Ute Water Conservancy District
Board Meeting
July 8, 2026

Meeting No. 1,021 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, Pat Brennan, Carl Conner, Dan Cronk, Tammy Eret, Robert Foster, Greg Green, Ken Henry, Sally Huddle, Ben Miller, Bruce Talbott, Bob Thome, Troy Waters, and Bob Wilson.

Ute Water employees at the meeting included Justin Bates, Sam Briscoe, John Eklund, Jamie George, Ben Hoffman, Jesse Klingler, 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. Ute Water's general counsel, Chris Geiger, was also in attendance.

Guests in attendance included Dan Caris, Adam Roy, and Shannon Vassen, all employees of the City of Fruita.

PUBLIC COMMENTS

No public comments were made.

MINUTES

Director Green made a motion to approve the June board meeting minutes, No. 1,020, with the correction that Vice President Troy Waters adjourned the meeting, as President Ben Miller was absent. Director Board seconded the motion. The board voted unanimously in favor of approving the June board meeting minutes as amended.

BILLS

Director Green made a motion to approve the June bills. Secretary Cronk seconded the motion. The board voted unanimously to approve the June bills.

CITY OF FRUITA TAP REQUEST – 805 WEST OTTLEY

General Manager Greg Williams provided the board with a brief presentation about the history of the property, as well as the discussion at the July 7th Water and Construction Committee meeting.

The sale and redevelopment of the assisted living facility into a multi-family housing development is occurring at 805 West Ottley Avenue in Fruita and has prompted a discussion regarding the provisions within the tap-on-loan agreement entered into in 1991 with Family Health West. The tap-on-loan agreement was structured as a conditional arrangement with provisions that the District retains ownership of the tap, and payment or replacement under current tap fee amounts is required upon transfer of property ownership; nor would the existing tap be credited toward redevelopment or a change in use on the property.

The redevelopment has taken the form of a public-private partnership involving the City of Fruita, Fruita Housing Authority, and the developer/owner, which Mr. Caris referred to as the Headwaters Housing Group. The redevelopment includes conversion of the former assisted living facility into a 63-unit multifamily residential project consisting of six buildings and a clubhouse. The City of Fruita has proposed alternatives including reduced tap fees, continuation of the tap-on-loan arrangement, or adjusted payment terms, primarily citing the project's affordable housing benefits and funding constraints.

Mr. Williams stated that District staff and the Water and Construction Committee expressed concern that granting relief through a variance to existing Rules and Regulations, or extending the tap-on-loan agreement, would conflict with long-standing policies of full cost pricing and growth paying its own way. Mr. Williams added that there are also concerns about setting a precedent and shifting infrastructure costs to existing customers.

The Water and Construction Committee unanimously recommended denying the proposals from Fruita, including the request for extension of the tap-on-loan agreement, and not granting a variance to the request for tap fee reduction or relief.

Assistant City Manager for the City of Fruita Dan Caris addressed the board, stating that the tap-on-loan agreement has provisions that give the Board of Directors discretion to consider a variance. Mr. Carris stated that the City of Fruita would like to see the continuation of the tap-on-loan, as the project is considered affordable housing, similar to the non-profit use of Family Health West's assisted living facility. President Miller stated that he believed in the structure that the Board of Directors has created through developing policies that align with the philosophy that growth will pay its own way, and that he agreed with the committee's recommendation to deny the proposals.

Director Green also stated that the tap size is increasing from a 2-inch tap to a 4-inch tap, which is not only an increased tap fee, but also an increase in water being served to the parcel, and an overall increase in demand that the District must sustain.

Director Board asked for clarification on why tap-on-loans existed as part of the District's history. Mr. Williams explained that there were five tap-on-loan requests total, and that most of the tap-on-loan requests were driven by economic development, but that the tap-on-loan for Family Health West was for a non-profit use.

Director Thome stated that the District has been approached by other entities looking for variances to support affordable housing, but that the District has denied similar requests in the past. Mr. Williams confirmed but also stated that he had shared with Mr. Caris that the only special agreement the District has agreed upon was with the Grand Junction Housing Authority to accommodate a specific circumstance, but that previous developers who have asked for variances have been denied.

Director Foster stated that one of the Water and Construction Committee's concerns with granting a variance was that the type of use for the tap and property had changed significantly, as it is being converted from an assisted living facility to a 63-unit multifamily residential project.

Director Board asked whether the tap could remain as a 2-inch tap rather than being increased to a 4-inch tap, to provide savings to the project, or other ways the District could remain in good partnership with the City of Fruita aside from a tap-on-loan variance. Mr. Williams stated that per the District's Rules and Regulations and rate schedule, for a multi-family master meter situation, a 2-inch and 4-inch tap is the same cost, as the District charges per unit, not by the size of the meter. Mr. Williams also clarified that, under the prior arrangement, no tap fee was paid, so the costs of impacts to the District's systems or allocating funds for water right development have not been recovered.

