

**Upper Gunnison River Water Conservancy District**  
**Regular Board Meeting Minutes**  
**Monday, April 27, 2020**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regular meeting via teleconference on Monday, April 27, 2020, at 6:00 p.m.

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

Others present:

Ashley Hom, U.S. Forest Service

Mike Fabbre, Colorado Water and Power Development Authority and Mt. Crested Butte Water and Sanitation District

Ernie Cockrell

Andy Mueller, General Manager, Colorado River Water Conservation District

Bill Trampe

Randy Sackett

Julie Vlier, Red Mountain Ranch

Cindy Dozier

Jeff Deems, CIRES

Peter Fleming, General Counsel, Colorado River Water Conservation District

Dave Gochis, NCAR

Zane Kessler, Director of Government Relations, Colorado River Water Conservation District

Sonja Chavez, General Manager

Cheryl Cwelich, Crested Butte Land Trust

John McClow, General Counsel

Beverly Richards, Administrative Assistant

Jill Steele, Office Manager

Mike McBride and Matt Feier, Gunnison County Electric Association

**1. CALL TO ORDER**

Board President Michelle Pierce called the meeting to order at 6:08 p.m.

## **2. AGENDA APPROVAL**

**Bill Nesbitt moved and Julie Nania seconded approval of the agenda as circulated.**

**A roll call vote was conducted. Results of the roll call vote:**

<b>Rosemary Carroll</b>	<b>yes</b>
<b>Joellen Fonken</b>	<b>yes</b>
<b>Rebie Hazard</b>	<b>yes</b>
<b>Stacy McPhail</b>	<b>yes</b>
<b>Julie Nania</b>	<b>yes</b>
<b>Bill Nesbitt</b>	<b>yes</b>
<b>John Perusek</b>	<b>yes</b>
<b>Michelle Pierce</b>	<b>yes</b>
<b>George Sibley</b>	<b>yes</b>
<b>Andy Spann</b>	<b>yes</b>
<b>Julie Vlier</b>	<b>yes</b>

**The motion carried, 11 - 0.**

## **3. CONSENT AGENDA ITEMS**

**Julie Vlier moved, and Rosemary Carroll seconded approval of the consent agenda items as presented.**

**A roll call vote was conducted. Results of the roll call vote:**

<b>Rosemary Carroll</b>	<b>yes</b>
<b>Joellen Fonken</b>	<b>yes</b>
<b>Rebie Hazard</b>	<b>yes</b>
<b>Stacy McPhail</b>	<b>yes</b>
<b>Julie Nania</b>	<b>yes</b>
<b>Bill Nesbitt</b>	<b>yes</b>
<b>John Perusek</b>	<b>yes</b>
<b>Michelle Pierce</b>	<b>yes</b>
<b>George Sibley</b>	<b>yes</b>
<b>Andy Spann</b>	<b>yes</b>
<b>Julie Vlier</b>	<b>yes</b>

**The motion carried, 11 - 0.**

#### **4. LEGAL AND LEGISLATIVE MATTERS**

John McClow said that the General Assembly is considering reconvening on May 18. First on the agenda will be the State budget. House Bills 20-1157 and 20-1159 have been signed by the Governor. HB 20-1157 expands the state's instream flow loan program. HB 20-1159 provides that existing water uses, such as water for livestock, that have not been specifically decreed, may continue divert despite junior instream flow rights.

John said he had no legal update at this point.

#### **5. MANAGER'S REPORT**

Sonja Chavez said that the District's remote working plan has gone very well overall. She has had to purchase new laptops, for Jill, who did not have one, and for Bev, whose current laptop failed and needed replacement.

#### **6. COLORADO RIVER WATER CONSERVATION DISTRICT UPDATE – ANDY MUELLER**

Andy Mueller, General Manager of the Colorado River Water Conservation District, thanked the board for inviting him to the meeting. He said the River District just had their first board meeting via Zoom last week, and that while it works well, it is not the same as meeting in person.

Andy said that March revenue forecasts presented to the Joint Budget Committee predicted \$800 million less revenue for the state budget, with deeper cuts now anticipated.

