

**Upper Gunnison River Water Conservancy District  
Board Meeting Minutes  
Monday, November 26, 2018**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Monday, November 26, 2018 at the District's offices, 210 West Spencer Avenue, Suite B, Gunnison, Colorado.

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

Also present:

Evan Basinger  
Sonja Chavez, Colorado River Water Conservation District  
Cheryl Cwelich, UGRWCD Intern  
Arlene Edwards, Friends of Brush Creek  
George Gibson, Friends of Brush Creek  
Frank Kugel, General Manager  
John McClow, General Counsel  
Jason Peterson, Gunnison County Stockgrowers  
Steve Schechter  
Jill Steele, Office Manager  
Annie Westbury, WSCU

**EXECUTIVE SESSION**

**1. CALL TO ORDER**

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

**2. EXECUTIVE SESSION TO DISCUSS PERSONNEL MATTERS**

John McClow said that the board is authorized to meet in executive session to discuss personnel matters pursuant to §24-6-402(4)(f)(I), C.R.S.

**George Sibley moved and Rebie Hazard seconded to adjourn into executive session to discuss personnel matters pursuant to §24-6-402(4)(f)(I), C.R.S. The motion carried.**

**3. ADJOURN EXECUTIVE SESSION**

**Bill Nesbitt moved and Rebie Hazard seconded to come out of executive session. The motion carried.** The board took no action as a result of the executive session.

## **REGULAR SESSION**

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

Board President Michelle Pierce called the regular meeting to order at 5:50 p.m.

### **2. AGENDA APPROVAL**

**Julie Vlier moved and John Perusek seconded approval of the agenda as circulated. The motion carried.**

### **3. CONSENT AGENDA ITEMS**

Kathleen Curry asked to remove the October 22 minutes from the consent agenda.

**Julie Vlier moved and Stacy McPhail seconded approval of the remainder of the consent agenda items. The motion carried.**

Consideration of October 22, 2018 minutes: Kathleen Curry said on page 2 under discussion of the September 24, 2018 minutes, it is stated that "Kathleen will provide a copy of the resolution for use in amending the minutes." She said that she did not provide that, and she does not feel it is necessary because the revised language provided in the September 24, 2018 minutes is sufficient.

**Kathleen Curry moved and Julie Vlier seconded approval of the October 22, 2018 minutes as circulated. The motion carried.**

### **5. LEGAL MATTERS**

John McClow said that he filed the proposed Ruling and Decree on the Meridian Lake Reservoir water right on October 31, 2018. The Referee signed the Ruling on November 1. The period of protest has passed, and he assumes that the judge will sign the Decree soon.

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

Frank Kugel said that as of November 2, Blue Mesa Reservoir reached its lowest level for the season and reservoir levels have begun to gradually increase.

Frank said that the 6-10 day outlook calls for very frigid air and wetter than normal conditions. The 8-14 day forecast calls for cooler than normal temperatures with normal precipitation. The seasonal outlook is for drought conditions to continue in most of western Colorado.

## **9. BOARD/STAFF/COMMITTEE MEMBERS REPORTS**

**Treasurer's Report:** Bill Nesbitt said that the number of foreclosures in the county are way down. There were a total of 8 this year, and today, there is just one.

Bill said that he has been invited to a December 4 event with Esther George, President and Chief Executive of the Federal Reserve Bank of Kansas City. He will report back to the board about the meeting.

**Taylor Park Reservoir:** Frank Kugel said that he will be going to the Park Cone snow course with Andrew Briebart and Cheryl Cwelich to install a sign asking skiers to stay off the course. The Crested Butte snow course has an even bigger problem with people skiing, snowshoeing, or snowmobiling through it since it is located near the CB Nordic yurt. They will be posting signs there as well.

George Sibley asked what is the difference between a SNOTEL and a SNOTEL lite? Rosemary Carroll said the main SNOTELs have a precipitation gage and a snow pillow, both of which are quite expensive. Frank added that the SNOTEL lites are relatively portable.

**Gunnison Basin Roundtable:** Kathleen Curry said that the GBRT met last Monday. No grant applications have been received during the last couple of cycles. There is about \$400,000 of Water Supply Reserve basin funds available.

The GBRT heard a presentation on SWSI. The State is working on an update, and there were concerns from the GBRT as to the accuracy of the Gunnison basin information in SWSI.

