

**Upper Gunnison River Water Conservancy District
Board Meeting Minutes
Tuesday, May 21, 2019**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Tuesday, May 21, 2019 at Lake City Fire Station, 131 North Henson Street, Lake City, Colorado.

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

Board member not present: Andy Spann.

Others present:

Frank Kugel, General Manager

John McClow, General Counsel

Jill Steele, Office Manager

Liz With, NRCS

Pat Youmans

Paul Hudgeons, Lake San Cristobal Water Activity Enterprise

Will Dujardin, Crested Butte Town Council

Dan Olson, NRCS

Bob Hurford, Colorado Division of Water Resources

Jason Ullman, Colorado Division of Water Resources

Barbara McLachlan, State Representative House District 59

Henry Woods, Lake San Cristobal Water Activity Enterprise

Mike Richards

John Whitney, Senator Bennet's office

Camille Richard, Lake Fork Valley Conservancy

1. CALL TO ORDER

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

2. AGENDA APPROVAL

Michelle said that the Sonoran Institute Workshop Report has been added to the agenda.

It was moved and seconded to approve the agenda as modified. 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

Legal Matters: John McClow said that conversations continue regarding the Taylor Park Reservoir releases dispute. An attorneys' meeting is scheduled for June 18.

Legislative Matters: John said that there has been no significant legislative activity since the last report the board received.

John said that at the last board meeting, Julie Vlier and others wanted to take a look at the Instream Flow Program, relevant to HB 19-1218. To this end, he has provided information in the board packets.

Michelle Pierce suggested including this topic on the agenda of the next board meeting. She asked the board for comments on the bill.

Julie Vlier said that the proposed legislation would modify some parts of the existing instream flow program. The loan program is proposed to expand the number of years within a ten-year period that a loan may be exercised, from three years to five years, and it allows a loan to be renewed for up to two additional, ten-year periods.

Board members voiced concern about how the burden of proof of injury is established. Another concern was with the notice procedure, which is different from the regular, water court resume process. John McClow noted that the notice process for instream flow loans was not changed in this bill. An additional concern expressed was about downstream effects of loaned water being off the ground for 15 years.

Kathleen Curry said there was a fair amount of opposition to the bill, which is why it was postponed indefinitely by Senator Donovan. It will be on the agenda of the Water Resources Review Committee this summer. Some have concerns about whether this is really a temporary change in use or whether it should go through water court. The Colorado Water Congress did not take a position due to no consensus. She suggested that the board could help by weighing in when the Water Resources Review Committee starts talking about the bill.

Julie Nania said that a fundamental question is how to keep water in agriculture. With Colorado's recreation economy, she sees a future where there is more pressure to keep water in the rivers. She asked if the board wants to encourage the permanent transfer by changing water rights through the water

court, or go through more flexible methods, such as leasing as proposed in the bill, and expand that.

George Sibley said the issue is really whether we are going to have a slow, gradual transition step by step into the future, or if it is going to come down to a rule conflict over no change versus demand management.

Stacy McPhail said that a substitute water supply plan provides a lot of flexibility. She asked if the instream flow lease program provides enough flexibility. Jason Ullman said that the substitute water supply plan process does have rigorous review. The intention was never to take the place of water court.

Julie Nania said that what she likes about leasing is that it is a trial, not permanent, whereas a change of water right in water court is permanent.

John McClow said the first meeting of the Water Resources Review Committee is August 21, during the Colorado Water Congress summer convention. September 11 is the first full day meeting for the committee. He said it is important to understand what is currently in the law and what changes are proposed in the legislation, and he recommended focusing on what might be changed by a bill similar to this one. He added that leasing three out of ten years is currently allowed.

5. MANAGER'S REPORT

Frank Kugel said that the snowpack is high and there is starting to be concern about how the runoff will occur. Blue Mesa Reservoir is projected to fill in late July.

Frank said that there is a serious situation going on at Henson Creek due to the huge amount of debris that came down in various slides. Between the already high snowpack and the forecast for above average precipitation, there is serious concern about potential flooding. There are two old, weathered concrete dams which are on the historic register, but which are being discussed for removal. Emergency Command personnel are here from Denver as are representatives from the Division of Water Resources. A USGS gage has just been installed on Henson Creek at the Lake City footbridge to provide streamflow monitoring. The cost of the gage is \$18,000 plus \$9,000 for operations.

