

# **Upper Gunnison River Water Conservancy District**

## **Regular Meeting Minutes**

**August 24, 2009**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Monday, August 24, 2009 at the District's offices, 234 North Main Street, Suite 3B, Gunnison, Colorado.

**Board members present:** Steve Glazer, Gary Hausler, Rebie Hazard, Flynn Mangum, Bill Nesbitt, Jim Pike, Brett Redden, Steve Schechter, George Sibley, Ken Spann and Dennis Steckel.

Also present:

Butch Clark

Kathleen Curry

Michael Dale, Colorado Department of Water Resources

Evan Dawson, Crested Butte News

Joe Fitzpatrick, Town of Mt. Crested Butte

Don Griffith, Northwest Weather Consultants

Frank Kugel, General Manager

Chris Landry, Center for Snow and Avalanche Studies

John McClow, General Counsel

Greg Peterson

Anthony Poconi, Gunnison River Festival

Richard Rozman, Colorado Division of Water Resources

Jill Steele, Office Manager

Amy Weinfurter, Gunnison River Festival

Jane Wyman, Gunnison County

### **1. CALL TO ORDER**

Board President Brett Redden called the meeting to order at 6:35 p.m.

### **2. SWEARING-IN OF FLYNN MANGUM**

This item was delayed pending the arrival of Judge Patrick.

### **3. AGENDA APPROVAL**

Brett Redden said that Bill Trampe may not be here tonight. Discussion of the Cloud Seeding Program will be added as item 8a.

**Gary Hausler moved and Rebie Hazard seconded to approve the agenda as amended. The motion carried.**

#### **4. CONSENT AGENDA ITEMS**

Rebie Hazard requested that the July 27, 2009 meeting minutes be removed from the consent agenda.

George Sibley and Bill Nesbitt arrived.

**Gary Hausler moved and Rebie Hazard seconded approval of the remainder of the consent agenda items. The motion carried.**

#### **Consideration of July 27 Minutes**

Rebie said that under the Colorado River Water Conservation District update, the minutes should reflect that there is a limit of \$150,000 per grant over a five-year period.

Rebie said that on page 8, in the Taylor Park Reservoir discussion the phrase “the board took no action as a result of the executive session” appears twice.

**George Sibley moved and Bill Nesbitt seconded approval of the minutes as corrected. The motion carried.**

Gary Hausler abstained from voting because he did not attend that meeting.

#### **5. LEGAL MATTERS**

John McClow said he had nothing to add to his legal status report.

Ken Spann asked what the next step is in addressing salinity concerns.

John McClow said once a final Programmatic Biological Opinion is issued in the Aspinall Environmental Impact Statement, it will be known what the Bureau and Fish and Wildlife Service have agreed on.

Judge Patrick arrived. He issued the oath of office to Flynn Mangum.

Discussion of Legal Matters continued.

Ken Spann asked if an office lease had been executed. John McClow said not yet. He said that several months ago, the landlord agreed to a draft lease for one year including the current office space and the enlargement at the current rental price, with option to renew for one year. It has been signed by Frank and mailed, but a fully-signed copy has not yet been received from the landlord.

#### **6. MANAGER'S REPORT**

Frank Kugel said that the Gunnison River at Gunnison gage shows flows at 60% of the long-term average. Washington Gulch has been under administration for almost one month. Richard Rozman said the East River was completely dry below the East River sanitation plant about a week ago. It is the first time he has ever seen that happen.

Frank Kugel said he met with GCEA to arrive at a preliminary decision on a contractor for the Taylor Park hydropower project. John has the agreement for his review. Frank said he will contact the consultant shortly. He said that GCEA has been good to work with as a partner. If the project is deemed feasible, construction is unlikely to begin before 2011 construction season is anticipated. e to the extended time involved with permitting,

Frank said that the Doppler radar truck is being repaired. Initial radar data showed that the mobile radar filled significant gaps in the coverage offered by the NWS Grand Junction radar.

Gary Hausler said it is critical to remember that a Compact call is not out of the question. Brett Redden said that it is not possible to consider that there is a surplus of water on the Western Slope until Lake Mead is full again.

