
**Upper Gunnison River Water Conservancy District
Regular Board Meeting Minutes
Monday, April 26, 2021**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Monday, March 22, 2021 at 5:30 p.m. in the District offices, 210 West Spencer Avenue, Suite B, Gunnison, CO, 81230.

Board members present: Rosemary Carroll (via Zoom video/teleconferencing), Joellen Fonken, Rebie Hazard (via Zoom video/teleconferencing), Stacy McPhail, Bill Nesbitt, John Perusek, Don Sabrowski and Andy Spann.

Board members absent: Julie Nania and Michelle Pierce

Also present:

Sonja Chavez, General Manager
William Dujardin, Mayor Pro-Tem, Crested Butte Town Council
Emily Halvorson, Colorado Department of Law
Jesse Kruthaupt, Trout Unlimited
John McClow, General Counsel
Dan Omasta, Colorado Trout Unlimited
Beverly Richards, Water Resource Specialist
Jill Steele, Accountant/Office Manager
Sue Uerling, Administrative Assistant

1. CALL TO ORDER

Board Vice President Stacy McPhail called the meeting to order at 5:28 p.m.

2. AGENDA APPROVAL

Director Bill Nesbitt moved and Director Andy Spann seconded approval of the agenda as circulated. The motion carried.

3. CONSENT AGENDA ITEMS

Director Joellen Fonken moved and Director Bill Nesbitt seconded approval of the consent agenda items. The motion carried.

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4. LEGAL AND LEGISLATIVE MATTERS

General Counsel John McClow reported that water bills introduced to date have been about matters that don't affect the District. He said that the state legislature may go into recess and come back later in the year as they have not decided how they are going to conclude the session. Bill asked if the District should align with the Cattlemen's Association or Gunnison Stockgrowers Association in opposition to Ballot Initiative 16 since he believes it would have significant, extremely negative impacts on Colorado ranchers and the veterinarians. Vice President McPhail said everyone she has been in contact with is adamantly opposed to the initiative and she encouraged Board members to please talk to people who are not familiar with the initiative to become informed.

5. PRESENTATION BY DAN OMASTA, CO TROUT UNLIMITED, ON WMP RECREATIONAL ASSESSMENT AND FOREST AND WATERSHED HEALTH

Dan Omasta, grassroots coordinator of Colorado Trout Unlimited, is under contract with the District to complete a Recreational Assessment for the District. He is also serving as the District's WMP Coordinator for the Forest & Watershed Health Assessment.

Dan reported that the final report for the Recreational Assessment will be published next month. He said that water-based recreation generated \$879.4 million in economic impact for the Gunnison River watershed and 6,150 jobs in 2020. Fishing alone provides \$32.75 million in economic impact and \$5.4 million in economic impact was generated by commercial white water rafting in 2020. Dan said the Colorado Parks and Wildlife data shows that there were 25,000+ user days on the Taylor Reservoir and 90,000+ user days on Blue Mesa Reservoir in 2020. According to user surveys, the three major issues identified were increasing recreational pressure and impact from the growing number of water users, population growth and climate change. Through the Recreational Assessment, Dan and partners have analyzed existing data; engaged stakeholders, analyzed the top recreational issues, and now will identify specific improvement projects and opportunities that the District and others may want to address. In addition, a boater census and creel survey will be conducted by CPW and TU during June through September 2021. The

District has provided \$10,000 through a District Grant in support of this effort. Next steps will be continued stakeholder meetings and project identification, followed by project development and fundraising.

Dan reported that funding for the Forest and Watershed Health study is being provided by the District, the CWCB Restoration Grant Program, Restore Colorado and National Fish and Wildlife Foundation. Phase 1 of the study began in March 2021 and will be completed by November 2022. Three main values have been identified: (1) Protection of existing beneficial uses; (2) economic stability and resiliency; and (3) protection and enhancement of water quality and quantity. Dan said the core technical subgroup has been established and they are working to consolidate their knowledge around all the existing data related to forest and watershed health. Dan said that after the data has been gathered and gaps have been identified, the workgroup will identify and implement mitigation strategies, collaborate where such opportunities exist and collaborate on research and monitor activities on an ongoing basis. Dan emphasized that both the Recreation and Forest and Watershed Health Assessments will be ongoing projects that evolve over time and are not meant to be reports that sit on a shelf.

General Manager Sonja Chavez commended Dan on his efforts thus far and said they are making great progress.

Director Rosemary Carroll noted that the National Science Foundation is about to embark on developing an extensive hydrologic model of the Taylor River and that as this project progresses, the data might be very beneficial to Dan and the WMP.

Director Joellen Fonken asked whether the Recreational Assessment final report would include a breakdown of professionally guided river trips versus those made by recreational boaters. Dan said that some of that data will be provided in the final report.

