# Upper Gunnison River Water Conservancy District

210 West Spencer Avenue, Suite A • Gunnison, Colorado 81230
Telephone (970) 641-6065 • www.ugrwcd.org

**BOARD OF DIRECTORS AGENDA – REGULAR BOARD MEETING**
Monday, July 27, 2026 at 5:30 p.m.
UGRWCD Offices, 210 W. Spencer Ave, Suite A, Gunnison, CO 81230
and via Zoom video/teleconferencing with this link:
https://us02web.zoom.us/meeting/register/Icw9Qi9NRL6wFQMvIaum0A

**MISSION STATEMENT**
To be an active leader in all issues affecting the water resources of the Upper Gunnison River Basin.

**5:00 p.m.** *Dinner is served*

**5:30 p.m.** 1. **Call to Order**

**5:31 p.m.** 2. **Agenda Approval**

**5:32 p.m.** 3. **Consent Agenda Items:** Any of the following items may be removed for discussion from the consent agenda at the request of any Board member or citizen.
- Approval of June 22, 2026 Annual Meeting Minutes
- Monthly Budget Review
- Consideration of Expenses

**5:35 p.m.** 4. **Treasurer's Report**

**5:37 p.m.** 5. **Discussion with Tom Stoeber, CPA regarding 2025 Audit**
- **ACTION – Approve 2025 Audit**

**5:52 p.m.** 6. **2027 Budget Officer Appointment (ACTION)**

**5:55 p.m.** 7. **General Counsel Update**

**6:05 p.m.** 8. **Basin Water Supply Report**

**6:15 p.m.** **9.** **General Manager & Other Basin Updates**

- General Manager Update
  - Strategic Planning Update
  - New Hire - Administrative Specialist III
  - Western Slope Watershed & Forest Health Stakeholder Meeting
  - Education & Outreach Update
- Taylor Local Users Group
- Gunnison Basin Roundtable
- Scientific Endeavors

**6:30 p.m.** **10.** **Director Updates**

**7:05 p.m.** **11.** **Miscellaneous Matters**

**7:07 p.m.** **12.** **Citizens Comments**

**7:10 p.m.** **13.** **Future Meetings**

**7:12 p.m.** **14.** **Summary of Meeting Action Items**

**7:15 p.m.** **15.** **Adjournment**

## UPPER GUNNISON RIVER WATER ACTIVITY ENTERPRISE
## BOARD OF DIRECTORS- AGENDA
## REGULAR SEMI-ANNUAL MEETING

**7:20 p.m.** **1.** Call to Order

**7:21 p.m.** **2.** Agenda Approval

**7:22 p.m.** **3.** **Consent Agenda Items:** Any of the following items may be removed for discussion from the consent agenda at the request of any Board member or citizen.

- Approval of January 26, 2026 Minutes
- Consideration of Expenses
- Budget Report

**7:25 p.m.** **4.** **Meridian Lake Reservoir Update**

**7:35 p.m.** **5.** **Miscellaneous Matters**

**7:37 p.m.** **6.** **Citizens Comments**

**7:40 p.m.** **7.** **Adjournment**

Note: This agenda is subject to change, including the addition of items or the deletion of items at any time. All times are approximate. Regular meetings, public hearings, and special meetings are recorded, and action can be taken on any item. The Board may address individual agenda items at any time or in any order to accommodate the needs of the Board and the audience. Persons with special needs due to a disability are requested to call the District at (970) 641-6065 at least 24 hours prior to the meeting.

# AGENDA ITEM 3

## CONSENT AGENDA ITEMS

RETURN TO AGENDA

# Upper Gunnison River Water Conservancy District
## Board of Directors Annual Meeting Minutes
## Monday, June 22, 2026 at 5:30 p.m.

The Board of Directors of the Upper Gunnison River Water Conservancy District (UGRWCD) conducted an annual Board Meeting on Monday, June 22, 2026, at 5:30 p.m. at the Upper Gunnison River Water Conservancy District, 210 West Spencer, Suite A, Gunnison, Colorado and via Zoom video/teleconference.
Board members present: Stuart Asay, Rosemary Carroll, Rebie Hazard, John Perusek, Don Sabrowski, Hannah Cranor-Kersting, Brooke Zanetell, Brian Stevens, Camille Richard (via Zoom), and Jeff Writer (via Zoom).

Board member absent: Joellen Fonken

Others present:
Carl Bern, USGS
Sonja Chavez, UGRWCD General Manager
Rachel Gidley, USGS (via Zoom)
Jules Iovino, UGRWCD Water Resources Fellow
Leon Katona, Colorado Department of Public Health and Environment (via Zoom)
John McClow, UGRWCD General Counsel (via Zoom)
Beverly Richards, UGRWCD Office/ Senior Program Manager
Corey Williams, USGS
Ari Yamaguchi, UGRWCD Water Resources Specialist

### 1. CALL TO ORDER

President Don Sabrowski called the meeting to order at 5:30 p.m. There were ten board members present, which constitutes a quorum (six members).

### 2. AGENDA APPROVAL

**Director Carroll moved and Director Hazard seconded approval of the agenda. The motion carried.**

### 3. ADMINISTRATION OF OATH OF OFFICE BY JUDGE KELLIE STARRITT

Judge Starritt administered the oath of office for Stuart Asay, Brian Stevens, John Perusek, and Hannah Cranor-Kersting. All board members were sworn in for a four-year term.

## 4. APPROVAL OF MAY 19, 2026 BOARD MEETING MINUTES

**Director Asay moved and Director Perusek seconded approval of the May 19, 2026 board meeting minutes. The motion carried.**

## 5. ADOPTION OF RESOLUTION 2026-01 TO SET POSTING PLACE

**Director Hazard moved and Director Carroll seconded approval of Resolution 2026-01 to Set Posting Place. The motion carried.**

## 6. TREASURER'S REPORT

Treasurer Perusek stated that he had no other information other than what was provided in the memo included in the board meeting packet.

## 7. ELECTION OF OFFICERS

The current slate of offices includes Don Sabrowski, President; Rosemary Carroll, Vice-President; Rebie Hazard, Secretary; and John Perusek, Treasurer. President Sabrowski asked each officer if they were willing to continue to serve in that capacity and all agreed. The following motions were made:

**Director Stevens moved and Director Zanetell seconded appointing Director Rosemary Carroll as Vice-President. The motion carried.**

**Director Perusek moved and Director Asay seconded appointing Director Rebie Hazard as Secretary. The motion carried**

**Director Carroll moved and Director Hazard seconded appointing Director John Perusek as Treasurer. The motion carried.**

**Director Carroll moved and Director Stevens seconded appointing Director Don Sabrowski as President. The motion carried.**

## 8. RE-AUTHORIZATION OF STANDING COMMITTEES

**Director Asay moved and Director Perusek seconded re-authorizing the standing committees as presented. The motion carried.**

Director Cranor-Kersting will provide staff with the committees she would like to serve on.

## 9. GENERAL COUNSEL UPDATE

General Counsel McClow said he has been working on administrative items such as contracting for the grant program, contracting for the drill seeder, preparing for and attending the board retreat, reviewing applications for the administrative assistant position, and other planning matters.

Counselor McClow also said there was a 10-year operations plan developed by the Bureau of Reclamation which includes renegotiation every two years. He said there is very little information available about the plan, but many are not in favor of that ongoing process.

## 10. BASIN WATETR SUPPLY UPDATE

Senior Program Manager Beverly Richards said she attended the Water Conditions Monitoring meeting the day after her report was prepared. She presented some slides provided by Russ Schumacher, State Climatologist, at that meeting. The slides showed that temperature conditions continue to remain warmer than average as the area moves into the summer months. This has had effects on drought conditions marking 2026 as second only to 2002 in severity. The slides also showed that El Niño is likely for the summer or fall and could potentially be strong. That combined with a potentially active monsoon season could bring some optimism in the long term.

## 11. PRESENTATION BY RACHEL GIDLEY, CORY WILLIAMS, AND CARLETON BERN, USGS ON AG RETURN FLOW STUDY

USGS provided an update on the AG Return Flow Study. This included background on the study; goals and approach used in the study; ongoing data collection and sampling; continuous and discrete flow measurements; ground water monitoring in the East River Basin; upcoming tasks; and data analysis for 2025 irrigation season. This was an informational item with no Board action required.

## 12. GENERAL MANAGER, COMMITTEE, AND STAFF UPDATES

- Miscellaneous matters including strategic planning, B2E congratulations from Senator Bennett, and producer thank yous for infrastructure upgrades that have helped during this low water year.
- Administrative management update including construction of deck on Unit A, phase 2 of the Xeriscaping project, 2025 audit completion, insurance renewal, development of credit card use agreement.

- Grant program update included outstanding grants for 2024 and 2025, and the progress for contracting for 2026 grants.
- Wet Meadows quarterly program update included updates of planning and field activities, research, data sharing, and education and outreach.
- Water resources quarterly update including Homestake Pitch Uranium Mine variance status, Water Quality Control Commissions rulemaking schedule, and Temperature Working Group meeting schedule.
- Education and Outreach quarterly update included information about the drought outreach campaign, outreach events, and anticipated activities for the remainder of the summer and into the fall.
- Taylor Local Users Group update provided information about June 9, 2026 meeting. This meeting discussed water supply, CBRFC forecasts, WRF-Hydro forecasts reports, release recommendations, and voluntary fishing closures.
- Gunnison River Festival update included information about the events that occurred as part of the Taylor Down River Race and the Gunnison Whitewater Park events.
- Director Carroll provided scientific endeavors update which included ongoing research in the Upper Gunnison basin.

## 13. MISCELLANOUS MATTERS

- Resolution 2026-02 honoring John McClow for 20 years of service to the Upper Gunnison River Water Conservancy District.
  **Director Hazard moved and Director Carroll seconded approval of Resolution Honoring John McClow for 20 Years of Service. The motion carried.**
- Colorado Water Congress, Steamboat Springs – August 18-20, 2026. Board to advise staff if they would like to attend.
- Board members provided updates on matters associated with their divisions.
- Director Asay suggested considering the increase of the current mill levy to address issues associated with water supply conditions. Staff recommendation was to look at this issue once the strategic planning has been completed.

## 14. CITIZENS' COMMENTS

There were no citizens' comments.

## 15. FUTURE MEETINGS

Future meetings for the District were provided.

## 16. SUMMARY OF MEETING ACTION ITEMS

- Provide digital link to USGS Stakeholder Meetings from handout.
- Staff will work on municipal water supply information and messaging around drought to address public questions about security of municipal water supply throughout the community.
- Prepare a PowerPoint presentation on the State Drought Declarations as requested board education.

## 17. ADJOURNEMENT

Board President Don Sabrowski adjourned the June 2026 Annual Board Meeting at 8:45 p.m.

Respectfully submitted,

________________________________________

Rebie Hazard, Secretary

________________________________________

Don Sabrowski, President

RETURN TO AGENDA

Upper Gunnison River Water Conservancy District
Monthly Budget Summary 2026

| | Jun 26 | YTD 2026 | 2026 Budget | % of Budget |
|---|---|---|---|---|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| Regional Water Supply Income | 0.00 | 145,750.00 | 438,546.00 | 33.24% |
| Watershed Impl Outside Grants | 7,074.81 | 7,074.81 | 116,800.00 | 6.06% |
| Asp Water Sales | 412.44 | 28,112.16 | 27,000.00 | 104.12% |
| Rent Income | 3,300.00 | 19,675.00 | 40,000.00 | 49.19% |
| Interest Income | 12,271.31 | 124,244.08 | 110,000.00 | 112.95% |
| Property Tax Income | 156,617.57 | 1,710,670.77 | 2,333,749.00 | 73.3% |
| Reimbursed Exp Income | 0.00 | 10,631.16 | 45,500.00 | 23.37% |
| Watershed Mgmt Income | 0.00 | 8,751.00 | 105,921.00 | 8.26% |
| Wet Meadows Income | 0.00 | 14,733.21 | 349,187.00 | 4.22% |
| WQ Monitoring Inc | 0.00 | 36,531.00 | 36,697.00 | 99.55% |
| Additional Contribution Reserve | 0.00 | 0.00 | 474,424.00 | 0.0% |
| Miscellaneous Income | 0.00 | 10,000.00 | | |
| Total Income | 179,676.13 | 2,116,173.19 | 4,077,824.00 | 51.9% |
| Gross Profit | 179,676.13 | 2,116,173.19 | 4,077,824.00 | 51.9% |
| Expense | | | | |
| 1 Op X | | | | |
| Admin.Travel & Exp. | 515.22 | 10,195.18 | 36,750.00 | 27.74% |
| Audit Expense | 0.00 | 0.00 | 25,000.00 | 0.0% |
| Accounting & Professional Fees | 4,400.00 | 29,362.02 | 48,500.00 | 60.54% |
| BOD Expenses | 731.37 | 4,338.68 | 15,750.00 | 27.55% |
| BOD Mileage | 324.00 | 1,453.68 | 5,775.00 | 25.17% |
| BOD Mtg Fees | 2,000.00 | 8,500.00 | 26,400.00 | 32.2% |
| Bonding and Insurance | -284.61 | 24,110.28 | 30,000.00 | 80.37% |
| Building Rep/Maint | 352.00 | 577.00 | 10,000.00 | 5.77% |
| CAM | 684.15 | 2,112.99 | 7,500.00 | 28.17% |
| Computer Exp | 5,335.79 | 26,808.35 | 40,500.00 | 66.19% |
| Copier Expenses | 274.83 | 1,569.77 | 7,000.00 | 22.43% |
| County Treasurers' Fees | -39,920.48 | 50,315.60 | 75,000.00 | 67.09% |
| Spencer Bldg Reserve Contrib | 0.00 | 10,000.00 | 10,000.00 | 100.0% |
| Dues, Memberships&Subscriptions | 894.03 | 11,180.04 | 18,350.00 | 60.93% |
| Legal Publication | 37.08 | 2,416.80 | 5,000.00 | 48.34% |
| Manager's Discretionary | 2,452.83 | 9,055.09 | 25,000.00 | 36.22% |
| Meeting Expenses | 379.89 | 3,887.88 | 5,000.00 | 77.76% |
| Office Cleaning | 630.00 | 4,083.75 | 8,000.00 | 51.05% |
| Office Supplies & Misc Expenses | 620.50 | 7,326.49 | 12,000.00 | 61.05% |
| Payroll Exp | 87,692.67 | 548,766.56 | 1,140,000.00 | 48.14% |
| Postage | 0.00 | 390.00 | 2,000.00 | 19.5% |
| Telephone | 353.06 | 2,032.77 | 6,000.00 | 33.88% |
| Utilities | 616.35 | 3,908.88 | 10,000.00 | 39.09% |
| Vehicle Expense | 842.48 | 5,247.12 | 29,500.00 | 17.79% |
| Total 1 Op X | 68,931.16 | 767,638.93 | 1,599,025.00 | 48.01% |
| 2 Non-Op X | | | | |
| Watershed Impl Outside Grant Ex | 1,118.26 | 6,858.56 | 116,800.00 | 5.87% |
| Aquatice Nuisance Species | 0.00 | 0.00 | 20,000.00 | 0.0% |
| Asp Subordination Report | 0.00 | 6,255.00 | 7,500.00 | 83.4% |
| Aspinall Contract Costs | 0.00 | 24,066.84 | 24,000.00 | 100.28% |
| Gunnison County Hazardous Waste | 0.00 | 0.00 | 2,000.00 | 0.0% |
| Consulting/Engineering | 0.00 | 13,568.00 | 50,000.00 | 27.14% |
| Coal Creek Watershed Coalition | 0.00 | 0.00 | 17,000.00 | 0.0% |
| Dust on Snowpack | 3,500.00 | 3,500.00 | 3,500.00 | 100.0% |
| Grant Program | 0.00 | 66,931.13 | 446,420.00 | 14.99% |
| Gunnison Conservation District | 0.00 | 0.00 | 10,000.00 | 0.0% |
| Gunnison River Festival | 0.00 | 13,000.00 | 13,000.00 | 100.0% |
| Endanger Fish Recovery Program | 0.00 | 3,750.00 | 3,750.00 | 100.0% |
| Lake Fork Conservancy | 0.00 | 0.00 | 10,000.00 | 0.0% |
| LSC Expenses | 0.00 | 0.00 | 13,464.00 | 0.0% |

Upper Gunnison River Water Conservancy District
Monthly Budget Summary 2026

| | | | | |
|---|---|---|---|---|
| Public Outreach | 5,264.63 | 40,836.53 | 70,430.00 | 57.98% |
| Regional Water Supply Imp. Exp. | 38.45 | 258,419.50 | 797,127.00 | 32.42% |
| Strategic Planning | 0.00 | 28,337.50 | 61,500.00 | 46.08% |
| Taylor Park Projects Exp | 0.00 | 12,000.00 | 8,200.00 | 146.34% |
| Watershed Mgmt X | 0.00 | 2,313.75 | 105,921.00 | 2.18% |
| Wet Meadow X | 16,084.71 | 31,934.18 | 359,187.00 | 8.89% |
| WQ Monitoring | 0.00 | 43,813.00 | 250,000.00 | 17.53% |
| Total 2 Non-Op X | 26,006.05 | 555,583.99 | 2,389,799.00 | 23.25% |
| Capital Outlay Expense | | | | |
| Xeriscaping | 0.00 | 1,353.81 | 25,000.00 | 5.42% |
| Spencer Unit A Reno | 0.00 | 0.00 | 40,000.00 | 0.0% |
| Capital Outlay Expense | 0.00 | 1,353.81 | 65,000.00 | 2.08% |
| Contingency | 0.00 | 0.00 | 24,000.00 | 0.0% |
| Total Expense | 94,937.21 | 1,324,576.73 | 4,077,824.00 | 32.48% |
| Net Ordinary Income | 84,738.92 | 791,596.46 | 0.00 | 100.0% |
| Net Income | 84,738.92 | 791,596.46 | 0.00 | 100.0% |

