

**AGENDA
OURAY CITY COUNCIL**

Monday, July 27, 2026 - 5:00 PM

**Ouray Community Center
320 6th Ave
Ouray, CO 81427**

VIRTUAL OPTION - <https://zoom.us/j/9349389230>

Meeting ID: 934 938 9230 Passcode: 491878 Or dial: 408 638 0968 or 669 900 6833

Ouray City Council Special Meeting

- Changes to this agenda can be found on the bulletin board at City Hall
- Electronic copies of the Council Packet are available on the City website at www.cityofouray.com. A hard copy of the Packet is also available at the Administrative Office for interested citizens.
- Notice is hereby given that a majority or quorum of the Planning Commission, Ouray Economic Development Committee, Beautification Committee, Tourism Advisory Committee, Main Streets Committee, and/or Parks and Recreation Committee may be present at the above noticed City Council meeting to discuss any or all of the matters on the agenda below for Council consideration

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. ACTION ITEM
 - a. [PUBLIC HEARING] Resolution No. 15 (Series 2026) Providing Support to Ouray County
5. ADJOURNMENT

RESOLUTION NO. 15 (Series 2026)

A RESOLUTION OF THE CITY OF OURAY, COLORADO, AMENDING THE 2026 BUDGET AND PROVIDING FOR A SUPPLEMENTAL APPROPRIATION TO SUPPORT OURAY COUNTY'S PARTICIPATION IN THE U.S. DEPARTMENT OF AGRICULTURE'S NATURAL RESOURCES CONSERVATION SERVICE EMERGENCY WATERSHED PROGRAM.

WHEREAS, the City of Ouray (the "City") is a Colorado home-rule municipality, duly organized and existing under the City's Home Rule Charter (the "Charter") adopted pursuant to Article XX of the Constitution of the State of Colorado; and

WHEREAS, the Gold Mountain Fire, which began on June 27, 2026, has burned roughly 36,000 acres of land in Ouray County; and

WHEREAS, the burn area begins just north of the City of Ouray and extends north and east across several watersheds, including Cutler Creek, Dexter Creek, Crooked Tree Gulch, and Cow Creek; and

WHEREAS, the Gold Mountain Fire has created significant flash flooding risk and threats to the watershed, requiring the immediate need to safeguard lives, property, and infrastructure from imminent flooding hazards in the area through fire recovery efforts; and

WHEREAS, the U.S. Department of Agriculture's Natural Resources Conservation Services ("USDA-NRCS") established an Emergency Watershed Program ("EWP"), which provides technical and financial assistance to help local communities recover from natural disasters; and

WHEREAS, through the EWP, the NRCS funds 100% of the estimated technical and administrative costs (~ \$290,000.00) and 75% of the estimated emergency watershed protection costs (\$2,523,250.00), with the remaining 25% to be covered by a non-federal source; and

WHEREAS, Ouray County has applied for EWP funding and requested assistance from the State to contribute to the remaining non-federal funds; and

WHEREAS, the City wishes to contribute to recovery efforts for the Gold Mountain Fire and support Ouray County's participation in the EWP through a financial contribution as provided in this Resolution; and

WHEREAS, Section 9.5 of the Charter authorizes the City Council to make supplemental appropriations by resolution; and

WHEREAS, by Resolution No. 26, Series of 2025, the City Council adopted its annual budget for the fiscal year 2026; and

WHEREAS, at the time the 2026 annual budget was adopted, certain revenue and expenses were not completely known; and

WHEREAS, the City Council wishes to amend the 2026 annual budget and approve changes to the appropriations set forth in **Exhibit A** in order to ensure effective and fiscally responsible administration of City business; and

WHEREAS, the City Council wishes to approve a supplemental appropriation from the City's general reserve and tourism funds (the "City Contribution") for the allocation and expenditure of such funds to support the EWP for Ouray County; and

WHEREAS, the City Council finds this action is immediately necessary to preserve the life, health, safety, and welfare of the City and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OURAY, COLORADO, that:

1. Recitals. The foregoing recitals are incorporated herein as findings of the City Council.
2. Supplemental Appropriation and Authorization of Expenditure. The City Council hereby amends the 2026 budget and approves the additional appropriations set forth in **Exhibit A** for fiscal year 2026 related to the revenues and expenditures set forth therein. The City Council further authorizes the expenditure of \$_____ from such supplemental appropriation from the City's general reserve and tourism funds to contribute to the EWP for fire recovery efforts in Ouray County.
3. Ratification. All actions heretofore taken by the City Administrator, and the other officers, employees, and agents of the City in connection with the subject matter of this Resolution are hereby ratified, approved, and confirmed in all respects. Further, the City Council authorizes and directs the City Administrator to take such steps as are necessary to implement this Resolution and expenditure of the funds.
4. Severability. If any provision of this Resolution is found to be unconstitutional or unlawful, such finding shall only invalidate that part or portion found to violate the law. All other provisions shall be deemed severable and shall continue in full force and effect.

