out-of-pocket maximums, rates for alternative plan designs, quotes for outsourcing the Flexible Benefit Plan and its administration, and quotes for

short-term and long-term disability options, Mr. Williams and Mrs. George met to evaluate renewal information and benefit options in detail.

Mrs. George recommended maintaining the existing benefits structure and plan design for next year as the best course of action, given market conditions, District utilization, and the need to preserve our competitive advantage in benefits for recruitment and retention. In keeping the current benefits structure for next year, the District will receive a 16.0% rate increase for medical insurance, which is a \$238,000 increase to the 2027 budget, and a 3.0% rate increase for dental insurance, which is a \$1,340 increase to the 2027 budget. According to Mrs. George, keeping the 2026 benefits structure in 2027 would increase the 2027 budget by \$239,340.

The Joint Water and Construction Committee and Wage and Benefits Committee recommended the board approve maintaining the existing benefits structure and plan design, which includes a 16% increase in medical insurance and a 3% increase in dental insurance for 2027. The board voted unanimously in favor of the committee's recommendation.

DROUGHT RATES

President Miller stated that during the Joint Water & Construction and Wage & Benefits Committee meeting, the committee passed a recommendation by a six-to-five vote to discontinue drought rates for residential customers after the bills for each cycle are calculated and issued in October, and to apply the discontinuation immediately to commercial/agricultural bills issued in September.

President Miller summarized the committee's discussion, which began with a review of historical consumption and the water supply forecast presented by Treatment Plant Superintendent Ben Hoffman. Despite continued higher-than-average temperatures, District demand remains approximately 1.1 million gallons-per day below the same period in 2025, and approximately 1.6 million gallons per day less when factoring in gallons-per-degree of temperature change. Current forecast indicates that Jerry Creek Reservoirs will end October near the 62 percent interconnection level between Jerry Creek Reservoirs No.1 and No.2. While the District can operationally make releases directly from Jerry Creek No.2 as necessary, it could impact the ability for the District to consistently store tailrace or Plateau Creek source waters once they become available.

Treasurer Wilson suggested the board consider an alternative: remove the drought rates, effective immediately, for tiers one through three, and leave them effective for tiers four and five for both residential and commercial/agricultural bills to ensure equity among customer classifications. Attorney Geiger stated that both the committee's recommendation and the alternative suggested by Treasurer Wilson were permissible if a rational basis was established.

Director Green stated that after reviewing the data presented during the Joint Water & Construction and Wage & Benefits Committee meeting, it was evident that the most conservation through drought rates occurred in tiers four and five, which are only applicable to residential customers. President Miller stated that the data presented at the committee meeting affirmed that commercial/agriculture customers didn't see significant conservation reductions, even under drought rates, which could mean commercial/agriculture customers use water for regular operations and cannot reduce usage, which is why the committee recommended removing rates

effective immediately for commercial/agriculture customers, and after October 1st for residential customers.

Finance Director Scott Olsen presented a document comparing July and August water consumption after drought rates took effect with consumption during the same months in 2025. Mr. Olsen highlighted that the base tier increased by two percent, as expected as usage decreases, and noted that tiers 3 through 5 saw the largest percentage reduction in gallons in August. Mr. Olsen stated that commercial/agriculture customers reduced consumption by 6.3 million gallons, while residential customers reduced consumption by 17.9 million gallons.

Vice President Waters stated that the Highline Canal was currently empty, and that water deliveries were not occurring for the Grand Valley Water Users Association, and that part of the rationale behind implementing drought rates was to discourage the use of domestic water for irrigation purposes when irrigation companies were unable to make deliveries. President Miller agreed and stated that he believed that either the committee's recommendation or Treasurer Wilson's suggested alternative would support that rationale, as the higher tiers have made the most significant reductions in consumption.

