

**Upper Gunnison River Water Conservancy District
Board Meeting Minutes
Monday, April 22, 2019**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Monday, April 22, 2019 at the District's offices, 210 West Spencer Avenue, Suite B, Gunnison, Colorado.

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

Board members not present: Rosemary Carroll and Julie Nania.

Others present:

Sonja Chavez, Colorado River Water Conservation District

Hannah Cranor

Nel Curtiss

Cheryl Cwelich, UGRWCD Intern

Jesse Kruthaupt, Trout Unlimited

Frank Kugel, General Manager

Chris Landry

John McClow, General Counsel

Jason Peterson, Gunnison County Stockgrowers

Jill Steele, Office Manager

Bill Trampe, Colorado River Water Conservation District

1. CALL TO ORDER

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

2. AGENDA APPROVAL

Michelle Pierce said that the board has received a list of additional non-operating expenses as well as an article from the Gunnison Country Times on the District's grant program and one from the Arizona Daily Star about the Colorado River drought contingency plan.

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

3. CONSENT AGENDA ITEMS

Julie Vlier moved and George Sibley seconded approval of the consent agenda items. The motion carried.

4. LEGAL AND LEGISLATIVE MATTERS

John McClow said he sent a legislative report in the board packets and also an update a few days later. He asked if there were any questions.

Bill Nesbitt asked if SB19-212 had been signed by the Governor. John said it had been. Bill asked if it will include financing the piece regarding impacts to the community. John said he does not know that.

George Sibley asked about HB 19-1218. John said that Senator Donovan postponed it indefinitely because she did not have enough support for it. The bill is scheduled for discussion at the Interim Water Resources Review Committee this summer.

John said that a new bill was introduced Thursday evening to authorize a sports betting tax. This will be referendum to the voters this fall. The proceeds of the tax would go toward funding the Colorado Water Plan.

John said that he has had two meetings with the CRWCD counsel and Bureau of Reclamation counsel to come up with a proposal compromise for the Taylor River dispute. He will have additional information at the next meeting.

5. MANAGER'S REPORT

Frank Kugel said that the long-range forecast calls for normal to slightly above normal temperatures and above average precipitation.

Frank said that the three SNOTELs in the Taylor group are at 138% of median for this date and 125% of average annual snowpack for this basin.

The Blue Mesa SNOTEL group is at 137% of average. Frank will receive the most current projections tomorrow at the Aspinall Operations meeting in Grand Junction.

6. PEANUT LAKE PROJECT UPDATE – HEDDA PETERSON – CRESTED BUTTE LAND TRUST

This presentation was postponed to a later date.

7. DINNER BREAK

8. DISCUSSION OF DISTRICT PROCUREMENT GUIDELINES

Michelle Pierce said that at a recent watershed management planning meeting, the subject came up that the District does not have procurement guidelines. A draft of a previous version was included in the packets.

It was concluded that there was a misunderstanding, and the Accounting and Finance Procedures policy approved June 27, 2016 remain in effect.

9. BOARD/STAFF/COMMITTEE MEMBERS REPORTS

Treasurer's Report: Bill Nesbitt said that the pie-chart graph of the District's investments shows the desired, approximate one-third, one-third, one-third split between COLOTRUST, bonds, and certificates of deposit.

Bill said that he has been watching the unsecured credit market. He has a concern that in non-secured credit portfolios, if 1% were to fail, there could be ramifications. COLOTRUST can invest in those markets, but the District cannot.

Taylor Park Reservoir: Frank Kugel distributed the proposed Taylor Park Reservoir proposed operations. Inflows into Taylor are currently at 120% of normal.

Frank said that the Bureau of Reclamation wants to keep a buffer in the reservoir so that it does not spill. This is in order to prevent the misces shrimp from going downstream, to maintain control of the water, and to preserve the somewhat weathered concrete at the downstream portion of the spillway.

Frank said that Mr. Cockrell's Taylor River instream flow right will be met with no trouble. The Four Parties meeting will take place in late May.

Julie Vlier said there is a TLUG meeting on May 8. Recommendations will be based upon the May 1 forecast. She is looking to the agricultural community for input. At the last TLUG meeting, there was a lot of discussion of forecast tools.