Dan also said that the CPW will likely be designating the Taylor River and the main stem of the Gunnison River as Gold Medal fishing waters, which is likely to bring more users to these rivers. Director Don Sabrowski asked if Dan has or will be reaching out to private landowners along the rivers for input about issues with trespassing. Dan said they would reach out to landowners going forward as they want to foster good relationships with private landowners.

6. BREAK

7. GENERAL MANAGER AND COMMITTEE REPORTS

A. Treasurer's Report

Treasurer Bill Nesbitt reported that the Finance Committee had met just prior to the Board meeting. One issue discussed was the District's loan of \$75,000 to the Water Activity Enterprise. Accountant Jill Steele reported that the loan had been made to cover start-up costs for the Meridian Lake project and that the loan carried no interest provisions, and that no deadline was specified for repayment of the \$75,000. Recently, there have been a number of Meridian Lake augmentation certificates purchased from the Water Activity Enterprise, leaving a cash surplus of nearly \$300,000. Therefore, the Finance Committee discussed using some of this cash to repay the District for the \$75,000 loan.

Treasurer Bill Nesbitt moved to approve the Finance Committee's recommendation for the UGRWAE to pay off the \$75,000 loan to the District. The motion carried.

Treasurer Bill Nesbitt also reported that he and General Manager Sonja Chavez met with the District's investment advisor, Troy Hunsucker who trades through LPL Financial. Troy's recommendation was to purchase federal agency bonds, which carry a higher interest rate than our current COLOTRUST money mark account, and ladder their maturity dates for liquidity. Currently, the COLOTRUST money market account is earning .65 percent and Troy said that agency bonds would earn interest between .90 and 1.05 percent and are still very liquid. General Manager Sonja Chavez stated that there are currently no projects in the works that would require access to large amounts of cash. Treasurer Nesbitt noted that state statutes limit the District's investment terms to five years maximum and the District will be looking at bonds that mature in three or four years. Currently, there is over \$1.2 million in the COLOTRUST account. Sonja stated that according to the District's Financial Investment Policy on Holding Accounts (Section 1.1.6) *All investments of District funds must be approved in advance by the Board.* In addition, due to the size of the investment – the recommendation is for a trade of \$900,000 total - Bill felt it was important for the Board to be fully aware of the investment plans for transparency.

Treasurer Bill Nesbitt moved to approve the Finance committee's recommendation of investing \$900,000 currently held in the Colorado Trust into US agency bonds for a better return. The motion carried.

B. General Manager's Report

General Manager Sonja Chavez referenced the committee reports and updates included in the packet.

C. Executive Committee

Sonja reported that the committee met on April 8th and discussed updating the Strategic Plan, scheduling a Board Retreat this summer and held preliminary discussions of topics of miscellaneous matters. Sonja said the District will email the directors a survey poll in the next few weeks to formulate topics and training for the retreat, possibly in August 2021. She also noted that she was interviewing potential retreat facilitators.

Directors Andy Spann and Rosemary Carroll said that August would not be a good month for them to attend a Board retreat. Sonja said the committee will discuss this more at their next meeting in June.

D. Watershed Management Planning Committee Update

Sonja referenced the WMP update included in the packet and asked if there were questions. None were raised.

E. Grant Committee

Water Resource Specialist Beverly Richards updated information related to the grant applications for the Vegetable Irrigation/Gunnison Gardens and the Norman Ditch Diversion Rehabilitation Project. Vice President Stacy McPhail read the recommendations from the Grant memorandum dated April 14th as follows: (1) Modify the grant award for the *Solar Pumps for Vegetable Irrigation / Gunnison Gardens* to be \$4,365; (2) Approve the Grant Committee funding award recommendation for the *Norman Ditch Diversion Rehab Project* in the amount of \$9,600; and (3) Modify the District Grant Program funding award total in 2021 to be \$191,685.77, which incorporates Action Items #1 and #2 above.

These recommendations were unanimously approved by the Board of Directors.

F. Education & Outreach Update

Administrative Assistant Sue Uerling provided the update included in the packet and noted that the District's drought message is now being used through radio advertisements on stations in the valley and in weekly display ads in the *Gunnison Country Times*, *Crested Butte News* and *SilverWorld*. Sue said Sonja would also be writing an article for the *Gunnison Country Times*' "Summer Magazine" and a full-page ad will run in the magazine as well. This ad can then be used as a flyer to distribute to area hotels, restaurants, and attractions. The water bottles have been delivered and each Board and staff member received a bottle. They will also be distributed at the Gunnison River Festival, along with the reusable shopping bags and stickers that should be delivered in May. In addition to the yard signs already on order, Sue said that staff is looking into the possibility of billboards on Highway 50 and some alupanel signs on private property at the entrances to Gunnison. Director Rebie Hazard reminded staff that property along Highway 114 should also be considered for one of these signs.

