

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

The Board of Directors of the Upper Gunnison River Water Conservancy District (UGRWCD) conducted a regular meeting via teleconference on Monday, November 22, 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, Stacy McPhail, Julie Nania, Bill Nesbitt (via Zoom), John Perusek, Michelle Pierce, Don Sabrowski and Andy Spann (via Zoom).

Board members not present: Rosemary Carroll

Others present:

Sonja Chavez, UGRWCD General Manager

Beverly Richards, UGRWCD Water Resource Specialist

Jill Steele, UGRWCD Accountant

Sue Uerling, UGRWCD Administrative Assistant/Communications Support Specialist

1. CALL TO ORDER

Board President Michelle Pierce called the meeting to order at 5:29 p.m.

2. AGENDA APPROVAL

Director Bill Nesbitt moved and Director Rebie Hazard seconded approval of the agenda as circulated with the addition of General Manager Sonja Chavez's supplemental report as distributed at the Board meeting. The motion carried.

3. CONSENT AGENDA ITEMS

Director Stacy McPhail moved and Director Julia Nania seconded approval of the consent agenda. The motion carried.

4. LEGAL MATTERS

General Counsel John McClow was not present for a report.

5. Treasurer's Report and General Manager's Supplemental Memo

A. Treasurer's Report

Treasurer Bill Nesbitt reported Jerome Powell was affirmed by President Biden today to continue as the Federal Reserve Chairman for a second term. During the announcement, President Biden said now is not a time for partisan politics. Treasurer Nesbitt reported that upon the announcement, bonds took off and the markets closed up. Bill said that he called Rob Casaceli, the investment representative for the District, and asked about purchasing bonds since the market was up. Rob recommended the District consider a three-year bond. General Manager Sonja Chavez said she had been in contact with Mr. Cascaceli via email and would follow-up with him regarding Bill's recommendation to make the investment in bonds now. Bill also reported that he feels the Feds will raise interest rates in 2022.

B. General Manager's Supplemental Memorandum

General Manager Sonja Chavez referred to her supplemental memo regarding the Homestake Mine Reclamation of Pitch Mine located near Sargents in the Marshall Creek watershed in Saguache County. Sonja expressed her concerns that Homestake is proposing that the domestic water supply use be removed from Marshall Creek, domestic wells in the Sargents area be redrilled to go under the bedrock beneath the alluvial aquifer of Marshall Creek, collaboration occur with local landowners to apply conservation easements that prohibits new domestic water supplies and then work with Saguache County to "ensure that new alluvial wells cannot be drilled" in areas adjacent to Marshall Creek from the confluence with Indian Creek to the confluence with Tomichi Creek. Sonja and several members of the Board expressed concerns about a number of items in Homestake's proposal, including concerns over uranium levels in the reclamation area and possible seepage downstream to Tomichi Creek; concerns about the effects on wildlife species or cattle that use the water supply in the area; concerns that this could set a precedent of allowing entities to restrict or limit future water uses to avoid their clean-up responsibilities as required to by the EPA; and concerns that Homestake's proposal really doesn't benefit anyone else other than Homestake's own interest. After further discussion, the Board recommended that General Counsel John McClow and Sonja should continue to monitor the situation; in cooperation with Director Rebie Hazard, the District should reach out to the Saguache County administration to report on these concerns; and the District should prepare a letter of District concerns to the Water Quality Control Commission about Homestake's proposals. Director Nesbitt asked Director Hazard if she felt her representing the District's concerns to the Saguache County administration would present any conflict of interest since Rebie sits on the Saguache County Planning Commission. Director Hazard replied that she did not feel it would be a conflict. General Manager Sonja Chavez said the District would also be certain to be represented at the Rulemaking Hearing in June 2022 as well.

BREAK

The Board broke for dinner at 5:45 and reconvened at 6:00 p.m.

6. PUBLIC HEARING ON 2022 DRAFT BUDGET

President Pierce opened the Public Hearing and called for comments on the 2022 Draft Budget. No members of the public were present to comment on the budget. President Pierce adjourned the public hearing. The draft budget will be presented for final adoption at the December 8, 2021 Board meeting.

7. BOARD DISCUSSION OF PUBLIC COMMENTS ON DRAFT 2022 BUDGET

There were no public comments on the draft budget to discuss.