Frank said that he has had a couple of requests from Mr. Cockrell to start increasing Taylor releases in early April and even late March. Our position was that we wanted to conserve that water in order to maximize the benefits.

The consensus of the board was to stay with the currently proposed Taylor Park Reservoir proposed operations.

Julie Vlier said that Dr. David Gochis from NCAR has been retained, and she would like him to give the board an update at an upcoming meeting.

Drought Contingency Planning Update: John McClow said that there is a memo in the board packets. He said that the DCP legislation recently signed by the President is three paragraphs long.

Included in the board's folders are three items:

1. An invitation to join the Water Bank Work Group.
2. A proposal from Harvey Economics to conduct an analysis of the economic impacts of possible future water demand management programs on irrigators and others located within the District's boundaries.
3. A preliminary proposal for Upper Gunnison Recovery and CU pilot project from Jesse Kruthaupt.

Michelle Pierce said that the District received an email from Chris Treese of the CRWCD, inviting the UGRWCD to join the Water Bank Work Group. The CRWCD is requesting a corresponding cost-share contribution of \$9,500 toward a secondary impact study to be carried out by BBC Research and Consulting.

Sonja Chavez, of the CRWCD, said that the River District is considering seeking a Bureau of Reclamation marketing grant, which can be up to \$450,000. The board has approved using cost-share money from the Water Bank Work Group partners as a match for the grant. She asked for the board's thoughts about

this use of the District's \$9,500 contribution to the WBWG should it be approved.

Kathleen Curry moved that the UGRWCD contribute \$9,500 to the Water Bank Work Group as an active partner, and that the money may be used as a match for the Bureau of Reclamation marketing grant. Bill Nesbitt seconded. The motion carried.

The board discussed the preliminary proposal for Upper Gunnison Recovery and CU pilot project from Trout Unlimited, submitted by Jesse Kruthaupt. The effort was undertaken to develop a research project to evaluate the volume of consumptive use reduction and grass production/recovery impacts on Upper Gunnison irrigated meadows resulting from a full season without irrigation.

The proposal includes a request for \$8,700. Trout Unlimited has \$7,000 of unused monitoring funding from the Tomichi Water Conservation Program, which, with board approval, could be put toward atmometers, soil moisture sensors, or land owner compensation. Jesse said that he will work with Dr. Perry Cabot of CSU this summer, and he anticipates being able to share some of the equipment with Dr. Cabot.

Stacy McPhail suggested adding a component of weed control. She said that hard data is needed in order to decide what the effects of fallowing are, especially if one property owner fallows and the neighbor does not. She said that she is supportive of the effort.

Kathleen said that if more sites are used, the reimbursement cost would change with the increase in acreage. If a motion is made, it should be made with that flexibility in mind. She said she is happy to speak to Greg and Jason Peterson to see if they know of any sites.

Bill Nesbitt asked if the information would be proprietary. Michelle Pierce said that since the District is a public entity, she is unsure if the information can be kept private. John McClow said this is still preliminary, and that the idea is for Jesse to get started with the work. John and Jesse will work on terms of the contract. He suggested authorizing Jesse to conduct the study, choose a number, and if the number has to change, that is ok.

Stacy McPhail moved to allow Jesse Kruthaupt to use the \$7,000 in unspent funds from the Tomichi Water Conservation Program and up to

an additional \$5,000 in District funds for this project. Bill Nesbitt seconded. The motion carried.

Watershed Management Planning: George Sibley said that he does not have any further update to the memo that was provided in the board packets. He said that the group is working on finishing Phase I and working on the initial planning for Phase II.

**10. COLORADO RIVER WATER CONSERVATION DISTRICT
UPDATE - BILL TRAMPE**

Bill Trampe said that the CRWCD conducted its second quarterly meeting last week. One issue being dealt with is trying to make the Colorado River Cooperative Agreement work as intended.

The General Manager's report contained a significant amount of drought contingency planning and demand management information. There is no silver bullet nor any consensus about where we are going. We will gather data, analyze it, and see where the risk study takes us. No real strategic planning is being done at this time.

Budget is another big issue. There will be some big decisions made during the next six to nine months as to how we proceed. A ballot issue is likely, but probably not this year.