Kathleen said that the GBRT also discussed the CWCB's adoption of a policy statement dated November 15, 2018. They took into consideration a comment received from both sides of the divide. It appears that our concerns were addressed in the statement. The statement is carefully worded, and the language gives the CWCB flexibility for the future.

Kathleen called attention to item 6, on page 5 of the November 15, 2018 statement which states: "Prioritize avoidance of disproportionate negative economic or environmental impacts to any single subbasin or region within Colorado while protecting the legal rights of water rights holders. The Board

will work with water rights holders and stakeholders to assess the feasibility of and promote mechanisms for obtaining roughly proportionate contributions of water consumptively used from the Colorado River System to a Demand Management program over a given timeframe from participants on each side of the Continental Divide.” She told the CWCB that she supports them reaching out to the UGRWCD and GBRT because a wide variety of interests is represented. Kathleen recommends that the board stay engaged. This coming year the CWCB will be investigating voluntary demand management.

Michelle Pierce suggested inviting CWCB staff to come to a future meeting here. The board was in agreement with this suggestion.

Kathleen said she is confused how much consumptive use there is junior to the compact in our state. At the Montrose Water Summit, Andy Mueller said about one half of the junior water is on each side of the state.

Bill Nesbitt said that Russ Sands gave the SWSI presentation, and he asked him to please send Frank the current draft of SWSI from which they are working because he wants to see the overlays that were mentioned.

Julie Nania said that with John’s help, the District has been able to weigh in on the overarching framework the state will be looking at in a voluntary demand management program, so the board should come up with some recommendations.

John said there are some examples from the System Conservation Pilot Program which provides a pretty good model of how voluntary demand management could work.

Julie Nania said that she and Jesse Kruthaupt have collected numerous comments through the watershed management planning process which she will make available to interested board members:

Kathleen Curry said she would like specific recommendations for this basin, and she would like to know when Frank and John meet on this. There is anecdotal information the District could offer in addition to the information coming out of WMP process.

John McClow said that he also included in the board’s folders a document entitled Colorado’s Water Plan Funding Strategy, dated November 6, 2018, which board members can read at their convenience. During the discussions that produced this document, experts in the petition process advised the group that the average cost of bringing a ballot issue to the public is \$10 million. John said that although he is not planning to participate in the second phase, he will be kept apprised.

Kathleen said that at the Water Summit, UVWUA Manager Steve Anderson said that Uncompahgre would like to see Gunnison Tunnel direct flow water used for hydropower production.

**Watershed Management Planning:** George Sibley said that the WMP Committee has not met since the last board meeting. Their next meeting will be Thursday. There was a stakeholder meeting last week.

Frank said thirty to forty people attended the stakeholder meeting. Jesse Kruthaupt gave a presentation on products that Wilson developed thus far for Ohio Creek. Frank presented on the DCP and Colorado River issues. There were lots of good questions and some feedback was received that will be useful for the next step on Ohio Creek and in developing the needs assessment.

**Update on scientific endeavors:** Rosemary Carroll said she just received data from the March 30 and May 24 NASA Airborne Snow Observatory flights.

Frank said that Joe Busto of the CWCB has been a great advocate for ASO flights. Funding was originally lined up for two flights in 2019, but some of the ASO flight funds were diverted to a radar project in Alamosa. Rosemary added that Joe said he would try to still make it work.

#### **4. DINNER BREAK**

#### **10. MISCELLANEOUS MATTERS**

Kathleen Curry said that she plans to register as a lobbyist at the capitol building in order to sit in on meetings and provide a West Slope presence. She said she would try to help John and Frank in their efforts. She said that she will register as representing her ranch, and not the District. She said that she would not speak on behalf of the District unless she was asked specifically to do so and given board direction.

Bill Nesbitt expressed concern over the potential for mixed messages as well as a concern over the potential for a conflict of interest.

Michelle Pierce said it sounds like an exciting undertaking for Kathleen. If something comes out of a legislative committee meeting that the board would want Kathleen to lobby about, with specific direction, they would do that.

#### **7. PUBLIC HEARING ON DRAFT 2019 BUDGET**

Michelle Pierce opened the budget public hearing on the 2019 budget at 7:29 p.m.

Steve Schechter voiced his continuing support of the Wet Meadows Project. He said it is very valuable and helps stay on top of climate change.

