



<b>Rebie Hazard</b>	<b>yes</b>
<b>Stacy McPhail</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>Don Sabrowski</b>	<b>yes</b>
<b>George Sibley</b>	<b>yes</b>

**The motion carried 8 – 0.**

**3. CONSENT AGENDA ITEMS**

**Joellen Fonken moved and George Sibley seconded approval of the consent agenda. A roll call vote was conducted. Results of the roll call vote:**

<b>Joellen Fonken</b>	<b>yes</b>
<b>Rebie Hazard</b>	<b>yes</b>
<b>Stacy McPhail</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>Don Sabrowski</b>	<b>yes</b>
<b>Andy Spann</b>	<b>yes</b>
<b>George Sibley</b>	<b>yes</b>

**The motion carried 9-0.**

**4. MANAGER AND COMMITTEE REPORTS**

The Board received the October 26, 2020 General Manager & Committee Reports in their packets. Michelle Pierce asked if there were questions about the Manger’s report and none were raised.

Sonja Chavez said that the Executive, Education, Finance, Projects and Grant Committees did not meet this month.

**F. Watershed Management Planning Committee**

**1.** The WMP committee met on October 10, 2020 and a meeting report was included in the packets. No questions were raised.

**2. Strand Ditch Bridge Project:** Sonja Chavez raised the question of whether to address the memorandum to the Crested Butte Mountain Bike Association (CBMBA) at this time of the meeting or wait until Agenda Item 7, since Matt McCombs of the US Forest Service (FS) would be present then to update them on their actions. Sonja explained that the FS was able to remove the bridge and will be working on restoration of the ditch. George Sibley suggested the Board wait to discuss this more when Matt McCombs was present. Stacy McPhail asked if CBMBA would be financially responsible in helping with resolving the situation. Sonja replied that there may be parts of the reclamation process that CBMBA can help with, but she is not sure at this point until the FS and affected parties find a solution to address recreational and ag use pressure at the Strand Ditch site. The consensus was to address this issue further under Agenda item 7.

### **III. Other Board/Staff/Committee Member Reports**

#### **A. Treasurer's Report**

Treasurer Bill Nesbitt gave his monthly update to the Board stating that the Federal Reserve will meet the day after the election, but that he does not expect them to change rates much since the economic recovery has slowed due to a spike in new Covid-19 cases across various parts of the country. Bill reported that the district does have a certificate of deposit in the Lake City Bank that is maturing and it likely will not renew at the 1.3% it is currently earning. Bill stated that he would like to leave these monies in the Lake City bank as a token of good will since we do support various projects there. There was agreement from the Board on letting this CD renew at the Lake City Bank. Bill said the district has not conducted any trades this month, although there is one bond in the portfolio that is callable now.

#### **B. Taylor Reservoir/Taylor Local Users Group (TLUG)**

**Update on Reservoir Operations: Taylor Reservoir/Taylor Local User's Group:** Sonja reported that she has now contacted all of the Four Parties to seek their financial support for installing the new gages at Texas and Willow Creeks and is still waiting for their final response. She said their support will likely be dependent on their budgets (e.g. Colorado River District and Reclamation). Reclamation may be able to offer their support if they have other gaged sites removed from their program or if these new Taylor gages are deemed more important than existing gaged sites. Don encouraged the Board to get behind funding the installation

of the new gauges even if the Four Parties are not able to assist. He said the new gages will be instrumental in helping them nail down projections of flows much more accurately than using the 30-year-models that they have relied on so far. Don said the climate and flows have changed so much in recent years that the 30-year-model is no longer accurate. Michelle Pierce reported that she believes the Board does support the installation of these new gages but that it was in the District's best interest for Sonja to keep checking with the Four Parties about assistance with long-term funding.

**C. Wet Meadows Project:** Paul Jones' report was included in the Board packet. Michelle Pierce asked if there were any questions. None were brought forward.

**D. Gunnison Basin Roundtable:** The group did not meet in October. The next meeting is scheduled for November 16<sup>th</sup> at 4 p.m.

**E. Update on Scientific Endeavors:** Rosemary Carroll was not present to give an update.

**F. Aspinall Unit Releases:** A report of releases was included in the Board packet. Sonja reported that the projected operations at Blue Mesa were at 72% of full, which is something the district should keep an eye on going forward.

