

Upper Gunnison River Water Activity Enterprise

Regular Meeting Minutes

January 26, 2009

The Board of Directors of the Upper Gunnison River Water Activity Enterprise conducted a regularly scheduled meeting on Monday, January 26, 2009 at the District's offices, 234 North Main Street, Suite 3B, Gunnison, Colorado.

Board members present were Ralph Grover, Gary Hausler, Rebie Hazard, Bill Nesbitt, Jim Pike, Brett Redden, Steve Schechter, George Sibley, Ken Spann, and Dennis Steckel.

Board member not present was Steve Glazer.

Others present:

Frank Kugel, General Manager
John McClow, General Counsel
Jill Steele, Office Manager

1. CALL TO ORDER

Board President Brett Redden called the meeting to order at 9:23 p.m.

2. AGENDA APPROVAL

Bill Nesbitt moved and Gary Hausler seconded approval of the agenda as circulated. The motion carried.

3. CONSENT AGENDA ITEMS

Rebie Hazard pointed out that on page 4 of the September 22, 2008 meeting minutes, "Ste" should be "Steve."

Ken Spann requested removal of the 2008 budget summary from the consent agenda.

Bill Nesbitt said that on page 3 the September 22, 2008 minutes, "asses" should be changed to "assess."

Dennis Steckel moved and Jim Pike seconded to approve the remainder of the consent agenda. The motion carried.

Bill Nesbitt moved and Gary Hausler seconded to approve the \$25,000 note payment for 2008 and to approve the 2008 budget summary as amended.

Ken Spann asked about the \$25,000 note payment to the UGRWCD. John McClow said that the payment is before the board tonight for approval and that, once approved, the 2008 budget summary will be amended to reflect the payment.

Gary Hausler called for the question.

The motion carried.

Gary Hausler requested authorization to move up to \$75,000 from the Water Activity Enterprise Colostrust account for distribution into local financial institutions in order to maximize interest income.

Ken Spann moved and Bill Nesbitt seconded that Board Treasurer Gary Hausler be authorized to move up to \$75,000 from the Water Activity Enterprise Colostrust account for distribution into local financial institutions in order to maximize interest income. The motion carried.

4. MERIDIAN LAKE RESERVOIR UPDATE

Frank Kugel said that he made his last visit to Meridian Lake Reservoir in November. He said he hopes to get up there during the next few weeks to get a reservoir level reading.

5. 2009 BUDGET

Brett Redden asked for comments on the proposed 2009 Budget.

Gary Hauler moved and Bill Nesbitt seconded approval of the Upper Gunnison River Water Activity Enterprise 2009 Budget as circulated.

Ken Spann said he has a hard time voting for a budget that over time projects negatively. One option would be to renegotiate the note, because it could be a long-term issue.

John McClow said that the note, which calls for payment of \$25,000 per year, is to pay the District back for what it had spent on the reservoir prior to the formation of the Enterprise. Additionally, the District lent the Enterprise \$75,000 as start-up capital. On that amount there is no interest involved and payments are optional.

The Enterprise's cash in reserve is the result of the annual assessments of the unit holders for the capital reserve fund for future replacement of the dam. \$60,000 of that comes from assessing the unsold units and \$60,000 is from assessing the sold units.

Ken Spann said he is not suggesting that the board not approve this budget, but the board should have a serious conversation in the future.

Jim Pike suggested doing so within the next few months.

Bill Nesbitt said the board could ask staff to look at other financing options.

Brett Redden suggested that the board adopt the 2009 budget now but take under advisement the need to look at different financing methods and discuss this at the July meeting. He asked staff to look at this.

The motion carried.

6. MISCELLANEOUS MATTERS

There was no discussion of miscellaneous matters.

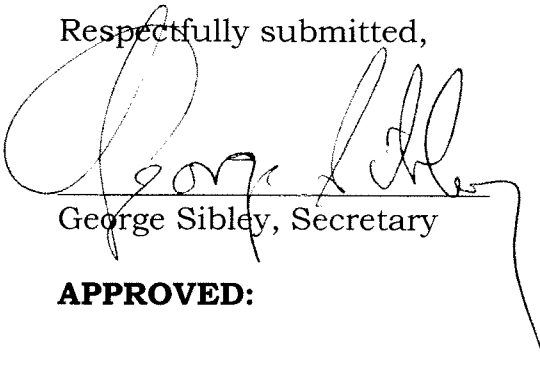
7. UNSCHEDULED CITIZENS

No unscheduled citizens requested to speak.

8. ADJOURNMENT

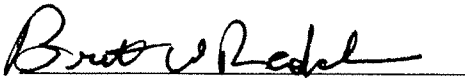
Board President Brett Redden adjourned the January 26, 2009 meeting at 9:50 p.m.

Respectfully submitted,



George Sibley, Secretary

APPROVED:



Brett W. Redden, President