The CWCB projects bill had not yet been introduced before the shutdown. Agency funding and cash funds are being looked at with an eye to axing some. Upwards of 25-30% cuts across the board are being looked at for the next year or so. All funding is in jeopardy.

With its current mill levy of .252 mills, the River District has found an inability to really meet the needs of West Slope projects that are identified in BIPs and in the Colorado Water Plan. The financial woes are due to a combination of the Gallagher Amendment, revenue caps, and the decline of the fossil fuel industry as a revenue source for the District, from 25% of its revenue to 10%.

The River District has done some long-term planning. If something is not done to bring in more revenue, they can anticipate as soon as 2023 having to lay off staff and downsize operations. In January, the River District board requested that staff do some research on seeking to increase the mill levy by .5 mill, which would add just under \$5 million per year and would balance out the fossil fuel revenue loss. Results of polling were positive, indicating more support than ever before for a mill levy increase and de-Brucing. Now, with COVID-19 and the resulting impacts, it is doubtful that this will be pursued for the November election.

**Demand Management:** Andy Mueller said that this is a big issue, with many different aspects. The River District received a BUREC grant notice in November to help fund efforts to study potential effects of demand management on West Slope agriculture. That grant was written by Sonja Chavez. With the money, the River District will support additional phases of its risk study, complete a secondary economic impact study, and convene a River District demand management stakeholder group, consisting of approximately 25-30 people from all water segments in the District, and from different geographic locations. For the upper Gunnison, they hope to have someone from this board participate, ideally an ag producer, such as the Spanns. The group will consider questions such as what rules should be there to protect them, how should the market be split up, how can we make rules favorable to them and the rest of the community? If demand management happens, we want to be driving the bus, not riding as a passenger.

Bill Nesbitt asked Zane Kessler if he thinks the sweeping of cash accounts will be as extensive as back when Bill Owens, as Governor, did this. Zane said it appears that the current situation is grimmer than in the past, so the account sweeps will likely be even more extensive.

Andy Spann asked Andy Mueller to elaborate on his use of the word "equitable." Mr. Mueller said that it is our post-compact water use that is driving us towards involuntary curtailment. Looking at it geographically, if 60% of the use is Front Range use and 40% is West Slope use, then equity should drive that 60% of wet water demand management should come from the Front Range, and 40% from the West Slope.

Mr. Mueller posed some questions for consideration: Agriculture on the West Slope may divert 80% of the water, but does it use 80% of the water? If so, 80% of the West Slope's 40% needs should come out of agriculture. But what type of agriculture? What is the long-term damage is there to different types of crops? The studies that were done on Trampe Ranches by CSU indicate there may be some significant, long-term damage to high mountain grass. But we need more science. We are going to

participate in another following study in the Kremmling area which will help to better understand what the consequences are. An easy answer is that lower basin row croppers could easily contribute water. But is that fair? There could be arguments either way.

Andy said that since water on the Front Range is worth more per acre foot than water on the West Slope, growers on the Front Range would need to be compensated at a higher rate for not growing crops.

Bill Nesbitt asked what happens to the water rights if mines are permanently closed. Andy said those are private water rights, and you do whatever you would do with a water right whose original, decreed use is no longer in use. He said he that the CRWCD is looking into the possibility of using that water in a closed water right situation to alleviate some of the pressure on the agricultural users.

## **7. RUNOFF FORECASTING TOOLS - DAVE GOCHIS (NCAR) AND JEFF DEEMS (CIRES)**

Jeff Deems shared a presentation titled Supporting the Next Generation Water Management with the Airborne Snow Observatory (ASO).

Mr. Deems said that he has also been working closely with Dave Gochis to improve forecast modeling. He showed data from previous forecasts compared to total run off volumes. In many years there were good forecast results, but in many years, there have been double-digit errors, in both directions.

Jeff said that runoff forecasting is vulnerable to unusual conditions such as warming temperatures, snow season duration, mid-winter melt, rain-on-snow, forest change, and dust on snow. The ASO adds spatial data and uses full watershed snowpack rather than sparsely scattered data stations.

Using snow water equivalent from models and a spectrometer to show the reflectance of the snowpack, we get the albedo or reflectivity, which tells how quickly the snowpack will melt. This includes dust on the snowpack.