**G. Drought Conditions Update:** A report by Beverly Richards was included in the Board packet. Bev reported on a National Weather Service (NWS) webinar she attended about drought conditions. Bev highlighted that the NWS is fairly certain we are heading into La Nina which usually means it is dryer than normal in our area. NWS is forecasting warmer than average temps and lower than average precipitation which could carry through to March, possibly even May 2021. According to the NWS, Gunnison County is in the "extreme drought" category and 47% of the United States are dryer than normal. At the time of the webinar, there were over 5700 fires this year with over 1.72 million acres burned, and this was before the two fires that blew up in the state last week. Joellen Fonken asked if the NWS addressed global patterns and Bev explained that the reports were geared towards agriculture primarily for the Great Plains and that they did not review global weather. Bill Nesbitt asked if it was possible to do a sort of overlay of maps of Covid-19 cases over drought infected areas to see if there is any correlation. Bev said she would look into this possibility.

## **5. ECONOMIC IMPACT STUDY – Ed and Jessica Harvey, Harvey Economics**

Mr. Ed Harvey gave a Power Point presentation showing economic impacts from three hypothetical study curtailment scenarios. Data supporting the study was derived from 2019 Upper Gunnison landowner/rancher interviews. His emphasis was on the economic impact of either voluntary or involuntary irrigation water curtailment over a one-year, three-year or five-year period for water users. Ed explained that the Harvey study was different than the Water Bank Work Group Secondary Economic Impact Study in that it was a bottom-up study whereby data was derived directly from ag water user interviews about their operations first and then results were generated upward from there. Six different sub-basins were included in the study. A copy of the Power Point slides is attached.

Following the presentation, Ed and Jessica Harvey asked if there were questions. Bill Nesbitt asked if there was a specific ratio of how the ranching/recreation economic impact would affect the overall area economy. Ed did not have a specific ratio but said that the local economy would definitely be impacted in the longer-term scenarios as it would likely mean a decline in retail sales, sales tax collections and the ranchers' debt held by area banks would increase. Ed said there would be an indirect stimulus on the local economy and bring about the "tipping point," where ag water users would decide to get out of business and sell, even earlier. Bill wondered in the tipping point scenario how ranchers would even be able to sell their properties. Ed explained that this is why they presented the results as a three-part scenario because they can't predict "how many people will be crowding the exits and when." Jessica Harvey said that based on her interviews with water users, the ranchers would likely make the decision to sell their properties before they start seeing a real "browning" pattern.

George Sibley asked why they thought there were such differences in the results among the different sub-basins. Jessica explained that a lot of the differences came down to how each individual manager ran their operations. She said there was a real difference depending on how big their operations were and how much of their total water they were currently using. If they were not using all of their available water, they could adjust their water usage more to sustain themselves longer through the season than those without extra available water.

Ed stated that the study that Doug Jeavons (BBC Research and Consulting) presented at the September 2020 Board meeting was very different than the Harvey study, even though they may sound similar in some ways. BBC's economic impact study was based upon the assumption that land would be fully fallowed whereas Harvey's study was based upon deficit irrigation. In addition, Ed indicated that the economic impacts in BBC's study were driven by irrigated hay outcomes whereas the Upper Gunnison study results were driven by cattle and cattle sales.

Bill asked how this information would be presented for public review. He wondered if the Board will have a united front in how the District should respond to voluntary or involuntary irrigation water curtailment, should it come to that. Sonja answered that this could be a discussion item at a future Board meeting but that for now, the District is not taking a position on either study, nor is the District taking a position on compensation numbers for voluntary curtailment. John McClow stated that the District simply solicited the study in order to gather as much information as possible on the subject and pass it along to our constituents. It was decided that John would develop a disclaimer to accompany the report stating that the District is not taking a position on the matter. Michelle Pierce said that if there were further questions or matters for discussion, they should be presented to Sonja so she can contact the Harveys and ask them to address the questions at the November meeting.

## **6. BREAK**

## **7. Strand Ditch Update – Matt McCombs, U. S. Forest Service (FS), District Ranger**

Matt reported that the community has been tracking this issue through the media and he understands that many of the District Board members have relationships with folks who feel strongly about this issue throughout the valley. Matt said there were breakdowns in communications and the conflict has evolved over time as biking in that area exploded this last year. Matt said he takes full responsibility for the breakdown in communications. Matt said that just today the FS crew removed the bridge and hauled it away. Later this week after the snow has melted, the FS will engage in restorative efforts to get the ditch ready for spring. Right now, his main goal is to free the ditch of obstructions and restore the water to the water right holders as per the law. Matt would like to get all parties together again this coming spring and try to come up with a long-term solution that is agreeable to everyone including having the FS evaluate if the recreational trail is even in the appropriate location. Matt said that the trail and bridge kind of evolved organically and that

in the beginning they thought everybody at the table was generally supportive of the plan for the bridge. He feels open communications with Mr. Veltri will be key in working towards an agreeable solution. Matt said many trails came about through agricultural lands and there needs to be opportunities like this for us to step back and look at the trail system and see if they are sustainable (i.e., Is the trail in the right place? Is it serving all of the users well?) Matt noted that as there is increased demand on our limited forest and water resources; there is work to be done on getting to a sustainable footprint.