RETURN TO AGENDA

2:34 PM
07/16/26
Accrual Basis

Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
June 2026

| Date | Name | Account | Amount |
|---|---|---|---|
| Aaron Baca | | | |
| 06/15/2026 | Aaron Baca | 80513B · General Public Outreach | 225.00 |
| Total Aaron Baca | | | 225.00 |
| Alpine Archaeological Consultants, Inc. | | | |
| 06/30/2026 | Alpine Archaeological Consultants, Inc. | 85402E · TNC 02-2025 UGRWCD Expense | 9,834.27 |
| Total Alpine Archaeological Consultants, Inc. | | | 9,834.27 |
| Andy Spann BOD | | | |
| 06/30/2026 | Andy Spann BOD | 81602 · BOD Mtg Fees | 200.00 |
| 06/30/2026 | Andy Spann BOD | 81601 · BOD Mileage | 5.04 |
| Total Andy Spann BOD | | | 205.04 |
| Anthem | | | |
| 06/01/2026 | Anthem | 74166 · Medical Insurance | 407.41 |
| Total Anthem | | | 407.41 |
| Atmos Energy | | | |
| 06/30/2026 | Atmos Energy | Utilities - Unit A | 60.83 |
| 06/30/2026 | Atmos Energy | Utilities - Unit A | 40.89 |
| Total Atmos Energy | | | 101.72 |
| Beverly Richards | | | |
| 06/01/2026 | Beverly Richards | 74166 · Medical Insurance | 202.90 |
| 06/30/2026 | Beverly Richards | 80554 · Admin.Travel & Exp. | 121.80 |
| Total Beverly Richards | | | 324.70 |
| Bird Conservancy of the Rockies | | | |
| 06/30/2026 | Bird Conservancy of the Rockies | 85402E · TNC 02-2025 UGRWCD Expense | 1,452.87 |
| 06/30/2026 | Bird Conservancy of the Rockies | 85402D · BLM L24AC00687 | 2,905.74 |
| Total Bird Conservancy of the Rockies | | | 4,358.61 |
| Brian Stevens | | | |
| 06/30/2026 | Brian Stevens | 81602 · BOD Mtg Fees | 200.00 |
| Total Brian Stevens | | | 200.00 |
| Brooke Zanatell BOD | | | |
| 06/30/2026 | Brooke Zanatell BOD | 81602 · BOD Mtg Fees | 200.00 |
| Total Brooke Zanatell BOD | | | 200.00 |

Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
June 2026

| Date | Name | Account | Amount |
|---|---|---|---|
| Camille Richard BOD | | | |
| 06/30/2026 | Camille Richard BOD | 81602 · BOD Mtg Fees | 200.00 |
| 06/30/2026 | Camille Richard BOD | 81601 · BOD Mileage | 80.64 |
| Total Camille Richard BOD | | | 280.64 |
| Capital Business Systems, Inc. | | | |
| 06/01/2026 | Capital Business Systems, Inc. | 80541 · Copier Expenses | 274.83 |
| Total Capital Business Systems, Inc. | | | 274.83 |
| CEBT | | | |
| 06/01/2026 | CEBT | 74166 · Medical Insurance | 3,124.30 |
| Total CEBT | | | 3,124.30 |
| Center for Snow and Avalanche Studies | | | |
| 06/30/2026 | Center for Snow and Avalanche Studies | 85513 · Dust on Snowpack | 3,500.00 |
| Total Center for Snow and Avalanche Studies | | | 3,500.00 |
| Chase - United Credit Card | | | |
| 06/30/2026 | Chase - United Credit Card | Vehicle Expense | 274.57 |
| 06/30/2026 | Chase - United Credit Card | Vehicle Expense | 1,853.41 |
| 06/30/2026 | Chase - United Credit Card | 81558 · Computer Software | 238.70 |
| 06/30/2026 | Chase - United Credit Card | 80557 · Office Supplies & Misc Expenses | 545.55 |
| 06/30/2026 | Chase - United Credit Card | 82556K · Miscellaneous Subscriptions | 137.29 |
| 06/30/2026 | Chase - United Credit Card | GRF Receivable | 3,973.42 |
| 06/30/2026 | Chase - United Credit Card | 80554 · Admin.Travel & Exp. | 69.14 |
| 06/30/2026 | Chase - United Credit Card | 74180 · Staff Development | 280.00 |
| 06/30/2026 | Chase - United Credit Card | 81600 · BOD Expenses | 731.37 |
| 06/30/2026 | Chase - United Credit Card | 82530 · Meeting Expenses | 379.89 |
| 06/30/2026 | Chase - United Credit Card | 80547 · Manager's Discretionary | 2,452.83 |
| 06/30/2026 | Chase - United Credit Card | 80513B · General Public Outreach | 1,501.63 |
| 06/30/2026 | Chase - United Credit Card | 85402G · Wet Meadows Miscellaneous | 374.47 |
| Total Chase - United Credit Card | | | 12,812.27 |
| City of Gunnison | | | |
| 06/30/2026 | City of Gunnison | Utilities - Unit A | 238.47 |
| 06/30/2026 | City of Gunnison | Utilities - Unit A | 138.80 |
| 06/30/2026 | City of Gunnison | Utilities - Unit A | 51.82 |
| 06/30/2026 | City of Gunnison | Utilities - Unit A | 85.54 |
| Total City of Gunnison | | | 514.63 |
| Crested Butte News | | | |

Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
June 2026

| Date | Name | Account | Amount |
|---|---|---|---|
| 06/30/2026 | Crested Butte News | 80548 · Legal Publication | 12.88 |
| Total Crested Butte News | | | 12.88 |
| CTSTelecom | | | |
| 06/19/2026 | CTSTelecom | 81543 · Computer Repair/IT Support | 271.65 |
| Total CTSTelecom | | | 271.65 |
| Don Sabrowski BOD | | | |
| 06/30/2026 | Don Sabrowski BOD | 81602 · BOD Mtg Fees | 200.00 |
| 06/30/2026 | Don Sabrowski BOD | 81601 · BOD Mileage | 46.08 |
| Total Don Sabrowski BOD | | | 246.08 |
| Fullmer's Ace Hardware | | | |
| 06/30/2026 | Fullmer's Ace Hardware | 80557 · Office Supplies & Misc Expenses | 84.82 |
| Total Fullmer's Ace Hardware | | | 84.82 |
| Golden Eagle Trash Service | | | |
| 06/30/2026 | Golden Eagle Trash Service | 84550 · CAM | 81.15 |
| Total Golden Eagle Trash Service | | | 81.15 |
| Gunnison Bank and Trust | | | |
| 06/08/2026 | Gunnison Bank and Trust | 80517 · Accounting & Professional Fees | 5.00 |
| Total Gunnison Bank and Trust | | | 5.00 |
| Humana | | | |
| 06/01/2026 | Humana | 74166 · Medical Insurance | 94.00 |
| Total Humana | | | 94.00 |
| Ink River Design | | | |
| 06/30/2026 | Ink River Design | Vehicle Expense | 190.00 |
| Total Ink River Design | | | 190.00 |
| Jeff Writer BOD | | | |
| 06/30/2026 | Jeff Writer BOD | 81602 · BOD Mtg Fees | 200.00 |
| 06/30/2026 | Jeff Writer BOD | 81601 · BOD Mileage | 43.20 |
| Total Jeff Writer BOD | | | 243.20 |
| Joellen Fonken BOD | | | |
| 06/30/2026 | Joellen Fonken BOD | 81602 · BOD Mtg Fees | 100.00 |
| 06/30/2026 | Joellen Fonken BOD | 81601 · BOD Mileage | 7.20 |

| Date | Name | Account | Amount |
|---|---|---|---|
| Total Joellen Fonken BOD | | | 107.20 |
| John McClow | | | |
| 06/01/2026 | John McClow | 74166 · Medical Insurance | 202.90 |
| 06/30/2026 | John McClow | 74180 · Staff Development | 200.00 |
| Total John McClow | | | 402.90 |
| John Perusek BOD | | | |
| 06/30/2026 | John Perusek BOD | 81602 · BOD Mtg Fees | 200.00 |
| Total John Perusek BOD | | | 200.00 |
| KEJJ Radio | | | |
| 06/01/2026 | KEJJ Radio | 80513A · Advertising Radio & Newspapers | 325.00 |
| Total KEJJ Radio | | | 325.00 |
| KVLE - Bobcat Radio | | | |
| 06/01/2026 | KVLE - Bobcat Radio | 80513A · Advertising Radio & Newspapers | 275.00 |
| Total KVLE - Bobcat Radio | | | 275.00 |
| LexisNexis | | | |
| 06/08/2026 | LexisNexis | 82556J · Lexis Nexis | 756.74 |
| Total LexisNexis | | | 756.74 |
| Melinda McCawmedia | | | |
| 06/30/2026 | Melinda McCawmedia | CWCB PEPO 2025-2026 Expense | 82.51 |
| Total Melinda McCawmedia | | | 82.51 |
| Midnight Marketing Solutions LLC | | | |
| 06/30/2026 | Midnight Marketing Solutions LLC | 80513B · General Public Outreach | 863.00 |
| Total Midnight Marketing Solutions LLC | | | 863.00 |
| New Morning Improvement, LLC | | | |
| 06/30/2026 | New Morning Improvement, LLC | Office Cleaning | 630.00 |
| Total New Morning Improvement, LLC | | | 630.00 |
| PCS Outdoors | | | |
| 06/30/2026 | PCS Outdoors | 85402G · Wet Meadows Miscellaneous | 41.86 |
| Total PCS Outdoors | | | 41.86 |
| Pinnacol Assurance | | | |

Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
June 2026

| Date | Name | Account | Amount |
|---|---|---|---|
| 06/02/2026 | Pinnacol Assurance | 74200 · Work Comp Ins | 782.00 |
| Total Pinnacol Assurance | | | 782.00 |
| QuickBooks | | | |
| 06/01/2026 | QuickBooks | 81558 · Computer Software | 92.00 |
| 06/18/2026 | QuickBooks | 81558 · Computer Software | 27.00 |
| Total QuickBooks | | | 119.00 |
| Rebie Hazard-BOD | | | |
| 06/30/2026 | Rebie Hazard-BOD | 81602 · BOD Mtg Fees | 100.00 |
| 06/30/2026 | Rebie Hazard-BOD | 81601 · BOD Mileage | 42.48 |
| Total Rebie Hazard-BOD | | | 142.48 |
| RigNet Inc | | | |
| 06/30/2026 | RigNet Inc | 85540 · Cloud Seeding | 38.45 |
| Total RigNet Inc | | | 38.45 |
| Rosemary Carroll - BOD | | | |
| 06/30/2026 | Rosemary Carroll - BOD | 81602 · BOD Mtg Fees | 200.00 |
| 06/30/2026 | Rosemary Carroll - BOD | 81601 · BOD Mileage | 86.40 |
| Total Rosemary Carroll - BOD | | | 286.40 |
| Silicon Plains | | | |
| 06/01/2026 | Silicon Plains | 81543 · Computer Repair/IT Support | 680.99 |
| 06/01/2026 | Silicon Plains | 81543 · Computer Repair/IT Support | 800.00 |
| 06/09/2026 | Silicon Plains | 81542 · Computer Asset Purchase | 3,098.03 |
| Total Silicon Plains | | | 4,579.02 |
| Silver World Publishing | | | |
| 06/30/2026 | Silver World Publishing | 80548 · Legal Publication | 24.20 |
| 06/30/2026 | Silver World Publishing | 80513C · School and Educational Programs | 80.00 |
| Total Silver World Publishing | | | 104.20 |
| Sonja Chavez | | | |
| 06/30/2026 | Sonja Chavez | 80554 · Admin.Travel & Exp. | 324.28 |
| Total Sonja Chavez | | | 324.28 |
| Stuart Asay - BOD | | | |
| 06/30/2026 | Stuart Asay - BOD | 81602 · BOD Mtg Fees | 200.00 |
| 06/30/2026 | Stuart Asay - BOD | 81601 · BOD Mileage | 12.96 |

| Date | Name | Account | Amount |
|---|---|---|---|
| Total Stuart Asay - BOD | | | 212.96 |
| Summit Landscapes LLC | | | |
| 06/30/2026 | Summit Landscapes LLC | 84550 · CAM | 603.00 |
| Total Summit Landscapes LLC | | | 603.00 |
| Sunshine Creatives | | | |
| 06/30/2026 | Sunshine Creatives | 80513B · General Public Outreach | 995.00 |
| 06/30/2026 | Sunshine Creatives | CWCB PEPO 2025-2026 Expense | 1,035.75 |
| Total Sunshine Creatives | | | 2,030.75 |
| Taylor Park Marina, Ltd. | | | |
| 06/30/2026 | Taylor Park Marina, Ltd. | 80513B · General Public Outreach | 1,000.00 |
| Total Taylor Park Marina, Ltd. | | | 1,000.00 |
| The Paper Clip | | | |
| 06/30/2026 | The Paper Clip | 80557 · Office Supplies & Misc Expenses | 34.10 |
| Total The Paper Clip | | | 34.10 |
| Thomas N Stoeber, CPA | | | |
| 06/30/2026 | Thomas N Stoeber, CPA | 80517 · Accounting & Professional Fees | 4,395.00 |
| Total Thomas N Stoeber, CPA | | | 4,395.00 |
| UnitedHealthcare | | | |
| 06/01/2026 | UnitedHealthcare | 74166 · Medical Insurance | 151.90 |
| Total UnitedHealthcare | | | 151.90 |
| Verizon Wireless | | | |
| 06/30/2026 | Verizon Wireless | 80534 · Telephone | 353.06 |
| Total Verizon Wireless | | | 353.06 |
| Visionary Broadband | | | |
| 06/01/2026 | Visionary Broadband | 81556 · Internet | 127.42 |
| Total Visionary Broadband | | | 127.42 |
| Western Slope Fire & Backflow | | | |
| 06/30/2026 | Western Slope Fire & Backflow | 84552 · Building Rep/Maint | 352.00 |
| Total Western Slope Fire & Backflow | | | 352.00 |
| Upper Gunn Riv Water Conservancy District | | | |
| 06/01/2026 | Upper Gunn Riv Water Conservancy District | 10101 · GB&T General Fund Checking | 221,261.24 |

Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
June 2026

| Date | Name | Account | Amount |
|---|---|---|---|
| 06/01/2026 | Upper Gunn Riv Water Conservancy District | 10112 · CO Trust 8001 | 221,261.24 |
| Total Upper Gunn Riv Water Conservancy District | | | 442,522.48 |
| TOTAL | | | 499,434.91 |

| UGRWCD | Instrument | Balance | Cost | Interest | Maturity | Date |
|---|---|---|---|---|---|---|
| Account Name: LPL Government and Agency Bonds | Type | 6/30/2026 | Basis | Rate | Date | Callable |
| LPL Bond 26 (FHLB) CUSIP 3130APBE4 | BOND | 158,813.76 | 160,000.00 | 1.000% | 9/30/2026 | 3/30/2025 |
| LPL Bond 34 (FAMC) CUSIP 31424WN99 | BOND | 392,916.80 | 400,000.00 | 4.040% | 8/12/2030 | 8/12/2027 |
| LPL Bond 35 (FHLB) CUSIP 3130B7X90 | BOND | 295,396.20 | 300,000.00 | 4.150% | 10/8/2030 | 10/8/2026 |
| LPL Bond 36 (FHLB) CUSIP 3130B9GN4 | Bond | 392,577.60 | 400,000.00 | 4.000% | 2/19/2031 | 2/19/2027 |
| LPL Bond 37 (FHLB) CUSIP 3130B9Y46 | Bond | 248,766.50 | 250,000.00 | 4.000% | 3/24/2028 | 9/24/2026 |
| US Treasury Note (CPN) CUSIP 91282CQD6 | Treasury Note | 291,257.70 | 300,000.00 | 3.960% | 2/28/2031 | N/A |
| US Treasury Note (CPN) CUSIP 91282CPL9 | Treasury Note | 296,777.10 | 300,000.00 | 4.020% | 11/30/2027 | |
| *LPL BOND SUBTOTAL:* | | *$ 2,076,505.66* | $ 2,110,000.00 | 3.596% | | |
| Account Name: LPL Certificates of Deposit | | | | | | |
| LPL 31 Morgan Stanley Bank CD CUSIP 61690D4C9 | CD | 219,978.88 | 220,000.00 | 4.050% | 5/7/2027 | |
| LPL 32 Morgan Stanley PVT Bank CD CUSIP 61776NSJ3 | CD | 245,021.07 | 245,000.00 | 4.150% | 5/22/2028 | |
| LPL 33 Toyota Financial Savings Bank CD CUSIP 89235MSK8 | CD | 244,800.32 | 245,000.00 | 4.100% | 5/22/2028 | |
| *LPL CD SUBTOTAL:* | | *$ 709,800.27* | *$ 710,000.00* | 4.100% | | |
| Account Name: LPL Money Markets Savings | | | | | | |
| LPL Money Market Savings Account | M.M. SAVINGS | 5,179.88 | - | 0.900% | N/A | |
| *LPL MM SUBTOTAL:* | | $ 5,179.88 | | | | |

| Account Name | INSTRUMENT TYPE | Balance 6/30/2026 | Cost Basis | Interest Rate | Maturity Date | Notes |
|---|---|---|---|---|---|---|
| Community Banks of Colo. Lake City CD 7668 | CD | 109,228.30 | 105,015.89 | 4.01% | 11/20/2026 | *Updated on an Annual Basis |
| 10520 Gunnison Bank & Trust CD 6637 | CD | 232,029.82 | 200,000.00 | 4.00% | 2/26/2030 | |
| Gunnison Bank & Trust CD 26831 | CD | 252,340.82 | 250,000.00 | 3.90% | 1/22/2030 | |
| Gunnison Bank & Trust CD 26832 | CD | 252,340.82 | 250,000.00 | 3.90% | 1/22/2030 | |
| 10540 Gunnison Bank & Trust MM - Spencer Building Acct. 3589 | CHKG | 22,860.75 | | 0.50% | | |
| Gunnison Bank & Trust 8756 | CHKG | 201,810.11 | | 0.05% | | |
| | | | | Average Mo. Yield | | |
| COLOTRUST PLUS 8001 | COLO. | 2,108,220.67 | | 4.24% | N/A | |
| COLOTRUST PLUS UGRWCD EHOP 8003 | COLO. | 112,932.79 | | 4.24% | N/A | |
| COLOTRUST PLUS SPENCER BUILDING 8005 | COLO. | 149,467.07 | | 4.24% | | |
| COLOTRUST PRIME 4001 | COLO. | 6,704.58 | | 4.05% | N/A | |
| 10200 Petty Cash | PETTY | 99.90 | | N/A | N/A | |
| *MISCELLANEOUS BANK & COLOTRUST SUBTOTAL:* | | $ 3,448,035.63 | | | | |
| TOTAL UGRWCD | | $ 6,239,521.44 | | | | |

| UGRWAE | INSTRUMENT | Balance | Cost | Interest | Maturity | Date |
|---|---|---|---|---|---|---|
| Account Name | TYPE | 6/30/2026 | Basis | Rate | Date | Callable |
| LPL Bond CUSIP 31424WK43 (FAMC) | Bond | 296,514.60 | 300,000.00 | 4.26% | 7/16/2030 | 7/16/2027 |
| Gunnison Bank & Trust 26814 | CD | 254,597.31 | $ 250,000.00 | 3.99% | 12/4/2029 | |
| Gunnison Bank & Trust 8764 | CHKG | 45,893.00 | | 0.05% | | |
| COLOTRUST PLUS 8002 | COLO. | 228,224.68 | | 4.24% | N/A | |
| *MISCELLANEOUS BANK & COLOTRUST SUBTOTAL:* | | $ 825,229.59 | | | | |
| Account Name: LPL Money Markets Savings | | | | | | |
| LPL Money Market Savings Account | M.M. SAVINGS | 6,392.48 | - | 0.250% | N/A | |
| *LPL MM SUBTOTAL:* | | $ 6,392.48 | | | | |
| TOTAL UGRWAE | | $ 831,622.07 | | | | |

