

**Upper Gunnison River Water Conservancy District
Board Meeting Minutes
Monday, May 22, 2018**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Monday, May 22, 2018 at Lake City Fire Station, 131 North Henson Street, Lake City, Colorado.

Board members present: Rosemary Carroll, Kathleen Curry, Rebie Hazard, Julie Nania, Bill Nesbitt, John Perusek, Michelle Pierce, Brett Redden, George Sibley, Andy Spann, and Julie Vlier.

Also present:

Cindy Dozier, Hinsdale County
William Dujardin, Town of Crested Butte
Bruce Heath
Paul Hudgeons, Lake San Cristobal Water Activity Enterprise
John McCLOW, General Counsel
Madaline Redden
Camille Richard, Lake Fork Valley Conservancy
Steve Schechter
Jill Steele, Office Manager
Stan Whinnery, Lake San Cristobal Water Activity Enterprise
Henry Woods, Lake San Cristobal Water Activity Enterprise

1. CALL TO ORDER

Board President Michelle Pierce called the meeting to order at 3:00 p.m.

2. AGENDA APPROVAL

Michelle Pierce said that the board received a few items in their folders tonight: an additional non-operating expenses bill, a report from Frank Kugel on his most recent Meridian Lake Reservoir inspection, and a summary of the recent finance committee meeting and associated resolution.

Julie Vlier moved and Andy Spann seconded approval of the agenda as presented. The motion carried.

3. CONSENT AGENDA ITEMS

George Sibley moved and Brett Redden seconded approval of the consent agenda items. The motion carried.

4. LEGAL AND LEGISLATIVE MATTERS

John McClow said that no statements of opposition were filed in the two diligence applications. He is still waiting for a consultation report from the Division Engineer.

At the last Four Parties meeting, extending the 1975 storage operation and exchange agreement for Taylor Park Reservoir for an additional fifty years was discussed. All those in attendance agreed to do so, and it was decided that John will submit a red-lined copy of the agreement.

John said he included a year-end summary of Colorado Water Congress bills in the board's packets.

5. MANAGER'S REPORT

Michelle Pierce asked if anyone had any questions on the Manager's report. There were no questions.

6. BOARD/STAFFCOMMITTEE MEMBER REPORTS

Treasurer's report: Bill Nesbitt said that he is looking to balance the District's investment portfolio to include approximately 1/3 in bonds, 1/3 in certificates of deposit, and 1/3 in Colotrust. He said that most of the District's yields are now over 1% and one is over 2%.

Bill said that in the past, board members felt strongly about using local financial institutions. In 2017, the board allowed him to use financial institutions outside of Gunnison, but still within the drainage.

Bill said that there are a number of banks on the Front Range offering 2%, 2.5%, and one close to 3%. He would like to see the board consider investing in CDs within the state of Colorado, outside of the drainage, as per the Finance Committee report.

Consideration of resolution 2018-2: Kathleen Curry suggested taking out Bill's name and have the language reflect "Treasurer." The consensus of the board was to do this.

Brett Redden said that while he does not object to the flexibility to go out of the borders of the District, he wants to be sure that we keep as much money within the District as possible. Bill Nesbitt said he is committed to that.

Kathleen Curry asked if the resolution could state that the board has a chance to review at the next meeting, or the finance committee is going to review it. Bill Nesbitt said he does not like this approach because the purpose is to be nimble and not miss out on a good opportunity for a beneficial interest rate as has happened in the past. This would make the process much more cumbersome.

It was suggested that the Manager and Treasurer both be included. Kathleen Curry said that would be consistent with policy, and would provide another set of eyes.

Brett Redden moved to table Resolution 2018-2 until the June meeting, making the changes Michelle stated and including the desire to include the investments in local banks.

Bill spoke briefly about the UGRWAE operating loan made to the District when it purchased Meridian Lake Reservoir. This was included in the Finance Committee report for information, and for subsequent action at the June meeting. Bill said that he will discuss with John the legalities of how to clear it up.

Taylor Park Reservoir: Julie Vlier said that water levels continue to drop. The May 15 report projects end of month storage to be 2000 af less than the previous month's projection. The board received the operations plan from the Four Parties meeting in their packets. The TLUG group will meet again on June 11, 2018.

Andy Spann said the TLUG group discussed ramping up flows and agreed that September would be the best month to sacrifice flows if that is necessary. He said that both agricultural and recreational users were on board with this.

Gunnison Basin Roundtable: Kathleen Curry said the GBRT met last night followed by a State of the River meeting.