**Rescission of the CBMBA grant:** Sonja said that since the immediate issue of removing the bridge and restoring the ditch has been addressed, this will give the District staff and Board time to figure out how to involve CBMBA in an acceptable solution. It will also give everyone time to think more deeply about a larger conversation that we will need to have about the future of our trail system with respect to water rights. Sonja did express concern that state funds were used for a bridge that is no longer serving its intended purpose at this site and that the District is ultimately responsible for returning funds or coming up with a solution showing the funds were used acceptably. The Board was in consensus with John McClow's memorandum recommending that the Board let discussions continue at this time without making a demand for the return of grant funds from CBMBA until parties can reevaluate bridge placement and /or trail use by all parties.

Joellen Fonken expressed that hikers are in need of a bridge perhaps even more than a biker who will ride through a ditch. She requested that there be participation in future discussions from hikers. Matt made a commitment to the Board at this point stating that "we are going to resolve this issue with all parties at the table" and he committed FS funds to restoring the situation. Matt said he "will stake my own credibility on a very positive outcome for this situation for everyone involved."

**Forest and Watershed Health Discussion:** Matt McCombs stated that Colorado is in a new era in battling wildfires and that it is apparent to him that our forests are very susceptible to rising temperatures, pests and climate change. In order to ensure forests can remain forests, there must be reliable water sources. Matt believes it is truly important that stakeholders come together as rapidly as we can to develop immediate steps we can take to start working out critical paths for our forests and watersheds to be resilient and productive into the future. Matt said that there are conversations going on at Gunnison Basin Roundtable and with the Colorado Forest Alliance about forest health and that he would like to see more of these highly engaged relationships with all community partners. The Board agreed that it was important for all

parties to have regular attendance at the roundtable meetings. There was also discussion about how to go about reducing the impact of humans, grazing, pests, fire and erosion with respect to both forest and watershed health. Sonja suggested that these issues be addressed through the Watershed Management Planning Committee (WMP), but there were Board members who felt this should be a total Board discussion since not all Directors are part of the WMP. Sonja agreed that it would be important for both Matt McCombs and Sam Pankratz, Supervisory Forester of Science & Data, to come back to educate the Board more on forest health and the impact on watersheds. Matt said he really appreciates the opportunity to collaborate with the District and other stakeholders and said the challenge will be the economics of these collaborations as each group will bring to the table a unique challenge to address within their limited budget. Matt believes the Gunnison Basin is on the cutting edge of a lot of environmental solutions and that personally, he “is in it to win it.”

## **8. 2021 BUDGET DISCUSSION**

### **Discussion of Draft Goals and Activities for 2021**

Sonja Chavez brought forward several budget line items for discussion with the Board.

**Budget lines 14 and 15 – Administrative and Staff Salaries.** Sonja reviewed her memo to the Board outlining the three different state resources she used to research salary ranges for specific positions. Her findings were that the District is lagging in salaries for some of the staff. Based on her review, Sonja came up with a range for salaries for each staff position and would like the District to begin moving towards the goal of reaching the midpoint of each of these ranges within the next three years. Sonja said our staff is the greatest resource and we need to ensure we maintain competitive salaries consistent with the market. Joellen Fonken asked about our employee benefits and Sonja and Jill Steele confirmed that now that health insurance is covered through Colorado Employers Benefit Trust, premiums have remained stable. Bill Nesbitt remarked that he thought Sonja’s research was a very methodical, professional presentation and asked if there should be a motion from the Board formally adopting Sonja’s salary range proposal. Michelle Pierce felt it would be advisable to adopt the proposal so Sonja can use it as a tool for salary projections over the next three years, so Bill Nesbitt made this motion. Stacy McPhail questioned whether the District is limiting itself in formally adopting this set range of salaries and asked if it also encompasses merit increases and cost-of-living adjustments. After further discussion, Bill rescinded his motion



and Michelle confirmed that Sonja has the Board's consensus on moving forward with her salary range projections as presented in the memo and that the specific salaries can just be part of the budget adoption process for each of the three years and beyond.

