

Upper Gunnison River Water Conservancy District

Regular Meeting Minutes

September 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, Flynn Mangum, Bill Nesbitt, Jim Pike, Steve Schechter, George Sibley, Ken Spann and Dennis Steckel.

Board members not present: Rebie Hazard and Brett Redden.

Also present:

Kim Barz

Gail Dusa

Lee Dusa

Frank Kugel, General Manager

John McClow, General Counsel

Richard Rozman, Colorado Division of Water Resources

Jill Steele, Office Manager

Bill Trampe, Colorado River Water Conservation District

1. CALL TO ORDER

Board Vice President Dennis Steckel called the meeting to order at 6:35 p.m.

2. AGENDA APPROVAL

Ken Spann wanted to add a report on the Colorado River Water Availability Study.

Dennis Steckel said this item will go on the agenda ahead of the Building Committee update.

Ken Spann moved and Bill Nesbitt seconded adoption of the agenda as amended. The motion carried.

3. CONSENT AGENDA ITEMS

Gary Hausler asked that the August meeting minutes be removed from the consent agenda. Ken Spann asked to remove the Buckhorn Geotech invoices.

Consideration of August 24 minutes

Gary Hausler said that on page 5, under Treasurer's Report, the word "would" should be replaced with "could."

Steve Schechter moved and Ken Spann seconded approval of the minutes as amended. The motion carried.

Referring to the \$10,000 invoice, Ken Spann asked if the work Buckhorn Geotech is doing on Lake San Cristobal is going well. Gary Hausler said most of the work invoiced on that bill was due to a request from two Lake San Cristobal Water Activity Enterprise board members for a presentation of alternatives to the Obermeyer gate.

Ken Spann moved and Gary Hausler seconded approval of the consent agenda as amended. The motion carried.

4. LEGAL MATTERS

John McCloy had a few items to report to the board.

1. The landlord has signed the proposed lease for one year for enlarged space at the current rent with the option to renew for one year at the same rent.
2. Regarding 03CW49, the Aspinall augmentation plan, a draft has been received with some language from the CWCB staff that may give us language to finalize that decree. He and Frank are comfortable with the first half, which ratifies all the executed contracts. The second half still needs some work.
3. Regarding the status of the Department of Natural Resources' request for a water service contract out of Blue Mesa, John said Alex Davis has indicated that it was Harris Sherman's project, and since Mr. Sherman is expected to take a job in Washington, D.C., whether or not the application for a contract moves forward depends on the new head of the Department of Natural Resources.
4. The CWCB board is engaged in some new studies that are encouraging, one of which has put out a request for proposals for a Colorado River Compact Compliance Study. This will identify issues associated with the admin of state water rights in the Colorado River Basin. The staff has been studying conservation issues and finding each entity uses a different method of conservation and its effect and future opportunities. This will develop a common technical platform for all parties to use so as to effectively estimate the effect of conservation and how to use it to reduce the demand from the Front Range.

5. MANAGER'S REPORT

Frank Kugel said that flows in the Gunnison River through the Black Canyon have increased 100 cfs due to a corresponding decrease in Gunnison Tunnel diversions. The Gunnison River near Gunnison gage is at about 85% of normal. It was at 60% about a month ago, and has not dropped off as dramatically as feared.

Ken Spann asked for an update on the hydropower study. Frank said that URS was selected to do the feasibility report. He has received a proposed agreement from URS and is addressing concerns raised by GCEA. Ken Knox will be here the second week of October to meet with the project sponsors and tour the site.

Mobile Radar Project Update

Frank said that some data summary information came in late this afternoon from the 2009 Gunnison Radar Project. Steve Vasilof, project coordinator, could not attend tonight's meeting and asked Frank to present data on the project. Frank showed some slides showing the vast improvement in detection of local storm activity by the mobile radar over that provided by the National Weather Service radar in Grand Junction.

Frank said that the board has received a funding proposal from Mobile Doppler Radar. The National Center for Atmospheric Research (NCAR) is proposing installing more rain gages. Their funding suggestions are two to three gauges at varying costs depending on the level of equipment. The low end would be approximately \$1500, the mid-range option would be \$2500, and the third option, which would also measure winter snow fall data, would cost \$7500. A placeholder of \$20,000 has been included in the draft budget for remote weather monitoring under Basinwide Planning.

The board was in favor of including \$10,000 in the draft budget.

6. COLORADO RIVER WATER CONSERVATION DISTRICT UPDATE

Bill Trampe had not yet arrived.

10. 2010 BUDGET DISCUSSION

The board discussed the new draft of the 2010 budget that they received in their packets.

Gary Hausler suggested holding a discussion of the mill levy in abeyance for now and to go through the proposed expense line items.

Salary line items presently include a 2% increase as a placeholder. The Employee Benefits line item includes a 10% estimated increase. The board will return to discussion of these items at a later time.