Director Foster stated that removing drought rates would be confusing and contradictory to District customers, especially as irrigation water is becoming unavailable, and nothing has materially changed concerning drought conditions. Director Foster said he would feel more comfortable considering removing drought rates in November, after reviewing December bills, once irrigation season has concluded. He then stated that the District began the year with approximately 6,000 acre-feet of water in the Jerry Creek Reservoirs, and projections show that, while maintaining drought rates, the reservoirs will drop by an estimated 23 percent. Director Foster stated that he was concerned about the drop in reservoir levels with no plan to replace the water in sight, as the anticipated water year is variable. Because the District continues to operate under drought conditions with no relief in sight, Director Foster said he did not agree with removing drought rates at this time.

President Miller restated the committee's recommendation to discontinue drought rates for residential customers after the bills for each cycle are calculated and issued in October, and to apply the discontinuation immediately to commercial/agricultural bills issued in September. The recommendation passed with seven in favor to discontinue drought rates effective immediately for commercial/agricultural customers and for residential customers following October bills calculated and issued in October. Vice President Waters abstained.

Director Green moved to discontinue drought rates for fill station customers for October usage to align with residential customers. Director Board seconded the motion. The board voted unanimously in favor of the motion. Director Foster abstained.

FINANCE COMMITTEE MEETING MINUTES

A motion was made by Treasurer Wilson to approve the Finance Committee minutes. Director Green seconded the motion. The board voted unanimously to approve the Finance Committee minutes.

JOINT WATER & CONSTRUCTION AND WAGE & BENEFITS COMMITTEE MEETING MINUTES

A motion was made by Director Foster to approve the Joint Water & Construction and Wage & Benefits Committee minutes. Director Talbott seconded the motion. The board voted unanimously to approve the Joint Water & Construction and Wage & Benefits Committee minutes.

ENGINEERING DEPARTMENT REPORT

District Engineer Dave Priske updated the board on surveying progress for the Monument Reservoir Expansion Project, the Northside Transmission Pipeline Bridge alternative, and progress on the Southside Transmission Replacement Project Schedule H and Schedule I.

DISTRIBUTION DEPARTMENT REPORT

Superintendent Tim Moore reported that crews will extend a culvert and install C900 pipe on Kingsview Road.

TREATMENT & SOURCE DEPARTMENT REPORT

Assistant Manager Dave Payne reported that the Jerry Creek Reservoirs were 76 percent full at the end of August. He welcomed the strong reservoir levels after a historic drought year but noted uncertainty about the coming year. Mr. Payne added that secondary sources supplied 44 percent of the District's finished water in August, helping preserve reservoir levels while affecting water quality.

FINANCE DEPARTMENT REPORT

Finance Director Scott Olsen reminded the board that the Finance Committee will meet on September 15th to discuss preliminary reviews of 2027 budget revenues and capital discussions for the upcoming year.

HUMAN RESOURCES/RISK MANAGEMENT DEPARTMENT REPORT

No additional questions were asked of the Human Resources/Risk Management department.

EXTERNAL AFFAIRS DEPARTMENT REPORT

External Affairs Manager Andrea Lopez congratulated External Affairs Coordinator Natalee Machuca for being recognized as one of the 20 Best Slope Next Gen recipients at the Western Slope Young Professional Summit on August 19th.

MANAGER'S REPORT

General Manager Greg Williams updated the board on the Colorado Water Congress' Stewardship Committee, whose purpose is to safeguard Colorado's water rights system from initiatives or policies that disrupt water rights. Mr. Williams stated that the committee informed participants that no ballot measures are currently being proposed that would impact water rights users.

GENERAL COUNSEL REPORT

General Counsel Chris Geiger provided an update on Fontanari matters.

GENERAL INFORMATION/DISCUSSION

Director Henry provided the board with a brief update on the Colorado Water Congress' Annual Summer Conference and congratulated Assistant Manager Dave Payne on serving as President for the Colorado Water Congress beginning in October.

No additional information or discussion followed.

President Miller adjourned the meeting at 6:53 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dan Cronk", written over a horizontal line.

Dan Cronk, Secretary