

Upper Gunnison River Water Conservancy District
Regular Meeting Minutes
Monday, August 30, 2021

The Board of Directors of the Upper Gunnison River Water Conservancy District conducted a regular board meeting on Monday, August 30, 2021 at 5:30 p.m. in the District office, 210 West Spencer Avenue, Suite B, Gunnison, CO, 81230 and via Zoom video/teleconferencing.

Board members present: Sara Bergstrom, Joellen Fonken, Rebie Hazard (via Zoom), Stacy McPhail, Bill Nesbitt, John Perusek and Michelle Pierce.

Board members absent: Rosemary Carroll, Julie Nania, Don Sabrowski, Andy Spann

Also present:

Sonja Chavez, General Manager
Raquel Flinker, Colorado River District (via Zoom)
John McClow, General Counsel
Beverly Richards, Water Resource Specialist
Bob Robbins, Robbins Ranch (via Zoom)
Jill Steele, Accountant/Office Manager
Sue Uerling, Administrative Assistant

1. CALL TO ORDER

President Michelle Pierce called the meeting to order at 5:30 p.m.

2. AGENDA APPROVAL

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

3. CONSENT AGENDA ITEMS

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

4. APPROVAL OF STANDING COMMITTEES BY SARA BERGSTROM

Director Bergstrom offered to serve as a member of the Projects and Watershed Management Planning Committees. Sara was thanked for her willingness to serve.

5. 2022 BUDGET

Director Bill Nesbitt moved and Director John Perusek seconded the appointment of General Manager Sonja Chavez as the 2022 budget officer. The motion carried.

In addition to the broader goals for 2021 distributed with the meeting packet, General Manager Sonja Chavez noted that there are a number of specific project goals the District will work on completing during the 2022 fiscal year. Sonja will have a spreadsheet to hand out at the next Board meeting outlining the specifics of these projects and any budget requirements for their completion.

There was some discussion about an increased allocation for the Education Committee as Director Joellen Fonken noted that 2022 will be the 20th Anniversary of the Gunnison River Festival. In addition, Joellen noted that at the Ribbon Cutting for the Shady Island River Park she realized the District should be increasing its efforts to provide education and outreach to recreational users as she feels there is a large market of primarily young adults that the District is not currently reaching. General Manager Sonja Chavez noted that a meeting of the Education and Outreach Committee will be held in September prior to the next Board meeting to hash out the 2022 education budget and strategic plan.

Sonja also referenced the Assessed Valuations Changes table handed out at the meeting.

6. BREAK - (The meeting was called back to order at 6:15 p.m.)

7. GENERAL MANAGER AND COMMITTEE REPORTS

A. Memo from General Manager

General Manager Sonja Chavez referenced her memo included in the Board packet. No questions were raised from the memo.

B. Treasurer's Report

Treasurer Bill Nesbitt reported that the Federal Reserve is continuing to keep interest rates low. He also noted that U.S. government debt will rise to the highest level it has ever been in the nation's history. Bill reported that of the \$155,000 left to invest in a higher-yielding interest rate, it is becoming more and more difficult to find anything secure right now with a decent return and he does not anticipate that the District will be able to invest in anything that will yield in the historical two percent range we had been seeing. He reiterated that all District funds are very secure and that overall, "we're doing okay."

C. Executive Committee Report.

President Michelle Pierce reported that the committee met earlier in the day to conduct senior staff performance evaluations for General Counsel John McClow and General Manager Sonja Chavez. Other agenda items included a request by the General Manager for the District to move forward in 2021 on a District vehicle purchase.

Michelle asked Sonja to review with the full board the purpose behind her request. Sonja said one of her major concerns is that in researching our existing general liability insurance policy, she found that our existing automobile insurance coverage extends to employees who use their personal vehicles when conducting business of the District, *but only so far as damages or bodily injury to a third party and nothing as far as personal injury or damages to personal property*. In addition, the lack of a suitable vehicle for field work is interfering with the ability of staff to conduct District business. Sonja conducted a financial assessment of mileage travel reimbursement expenditures associated with personal vehicle use from 2015-2019 (she did not include recent years, 2020-21, in which travel was greatly restricted due to COVID). She said her research found that the District logs on average, 20,800 miles per year. She also researched new and used vehicle prices so that she could evaluate purchase, lease and rental options.

Assuming an average IRS reimbursement rate of \$0.56 per mile for use of personal vehicles versus expenses associated with the purchase of a new District owned vehicle (including all operation and maintenance expenses, an automobile policy that covers all District employees,

and General Counsel's continued use of his own vehicle), it would cost the District on average an additional \$2,155 per year.

Director Bill Nesbitt said he is very concerned that the District could have a very serious liability issue not having insurance that covers staff or anyone else in staff's personal vehicles when conducting official District business. He noted that at the Colorado Water Congress Summer Conference the previous week, he checked with other districts and of those he spoke to, only one did not have a company vehicle. The Upper Gunnison was the other.