ADOPTED this 27th day of July, 2026 by the Ouray City Council.

CITY OF OURAY, COLORADO

Michael Underwood, Mayor

ATTEST:

Kara Rhoades, City Clerk

Exhibit A

Supplemental Budget Appropriation Pursuant to CRS 29-1-109

Purpose

This Exhibit establishes a supplemental budget appropriation authorizing additional 2026 expenditures needed to support Ouray County's participation in the USDA-NRCS Emergency Watershed Program (EWP) following the Gold Mountain Fire.

Funds Affected

Appropriations are as follows:

- **General Fund** – The amount of \$_____ is hereby appropriated.
- **Tourism Fund** – The amount of \$_____ is hereby appropriated.

Nature of the Budget Amendment

This supplemental budget appropriation is required because the City intends to expend funds not anticipated or assured at the time the 2026 budget was adopted on November 25, 2025, pursuant to CRS 29-1-109. This action increases the total appropriations for the General Fund and Tourism Fund above the amounts originally adopted in Resolution No. 26, Series 2025.

Detail

- Description of Expenditure: City contribution toward non-federal match requirements for EWP emergency watershed protection measures
- Total Supplemental Appropriation: \$_____
- Funding Split: General Fund: \$_____ ; Tourism Fund: \$_____

Notes

No expenditures shall occur in excess of the original appropriation until adoption of this supplemental budget and appropriation

Use of reserves will comply with the City's financial policies, including minimum fund balance requirements.



COLORADO

Division of Homeland Security & Emergency Management

Department of Public Safety

MEMORANDUM

Date: July 17th, 2026
To: Ouray County Board of County Commissioners
C/O: Bob Perry
From: Trevor Denney, Director of Emergency Management
RE: Cost Share for NRCS-EWP - Ouray County

Pursuant to the Executive Order issued by Governor Polis, effective June 28th, 2026, related to the Gold Mountain fire that impacted Ouray County, and the subsequent immediate threat of post fire flooding. The State will contribute 50% of the non-federal share to the NRCS-EWP projects that are sponsored by Ouray County. The 50% share represents half of the non-federal share and not the total project cost. Additionally, in-kind or other non-federal funding which reduces the overall non-federal share must be shared equally between the state and county.

Trevor Denney

Director

Colorado Office of Emergency Management



ANTONIO MENDEZ
COUNTY MANAGER

541 4th Street • P.O. Box C • Ouray, Colorado 81427 • 970-325-7320 • FAX: 970-325-0452

State Recovery Task Force
Trevor Denney
Colorado OEM Director
9195 E. Mineral Ave.
Centennial, CO 80112

Re: Request for assistance with cost share or other recovery support from damage sustained in our county

To: State Recovery Task Force

Ouray County requests state assistance with the 25-percent share that local sponsors must pay to utilize the US Department of Agriculture's Natural Resources Conservation Service (USDA-NRCS) Emergency Watershed Program (EWP).

Situation

The Gold Mountain Fire began on June 27, 2026. It was declared an emergency on that same day by Ouray County and the next day by Governor Polis. As of today, the fire has burned roughly 36,000 acres in Ouray County. Because the fire is still burning, comprehensive watershed analysis of the burn area is not yet complete.

The burn area starts just north of the City of Ouray and extends north and east across several watersheds, including Cutler Creek, Dexter Creek, Crooked Tree Gulch, and Cow Creek. Environmentally, the fire has done terrible damage to the County in terms of burned vegetation, poor air quality, and new threats to the watershed. Economically, the fire decimated tourist activity during the busiest time of year, the County's largest economic driver. The fire also brought additional flash flooding risk. While we do not know the full extent of the damage and danger, the National Weather Service, the Natural Resources Conservation Service and the Colorado Water Conservation Board (CWCB) all notified Ouray County of the considerable flash food risk threatening the watersheds along US Highway 550 and the Uncompahgre River Valley.

