Upper Gunnison River Water Conservancy District
Regular Board Meeting Minutes
Monday, February 22, 2021

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regular meeting via Zoom video/teleconferencing on Monday, February 22, 2021 at 5:30 p.m.

Board members present: Rosemary Carroll, Joellen Fonken, Rebie Hazard, Stacy McPhail, Julie Nania, Bill Nesbitt, John Perusek and Don Sabrowski.

Board members not present: Michelle Pierce and Andy Spann

Others present:
Bella Biondini, Gunnison Country Times
Sonja Chavez, General Manager
Cindy Dozier, Club 20
Nancy Fishering, Concerned Citizen
Emily Halverson, Assistant Attorney General
Samuel Liebl, Gunnison Country Times
John McClow, General Counsel
Greg Peterson, Razor Creek Ranch
Beverly Richards, Water Resource Specialist
Bob Robbins, Concerned Citizen
Jill Steele, Office Manager/Accountant
Sue Uerling, Administrative Assistant

1. CALL TO ORDER

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

2. AGENDA APPROVAL

3. CONSENT AGENDA ITEMS

Director Bill Nesbitt requested the minutes be removed from the consent agenda items for discussion. Director Nesbitt and Director Rosemary Carrol requested that the minutes be amended at the top of page 8 (regarding grants) to read: “but the District's funding priorities may be dependent upon the types

of applications received in any given year." Director Nesbitt also requested the minutes be amended on the top of page 15 to read "*New York Times*" article instead of "*Wall Street Journal* article."

Director Bill Nesbitt moved and Director Joellen Fonken seconded approval of the minutes with the amendments noted. The motion carried.

Director Rebie Hazard requested that the Operating Expenses be removed for the Consent Agenda items for discussion. Director Hazard questioned the District's payment of the personal cell phone bill for Water Resource Specialist Beverly Richards. General Manager Sonja Chavez said that with her promotion to Water Resource Specialist, Bev is expected to take calls outside of normal business hours and Bev will need to be available. Sonja explained that Bev's personal phone plan works better for Bev at this time and that Bev is being reimbursed the same monthly amount as the District pays for the General Manager and General Counsel's monthly cell phone charges. Beverly will make a full transition to the District phone plan in a couple of months.

Director Rebie Hazard moved and Director Julia Nania seconded approval of the Operating Expenses as presented. The motion carried.

4. ELECTION OF BOARD SECRETARY

A. Vice President Stacy McPhail reviewed the resignation letter submitted by former Secretary George Sibley and asked for nominations to fill the role of Secretary of the UGRWCD Board of Directors.

Director Joellen Fonken nominated Director John Perusek to serve as the Secretary of the Board of Directors and the motion was seconded by Director Bill Nesbitt. Director Perusek accepted the nomination. The motion carried.

General Manager Sonja Chavez reviewed the Board vacancy process which begins with advertising openings in April and the Board position being appointed by Judge Patrick in June each year. Since former Director George Sibley represented the City of Gunnison, Sonja spoke with the City administration about whether they wished to move forward with filling the vacancy now or waiting until June. The City was fine with coordinating with our annual process in June.

B. Vice President Stacy McPhail reviewed the Resolution commending George Sibley for his outstanding service and noted that George will be "dearly missed."

Director Bill Nesbitt moved and Director Rosemary Carroll seconded the motion to approve Resolution 2021-02 commending former Director and Secretary George Sibley for his outstanding service to the District and state water organizations. The motion carried.

C. Vice President Stacy McPhail noted that with the Secretary serving as one of the authorized signors of checks for the District, Resolution 2021-03 would be required by the banks to update their records.

Director Rebie Hazard moved and Director Bill Nesbitt seconded the adoption of Resolution 2021-03 amending the list of Directors authorized to sign checks for the District. The motion carried.

5. LEGAL AND LEGISLATIVE MATTERS

General Counsel John McClow referred to his memo in the packet and noted that he has visited with Steve Anderson of the UVWUA and Steve has no concerns regarding the District's proposed agreement with conditions for development of the hydroelectric generation facility proposed by Gunnison County Electric Association (GCEA) at the Taylor Park Dam. John has not heard back from Mike McBride with GCEA and will follow up with him.

John reported that the state legislature convened last week, but there are no water bills of interest to the District filed at this time. John will continue to monitor the sessions and will call the Legislative Committee to meet as water bills are proposed.

