

Upper Gunnison River Water Conservancy District

Regular Meeting Minutes

March 23, 2009

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Monday, March 23, 2009 at 6:30 p.m. at the District's offices, 234 North Main Street, Suite 3B, Gunnison, Colorado.

Board members present: Steve Glazer, Ralph Grover, Gary Hausler, Bill Nesbitt, Jim Pike, Brett Redden, Steve Schechter, George Sibley, and Dennis Steckel.

Board member not present: Rebie Hazard and Ken Spann.

Others Present:

Kevin Alexander
Evan Dawson, Crested Butte News
Frank Kugel, General Manager
John McClow, General Counsel
Anthony Poponi
Jill Steele, Office Manager
Scottie Willey

1. CALL TO ORDER

Board President Brett Redden called the meeting to order at 6:32 p.m.

2. AGENDA APPROVAL

Ralph Grover requested the addition of a report by the Executive Committee.

Gary Hausler moved and Ralph Grover seconded to approve the agenda as modified. The motion carried.

3. CONSENT AGENDA ITEMS

Brett Redden said that the non-operating expenses payable spreadsheet has been revised and will be removed from the consent agenda.

Ralph moved and George Sibley seconded to approve the remainder of the consent agenda items. The motion carried.

Consideration of Non-Operating Expenses

An invoice from the Gunnison River Festival for \$500 has been added to the list.

Bill Nesbitt moved and Steve Schechter seconded approval of the revised Non-Operating Expenses. The motion carried.

4. LEGAL MATTERS

John McClow said that he had no update to his legal status report. He has spoken with the River District staff about the Aspinall Unit Draft EIS. They are in favor of supporting it with some editorial content.comment. It appears that it will be the consensus of most of the West Slope participants.

Steve Glazer asked if the board should comment on Aaron Million's project during the scoping process or rely on the CRWCD. John McClow said that is a question for the board to consider. The U.S. Army Corps of Engineers has just issued a notice of its intention to conductprepare an environmental impact statement on Mr. Million's proposed project.

Steve Glazer moved to asked staff to discuss the federal notice of intent related to the Aaron Million project with the River District staff and report back to this board as to their thinking and comments. Ralph Grover seconded.

John said that comments will be accepted till May 19.

Ralph Grover said that one comment should be that the Corps is not providing sufficient opportunity for public comment. Denver and Green River, WY are the closest meetings to Gunnison.

The motion carried.

5. LEGISLATIVE ISSUES

John McClow said his update in the board packets covered pending bills of interest and the status of bills previously discussed. He said that the Legislative Council came out with the first quarter economic forecast. A \$208 million state budget shortfall is projected and will need to be made up by the end of June 2009. Over the next two weeks the Joint Budget Committee will look at where to cut funding. SB-179 funds may disappear next year. There is a bill in the works to extend the funding of the program.

6. MANAGER'S REPORT

Frank Kugel said he has no major updates to his written report. He added a graph to the board's folders which shows updated snowpack information for the five snow courses tributary to Blue Mesa Reservoir. All have fallen to near-average levels.

Chris Landry of the Center for Snow and Avalanche Studies has said there have been some significant dust-on-snowpack events recently which will result in faster snowmelt.

The Colorado Water Workshop will be held in Mt. Crested Butte this year. The CWCB has timed their meeting to coincide with it and they will meet in Mt. Crested Butte as well.

Steve Glazer said he would like the board to consider hosting a reception when the CWCB meets in Mt. Crested Butte in July. He suggested there be a cash bar and catered hors d'oeuvres. He would like to ask staff to investigate costs for such an event. He encouraged everyone to attend July 21-22, 2009 CWCB meeting in Mt. Crested Butte.

Dennis Steckel said it is a good idea to look into costs of doing this.

Gary Hausler questioned whether this is an appropriate use of taxpayer funds in this time of economic uncertainty.

Ralph Grover said the CWCB meetings are attended by numerous individuals and can provide opportunities for further communication and education.

Steve Glazer said he attended the most recent CWCB meeting in Longmont on behalf of the District due to the agenda item, "Discussion of Blue Mesa Reservoir Issues." The discussion was led by Alex Davis. She said that the Bureau of Reclamation has acknowledged receipt of the CWCB's request for a 200,000 acre-foot contract for Blue Mesa water, but has taken no action. Steve said he addressed the CWCB board, saying that we in the Upper Gunnison Basin have many questions and also considerable expertise in the area and perhaps they should discuss this subject with us. Eric Kuhn has offered help with modeling of potential impacts. Steve said he offered our assistance also.