## **7. COLORADO RIVER WATER CONSERVATION DISTRICT UPDATE**

Brett Redden said that if no one has questions for Rebie Hazard, the board will continue on in the agenda. There were no questions.

## **8. COLORADO DUST ON SNOWPACK STUDY**

Chris Landry gave a presentation on dust on snowpack events from this past winter, including the increased number and intensity of the events over prior years. The snowpack from this past winter showed four distinct red layers, all of which were worse than those recorded previously.

Mr. Landry thanked the UGRWCD for its support of the program, including providing more funding than requested this past year. He requested that the board sustain that level for the upcoming year. He said he has asked other contributors to increase their support.

### **8a. CLOUD SEEDING PROGRAM DISCUSSION - DON GRIFFITH**

Don Griffith handed out some information on the cloud seeding program. He said that last year's program was scheduled to begin November 15, 2008, but because of a lack of storms at that time, cloud seeding began December 1, 2008.

Mr. Griffith said the estimate for next year's program is \$92,000 for a five-month period. Colorado and the three lower basin states have funded \$40,000. Local funding of \$52,000 is needed.

Frank Kugel asked about the need for higher elevation cloud seeding and if further research has been done on that. Don said that, unfortunately it is very expensive. In future, he could seek to expand funding from the lower basin states for that. He said that the higher elevation generators cost \$40,000 exclusive of maintenance.

Bill Nesbitt asked Jane Wyman if she has approached the Colorado Association of Ski Towns for funding assistance. She said she has not.

Ken Spann asked what Gunnison County's contribution to the program was last year. Ms. Wyman said the County contributed \$10,000, plus her salary of about \$5,000.

Ken Spann asked if the Bureau of Reclamation has been asked for funds for the program. Don Griffith said no, and that the Bureau used to have a weather research budget, but the funding disappeared in the 1990's and the department was disbanded.

Bill Nesbitt asked District staff how they feel the program is working. Frank Kugel said that Don provides the District with good data. There has been significant research indicating a ten-percent increase in precipitation when storms are seeded. Frank said that even if it is actually only one percent, he feels it is worth the investment.

Don Griffith said it is estimated that cloud seeding provides water at a cost of approximately \$1.30 per acre foot.

## **9. GUNNISON RIVER FESTIVAL WRAP-UP REPORT – ANTHONY POPONI**

Anthony Poponi gave a presentation summarizing the Gunnison River Festival. He said that attendance was similar to last year.

Goals for 2010 include expanding on art, agriculture, environment, and an increased number of kids' games and activities. Also diversify funding through grant writing and fund raising, adding a third feature, providing additional park maintenance, expanding the use of slalom, classes, clubs, and the length of park use.

Steve Schechter urged that helmets be required for festival participants.

Ken Spann said that records should be kept of flows during the festival so that when water is needed for the festival, it is possible to demonstrate what kind of benefit can be had from what flow.

## **10. 2010 BUDGET DISCUSSION**

### **Discussion of Draft Goals and Activities For 2010**

Brett Redden said that the revised Activities Planned for 2010 document was circulated.

John McClow said that staff used the matrix that was developed with Mary Lou Smith's help at the board retreat to convert the goals and activities into that format.

The board discussed whether or not to prioritize the goals. Prioritizing the goals would give staff more guidance, whereas not prioritizing the goals affords more flexibility. Board consensus was not to prioritize the activities.

Steve Schechter said it seems like nothing is happening in the states that are the source of the dust on the snowpack. He said that this could fall under Goal 4.B.(5), "Develop and maintain an information base on emerging research on the potential impacts of climate change on water supply in the District's geographic region, and keep constituents informed on said potential impacts." He suggested that this be added as a new item 4.B.(6), and that staff can figure out the wording. He said this should be classified as "high priority." George Sibley agreed that this should be a high priority.

Steve Glazer said that the upcoming Western States Water Council symposium on September 28 – 30 is an appropriate place to raise the impact of land use on water supply.

George Sibley said he would like to see the District work really hard on the Taylor Park refill water right.

