

**Upper Gunnison River Water Conservancy District
Board Meeting Minutes
Monday, October 28, 2019**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Monday, October 28, 2019 at the District's offices, 210 West Spencer Avenue, Gunnison, Colorado.

Board members present: Rosemary Carroll, Stacy McPhail, Julie Nania, Bill Nesbitt, John Perusek, Andy Spann, and Julie Vlier. Board members not present were Joellen Fonken, Rebie Hazard and Michelle Pierce, and George Sibley.

Others present:

Sonja Chavez, future General Manager

Shane Cox

Jeff Derry, Center for Snow and Avalanche Studies

Will Dujardin, Town of Crested Butte

Jonathan Houck

Jesse Kruthaupt

Tom Rozman, Water Commissioner

Jill Steele, Office Manager

Bill Trampe, Colorado River Water Conservation District

1. CALL TO ORDER

Board Vice-President Stacy McPhail called the meeting to order at 5:30 p.m.

2. AGENDA APPROVAL

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

3. CONSENT AGENDA ITEMS

Julie Vlier moved and Rosemary Carroll seconded approval of the consent agenda items. The motion carried.

4. MANAGER'S REPORT

Update on Selection Process for General Manager Position: Stacy McPhail said that the board had a successful hiring process and Sonja Chavez will be the new General Manager. Ms. Chavez will begin her duties with the District on December 3, 2019.

Julie Vlier thanked the executive committee and staff, including the acting manager, for helping this process to go smoothly.

5. COLORADO RIVER WATER CONSERVATION DISTRICT UPDATE - BILL TRAMPE

Bill Trampe said the CRWCD met recently. The District has discontinued their grant program due to lack of funds, but they have discussed forming policies to administer emergency grants.

The CRWCD had its annual policy discussion, which included instream flow issues. There is some concern about potential impacts on water right users due to the proposed inclusion of leases and loans in the instream flow program. The CRWCD is considering two policies on instream flow issues.

Bill said that the State Engineer, Kevin Ryan, attended part of the meeting to discuss protection of existing uses against the instream flow water right in the Yampa basin. In division 6, the Division of Water Resources has said that unless stock watering is specifically listed in the water right decree, water cannot be used for stock watering if the instream flow decreed amount is not being met. Mr. Trampe said that this is not a new issue, but the CRWCD has been working on it for a couple of years without much movement. They are trying to work with the state to come up with a sensible solution.

Bill congratulated the board on the selection of Sonja Chavez as UGRWCD General Manager. He said she will be severely missed at the CRWCD.

6. COLORADO DUST ON SNOW PROGRAM UPDATE - JEFF DERRY

Jeff Derry gave a presentation on the Colorado Dust on Snow Program. He thanked the board for the District's support of this program, and said he hoped that the District will contribute support in 2020 at the same level as in 2019, which was \$7,500.00. He said that a WSRA grant of \$50,000 will not form part of the funding in 2020 as it has in the past. Bill Nesbitt asked if Jeff were confident that the program would continue at the same level even without the WSRA grant. Mr. Derry replied that he was.

7. DINNER BREAK

8. BOARD/STAFF/COMMITTEE MEMBERS REPORTS

Treasurer's Report: Bill Nesbitt said that Sigma bond 12, at 1.25%, was called. A new bond, Sigma 16, was purchased for \$230,000 at 2.12%, with an October 16, 2024 maturity date.

Another bond, Sigma 17, for \$200,000 was purchased at a rate of 1.68%, with a maturity date of October 18, 2023.

A new certificate of deposit was purchased at Gunnison Savings & Loan for \$145,000 at a rate of 2.05% for a five-year term.

On November 18, the District's CD with Compass Bank will mature. The current interest rate is 2.5%. It is possible that interest rates may drop before then.

Bill said that COLOTRUST Plus + and COLOTRUST Prime accounts are only about 11 basis points apart in interest rates. The Prime portfolio includes more secure investments in the form of federal derivatives. He is less comfortable with the investment instruments in the Plus + account.

Taylor Park Reservoir: Julie Vlier said that after the last meeting, it was agreed to have a quick teleconference meeting on September 27 to discuss extending releases of 300 cfs through first week of October. TLUG made that recommendation and the Four Parties agreed. Releases are now being ramped down and will be at 100 cfs by November 1. This will allow for approximately 78,000 acre feet of storage in the reservoir on October 31.

Gunnison Basin Roundtable: Julie Nania said that the Gunnison Basin project committee met. Many who had participated in the working group ultimately want to establish a position for the Gunnison basin, but it is a bit early in the process. The CWCB has provided funding for a "local expert," someone who helps coordinate the collection and definition of projects from around the basin.

Economic Impact Study: Andy Spann said that Jessica Harvey called him and asked if Bill Trampe was an Ohio creek participant. He is not. Stacy said that she has reassured constituents who have asked that the District is in control of the Harvey economics study.

Psychedelic Falls Update: Jesse Kruthaupt said that CPW put some rocks in the river and they think it will eliminate or improve the eddy there that has been problematic. Andy Spann said that Dale Hockett worked on that, and that the hydrology has changed as a result of the work.

Watershed Management Planning Committee:

Status of CWCB Report Phase I: Bev Richards said that she and John McCLOW are continuing to edit the report. They met with Erin Wilson to go over the reaches and they are currently editing those sections. She said that things are on schedule for completion soon.

