

Upper Gunnison River Water Conservancy District

Regular Meeting Minutes

May 18, 2009

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Monday, May 18, 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, Rebie Hazard, Jim Pike, Brett Redden, Steve Schechter, George Sibley, and Dennis Steckel.

Board members not present: Bill Nesbitt and Ken Spann.

Others Present:

Frank Kugel, General Manager
Richard Rozman, Colorado Division of Water Resources
Jill Steele, Office Manager
Bill Trampe, Colorado River Water Conservation District

1. CALL TO ORDER

Board President Brett Redden called the meeting to order at 6:30 p.m.

2. AGENDA APPROVAL

Steve Glazer said there will not be a Project Committee report.

Gary Hausler moved and Rebie Hazard seconded adoption of the agenda as amended. The motion carried.

3. CONSENT AGENDA

Gary Hausler moved and Rebie Hazard seconded adoption of the consent agenda. The motion carried.

Steve Glazer abstained from voting because he did not attend the April 27 meeting.

4. CONSIDERATION OF OPERATING EXPENSES, NON-OPERATING EXPENSES AND MONTHLY BUDGET REPORT

Consideration of Operating Expenses

Gary Hauser moved approval of operating expenses in the amount of \$33,719.49. Steve Schechter seconded. The motion carried.

Consideration of Non-Operating Expenses

Gary Hausler moved approval of the non-operating expenses in the amount of \$10,159.45. George Sibley seconded. The motion carried.

Monthly Budget Report

Steve Glazer requested that a line be added on the monthly budget summary to reflect the \$10,000 contribution by the CWCB for the Taylor Park SNOTEL.

Gary Hausler moved and George Sibley seconded approval of the monthly budget report. The motion carried.

5. LEGAL MATTERS

Gary Hausler moved and Ralph Grover seconded to meet in executive session at the end of the regular meeting to discuss office space. The motion carried.

6. LEGISLATIVE ISSUES

There was no discussion of legislative issues.

7. MANAGER'S REPORT

Frank Kugel said that the runoff is occurring about three weeks earlier than usual. There is concern with the timing and how it will affect late summer streamflows and water supplies and whether or not there will be calls required because of it. The Gunnison River is predicted to peak May 19. The average peak date is June 9.

Frank said he received Chris Landry's latest dust report showing several layers of dust in the snowpack. The most prominent layer, the one deposited on April 3, appears to be a significant cause of the earlier-than-normal runoff due to its absorption of solar radiation and the resultant warming of the snowpack.

Steve Schechter recommended trying to find out what is causing the dust on the snowpack and trying to be proactive about it.

Frank Kugel said he went to Crystal Reservoir last week and took pictures of approximately 3000 cfs going over the spillway as part of the first application of the Black Canyon water right.

8. COLORADO RIVER WATER CONSERVATION DISTRICT UPDATE - BILL TRAMPE

Bill Trampe said that he is travelling to Durango June 3rd and 4th to tour the Animas La Plata River.

Bill said that although the Denver Post recently reported that the West Slope, Grand County, and Denver Water reached an agreement as part of the mediation agreement, there has been no resolution or mutual agreement.

9. BOARD/STAFF/COMMITTEE MEMBER REPORTS

Summary of Board Retreat

Frank Kugel said that a summary of the recent board retreat was distributed to the board in their packets. He asked if there were any comments.

Jim Pike said that John put together a letter dated May 8, 2009 regarding the budget process for the board's consideration and adoption.

Jim Pike moved to adopt the budget procedure outlined in John McClow's May 8, 2009 letter. Ralph Grover seconded.

Brett Redden said the board has gotten into a pattern of having big budget problems late in the cycle. This can be prevented by adopting this procedure, and then the board and staff will be on the same page. He said there has been a need for such a procedure for some time and he agrees wholeheartedly with it.

The motion carried.

District's 50th Anniversary

Frank Kugel said this item was included on the agenda in order to generate discussion of ideas for a celebration. The District was formed on June 27, 1959.

Frank said he attended Tri-County's 50th anniversary celebration last year. It was held at UVWUA's facility and included a live band, food, horse & buggy, etc.