### **Preliminary Estimate of Assessors' Valuations**

Gary Hausler said he would like to combine this with the Treasurer's Report. Frank called Gunnison and Hinsdale county assessors, and received the estimated increases in assessed valuations of 10% for Gunnison County and 20% for Hinsdale. He said that there is a possibility of a substantial downturn in the next assessment cycle. A projected \$370,000 will be added to reserves in 2009, and close to \$500,000 may be added in 2010.

### **Treasurer's Report**

Gary said that he is leaving salaries out of today's discussion. Today he spoke with Frank, John, and Jill to identify increases in expenses for 2010. The District will need to replace its server. The potential purchase of an office building is an unknown cost. Another consideration is pursuing the purchase of water rights to be put into a water bank. The Taylor Park hydropower project is another. If it is feasible at a 2 megawatt level, it may cost \$1,500,000. This could be split between the District, GCEA, and Uncompahgre Valley Water Users Association.

Frank Kugel said current Colorado law states that a conservancy district can not sell power from a facility it does not own, so it would need to be pursued through an enterprise or else have the law changed during the next session.

Steve Glazer said that the District has collected 87% of the estimated property tax revenue this year. He suspects that the District may not collect 100% due to increases

in foreclosures. He urged the board to be cautious about how much more revenue will be received this year.

Ken Spann said his understanding is that the District cannot proceed very far into the hydropower project without serious consideration. The board has authorized the feasibility study, but beyond that, the next step is a really big one.

Flynn Mangum said that Hinsdale County likely will not collect the full 20% increase in property tax assessments.

Brett Redden said that the District is going to have an increase of 10-20% in tax revenues. The big questions are how the board should budget for a tax shortfall this year and for downturns during the next assessment cycle.

Bill Nesbitt said that the District will not lose revenue due to the foreclosures because the bank pays taxes on a foreclosed property.

Gary Hausler said that the tax assessors told him that collections and distributions to the District are currently on track.

## **11. BOARD/STAFF/COMMITTEE MEMBER REPORTS**

### **Protection of Irrigated Acreage**

Steve Glazer said that the Wapiti Ranch consists of some 2000 acres just below Harmels Ranch. It is being developed in 35 acre lots with a focus on high-end fishermen as potential customers for the lots.

Steve shows a Google Earth image of the property in question. He is concerned and discouraged because the pasture has died and the County had no authority over the land use of the development. He said that unless they have some aggressive plan to develop this pasture it is going to be a field of weeds. He asked the board to ask Frank to begin inquiries with the County to see if they can assert their authority to find out if the development has an aggressive plan and any attempt to reclaim any of the agricultural functions of this property.

Bill Nesbitt said this might be a better venue for the County Commissioners.

Steve said that part of the District's mission is to protect irrigated agriculture.

John McClow said he called to inquire and found out that they do plan to resume irrigation and restore the pasture.

### **Taylor Park Reservoir**

Frank Kugel said it is likely that another reduction in outlet releases will be needed due to inflows dropping off more than projected.

## **Gunnison Basin Roundtable**

The board received minutes of the June meeting in their packets. There was no July meeting and there will be no September meeting.

## **Strategic Planning Workgroup**

George Sibley said that the August 5 memo from Frank Kugel summarizes what the group is working on. The group will go through the Water Management Plan section by section in an attempt at making it more concise and current. The group is working on making a three-sentence mission statement.

## **Lake San Cristobal**

Steve Schechter said that the board received copies of the draft August 12, 2009 LSCWAE minutes in their packets. He said that the U.S. Army Corps of Engineers has completed their review. The board approved the use of the Obermeyer spillway gate design.

## **Building Committee**

Dennis Steckel said the committee is still gathering information and looking at available properties. Ken Spann said he likes the approach of an RFP for properties.