President Michelle Pierce noted that one of the issues that the Executive Committee wrestled with was whether to allocate available funds from this fiscal year's budget as requested by the General Manager or to include it as a line item in the 2022 budget. Director Pierce noted that Sonja has researched availability of a vehicle and is concerned about the incredibly low supply across the nation of both used and new vehicles because of impacts from the on-going COVID pandemic. Sonja indicated that if the District waited until 2022 to make the purchase, we might be waiting months to receive it. Sonja reported that she has identified available funding within the 2021 budget that will not be used and has worked with staff to identify a vehicle that is suitable for all District needs while also taking into account safety, reliability, and good resale value. Staff identified a Toyota Highlander Hybrid as the best choice. Sonja looked locally, regionally, and across the state to find the vehicle. No one within the state had one on their lot and there were only two dealers who had them on order and set for manufacturing in the near term (one in September and the other in October).

Director Rebie Hazard asked if General Counsel John McClow would also be using the new vehicle if purchased. Sonja replied that she spoke to John about the vehicle and that he may be driving his personal vehicle more regularly but yes, it would be available for his use as well. She reiterated that this was not a vehicle for her exclusive use. The vehicle would remain parked at the District office and would not be taken home by her or staff.

Director John Perusek moved and Director Bill Nesbitt seconded the motion to authorize General Manager Sonja Chavez to go forward with the purchase of a District vehicle in 2021. The motion carried.

D. Watershed Management Planning (WMP) Committee Update

General Manager Sonja Chavez reported that the District is making a lot of progress towards meeting WMP goals set for this year. She said that there has been a lot of time spent in the field this summer working on WMP projects and that stakeholder outreach would again commence this fall. She referred to her memo included in the meeting packet about the specifics of these projects.

E. Summary City of Gunnison Water Plan

There were three areas of priority noted by the City's master plan consultant: (1) the construction of a drinking water supply manifold and replacement of three water supply storage tanks, (2) monitoring, tracking, and metering that portion of the City's water being utilized (but not billed) which currently stands at 40%. This will require additional FTE which can easily be recouped through identifying these unbilled sources as well as provide the necessary funding to support needed maintenance and infrastructure improvements, and (3) working with the water attorney to identify a matrix of use for their surface and groundwater rights. General Manager Chavez also noted that it would be helpful for the City to be able to identify important recharge zones so that perhaps we wouldn't have to rely on the City ditch system for recharge and we could strengthen public adoption of water conservation practices.

Director Bill Nesbitt asked if staff could evaluate the City's water plan. Sonja indicated staff is looking at the water plan and has heard two presentations on the findings.

F. Education and Outreach Update

Director Bill Nesbitt reported that the committee will meet in September to discuss the budget and strategic plans for 2022. For Director Bergstrom's benefit, Bill explained that the District has been distributing the book "Water" to first graders in the RE1J school district (includes Lake City). Samples of possible alternative books have been ordered and will be reviewed for consideration at the September meeting.

General Manager Chavez reported that she and Water Resource Specialist Bev Richards met with the eighth graders at the Taylor Challenge last Friday for some water trivia. She noted that because of Covid, the school district was not able to take school children to the Eureka Science Center in Grand Junction this year. The \$1,000 allocated towards that line item in the Education and Outreach budget was used to help support 15 scholarships for eighth graders whose families could not afford the \$115 fee for the Taylor Challenge. The Taylor Challenge

outreach is something Sonja would like to see the District continue in the future since as it provides an opportunity for hands-on learning about water.

G. Taylor Local Users Group (TLUG) Update

General Manager Chavez reported that despite a challenging summer for water supply, the TLUG representatives worked well together on all sides and compromised in their flow requests. TLUG will meet again September 2nd at 4 p.m. to recommend flow requests for fall and winter. Sonja said the hope is to hit a winter flow target of around 75 cfs. Sonja noted that there was a request at the last meeting for her to ask Dr. Kevin Alexander to present his macroinvertebrate study findings from the Taylor River. General Counsel John McClow cautioned that Dr. Alexander's study was not conducted for Western Colorado University as an academic effort but for a private landowner on the Taylor and only on that portion of the river near his property.

Director John Perusek asked if work on the Spring Creek dam outlet pipe has been completed yet. Sonja said the project is not expected to be finished until October. Director Joellen Fonken said that she was up there recently and that the public should be careful of all of the construction trucks moving going back and forth. Sonja also said that in 2022, it is CPW's goal to refill the reservoir. Discussion followed about what effects this might have on users downstream and General Counsel John McClow noted that the reservoir can be refilled in priority and that there are users downstream who have senior water rights which must be met so there will be water flowing in the creek below.

