

**Upper Gunnison River Water Conservancy District
Regular Board Meeting Minutes
Tuesday, May 25, 2021**

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regularly scheduled meeting on Tuesday, May 25, 2021 at 12:00 Noon in the District offices, 210 West Spencer Avenue, Suite B, Gunnison, CO, 81230.

Board members present: Joellen Fonken, Rebie Hazard, Julie Nania, Bill Nesbitt, Michelle Pierce, John Perusek and Don Sabrowski.

Board members absent: Rosemary Carroll, Stacy McPhail and Andy Spann

Also present:

Sonja Chavez, General Manager
Emily Halvorson, Colorado Department of Law
Paul Jones, Upper Gunnison Basin Meadow & Riparian Restoration Project
Sam Liebl, Gunnison Country Times
John McClow, General Counsel
Beverly Richards, Water Resource Specialist
Jill Steele, Accountant/Office Manager
Sue Uerling, Administrative Assistant

1. CALL TO ORDER

President Michelle Pierce called the meeting to order at 12:00 Noon.

2. AGENDA APPROVAL

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

3. CONSENT AGENDA ITEMS

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

4. LEGAL AND LEGISLATIVE MATTERS

General Counsel John McCloy reported that the Colorado legislature will adjourn this session at midnight on June 12, 2021.

John referenced his reports circulated in the Board packet about the 1975 Taylor Park Reservoir Operations and Storage Exchange agreement and the Taylor Park Reservoir Second Fill Decree. He noted that the exchange agreement will need to be renewed in 2025 and that he has started discussions with the Colorado River Water Conservation District, the Uncompahgre Valley Water Users Association (UVWUA), and the U.S. Bureau of Reclamation about the renewal agreement. Director Julie Nania commended John on being proactive on the renewal agreement since this type of negotiation takes so long to complete.

5. PRESENTATION BY JASON ULLMAN, CO DIVISION OF WATER RESOURCES

Jason Ullmann, Assistant Division Engineer with the Colorado Division of Water Resources, gave a presentation about recent changes to the administration of a water call by the Gunnison Tunnel. After an overview of the history of the Gunnison Tunnel, Taylor Park Reservoir, Blue Mesa Reservoir and Crystal Dam, Jason explained that the call procedure was scrutinized in 2018 after questions were raised by the UVWUA and UGRWCD Boards about whether or not there would be a call. Jason summarized that releases from Aspinall Unit storage are used for power generation or to meet Aspinall Unit Re-Operations Record of Decision target flows, and become streamflow available for appropriation. He said that if water available for appropriation flows over the Gunnison Tunnel diversion dam the Tunnel cannot place a valid call unless a legal mechanism is put in place in the future that creates a legal use for that water. Director Bill Nesbit said this information was great to hear and to see on Jason's presentation. Director Don Sabrowski asked if a call could be made from the Gunnison Tunnel for the Black Canyon and locations below for fish habitat. Jason said that while it is beneficial to have enough flow for the fish through the canyon, the Environmental Impact Statement Record of Decision issued in 2012 is not a water right, so there is no legal basis for such a call. John McCloy stated that the Black Canyon water right is subordinate to Upper Gunnison water rights. Jason explained that for the Uncompahgre Valley, the only reservoir available for storage is the Ridgeway Reservoir. Director Joellen Fonken asked if there were plans to build any other storage reservoirs on the western slope and Jason said that this would be a better question for someone else in the Division.

6. GENERAL MANAGER AND COMMITTEE REPORTS

A. Treasurer's Report

Treasurer Bill Nesbitt reported that things are pretty "sleepy" in the bond market. He stated that the District tries to earn at least one percent each month in interest on its investments but

that this may be hard to do as some of the District's higher paying notes are coming due. He reported that District did recently make a trade in the amount of \$500,000 for a Farmers Home Administration (FmHA) note per the motion made at the last meeting. Bill said that CD rates are down even further than the last meeting.

General Manager Sonja Chavez reported that Paul Miller will begin the annual District financial audit on June 7th.