The four West Slope basin roundtables met on April 25 in Grand Junction. There were 15 or 20 people from each roundtable present. There were some very helpful presentations. The meeting helped everyone get on the same page with the bigger issues.

Kathleen said that there was a motion to move forward with phase 3 analysis, to seek funds from the water supply reserve account, and to try to move forward anyway even if the CWCB does not approve the funding. She said it is possible that the UGRWCD may be asked to contribute if the roundtable funds are not available.

Kathleen said that during the State of the River presentations, she learned that water situation on the North Fork is really bad. Orchard Mesa is the worst anyone has ever seen it. The Gunnison basin may be the bright spot in the drainage/basin. There is a call on the Uncompahgre River and Ridgway Reservoir will not be able to help. We are really fortunate that there will not be a Gunnison Tunnel call.

John McCloy said that he has some information to share with the board, but it is confidential and must be done in executive session. He has permission to share this with the board only, so next month an executive session will be scheduled for this purpose.

Watershed Management Committee: George Sibley said that the process is still in the needs assessments process. The consultants are developing maps that show where all the issues identified by stakeholders are located. We will see the maps at the next meeting.

Lake Fork sub-basin coordinator Camille Richard has a river corridor group that will meet on Friday.

Ohio Creek coordinator Jesse Kruthaupt is waiting for modeling results and then will re-engage with stakeholder.

On the East River, there was a lot of work with CBMR this past month relating to the proposed Teocalli expansion.

Julie Nania said that they still want to go forward, but we will be going forward with NEPA, and then with watershed management planning process.

George said that he spoke with Dan Olson of the NRCS and they agreed that there is a lot of overlap with what they are working with in essentially land conservation and what we are working with in watershed management. We are going to start attending each other's meetings to try to keep the land and water connection as close as possible.

George said that a report to the CWCB is due in late June, and Camille is working on that.

The next meeting of the Watershed Management Committee will take place June 11. George said that the District will have a presence at the Gunnison River Festival, and that he would work with anyone interested on an Upper Gunnison float for the Cattlemen's Days parade.

Michelle Pierce said that she has ideas about identification of pilot projects that have arisen as a result of our needs assessment. She would like to have a full discussion about that.

Wet Meadows Project Update: Michelle Pierce said that the board received a report from Tom Grant who was unable to attend today's meeting.

Scientific Endeavors within the District: Rosemary Carroll said that ASO flights took place at the end of March and early April. There were plans to fly last week in order to catch the last bit of snow and to look at the dust. The plane had issues, so the ASO flight will take place tomorrow.

The NEON flight will take place during the second half of June. Volunteers are needed to help with that.

Rosemary said that one of her concerns about the data being collected is how to transfer that into something that is useful for the stakeholders.

Rosemary said that she plans to look into a tool being developed by Lawrence Berkeley National Laboratories that could be used for forecast modeling for the basin next year. She said that it may be prudent to include a line item for this in the 2019 budget. She can bring some ideas to the board in June and July.

7. MISCELLANEOUS MATTERS

Kathleen Curry asked if the board would consider covering her mileage to the roundtable meetings as its representative.

The consensus of the board was to support reimbursement for travel to roundtable meetings by Kathleen.

Brett Redden said that, after sixteen years on the board, he will not re-apply for another term.

Michelle Pierce said that Brett will be missed. His comments and questions are always spot on. She thanked him for his sixteen years of service and said that she and the rest of the board would love to see him at meetings.

Bill Nesbitt said that the CWC Summer Conference is coming up in August. It will take place in Vail.

CITIZENS COMMENTS

Steve Schechter thanked the board for what it has done for our declining water supply. He said that until we do something about our carbon consumption, we do not really affect the big gorilla of climate change. It's time to do something about carbon and to back away from fossil fuel. He said he lives in a zero-energy house and drove here in an electric car charged with yesterday's sunshine.

Camille Richard of the Lake Fork Valley Conservancy thanked the board for funding of the Nellie Creek toilet retrofit project.

Steve Schechter said that Polly Oberoser is running for a seat on the GCEA board on the platform of renewable jobs.

9. FUTURE MEETINGS

The Watershed Management Planning Committee will meet on June 11. The TLUG will also meet June 11.

The next UGRWCD board meeting will take place on June 25.

10. ADJOURNMENT

Board President Michelle Pierce adjourned the May 22, 2018 meeting at 4:27 p.m.

Respectfully Submitted,


George Sibley, Secretary

APPROVED:


Michelle Pierce, President