

**Upper Gunnison River Water Conservancy District
Regular Board Meeting Minutes
Monday, May 26, 2020**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regular meeting via teleconference on Tuesday, May 26, 2020, at 1:00 p.m.

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

Board member not present: Rebie Hazard.

Others present:

Sonja Chavez, General Manager
Cindy Dozier
John McClow, General Counsel
Beverly Richards, Administrative Assistant
Jill Steele, Office Manager

1. CALL TO ORDER

Board President Michelle Pierce called the meeting to order at 1:00 p.m.

2. AGENDA APPROVAL

George Sibley moved and Julie Vlier seconded approval of the agenda as circulated.

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

Rosemary Carroll	yes
Joellen Fonken	yes
Stacy McPhail	yes
Julie Nania	yes
Bill Nesbitt	yes
John Perusek	yes
Michelle Pierce	yes
George Sibley	yes

Andy Spann	yes
Julie Vlier	yes

The motion carried, 10 – 0.

3. CONSENT AGENDA ITEMS

Joellen Fonken moved and John Perusek seconded approval of the consent agenda items.

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

Rosemary Carroll	yes
Joellen Fonken	yes
Stacy McPhail	yes
Julie Nania	yes
Bill Nesbitt	yes
John Perusek	yes
Michelle Pierce	yes
George Sibley	yes
Andy Spann	yes
Julie Vlier	yes

The motion carried, 10 – 0.

4. LEGAL AND LEGISLATIVE MATTERS

John McClow said it appears that an agreement has been reached on the Taylor stipulation, with just one minor detail still under consideration. The next step will be to put it before the judge for approval and signature.

2020 Legislative update: John McClow said that the legislature went back into session today. The CWCB projects bill will be in committee tomorrow. The Speaker has announced she will remove funding for Water Education Colorado because it is not a specific project. Representative Arndt said that she will have a fundraiser this fall in order to recoup the funds.

John said that no action was taken on any bills today. He has been told that there will be no consideration of any controversial bills, but he needs a definition of “controversial.”

The legislature cleared \$45,000,000 out of the CWCB loan account. There is \$30,000,000 remaining for loans in that account. Severance tax is expected to be

very low during the next couple of years due to low oil prices. The GBRT still has some money in the bank, but he does not expect that any additional funds will be added for the next two years.

5. MANAGER'S REPORT

Taylor Reservoir: Julie Vlier said that the Taylor Local Users Group met on May 20. The runoff into Taylor has dropped, and the forecast for April – July predicts an end of year water balance of 69,000 acre feet or less. Reduced releases will be 250 cfs until June 1, delaying the previously planned ratcheting up to 300 cfs until after June 15. The TLUG wants to try to manage the reservoir so that they can conserve water for the hotter and dryer months of June and July and still achieve an end of water year balance of 70,000 acre feet.

Sonja Chavez said that the Four Parties met and accepted the TLUG recommendations.

Meridian Lake: Sonja said that she went up to Meridian Lake Reservoir with Water Commissioner Tom Rozman, who walked her through the process of taking lake measurements and opening and closing the valve to adjust outflows and clear sediment from the outlet.

6. LAKE SAN CRISTOBAL WATER ACTIVITY ENTERPRISE MATTERS

John McClow said that the Intergovernmental Agreement (IGA) between the parties to the Lake San Cristobal Water Activity Enterprise needs to be modified to conform to current practices. For example, when the Enterprise was first formed, it met monthly, as stated in the IGA. After the outlet works were in place and operational, the board decided to meet once annually, in May.

In addition, the IGA calls for financial statements to be audited. This has not taken place due to audit cost considerations and the low amount of financial activity of the Enterprise. The draft addendum to the IGA provides a choice for the LSCWAE Board between an annual audit or an audit performed once every five years. The Board had no major concerns with a five year audit cycle.

John said that the addendum to the IGA has been circulated to the Hinsdale County Commissioners and the Town of Lake City Trustees, and it is his understanding that they are agreeable to the addendum. It is now presented for the approval of the Upper Gunnison River Water Conservancy District board.

Bill Nesbitt moved, and Andy Spann seconded, to approve the addendum to the Lake San Cristobal Water Activity Enterprise Intergovernmental Agreement.

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

Rosemary Carroll	yes
Joellen Fonken	yes
Stacy McPhail	yes
Julie Nania	yes
Bill Nesbitt	yes
John Perusek	yes
Michelle Pierce	yes
George Sibley	yes
Andy Spann	yes
Julie Vlier	yes

The motion carried, 10 – 0.

7. BOARD/STAFF/COMMITTEE MEMBER REPORTS

Treasurer’s Report: Bill Nesbitt said that he and Sonja Chavez have been in touch with the District’s bond dealers. He said that interest rates have been dropping, and he was glad that he was able to lock in an interest rate of 1.90% on a certificate of deposit at Gunnison Savings and Loan, after it dropped from 2.0% over the weekend. A three-year certificate of deposit was purchased today at 1.2%. He said that the District has 36 months of cash on hand.