Action Needed

The Cutler Creek, Dexter Creek, Crooked Tree Gulch watersheds cross US-550 and drain into the Uncompahgre River. This work is needed to safeguard lives, property, and infrastructure from an imminent hazard of flooding. Based on initial engineering models, the NRCS and CWCB calculated that a 5-year rain event (20% likelihood in a year) would cause a 100-year flood event in the affected area. We estimate that approximately 90 homes are in the area. The NRCS calculated a value at risk of \$32,718,000.00

Project Description

The NRCS prepared an initial plan which I have attached to this letter. The plan is designed to protect lives, homes, and infrastructure. Critically, US Highway 550 is in the affected area and acts as the main conduit between Ouray County's two population centers, and the main route for commerce and safety services. The plan involves clearing debris, placing flood barriers, and installing debris nets.

Based on the risk, the work needs to be completed as soon as possible. The goal is to complete the work indicated in the plan before winter snow arrives in September. This will be important as the spring runoff will bring another round of substantial flooding risk.

Estimated Total Cost

Ouray County is willing to act as project sponsor for the EWP project, but will need State support. Through EWP, NRCS will fund 100% of the technical and administration costs. NRCS estimates these costs at \$290,000. The NRCS estimates that implementing the necessary emergency watershed practices will cost \$2,523,250, for which it will pay 75%. The remaining \$630,813 must come from a non-federal source.

Assistance Requested

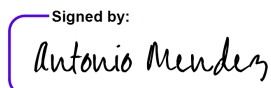
Ouray County respectfully requests State assistance of \$474,813, or 18.8% of the estimated required non-federal share for the project. The County will provide the remaining \$156,000 from its own resources. As a rural county of approximately 5,100 residents with an economy heavily dependent on tourism, Ouray County has very limited financial capacity to respond to the Gold Mountain Fire and its extended recovery. The County is already incurring substantial emergency response costs while simultaneously losing sales tax revenue due to disrupted visitation during the busiest time of year.

The County's Disaster Fund had already been depleted by recent emergencies, including the 2024 mudflow events and the 2025 Camp Bird Road rockfall, and entered this incident with only about \$66,000. In addition, as reflected in the adopted 2026 budget, the County used nearly \$950,000 of General Fund balance to support existing operations, leaving projected year-end

reserves of roughly one month of operating expenditures, half the minimum recommended by the Government Finance Officers Association. Actual reserves are likely to be lower because of the fire's impacts. The County will face tough budget decisions for its 2027 budget while rebuilding its reserves and Disaster Fund.

The consequences of flooding would impact the County's finances and our residents and the businesses that depend on visitation, turning a one-season tourism loss into potential longer-term decline that further erodes the community's economic base. It is not that the County is unwilling to contribute additional resources, it is simply unable to do so. Given the need to complete this work as soon as possible, Ouray County respectfully requests the State's timely assistance.

Sincerely,

Signed by:

200A2034F1D8426...
Antonio Mendez
County Manager

Gold Mountain Fire

Total Cost Estimate:

\$2,523,250**Culter Creek**

Practice	Description	Units	Quantities	Unit Cost	Cost
570	Debris Fence	lf	225	\$75	\$16,875
356	Flood Barrier Bags, 4 ft.	lf	3000	\$175	\$525,000
356	Flood Barrier Bags, 2 ft.	lf	3000	\$100	\$300,000
356	Concrete blocks	lf	300	\$165	\$49,500
326	Clearing and Snagging	lf	2500	\$35	\$87,500
326	Debris removal	cy	2500	\$115	\$287,500

\$1,266,375

Crooked Tree Gulch Drainage

356	Flood Barrier Bags, 4 ft.	lf	850	\$175	\$148,750
356	Flood Barrier Bags, 2 ft.	lf	850	\$100	\$85,000
326	Debris removal	cy	2500	\$115	\$287,500

\$521,250

Dexter Creek

570	Debris Fence	lf	225	\$75	\$16,875
326	Clearing and Snagging	lf	2500	\$35	\$87,500
326	Debris removal	cy	2500	\$115	\$287,500
356	Flood Barrier Bags, 4 ft.	lf	500	\$175	\$87,500
356	Flood Barrier Bags, 2 ft.	lf	500	\$100	\$50,000