## **50<sup>th</sup> Anniversary Celebration**

Frank Kugel said that the committee consists of George Sibley, Steve Schechter, Dennis Steckel, and Frank. He obtained a quote of \$14 per person from 5 B's restaurant for serving 200-300 people at ice rink. At the restaurant, the cost is \$7. Mario's quoted a price of \$10 per person. Dennis sent an email to the committee containing the suggestion that if the board is seriously considering buying an office building, perhaps it would make sense to have a grand opening celebration in conjunction with a 50<sup>th</sup> anniversary celebration. Or perhaps hold the anniversary celebration in conjunction with the Colorado Water Workshop next year.

The consensus of the board was to take Dennis's suggestion and to delay the 50<sup>th</sup> anniversary celebration in order to time it with another event.

## **12. MISCELLANEOUS MATTERS**

George Sibley said the August 11, 2009 letter to Dr. Andy Seidl at CSU was sent and we have yet to receive a response.

John McClow said he provided the board with informational correspondence. One is a letter from the City of Aurora to the CWCB regarding the IBCC. The other is an article from the Pueblo Chieftain article. He said the CWCB staff is working on a response to the letter.

Frank Kugel said that the UVWUA will soon celebrate the 100<sup>th</sup> anniversary of the opening of the Gunnison Tunnel. Frank asked the board if they would like to make a contribution toward the event. Funds could be used from the public outreach line item or from Contingency.

Ken Spann suggested asking in return that the UVWUA contribute to the cloud seeding program.

**Bill Nesbitt moved to contribute \$1,000 out of contingency. The motion was seconded.**

Ken Spann said that the public outreach line item would be better.

**Dennis Steckel moved to amend motion to increase the contribution to \$3,500. Jim Pike seconded. The motion to amend carried**

**Gary Hausler moved to amend the motion to decrease the contribution to \$2,500. George Sibley seconded. The motion to amend carried. The amended motion carried.**

John McClow said that the Gunnison Ranchland Conservation Legacy is requesting that this board be a sponsor for a fundraising event. Sponsorship at the level of \$500 includes one free lunch and a round of golf.

**Bill Nesbitt moved and Jim Pike seconded that the board contribute \$500 to Gunnison Ranchland Conservation Legacy. The motion carried.**

### **13. UNSCHEDULED CITIZENS**

Butch Clark said that special development regulations are being considered by the Gunnison County Commissioners tomorrow. They contain many things related to water, and he urged the board to look at this. He said that Rocky Mountain Biological Laboratory's dry particulate collector has been in place approximately twenty years. Its technology can identify silver iodide, which can let you know where the dust on the snowpack came from.

### **14. FUTURE MEETINGS**

John McClow said the deadline for applications for the grant program is August 31. Two applications have been received so far. One is from a local contractor regarding a pond, and the other is from Eagle Ridge Ranch including irrigation ditch improvements. The Committee should meet after the 31<sup>st</sup> to review applications.

Strategic Planning Workgroup: Thursday, August 27, 2009 at 8:30 a.m. to work on the Water Management Plan.

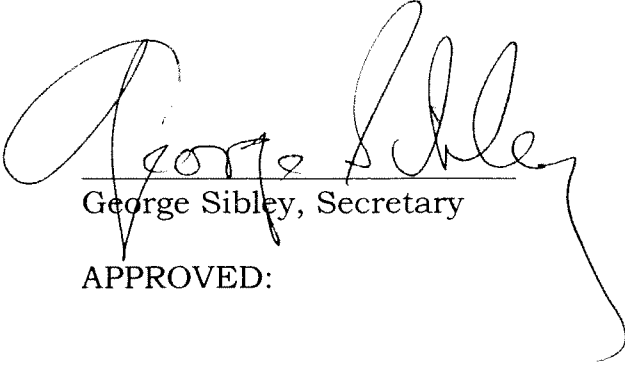
Grant Committee: Tuesday, September 1, 2009 at 9:00 a.m.

Building Committee: Tuesday, September 1, 2009 at 10:00 a.m.

**15. ADJOURNMENT**

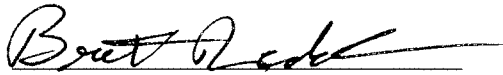
Board President Brett Redden adjourned the August 24, 2009 meeting at 10:45 p.m.

Respectfully Submitted,



George Sibley, Secretary

APPROVED:



Brett Redden, President