Bill Nesbitt handed out notes from the February 18, 2009 Club 20 meeting at which the proposed contract was discussed.

Ralph Grover moved to send a letter under Brett Redden's signature inviting Ms. Davis to come talk to us about the proposed contract for Blue Mesa water. Jim Pike seconded.

Frank Kugel said that he and John have been in communication with Alex over the last few months and she is actively working to find a time to come. She is planning on coming to the May meeting. A letter may have no benefit.

Ralph Grover withdrew his motion, and Jim Pike withdrew his second.

Brett Redden said if scheduling difficulties are an obstacle to Ms. Davis attending a board meeting, it may be a good idea to hold a special meeting when it is convenient for her.

6. COLORADO RIVER WATER CONSERVATION DISTRICT UPDATE – BILL TRAMPE

Frank Kugel said that although Bill Trampe was unable to attend the meeting, he had a message from him saying that the CRWCD has been taking neutral positions on some of the water bills, and other than that, there is not much to report.

7. BOARD/STAFF/COMMITTEE MEMBER REPORTS

Macroinvertebrate Study

This discussion will be postponed until Kevin Alexander arrives.

Treasurer's Report:

Gary Hausler said he has gotten all the funds authorized at the last meeting transferred to various local financial institutions. Interest rates continue to drop.

Gunnison Basin Roundtable

Ralph Grover said that the Projects Screening Committee has recommended approval of funding of various projects by the Gunnison Basin Roundtable. There is approximately \$119,000 left in Gunnison basin funds.

Steve Glazer said that he voted against the most recent proposal of \$50,000 because \$231,000 has been allocated to complete the needs assessment work, and any additional requests for Roundtable funding would carve into the needs assessments money.

Steve Glazer said that the new CWCB staffer in charge of the Needs Assessment Study, Jacob Bornstein, has indicated that there is not much money or time left to complete the mapping of priorities. Due to the confusion those maps have created in the past, the Needs Assessment Committee has returned to an approach originally taken by the Colorado River Basin and is looking at critical reaches that include all of the attributes. Tyler Martineau has developed a spreadsheet that will be a guide to the critical reaches map. It will be refined and submitted to the Roundtable at the next meeting.

Treasurer's Report – continuation

Ralph Grover suggested moving some District funds to a bank in Montrose that has a higher interest rate.

The Finance Committee, consisting of Gary Hausler, Ken Spann, Steve Schechter, and George Sibley, will look into this.

Macroinvertebrate Study

Steve Glazer said that he, Kevin Alexander, and John McClow met on Friday, with Ralph Grover on the phone. Ralph raised some questions which Kevin answered. Kevin is here to answer any other questions.

Ralph Grover said his biggest question concerned coordination of the USGS water monitoring program. He thoroughly supports approving funds for this.

Frank Kugel asked if there have been any changes to the five sites originally determined. Steve Glazer said the East River site has been moved from the Almont gaging station to the East River below Cement Creek gaging station. Kevin Alexander said he would do his best to coordinate the timing of his studies with the USGS's data collection so that there could be coordination of the macroinvertebrate data interpretation.

Steve Glazer moved to instruct staff to execute a contract to implement the proposal to do biological assessments that was offered by Kevin Alexander in October 2008, as amended. Ralph Grover seconded. The motion carried.

Project Committee

Steve Glazer said the committee will schedule a meeting under Future Meetings.

Lake San Cristobal

Ralph Grover said that the Project Organizing Committee met last Friday in Lake City to look at draft four of the IGA and the proposed easement by Hinsdale County to grant use by the WAE of the land in perpetuity. There was one modification made which created draft number five.

Strategic Planning Workgroup

Ralph Grover said that the board should see a draft document from the group in April.

Discussion of Board Retreat

Brett Redden said he wants to conduct a board retreat which would include discussion of the strategic planning process. He asked the board to suggest topics for discussion to him via email.

The board's consensus was to request that Mary Lou Smith facilitate the retreat. April 16, 2009 was selected as the preferred date, pending Frank's conversation with Ms. Smith. If she is not available on that date, alternate dates can be considered. If necessary, a different facilitator can be sought.

Executive Committee

Ralph Grover asked if the Executive Committee has scheduled reviews for Frank and John. Brett said they have not yet been scheduled. He proposed having the reviews at the next board meeting. Ralph said he wants to know what the criteria for the reviews are.