6. WATERSHED AND FOREST HEALTH

A. Kenneth Hurst Williams with Lawrence Berkley National Laboratory gave a presentation titled "Science Updates from the Watershed SFA: Water Quality Findings Relevant to UGRWCD 'Values & Risks'." Ken focused primarily on Coal Creek and the Slate River and parts of the East River and Gunnison River. Ken and his staff have been taking samples several times a week to daily from Coal Creek and have found concerning high nitrogen content and other minerals in the samples. They have also found that the maximum temperature of Coal Creek has increased by an average of 2.1 degrees Celsius and the minimum temperature has increased by an average of 1.6 degrees Celsius

since 1980. Ken explained that their studies are still very much a "work in progress" in tracking possible sources for the elevated levels in Coal Creek and the Slate Rivers. Ken did point out they have not seen the same elevated levels in the East and Gunnison Rivers and said this might be due to the increased use of flood irrigation along these river corridors. Ken was asked if there could be a climatic trend affecting the levels and he answered that it is still too early in their studies to confirm the "smoking gun" of the possible sources.

B. Vice President Stacy McPhail referred to the memo she shared with the Board in the Board Packet. She said she came up with the values from the UGRWCD 2020 Mission and Values Statements. Stacy feels this framework is important for staff and contractors to use when considering grant opportunities that include both forest and watershed health components. She asked if this framework makes sense to the Board at large. Director Julie Nania said she feels it is important for the Board to assess our values first and then come up with associated risks. Julie said this will be the framework for deciding where to spend our energies and resources. Vice President McPhail encouraged attendance at committee meetings to have deeper discussions on important topics like this.

7. BREAK

8. GENERAL MANAGER AND COMMITTEE REPORTS

A. Treasurer's Report

Treasurer Bill Nesbitt reported that stocks continue to do well but bonds remain flat. Bill said the District has a CD coming up for renewal that was earning 2.8 percent, but he suspects we will not be able to get a rate as good as that at renewal. He will review options with Sonja for the CD when it comes up for renewal. Bill said that everything is stable for the moment and to "stay tuned." No questions were raised.

B. General Manager's Report

General Manager Sonja Chavez referred to her memo in the Board Packet. With respect to the Spencer HOA meeting, she noted that she has signed a contract with Western Slope Foundation to address the foundation issues at the office complex when the weather allows (area under porch and concrete pad in the southwest corner. The District put down a deposit to secure a date for the work.

C. Upper Gunnison Board Committees

General Manager Sonja Chavez briefly reviewed the Standing Committees and said that since former Director George Sibley was active on several of the committees, it will be necessary to find replacements for him. Vice President Stacy McPhail noted that since three board members must be present at committee meetings to take action, it is really important for Board members to attend the meetings.

General Manager Sonja Chavez reported that currently there is not a description for the Watershed Management Planning Committee in the Board committees' policy.

Director Rebie Hazard moved and Director Rosemary Carroll seconded to direct General Counsel John McClow to draft a description of the Watershed Management Planning Committee for the committees' policy document. The motion carried.

General Manager Sonja Chavez noted that the "Administrative Committee" title is not clear that this committee deals with water issues and not office or organizational administration.

Director Joellen Fonken moved and Director Julie Nania seconded to add the word "water" to the Administrative Committee title so that it will now be called the "Water Administrative Committee." The motion carried.

Director John Perusek asked if the Board needs to fill the committee vacancies created by former Director George Sibley's resignation at tonight's meeting. General Manager Sonja Chavez said that it was not necessary at this time, but if a Board member wants to get more involved on any of the committees now to please let her know and that when a new Director is appointed as George's replacement, she hopes this person will fill some of the vacancies.

Vice President Stacy McPhail pointed out that the Watershed Management Planning Committee especially could use more help. Director Rosemary Carroll offered to fill in on the WMP committee at least until George's replacement is appointed. Rosemary stated that she will need to see how committee meetings work out with her work schedule before she can commit to serving on the WMP long term.

It was pointed out that Director Joellen Fonken should be listed on the Standing Committees roster as chair of the Grant Committee.

Director Don Sabrowski would like to be added to the Projects Committee.

D. Watershed Management Planning Committee

General Manager Sonja Chavez referred to the WMP memo in the Board Packet for complete details but said the District has just sent in a semi-annual WMP report to the Colorado Water Conservation District and hopes to provide reports more frequently, June and December each year. In addition, Sonja reported:

As part of the WMP process, Wilson Water Group is reaching out to all valley municipalities about what use needs.

A Watershed and Forest Health Sub-group has been established by the District. Dan Omasta of Trout Unlimited is leading the effort as a WMP coordinator. Ashley Hom from the US Forest Service is also working with the WMP on this effort. A sub-group of technical experts is meeting first to establish the state of our knowledge and the status of work done to date so that we can bring that information to a larger sub-group. The District's goal is to determine where we can collaborate with federal land management agencies in our forested systems to maintain or improve watershed health.