Steve Schechter took issue with budgeting \$300,000 for purchase of Aspinall water while removing funding for solar panels. He said the board keeps kicking the can down the road while sending people all over the state in cars that burn carbon but doing nothing to counter the effects. He said it is time to start doing something. He urged the board to restore the \$10,000 originally proposed in the 2019 budget for the solar panel system.

Michelle Pierce closed the public hearing at 7:31 p.m.

## **8. BOARD DISCUSSION OF PUBLIC COMMENTS ON 2019 DRAFT BUDGET**

Michelle said that the board has had a request by a member of the public to put \$10,000 back into the 2019 budget for solar panels.

Bill Nesbitt asked Frank for his opinion. Frank said that \$10,000 out of a \$1.4 million budget is a relatively modest amount, and the project is expected to pay itself off in approximately 7 years. He said that he supports including funds in the budget for solar panels.

**Julie Vlier moved to amend the draft 2019 budget to include \$10,000 for the purchase of solar panels for the District's building. George Sibley seconded.**

**Roll call vote: Rosemary Carroll, Julie Nania, John Perusek, Michelle Pierce, George Sibley, and Julie Vlier voted "yes." Kathleen Curry, Rebekah Hazard, Stacy McPhail, Bill Nesbitt, and Andy Spann voted "no." The motion carried 6 - 5.**

Michelle Pierce said that the draft budget as presented includes a recommended 3% cost of living adjustment for all staff in 2019. She asked for a motion to approve the budget.

**Bill Nesbitt moved to approve the draft 2019 budget as amended to include \$10,000 for the purchase of solar panels. Julie Vlier seconded. The motion carried.**

## **11. CITIZEN COMMENTS**

George Gibson, who lives in Skyland, addressed the board on behalf of Friends of Brush Creek. He expressed his concern with Mr. Gates's project at Brush Creek. He does not believe it is what the community should have nor is it in line with its values. He is hoping to have the project reduced in size. He is

concerned that there is not enough water in the stream to take on the additional effluent that would be discharged. He heard that a representative of Mr. Gates had approached Frank about a discount on the purchase of augmentation water for the development. He asked the District to not offer this discount.

John McClow said that while a discount is discretionary, the Water Activity Enterprise cannot decline to sell the water to Mr. Gates, as augmentation water sales are dictated by the terms of the decree.

## **12. FUTURE MEETINGS**

The Watershed Management Planning Committee will meet Thursday, November 29, 2018.

The December board meeting will take place December 10, 2018.

The Annual Stockgrowers meeting is December 4, 2018. Kathleen Curry and Andy Spann will talk about DCP and drought demand management.

John McClow said that December 10 is registration deadline for the early-bird discount to attend the CWC Convention in January. It will take place at the Westin in Westminster.

## **13. SUMMARY OF MEETING ACTION ITEMS**

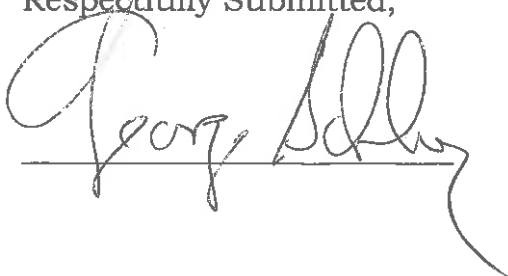
For the January 2019 board meeting, Frank and John will do a memo identifying basin-specific issues associated with demand management that could be used to build off of or used as a starting point for providing input to the CWCB.

John will invite Brent Newman (CWCB) and Lane Leoniak (Colorado Attorney General office) to make a presentation to the Board regarding Drought Contingency Planning.

## **14. ADJOURNMENT**

Board President Michelle Pierce adjourned the November 26, 2018 meeting at 7:59 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "George Bell", written over a horizontal line. The signature is cursive and extends below the line.

George Sibley, Secretary

APPROVED:

  
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Michelle Pierce, President

As chair of the executive session, I hereby attest that the executive session held on November 26, 2018 was confined to the topic authorized for discussion in an executive session, as reflected by the minutes.

  
\_\_\_\_\_  
Michelle Pierce, President

**CERTIFICATION**

As attorney for the Upper Gunnison River Water Conservancy District, I hereby attest that the executive session held on November 26, 2018 was confined to the topic authorized for discussion in an executive session, as reflected by the minutes.

*Not present at Executive Session*  
John H. McClow, General Counsel