The board discussed a proposed letter to the Colorado Public Utilities Commission regarding Tri-State Generation & Transmission. The letter was submitted by Steve Schechter.

Steve Schechter said that Tri-State continues to rely on coal-powered power and in resource planning they continue to rely on coal. The letter requests that the Colorado Public Utilities Commission assert authority over Tri-State Generation & Transmission.

In his absence, Ken Spann submitted written comments expressing his lack of support for sending the letter.

Steve Glazer said he supports the letter because it fits within the District's climate change resolution commitments. He would like to see the letter address water more directly and the connection between climate change and the District's mission and the Colorado water doctrine of maximum utilization of water. He said if the PUC can be encouraged to require more renewable energy components to our power portfolio by utilizing hydropower where there

is not an associated environmental impact, this would be one way to nudge Tri-State in that direction. The state defines up to 10 kilowatts of hydropower as meeting the greenclean power criteria.

Gary Hausler said he feels it is not appropriate for the board to send the letter, and he does not feel it will accomplish the intention. He said that the letter as written does not have enough to do with water.

Brett Redden said he is not in favor of increased regulation.

Jim Pike said he thinks a letter of encouragement needs to be sent to try to encourage a shift to cleaner power.

Bill Nesbitt agreed with encouragement. He said perhaps the letter should be re-drafted.

Jim Pike moved and Dennis Steckel seconded to send a letter to the Colorado Public Utilities Commission.

Brett Redden said the board can take a brief recess during which some additional ideas could be incorporated into the letter.

Steve Glazer moved to table the discussion to Miscellaneous Matters, giving time to amend the letter. Bill Nesbitt seconded. The motion carried.

The board took a brief recess.

9. MISSISSIPPI RIVER PRESENTATION – GARY HAUSLER

Gary Hausler gave a presentation on a proposed project to divert water from the Mississippi River to the Front Range of Colorado.

10. MISCELLANEOUS MATTERS

Brett Redden said that the final paragraph of the letter to the Colorado Public Utilities Commission has been re-written and circulated to the board. The letter will be taken off the table. He said there is a motion on the floor for its approval.

Dennis Steckel said he agrees with pretty much all that has been said. Someone needs to speak up, and it involves one of the District's issues. He said the board has the right and even the duty to speak up.

Frank Kugel said the board should be aware of the consequences that could be faced in the District's relationship with GCEA if a letter like this is submitted.

The District is working with them on the Taylor Park hydropower project. If such a letter is sent without their knowledge, it could make working with our partner more difficult.

Bill Nesbitt said he likes the letter but does not like the idea of GCEA being blindsided.

Jim Pike asked Frank what he thinks. Frank said that issue is on the boundaries of the District's mission and it would be best to work with GCEA before sending this letter.

Bill Nesbitt suggested sending a concept copy to Representative Curry or Senator Schwartz to get their feedback.

Ralph Grover called for the question.

Roll call vote:

Steve Glazer:	yes
Ralph Grover	yes
Gary Hausler	no
Bill Nesbitt	yes
Jim Pike	yes
Brett Redden	no
Steve Schechter	yes
George Sibley	yes
Dennis Steckel	yes

The motion carried 7 to 2.

Steve Glazer asked that Frank talk to GCEA to let them know the letter is coming.

11. UNSCHEDULED CITIZENS

No unscheduled citizens requested to speak.

12. FUTURE MEETINGS

Aspinall EIS meeting: April 7, 2009 6:30 p.m. at the Fred Field Western Heritage Center.

Project Committee: April 14, 2009 at 10:00 a.m.

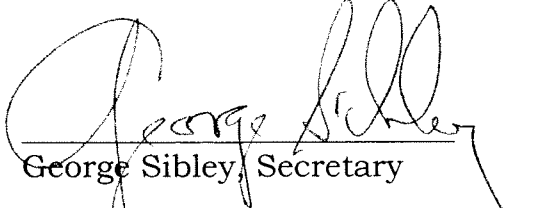
Board Retreat: April 16, 2009 pending confirmation by Mary Lou Smith

UGRWCD board meeting: April 27, 2009

13. ADJOURNMENT

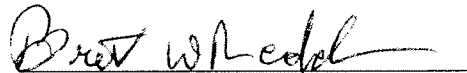
Board President Brett Redden adjourned the March 23, 2009 meeting at 10:03 p.m.

Respectfully Submitted,



George Sibley, Secretary

APPROVED:



Brett W. Redden, President