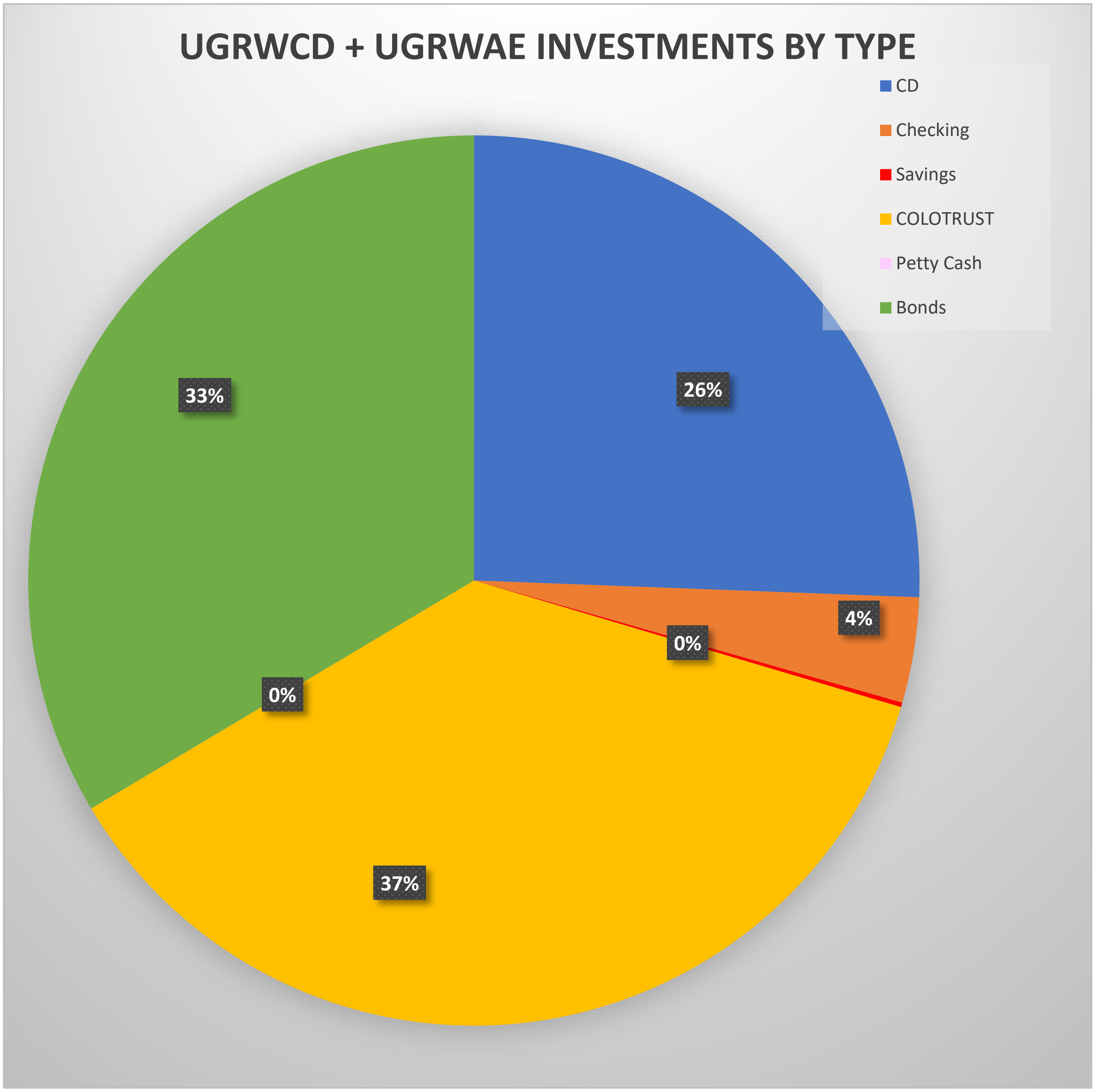
**TOTAL UGRWCD + UGRWAE** $ 7,071,143.51

| Total UGRWCD and UGRWAE by Bank | | |
|---|---|---|
| LPL Financial | $ 3,094,392.89 | 44% |
| Community Banks of Colo. | 109,228.30 | 2% |
| Gunnison Bank & Trust | 1,261,872.63 | 18% |
| COLOTRUST | 2,605,549.79 | 37% |
| Petty Cash | 99.90 | 0% |
| TOTAL ALL SOURCES | $ 7,071,143.51 | 100% |

| Total UGRWCD & UGRWAE by Investment Type | | |
|---|---|---|
| CD | 26% | 1,810,337.34 |
| Checking | 4% | 270,563.86 |
| Savings | 0% | 11,572.36 |
| COLOTRUST | 37% | 2,605,549.79 |
| Petty Cash | 0% | 99.90 |
| Bonds | 34% | $ 2,373,020.26 |
| Total | 100% | $ 7,071,143.51 |

**UGRWCD & UGRWAE INVESTMENTS BY TYPE**

| | | | |
|---|---|---|---|
| CD | 26% | $ | 1,810,337.34 |
| Checking | 4% | $ | 270,563.86 |
| Savings | 0% | $ | 11,572.36 |
| COLOTRUST | 37% | $ | 2,605,549.79 |
| Petty Cash | 0% | $ | 99.90 |
| Bonds | 34% | $ | 2,373,020.26 |
| **Total** | **100%** | **$** | **7,071,143.51** |



RETURN TO AGENDA

# AGENDA ITEM 4

## TREASURER'S REPORT

**MEMORANDUM**

**TO**: Board of Directors

**FROM**: Director Perusek, Treasurer
Beverly Richards, Office/Senior Program Manager
Sonja Chavez, General Manager

**DATE**: July 27, 2026

**SUBJECT**: Treasurer's Report – July 2026

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A. June 2026 Economic Update

From ColoTrust Investment Team, June 16, 2026

*Economic data released throughout May made clear that the path back to the Federal Reserve's 2% inflation target is neither straight nor short. Headline CPI came in at 4.2% year-over-year, its highest reading since April 2023, while core CPI, which strips out food and energy, rose 2.9% annually. The core number is the one worth watching: it tells us the energy shock from the Middle East conflict is no longer staying contained to fuel prices but beginning to bleed into the broader economy through shelter, food, and services. That is a more uncomfortable story than a simple oil price spike.*

*The labor market, rather than offering relief, complicates the picture further. May's non-farm payroll report came in at 172,000 jobs added, more than double what consensus expected, and prior months were revised higher as well. A job market this resilient keeps wage pressure alive in service-oriented sectors, which is precisely where inflation has proven most stubborn. For the Fed, a strong labor market removes the urgency to ease and adds to the case for staying on hold or doing more.*

*The Federal Reserve's new chair, Kevin Warsh, conducts his first FOMC meeting on June 16-17 with an inflation picture that continues to deteriorate, and a labor market that gives him little cover to cut. Markets that were pricing rate reductions earlier this year have fully repriced, with no cuts expected in 2026 and a hike beginning to enter the conversation.*

*The same pressure is playing out internationally, and in divergent ways. The European Central Bank (ECB) raised rates 25 basis points at its June meeting to 2.25%, reacting to the same energy-driven inflation surge and signaling that it will not wait for second-round effects to materialize before acting. Canada, by contrast, held its policy rate steady at 2.25% at its own June meeting, its fifth consecutive hold. The Bank of Canada is staring at a growth picture still weighed down by U.S. tariffs, a soft labor market, and business* *investment that has yet to recover. Faced with the same external inflation shock, it chose to look through it rather than compound an already fragile domestic backdrop. The contrast between the ECB's decisiveness and Canada's caution reflects just how differently the same global shock can land depending on what lies underneath.*

*Central banks that spent 2024 and early 2025 easing policy are now confronting the possibility that the easing cycle ended prematurely. The path back to target looks longer and more uneven than anyone anticipated at the start of the year.*

B. June Financial Information

1. Consideration of Expenses over $5,000

| Payee | Amount | Budget Line Item / Purpose |
|---|---|---|
| Alpine Archaeological Consultants | $9,834.27 | Wet Meadows |

2. Monthly Budget Summary

   The items highlighted in the monthly expenses for approval are budget line items of note for June.

RETURN TO AGENDA

# AGENDA ITEM 5

## Discussion with Tom Stoeber, CPA Regarding 2025 Audit

M & A

McMahan and Associates, L.L.C.
*Certified Public Accountants and Consultants*

Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

**To the Board of Directors**
**Upper Gunnison River Water Conservancy District**
**Gunnison, Colorado**

We have audited the financial statements of Upper Gunnison River Water Conservancy District (the "District") for the year ended December 31, 2025. Professional standards require that we provide you with the following information related to our audit.

***Qualitative Aspects of Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Upper Gunnison River Water Conservancy District are described in the Notes to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Estimating useful lives for depreciation on capital assets.
- Estimating the discount rate and term extensions for lease assets.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

***Disagreements with Management***

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. Management has corrected all such misstatements prior to finalization of the 2025 financial statements.

***Management Representations***

As is required in an audit engagement we have requested certain representations from management that are included in the management representation letter.

***Recommendations***

In planning and performing our audit of the financial statements of the District as of and for the year ended December 31, 2025, we noted certain matters relating to internal controls and operating processes, which are presented for your consideration below:

*Financial Reporting Model Improvements*

Financial reporting standards for the District are promulgated by the Governmental Accounting Standards Board, which has issued Statement No. 103, Financial Reporting Model Improvements ("GASB 103") to improve the effectiveness of financial reporting in certain areas of the financial statements. These improvements include updates to the Management Discussion and Analysis; defining and reporting unusual or infrequent items; changes in the presentation of proprietary fund statements, and budgetary comparison information.

GASB 103 is effective for reporting periods beginning after June 15, 2025, and all reporting periods thereafter, so the District must apply this standard for the 2026 fiscal year. We will work with the District to assist with implementation of this new standard.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be, and should not be, used by anyone other than those specified parties

Sincerely,

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.**
**Avon, Colorado**
**July 20, 2026**

**Financial Report**
**December 31, 2025**

**Upper Gunnison River Water Conservancy District**
**Financial Report**
**December 31, 2025**

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M & A

McMahan and Associates, L.L.C.
*Certified Public Accountants and Consultants*

Web Site: www.McMahanCPA.com Main Office: (970) 845-8800

**INDEPENDENT AUDITOR'S REPORT**

**Board of Directors**
**Upper Gunnison River Water Conservancy District**
**Gunnison, Colorado**

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, business-type activities, and each major fund of the Upper Gunnison River Water Conservancy District (the "District"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Upper Gunnison River Water Conservancy District as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### *Required Supplementary Information*

U.S. GAAP require that the Management's Discussion and Analysis in Section B be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis in Section B in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by U.S. GAAP. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary comparisons found in Section F are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary comparisons found in Section F are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

McMahan and Associates, L.L.C.

**McMahan and Associates, L.L.C.**
**Avon, Colorado**
**July 20, 2026**

## MANAGEMENT’S DISCUSSION AND ANALYSIS

# Upper Gunnison River Water Conservancy District

Management's Discussion and Analysis
December 31, 2025

As management of the Upper Gunnison River Water Conservancy District (the “District”), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2025.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the District’s finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all the District’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected receivables).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activity of the District is water and conservation services. The business-type activities of the District include the water services.

The government-wide financial statements can be found in Section C of this report.

**Fund financial statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The District’s governmental fund is the General Fund.

**Overview of the Financial Statements (continued)**

**Governmental funds (continued):** Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The District adopts an annual appropriated budget for all of its funds.

The basic governmental fund financial statements can be found in Section C of this report.

**Proprietary funds:** The District maintains proprietary funds commonly known as enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for its water services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the District, each of which is considered to be a major fund of the District.

The basic proprietary fund financial statements can be found in Section C of this report.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found at Section D of this report.

**Other information:** The budgetary schedules found in Sections E and F provide a detailed comparison of the District's actual revenues and expenditures to actual amounts. As the District's proprietary funds were not adopted in a manner consistent with generally accepted accounting principles ("GAAP"), those schedules are presented on a Non-GAAP basis with reconciliation to GAAP basis.

**Government-wide Financial Analysis**

**Upper Gunnison River Water Conservancy District's Net Position**

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| | **2025** | **2025** | **2025** |
| **Assets:** | | | |
| Current and other assets | 8,033,828 | 800,166 | 8,833,994 |
| Capital assets | 1,449,982 | 990,896 | 2,440,878 |
| **Total Assets** | 9,483,810 | 1,791,062 | 11,274,872 |
| **Liabilities:** | | | |
| Current liabilities | 390,509 | - | 390,509 |
| Non-current liabilities | 68,704 | - | 68,704 |
| **Total liabilities** | 459,213 | - | 459,213 |
| **Deferred Inflows of Resources** | 2,284,645 | - | 2,284,645 |
| **Net Position:** | | | |
| Net investment in capital assets | 1,449,982 | 990,896 | 2,440,878 |
| Restricted Net Position | 83,490 | - | 83,490 |
| Unrestricted Net Position | 5,206,480 | 800,166 | 6,006,646 |
| **Total Net Position** | 6,739,952 | 1,791,062 | 8,531,014 |

**Government-wide Financial Analysis (continued)**

The District's capital assets account for 22% of its total assets and are primarily related to the District's office building and renovation. These assets are not an available source for payment of future spending.

The District's total net position increased $281,200 from 2024.

**Upper Gunnison River Water Conservancy District's Change in Net Position**

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| | **2025** | **2025** | **2025** |
| **Revenues:** | | | |
| Program revenues: | | | |
| Charges for services | 102,122 | 62,580 | 164,702 |
| Operating grants and contributions | 529,703 | - | 529,703 |
| General revenues: | | | |
| Property taxes | 2,107,003 | - | 2,107,003 |
| Other taxes | 115,692 | - | 115,692 |
| Other income | 2,275 | - | 2,275 |
| Investment earnings | 257,723 | 33,669 | 291,392 |
| **Total Revenues** | 3,114,518 | 96,249 | 3,210,767 |
| **Expenses:** | | | |
| General government | 2,887,158 | - | 2,887,158 |
| Water services | - | 42,409 | 42,409 |
| **Total Expenses** | 2,887,158 | 42,409 | 2,929,567 |
| **Change in Net Position** | 227,360 | 53,840 | 281,200 |
| **Net Position - Beginning** | 6,512,592 | 1,737,222 | 8,249,814 |
| **Net Position - Ending** | 6,739,952 | 1,791,062 | 8,531,014 |

**Governmental activities:**

The governmental activities net position primarily increased due to a savings in planned grant expenses.

**Business-type activities:**

The business-type activities net position increased $53,840 due to planned savings in line with a savings in budget expectations.

**Government-wide Financial Analysis (continued)**

**Financial Analysis of the District's Funds**

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's General Fund reported an ending fund balance of $5,358,674. The General Fund of the District accounts for the water and conservation services of the District.

**Proprietary funds:** The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**Budget variance in the General Fund:** The District had the following significant budget variances and is detailed as follows:

| Account | | Budget Variance Positive (Negative) | Reason |
|---|---|---|---|
| **General Fund** | | | |
| *'evenues:* | | | |
| Grant Programs | | | |
| Wet meadows | $ | (177,658) | Wind down of grant program resulted in less reimbursement revenue and expense |
| Watershed management income | | (152,987) | Wind down of grant program resulted in less reimbursement revenue and expense |
| Investment income | | 207,723 | Conservative budgeting of interest income |
| *'xpenses:* | | | |
| Wet meadows | $ | 297,278 | Wind down of grant program resulted in less reimbursement revenue and expense |
| Watershed management income | | 155,389 | Wind down of grant program resulted in less reimbursement revenue and expense |
| Grant Program | | 262,437 | Grant budget is conservative and actual award amounts expected to vary from budget |

**Capital assets:** The District's capital assets decreased by a net $40,280 due to lower capital additions than depreciation expense. Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statement in Section D of this report.

**Long-term liabilities:** A detailed classification of the District's total long-term liabilities can be found in the Notes to the Financial Statements in Section D.

**Next year's budget and rates:**

The 2026 Budget for the General Fund expects revenues of $3,603,400 and expenses of $4,077,824.

**Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Manager, Upper Gunnison River Water Conservancy District, 210 Spencer Ave STE A, Gunnison, Colorado 81230.

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

# Upper Gunnison River Water Conservancy District
## Statement of Net Position
### December 31, 2025

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **Assets:** | | | |
| Cash and cash equivalents | 113,456 | 18,909 | 132,365 |
| Investments | 5,505,985 | 781,830 | 6,287,815 |
| Receivables, net: | | | |
| Property taxes | 2,239,949 | - | 2,239,949 |
| Intergovernmental | 245 | - | 245 |
| Lease | 53,652 | - | 53,652 |
| Other | 97,337 | - | 97,337 |
| Internal balances | 573 | (573) | - |
| Prepaid expenses | 22,631 | - | 22,631 |
| Property, plant and equipment, net of accumulated depreciation | 1,449,982 | 990,896 | 2,440,878 |
| **Total Assets** | 9,483,810 | 1,791,062 | 11,274,872 |
| **Liabilities:** | | | |
| Accounts payable | 390,509 | - | 390,509 |
| Accrued compensated absences | 68,704 | - | 68,704 |
| **Total Liabilities** | 459,213 | - | 459,213 |
| **Deferred Inflows of Resources:** | | | |
| Property taxes | 2,232,411 | - | 2,232,411 |
| Lease related | 52,234 | - | 52,234 |
| **Total Deferred Inflows of Resources** | 2,284,645 | - | 2,284,645 |
| **Net Position:** | | | |
| Net invested in capital assets | 1,449,982 | 990,896 | 2,440,878 |
| Restricted for emergencies | 83,490 | - | 83,490 |
| Unrestricted | 5,206,480 | 800,166 | 6,006,646 |
| **Total Net Position** | 6,739,952 | 1,791,062 | 8,531,014 |

The accompanying notes are an integral part of these financial statements.