Director Huddle stated that the Board of Directors needs to stand firm in their philosophies and the policies that have been developed through the Rules and Regulations, and that she was aligned with the Water and Construction Committee's recommendation to deny the proposal.

The board voted unanimously to approve the Water and Construction Committee's recommendation to deny the proposals from the City of Fruita, including the request to extend the tap-on-loan agreement, and to deny the request for a variance for tap fee reduction or relief.

GRAND VALLEY POWER LONG PROPERTY EASEMENT REQUEST

Grand Valley Power is seeking to relocate an existing portion of an overhead power line that currently follows an east-west alignment to the west of the District's Long Property. The existing alignment of this power line is located on private property and not in a formal easement or road right-of-way. Grand Valley Power has requested an easement of approximately 2,340 feet in length, 20 feet wide, and would include the installation of approximately seven power poles along the western boundary of the District's property. Grand Valley Power's adopted practice and policy is that they do not pay or compensate for easements. However, the District recognizes and supports efforts to reduce and minimize threats from wildfire within its watershed.

The Water and Construction Committee unanimously recommended that the board approve the granting of the easement and that the General Manager be authorized to execute an easement agreement once District staff and District counsel, as necessary, finalize the legal description and applicable easement terms.

The board voted unanimously to approve the Water and Construction Committee's recommendation to approve the granting of the easement.

PETITION FOR INCLUSION – PARCEL NO. 2943-363-00-002 & 2943-253-00-015

The board reviewed a petition for inclusion for parcel numbers 2943-363-00-002 and 2943-253-00-015. President Miller opened the public hearing on the proposed petition for inclusion, parcel numbers 2943-363-00-002 and 2943-253-00-015. Hearing no comments from the public, the public hearing was closed.

General Manager Greg Williams presented a proposed petition for inclusion. W. Crafts and Beverly Black submitted a Petition for Inclusion to include the parcels within the Ute Water Conservancy District in January of 1978, which the board considered and approved according to the January 1978 minutes.

However, District staff and legal counsel have been unable to locate a corresponding Order for Inclusion issued by the Mesa County District Court within the District's records, District Court records, or recorded at the Mesa County Clerk and Recorder's office. Despite the absence of a recorded court order or an incomplete legal record, the Mesa County Assessor's office appears to have treated the parcels as being included in the District since 1978. Based on advice from District legal counsel, the most efficient and legally sound approach to resolving this issue was to initiate and complete a new Petition for Inclusion process under current statutory requirements, which was subsequently submitted by the W. Crafts Black Trust on June 16th.

Mr. Williams stated that this petition request is administrative in nature to correct legal discrepancies in the District's, Mesa County District Court's, and Mesa County Assessor's records while also taking the opportunity to include terms and conditions to address the District's ability to serve the parcels, including areas above the District's hydraulic grade line. Those terms and conditions include that easements previously granted to the District located on the parcels shall remain in full force and effect; any development on the parcels requiring water service shall be limited to locations below the District's hydraulic grade line elevation; any required pressure-boosting (e.g., pumping) or regulating systems will be the responsibility of the property owner/developer; and owners/developers shall remain subject to all rules and regulations of the District including as they may be amended from time to time.

During the Water and Construction Committee meeting, staff recommended that the board approve the Petition for Inclusion submitted by the W. Crafts Black Trust, subject to the terms and conditions outlined and included in the Order for Inclusion to be submitted to the Mesa County District Court.

Director Henry made a motion to approve the petition for the inclusion of parcel numbers 2943-363-00-002 and 2943-253-00-015. Director Foster seconded the motion. The board voted unanimously in favor of the motion.

DROUGHT RESPONSE PLAN

External Affairs Manager Andrea Lopez briefly presented the updates to the Drought Response Plan, which serves as an appendix to the Water Efficiency Plan. The Drought Response Plan provides agreed-upon guidance for the Drought Response Information Project Committee to strategically plan each year by setting clear expectations for all partnering agencies, allowing the committee to remain flexible and responsive throughout the year, tailoring activities and messaging based on the severity of the drought as detailed in the plan. According to Ms. Lopez, one of the primary revisions was to remove the thresholds and the one-for-all, all-for-one actions from the plan, to ensure that more severe and policy-related drought response actions are at the discretion of the individual water providers' boards and councils.

Ms. Lopez stated that as directed by General Manager Greg Williams, this will likely be the last time this plan comes before the board for approval, due to the removal of these policy-related actions and their revision as a public, operational plan.

The Water and Construction Committee unanimously recommended that the board approve the Drought Response Plan revisions as presented. The board voted unanimously in favor of the committee's recommendation.

EXECUTIVE COMMITTEE MEETING MINUTES

A motion was made by Director Huddle to approve the May 27th Executive Committee minutes. Director Green seconded the motion. The board voted unanimously to approve the Executive Committee minutes.