**Budget line 23 - Office Equipment:** Sue Uerling reviewed her findings about audio/visual upgrades to the Board Room since there have been difficulties in hearing and seeing Directors and staff during the Zoom meetings. Sue asked the Board to review the memo she had included in the packet, which included estimates from two area audio/visual companies. Sue said that she had done some follow-up research online about the quality of sound with wireless microphones versus hardwired microphones and the consensus is that both are equally good. Sonja said that since the District had not used much of its travel budget during the Covid-19 pandemic this year, perhaps we could reallocate those funds to get started on some of the A/V upgrades yet in 2020. The Board consensus was that this was very important to the quality of our public meetings and that the District should move forward with the upgrades now.

**Budget line 44 - Taylor River Watershed Modeling:** Sonja said that \$35,000 had been allocated for the modeling and an extra \$5,000 was included to address potential vandalism as units are often used for target practice.

**Budget line 45 – Watershed Management Planning:** Sonja is recommending more funds to be allocated this year to accommodate opportunities to provide matching funds to outside groups like Trout Unlimited and/or the Forest Service as they go after grants.

**Budget line 46 – Streamflow Gaging:** Based on input Sonja received from the Board today, she is recommending we budget for installation of new stream gages on Texas and Willow Creeks without having the final response on the support from the Four Partners. The Board agreed.

**Budget line 46 – Watershed Coalition Support:** After some discussion on whether or not Lake Fork Conservancy and Coal Creek Watershed Coalition are also getting other operational support from the District in addition to this line item allocation, it was agreed that both groups should receive \$10,000 each. George Sibley pointed out that they can use this funding to leverage grant support from other funders to accomplish important work within the basin.

**Budget line 38 – Recreational In-Channel Diversions:** Joellen Fonken asked why the Gunnison River Whitewater Park gage allocation and been reduced to

zero and it was explained that the operation and maintenance of the gage itself is already being captured under Budget line 46 in Streamflow Gaging. The \$1,000 left under line 38 is just for the maintenance of the webcam at the Whitewater Park.

Michelle Pierce asked if there were any other budget items for discussion and hearing none, said that we have a final budget ready to present for public hearing at the November Board meeting. John McClow stated the Board will need a motion to approve the budget as presented subject to public input at the November Board meeting.

**Bill Nesbitt made the motion to approve the budget as presented subject to public input at the November Board of Director’s meeting. George Sibley seconded the motion. A roll call vote was conducted. Results of the roll call vote:**

<b>Joellen Fonken</b>	<b>yes</b>
<b>Rebie Hazard</b>	<b>yes</b>
<b>Stacy McPhail</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>Don Sabrowski</b>	<b>yes</b>
<b>Andy Spann</b>	<b>yes</b>
<b>George Sibley</b>	<b>yes</b>

**The motion carried 9-0.**

## **9. MISCELLANEOUS MATTERS**

**Letter to BAMP LLC:** The draft of the letter that John McClow had written to BAMP, LLC explaining that the Condominium Association declaration states that maintenance, repairs and replacement of Common Elements is the responsibility of all owners was included in the Board packets. Michelle Pierce questioned if this letter could wait until spring since repairs cannot be made until then. Bill Nesbitt recommended that the letter be sent now so that Dan McKenna has time to prepare before the work is scheduled this spring. John McClow recommended instead that Sonja speak to Mr. McKenna about scheduling a Condominium Association Meeting so that the Association can adopt a formal resolution about the repairs and maintenance.

Joellen Fonken lead the singing of “Happy Birthday” to Sonja Chavez, Jill Steele and Bev Richards who have birthdays in late October and early November.

## **9. CITIZEN COMMENTS**

None were received.

## **10. FUTURE MEETINGS**

The Gunnison Basin Roundtable will meet at 4:00 PM on November 16. The next Board meetings will be November 23, 2020 and December 9, 2020. UGRWCD offices will be closed on November 26 and 27 and December 24 and 25<sup>th</sup> for the Thanksgiving and Christmas holidays respectively.

## **11. SUMMARY OF MEETING ACTION ITEMS**

Sonja will allot time during the November Board meeting for further discussion of the Economic Impact Study and how best to present the findings to the public.

Sonja will continue to work with the Forest Service and Mr. Michele Veltri to stay attuned to progress on the Strand Ditch restoration.

Sonja will coordinate with Matt McCombs and other Forest Service personnel to allow for more discussion and education on forest and watershed health at future Board meetings.

Sonja will schedule a meeting of the Executive Committee to perform her and John McClow’s annual performance evaluations.

Sonja will contact Dan McKenna about scheduling a Condominium Association meeting to take action on the repairs to the Common Elements at 210 West Spencer Avenue.

## **12. ADJOURNMENT**

Board President Michelle Pierce adjourned the October 26, 2020 meeting at 8:37 p.m.

Respectfully Submitted,



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George Sibley, Secretary

APPROVED:



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Michelle Pierce, President