**Upper Gunnison River Water Conservancy District**
**Statement of Activities**
**For the Year Ended December 31, 2025**

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---|---|---|---|---|---|---|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| **Functions/Programs:** | | | | | | | |
| **Governmental Activities:** | | | | | | | |
| Water and conservation services | 2,887,158 | 102,122 | 529,703 | - | (2,255,333) | - | (2,255,333) |
| **Total Governmental Activities** | 2,887,158 | 102,122 | 529,703 | - | (2,255,333) | - | (2,255,333) |
| **Business-type Activities:** | | | | | | | |
| Water services | 42,409 | 62,580 | - | - | - | 20,171 | 20,171 |
| **Total Business-type Activities** | 42,409 | 62,580 | - | - | - | 20,171 | 20,171 |
| **Total** | 2,929,567 | 164,702 | 529,703 | - | (2,255,333) | 20,171 | (2,235,162) |

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **General Revenues:** | | | |
| Taxes: | | | |
| Property tax | 2,107,003 | - | 2,107,003 |
| Specific Ownership | 115,692 | - | 115,692 |
| Investment earnings | 257,723 | 33,669 | 291,392 |
| Other income | 2,275 | - | 2,275 |
| **Total General Revenues** | 2,482,693 | 33,669 | 2,516,362 |
| **Change in net position** | 227,360 | 53,840 | 281,200 |
| **Net Position - Beginning of Year** | 6,512,592 | 1,737,222 | 8,249,814 |
| **Net Position - End of Year** | 6,739,952 | 1,791,062 | 8,531,014 |

The accompanying notes are an integral part of these financial statements.

# FUND FINANCIAL STATEMENTS

**Upper Gunnison River Water Conservancy District**
**Balance Sheet**
**Governmental Fund - General Fund**
**December 31, 2025**

| | |
|---|---|
| **Assets:** | |
| Cash and cash equivalents | 113,456 |
| Investments | 5,505,985 |
| Due from other funds | 573 |
| Receivables, net: | |
| Property taxes | 2,239,949 |
| Intergovernmental | 245 |
| Lease | 53,652 |
| Other | 97,337 |
| Prepaid expenses | 22,631 |
| **Total Assets** | 8,033,828 |
| **Liabilities:** | |
| Accounts payable | 390,509 |
| **Total Liabilities** | 390,509 |
| **Deferred Inflows of Resources:** | |
| Property taxes | 2,232,411 |
| Lease related | 52,234 |
| **Total Deferred Inflows of Resources** | 2,284,645 |
| **Fund Balance:** | |
| Nonspendable | 22,631 |
| Restricted | 83,490 |
| Unassigned | 5,252,553 |
| **Total Fund Balance** | 5,358,674 |

**Reconciliation of the General Fund Balance to the Statement of Net Position**

Amounts reported for governmental activities in the statement of net position are different because:

| | |
|---|---|
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. | 1,449,982 |
| Long-term liabilities for compensated absences are not due and payable in the current period and therefore are not reported as expenditures in the funds. | (68,704) |
| Net position of Governmental Activities | 6,739,952 |

The accompanying notes are an integral part of these financial statements.

**Upper Gunnison River Water Conservancy District**
**Statement of Revenues, Expenditures and**
**Changes in Fund Balance**
**General Fund**
**December 31, 2025**

| | |
|---|---|
| **Revenues:** | |
| Property taxes | 2,107,003 |
| Specific ownership taxes | 115,692 |
| Charges for services: | |
| Water sales | 29,027 |
| Water Quality Monitoring Income | 35,328 |
| Rent | 37,768 |
| Grant programs: | |
| Wet Meadows | 207,764 |
| Cloud Seeding Program | 150,750 |
| Watershed Management Income | 148,304 |
| Reimbursed income | 22,884 |
| Miscellaneous | 2,275 |
| Investment income | 257,723 |
| **Total Revenues** | 3,114,518 |
| **Expenditures:** | |
| Board of Directors expenses | 21,180 |
| Public Outreach | 34,921 |
| Repair and Maintenance | 19,995 |
| Dues and subscriptions | 17,217 |
| Occupancy | 6,111 |
| Treasurer | 64,876 |
| Salaries and benefits | 986,639 |
| Accounting and audit | 46,924 |
| Travel expenses | 23,517 |
| Insurance | 24,648 |
| Office | 100,812 |
| Utilities, telephone, and internet | 26,629 |
| Wet Meadows | 98,144 |
| Regional Water Supply | 542,008 |
| Watershed Management | 157,144 |
| Water Quality Monitoring | 182,321 |
| Grant Expenses | 292,563 |
| Other Miscellaneous Projects | 148,799 |
| Capital outlay | 47,860 |
| **Total Expenditures** | 2,842,308 |
| **Net Change in Fund Balance** | 272,210 |
| **Fund Balance - Beginning** | 5,086,464 |
| **Fund Balance - Ending** | 5,358,674 |

The accompanying notes are an integral part of these financial statements.

**Upper Gunnison River Water Conservancy District**
**Reconciliation of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities**
**December 31, 2025**

| | | |
|---|---|---|
| **Net Change in Fund Balance - General Fund** | | 272,210 |
| **Amounts reported for governmental activities in the Statement of Activities are different because:** | | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense for the year. | | |
| Capitalized assets, net of trade-in | 25,596 | |
| Depreciation expense | (62,647) | |
| | | (37,051) |
| Long-term liabilities such as compensated absences within governmental activities are not due and payable in the current period and, therefore, are not reported in the funds. | | |
| Change in accrued compensated absences | | (7,799) |
| **Change in Net Position of Governmental Activities** | | 227,360 |

The accompanying notes are an integral part of these financial statements.

## Upper Gunnison River Water Conservancy District
## Statement of Net Position
## Water Services Enterprise Fund
## December 31, 2025

| | |
|---|---|
| **Assets:** | |
| **Current assets:** | |
| Cash and cash equivalents | 18,909 |
| Investments | 781,830 |
| **Total - Current assets** | 800,739 |
| **Capital assets:** | |
| Meridian lake reservoir | 942,457 |
| Dam improvements | 113,024 |
| Accumulated depreciation | (64,585) |
| **Total - Capital assets** | 990,896 |
| **Total Assets** | 1,791,635 |
| **Liabilities:** | |
| **Current liabilities:** | |
| Due to other funds | 573 |
| **Total Liabilities** | 573 |
| **Net Position:** | |
| Net investment in capital assets | 990,896 |
| Unrestricted | 800,166 |
| **Total Net Position** | 1,791,062 |

The accompanying notes are an integral part of these financial statements.

## Upper Gunnison River Water Conservancy District
## Statement of Revenues, Expenses and Changes in Net Position
## Water Services Enterprise Fund
## For the Year Ended December 31, 2025

| | |
|---|---|
| **Operating Revenues:** | |
| Charges for services: | |
| Water sales | 62,580 |
| **Total Operating Revenues** | 62,580 |
| | |
| **Operating Expenses:** | |
| Board of Directors expenses | 665 |
| Salaries and benefits | 31,321 |
| Accounting and audit | 2,191 |
| Travel expenses | 1,098 |
| Insurance | 1,151 |
| Occupancy | 285 |
| Office | 943 |
| Utilities, telephone, and internet | 1,526 |
| Depreciation | 3,229 |
| **Total operating expenses:** | 42,409 |
| | |
| **Operating Income (Loss)** | 20,171 |
| | |
| **Non-Operating Revenues (Expenses):** | |
| Interest income | 33,669 |
| **Total Non-Operating Revenues (Expenses)** | 33,669 |
| | |
| **Change in Net Position** | 53,840 |
| | |
| **Net Position - Beginning of Year** | 1,737,222 |
| | |
| **Net Position - End of Year** | 1,791,062 |

The accompanying notes are an integral part of these financial statements.

## Upper Gunnison River Water Conservancy District
## Statement of Cash Flows
## Water Services Enterprise Fund
## For the Year Ended December 31, 2025

| | |
|---|---|
| **Cash Flows From Operating Activities:** | |
| Cash received from customers | 62,580 |
| Cash payments to suppliers | (7,286) |
| Cash payments to employees | (31,321) |
| **Net Cash Provided (Used) by Operating Activities** | 23,973 |
| **Cash Flows From Investing Activities:** | |
| Purchase of investments | (550,178) |
| Redemption of investments | 401,720 |
| Interest income | 13,285 |
| **Net Cash Provided (Used) by Investing Activities** | (135,172) |
| **Net Change in Cash and Cash Equivalents** | (111,199) |
| **Cash and Cash Equivalents - Beginning** | 130,108 |
| **Cash and Cash Equivalents - Ending** | 18,909 |
| **Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:** | |
| Income (loss) from operations | 20,171 |
| **Adjustments to reconcile operating income to net cash provided (used) by operating activities:** | |
| Depreciation | 3,229 |
| (Increase) decrease in due to/from other funds | 573 |
| **Net Cash Provided (Used) by Operating Activities** | 23,973 |

The accompanying notes are an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

## I. Summary of Significant Accounting Policies

The Upper Gunnison River Water Conservancy District (the "District") is a political subdivision of the State of Colorado created on June 1, 1959. The District is supported jointly by Gunnison, Hinsdale, and Saguache counties based upon a mill levy on real property located in the District. The purpose of the District is to represent the water interests of the residents of the Upper Gunnison River Watershed area. An eleven-member board governs the District.

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

### A. Reporting Entity

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations, which are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on the criteria above, the District is not financially accountable for any other entity nor is the District a component unit of any other government.

### B. Government-wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District has only one governmental fund, the General *Fund,* which is the general operating fund of the District. The District's Water Services Fund is used to account for the provision of water services to the residents of the Upper Gunnison River Watershed and include administration, operations and maintenance of the water system and billing and collection activities.

## I. Summary of Significant Accounting Policies (continued)

### B. Government-wide and Fund Financial Statements (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (culture and recreation, utilities, etc.). The functions are also supported by general government revenues (investment earnings). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The government-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

### C. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The fund focus is on current available resources and budget compliance.

The District reports the following governmental fund:

The *General Fund* accounts for the District's general operating activities.

The District reports the following proprietary or business-type funds:

The *Water Services Fund* is used to account for the provision of water services to the residents of the Upper Gunnison River Watershed and include administration, operations and maintenance of the water system and billing and collection activities.

### D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

#### 1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

## I. Summary of Significant Accounting Policies (continued)

### D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

#### 2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter (60 days) to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

#### 3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers and applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### E. Financial Statement Accounts

#### 1. Cash and Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

## I. Summary of Significant Accounting Policies (continued)

### E. Financial Statement Accounts (continued)

#### 2. Cash and Cash Equivalents, and Investments (continued)

The District follows Colorado statutes specifying specific investment instruments meeting defined rating criteria in which local governments may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Banker's acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market mutual funds
- Guaranteed investment contract
- Local government investment pools

#### 3. Receivables

Receivables are reported net of an allowance for uncollectible accounts. All service revenues become a lien on property if not paid. No allowance is recorded at December 31, 2025, as all accounts are considered to be collectible.

#### 4. Interfund Receivables and Payables

Balances at year-end between funds are reported as “due to / from other funds” in the fund financial statements. Any residual balances not eliminated between the governmental and business-type activities are reported as “internal balances” in the government-wide financial statements.

#### 5. Lease Receivables

The District is lessor in non-cancellable leases of property within the District, as further described in Note III.D. In such arrangements, the District recognizes a lease receivable and a deferred inflow of resources on the Statement of Net Position.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

## I. Summary of Significant Accounting Policies (continued)

### E. Financial Statement Accounts (continued)

#### 5. Lease Receivables (continued)

Key estimates and judgments include how the District determines the following:

*Discount Rate:* The District uses a combination of an applicable market rate and a credit spread based on market data points as of the most recent quarter-end at lease initiation, as management considers this approach to be more reliable and consistently applied.

*Lease Term:* The lease term includes the non-cancellable period of the lease and extended term(s) that the District is reasonably certain the lessee will exercise.

*Lease Receipts:* Lease receipts included in the measurement of the lease receivable are composed of fixed payments and minimum guaranteed payments from the lessee.

The District monitors changes in circumstances that would require a re-measurement of its leases, and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### 6. Capital Assets

The District defines capital assets as assets with an initial cost of $2,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Capital assets are depreciated using the straight-line method over estimated useful lives of 3 to 35 years.

## I. Summary of Significant Accounting Policies (continued)

### E. Financial Statement Accounts (continued)

#### 7. Compensated Absences

Full-time employees, except for the manager and water attorney who are covered under separate contracts, earn paid time-off based upon the number of years of service. At the Board's discretion, part-time employees may earn paid time off on a pro-rata basis. The maximum amount of paid time-off that can be accumulated is 432 hours, after 15 years of service. All earned paid time-off is payable upon termination.

#### 8. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of the governmental fund. The remaining portion of such obligations is reported in the governmental activities column of the government-wide financial statements. Long-term obligations for proprietary funds are recognized when the related liability is incurred, regardless of the timing of the related cash flows.

#### 9. Categories and Classification of Fund Balance

Governmental accounting standards establish fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

## I. Summary of Significant Accounting Policies (continued)

### E. Financial Statement Accounts (continued)

#### 9. Categories and Classification of Fund Balance (continued)

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is Board of Directors. The District's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the Board of Directors platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to Board of Directors via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after Board of Directors approval, must be presented via a public process and again approval by Board of Directors.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Board of Directors or its management designee.

Unassigned – includes residual positive fund balance within a general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. The District does not have a formal minimum fund balance policy for 2025, but has adopted a three months' operating expenses reserve policy in the fiscal year 2026.

## I. Summary of Significant Accounting Policies (continued)

### F. Significant Accounting Policies

#### 1. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

#### 2. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

## II. Stewardship, Compliance, and Accountability

### A. Budgetary Information

In the fall of each year, the District's Board of Directors formally adopts a budget with appropriations by fund for the ensuing year pursuant to the Colorado Local Budget Law.

As required by Colorado statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2025.

1. For the 2025 budget year, prior to August 25, 2024, the County Assessor sent to the District an assessed valuation of all taxable property within the District's boundaries. The County Assessor may change the assessed valuation on or before December 10 only once by a single notification to the District.

2. The District submitted, on or before October 15, 2024, a recommended budget that detailed the necessary property taxes needed along with other available revenues to meet the District's operating requirements.

3. Prior to December 15, 2024, after a required publication of "Notice of Proposed Budget" and a public hearing, the District certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the District adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.

4. After adoption of the budget resolution, the District may make the following changes: a) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; b) approve emergency appropriations; and c) reduce appropriations for which originally estimated revenues are insufficient.

## II. Stewardship, Compliance, and Accountability (continued)

### B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights (“TABOR”). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. On November 3, 1998, the electors of the District approved the retention and spending of the District's non-tax revenues for the year beginning January 1, 1999, and subsequent years, without regard to the limitations imposed by the Amendment and to impose a maximum property tax rate not to exceed 2.0 mills. A portion of the General fund’s fund balance is classified as restricted for emergencies in compliance with the Amendment.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

The District believes its enterprise funds qualify as enterprises as defined in the amendment and are therefore exempt from the provisions of the amendment. The District's management believes that it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to judicial interpretation.

## III. Detailed Notes on All Funds

### A. Deposits and Investments

The Colorado Public Deposit Protection Act (“PDPA”) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by State regulators. Amounts in deposit in excess of Federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of collateral must be at least equal to the aggregate uninsured deposits.

*Local Government Investment Pool* – At December 31, 2025, the District had invested $2,142,527 in the Colorado Government Liquid Asset Trust (“COLOTRUST”). COLOTRUST is an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds for investment purposes, and is registered with the State Securities Commissioner. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions of each pooled investment. The majority of securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify investments owned by COLOTRUST. COLOTRUST’s investments consist of U.S. Treasury and U.S. agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. agency securities. These investments are not categorized because the underlying securities cannot be determined. Of the investments held in COLOTRUST at December 31, 2025, the District had invested in COLOTRUST PLUS+, which operates similarly to money market funds and each share is equal in value to $1.

At December 31, 2025, the District had the following cash and investments with the following maturities:

| | | | Maturities | |
|---|---|---|---|---|
| **Type** | **Rating** | **Carrying Amount** | **Less Than One Year** | **Less Than Five Years** |
| *Deposits:* | | | | |
| Checking | Not Rated | 114,745 | 114,745 | - |
| Money market | Not Rated | 17,620 | 17,620 | - |
| *Investments:* | | | | |
| Certificates of Deposits | Not Rated | 1,311,623 | 1,060,875 | 250,748 |
| US Agency Bonds | Aa1 | 2,833,665 | 900,195 | 1,933,470 |
| COLOTRUST Investment Pool | AAAm | 2,142,527 | 2,142,527 | - |
| Totals | | 6,420,180 | 4,235,962 | 2,184,218 |

*Fair Value of Investments*

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

## III. Detailed Notes on All Funds (continued)

### A. Deposits and Investments (continued)

At December 31, 2025, the District had the following recurring fair value measurements:

| Investments Measured at Fair Value | Total | Fair Value Measurements Using | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Certificates of Deposit | 1,311,623 | 1,311,623 | - | - |
| US Agency Bonds | 2,833,665 | 2,833,665 | - | - |
| Total | 4,145,288 | 4,145,288 | - | - |

| Investments Measured at Net Asset Value | Total |
|---|---|
| COLOTRUST | 2,142,527 |

COLOTRUST is a 2a7-like pool. The investment is measured at the net asset value, and the fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

**Interest Rate Risk.** As a means of limiting its exposure to interest rate risk, the District has invested primarily in COLOTRUST. Funds in COLOTRUST can be withdrawn without notice or penalty.

**Credit Risk.** State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and local government investment pools. The District's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

**Concentration of Credit Risk.** The District diversifies its investments by security type and institution. Colorado's PDPA requirement noted above mitigates concentration of credit risk.