B. General Manager's Report

General Manager Sonja Chavez referenced the committee reports and updates included in the packet. Sonja said that the seal coating for the parking lot will take place later this summer and that no official date has been provided by the contractor.

C. Watershed Management Planning Committee Update

Sonja reported that the Outcalt No. 2 contracting documents are just about finalized and ready to go to the Colorado River District. She said the floodplain analyses done by Applegate shows that we are "under the critical threshold" for a permit. Sonja regretfully informed the Board that WMP Coordinator Dan Omasta will be leaving CO Trout Unlimited (CTU) to take a new position with the Great Outdoors Colorado (GOCO) and that he will be missed. She said that CTU will be naming Dan's replacement soon and the District can then determine whether to continue the WMP Coordinator contract with his replacement or sever the contract and see if there is anyone else out there qualified and interested in taking the WMP forward.

D. Grant Committee

Water Resource Specialist Beverly Richards reported that for the 2021 Grant Program, the District received a total of 19 grant applications and awarded funds to 17 of those applicants. The total amount awarded for 2021 was \$191,685.77 bringing the grand total for grants awarded since the inception of the program to over \$1.64 million for 118 projects. The District has now contracted with 10 of the 19 awardees in 2021.

E. Education & Outreach Update

Administrative Assistant Sue Uerling reported that promotional products have all been received and asked Board members to take supplies of yard signs and flyers/posters with the drought message for use at their homes and businesses to spread the message. She has also contacted the Chamber of Commerce and city and county governments to arrange for placement of the yard signs and flyers/posters throughout the District. The reusable shopping

bags, water bottles and stickers will be given to the participants of the Gunnison River Festival and any leftovers will then be distributed to other applicable locations.

Sue said Sonja recorded four new radio ads which have begun running on KEJJ and its sister stations and the new underwriting message is also running on KBUT. The drought article written by Sonja and the full-page color ad will be published in the *Gunnison Country Times*' Summer Magazine which will hit newsstands later this week.

Water Resource Specialist Bev Richards reported that the new framework and navigation for the District's website is working well and that she and Sue feel pretty confident about making most updates in-house now. The District did receive an invoice from Rob Strickland of Midnight Marketing for more than the original bid for his technical expertise with the structure, as was anticipated.

Sonja introduced Alexander "Alex" Baca, her son, who has been hired as a marketing intern for the District for the summer. Alex's duties will be to assist with the distribution of drought marketing materials, photography and videography, establishing a District Instagram account geared towards the younger adult and youth markets and to help with field work as needed. Bev and Sue will supervise Alex. Director Joellen Fonken noted that she will be keeping Alex busy at the Gunnison River Festival.

President Michelle Piece asked if anyone from the Lake City had reached out to the District about the drought marketing. Sonja reported that she had sent a water supply forecast to Joanne Fagan but had not heard directly from anyone at Hinsdale County. Michelle offered to follow-up to see if the District can help with water conservation outreach in Hinsdale County.

Director Joellen Fonken asked if anyone knew who painted the water message on the electrical box on Highway 135 at Riverland and noted that it would be great to have such messages painted around the county.

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

Director Don Sabrowski briefly reviewed the TLUG summary from the May 7, 2021 meeting stating that the group is still agreeing to be more conservative with early water releases to hopefully save some for later use. Don said the group decided to wait until the next BOR Report to be given at the June 9th TLUG meeting to make any changes to the current flow requests. Don said that if flows continue to fall, it will just mean that releases will have to be reduced sooner than later and that it is always a moving target. Sonja noted that Dave Gochis of the National Center for Atmospheric Research sent her their data that shows that total inflow projections are holding steady for the time being.

G. Basin Water Supply Update

Water Resource Specialist Beverly Richards reported that drought conditions improved statewide since the last Board meeting primarily due to good late season snows and recent rains on the front range. However, in a recent webinar she attended, it was reported that conditions are NOT expected to continue to improve, and that western Colorado will still be in drought conditions throughout the summer. The precipitation forecast calls for a 33 percent chance that rainfall will be below normal for summer. Utah, Arizona and New Mexico are looking particularly dry. By end of year, Blue Mesa is predicted to be at only 37 percent full and Taylor will only be at 77 percent full. Streamflows are predicted to be between 36 and 77 percent of average.