H. Basin Water Supply Update

Water Resource Specialist Beverly Richards reported that drought conditions did improve in all three counties within the District due to the higher than normal monsoonal rains in July. Forecasters, however, are predicting a return to drought conditions as the area moves into a La Nina weather pattern which has historically resulted in colder and drier conditions for the winter. Currently, 60 percent of the Intermountain West is in extreme or exceptional drought conditions and have been since May 2020 with 31 percent of the area currently in D4 exceptional drought. Thanks to the monsoonal rains in July, no releases from Meridian Lake have been needed even though a call was placed on the Slate River by the CWCB. Forecasters are predicting a 10-year record low for Blue Mesa in December 2021 with the reservoir

expected to be at just 27% of full. The data for Lake Powell is about the same as last month and DROA releases began in August

General Manager Chavez also asked General Counsel John McClow for an update on the recent SWAT 4 Meeting. John reported that there was discussion about the possibility of future releases from Blue Mesa Reservoir in the Spring of 2022 and that ultimately the Secretary of Interior has the authority to decide on any further releases. Sonja did say that she and John will be present to represent the District for any future stakeholder discussions on the matter, especially since this has an economic impact for the District.

Director Joellen Fonken asked if Crested Butte Mountain Resort (CBMR) would have water rights to be able to conduct snow making for the ski resort. General Counsel John McClow answered that there is no direct correlation between the water levels at Blue Mesa Reservoir and CBMR's snow making ability as their water rights allow them to divert water from the East River for snowmaking.

I. Scientific Endeavors Update

No report.

J. Long Lake Update

General Manager Sonja Chavez reported that she made a site visit to Meridian Lake (aka Long Lake) earlier in August for the monthly inspection and saw that there was considerable erosion on the northern banks, most likely due to the heavy rainstorms in late July. Sonja reported that in 2022, the District is due for an inspection with the dam inspector, and she will address this erosion with him to determine if any repairs or maintenance are necessary. Sonja will also report this to Director Carroll.

K. Colorado Water Congress

Director Bergstrom, Director McPhail, Director Nesbitt and three staff members attended the Colorado Water Congress Summer Conference in Steamboat. All attendees felt the conference was interesting, although Director Nesbitt offered that the format was quite different than in the past. General Manager Sonja Chavez said she appreciated the informal discussions with Senator Bennett and Senator Hickenlooper as it allowed for a more in-depth

conversation about water versus past formats. Much of the conference topics evolved around watershed health/degradation, forest health and collaboration and cooperation among leaders.

8. MISCELLANEOUS MATTERS

General Counsel John McClow referred to the August 13th Water Anti-Speculation Work Group report and said the full report is 66 pages long and he would be happy to make that available to anyone who wanted to read the full report. He said the Executive Summary contained in the packet includes all of the concepts that were brought up at the work group meeting but that no recommendations for action were made at this time.

Director Bill Nesbitt reported that he is reviewing the full Harvey Economics report that was presented to the UGRWCD Board at the October 2020 Board meeting. Bill questioned whether the report went far enough in presenting what the outcome would be economically if ranchers decided to no longer operate due to a lack of available water for operations. Bill suggested that the Board might want to spend more money on a further assessment of the economic impact, including using the multiplier effect to determine the outcome for other businesses in the District. Director Stacy McPhail said that such an assessment would be very expensive and she questioned the credibility of such a report since much of it would be based on speculation of how each rancher would individually deal with the impact of long-term drought. Stacy noted that she feels the District got a clear message from the Harvey Economics report, which was that long-term fallowing would be very detrimental to ag users in our basin and ultimately to our whole economy.

Director Joellen Fonken asked whether or not the District would be providing an official comment for the draft version 51806 of the Forest Plan and Draft Environmental Impact Statement for the Grand Mesa, Uncompahgre and Gunnison National Forests. She noted that the public comment period deadline is November 12, 2021. Joellen said there has been a lot of outreach in the District to encourage the public to comment and what she has seen so far is more “dirt-based than water-based.” General Manager Sonja Chavez said she would visit with General Counsel John McClow and look into the draft plan and develop comment on behalf of the District, where appropriate.

Sonja reported that staff will be giving a brief update on water matters to the Board of County Commissioners at their September meeting on September 28th. Sonja said the BOCC has agreed that the District will be invited on a quarterly basis to give an update on water matters.

9. CITIZEN COMMENTS

No comments were brought forth.

10. FUTURE MEETINGS

The slide outlining future meetings was displayed for review and included in the meeting packet. Director Nesbitt noted that he would be out of town beginning September 22nd and will miss the next UGRWCD Board meeting

11. SUMMARY OF ACTION ITEMS

General Manager Sonja Chavez will review the Draft Forest Plan and provide a comment on-behalf of the District as appropriate.

Sonja will contact the District's auto insurance carrier to see about amending the current policy to provide liability and collision coverage for staff when they are using their personal vehicles for company business.

12. ADJOURNMENT

President Michelle Pierce adjourned the August 30, 2021 meeting at 7:15 p.m.

Respectfully Submitted,



John Perusek, Secretary

APPROVED:



Michelle Pierce, President