**Custodial Credit Risk.** Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. The District holds all funds in COLOTRUST PLUS+. COLOTRUST PLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rate commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

# III. Detailed Notes on All Funds (continued)

## B. Receivables

Receivables as of year-end for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

| | General Fund |
|---|---|
| Receivables: | |
| Property taxes | 2,239,949 |
| Intergovernmental | 245 |
| Lease | 53,652 |
| Other | 97,337 |
| Gross receivables | 2,391,183 |
| Less: allowance for uncollectible accounts | - |
| Net receivables | 2,391,183 |

*Lease receivables*

The District is the lessor to a 3 year lease for office space. This lease in not automatically renewed at the end of the lease period and must be renegotiated. The monthly lease is $2,500. A 5% interest was used in determining the future payments. The following shows the future lease receivable amount for the lease term.

| Fiscal Year Ended | Principal | Interest |
|---|---|---|
| 2026 | 28,004 | 1,996 |
| 2027 | 25,648 | 603 |
| | 53,652 | 2,599 |

## III. Detailed Notes on All Funds (continued)

### C. Capital Assets

Capital asset activity for the governmental activities for year ended December 31, 2025 was as follows:

| | Balance 1/1/2025 | Increases | Decreases | Balance 12/31/2025 |
|---|---|---|---|---|
| **Government-Wide Activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | 80,000 | - | - | 80,000 |
| Total Capital Assets, Not Being Depreciated | 80,000 | - | - | 80,000 |
| Capital assets, being depreciated: | | | | |
| Buildings | 1,584,795 | - | - | 1,584,795 |
| Office furniture and equipment | 122,525 | - | - | 122,525 |
| Vehicles | 91,111 | 54,264 | (45,250) | 100,125 |
| Total Capital Assets Being Depreciated | 1,798,431 | 54,264 | (45,250) | 1,807,445 |
| Less Accumulated Depreciation for: | | | | |
| Buildings | (276,924) | (36,141) | - | (313,065) |
| Office furniture and equipment | (68,073) | (17,343) | - | (85,416) |
| Vehicles | (46,401) | (9,163) | 16,582 | (38,982) |
| Total Accumulated Depreciation | (391,398) | (62,647) | 16,582 | (437,463) |
| Total Capital Assets Being Depreciated, Net | 1,407,033 | (8,383) | (28,668) | 1,369,982 |
| **Government-Wide Activities Capital Assets, Net** | 1,487,033 | (8,383) | (28,668) | 1,449,982 |

Capital asset activity for the business-type activities for year ended December 31, 2025 was as follows:

| | Beginning Balance 1/1/2025 | Increases | Decreases | Ending Balance 12/31/2025 |
|---|---|---|---|---|
| **Business-type Activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Water rights | 942,457 | - | - | 942,457 |
| Total Capital Assets, Not Being Depreciated | 942,457 | - | - | 942,457 |
| Capital assets, being depreciated: | | | | |
| Water infrastructure | 113,024 | - | - | 113,024 |
| Total Capital Assets Being Depreciated | 113,024 | - | - | 113,024 |
| Less Accumulated Depreciation for: | | | | |
| Water infrastructure | (61,356) | (3,229) | - | (64,585) |
| Total Accumulated Depreciation | (61,356) | (3,229) | - | (64,585) |
| Total Capital Assets Being Depreciated, Net | 51,668 | (3,229) | - | 48,439 |
| **Business-type Activities Capital Assets, Net** | 994,125 | (3,229) | - | 990,896 |

Depreciation expense of $62,647 for the General Fund was charged to general and administrative functions, and depreciation expense of $3,229 in the Water Services Fund was charged to water services functions.

## III. Detailed Notes on All Funds (continued)

### D. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables as of December 31, 2025 were as follows:

| | Receivable | Payable |
|---|---|---|
| General Fund | 573 | - |
| Water Services Fund | - | 573 |

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

### E. Long-term Liabilities - Governmental Activities

Changes in the District's long-term liabilities are as follows:

| | Beginning Balance 1/1/2025 | Additions (Deletions) | Ending Balance 12/31/2025 | Due Within One Year |
|---|---|---|---|---|
| Accrued compensated absences* | 60,905 | 7,799 | 68,704 | 17,176 |
| **Total Liabilities** | 60,905 | 7,799 | 68,704 | 17,176 |

* The change in the accrued compensated absences liability is reported as a net change.

## IV. Other Information

### A. Intergovernmental Agreement

In 2009 and amended in 2014, the District entered into an intergovernmental agreement with the County of Hinsdale and the Town of Lake City for the formation of Lake San Cristobal Water Activity Enterprise, which has obtained a water storage right and has an augmentation plan. The Enterprise is governed by a six-member Board of Directors with two directors appointed by each of the parties. The Enterprise provides for the financing, design, construction and operation of an outlet structure in Lake San Cristobal located in Hinsdale County. Each of the member entities pay annual assessments for base units of water in Lake San Cristobal. In 2025, the District paid a total of $13,464 to the Enterprise.

## IV. Other Information (continued)

### B. Retirement Plan

The District participates in the Colorado Retirement Association ("CRA") that provides retirement benefits through a defined contribution money purchase plan (the "Plan") to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. All employees must participate in the plan immediately after employment. The District has a tiered pension program based upon years of service with the District. All new employees must participate in the pension program and are eligible at the completion of 1 year of service. Employees must match the organization's contribution according to the following schedule: 8% at 1-5 years of service, 9% at 6-10 years of service, and 10% at 11+ years of service.

The contributions for 2025 were $55,983 by the employees and $55,983 by the District.

### C. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and general liability. The District carries commercial coverage for these risks and does not expect claims to exceed their coverage. There have been no reductions in coverage from 2024 to 2025 and settlements have not exceeded coverage in the past year.

### D. Contingencies - Claims

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at December 31, 2025.

# REQUIRED SUPPLEMENTARY INFORMATION

**Upper Gunnison River Water Conservancy District**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget (GAAP Basis) and Actual**
**General Fund**
**For the Year Ended December 31, 2025**

| | 2025 | | |
|---|---|---|---|
| | Original and Final Budget | Actual | Final Budget Variance Positive (Negative) |
| **Revenues:** | | | |
| Property taxes | 2,112,327 | 2,107,003 | (5,324) |
| Specific ownership taxes | 92,535 | 115,692 | 23,157 |
| Charges for services: | | | |
| Water sales | 25,000 | 29,027 | 4,027 |
| Water Supply Income | - | - | - |
| Water Quality Monitoring Income | 46,319 | 35,328 | (10,991) |
| Rent | 43,500 | 37,768 | (5,732) |
| Grant programs: | | | - |
| Wet Meadows | 385,422 | 207,764 | (177,658) |
| Cloud Seeding Program | 124,500 | 150,750 | 26,250 |
| Watershed Management Income | 301,291 | 148,304 | (152,987) |
| Reimbursed income | 42,000 | 22,884 | (19,116) |
| Miscellaneous | - | 2,275 | 2,275 |
| Investment income | 50,000 | 257,723 | 207,723 |
| **Total Revenues** | 3,222,894 | 3,114,518 | (108,376) |
| **Expenditures:** | | | |
| Board of Directors expenses | 38,860 | 21,180 | 17,680 |
| Public Outreach | 41,270 | 34,921 | 6,349 |
| Repair and Maintenance | 23,500 | 19,995 | 3,505 |
| Dues and subscriptions | 17,260 | 17,217 | 43 |
| Occupancy | 7,500 | 6,111 | 1,389 |
| Treasurer | 75,000 | 64,876 | 10,124 |
| Salaries and benefits | 1,005,511 | 986,639 | 18,872 |
| Accounting and audit | 55,000 | 46,924 | 8,076 |
| Travel expenses | 35,000 | 23,517 | 11,483 |
| Insurance | 15,500 | 24,648 | (9,148) |
| Office | 108,700 | 100,812 | 7,888 |
| Utilities, telephone, and internet | 17,200 | 26,629 | (9,429) |
| Wet Meadows | 395,422 | 98,144 | 297,278 |
| Regional Water Supply | 488,375 | 542,008 | (53,633) |
| Watershed Management | 312,533 | 157,144 | 155,389 |
| Water Quality Monitoring | 207,484 | 182,321 | 25,163 |
| Grant Expenses | 555,000 | 292,563 | 262,437 |
| Other Miscellaneous Projects | 226,214 | 148,799 | 77,415 |
| Capital outlay | 55,000 | 47,860 | 7,140 |
| **Total Expenditures** | 3,680,329 | 2,842,308 | 838,021 |
| **Change in Fund Balance** | (457,435) | 272,210 | 729,645 |
| **Fund Balance - Beginning** | | 5,086,464 | |
| **Fund Balance - Ending** | | 5,358,674 | |

# SUPPLEMENTARY INFORMATION

## Upper Gunnison River Water Conservancy District
## Schedule of Revenues, Expenses and Change in Net Position
## Budget (Non-GAAP Basis) and Actual With Reconciliation to GAAP Basis
## Water Services Enterprise Fund
## For the Year Ended December 31, 2025

| | 2025 | | |
|---|---|---|---|
| | **Original and Final Budget** | **Actual** | **Final Budget Variance Positive (Negative)** |
| **Operating Revenues:** | | | |
| Charges for services: | | | |
| Water sales | 64,302 | 62,580 | (1,722) |
| **Total Operating Revenues** | 64,302 | 62,580 | (1,722) |
| **Operating Expenses:** | | | |
| Board of Directors expenses | 1,216 | 665 | 551 |
| Salaries and benefits | 28,243 | 31,321 | (3,078) |
| Accounting and audit | 2,475 | 2,191 | 284 |
| Travel expenses | 1,575 | 1,098 | 477 |
| Insurance | 698 | 1,151 | (453) |
| Occupancy | 338 | 285 | 53 |
| Office | 5,660 | 943 | 4,717 |
| Utilities, telephone, and internet | 954 | 1,526 | (572) |
| **Total Operating Expenses** | 41,159 | 39,180 | 1,979 |
| **Operating Income (Loss) - Budget Basis** | 23,143 | 23,400 | 257 |
| **Non-Operating Revenues (Expenses):** | | | |
| Investment income | 35,129 | 33,669 | (1,460) |
| **Total Non-Operating Revenues (Expenses)** | 35,129 | 33,669 | (1,460) |
| **Change in Net Position - Budget Basis** | 58,272 | 57,069 | (1,203) |
| **Reconciliation to GAAP Basis:** | | | |
| Depreciation expense | | (3,229) | |
| **Change in Net Position - GAAP Basis** | | 53,840 | |
| **Net Position - Beginning of Year** | | 1,737,222 | |
| **Net Position - End of Year** | | 1,791,062 | |

RETURN TO AGENDA

# AGENDA ITEM 6

## 2027 Budget Officer Appointment

RETURN TO AGENDA

# AGENDA ITEM 7

## General Counsel Update

RETURN TO AGENDA

# AGENDA ITEM 8

## BASIN WATER SUPPLY REPORT

# MEMORANDUM

**TO**: UGRWCD Board Members

**FROM**: Beverly Richards, Water Supply Planning Manager

**DATE**: July 27, 2026

**SUBJECT**: July Basin Water Supply Information

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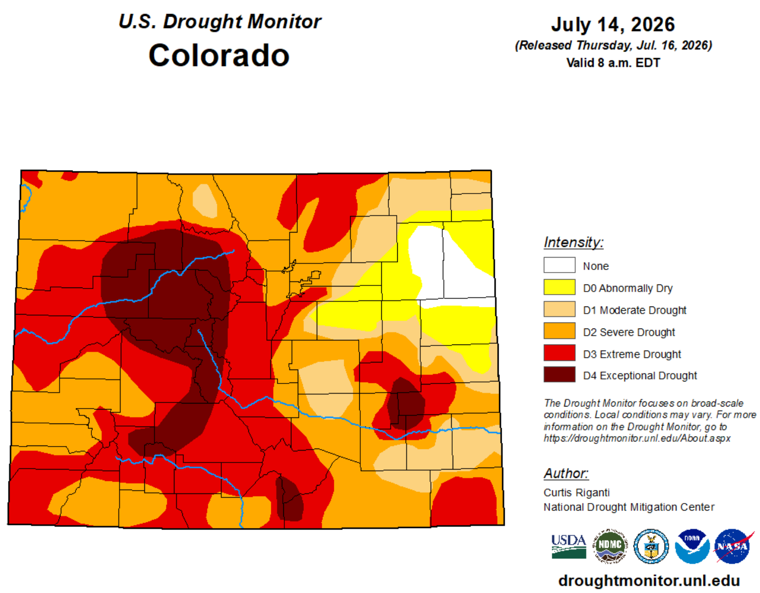
The information supplied as part of this memorandum is a monthly feature and includes information about drought, precipitation, snow water equivalent, soil moisture, reservoir storage, and cloudseeding.

## Drought Conditions




Drought categories are determined by precipitation, temperature, and soil moisture and are reflected in the map provided. According to the *Drought Monitor* dated July 14, 2026, drought conditions in the basin have deteriorated since the June report, particularly in Hinsdale and Saguache counties.

In June, 71% of Gunnison County was experiencing extreme (D3) to exceptional (D4) drought conditions. As of July 14, 2026, 81% of the county is now experiencing extreme (D3) to exceptional (D4) drought conditions, 59% and 22% respectively. The exceptional (D4) drought category increased by 7% over the June report.

Unfortunately, drought conditions for Saguache County have continued to degrade since the June report due to the lack of precipitation. In June, 100% of the county was experiencing severe (D2) to extreme (D3) conditions. As of July 14, 100% of the county has now moved into extreme (D3) and exceptional (D4) conditions, 63% and 37% respectively.

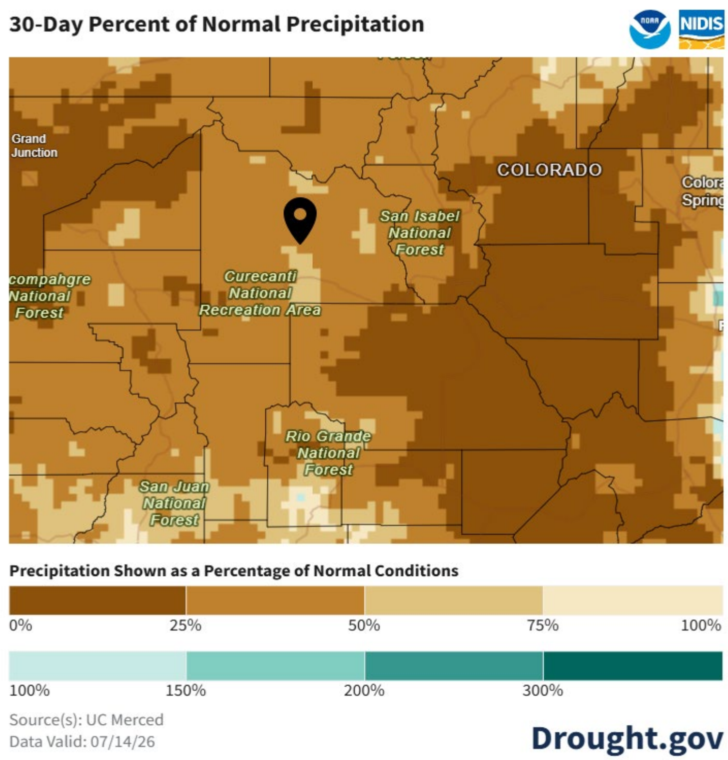
Drought conditions have also declined in Hinsdale County as the entire area has had very little precipitation over the past month. In June, 100% of the county was in the severe (D2) to extreme (D3) categories, 37% and 63% respectively. As of July 14, 100% of the county is now in severe (D2) to exceptional (D4) conditions with 37% of the county moving into the exceptional category and only 9% remaining in the severe category.

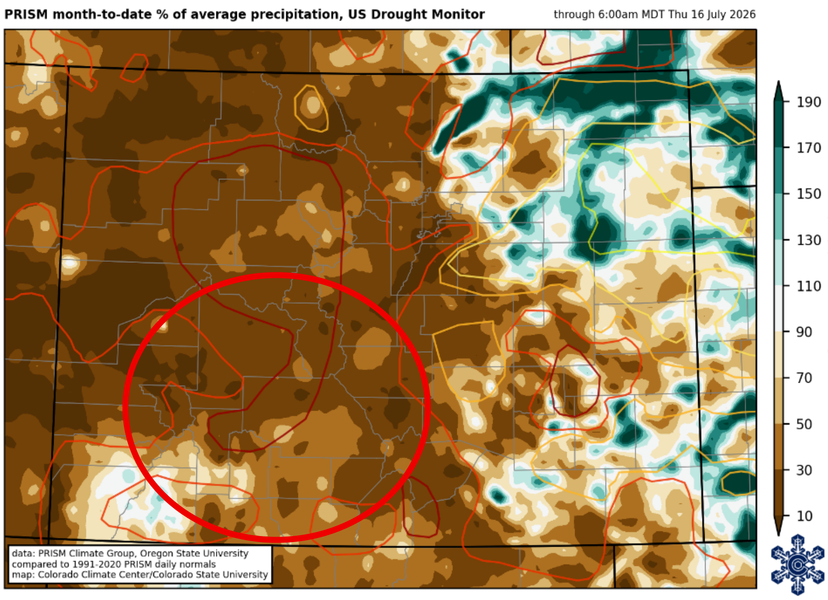
Drought conditions throughout the Upper Gunnison Basin could continue to degrade unless forecasted precipitation occurs. However, temperatures are forecasted to remain warmer than normal over the next month.

## Precipitation

This map represents the precipitation amounts as a percent of normal for the basin over the past 30 days (June 13-July 14), *Drought.gov, July 14, 2026*. The warmer colors (darker brown to beige) represent no precipitation to 100% of normal, and the cooler colors (light blue to darker green) represent precipitation amounts from 100 to over 300% of normal.

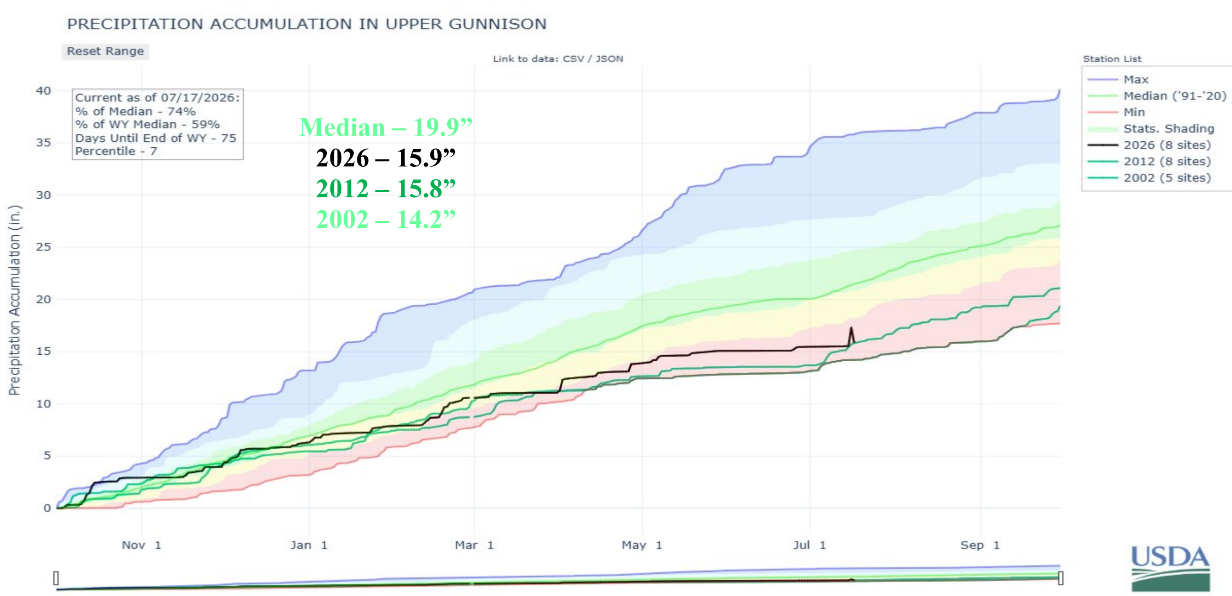
As the map to the right shows, the Upper Gunnison Basin received precipitation amounts ranging from 0% to 75% of normal during that timeframe.