General Manager Sonja Chavez reported that she met with Vern Tharp of Western States Water Partnership about the installation of a Doppler Radar unit in the District. After looking at several possible sites, Vern said that they selected a site at Blue Mesa on County Road 32A just past the Lake City Bridge. Sonja said Gunnison County is onboard to serve as the local sponsor and that it will be installed in the fall at no cost to us. Western States Water Partnership will purchase, operate and maintain the doppler radar system and the District and others in the County will test data display tools. The Gunnison County airport and others will also utilize the data.

H. Scientific Endeavors

In Director Rosemary Carroll's absence, Manager Sonja Chavez reported that she has had communications with Colorado Natural Heritage Program about re-doing basin wetland inventory including mapping and field verification, (possibly in partnership with RMBL or others) and another Boulder-based company about rapid assessment of fluvial hazards. She said the USGS, NOAA and other groups of hydrologic and atmospheric scientists are working on similar efforts. Sonja said she will also coordinate with Director Stacy McPhail and Director Julie Nania about getting a bid from JW Associates.

I. Long Lake Stakeholders Work Group Update

General Counsel John McClow spoke with the coordinator of the Long Lake work group and he is now getting meeting notices and updates for the group and will participate in future meetings.

J. Gunnison Basin Roundtable (GBRT)

Director Julie Nania reported that there were updates made to the Gunnison Basin Implementation Plan (GBIP) and that with these updates, there are now projects totaling over one billion dollars on the GBIP list. At the last meeting, there was a presentation on Forest Health as consultants from the CWCB researched forest health issues as they relate to water. Julie said the CWCB found the same results as the WMP – that forest health is a vital part of watershed health. It was reported at the meeting that 220 groups are working on some aspect of forest or watershed health and each group has its own focus. Julie said that climate changes are definitely impacting our forests, but the changes are a little unclear and more scientific data is needed to make good decisions. The costs of assessing fires, floods and runoff all come with big price tags and costs will be rising. Julie reported that grants were awarded to Colorado Ag Water Alliance in the amount of \$4,500 for outreach and to the Lake Irwin project in the amount of \$20,000 (partial funding) for research to help with scoping.

Director Joellen Fonken asked if there is always a grant cycle from the GBRT and Director Nania said that grants are accepted four times a year at times coinciding with CWCB grant funding.

K. Gunnison River Festival (GRF) Update

Director Joellen Fonken handed out what she referred to as the “bible” of the GRF. She noted that on pages 2 and 6, there are opportunities to volunteer or participate in the festival, and she encouraged the Board to be involved. The GRF needs someone to man the grill following the raft and kayak races on the Taylor on Friday, June 11th. John McCloy volunteered his services. Joellen announced that this year there will be a new “run for fun” at Van Tuyl Park on Sunday morning, June 13th at 10 a.m. Participants can walk or run. Joellen offered GRF hats to the Board. Joellen noted that the barbecue on Friday night will be held at Campfire Ranch with the band starting about 6:30 p.m. All sponsors will be recognized and Joellen has arranged for intern Alex Baca to videotape the festivities. High Alpine Brewery will be giving out 30-ounce Growlers of beer. Joellen said that since it is a campground, quiet hours begin at 10 a.m. and festivities will need to be wrapped up before then.

General Manager Sonja Chavez encouraged Board members to come to the barbecue and wear their embroidered UGRWCD shirts. She also reported that the Colorado River District will give its “State of the River” report on June 10th via remote meeting.

L. Upper Gunnison Basin Wet Meadow & Riparian Restoration Project (Wet Meadows) Report

Coordinator Paul Jones referenced his report circulated in the Board packet. Paul said he will have a five person crew this year and they have a goal of tripling output by building 570 structures, which would restore 30 acres of wetlands along nine miles of streams. They are working on their scheduling at this time, with the crew leader to begin in June and the rest of the crew starting work in July. Paul and his crew will be providing a tour of some of their projects at the Gunnison River Festival.