Later in the meeting, Water Resource Specialist Bev Richards reported that the framework and navigation for the District's website had been completed by Rob Strickland of Midnight Marketing and that the new version is now live. Bev reported that staff should be able to do most website updates in-house going forward. It was also noted that the Spring 2021 district newsletter was emailed to the newsletter email distribution list and that it is displayed on the new website at www.ugrwcd.org.

G. Taylor Local User's Group (TLUG) Update

Director Don Sabrowski briefly reviewed the TLUG meeting summary and noted that the TLUG members are in agreement to be more conservative with releases early in the season in hopes that this will retain some water for use in July. Don explained CPW's plans to drain Spring Creek Reservoir to make repairs to the dam outlet works and how this will help provide additional water for the lower Taylor River later in July. Discussion was held around the discrepancies in historical Bureau of Reclamation inflow forecast model predictions versus actual inflows. At this point, a complete

comparison does not exist. In 2020, the difference in modeled versus actual was about 10,000 acre-feet less. Director Andy Spann noted that his observations are that actual flows have traditionally been lower than the BOR's forecast models. Director Rosemary Carroll pointed out that this is a good example of why the installation of the new gages on Taylor and Willow are a good investment by the District to provide better data.

H. Basin Water Supply Update

Discussion also followed about possible water calls from Uncompahgre Valley Water Users Association. Director Spann asked if we had heard anything about flooding issues in the lower Gunnison basin when they turned on the canal. Sonja indicated she had been contacted. The UVWUA started charging their canal system around March 16th and ramped up faster than normal which caused some issues because there was also a warm period at the same time which caused a pulse of snowmelt in the Uncompahgre River. General Counsel John McClow reported that he and Sonja had spoken with Jason Ullmann and Bob Hurford at the Division of Water Resources and it was determined that UVWUA will not be able to place a call in 2021 and perhaps indefinitely. This is because the Bureau of Reclamation makes additional releases from the Aspinall Unit to meet flow targets on the Gunnison River at the Whitewater Colorado gauge as required by the 2012 Aspinall Unit Re-Operations Record of Decision. This water is flowing over the Gunnison Tunnel diversion dam and is legally available for appropriation. Under that condition, the Division Engineer cannot honor a call on the river by UVWUA. Bob Hurford noted that, based on the records from 2002, a call would yield very little water, making it a futile call. John also reported that the Gunnison River Spreadsheet is being redefined and that it might be helpful to have Jason Ullmann explain the changes to the Board.

Water Resource Specialist Beverly Richards gave a brief overview saying a good portion of our area is still in extreme drought, although conditions on the front range and some of the areas to the south have improved thanks to late season snowfall. From western Colorado all the way to the Pacific coast, the majority of this area is experiencing extreme or exceptional drought, and the outlook does not look for improvement anytime soon. Bev reported that there were some successful cloud seeding days at the end of March and that the program ended on April 15th with less production than last year. General Manager Sonja Chavez said she will go out with Water

Commissioner Tom Rozman to do one last snow survey for the season. Snowpack is considerably below average for this time of year.

Director Joellen Fonken said she appreciates an extra 50 cfs in June for the Gunnison River Festival. Director Rosemary Carroll noted that her yard in Mt. Crested Butte is free of snow right now. Any new snow we are receiving is melting pretty quickly.

I. Scientific Endeavors

Director Rosemary Carroll reported that her organization has convened an evapotranspiration (ET) working group and will share the paper being written by this working group to the District once published. As part of this effort, Director Carroll is working on a hydrologic model that covers the East River to the Almont stream gage. Her preliminary results indicate approximately 50% of the precipitation that comes into the East River is consumed by (ET).

Rosemary also reported that Laura Conden, who is from University of Arizona (daughter of a farming family), has received a large grant from the National Science Foundation to lead a pilot project to connect hydrological science models to practical software tools that can be used by water managers. The U.S Bureau of Reclamation is also involved. Phase I of the study is to develop a rough version of this tool and their pilot site is the Taylor River. Director Carroll thinks if Phase II is funded, this tool will be very useful to the District and she looks forward to Laura's collaboration with the USGS, NOAA and other groups of hydrologic and atmospheric scientists working on similar efforts. If the second phase of the project is funded, which deals with educating stakeholders on use of the scenario tools, Director Carroll will be serving on the project advisory committee and will keep the District abreast of those efforts.