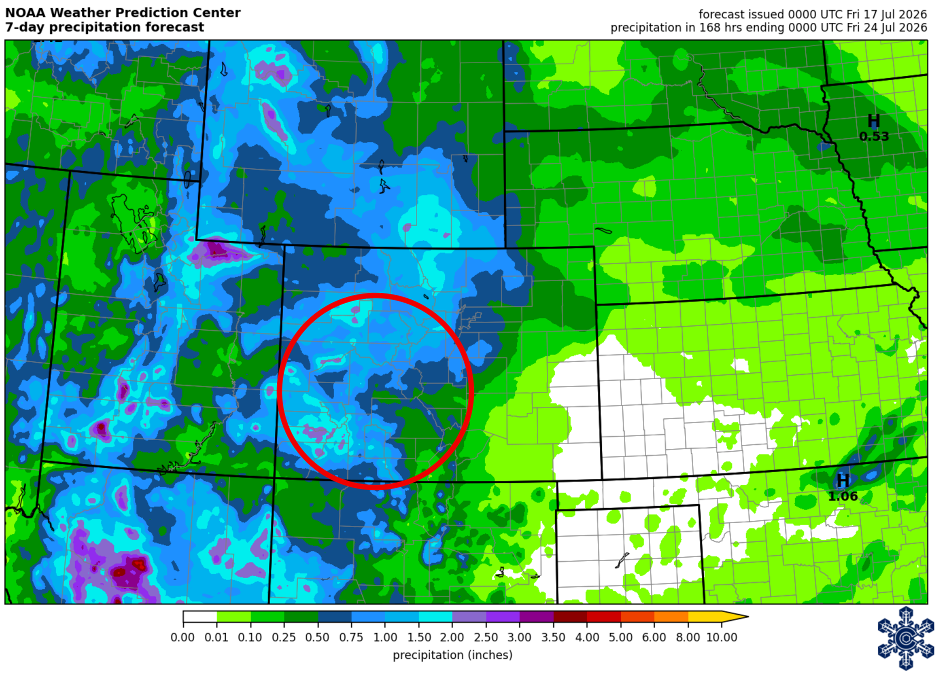



Since the beginning of July there has been very little precipitation as a percent of average as shown in the map to the left (C*olorado Climate Center, July 16, 2026)*. During that time period precipitation amounts have ranged from 0% to 90% of the average for the month-to-date period of record. The higher precipitation amounts occurred in southern Hinsdale County and could account for that area remaining in the severe (D2) drought category.

The precipitation trend graph provided below for the entire Upper Gunnison Basin is compiled from data from eight SNOTEL sites located in the basin (*NRCS, July 17, 2026)*. This graph shows that precipitation in the Upper Gunnison Basin (15.9”) is well below the median amount (21.5”) and is 74% of that median amount for this date. Also, included in this graph is a comparison to precipitation amounts in 2012 and 2002. Both 2002 and 2012 are below the 2026 amount of 15.9” but both years are trending very closely with current conditions. Monsoon activity did occur in 2012 beginning on July 5th but this did little to bring precipitation amounts near the median amount. For 2026, we did see a slight bump in precipitation on July 16th but prior to that there was no precipitation since June 26th in the basin.

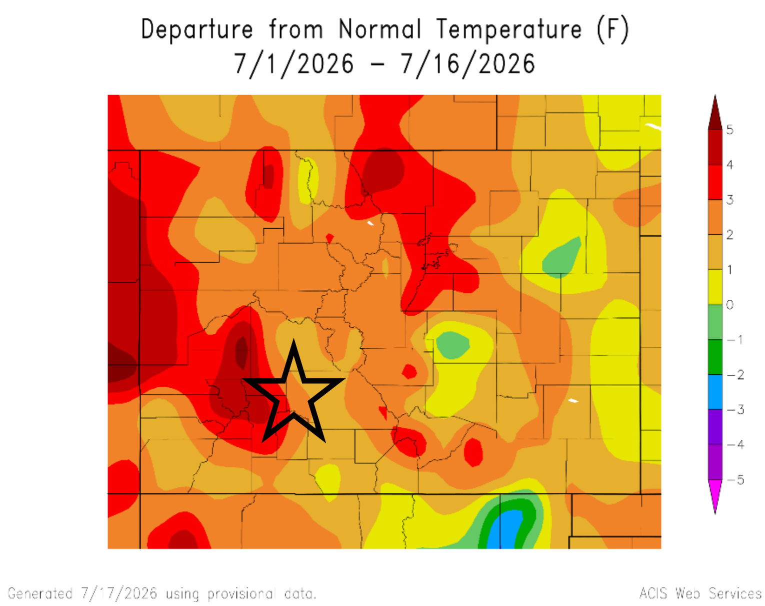


The seven-day precipitation forecast does show that the basin and the entire western slope could receive some monsoonal activity (*Colorado Climate Center, July 17, 2026).* This is indicated by the blue and purple colors and could be in the range of .75" to 2.5" in the basin.

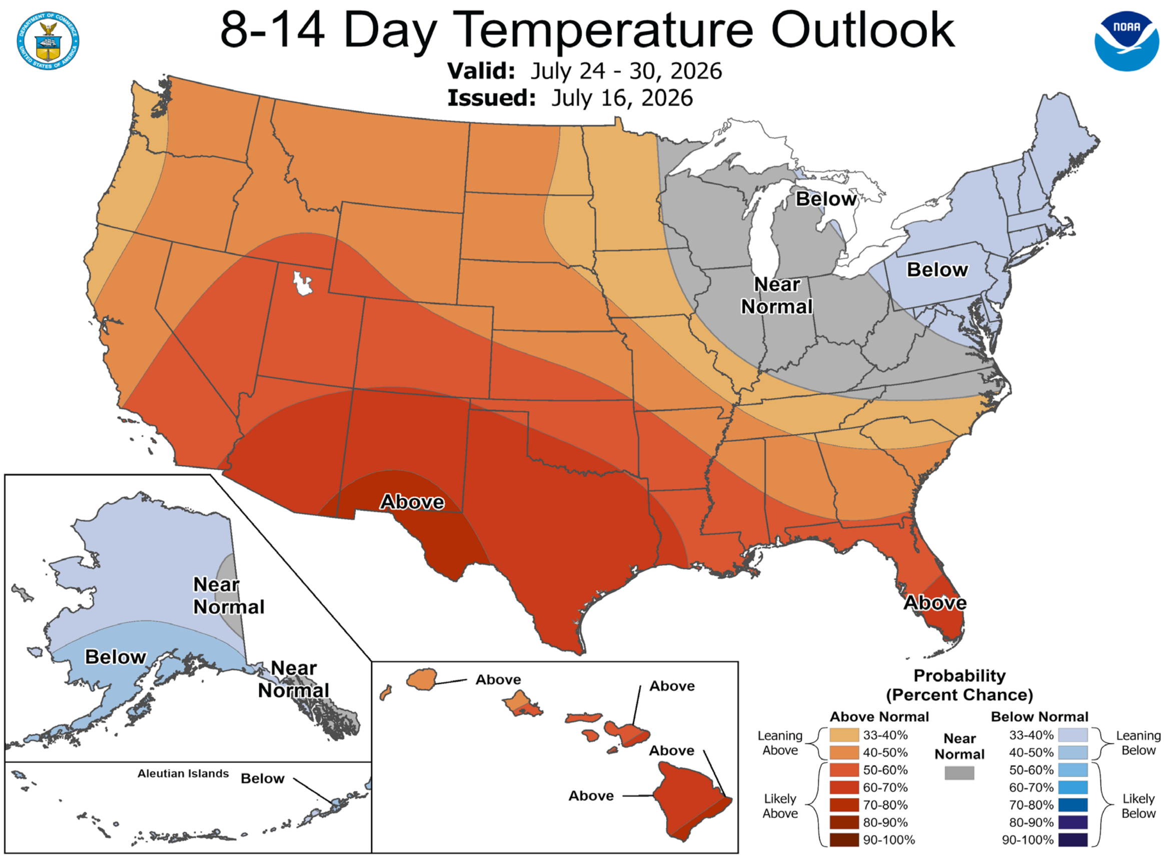



## Temperature

Temperature data for July, month to date, shows the basin had temperatures ranging from 1 to 4 degrees above normal (*Colorado Climate Center, July 17, 2026).*



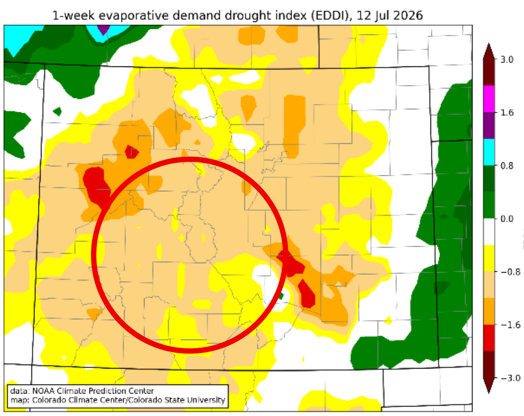
The map below shows the 8 to14 day forecasted temperature outlook (July 24-July 30) which shows a 50 to 60% chance of being above normal in that timeframe.  (*NOAA, July 16, 2026)*

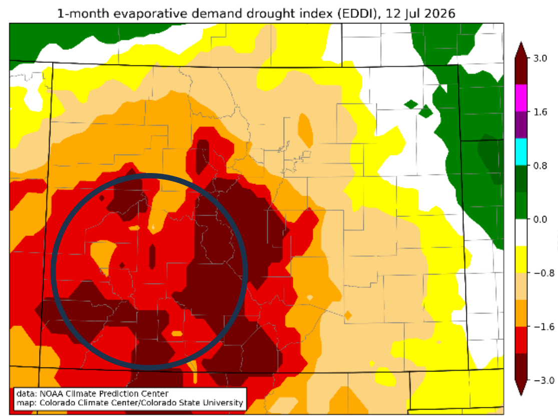



## Evaporative Demand

Provided in this section is information about the evaporative demand drought index (EDDI). This is a drought monitoring tool that measures the thirst of the atmosphere in a given location and uses air temperature, humidity, solar radiation, and wind speed to make determinations on evaporative demand. *(Colorado Climate Center, July 12, 2026*). This tool can be used as early warning guidance for agricultural drought, hydrologic drought, and fire-weather risk (*NOAA.gov*).

The maps provided below show the EDDI on a one-week timestep (left) and one-month timestep (right).  The warmer colors on these maps indicate more evaporative demand and the cooler colors indicate less evaporative demand.



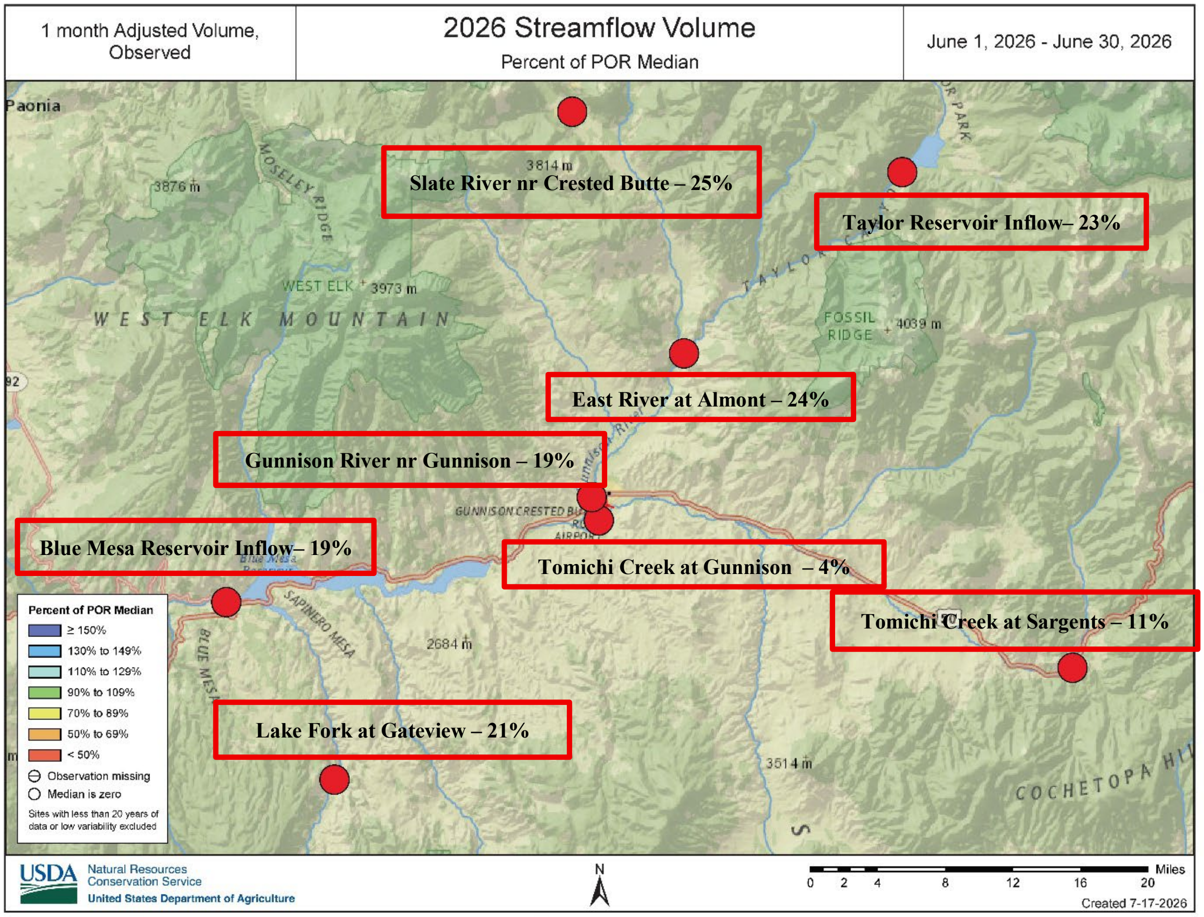

The one-month timestep (right) shows that the evaporative demand was significantly higher over the past month (June 13-July12). This is indicated by the dark red and red colors on the map that cover most of southwestern Colorado and falls within the EDDI category of 1.6 to 3.0 with 3.0 being the driest. In the one-week timestep conditions look a bit better as this map shows EDDI conditions in that timeframe fall within the 0.4 to 1.2 category of dryness. This could be due in part to precipitation that has occurred over the July 9th to July 12th period.

## Streamflow

The table provided below shows current streamflow, historical streamflow, and the percentage of the historical average for the date of July 17 throughout the Upper Gunnison Basin (*CDSS, July 17, 2026).* The percentage of historical average for current flows range from 11% (Slate River abv Baxter Gulch) to 59% (Taylor River blw Taylor Reservoir). In general, flows are 15 to 30% of the historical average which is slightly lower than predicted by forecasters for July. The Tomichi Creek at Sargents appears to be higher than previously reported as the percentage is now 42% but this is just an indication the flows at that site are typically lower at this time of year.

| Station Name | July 17 (cfs) | Historical Average July 11 (cfs) | Percent of Historical Average |
|---|---|---|---|
| Gunnison River near Gunnison | 296 | 1,068 | 27 |
| Tomichi Creek at Sargent's | 24 | 56 | 42 |
| Tomichi Creek at Gunnison | 20 | 148 | 13 |
| Taylor River at Taylor Park | 35 | 146 | 24 |
| Taylor River blw Taylor Park Reservoir | 225 | 380 | 59 |
| Taylor River at Almont | 272 | 518 | 52 |
| Slate River abv Baxter Gulch | 16 | 138 | 11 |
| East River blw Cement Creek | 63 | 415 | 15 |
| East River at Almont | 77 | 471 | 16 |
| Ohio Creek near Baldwin | 15 | 95 | 16 |
| Lake Fork blw Lake San Cristobal | 32 | 146 | 22 |
| Henson Creek at Lake City | 39 | 152 | 26 |
| Lake Fork at Gateview | 68 | 397 | 17 |

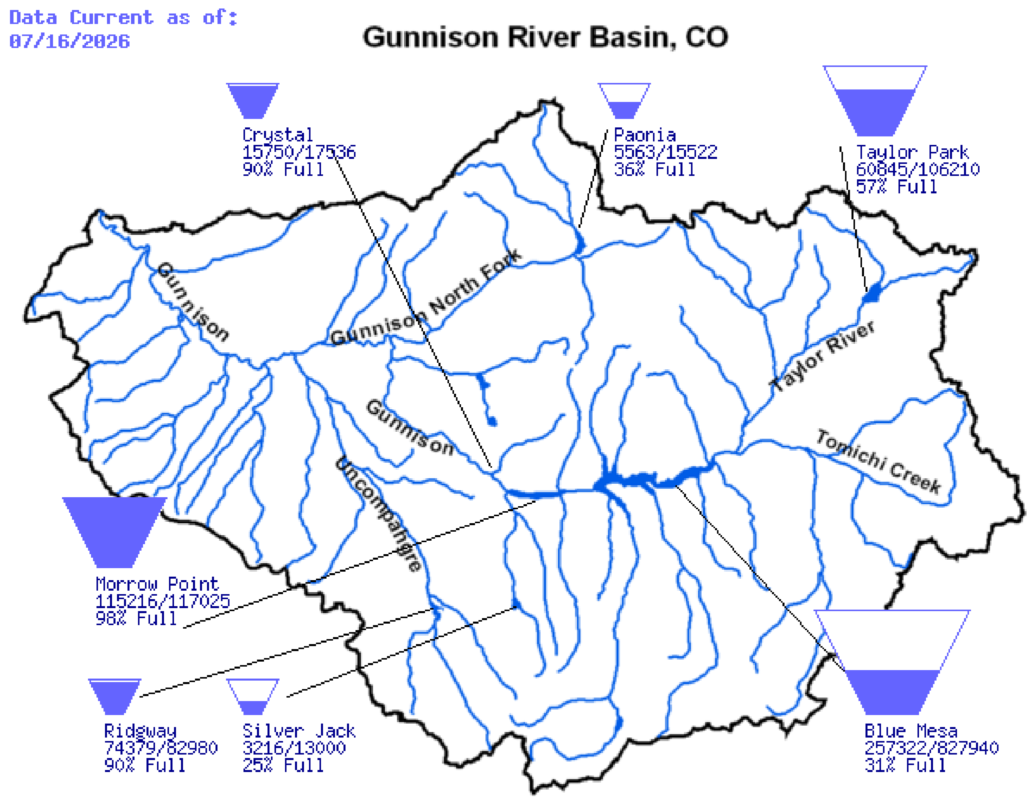
Also provided below are the observed streamflow volumes as a percent of median for specific locations in the Upper Gunnison Basin for the month of June. All sites shown including Taylor Reservoir and Blue Mesa inflows were below 30% of the median for the period of record. *(NRCS, July 17, 2026)*.