A Gunnison basin flight took place in February 2020, but the planned April flight was cancelled. Denver Water's contracts are cancelled as well. We are working with the CWCB to expand the program going forward, ideally with CWCB projects, scoping what a full-blown program in Colorado would look like. He showed some results and pictures obtained by ASO flights in 2019 on the Gunnison/East River/Ohio Creek and from the Taylor River.

Jeff Deems said he is working closely with the Colorado River Basin Forecast Center to get data into their forecasts. He also works closely with Dave Gochis's group to integrate ASO data.

Dave Gochis, of NCAR, gave a presentation entitled Hydrologic Monitoring and Ensemble Seasonal Water Supply Forecasts for the Upper Gunnison Basin.

Mr. Gochis discussed NCAR's WRF Hydro Modeling System and how it can help in the efforts to improve stream forecasting. Helpful, potential tasks for the District include:

1. Provide regular ensemble seasonal water supply forecast
2. Ingest and bias correct snowpack bias assumptions using SNOTEL, snow survey, and ASO data.
3. Looking at methods to improve statistical quality
4. Install fourth SnoLite station at Cottonwood Pass.

SnoLite stations use real time communication to report snow depth. The data can be monitored through the NRCS web pages. When the ASO data is assimilated into the model, the forecast can be much more accurate. The cost per station is \$10,000.

Julie Vlier thanked Jeff Deems and Dave Gochis. She said that the modeling tools are fantastic, and that better data help us refine our operations. Any information that can be shared with the TLUG going forward will be greatly appreciated.

Sonja Chavez asked Dave Gochis if he has done a comparative analysis of albedo in areas of the Gunnison basin, where there is beetle kill or other forest health issues. In other words, seeing impact as it relates to forest health. Dave said his group has done some work on beetle kill, but not specifically in the Gunnison River basin. He said it would not take much more to do it in terms of some updated vegetation maps. The albedo problem is complicated and involves a lot more than changing vegetation maps. He said that Jeff Deems has more expertise and other colleagues with expertise in this area. He said it is something that could be looked at more with ASO products and towers monitoring albedo in situ.

Jeff Deems said that a couple of years ago, he did a modeling study looking at the effects of beetle kill canopy reduction. The modeling shows lots of offsetting factors. When the canopy is removed, there is more snow on the ground, and the increased sunlight means more snowpack evaporation loss. There was earlier melt timing, slightly exacerbated by beetle kill, although not strongly.

Rosemary Carroll asked Jeff Deems if he was working to build the necessary consortium to get ASO involved. Jeff said he is working hard in partnership with CWCB staff to build out what this would look like. The CWCB has project funds for next year with a granting mechanism that would allow matching funds from any other entities that want to participate, including interstate agencies and entities. The state-wide cloud seeding operation sets a precedent for that. He is looking to build a system that provides data without a heavy cost on any one entity.

## **8. TAYLOR PARK LEASE OF POWER PRIVILEGE – MIKE MCBRIDE (GCEA)**

Mike McBride, CEO, and Matt Feier, Strategy Execution Specialist for Gunnison County Electric Association, said they want to start a conversation about GCEA's hydropower project at Taylor Reservoir. The GCEA has an MOU with UVWUA and a project in the 200-500 kw range is contemplated. This leaves open the possibility for expansion to a larger project in the future and does not develop the project to its full potential. GCEA and UVWUA would form an LLC and would own and run the project equally. GCEA does not intend to seek any water right for the project, and operation of the dam would remain unchanged.

Bill Nesbitt asked if a flat energy rate or a demand rate will be charged. Mike said the power that is generated by the project will be blended with GCEA's existing power. And that hopefully the project will at least break even. What is often missed in the public conversation around energy is that scale matters a great deal. We can sell the renewable credits from the project as a source of renewable energy.

Julie Vlier thanked Mr. Feier for the presentation. As UGRWCD representative for the Taylor River basin and chair of the Taylor Local Users Group, she said she would like to invite him to coordinate with Sonja to come to an upcoming TLUG Group meeting to solicit input. She said that she is personally supportive of the project.