Finally, a meeting is being coordinated by Graham Sexton (USGS researcher and expert on snow hydrology) and Suzanne Paschke (Lead USGS Project Manager) on May 5th to coordinate efforts between NGWOS (Next Generation Water Observation Systems) efforts and Department of Energy's funded Science Focus Area (SFA) networks dealing with data on snowpack, stream flow, soil moisture, meteorological conditions, etc.

J. Long Lake Stakeholders Work Group Update

Director Rosemary Carroll said the group would meet again in May for a field trip. Sonja requested that because the District owns Meridian Lake Reservoir (aka Long Lake) that General Counsel John McClow be included in these meetings and Rosemary offered to share Jake Jones contact information.

K. Gunnison River Festival Update

Director Joellen Fonken said the festival board will be finalizing the 2021 schedule at their meeting on Wednesday, April 28. Joellen said she was contacted by members of the “surfers” who noted that they were not being included in festival plans. Joellen will be meeting with them on Tuesday, April 27 to discuss how they might be involved in the festival activities. Joellen reported that she had just gotten word from the county that the festival plans have been approved and meet public health orders for Covid-19. Joellen said a “Taylor Tuesday” will be held just prior to the River Festival and everyone from the District is invited. General Manager Sonja Chavez is encouraging all Board and staff to get involved with the festival and help out so that our community could become more familiar with their Upper Gunnison District Board representation. The District is looking into getting shirts imprinted for the festival to identify Board and staff.

8. UPPER GUNNISON DISTRICT DEMAND MANGEMENT STATEMENT OF UNDERSTANDING: DRAFT REVIEW

General Counsel John McClow and General Manager Sonja Chavez presented a summary of work done by CWCB analyzing various aspects of demand management. John said he wanted the Board to see this presentation to understand just how far the state has come and the work yet to be done. The next steps for the District are to identify what our Board expects or demand from any demand management program. John said that the Gunnison Basin Roundtable has begun preparing their own unique statement after looking at a statement from the Yampa Roundtable, as it did not meet some of their expectations. Preliminary feedback from UGRWCD is that while the CWCB’s presentation is comprehensive and organized, it is overwhelming to look at and understand what is going on with regard to development of a demand management framework.

Director Nesbitt asked what others are thinking. Sonja indicated that the Colorado River District, Andy Mueller, is still convening western slope demand

management discussions. A final report from those efforts should be available in next few months.

Sonja discussed a recent article on a study done by Homestake to track a 1,500 AF release to see if they could track/shepherd it to the State line. They were not able to do so, which begs the question of whether demand management will even work. Director Joellen Fonken attended the CWCB's virtual meeting on March 2nd and got the impression that the main purpose of the meeting was trying to make sure that no one was stepping on someone else's toes. She wonders if this will end up being a program where a whole lot of work will have gone into its planning but then it will end up being put on a shelf. Sonja reported that she still has concerns about land purchases with attached senior water rights being made by hedge fund investors. The Grand Valley Water Users Association just had two more ag properties purchased making a single hedge fund investor the largest single shareholder. Director Carroll talked about models made in Nevada related to tracking conserved consumptive use and said they are extremely complicated and cost millions of dollars for a single basin and they still have a hard time tracking the water. She said that all water isn't created equal and transit losses will vary greatly in addition to a million other things.

9. MISCELLANEOUS MATTERS

Vice President McPhail referenced the articles included in the packet.

General Manager Sonja Chavez expressed concerns about the possibility of the CB RV dump station closing. Several others also expressed concerns. Sonja offered to follow-up with Gunnison Public Works Director David Gardner about the improvements that are being proposed for the Gunnison RV dump station. She will also stay abreast of ongoing discussions in Crested Butte about the possibility of them closing their station or looking for another location.

Sonja also requested that if Board members are approached by constituents about augmentation water questions, they should please refer the person directly to Beverly Richards as there are many intricacies associated with the program and various steps that our District helps constituents get through, so we want to make sure they are getting the correct information.

10. CITIZEN COMMENTS

No comments were brought forth.

11. FUTURE MEETINGS

See schedule in Board Packet.

12. SUMMARY OF ACTION ITEMS

General Manager Sonja Chavez and Treasurer Bill Nesbitt will follow-up with investment advisor Troy Hunsucker to invest in agency bonds as approved by the Board.

Director Rosemary Carroll will forward the Long Lake Stakeholders Work Group contact information to General Counsel John McClow so that he will receive meeting notices and summaries.

John will continue to work on a UGRWCD demand management framework statement or statement of position after taking into consideration the statement currently under development by the GBRT via John's leadership.

13. ADJOURNMENT

Vice President Stacy McPhail adjourned the April 26, 2021 meeting at 7:56 p.m.

Respectfully Submitted,



John Perusek, Secretary

APPROVED:



Stacy McPhail, Vice President