Update on Scientific Endeavors within the District: Rosemary Carroll said that all stations, including discharge sites, are closed up for the winter. She spent a weekend going through the sites with Dave Gochis. The telemetry in the SNOTEL lites in the Taylor basin is now online. There is still no Cottonwood site due to construction and also due to differing opinions on location.

Rosemary said there is an upcoming retreat in Bodega Bay, which is currently evacuated. She said that next year, Sonja Chavez will be invited.

Rosemary said that George Sibley has been invited to participate in an every-other-month scientific call in which Frank Kugel regularly participated. Sonja Chavez will be invited to participate next year.

9. 2020 BUDGET DISCUSSION

Discussion of Goals and Draft 2020 Budget: Stacy McPhail said that John McClow is expecting a call from the group at 7:30. She suggested that the board look at John's budget memo that was received in the board's packets. The memo highlights items that were changed since the last board meeting.

Line 14, administrative salaries, reflects the salary agreement reached with Sonja Chavez. Associated line items such as payroll taxes have been adjusted based upon that figure.

Line 17 employee benefits, reflects that new employees must work for a year before becoming eligible to participate in the District's retirement plan with the Colorado Retirement Association.

Line 23, office equipment, reflects an addition of \$400 per month for IT support by GL Computer Services.

Line 32, board of directors' fees reflects the change from \$50 to \$100 per meeting that was suggested by Bill Nesbitt and agreed to at the last board meeting.

Line 42, building expenses, was updated to include estimates for repair and maintenance \$5,033 is included for the parking lot. An estimate for staining portions of the building was received after the packets were sent to the board.

Line 44, regional water supply improvement, was increased to reflect the board's desire to increase funding of the grant program from \$150,000 to \$200,000. A scope of work for Taylor watershed modeling has not yet been received and so that budgeted amount has not been changed.

Rosemary Carroll said she talked with Dave Gochis about coming up with a scope of work that will also benefit TLUG.

Bill Nesbitt said that the Sealco bid for work on the parking lot, was consistent with earlier work. The estimate for the stain work is higher than what is included in the budget. He said that there are funds available for this, even if the board does not increase that line item this evening. There is a Spencer Avenue reserve fund containing \$30,000, and the contingency line item contains \$24,000.

A call was placed to John McClow. Stacy McPhail told him that the group just finished going through his budget memo and the changes to the line items that were detailed in the memo.

John McClow suggested increasing line 42, building expenses, by \$2,000 to cover the stain work, as per the estimate that was received. The board was amenable to this suggestion.

John McClow said that the board authorized \$10,000 for the work on psychedelic falls. The estimate for the work was \$9,500. The work is now complete. Rocks were put in the river to reduce or eliminate the eddy that was problematic there.

John said that he expects to receive a report on the Marshall ditch by next Wednesday.

John said that interviews were completed with six ranchers, two from each of the sub-basins as part of the economic impact study. He will have the preliminary report in ten days. Then the circle of interviews will be expanded to include environmental and recreational interests.

Julie Vlier asked when the report will be done. John McClow said it is supposed to be done by the end of this year, which means the board will most likely receive the information in January, since the December meeting is early in the month.

A public hearing on the budget will take place on November 25, 2019 as part of the regular board meeting.

10. MISCELLANEOUS MATTERS

There was no discussion of miscellaneous matters.

11. CITIZEN COMMENTS

Will Dujardin said that Torie Jarvis from QQ reached out to him to champion a joint effort on getting funding for a climate change study. This would represent an

expansion of the climate change in the headwaters summit they did a few years ago. Crested Butte is in the process of finalizing its climate action plan, and they hope that other municipalities will do the same. The Town of Crested Butte has reached out to the county with a request for funding.

Rosemary Carroll said it would be a good idea to check to see if anyone is already doing this work here, and if not, perhaps a partnership could be formed.

Bill Nesbitt asked who the lead entity in a partnership would be. Will said that is still being looked at.

Sonja Chavez said that Frank Kugel was a member of the water bank workgroup. A presentation on the group's work was made at the CRWCD's annual seminar. She will be presenting at a Meeting on November 4 in Glenwood Springs. On November 7, she and John McClow will present to the CWCB economics and local government workgroup on the economic study and how they see it leading into larger CWCB efforts. Colorado Ag Water Alliance (CAWA) will hold their annual meeting on November 12 at which a presentation on the economic study will also be made.

Sonja said that the CRWCD just approved \$50,000 to fund what might be called phase 3b, or 4, of John Currier's risk study. There is still a CRWCD grant available for the water smart program.

12. FUTURE MEETINGS

The next UGRWCD board meeting will take place November 25, 2019. A public hearing on the budget will take place as part of the meeting.

The watershed management planning committee will meet on November 4, 2019 at 1:00 p.m.

The December board meeting will take place on December 9. The early date is in order to meet the District's statutory obligation to certify the mill levy to the three county commissioners by December 15.


13 SUMMARY OF MEETING ACTION ITEMS

There was no summary of meeting action items.

14. ADJOURNMENT


Board Vice-President Stacy McPhail adjourned the October 28, 2019 meeting at 7:49 p.m.

Respectfully Submitted,



Bill Nesbitt, Treasurer

APPROVED:



Stacy McPhail, Vice-President

