

**Upper Gunnison River Water Conservancy District
Board Meeting Minutes
Monday, April 23, 2018**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Monday, April 23, 2018 at the District's offices, 210 West Spencer Avenue, Suite B, Gunnison, Colorado.

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

Board members not present: Kathleen Curry and John Perusek.

Also present:

Steve Anderson, Uncompahgre Valley Water Users Association
Ashley Bembenek, Alpine Environmental
Bob Robbins
Sonja Chavez, Colorado River Water Conservation District
Jeff Deems, National Snow and Ice Data Center
Peter Fleming, Colorado River Water Conservation District
Tom Grant, Wet Meadows Project Coordinator
Burt Guerrieri, Gunnison County Stockgrowers
Jesse Kruthaupt, Trout Unlimited
Frank Kugel, General Manager
Chris Landry
Melissa Manzanares, Western State Colorado University
John McClow, General Counsel
Andy Mueller, Colorado River Water Conservation District
Tom Rozman, Water Commissioner
Terry Schliesman, Western State Colorado University
Jill Steele, Office Manager
Henry Woods

1. CALL TO ORDER

Board President Michelle Pierce called the meeting to order at 5:30 p.m.

Michelle Pierce asked the members of the public to introduce themselves.

Michelle said that the board has received additional non-operating expenses in their packets as well as a hard copy of the report from Western State Colorado University on their campaign proposal for the District's watershed management planning.

2. AGENDA APPROVAL

Julie Vlier moved and Bill Nesbitt seconded approval of the amended agenda as circulated. The motion carried.

3. CONSENT AGENDA ITEMS

George Sibley moved and Andy Spann seconded approval of the consent agenda items. The motion carried.

4. LEGAL AND LEGISLATIVE MATTERS

John McCLOW said that the District received no statements of opposition on its diligence applications for Lake San Cristobal and Meridian Lake Reservoir. He is now waiting for the Division Engineer to provide a consultation report so that John can submit decrees to the Water Referee.

John said that the board received a spreadsheet in the meeting packet showing the status of bills being followed through the Colorado Water Congress State Affairs Committee. He does not anticipate any new bills of interest being introduced. The bill that addressed mine drainage was killed in the Senate.

John said that Steve Anderson of the UVWUA was recommended by the Senate Ag Committee for confirmation by the full Senate as Gunnison/Uncompahgre Director on the CWCB.

5. MANAGER'S REPORT

Frank Kugel said that current water supply conditions are somewhat better than in 2002. The Upper Gunnison Basin is at 58 % of snowpack. The 6-10 day outlook calls for warmer than normal and about average precipitation. The 8-14 day outlook calls for above average temperatures and near normal precipitation. The 3-month outlook calls for warmer than average and near to below normal precipitation for our basin.

Bill Nesbitt asked how the "sponge" is after the previous wet year. Andy Spann said that it dried up pretty quickly after last year.

6. WSCU ELEVATED RELATIONS CLUB UPDATE - MARISSA MANZANARES

Marissa Manzanares and others gave a presentation on Western's UGRWCD Campaign Proposal.

Michelle Pierce agreed that the UGRWCD is lagging in the social media area. She said she will request this as an agenda item soon and discuss how to put it into the 2019 budget.

7. DINNER BREAK

8. AIRBORNE SNOW OBSERVATORY UPDATE – JEFF DEEMS

Jeff Deems gave a presentation on the Airborne Snow Observatory flight.

Frank Kugel said that he and Tom Rozman looked at the snow depth from the April 1 flight and he was impressed by the detail and resolution. They could discern the ski runs at CBMR that had snowmaking.

Jeff Deems said that airborne mapping provides mapping of all the snow, and not just snow at higher elevations as do the SNOTELs. This helps to improve the efficiency of modeling and forecast tools.

9. COLORADO RIVER WATER CONSERVATION DISTRICT UPDATE – ANDY MUELLER AND PETER FLEMING

New CRWCD manager Andy Mueller introduced himself to the board. He and general counsel Peter Fleming shared parts of a discussion of demand management from the CRWCD's recent meeting/workshop.

Peter Fleming said that the demand management program would need to be statewide and has to be voluntary, compensated, temporary, and designed in a way to spread out the impacts. This would include transmountain diversions.