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

General Counsel John McClow referenced the draft document in the packet. John reported that he will be working on a couple of points of clarification related to compact administration. Kevin Rein said he can't administer what he can't measure but, his desire to develop measurement rules is not directly related to Compact administration. The rule making process requires public input and he feels that it must occur in person and not virtually. John noted that some of the other divisions don't have the capacity that our District does to measure diversions.

President Michelle Pierce asked if it is the CWCB's intent that our District should respond to the Demand Management Framework and what sort of response are they looking for? Will the District reach a point where this statement will be approved and how will it be used?

General Manager Sonja Chavez said that Kathleen Curry has asked for a statement from the District. Sonja also noted that it would be beneficial for staff and Board to have a statement adopted that reflects the District's position on Demand Management since it is likely that we will continue to be asked about this.

Director Julie Nania suggested focusing on some of the practical pieces of the framework , specifically funding and shepherding. Director Joellen Fonken asked if it would be helpful to use the Yampa's statement to work from, but John said Yampa's is very broad and that a lot of what was included in their statement is already in the framework.

John said one of the biggest issues he sees is that the since the program is totally voluntary, how then can it be totally equitable? President Pierce said it will be very helpful to have the District's position articulated. Director Nania said that it would be important to address the framework for both sides of the continental divide. Sonja said that John will make a couple of clarifications and re-present the statement to the Board for review at the next meeting

9. MISCELLANEOUS MATTERS

General Manager Sonja Chavez referenced the article about Lake Powell's low elevation that was emailed to the Board. The latest forecast for low inflows triggered the need to plan for how

to keep Lake Powell levels above 3,525 feet above sea level. If lake levels fall below this point, parties may implement drought response operations. Lake Powell must have a storage elevation of at least 3490 feet above sea level to generate power. General Counsel John McClow said that special releases could be required from the Glen Canyon dam and that the Flaming Gorge and Aspinnall units could also be subject to adjustments to supplement storage in Lake Powell. John said that they could also elect to buy power in the open market. He said one of the biggest concerns is if Lake Powell is not able to generate power, they will have a substantial loss of revenue which pays the overhead of the CRSP system and several environmental programs. John said that Lake Powell has never not been able to generate power since it was filled in the early 1960s.

General Manager Sonja Chavez asked for input about the UGRWCD Board retreat. She wondered if it would work to start early, around 4 p.m. and do a very short Board meeting followed by a tour of an on the ground project with dinner to follow. General Counsel John McClow reminded the Board that even if it is called a “Board retreat,” if more than three Board members are present and public business is discussed, it is considered a public meeting and the public must be given notice and have the right to attend. Sonja asked Board members to please weigh in with their suggestions for how best to have a retreat.

Director Bill Nesbitt asked if members of the District will be attending the Colorado Water Congress Summer Conference. The 2021 Summer Conference will be in Steamboat at the Steamboat Grand, beginning on Tuesday, August 24 and ending Thursday, August 26. Bill highly encouraged Board members to consider attending.

Sonja shared pictures from the field site visits that she and Bev Richards took with Applegate Group engineers.

10. CITIZEN COMMENTS

No comments were brought forth.

11. FUTURE MEETINGS

See schedule in Board Packet.

12. SUMMARY OF ACTION ITEMS

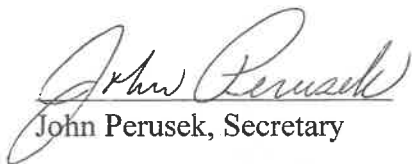
General Manager Sonja Chavez will continue to research possibilities for a location and timeframe for a Board retreat.

General Counsel John McClow will make some clarifications to the UGRWCD demand management framework statement and re-present this to the Board for review.

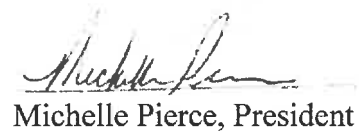
13. ADJOURNMENT

President Michelle Pierce adjourned the May 25th, 2021 meeting at 2:20 p.m.

Respectfully Submitted,


John Perusek, Secretary

APPROVED:


Michelle Pierce, President