Bill said that he has never seen the ten-year bond interest this low. In comparison, bond interest rates were 16% in 1982 (not likely to see that again). The national debt is \$19.2 trillion. Rates will stay down because congress cannot afford the debt. Other countries are paying negative interest, and the dollar is strong because we are not doing that.

Bill said that the Gunnison County Treasurer agreed to split out property tax and excise tax revenues in an informal report for him.

Bill said that coal revenues represent about 10% of Gunnison County’s overall revenues, and, like oil revenues, will be down. Bill asked about the status of the Craig coal plant closings. John McCLOW said that the Craig plant is scheduled to close in 2030.

Aspinall Unit Operations: Sonja Chavez said that releases will be based upon a moderately dry hydrologic year. In accordance with spring operations, releases began ramping down on May 20.

Taylor Park Reservoir: Julie Vlier said that the next TLUG meeting is scheduled for June 9. It will be her last meeting as Taylor Division representative to the Upper Gunnison River Water Conservancy District. She said it has been a real privilege to serve as the Taylor representative and on the Taylor Local Users Group. Michelle

Pierce thanked Julie for her service and said that her work on the TLUG has been very valuable.

Watershed Management Planning Committee: Stacy McPhail said the most recent meeting was short due to some scheduling conflicts, with only herself, staff, and the basin coordinators present.

Sonja Chavez said that two interns have been interviewed and will be hired to assist with watershed management planning work. The interns may travel in the course of assisting with agricultural assessments, and so she has requested they have their own, insured vehicle. Chris Medary will be the ag intern. He has a background in sustainable food sourcing and farming. Sonja said she envisions him working 15-20 hours per week. She has not heard back yet from the second, potential intern.

Update on Scientific Endeavors within the District: Rosemary Carroll said that Lindsay Bearup, with the Bureau of Reclamation, submitted a proposal to code a cloud seeding module into the model used by Dave Gochis at NCAR. They want to have it up and running in about a year. They are looking at using in-kind contributions as a funding mechanism. Director Carroll requested that Sonja follow-up with Dave Kanzer of the Colorado River District who has lead the effort.

Gunnison Basin Roundtable: Julie Nania, said that Luke Gingrich had a kickoff meeting for the Basin Implementation Plan update. She has a copy of his Power Point proposal if anyone wants to see it. He clarified that funding for that update was for project development but not for modeling any kind of demand management impacts.

Gunnison River Festival: Joellen Fonken said that all Festival activities will take place August 21 - 22. The GRF board has in the past discussed furthering educational opportunities, and this year presents a good opportunity to do that. Joellen said that the GRF has reached out to vendors asking them what they can do within groups of 25 or less. The USFS asked if the group still wanted to do the August 21 race. It could be done as a time trial or a shotgun release. They are also considering doing this on the town run in order to keep things more consolidated. Updates will be posted to the website shortly.

Sonja said that Toni Todd, of KBUT, sent her an email about an hour ago asking to interview her. She asked Joellen if she would like to participate and discuss the Gunnison River Festival. Joellen replied that she would like to.

Wet Meadows Update: Sonja said that the RESTORE Colorado grant was not approved. Paul Jones is going to check to see where any deficiencies in the application may have been. Michelle said perhaps it will be possible to secure a more secure source of funding for that program.

8. MISCELLANEOUS MATTERS

Bill Nesbitt said that he was approached by a local government agency about the possibility of selling our building to them. This group reached out a couple of years ago and again about 10 days ago. Bill said he spoke with Sonja and John, all of whom did not see a reason for the District to sell. Michelle agreed. John said that it took over a year to find this building and that the committee looked at every commercial possibility in Gunnison.

9. CITIZENS COMMENTS

No citizens requested to speak.

10. FUTURE MEETINGS

June 22, 2020 is the District's annual meeting.

The Watershed Management Planning Committee will meet June 8, 2020.

Sonja said that she is on standby for jury duty the entire month of June, in Grand Junction.

11. SUMMARY OF MEETING ACTION ITEMS

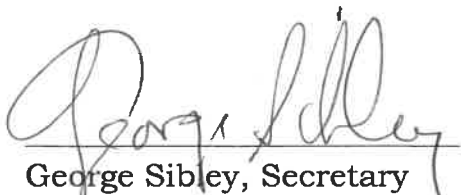
Schedule a finance committee meeting in June.

Sonja will reach out to Dave Kanzer on the hydro model.

12. ADJOURNMENT

Board President Michelle Pierce adjourned the May 26, 2020 meeting at 1:57 p.m.

Respectfully Submitted,


George Sibley, Secretary

APPROVED:


Michelle Pierce, President