With respect to the $180,000 grant awarded to the District from the CWCB Watershed Restoration Program for the *Upper Gunnison Water, Forest and Range Resiliency Project*, Sonja noted that this grant leveraged funding already budgeted in 2021 by the District on related studies and projects which allows the us to expand planned projects within our forested systems to have greatest landscape level, environmental and natural resource benefits.

Sonja reported that there will be a meeting with engineer Craig Ullman from Applegate Group this Thursday, February 25 at 1 p.m. to review the Ohio Creek sub-basin. Since this will be an in-person meeting, Sonja asked that Board members let her know ASAP if they plan to attend so that she can plan for Covid-19 social distancing protocol.

Sonja reported that she hopes to wrap up the grant application to the Colorado River District Partnership Project Funding Program by next week for the Single Point of Diversion Project. Since a requirement of the application is letters of support from the county, Sonja will reach out to the Gunnison BOCC for letter. She will also bring Kathleen Curry (Colorado River District Board Member representative for Gunnison County).

The next WMP meeting is on March 8 at 1:30 PM.

E. Grant Committee Update

Water Resource Specialist said that the virtual informational training went over very well with eight people in attendance. To date, two grant applications have been received. The deadline for applications is Friday, February 26 at 5 PM. General Manager Sonja Chavez said that due to its success, the informational training session will be something we start offering annually.

F. Education Committee Update

Water Resource Specialist Bev Richards reported that staff is very pleased with the AV system upgrade in the Board Room, particularly how easy it is to use. In addition, Bev said a revised outline of our website framework is being finalized with web designer Rob Strickland in order to make some changes to the backbone of the website which will make navigation easier and will make it easier for staff to maintain. As soon as the outline is complete, Rob will provide us with an estimate on what his charges will be to make the changes and train staff in the use of Elementor software.

Administrative Assistant Sue Uerling said that the District has received a number of potential drought slogans from the public, Directors and the staff. The list of slogans has been shared with the Education Committee and staff. Sue asked that anyone on the committee who has not voted yet, to please do so. Sue will tally the votes and share the winning slogan(s) with the entire Board.

General Manager said the recent WaterSmart meeting was very helpful in terms of where to focus our energy with regard to outdoor water use. Sonja said the municipalities said they might be able to help curb lawn watering with permanent residents but that many of the second homeowners use property managers to oversee their lawn irrigation.

G. Basin Water Supply Information

Water Resource Specialist Bev Richards reported that it is still dry and looks to stay dry over the next several weeks. Snowpack has improved to 88 percent of average. The entire western half of the United States is experiencing drought conditions. Currently, the soil is testing dry to a depth of about six inches, so even with a normal snowpack, the runoff will likely soak into the soil before

hitting the streams. Cloud seeding has continued but they were not able to seed as much as they had budgeted for due to high avalanche danger. Director Rosemary Carroll reported that she has talked to a number of skiers in Crested Butte who think that runoff will be good because they are seeing a higher snowpack recently. It was discussed that the District should use social media and radio spots to get the word out about the true conditions of snowpack and runoff outcomes based on the drought.

H. Scientific Endeavors Report

Director Rosemary Carroll reported that many of the scientific studies are currently in between seasons. She commended Ken Williams for the presentation he did on water quality. Rosemary said they would also be looking more into the effects of higher temperatures on water quality. Rosemary said there is an effort to move their radar station from the Vail/CBMR ski area closer to Coal Creek. General Manager Sonja Chavez said that she has not gotten a response from Vern Tharp of Western States Water Partnership about the possibility of doppler radar being installed in the basin. Director Carroll said she would reach out to him again. With regard to other scientific research and efforts going on in the valley, Sonja wondered how best to organize and facilitate collaborate among the various groups to share data and outcomes.

I. Long Lake Stakeholders Work Group Update

Director Rosemary Carroll reported that the group just had their initial kick off meeting and plan to meet about once a month or so. The first meeting focused on getting stakeholders to come up with goals for Long Lake and review the pressures Long Lake has experienced recently. In the short-term, goals for Long Lake included investigating new trails sustainability, signage for private property, parking and trash removal.

J. Gunnison River Festival Update

Director Joellen Fonken reported the dates of June 11 and 12th have been set for the 2021 River Festival. She has submitted a permit request to the US Forest Service for downriver trials on Taylor River on June 11th and has discussed Covid-19 restrictions with public health. Because of Covid restrictions, there will not be big public gatherings either day and the festival will focus more on athleticism the first day and general educational, family-friendly events throughout the festival. Vendors will not have booths at the White Water Park this year. Joellen is happy to have hired Matt Sawyer, a

Masters student at Western who worked as an intern with the District in the past, to help with the festival.