The four-basin roundtable meeting will take place in Grand Junction next Wednesday, and they are hoping to get a list of questions to form the basis of phase 3 of the risk study and to provide some data so that policymakers can make some informed decisions based on objective data including economic impact data.

The CRWCD had one grant application from within our district. They awarded a \$30,000 grant to the Arch Ditch project in Saguache County. It was the first River District grant ever issued to an applicant in Saguache County.

Peter Fleming said that a message they received from their board and one reason for the workshop is that the CRWCD has been working on compact issues for quite a while. As awareness of these issues have risen, so has concern. The overall message is that it is important to be at the table.

Frank thanked them for the update and for allowing him to sit in on the meetings last week. He asked if they could give a description on an issue in the Central Arizona Project.

Peter Fleming said that in a recent article, the CAP stated that Lake Mead would be in a "sweet spot" if its level was high enough to avoid a shortage in water deliveries to Arizona yet not so high as to trigger cutbacks in releases of water from Lake Powell to Mead. John McCloy said that CAP management is meeting with the Upper Colorado River Commission next week to explain this "misunderstanding."

10. BOARD/STAFF/COMMITTEE MEMBER REPORTS

Treasurer's Report: Bill Nesbitt said that the District's investments are doing well. He said that the board has always wanted to invest in local CDs, and he has had difficulty getting competitive interest rates locally. The District recently purchased a Wells Fargo CD through Sigma Financial at a higher rate than the local Wells Fargo would provide. He said that would like the board's authorization to seek CDs outside of the basin.

It was decided to convene a meeting of the Finance Committee to discuss this and bring a recommendation to the board.

Gunnison Basin Roundtable:

Frank Kugel said that there is nothing to report because the GBRT did not meet last month.

The Four Roundtables meeting will take place this Wednesday at the Ute Conservancy District's offices.

Taylor Park Reservoir:

Julie Vlier said that the Taylor Local Users Group met recently. She encouraged the board to look at some of the new graphics and handouts they will receive each month in their packets. The proposed operating plan is in the packets. The group wants to ramp up releases in mid-May to benefit agriculture and rafting, maintain flows at 250 cfs through June, increase them to 300 cfs in July, and then begin to ramp back down. The group agreed that if it is necessary to sacrifice flows, September would be the best time for that.

Frank Kugel said that there has already been use of first fill storage out of Taylor Reservoir due to unprecedented demand from the Gunnison Tunnel in March and early April. When first fill storage is used, second fill water is not stored, so the second fill account is lower than anticipated. Steve Anderson,

UVUWA manager, indicated at the recent SWAT 4 meeting that Uncompahgre does not plan to place a Gunnison Tunnel call this year.

Steve Anderson reiterated that the UVWUA will not place a Gunnison Tunnel call this year. In 2002, a call was placed and he does not think it provided any benefit.

Frank said that at the SWAT 4 meeting Bob Hurford showed graphs from 2002, and even with administration, flows continued to drop.

Water Administration Committee:

- **Policy Regarding Project Reimbursement by Beneficiaries:**

John McClow said the board has never had a written policy on project reimbursement by beneficiaries. This began with the acquisition of Meridian Lake Reservoir and plan for augmentation. The District invested \$1.5 million in the project. The board was concerned about cost recovery and directed staff to negotiate the contract with the Rozmans for the purchase of the reservoir, but that the purchase closing be contingent upon having sufficient subscriptions to cover the purchase price, which is what happened. After that, the board decided that a project had to be evaluated in terms of beneficiaries' ability to pay. Considerations for a potential project were physical feasibility, preliminary construction estimates, and whether beneficiaries of the project could pay for it. An answer of no was considered a fatal flaw. It is possible to look at this differently and not have that be a fatal flaw.

There was support among the board to evaluate projects on a case-by-case basis. The consensus was to have the projects committee meet to discuss this.

Watershed Management Planning: George Sibley said that the committee met on April 9. The board received a summary of the meeting in their packets.

George said that Julie Nania has an emerging situation on the East River.

Julie Nania said that CBMR and MCBWSD both withdraw water from a pump house. CBMR is proposing an expansion of the ski area which extends snowmaking by a week. A draft EIS has been released. CBMR is interested in addressing the assessment gaps through the watershed management planning process rather than through the NEPA process. Ideally, we want to come to an MOU as to how to do the assessment work and look at mitigation options before May 10 when the NEPA comment period ends. She asked for the board's input on whether a small group could work on this since the time frame is before the next watershed management planning committee meeting

and the next regular board meeting. This process would use a larger amount of the East River watershed management budget.