WATER & CONSTRUCTION COMMITTEE MEETING MINUTES

A motion was made by Director Foster to approve the Water and Construction Committee minutes, with the following correction: "Director Foster commented that it is not uncommon to see a change in use going from a commercial customer type to a multi-family residential development and a change in the meter size from 2-inch to 4-inch." Director Connor seconded the motion. The board voted unanimously to approve the Water and Construction Committee minutes as amended.

ENGINEERING DEPARTMENT REPORT

District Engineer Dave Priske gave the board an update on an alternative to the aerial crossing. The District is considering an alternative that eliminates the need to cross existing infrastructure belonging to the Union Pacific Railroad and Colorado Department of Transportation and is more economically feasible. According to Mr. Priske, crossing existing infrastructure for this project is expensive and difficult to obtain permission for. The alternative would require a bypass between the sections under the Colorado River. Mr. Priske will provide more details and information to the board in the future.

DISTRIBUTION DEPARTMENT REPORT

Superintendent Tim Moore reminded the board that the Distribution department responds quickly to leak reports and, as drought conditions worsen, works to isolate impacted areas as efficiently as possible to minimize water loss.

Mr. Moore also thanked the Treatment and Source Department for its diligence in maintaining required chlorine residuals in areas of the system that have historically required frequent flushing. As a result of the Treatment Plant's efforts, flushing has been reduced significantly this year compared to the same period last year.

TREATMENT & SOURCE DEPARTMENT REPORT

Assistant Manager Dave Payne reported that the Jerry Creek Reservoirs ended June at 98% full, crediting the storage level to the District's practice of blending Grand Mesa water with Colorado River water. Mr. Payne also informed the board that the District is no longer receiving tailrace water through the Lower Molina Power Plant. However, through May 29th, the District had received 1,794 acre-feet from the tailrace despite the Bureau of Reclamation's earlier indication that no tailrace water was expected.

Mr. Payne provided the board with an update on the failed pump at Colorado River Pump Station No. 1. According to Mr. Payne, a replacement pump has a five-month lead time and is expected to cost the District $100,000.

Mr. Payne also asked the District to increase the District's watershed management funding to expand efforts to mitigate water quality impacts in a post-wildfire scenario, but also to lead this effort with the four counties making up the Grand Mesa, Uncompahgre, and Gunnison National Forests in maintaining a viable forest management network to develop a collaborative program with forest management to ensure an effective forest management program on the Western Slope.

Treasurer Wilson made a motion to authorize the General Manager to expend up to $100,000 towards a collaborative program with forest management to ensure an effective forest management program on the Western Slope. Director Connor seconded the motion. The board voted unanimously in favor of the motion.

FINANCE DEPARTMENT REPORT

Finance Director Scott Olsen updated the board on reduced District-wide water consumption. Mr. Olsen reported that June consumption was 12 percent below recent historical levels, marking the lowest billed June water use since 2019. He noted that, despite adding 3,390 taps since 2019, the District has continued to grow while reducing overall consumption.

Mr. Olsen thanked the Customer Service Department for its hard work and resilience during the District's recent transition from Xpress Bill Pay to InvoiceCloud as its third-party online payment provider, as well as for preparing customer bills to reflect drought rates.

HUMAN RESOURCES/RISK MANAGEMENT DEPARTMENT REPORT

Human Resources/Risk Manager Jamie George thanked District Engineer Dave Priske for helping compile dam and dam-exposure information needed for the District's insurance pool.

Mrs. George also thanked the board for their attendance at the annual picnic and encouraged feedback on future picnics.

EXTERNAL AFFAIRS DEPARTMENT REPORT

External Affairs Manager Andrea Lopez thanked Treatment Plant Superintendent Ben Hoffman for his weekly updates regarding the District's source water utilization during the drought conditions impacting the District. Ms. Lopez commented that up-to-date and current information is critical in conditions such as the drought.

President Ben Miller thanked the District for having a strong presence at the procession honoring the three fallen firefighters who suffered from line-of-duty deaths while combating the Snyder Fire.

MANAGER'S REPORT

General Manager Greg Williams invited the board to attend the Colorado Water Congress Summer Conference in Steamboat on August 18th through the 20th.

GENERAL COUNSEL REPORT

No additional questions were asked of the General Counsel.

GENERAL INFORMATION/DISCUSSION

Treasurer Wilson asked how the District's reduction in consumption compared to other local water providers. General Manager Greg Williams stated that the City of Grand Junction is reporting an eight percent reduction in water consumption over the past year, and Clifton Water District is reporting a 30 percent reduction over approximately the last 20-year average.

There was no additional information or discussion.

President Miller adjourned the meeting at 7:00 p.m.

Respectfully submitted,

Dan Cronk

Dan Cronk, Secretary