9. DEMAND MANAGEMENT FRAMEWORK DISCUSSION

General Manager Sonja Chavez reviewed the memo, press release and a previous memo related to Demand Management included in the Board Packet and asked the Board if they feel ready to draft a statement of understanding so that everyone in the District is able to speak about Demand Management with one voice. Sonja said that she has been asked several times about the District's position and that it would be great to have a statement prepared that everyone can use. She also noted the importance of a statement of understanding in that it can serve as a chapter in the Watershed Management Plan. There was a lot of discussion about the District's readiness to take on this task. Director Fonken noted her limited understanding of demand management and the potential benefits of having a statement. The consensus was that staff should work on a draft of the statement of understanding of demand management which will be reviewed by the Board at a future meeting.

General Counsel John McClow said the Colorado Water Conservation Board will conduct a workshop on March 2nd on "Demand Management Feasibility Investigation" as part of their Phase 2 work effort and that the public is invited. A link for this meeting will be provided to the Directors.

10. MISCELLANEOUS MATTERS

A. District Payment of Expenses Process

General Manager Sonja Chavez reported that there have been some issues with getting bills paid in a timely fashion since the District's practice has been to wait to pay bills until after operating and non-operating expenses have been approved by the Directors at each Board meeting. Sonja said that the budget is now much more detailed than in the past and that the Board has already approved the line item expenditures when the budget is adopted, so she does not see the need to review each invoice prior to them being paid. Nor does the District's financial policy require this. Sonja said she would always bring forward to the Directors any expenditures that are not clearly spelled out in the budget or that are out of the norm of what is expected. Sonja asked if the Directors were comfortable with this proposed practice so that payments can be made in a timelier fashion. No one raised any concerns.

Sonja also suggested that the District get into the practice of having checks cut every Friday and then have one of the authorized signors come into the office on the following Monday or Tuesday to sign the checks. Sonja suggested that one of the check signors be assigned to a particular month so that this duty doesn't fall solely on any single Board member. Those officers in attendance authorized to sign checks for the District agreed to this suggestion.

B. Gunnison Energy Production – Solar Panels

Directors were referred to the report in the Board Packet.

C. Newspaper and other Water Articles

Director Bill Nesbitt asked that any articles included in the Board Packet that do not already have the date of publication printed on them to please handwrite the date on the article. Staff will do so.

11. CITIZEN COMMENTS

Greg Peterson with Razor Ranch asked if the District plans any further use of the information collected with the Harvey Economics study. General Manager Sonja Chavez stated that Ed Harvey has presented the results of the study to a number of groups and the District will utilize information to further discussions about Demand Management. Mr. Peterson also asked if the District felt that at some point the state will institute some sort of non-voluntary Demand Management program of water rights holders due to drought conditions. Will it become an emergency situation? General Counsel John McClow responded by saying that modeling by the River District, the State and the Bureau of Reclamation indicate that there will not be a significant risk of a Compact deficit for at least seven years, even in a worst-case scenario, so John feels there is some time for those in our District to prepare, but indicated we shouldn't drag our feet. General Manager Sonja Chavez offered to visit with Mr. Peterson more about these issues if he wishes.

12. FUTURE MEETINGS

Vice President Stacy McPhail referenced the list of upcoming meetings.

13. SUMMARY OF MEETING ACTION ITEMS

The summary of action items was noted as follows:

General Counsel John McClow will draft a description and mission statement for the Watershed Management Planning Committee for inclusion in the Board Committees Policies.

General Counsel John McClow and General Manager Sonja Chavez will jointly develop a draft statement of understanding of the District's understanding on Demand Management.

General Manager Sonja Chavez will develop a message on snowpack and the lingering drought conditions as part of the Education and Outreach message, which will be shared on the District's social media sources and through radio advertisements.

General Manager Sonja Chavez will direct staff to update the Standing Committees records to reflect the changes made at the meeting tonight.

Sonja will also coordinate with Treasurer Bill Nesbitt when the District's CD comes up for renewal in March to investigate options for this investment.

14. ADJOURNMENT

Vice President Stacy McPhail adjourned the regular board meeting at 8:13 p.m.

Respectfully Submitted,

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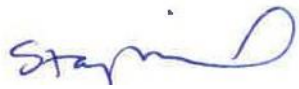
John Perusek, Secretary

APPROVED:



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Stacy McPhail, Vice President