

June 11, 1990

To: City Services Committee
City Council

From: Greg Trainor, Utility Manager

Re: Minutes of Committee Meeting
June 11, 1990 7:00 AM

The following actions were taken on agenda items presented to the Committee for their consideration:

Present: R.T. Mantlo, Earl Payne, Paul Nelson, Jim Shanks, Greg Trainor, Bill Cheney, Terry Franklin

1. Water leases to ranchers on Kannah Creek

Allocations of available water were made on the following basis:
600 acre feet of water to Anderson and Hallenbeck Ranches
1400 acre feet to remain in storage in reservoirs on Grand Mesa
459 acre feet of water to Kannah Creek ranchers

This is a total of 2459 acre feet out of an available 2459 acre feet. This water will be sold for a price of \$3.75 per acre foot. Last year's rate, and for the past ten years, was \$2.50 per acre foot. In 1989 notice was given to the ranchers that the rate would increase in 1990. The Committee felt that the rate should go from \$2.50 to \$5.00 over a two year period, with \$3.75 for 1990.

The water sold would go to those ranchers who purchased water last year with a reduction in the amount offered to equal the reduction in the amount available this year compared to last year. Thus, all 1989 purchasers would be offered 53% of what they purchased last year.

Calculation: 1989 sales to ranchers: 1,466 acre feet
less Anderson/Hallenbeck 600 acre feet
Net 866 acre feet
1990 available 459 acre feet
459/866 = 53%

2. Basham Encroachment.

The Committee determined that the City should acquire right of way from the Bashams and relocate the water distribution line at City expense-it being understood that the Bashams should give the City any right of way that the City needs.

3. The Purdy Mesa -Livestock Water Company.

The request to purchase property by the PMLWC was an informational item to the Committee and the Committee wished to be kept informed on further actions.

4. Clifton-City Water Purchase Agreement

The agreement was discussed with the Committee as an informational item. The agreement contains the same language as the letter of intent with a "preamble" added to describe to the public the cooperation between the City and Clifton and the cost savings and avoided costs to both entities. Dan Wilson will review when a final draft is complete and it will be brought before the City Council at a later workshop.

5. Review of +-+ and Reeder Mesa Livestock Water Company agreements were stricken from the agenda because of Council's June 6, 1990 discussion and action.

6. Hallenbeck Ranch Lease expiration

The Committee gave Tim Woodmansee direction to open the Hallenbeck lease up to a public bid when it expires in February

1991. The Committee also provided Tim leeway to structure the proposed lease in a way that would be beneficial to the City in terms of splitting the lease up for other potential lessees.