The board discussed the list of possible celebrations, including planning the celebration to coincide with the Colorado Water Workshop, the Gunnison River Festival, or the reception the board is planning in July in Mount Crested Butte for the CWCB and IBCC during the Water Workshop.

The board also discussed having an educational/public outreach booth for use at the Gunnison River Festival and other events and giving out items with the District's logo on them.

The board discussed John McClow's idea of using Dick Bratton's historical piece on the District to make an informational pamphlet.

Ralph Grover suggested it might be possible to more effectively communicate about the District by approaching different audiences separately. He suggested designing an educational program for schools, using the book he recently found, and other items. There could be separate meetings/events with the County Commissioners, the City and Town Councils, etc.

Steve Glazer suggested the District could accomplish the most by getting the message to those who attend the CWCB meetings that the District has been here 50 years and will continue to be here.

Frank Kugel said the District could have a booth at the Water Workshop, a tent at the Gunnison River Festival, and ask County Commissioners and City Councils if they can acknowledge the District's 50th anniversary on their agenda. The schools could also be included in this.

Steve Schechter said one way to keep costs down and yet get people to turn out could be to seek donations of burgers, salads, etc., and cook it ourselves.

The consensus of the board was to take the approach of doing separate outreach items with the different entities. There was also support for items to give away with the District's logo on them.

An ad hoc committee was formed, consisting of Dennis Steckel, George Sibley, and Steve Schechter. They will bring a recommendation to the board in June. Frank will check on prices for, and timing of, producing water bottles, key chains, etc.

Taylor Park Reservoir

Frank Kugel said the Four Parties meeting took place last week. The early runoff makes operations very challenging. Marc Catlin stressed that we maintain the goals of achieving a minimum of 70,000 acre feet of capacity on November 1 and that spilling of the reservoir should be avoided. As much as 650 cfs will need to be released by the end of the month to keep the reservoir from spilling. The conclusion from the meeting was to try to manage the reservoir to keep it from spilling. After the peak hydrograph is past in mid-June, the Four Parties will reconvene to discuss reservoir operations for the upcoming summer, fall and winter seasons. He requested input from the board.

Steve Glazer agreed that the number one priority is to keep the reservoir from spilling, then try to keep as much in it after that as possible and be able to meet the scheduled winter release. Steve said that the 90 cfs scheduled winter flows were not met. Frank Kugel said that was due to a -0.05 shift applied on the November 18 measurement, which showed the indicated 90 cfs release to actually be only 79 cfs. The application of this shift was not made public until late February, which was too late to make flow adjustments.

Steve Glazer said it is important to supplement late summer and early fall flows for the irrigators in an effort to keep heavy equipment out of the river.

Treasurer's Report

At the last meeting the board directed Board Treasurer Gary Hausler to determine CD rates offered by regional banks for investing funds to increase interest income since ColoTrust is paying only .25%, and since the District has reached its maximum in terms of insurable deposits in local institutions. Gary handed out a spreadsheet showing these rates. He proposed to open ten CD's at the five banks listed on the spreadsheet, totaling \$1,220,000 using a blend of time periods.

Jim Pike recommended going out no more than six months on any CD because interest rates are likely to increase.

Steve Glazer said he is bit nervous about how complex the investment strategy is becoming. The board has no knowledge of these banks other than that they are FDIC insured. He said he feels this is too aggressive a move.

Ralph Grover said that the Finance Committee met and seriously considered the concept of risk versus reward. The intention is to provide maximum return on investments while minimizing risk. By going to all these different banks, the risk is spread out.

Ralph Grover moved to direct Board Treasurer Gary Hausler to make investments in a manner not to exceed \$250,000 at the time of maturity per bank and not to exceed one year maturity in the five banks on the spreadsheet. Those banks are: First National Bank of Paonia in Delta, Alpine Bank in Montrose, Montrose Bank in Montrose, First Southwest Bank in Saguache, and First Colorado National Bank in Paonia. George Sibley seconded. The motion carried.