Items discussed in general terms include:

Scanning of District records versus the cost of file storage.

Office equipment – under budget so far in 2009.

Election expenses - four director seats expire in 2010, but no money in the budget yet.

Manager's discretionary fund – Frank requested raising this to \$2,000. Consensus was to budget \$2,000 for the manager's discretionary fund.

Administrative issues support in General Engineering – Consensus was to increase this amount to \$10,000 for work by Jim Slattery.

Under Taylor Park Projects, the board discussed including money for a general SNOTEL project. The consensus was to keep a line item in the budget for now.

The board discussed where the money for Lake San Cristobal project should appear in the budget. Gary said he will meet with Frank, Jill, and Steve Schechter about this.

Consensus of the board was to remove the \$5,000 from Basin Augmentation Program.

There is a placeholder of \$100,000 for water rights acquisition under Project Development.

The board discussed the Cloud seeding Program and agreed to keep it in the budget during Gunnison County's current permit cycle.

Steve Schechter said he would like to include some money to see what can be done about dust on snow, rather than merely studying dust on snow.

Consensus of the board was to cut in half the amount currently budgeted under remote weather monitoring.

John McClow said he will check with Tom Pitts to see if he is requesting a change in the funding amount for the Upper Colorado River Endangered Fish Recovery Program.

Dennis Steckel said the board will take a brief break, and will continue the budget discussion after the Colorado River Water Conservation District agenda item and the discussion of the Grant Committee recommendation.

6. COLORADO RIVER WATER CONSERVATION DISTRICT UPDATE

Bill Trampe said that the CRWCD is working on its 2010 budget.

Bill recommended talking with Audrey Hughes at the CRWCD regarding the Western Slope Health Care Group.

Bill said that the CRWCD is having some embankment settling problems at Wolford Mountain Dam. There are no storage restrictions at this time and operations are normal.

The IBCC met on September 14, 2009 in Steamboat Springs. By most accounts it was the most productive one yet.

John McCloy said that Harris Sherman asked him and Bill Trampe to respond to the IBCC regarding the Arkansas Basin Roundtable's July 15 resolution.

8. BOARD/STAFF/COMMITTEE MEMBER REPORTS

Grant Committee

Frank Kugel said that the two grant applicants were invited to attend tonight's meeting.

Kim Barz gave a presentation on the Barz Pond Project. He is seeking funding towards the \$70,000-plus he has spent on a well permit on Barz Pond. The recommended grant amount is \$35,000.

The board discussed whether or not they want to require a fifty-percent funding participation from applicants.

Steve Glazer moved approval of the Committee's recommendation for \$35,000 for the Barz Pond Project. The motion carried.

Lee Dusa, the applicant for the Campbell Ditch Rehabilitation Project spoke to the board about his project to pipe sections of the ditch and to perform grading and cleaning.

Ken Spann said he does not want to require a fifty-percent funding participation from applicants. He says the committee and the board should look at each project based on appropriate cost share, which may or may not be fifty percent.

The Project Committee recommends \$5,000 funding for the Campbell Ditch Rehabilitation Project. Steve Glazer wanted to add to the motion a cost review, and that if the costs go ahead that we will cost share the additional. Jim Pike agreed. The motion carried.

The other grant request was Riparian and Stream Habitat Assessment of the Gunnison River, from Bio Environs. This would provide for riparian assessment from the beginning of the Gunnison River to Neversink.

The committee recommends denial of the grant request and for it to be resubmitted as a scaled-down proposal for separate budget approval. There is a new bid in the board packets.

Jim Pike moved to reconsider the vote on funding for the Campbell Ditch Rehabilitation Project. Flynn Mangum seconded. The motion carried.

Ken Spann moved to award the Dusas \$10,000 in grant money for the Campbell Ditch Rehabilitation Project. Flynn Mangum seconded. Ken Spann called for the question. The motion carried.

7. 2010 BUDGET DISCUSSION – continued

Gary Hausler said there are two critical items that do not need to be decided tonight due to the late hour.

1. The 2009 mill levy of 1.772 mills will result in increased revenues for the District in 2010 due to increased assessed valuations.
2. The Executive Committee should meet next week so that they can bring a recommendation to the board as to administrative and staff salaries.

The board requested that staff include a draft budget column using a 1.772 mill levy.

Ken moved staff incorporate comments so far tonight and revise budget and circulate it at the earliest possible opportunity and that the discussion of the budget be tabled until after the October 6 Executive Committee meeting. The motion carried.

Strategic Planning Workgroup

George Sibley said the next meeting is set for November 4, 2009. The group is working on making the Water Management Plan a more accessible and comprehensible document. A copy of a proposed revised District mission statement is provided in the board packets. The committee is recommending adopting the new mission statement along with the goals, but not tonight.

George said that there has been no response from CSU regarding the District's letter in response to the draft economic study. The only response has been a bill, to which the District responded.