Michelle Pierce said that the terms of four board members expire in June. Those board members are Michelle Pierce, Rebie Hazard, Rosemary Carroll, and Kathleen Curry. Letters of interest are due to Judge Patrick by May 31.

6. WET MEADOWS UPDATE - TOM GRANT

Tom Grant gave a presentation and update on the Wet Meadows project. The program started in 2012 to look at impacts to the Gunnison sage grouse by less precipitation and higher temperatures, with a goal of building social and biological diversity to restore the functioning hydrology. Core values are to build and support voluntary partnerships with public and private entities, enhance habitat for the Gunnison sage grouse, to support sustainable, land-based livelihoods, and to rebuild drought resilience into ecological systems.

Tom showed pictures of some of the work that was done during 2018, and he described some of the planned site work for 2019. He said that the wet meadows restoration website is almost ready to go live. He said that he has begun using the project management software Trello.

Tom said that he is working to organize a possible site tour with local landowners on June 20 or 21, and he welcomed UGRWCD board member help with spreading the word.

Tom said that in the fall, he will be moving to Laramie, Wyoming. He said that he has very much enjoyed working as the wet meadows project coordinator, and he thanked the board for the opportunity.

Bill Nesbitt thanked Tom for his service. He asked him what percentage of the money granted to the wet meadows program is spent on paperwork. Tom estimated 20-25%.

Bill asked if the water has leached out additional selenium. Tom said not in this area.

7. BOARD/STAFF/COMMITTEE MEMBERS REPORTS

Treasurer's Report: Bill Nesbitt said that the District is still making money and is on schedule as far as interest on investments for the year. He is looking into getting a higher interest rate on the certificate of deposit in Lake City. He has looked at a couple of banks in Montrose and found one with a special promotion of a certificate of deposit at a rate of 2.00% or 2.25%.

Taylor Park Reservoir: Julie Vlier said the water supply in the Taylor Park basin is abundant, and the forecast is still increasing. She was part of a group that toured the Taylor Park Dam outlet works as part of the CWCB meeting last week. The TLUG group will meet next on June 12.

Frank Kugel said that releases from Taylor were increased to 600 cfs yesterday and will go to 650 cfs in a week. He said that Reclamation was given local approval to go to 800 cfs without needing to ask for input, with a request for advance notice before increasing releases to that level. The current forecast is

for 146,000 acre feet of inflows into Taylor Park Reservoir. There is currently 74,500 acre feet in the Taylor first fill account that is being moved down to Aspinall. Once the first fill of 106,230 is achieved, second fill water will begin to be stored, probably in late June.

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

A meeting of the four West Slope roundtables will take place June 20. The results of phase 3 of the risk study will be presented at that meeting.

All the roundtable groups in the state will meet September 25 and 26 in Winter Park.

Education Committee: Bill Nesbitt said that the Education Committee had a productive meeting. Sherry Sullivan Marshall, Curriculum Development Director, attended the meeting and gave the state's new position on the science portion of the state's curriculum development. The District has contributed the "Water" books to students and hopefully will continue doing that. Under the new curriculum, there will be uniformity among each school district, with an emphasis on learning from activities rather than rote learning.

Julie Nania said it might be helpful for the District to provide a list of people to talk about water issues when the schools need it.

Demand Management Update: John McClow said that Jesse Kruthaupt has begun work on the project he put forward last month. John has drafted an agreement between Trout Unlimited and the UGRWCD.

John and Frank reviewed costs for the proposed economic study with Ed Harvey. They went through everything and did not find any savings that would be worthwhile. Ed Harvey said they would do what they could to make it cost effective, including cutting down on their costs by using some of the resources we already have and have developed. Coordination with the water bank work group study was also discussed.

John recommended that the board approve the proposal from Harvey Economics that is in the board packets. The price is not to exceed \$69,245.

Julie Nania said she does not think it will be possible to do the environmental considerations under Task 6 and suggested removing it from the proposal and scope of work. John said that would be easy to do.

Julie Vlier moved, and Bill Nesbitt seconded, approval of Harvey Economic's proposal, amended per Julie Nania's suggestion, at a price not to exceed \$69,245.

Bill Nesbitt clarified for the benefit of the audience that this work being done in order to measure the economic impact on the community of demand management.