Executive Committee

Brett Redden said he was not present at the last meeting. He said that the board got some things addressed at the retreat as to how to conduct staff evaluations and there is a plan for improving that process.

Gunnison Basin Roundtable

George Sibley said that there has been some progress on the consumptive use needs assessment. Tyler Martineau has provided a well-prepared spreadsheet showing the attributes.

Steve Glazer said the Consumptive Needs Committee has a new recreational member: Neil from Paonia.

Steve said that the group had problems with the approach to doing needs assessment by watershed because that approach focused more on land than rivers. The new approach works better. It consists of layering all the attributes and those segments with the largest number of attributes are at the top of the list of priorities. Blue Mesa, Black Canyon and the Gunnison Gorge are three stream reaches that are deemed priorities for recreation and environmental non-consumptive needs. There are nine major environmental segments. Henson Creek and Coal Creek are among those most impaired, with opportunities for improvement. The group is working at improving water quality. The omnibus public lands bill was passed by Congress and the new Dominguez Wilderness Area was added. The group is going to recommend adding that to the list. The CWCB has run out of money for finalizing these maps and wants to go on to the next step.

George Sibley said that Todd Doherty gave a presentation on water supply in terms of the CWCB's thinking for the future. The proposed 200,000 acre-foot Blue Mesa contract came up during that discussion.

Steve Glazer said that Mr. Doherty had a spreadsheet on strategies for meeting the gap and asked for input from people on the different strategies on filling the gaps.

George Sibley said that at the meeting there were many questions critical of the Blue Mesa idea were raised, none of which were adequately answered.

Lake San Cristobal

Ralph Grover said that the Town of Lake City has approved the IGA for the formation of the Lake San Cristobal Water Activity Enterprise. Hinsdale County will approve the IGA on Wednesday. Gene Brown and Stan Whinery will be Town of Lake City representatives on the WAE.

Jim Pike has asked to be removed as a representative of this District and has asked Gary Hausler to step in. Gary has agreed to do so.

Ralph Grover moved that the board remove Jim Pike and appoint Gary Hausler as a representative of the UGRWCD to the LSC Water Activity Enterprise effective tonight. Jim Pike seconded. The motion carried.

Ralph said there will be a meeting on May 27, 2009 at the Coursey Annex in Lake City. At that time, the LSC Water Activity Enterprise board will officially pick up the process. He urged that either Gary Hausler or Steve Schechter be appointed chair since the Upper Gunnison District will be the banker. Frank Kugel will be Project Manager and John McCLOW will be Project Counsel.

Strategic Planning Workgroup

Ralph Grover said that the Strategic Planning Workgroup met today from 5:30 – 6:15 p.m. They received a rough draft from Jeremy Carter, who is working for Andy Seidel.

The board discussed whether such an economic study for strategic planning was worth doing at all, and the majority opinion (although not a consensus) was that it is worth doing.

Ralph Grover moved that the CSU contract with Andy Seidel be voided if possible, and staff be directed to research other potential economic researchers to conduct a study of the potential impact of global climate change on the Upper Gunnison valley economy. The motion carried.

10. MISCELLANEOUS MATTERS

George Sibley said that the State of the Gunnison River meeting will take place on June 1 in Montrose.

George Sibley said that the Ditch Project event takes place between May 9 and July 8, 2009 in Boulder.

Steve Glazer said that High County Citizens' Alliance had an appeal on its opposition to the Keystone Mine discharge permit.

11. UNSCHEDULED CITIZENS

No unscheduled citizens requested to speak.

12. FUTURE MEETINGS

Frank said he will seek John's input on dates for an ad hoc committee meeting.

Executive Session


Ralph Grover moved and Gary Hausler seconded that the board adjourn into executive session for the purpose of discussing the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest, pursuant to §24-6-402(4)(a), C.R.S. The motion carried.

Brett Redden re-convened the regular meeting and gave direction to staff to seek additional information.

13. ADJOURNMENT


Board President Brett Redden adjourned the May 18, 2009 meeting at 9:31 p.m.

Respectfully Submitted,



George Sibley, Secretary

APPROVED:



Brett Redden, President