The West Slope Round Tables meeting was delayed because Hydros is still working to finish the information data. The meeting will take place May 20.

Sonja Chavez and Chris Treese are working on the Water Bank Work Group, primarily trying to put together funding for a secondary economic study to get a feel for what fallowing and deficit irrigation would do to communities, secondarily, not just what it means to those actually fallowing.

The CRWCD discussed its water quality, endangered species, instream flow, and recreational water use policies, which he said can be found on the website. The instream flow policy has been tabled due to all the instream flow related activity taking place at the state legislature. Bill said that there is a diversity of opinions on instream flow issues on the River District board. Time will be set aside to allow for a lengthy discussion during the July meeting agenda.

The rebuild of the crest of Woford Mountain Dam seems to be successful. During fall and winter, some gate replacements are being done, which might could be tough with the projected inflows.

Pat O'Toole, a rancher on the Colorado-Wyoming border, and Wyoming Senator Larry Hicks have proposed a new, small reservoir on the Little Snake River in Wyoming. Thirty percent of the land tributary to the Little Snake is in Colorado. They have approached the CRWCD for support.

The CRWCD annual seminar will take place September 18, 2019 at Colorado Mesa University.

Bill Nesbitt asked Bill Trampe for his personal opinion on the CWCB instream flow leasing proposed legislation. Bill Trampe said that he is uncomfortable with it because when you start going into additional years, it puts some real constraint on how those years are put together. Pretty soon you've got land fallowed and it could be detrimental to agriculture.

11. MISCELLANEOUS MATTERS

Michelle Pierce said that the board received a memo regarding electronic payment of board of director fees and mileage from Jill Steele. Frank Kugel said that there had been requests from past board members to look into this option. If all board members received their fees and mileage payments electronically, the annual cost to the District would be \$142.00. The consensus of the board was to continue receiving paper checks.

Michelle Pierce said that the term of four board members will expire this year. There is information in the board packets on the application process and deadlines.

Michelle said that the board has received a proposal for solar panels from Nunatak Alternative Energy Solutions in the amount of \$29,633.60. There is \$10,000 included in the 2019 budget for this. She said that the board could use some of the money earmarked for the potential purchase of Aspinall water, which it appears may not be necessary. The equipment is supposed to last twenty-five years, and the payback period is still being worked out.

George Sibley moved and Andy Spann seconded to accept the proposal from Nunatak Alternative Energy Solutions for solar panels at a cost of \$29,633.60. The motion carried.

Julie Vlier suggested that it could be worthwhile for this board to discuss the instream flow legislation as an upcoming agenda item.

Bill Nesbitt distributed article copies from the Tucson Sun about the DCP legislation being signed. Arizona Speaker of the House Rusty Bowers said this will help keep many well owners out of legal trouble, himself included.

12. CITIZENS COMMENTS

No citizens requested to speak.

13. FUTURE MEETINGS

The next board meeting will take place on Tuesday, May 21, 2019 at 1:00 p.m. in Lake City. The LSCWAE meeting will follow the UGRWCD Meeting.

The West Slope Roundtables meeting will take place June 20 at Ute Water in Grand Junction.

The education committee will meet May 6 at 10:00. Bill Nesbitt said he is hoping that the schools' curriculum development director will attend. The committee has had a request from Camille Richard regarding signage for Lake San Cristobal.

14. SUMMARY OF MEETING ACTION ITEMS

Kathleen Curry: Take another look at the A.T. proposal

John McClow: Put together a final scope of work for Jesse Kruthaupt's project.

Frank Kugel: Send a notice to GBRT about the West Slope Round Tables meeting.


A discussion of the instream flow legislation will be scheduled on an upcoming meeting agenda.

Dave Gochis will be scheduled to talk to the board at an upcoming board meeting. Bill Nesbitt suggested doing this in June.

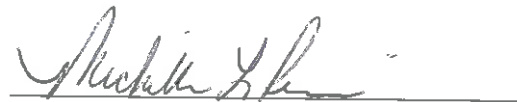
15. ADJOURNMENT

Board President Michelle Pierce adjourned the April 22, 2019 meeting at 7:40 p.m.

Respectfully Submitted,


George Sibley, Secretary

APPROVED:


Michelle Pierce, President