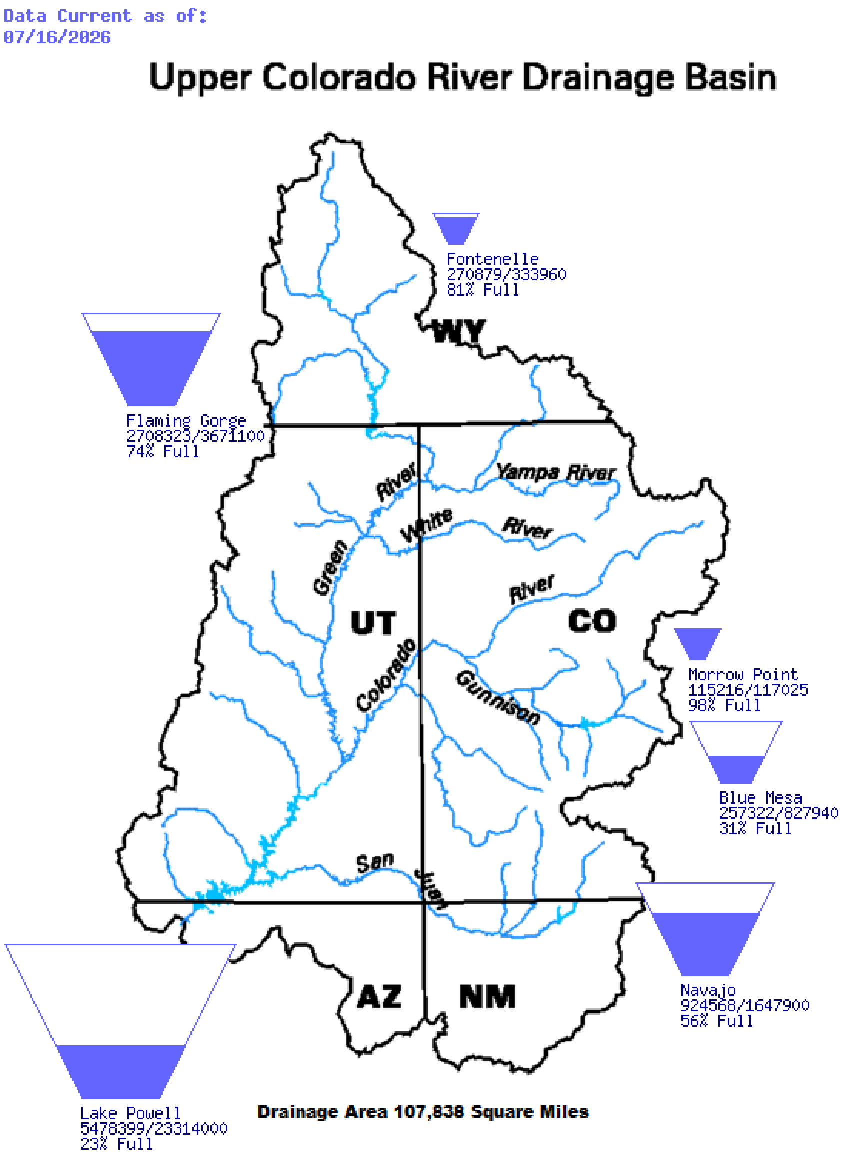

## Reservoir Storage and Operations

Reservoir storage in the entire Gunnison Basin is 61% of full volume which is a decline of 16% from the June report. This is due to the fact that Paonia and Silver Jack Reservoirs are now at 36% and 25% respectively. Blue Mesa has also declined from 40% to 31% over the past month.

Reservoirs in the Upper Gunnison Basin include Taylor Park and Blue Mesa, which are at 57% and 31% full, respectively. Total reservoir storage in the Upper Gunnison Basin is 44% of full, which is a decline of 8% from the June report. (*USBR, River Basin Tea-cup Diagrams, July 16, 2026*).




Reservoir storage in the Upper Colorado River Basin is 60.5% full, which is an increase of 1.0% from the June report. This is reflected in the tea-cup diagram provided below dated July 16, 2026.



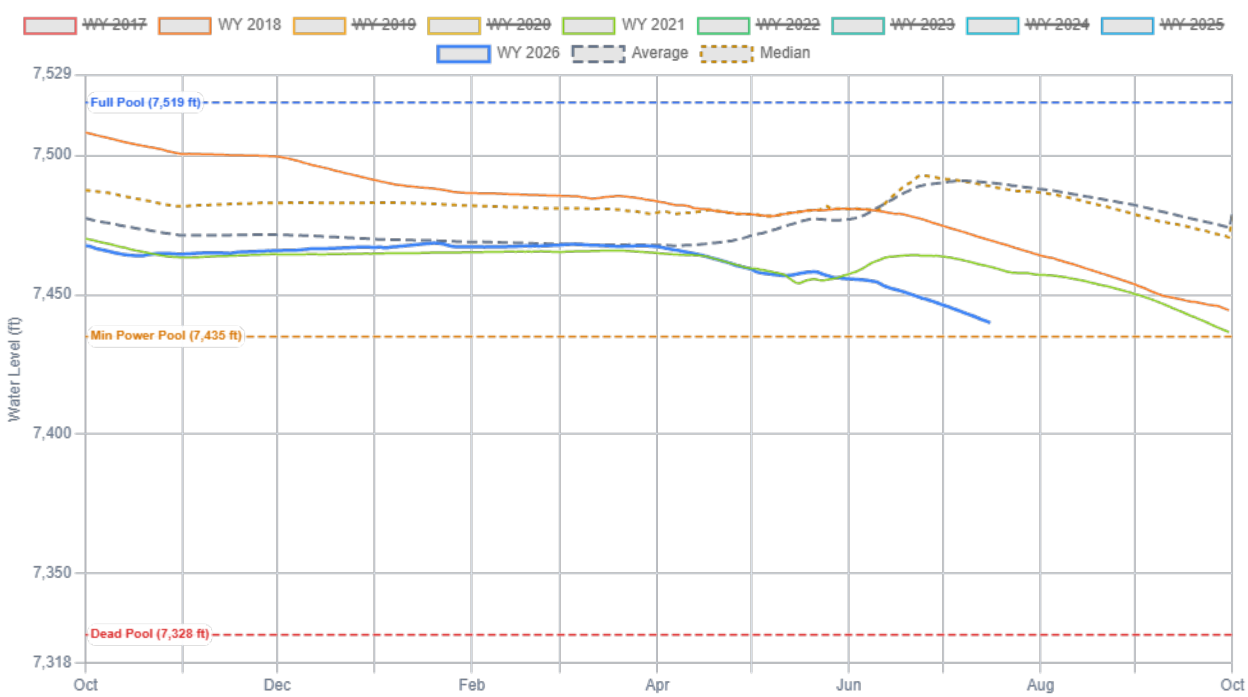

## Aspinall Unit Operations

The following Aspinall Operations information is provided by the US Bureau of Reclamation Aspinall *(https://www.usbr.gov/uc/water/crsp/cs/asp.html, July 7, 2026*; and Colorado River Water Storage dashboard *(https://coloradowaterstorage.com/reservoir/blue-mesa ).*

June unregulated inflow into Blue Mesa was 44,000 acre-feet or 19% of average. The unregulated forecasted inflow volumes for the months of July, August, and September are 15,000 acre-feet (14% of average), 24,000 acre-feet (42% of average), and 14,000 acre-feet (49 % of average), respectively.

For WY2026 the current unregulated inflow volume forecasted for Blue Mesa is 381,000 acre-feet (42% of average). The unregulated inflow forecast for the April-July 2026 period is now at 151,000 acre-feet which is 24% of average. Conditions are very dry and Blue Mesa Reservoir will not fill this year. Storage will continue to decrease throughout the season with a projected end of year water elevation of 7,407.60 feet which is 27.4 feet below the minimum power pool elevation of 7,435 feet and 79.6 feet above the dead pool elevation of 7,328 feet.

The graph provided below shows Blue Mesa Reservoir water level elevations as of July 16. This shows that the current water level elevation is 7,439.97 feet which is just 29.58 feet above the minimum power pool and 49.23 feet below the 30-year median elevation. This graph also shows WY2018 and WY2021 which are represented by the green and orange lines. On this date in 2018 the elevation was 7,469.55 and in 2021 was 7,460.04 and the median amount was 7489.20 feet. Also, for comparison, WY2018 ended the water year at 7,444.44 feet and WY2021 ended at 7437.02 feet while WY2026 is forecasted to end the year at 7407.60.




## Taylor Reservoir Operations

The Taylor Local Users Group (TLUG) held a regular meeting on July 7, 2026. Andrew Limbach from the US Bureau of Reclamation presented the Taylor Park Reservoir July 1 forecast. The forecast shows 32,000 acre-feet of runoff occurring in the water supply period of April-July. This is a decrease of 1,000 acre-feet from the mid-June forecast and is 34% of average. This current forecast puts the year type in the Dry Year category. This category has no requirement for a spring peak release.

The current operations plan shows the reservoir filling to a maximum seasonal content of 69,041 acre-feet. As of July 16, the storage content of the reservoir was 60,845 acre-feet. At the July 7 TLUG meeting, the following draft operational release plan was presented and accepted as a recommendation by the TLUG to the UGRWCD Board:

- Entire month of July at 222 cfs
- July 1-15 at 225 cfs
- August 1 – 15 at 200 cfs
- August 16 start ramp down to 106 cfs
- September 1-15 – 70 cfs
- September 16-30 – 65 cfs
- October – Winter Rate – 55 cfs

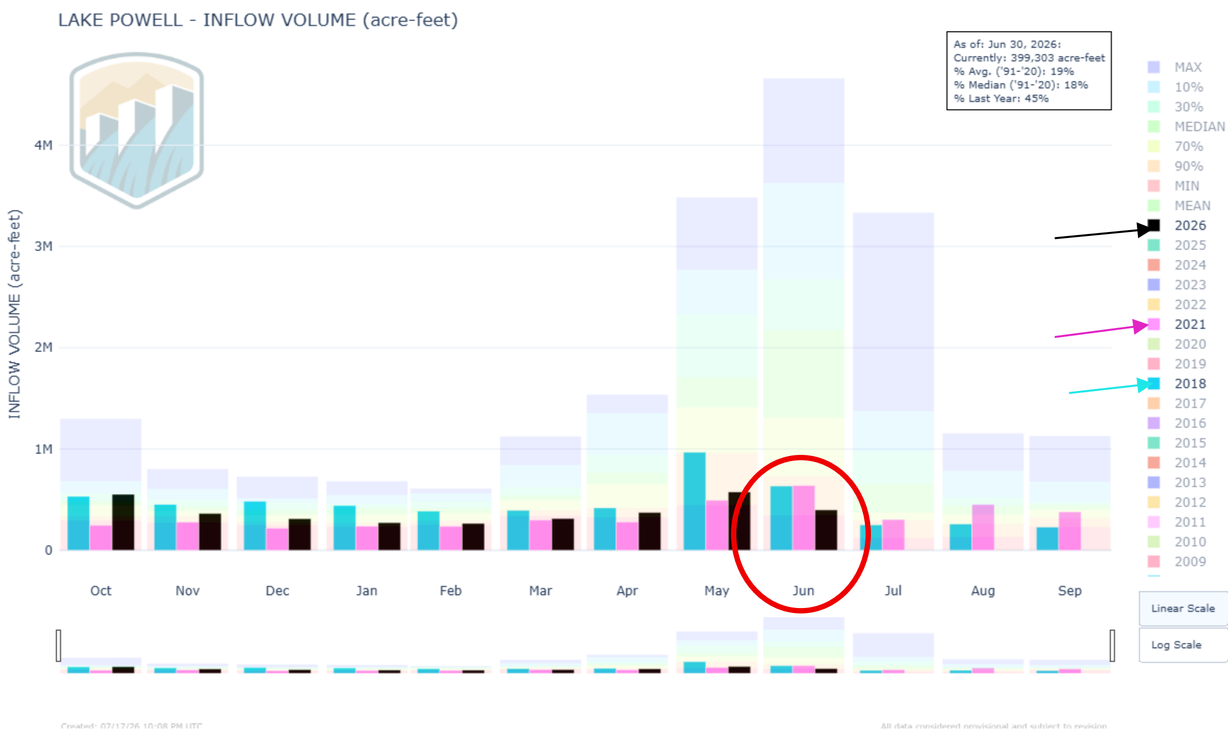
The final winter releases will be determined based upon hydrology and the ability to meet a *modified* end-of-year storage content of 50,000 acre-feet (Four Parties approved). There were some concerns voiced about flows in August and ramping down releases too quickly due to temperature concerns at this time of year, therefore the group agreed to revisit proposed operational releases at an additional scheduled for July 27, 2026, at 9:00 a.m.

## Lake Powell Operations

This information is provided by the *Lake Powell Water Database* webpage (*lakepowell.water-data.com)* and is dated July 16, 2026.

Lake Powell elevation is currently at 3,523.84 feet with a content of 5.4 million acre-feet (maf) or 23% full (24,322,000 acre-feet). This elevation is 176.16 feet from full pool and is down 34.37 feet from last year on this date. As of July 16, 2026, total inflows for WY26 are 40.83% of average. The current elevation of 3,523.84 is 1.16 feet below the critical elevation of 3,525 feet and 33.84 feet above the minimum power pool elevation of 3,490 feet.

The graph below shows the inflow volume into Lake Powell for WY2026 to date. This graph also shows a comparison with WY2018 and WY2021. In WY2026 inflows have been lower than WY2018 since November. In WY2021 inflows were lower than WY2026 but this changed in June. The inflow amount in June was 639,995 in WY2021, 634,986 in WY2018, and only 399,302 in WY2026 which was only 62% of each of those previous years.


LAKE POWELL - INFLOW VOLUME (acre-feet)
As of: Jun 30, 2026:
Currently: 399,303 acre-feet
% Avg. ('91-'20): 19%
% Median ('91-'20): 18%
% Last Year: 45%
INFLOW VOLUME (acre-feet)
4M
3M
2M
1M
0
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
MAX
10%
30%
MEDIAN
70%
90%
MIN
MEAN
2026
2025
2024
2023
2022
2021
2020
2019
2018
2017
2016
2015
2014
2013
2012
2011
2010
2009
Linear Scale
Log Scale
Created: 07/17/26 10:08 PM UTC
All data considered provisional and subject to revision

RETURN TO AGENDA

# AGENDA ITEM 9

## GENERAL MANAGER & OTHER BASIN UPDATES

**MEMORANDUM**

**TO**: Board of Directors

**FROM**: Sonja Chavez, General Manager

**DATE**: July 27, 2026

**SUBJECT**: General Manager Report

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## I. GENERAL MANAGER'S UPDATE

A. Strategic Planning Retreat: Board and staff completed initial Work Group meetings in July. Second work group sessions scheduled for August. Additional staff and board development opportunities are also being explored by the Core Strategic Planning Team.

B. New Hire - Administrative Specialist III: Management is pleased to report that Angela Miller will be joining our District Team. Ms. Miller has a bachelor's degree from Western Colorado University in business administration and significant experience working for local and state government. She is a Gunnison native and current resident. Welcome Angela!

C. Watershed & Forest Health: A meeting of various western slope stakeholders, water user organizations, county commissioners, and state and federal agencies met to discuss concerns around the failing pace of state and federal forest vegetation management across the Gunnison and Colorado River basins and its impact on water resources. In addition, the western slope group discussed concerns around the long-term viability of Montrose Forest Products, the only local mill serving a very large geographic area which has struggled to keep its doors open, and which had been put up for sale. The goal was to brainstorm ideas on new partnerships and the ability to move the needle on the pace of forest vegetation management to protect water resources.

D. Education & Outreach

Late June – mid July

- Junior Mountaineer Camp (Water Trailer Event) – June 25
- Mountain Roots Camp (Water Trailer Event, 2 days, Gunnison & Crested Butte) – June 29 and 30
- Cattleman's Sponsorship Golden Circle of Champions – July 9
- Cattleman's Days Parade (UGRWCD & CSU Extension Drill Seeder Display) – July 11
- Basin Host to Colorado Water Conservation Board – July 15
- Backcountry Hunters & Anglers Wet Meadow Restoration Event – July 18

E. **Taylor Local Users Group Update**

Please see attached draft meeting minutes from July 7. Chairman Sabrowski will also provide a verbal update.

Reminder to UGRWCD Board of Directors who RSVP'd for the Taylor Park Reservoir Dam Hydropower Plant Tour that it occurs on July 27, 2026 (2pm - 5pm) just prior to our regularly scheduled July board of directors meeting.

F. **Scientific Endeavors**

Director Rosemary Carroll will give a verbal update.

RETURN TO GM REPORT

RETURN TO AGENDA

# MINUTES
# Taylor Local Users Group
# July 7, 12:00 p.m.

**TLUG Attendees:**

TLUG Representatives Present:

Don Sabrowski, TLUG Chair
Ernest Cockrell (Taylor Placer via Zoom)
Andy Spann (Irrigation Interests)
Ryan Birdsey (Flatwater Recreation Interests)
David Fisher (Property Owners via Zoom)
Mark Schumacher (Boating Interests)
Roark Kiklevich (Wade Fishing Interests)

**Other Attendees:**

Sonja Chavez (UGRWCD)
Beverly Richards (UGRWCD)
Julio Del Piccolo (Colorado Parks and Wildlife)
Patrick Plumley (GAS Representative)

**Attendees Via Zoom:**

Ernie D. Cockrell
David Gochis (Airborne Snow Observatory)
Dustin Brown (Scenic River Tours)
Reece Carpenter (US Bureau of Reclamation)
Andrew Limbach (US Bureau of Reclamation)
Doug Forshagen (Crystal Creek HOA)
Dirk Schumacher (Three Rivers Resort)
Caleb Foy (Colorado River District)

## I. Approval of Minutes

Don Sabrowski called the meeting to order. The minutes from June 9, 2026 were presented for review and approval. No corrections were presented.

Mark Schumacher moved and Roark Kiklevich seconded approval of the June 9, 2026 minutes. The motion carried.

## II. Upper Gunnison Basin Water Supply Report – Beverly Richards

Beverly presented slides showing that severe to extreme drought conditions are ongoing in Gunnison County. The basin continues to experience degradation in drought conditions, particularly in Hinsdale and Saguache counties, due to the lack of precipitation. Streamflow continues to decline with current conditions ranging from 12 to 20% of the historical average. Forecasts show that the basin could receive minimal precipitation within the next seven days.

### III. USGS Response to Gage Readings at Dam Outlet and Almont Sites – Sonja Chavez, UGRWCD General Manager

General Manager Sonja Chavez said she spoke with USGS about the gage reading on the Taylor River that was brought up at the previous meeting. She was told that shallow groundwater could be responsible for the additional flow in the river that is being measured at Almont. She indicated that there have always been differences in flow between the two sites and that we are simply more aware of the groundwater contribution this year because of the lack of tributary flow input we see visually.