Bill Nesbitt asked Frank his thoughts. Frank said he felt the District should be an active participant in this.

Michelle Pierce asked what impact this could have on the watershed management planning budget. Frank said it would have a minimal impact.

Michelle clarified that this would not impact work being done on Ohio Creek and the Lake Fork, it would just focus the East River onto more of one area. She asked if this is ok to do. Julie Nania said she thinks there is the flexibility to focus on this and still do the rest.

Julie Vlier said there should be no budgetary impact to this District. It is a big benefit to CBMR that we are helping them out in the NEPA process. She said the MOU should be clear that those assessment locations are a benefit to the whole area, and so CBMR should put money into that.

Michelle said that her problem is making a decision on something we have not had a chance to study. Julie Nania said that CBMR also has concerns with the timing and with trying to get approval in time. She said that a draft MOU was prepared this weekend. She can circulate that to the board tonight and perhaps a follow up call could take place.

Frank said this is a role the District should play as part of our watershed management planning process. He said that Julie sent him the draft this morning and he reviewed it. John McClow looked at it, and with a minor edit, said it is acceptable. There is some appendix work still to be done. This would be attachments to be prepared by Ashley Bembenek. Ashley said she would have those attachments done tomorrow.

John McClow said he has reviewed the MOU and it is entirely consistent with the watershed management planning goals and activities and he would be comfortable with it from a legal perspective. He has not yet reviewed the two attachments.

Rebie Hazard said she is not opposed to the project, just with the rushed time frame. She said she trusts staff, but feels it is not fair to the board to have to approve something they haven't seen.

Julie Vlier agreed with Rebie that it is a case of an unfortunate circumstances. She said she is supportive of staff's recommendation after they review the attachments tomorrow.

Michelle Pierce asked if the board had any objections to moving forward with the MOU. Upon hearing none, she said that the MOU can move forward.

- **Update on Scientific Endeavors Within the District:**

Rosemary Carroll said that Jeff Deems' work with Airborne Snow Observatory has already been highlighted. The National Ecological Observatory Network flight will take place in May, and she will talk about it more at the May meeting. The NEON flight will look at vegetation cover, dominant type, height, biochemistry, canopy, and chemistry. It provides a link of the atmosphere and the land subsurface connection. The East River Basin will be flown over in mid to late June.

- **Wet Meadows Project:**

Tom Grant gave the board an update on field work that is taking place at various sites this year. There will be an educational experience for middle schoolers in mid-June at which they will learn about watershed health. Several workshops are planned for the summer. On June 15, there will be a local tour of some of the program's successful restoration sites. A workshop will take place outside of Grand Junction in mid-June. There will be a workshop in late August in the San Miguel basin. Nine weeks of field crews will be used in Gunnison as well as a couple in the San Miguel/Crawford area.

11. MISCELLANEOUS MATTERS

Frank Kugel said that four board seats are expiring in June: John Perusek, Andy Spann, Brett Redden, and George Sibley. The notice of vacancy will be published in the newspaper this week and next week. If current board members are interested in applying for reappointment, they should submit a letter to Judge J. Steven Patrick.

12. CITIZEN COMMENTS

Zack Vaughter from the Coal Creek Watershed Coalition expressed appreciation for the District's support of their last grant application. Work will begin in September, and he will provide an update later in the fall.

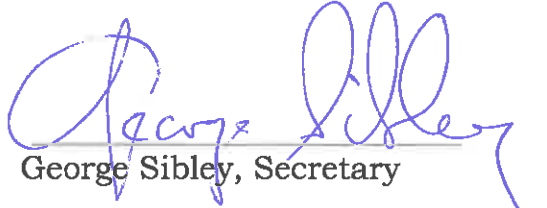
13. FUTURE MEETINGS

The next board meeting will take place May 22, 2018 at 3:00 p.m. in Lake City at the Lake City Fire Station. A board meeting of the Lake San Cristobal Water Activity Enterprise will also take place.

14. ADJOURNMENT

Board President Michelle Pierce adjourned the April 23, 2018 meeting at 9:01 p.m.

Respectfully Submitted,



George Sibley, Secretary

APPROVED:



Michelle Pierce, President