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

**Treasurer's Report:** Bill Nesbitt said that there have been only two foreclosures in Gunnison County so far in 2020. He said that the District may not reach the budgeted figure of \$60,000 in interest on investments in 2020.

The District has 35 months of operating expenses invested in various instruments at various institutions. We have maintained that level for a while. We have some bonds that will be called soon. He has been shopping CD rates around the state.

**Taylor Park Reservoir:** Julie Vlier said that seasonal snow is at about 92% of average. The soil moisture deficit has been discussed quite a bit. TLUG members have discussed the proposed operational plan. An average year is anticipated, which will include flushing flows for the fisheries.

**Lake San Cristobal Water Activity Enterprise (LSCWAE):** Sonja Chavez said that Robert Hurd is now under contract to monitor the reservoir and gates. The previous problems he saw were due to a lack of ongoing maintenance. Robert will train Hinsdale County staff on how to inspect and troubleshoot the gates.

Bill Nesbitt asked how the camera is working. Bev Richards said that the camera and the SCADA system were updated, and we have not had trouble with them since.

**Meridian Lake:** John McClow said that he and Sonja Chavez recently spoke with Mike Fabre about the MOU between the UGRWAE and the MCBWSD. The agreement provides for several landmarks, and we are missing a few, small ones. He and Sonja and Mike are all on board to keep the agreement alive. At a future, date, there will be a presentation update the board on this matter.

Sonja Chavez said that she and Tom Rozman are targeting the middle of May to go take a lake level reading.

**Gunnison Basin Roundtable:** Julie Nania said that the GBRT has moved forward with local expert hiring process. John McClow said that Luke Gingrich from Grand Junction was selected as the GBRT's local expert to assist the Roundtable in the update of the Basin Implementation Plan. The CWCB will conduct workshops with the local experts to get the process moving forward. John and Kathleen Curry, GBRT chair, will participate in those workshops.

**Drought Contingency Planning & Demand Management:** Sonja Chavez said there is not much to report since the last IBCC meeting. The economics and local government work group plans to meet in May.

John McClow said that the law and policy work group met recently, electronically. The group discussed a proposed framework drafted by a subcommittee and reviewed various elements of the contingency plan from a law and policy perspective. They have until May 1 to comment on all the submissions and hope to have a report to the CWCB by the end of May.

Bill Nesbitt said that this basin has strong senior water rights. He asked if the cost of sharing is very high, do we look to our own basin from a water rights perspective



Bev Richards said that she has been working with Cindy McKee of Key Communication to redesign the website so that the Watershed Management Planning process is front and center. The report is up on the website as are some live surveys. Ms. McKee will also be working on Facebook and Twitter posts and on a newsletter that will be published around the time of the annual meeting. The revisions that have been done so far have been great.

**Update on Scientific Endeavors Within the District:** Sonja Chavez said that she spoke with Andrew Rickert and Nathan Coombes about the possibility of bringing radar into the Gunnison basin. This would be part of the effort to improve flow forecasts in the basin. To rent the radar equipment costs \$60,000 per year for 5 years, at which time the equipment can be purchased if desired, for a cost of \$1.3 million. The comprehensive O&M costs are \$7,000 per month, and they have a partnership to help pay for that.

Sonja asked the board if they would you like her to invite Nathan Coombs and Heather Dutton to come to a future meeting. Representatives from the County and the hospital could also be invited. The consensus of the board was to do this.

Rosemary Carroll said that she has received funding from the Department of Energy and Colorado State University for her study looking at timing, magnitude, and distribution of precipitation and aerosol within the clouds and dust on snow. The money funds data collection, not actual research.

Rosemary said that the Stanford Synchrotron Radiation Lightsource National Lab just submitted their big proposal to explore ground water quality in the Slate River, looking at colloidal formation and heavy metals.

**Gunnison River Festival:** Joellen Fonken said that she was notified that the Taylor down river raft race scheduled for June 26 can go forward as per the USFS permit. The second part of the Festival will take place August 22. Taylor inflows should be about 1000 cfs on June 26, which is perfect. The website webcam has been working all winter. The GRF will meet on Wednesday and she will provide the board with more information as it becomes available.