\$529,375

County Rd 14

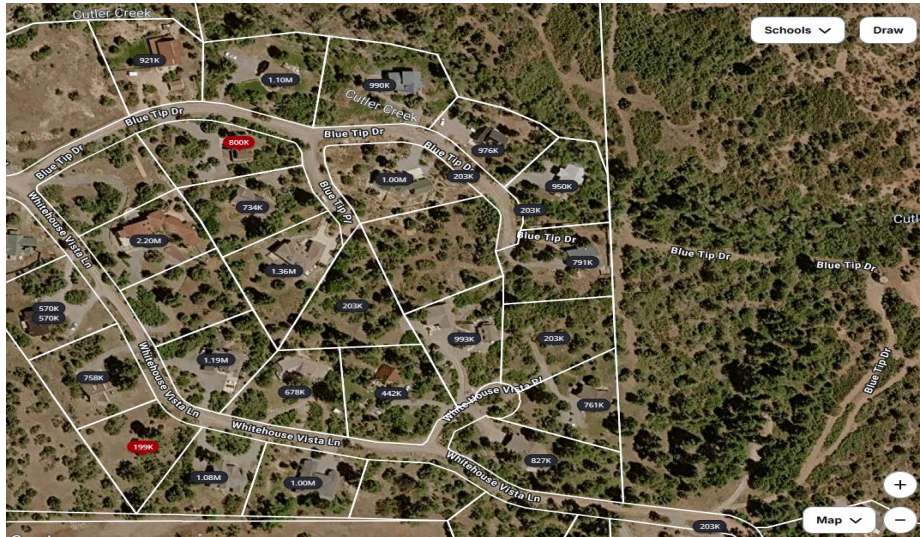
356	Flood Barrier Bags, 4 ft.	lf	750	\$175	\$131,250
357	Flood Barrier Bags, 2 ft.	lf	750	\$100	\$75,000

\$206,250

Gold Mountian Fire Values Estimate

Culter Creek

\$	950,000.00
\$	976,000.00
\$	990,000.00
\$	1,100,000.00
\$	921,000.00
\$	800,000.00
\$	480,000.00
\$	718,000.00
\$	570,000.00
\$	203,000.00
\$	758,000.00
\$	199,000.00
\$	1,100,000.00
\$	1,000,000.00
\$	2,200,000.00
\$	1,200,000.00
\$	678,000.00
\$	442,000.00
\$	734,000.00
\$	1,400,000.00
\$	203,000.00
\$	827,000.00
\$	761,000.00
\$	1,600,000.00
\$	1,200,000.00
\$	985,000.00
\$	22,995,000.00



Crooked Tree Gulch Drainage

\$	1,080,000.00
\$	1,400,000.00
\$	1,300,000.00
\$	3,780,000.00



Dexter Creek

\$	830,000.00
\$	548,000.00
\$	3,200,000.00
\$	4,578,000.00

Other

\$	203,000.00
\$	237,000.00
\$	635,000.00
\$	182,000.00
\$	108,000.00
\$	1,365,000.00

Total

\$ 32,718,000.00



Crooked Tree Gulch - EWP Plan

Date: 07/14/2026

Customer(s): Ouray County
Ouray County, Colorado

Assisted by: Clinton Whitten
USDA - NRCS
Steamboat Springs Service Center



Legend

Comments

- Clearing and Snagging
- Debris Bags
- Debris Nets
- Project_Perimeter



County Rd 14 - EWP Plan Map

Date: 07/14/2026

Customer(s): Ouray County
Ouray County, Colorado

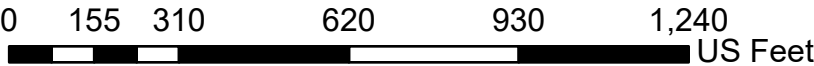
Assisted by: Clinton Whitten
USDA - NRCS
Steamboat Springs Service Center



Legend

Comments

- Clearing and Snagging
- Debris Bags
- Debris Nets
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Prepared with assistance from USDA - Natural Resources Conservation Service