## IV. CBRFC Water Supply Update and USBR Model Forecast – Andrew Limbach, USBR

Andrew reported that the July 1st official forecast was 32,000 acre-feet for the April to July period which was a decrease of 1,000 acre-feet from the mid-month forecast. For the operations plan, he proposed a reduction in flows beginning on August 16th and continuing until the winter flow rate of 55 cfs is reached on October 1st. This plan will place the end of year storage content at 50,000 acre-feet on October 31st.

## V. WRF-Hydro Model Forecast Reports (ASO, Inc.) – Dave Gochis, ASO

David Gochis provided information from a model run that was initiated on June 30th. The forecast showed a drop of 2.6 thousand acre-feet (TAF) in Taylor Reservoir inflow from the previous forecast. The big driver of the change is low Upper Taylor River mainstem contributions. This was due to continued hot, dry, and windy conditions. The East River at Almont has come down a little from the previous forecast by about 1,000 acre-feet. With regard to soil moisture, most SNOTEL Light sites have dried out (except Cottonwood Pass). The steepness of flow decline and severity of hot and dry weather has brought the model forecast down resulting in lower base flow contributions at most stream gage sites.

Taylor model also looked at tributary flow contributions between Taylor Dam and Almont, and consistent with USGS's response, the difference is explained by ground water contribution. Finally, Dave discussed the weather prediction for the next seven days. There is an indication of weak monsoon activity, but the fourteen-day forecast shows a more robust monsoon signal.

## VI. Preliminary TLUG Draft Operational Release Recommendations

Each representative was asked to provide input on flow recommendations provided by Reclamation. Ernie suggested making some changes to August flows and emphasized that scenario should consider a gradual rather than abrupt ramp down.

Mark felt that the group should not be considering changes to August this early in July as it effectively ends the rafting season. He suggested that the group wait to see what happens with monsoon and could evaluate conditions and changes at August meeting.

Andy asked if we could go back to the Four Parties to discuss the possibility of going below the 50,000 acre-feet current floor previously proposed by UGRWCD and approved by Four Parties. Sonja indicated that she was happy to have a discussion with them but wanted to model the impact this might have on second-fill next year, especially if this year is followed by another drought year.

Ernie suggested the group meet again in late July rather than waiting until the August meeting. Andrew Limbach said he would be able to provide an interim forecast the last week of July and provide to the TLUG and that hopefully this information will encompass improvements from rain. Dave Gochis said he could provide a weather forecast in the 3-to-5-day timeframe.

## VII. Miscellaneous Matters

Sonja indicated that the District is aware of and monitoring the Gold Mountain Fire which has now moved into Gunnison County and within the District's political boundaries. She also said the Water Quality Control Commission relaxed enforcement on temperature due to extreme drought conditions.

Blue Mesa is now projected to fall below minimum power pool in early August rather than October. The Uncompahgre Valley Water Users is contemplating a call in 2027 if we have another drought year in 2027. A call would require them to dry up the river through the Black

Canyon reach which will have early season effects on junior water users (i.e., rights later than 1907 Tunnel) in the Upper Gunnison Basin.

Action Items:

- Staff will share the USGS Ag Return Flow video clip with TLUG members.
- Staff will contact Caleb Foy to model impacts of a sub-50,000-acre-foot storage amount on the 2027 second fill combined with the Blue Mesa scenario.

## VIII. Citizen Comments

There were no citizen comments

## IX. Next Meeting Date

The next TLUG meeting is scheduled for July 27, 2026, at 9:00 a.m.

## X. Adjournment

The July 7 meeting was adjourned by TLUG Chairman Don Sabrowski at 1:19 p.m.

RETURN TO AGENDA

# AGENDA ITEM 10

## DIRECTOR UPDATES

RETURN TO AGENDA

# AGENDA ITEM 11

## MISCELLANEOUS MATTERS

RETURN TO AGENDA

# AGENDA ITEM 12

## CITIZENS COMMENTS

RETURN TO AGENDA

# AGENDA ITEM 13

## FUTURE MEETINGS

# FUTURE MEETINGS/EVENTS

- TLUG Meeting - July 27, 2026 - 9:00 a.m.
- UGRWCD Board of Directors Meeting - July 27, 2026 - 5:30 p.m.
- Four Parties Meeting - August 10, 2026 - 2:00 p.m.
- CWC Summer Conference - Steamboat Springs - August 18-August 20, 2026
- UGRWCD Board of Directors Meeting - August 24, 2026 - 5:30 p.m.
- Labor Day Holiday - September 7, 2026 - Office Closed
- WECO President's Reception - September 10, 2026 - 6:00 p.m.
- Colorado River District Annual Seminar - September 18, 2026 - 8:30 a.m.
- USGS UC Integrated Water Science Stakeholder Meeting - September 22, 2026
- UGRWCD Board of Directors Meeting - September 28, 2026 - 5:30 p.m.

RETURN TO AGENDA

# AGENDA ITEM 14

## SUMMARY OF MEETING ACTION ITEMS

RETURN TO AGENDA

# AGENDA ITEM 15

## ADJOURNMENT

# WAE
# AGENDA ITEM 3
## CONSENT AGENDA ITEMS

RETURN TO AGENDA

**UPPER GUNNISON RIVER WATER ACTIVITY ENTERPRISE**

**BOARD OF DIRECTORS**

**REGULAR SEMI-ANNUAL MEETING MINUTES**

**January 26, 2026 at 7:45 p.m.**

The Board of Directors of the Upper Gunnison River Water Activity Enterprise (WAE) conducted a semi-annual meeting on Monday, January 26, 2026 at 7:45 p.m. in the District offices, 210 West Spencer Avenue, Suite A, Gunnison, CO, 81230 and via Zoom video/teleconference.

Board members present: Stu Asay, Rosemary Carroll, Joellen Fonken, Rebie Hazard (via Zoom), John Perusek, Camille Richard (via Zoom), Don Sabrowski, Andy Spann, Brian Stevens, Jeff Writer, and Brooke Zanetell.

Others present:

Amanda Aulenbach, Wet Meadows Program Director
Sonja Chavez, UGRWCD General Manager
Bailey Friedman, UGRWCD Water Resources Program Manager
Julie Iovino, UGRWCD Fellow
John McClow, UGRWCD General Counsel (via Zoom)
Beverly Richards, UGRWCD Office / Senior Program Manager
Sue Uerling, UGRWCD Administrative Asst./Communications Specialist
Ari Yamaguchi, Water Resources Specialist

## 1. CALL TO ORDER

President Don Sabrowski called the meeting to order at 7:45 p.m.

## 2. AGENDA APPROVAL

**Director Rosemary Carroll moved and Director Brian Stevens seconded approval of the agenda as presented. The motion carried.**

## 3. APPROVAL OF THE JULY 29, 2025 WAE MEETING MINUTES:

**Director Andy Spann moved and Director Rebie Hazard seconded approval of the July 29, 2025 WAE Meeting Minutes as presented. The motion carried with Director Stu Asay abstaining.**

## 4. TREASURER'S REPORT

The 2025 Profit and Loss Statement and 2025 WAE Expenses were presented in the meeting packet. No questions were raised.

## 5. ADOPTION OF RESOLUTION 2026-01 TO SET POSTING PLACE

**Director Stu Asay moved and Director Rosemary Carroll seconded the adoption of WAE Resolution 2026-01 to Set the Posting Place. The motion carried.**

## 6. ADOPTION OF REOLUTION 2026-02 FOR AUTHORIZED CHECK SIGNERS

**Director John Perusek moved and Director Joellen Fonken seconded the adoption of the WAE Resolution 2026-02 designating Authorized WAE Check Signers. The motion carried.**

## 7. GENERAL MANAGER'S WAE REPORT

General Manager Sonja Chavez reported that Mt. Crested Butte Water and Sanitation District (MCBSWD) had submitted their semi-annual report on the Long Lake Pump Station and Pipeline project and the report was included in the meeting packet. She noted that MCBSWD will be submitting a grant application to the Colorado River District for funding for engineering for the project. The District will offer political support for this application.

## 8. REVIEW AND ADOPTION OF UGRWAE BUDGET

Senior Program Manager Beverly Richards referred to the 2026 WAE Budget and associated 2026 Cost Allocation worksheet included in the meeting packet. The Cost Allocation sheet is used to calculate the WAE's reimbursement to the District for administration of the WAE. The reimbursement rate in 2025 was 4.46 percent of the District's 2025 Operating Expense Budget. This percentage reimbursement has been used since 2012. Given the 2025 end of year actual balance in reserves of $794,133, staff is recommending that there be no capital reserve assessment levied in 2026. Ms. Richards reported that there have been a total of 739 units sold to date.

**Director Stu Asay moved and Director Camille Richard seconded the adoption of the 2026 WAE Budget as presented. The motion carried.**

## 9. MISCELLANEOUS UPDATES

General Manager Sonja Chavez reported that she had a conversation with John Cattles, Assistant County Manager for Operations and Sustainability with Gunnison County about replacing the stream gage in Baxter Gulch that was impacted by construction of the Whetstone Project. Mr. Cattles reported that the infrastructure for the Whetstone Project is not working as planned and therefore, the county plans to bore under the Slate River to install new infrastructure. This stream gage will therefore not be online for 2026.

There was discussion about the effects of it not being usable in 2026 and what impact this might have on the historical data from the stream gage. The historical averages will have to start over and it will likely take three to five years to have enough data to determine the current average.

General Manager Chavez noted that the District remits an annual fee to the USGS for gage maintenance and that the cost and installation of the new gage will be covered by the USGS.

**<u>10. CITIZEN COMMENTS:</u>**

There were no citizen comments.

**<u>11. ADJOURMENT:</u>**

President Don Sabrowski adjourned the January 26, 2026 Water Activity Enterprise Board meeting at 8:04 p.m.

Respectfully submitted:

______________________________________

Rebie Hazard, Secretary

APPROVED:

______________________________________

Don Sabrowski, President

9:57 AM
07/16/26
Accrual Basis

# Upper Gunnison River Water Activity Enterprise
## Transaction Detail By Account
January through June 2026

| Type | Date | Num | Name | Memo | Clr | Split | Debit | Credit | Balance |
|---|---|---|---|---|---|---|---|---|---|
| Applegate Group, Inc. | | | | | | | | | |
| Check | 03/11/2026 | 1021 | Applegate Group, Inc. | AG Job No 21-106.106 | | 91001 · GB&T... | 1,076.25 | | 1,076.25 |
| Check | 06/11/2026 | 1025 | Applegate Group, Inc. | AG Job No 21-106.106 | | 91001 · GB&T... | 1,076.25 | | 2,152.50 |
| Total Applegate Group, Inc. | | | | | | | 2,152.50 | 0.00 | 2,152.50 |
| HGC Holdings | | | | | | | | | |
| Check | 03/31/2026 | 1022 | HGC Holdings | VOID: Reimb of 60 Canceled Base Units - Year 1 of 6 | X | 91001 · GB&T... | 0.00 | | 0.00 |
| Check | 04/01/2026 | 1023 | HGC Holdings | VOID: Reimb of 60 Canceled Base Units - Year 1 of 6 | X | 91001 · GB&T... | 0.00 | | 0.00 |
| Total HGC Holdings | | | | | | | 0.00 | 0.00 | 0.00 |
| Upper Gunnison River W. C. D. | | | | | | | | | |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 659.90 | | 659.90 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 191.78 | | 851.68 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 33.14 | | 884.82 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 52.11 | | 936.93 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 18.00 | | 954.93 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 558.21 | | 1,513.14 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 36.12 | | 1,549.26 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 80.35 | | 1,629.61 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 75.12 | | 1,704.73 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 325.78 | | 2,030.51 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 588.00 | | 2,618.51 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 516.65 | | 3,135.16 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 4,911.85 | | 8,047.01 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 1,725.25 | | 9,772.26 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 13.92 | | 9,786.18 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 48.77 | | 9,834.95 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 189.97 | | 10,024.92 |
| Check | 03/31/2026 | 1024 | Upper Gunnison Riv... | Q1 2026 Reimbursement | | 91001 · GB&T... | 32.86 | | 10,057.78 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 649.64 | | 10,707.42 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 187.32 | | 10,894.74 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 31.69 | | 10,926.43 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 1,023.20 | | 11,949.63 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 76.24 | | 12,025.87 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 637.44 | | 12,663.31 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 71.67 | | 12,734.98 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 93.05 | | 12,828.03 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 251.64 | | 13,079.67 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 128.93 | | 13,208.60 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 671.02 | | 13,879.62 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 563.01 | | 14,442.63 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 5,454.49 | | 19,897.12 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 1,890.90 | | 21,788.02 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 99.42 | | 21,887.44 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 3.48 | | 21,890.92 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 41.89 | | 21,932.81 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 170.80 | | 22,103.61 |
| Check | 06/30/2026 | 1027 | Upper Gunnison Riv... | Q2 2026 Reimbursement | | 91001 · GB&T... | 266.97 | | 22,370.58 |
| Total Upper Gunnison River W. C. D. | | | | | | | 22,370.58 | 0.00 | 22,370.58 |
| TOTAL | | | | | | | 24,523.08 | 0.00 | 24,523.08 |

RETURN TO AGENDA

**UPPER GUNNISON RIVER WATER ACTIVITY ENTERPRISE**
**PROFIT LOSS BUDGET VS. ACTUAL**
**January through June 2026**

| | Jan - June 26 | Budget | $Over/(Under) Budget | %of Budget |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Water Contract Sales | $ 54.18 | $ - | $ 54.18 | 100.0% |
| Annual Assessments | $ 40,112.17 | $ 40,039.00 | $ 73.17 | 100.2% |
| Interest on Investments | $ 10,620.52 | $ 32,000.00 | $ (21,379.48) | 33.2% |
| **Total Revenue** | **$ 50,786.87** | **$ 72,039.00** | **$ (21,306.31)** | 70.5% |
| **EXPENSES** | | | | |
| **Operating Expenses** | | | | |
| Administrative Salaries | $ 10,366.34 | $ 19,650.00 | $ (9,283.66) | 52.8% |
| Staff Salaries | $ 3,616.15 | $ 6,865.00 | $ (3,248.85) | 52.7% |
| Payroll Taxes | $ 1,079.66 | $ 3,000.00 | $ (1,920.34) | 36.0% |
| Employee Benefits | $ 1,358.44 | $ 4,970.00 | $ (3,611.56) | 27.3% |
| Audit & Accounting | $ 1,309.54 | $ 3,278.00 | $ (1,968.46) | 39.9% |
| Utilities and Cleaning | $ 360.77 | $ 803.00 | $ (442.23) | 44.9% |
| Bonding and Insurance | $ 1,075.31 | $ 1,500.00 | $ (424.69) | 71.7% |
| Office Telephone | $ 90.66 | $ 300.00 | $ (209.34) | 30.2% |
| Common Area Maintenance | $ 94.24 | $ 350.00 | $ (255.76) | 26.9% |
| Computer Expenses | $ 1,195.65 | $ 1,800.00 | $ (604.35) | 66.4% |
| Administrative Travel & Expenses | $ 454.71 | $ 1,700.00 | $ (1,245.29) | 26.7% |
| Office Expenses | $ 326.76 | $ 600.00 | $ (273.24) | 54.5% |
| Postage | $ 17.40 | $ 90.00 | $ (72.60) | 19.3% |
| Legal Publications | $ 107.79 | $ 223.00 | $ (115.21) | 48.3% |
| Board of Directors' Fees | $ 379.10 | $ 705.00 | $ (325.90) | 53.8% |
| Meeting Expenses | $ 173.40 | $ 223.00 | $ (49.60) | 77.8% |
| Board of Directors' Mileage | $ 64.83 | $ 260.00 | $ (195.17) | 24.9% |
| Vehicle Expenses | $ 299.83 | $ 160.00 | $ 139.83 | 187.4% |
| Reservoir Insurance | $ - | $ 563.00 | $ (563.00) | 0.0% |
| General Engineering Services | $ 2,152.50 | $ 5,000.00 | $ (2,847.50) | 43.1% |
| Dam Operations and Maintenance | $ - | $ 1,500.00 | $ (1,500.00) | 0.0% |
| **Total Operating Expenses** | **$ 24,523.08** | **$ 53,540.00** | **$ (29,016.92)** | **45.8%** |
| **Net Ordinary Income** | **$ 26,263.79** | **$ 18,499.00** | **$ 7,710.61** | **142.0%** |
| **Net Income** | **$ 26,263.79** | **$ 18,499.00** | **$ 7,710.61** | **142.0%** |

# Upper Gunnison River Water Activity Enterprise
## Transaction Detail By Account
January through June 2026

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|---|---|---|---|---|---|---|---|---|
| 91110 · Interest on Investments | | | | | | | | |
| Deposit | 01/16/2026 | | LPL Financial | Interest | LPL Money Market | | 6,390.00 | 6,390.00 |
| Deposit | 01/31/2026 | | Colotrust | Interest | 91002 · Colotrust PLUS + | | 730.07 | 7,120.07 |
| Deposit | 01/31/2026 | | LPL Financial | Interest | LPL Money Market | | 0.02 | 7,120.09 |
| Deposit | 02/27/2026 | | Colotrust | Interest | 91002 · Colotrust PLUS + | | 654.40 | 7,774.49 |
| Deposit | 02/28/2026 | | LPL Financial | Interest | LPL Money Market | | 0.04 | 7,774.53 |
| Deposit | 03/31/2026 | | Colotrust | Interest | 91002 · Colotrust PLUS + | | 720.94 | 8,495.47 |
| Deposit | 03/31/2026 | | LPL Financial | Interest | LPL Money Market | | 0.05 | 8,495.52 |
| Deposit | 04/30/2026 | | Colotrust | Interest | 91002 · Colotrust PLUS + | | 700.92 | 9,196.44 |
| Deposit | 04/30/2026 | | LPL Financial | Interest | LPL Money Market | | 0.05 | 9,196.49 |
| Deposit | 05/31/2026 | | Colotrust | Interest | 91002 · Colotrust PLUS + | | 721.51 | 9,918.00 |
| Deposit | 05/31/2026 | | LPL Financial | Interest | LPL Money Market | | 0.05 | 9,918.05 |
| Deposit | 06/30/2026 | | Colotrust | Interest | 91002 · Colotrust PLUS + | | 702.42 | 10,620.47 |
| Deposit | 06/30/2026 | | LPL Financial | Interest | LPL Money Market | | 0.05 | 10,620.52 |
| Total 91110 · Interest on Investments | | | | | | 0.00 | 10,620.52 | 10,620.52 |
| TOTAL | | | | | | 0.00 | 10,620.52 | 10,620.52 |

RETURN TO AGENDA

# WAE
# AGENDA ITEM 4
## MERIDIAN LAKE RESERVOIR UPDATE

RETURN TO AGENDA

# WAE
# AGENDA ITEM 5
## MISCELLANEOUS MATTERS

RETURN TO AGENDA

# WAE

# AGENDA ITEM 6

## CITIZENS COMMENTS

RETURN TO AGENDA

# WAE
# AGENDA ITEM 7
## ADJOURNMENT