The motion carried.

Watershed Management Planning Committee: George Sibley said that the summary of the last meeting is in the packets. He said that a report to the CWCB is due by the end of June, and that more work is needed on the ground to supplement what the model did not provide.

Frank said that he and Julie Nania met with Chris Sturm about the need for more stream assessments for environmental flows. Chris suggested contacting Mark Beardsley, who works for a firm in Fairplay. Frank has contacted him.

Julie Vlier recommended that the draft final report be presented to this board next month before it goes to the CWCB. Frank said that a final draft would be in the board packets which will be sent out June 17.

The next Watershed Management Planning Committee meeting will take place June 10 at 1:00 PM.

8. SONORAN INSTITUTE WORKSHOP REPORT

The board received a Sonoran Institute Workshop Report in their packets from Julie Nania.

Julie Nania said that Sonoran Institute's WaterSmart workshop took place in Gunnison April 24 – 26. Out of this came a shared vision of what those present thought needed to be focused on. She said the work would fit in very well with the District's watershed management planning process.

Will Dujardin said this fits well with the town of Crested Butte's efforts. Its watershed protection ordinance was used by QQ. This process also serves to provide more education to council staff.

Julie Nania said there is an opportunity under WaterSmart to apply for a grant. She said this is a starting point, with the structure yet to be determined, and other stakeholders would be welcome.

Update on Scientific Endeavors within the District: Rosemary Carroll said she was recently in Washington D.C. for the Department of Energy's 3-year annual review. It was a three-day oral presentation of research that has been done over the past three years and also of proposed research.

Rosemary said that over 50 proposals were submitted in basic scientific research using the East River or the upper Colorado River basin as a whole. The scientific community has discovered the East River and many are coming here to do research.

Rosemary said that the first ASO flight took place in early April at peak snow water equivalent. The weather has been an issue for scheduling the second flight. This weekend was identified as a window of opportunity, but there has not yet been much melt. She said there was a dust event on Friday, but it was subsequently covered with snow and so cannot be seen with a spectrometer.

Rosemary said she just had a paper accepted for publication on Copper Creek hydrology and ground water generation in Copper Creek.

Tom Grant said that the NRCS has data that is in the processing stage and should be usable in foreseeable future.

9. MISCELLANEOUS MATTERS

Frank Kugel said that the Town of Crested Butte has an interest in Lake Irwin. There are roughly 370 acre feet of storage, restricted by an outdated court stipulation. Currently, town cannot release its water till September 15. The existing agreement does not take into account the existence of a low-level outlet and will be redrafted.

Frank spoke with Ryan Unterreiner, the Southwestern Regional Water Engineer at CPW. Ryan said that CPW is very interested in working with the town. Infrastructure improvement is needed, and the outlet needs continuous flow recording too.

Rebie Hazard said that she went to a meeting with Kathleen Curry in Saguache about a month ago. There is another meeting tomorrow at 6:00 p.m. at which the public may give comment about a proposal to take water through the Arkansas River to the Front Range.

10. CITIZENS COMMENTS

Henry Woods asked Frank if he knew when the Henson Creek streamflow gage would be calibrated. Frank said it depends on how often the USGS sends staff to take measurements. This needs to be done at many flow levels. He said it would likely be by the end of the summer.

11. FUTURE MEETINGS:

The Watershed Management Planning Committee will meet June 10, 2019.

Frank said that the Western Water Future Games will take place May 29-31 at WCU. He said this is an event that Jeff Sellen has been working on, it is sort of like a career fair. George Sibley said it is an effort to involve the younger generation in as active a way as possible. It will be a discourse about water for the future.

The TLUG will meet June 12, 2018

The June board meeting will take place June 24, 2019. Hopefully Dave Gochis will be able to attend.

The Gunnison River Festival will take place June 20-22, 2019.


12. SUMMARY OF MEETING ACTION ITEMS

In July or August, the board would like to have the presentation from the four West Slope roundtables meeting.

The draft report of the Watershed Management Planning effort will be presented at the June board meeting, with the draft report being done in time to send it out in board packets on June 17.

Board President Michelle Pierce adjourned the May 21, 2019 meeting at 4:03 p.m.

Respectfully Submitted,


George Sibley, Secretary

APPROVED:


Michelle Pierce, President