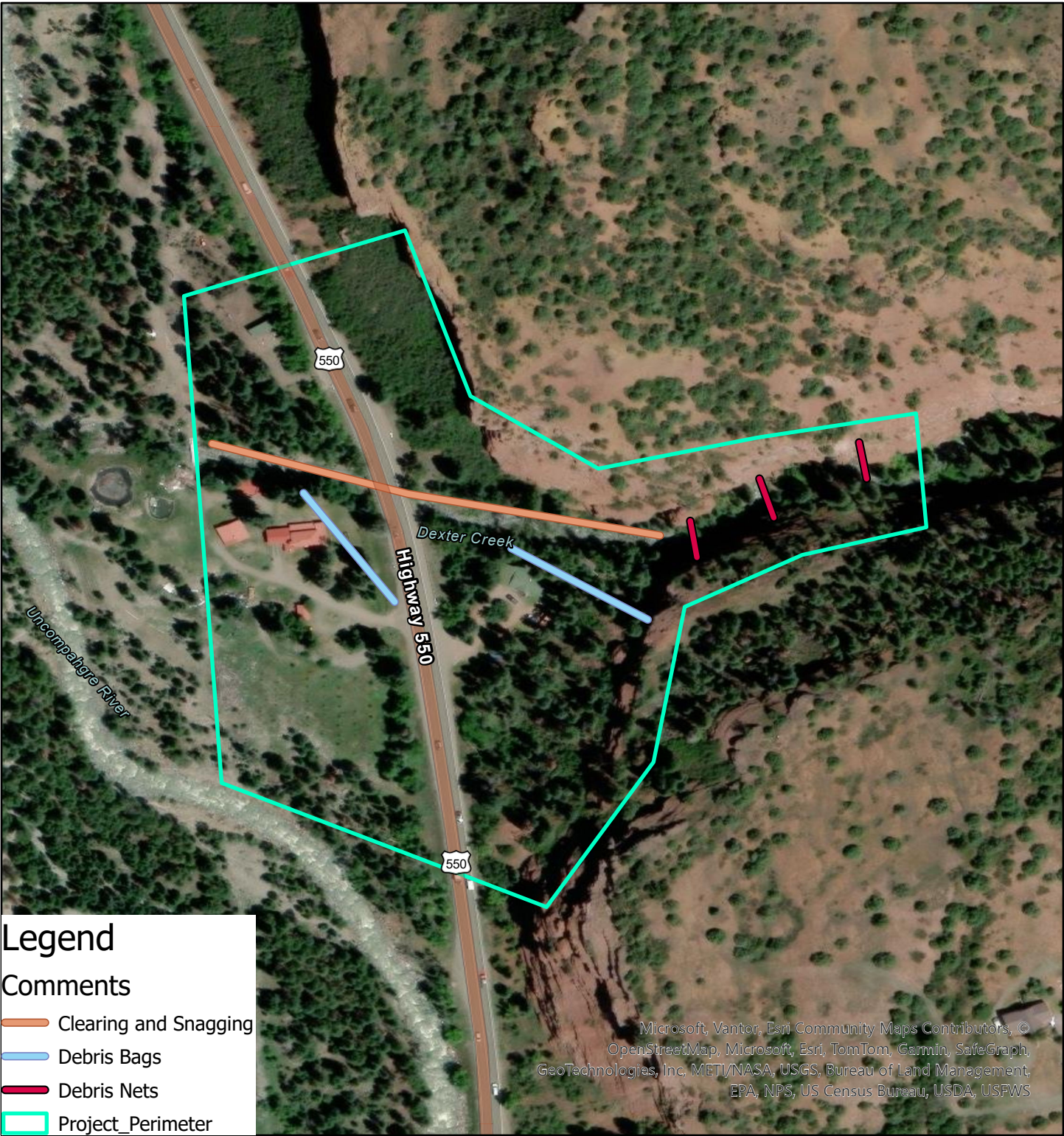


Dexter Creek - EWP Plan Map

Date: 07/14/2026

Customer(s): Ouray County
Ouray County, Colorado

Assisted by: Clinton Whitten
USDA - NRCS
Steamboat Springs Service Center



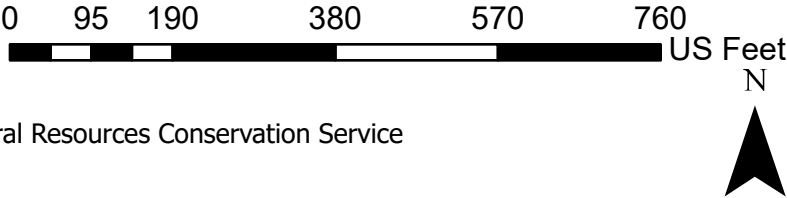
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Comments

- Clearing and Snagging
- Debris Bags
- Debris Nets
- Project_Perimeter



Prepared with assistance from USDA - Natural Resources Conservation Service



Cutler Creek - EWP Plan Map

Date: 07/14/2026

Customer(s): Ouray County
Ouray County, Colorado

Assisted by: Clinton Whitten
USDA - NRCS
Steamboat Springs Service Center

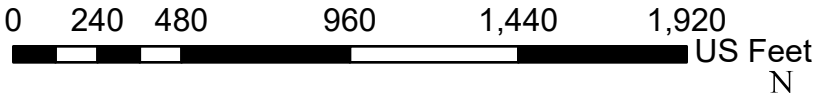


Legend

Comments

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Prepared with assistance from USDA - Natural Resources Conservation Service