Building Committee

Dennis Steckel said the committee has met two or three times since the last board meeting and has a recommendation and a report which they would like to present in executive session.

John McClow said that Ken Spann wants to discuss the Colorado River Availability report in executive session at the end of the meeting. John suggested moving that report and the executive session for purpose of discussion acquisition of real estate to the end of the meeting. An executive session is authorized by CRS § 24-6-402(4)(a).

Ken Spann said he attended the River District seminar. The Colorado River availability study was discussed. The overriding observation is that unbiased people are doing the study and basic parameters make sense and work is proceeding well. The model is being operated based on a series of assumptions. A fifty-six-year period of record is being used, from 1950-2005. There is a matching set of weather data for those years. Ken recommends that the District go forward and support this study and work with them.

The bottom line is not yet known because the final model runs have not been completed. Preliminary numbers suggest that by 2040 there will be a nineteen-percent decline in available water in the Gunnison basin and the runoff will come eight days early. The projected consumptive uses that are currently occurring are 1,942,000 acre feet. Tree ring data indicated a 60 year drought that could have meant the demise of the Anasazi. What the tree rings do not indicate is the order of magnitude of the wet or dry years.

Frank Kugel said that in addition to how much less water there will be, the growing season will be longer. So there will be less water, and more demand. By 2040, the growing season will be sixteen days longer, and by 2070, it will be 26 days longer.

Phase 1 of the study is scheduled to be completed by the CWCB's November meeting.

9. MISCELLANEOUS MATTERS

There was no discussion of miscellaneous matters.

10. UNSCHEDULED CITIZENS

No unscheduled citizens requested to speak.

11. FUTURE MEETINGS

Strategic Planning Workgroup: November 4, 2009 at 9:00 a.m.

Executive Committee: October 6, 2009 at 2:00 p.m.

Next UGRWCD board meeting: October 26, 2009 at 6:30 p.m.

Executive Session

Gary Hausler moved and Bill Nesbitt seconded that the board adjourn into executive session for purpose of discussion acquisition of real estate pursuant to §24-6-402(4)(a), C.R.S.

Board Vice-President Dennis Steckel reconvened the regular session.

The Building Committee recommendation is to instruct staff to deliver an offer on the terms reviewed by the board to the first choice seller; if that offer is unsuccessful, an offer on the terms reviewed by the board is to be delivered to the second choice seller.

Gary Hausler requested a roll call vote.

Steve Glazer	no
Gary Hausler	yes
Flynn Mangum	yes
Bill Nesbitt	yes
Jim Pike	yes

Steve Schechter	yes
George Sibley	yes
Ken Spann	no
Dennis Steckel	yes

The motion carried, 7 to 2.

Gary Hausler moved that if either one of these offers are accepted to pay cash, using reserve funds. Bill Nesbitt seconded.

Bill Nesbitt clarified that he will not participate in the deal.

Roll call vote:

Steve Glazer	yes
Gary Hausler	yes
Flynn Mangum	yes
Bill Nesbitt	yes
Jim Pike	yes
Steve Schechter	yes
George Sibley	yes
Ken Spann	yes
Dennis Steckel	yes

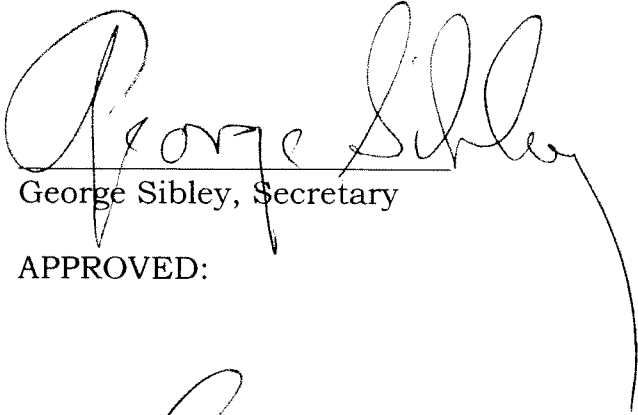
The motion carried unanimously.

Steve Glazer said that it is important to need to make a public statement press release. He would like to see a draft contingent on completion of this contract.

12. ADJOURNMENT

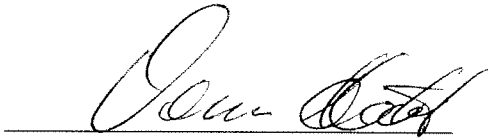
Board Vice President Dennis Steckel adjourned the September 24, 2009 meeting at 11:30 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "George Sibley". The signature is written over a horizontal line. A long, thin, curved line extends from the bottom right of the signature down towards the "APPROVED:" section.

George Sibley, Secretary

APPROVED:

A handwritten signature in cursive script that reads "Dennis Steckel". The signature is written over a horizontal line.

Dennis Steckel, Vice President