**Wet Meadows:** Sonja Chavez said that Paul Jones provided the board with a good summary on the Wet Meadows Project. Paul said that due to the coronavirus outbreak, some of the work tasks may be shifted. He may do as much dozer work this year as possible and postpone some of the hand work until 2021.

and say we do not want to play? John said it is possible we will say we do not want to play. That is part of the work we are doing in the Harvey Economics Study.

**Watershed Management Planning Committee:** Sonja Chavez said she hoped the board has had a chance to review the comprehensive plan summary and the budget.

The WMP committee formally approved the Wilson Water Group scope of work, which is in the board's packets. She said that she is seeking board approval because the contract is over \$50,000.

**Stacy McPhail, WMP Committee chair, moved to approve Wilson Water Group's scope of work for the phase 2 of the Watershed Management Planning process. No second is required for a motion from a committee.**

**A roll call vote was conducted. Results of the roll call vote:**

<b>Rosemary Carroll</b>	<b>yes</b>
<b>Joellen Fonken</b>	<b>yes</b>
<b>Rebie Hazard</b>	<b>yes</b>
<b>Stacy McPhail</b>	<b>yes</b>
<b>Julie Nania</b>	<b>yes</b>
<b>Bill Nesbitt</b>	<b>yes</b>
<b>John Perusek</b>	<b>yes</b>
<b>Michelle Pierce</b>	<b>yes</b>
<b>George Sibley</b>	<b>yes</b>
<b>Andy Spann</b>	<b>yes</b>
<b>Julie Vlier</b>	<b>yes</b>

**The motion carried, 11 – 0.**

**Grant Committee:** Sonja Chavez said that requests for contracts are trickling in for approved grant applications.

Bill Nesbitt asked how many grants were approved. Sonja said that 16 applications were received, and of those, 15 were approved. The one that was not approved arrived late. All budgeted funding was committed, with 2/3 of the total funding coming from the District's Grant Program and 1/3 from the Watershed Management Planning funds.

**Education Committee:** Bill Nesbitt said the committee has not met since the last report. No new advertising is being undertaken at this time.

## **10. MISCELLANEOUS MATTERS**

Michelle Pierce said that the board terms of Julie Vlier and Bill Nesbitt will expire in June.

Michelle said that Sonja has mentioned the idea of possibly expanding our annual meeting and doing an annual report.

Sonja said that staff had discussed the idea of doing an annual report. It would be a good way to highlight our good work and could go well with an annual meeting. The meeting could be made bigger and the public could be invited. This could be an especially good idea without the Water Workshop.

Michelle Pierce said she thinks those are great ideas that could help promote and raise awareness and increase name recognition for the District.

The board was in favor of this idea, although it likely will be put off for a year. Bill Nesbitt said this is a way to show how we have put grant money back in the community. John McClow said that the District could do an annual report even without the expanded annual meeting.

Joellen Fonken said that the Community Foundation of the Gunnison Valley has a good, colorful annual report.

## **11. CITIZENS COMMENTS**

Ashley Hom, and Cindy Dozier thanked Michelle Pierce for the meeting. Michelle said she appreciates them sitting in on the call.

## **12. FUTURE MEETINGS**

The next regular board meeting will take place on Tuesday, May 26, 2020, via teleconference, at 1:00 p.m.

The annual meeting of the Lake San Cristobal Water Activity Enterprise will take place on Tuesday, May 26, 2020, via teleconference, at 4:00 p.m.

The Upper Gunnison River Water Conservancy District Annual Meeting will take place June 22, 2020.

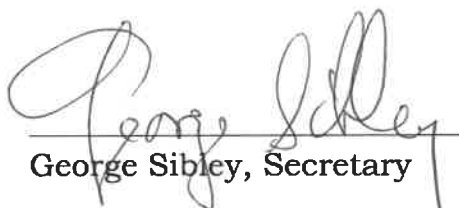
**13. SUMMARY OF MEETING ACTION ITEMS**

Sonja Chavez will coordinate with Dave Gochis and Jeff Deems, as Julie Vlier requested.


**14. ADJOURNMENT**

Board President Michelle Pierce adjourned the April 27, 2020 meeting at 8:55 p.m.

Respectfully Submitted,

  
George Sibley, Secretary

APPROVED:

  
Michelle Pierce, President