8. GENERAL MANAGER AND COMMITTEE REPORTS

General Manager Sonja Chavez referred back to supplemental memo regarding the “Proposal to Bring the Wet Meadows Coordinator Position into the UGRWCD as Staff.” Sonja reported that in 2019 the District increased its contribution for this position from \$30,000 to over \$50,000 annually. Sonja said the program has experienced growing pains, new hurdles in administration and fiscal management of grants as the program has grown and needs stronger everyday coordination and management by the District. After meeting with lead Wet Meadows partners about her idea, she has obtained their full support.

Sonja is now seeking Board support to bring the coordinator position into the District at an estimated hiring rate of \$50,000 with continued contribution of approximately \$15,000 - \$20,000 per year from partners. In addition to coordinating the Wet Meadows program (estimated to consume 60% of the individuals time), Sonja believes this staff member could also support other District activities, such as final inspections of grant projects, research support, WMP planning, fund raising, education and outreach, and Gunnison River Festival support to name a few.

Director Julie Nania and Director Stacy McPhail expressed their support for bringing this in-house as a staff position stating it would help with oversight and timing issues for both Wet Meadows programming and coordination with a large list of WMP projects. Director Bill Nesbitt asked if there would be any other hard costs associated with the position, such as office space and computer considerations. Sonja reported that minor alterations to the current copy room will need to be made to house an office for the new staff member and that there would probably be need for a desk and computer screen (we have a working laptop) and that these costs could be wrapped into our existing budget. Sonja said she would develop a complete job description for the position to present at the December Board meeting. When asked if the current Wet Meadows Coordinator, Paul Jones, would continue in his role, Sonja said that due to the reorganization of the position to in-house and the specific expertise she needs to fill the other 40% of the positions time, she elected not to renew Paul’s contract for coordination in 2022. She

indicated she informed him that should partners need his support for field work or design, the District could contract with him in that capacity.

Director Bill Nesbitt moved and Director Stacy McPhail seconded that the District add a full-time position for the coordination of the Wet Meadows program and other duties for the District utilizing the funding appropriated for the current Wet Meadows program. The motion carried.

General Manager Sonja Chavez referred to her November General Manager's Report included in the Board packet.

Watershed Management Planning Update

Sonja reported that the City of Gunnison Municipal Assessment with her, city staff, Applegate Engineers and the WMP Coordinator went well and was helpful in identifying a number of problem areas in the city water system, which are outlined in her November report.

Sonja also referred to all of the other watershed activities/assessment and agricultural/irrigation projects outlined in her report and noted that a lot of projects were completed and issues addressed this summer. She said the District now has more stakeholders coming to the District asking for help as a result of this success.

Education and Outreach Update

Sonja commended the Gunnison middle and high school students who participated in Glasgow University's COP26 Climate Conference from the UGRWCD Board Room.

Administrative Assistant/Communications Support Specialist Sue Uerling reported that staff had interviewed Western University student John Murphy as a possible spring semester intern as outlined in the 2022 Education and Outreach strategic plan/budget. This intern will help with cleaning up photo files, take additional photos and videos, write and post water updates to the District's social media platforms, and coordinate outreach to college and high-school age students to garner more interest in water issues from this population. Sue expects to hear back from John after the Thanksgiving break about possible next steps.

Grant Committee Update

Water Resource Specialist Bev Richards reported that the Grant Committee met on November 16th to review grant procedures and the application for the 2022 program. Bev said there were some minor changes recommended, including moving the submission due date to February 15, 2022 so that there is ample time to take action at the March Board meeting. In addition, the committee would like to advertise the grant cycle for two weeks in December 2021 and two

weeks in January 2022. The committee also plans to conduct two informational/training webinars next year, on January 13 and January 18 for applicants interested in submitting grant applications. Bev noted that of the dozen or so webinar attendees from last year, all but one ended up submitting a grant application for last year's cycle. Packets with the updated grant procedures/applications will be sent out to the Board next week.

Basin Water Supply Update

Water Resource Specialist Bev Richards noted that while conditions are better at the beginning of this water year than they were at the beginning of last water year, the predictions going forward are not positive as it is projected to be another warm, dry water year in our area. Bev said conditions at Lake Powell are really dire. She said that the cloud seeding program began on November 15th and that they hope to have the new generator site near Blue Mesa operating by the end of this week or beginning of next week. She said that the total cost for the new site is less than \$2,000 including installation, maintenance and first year of operation.

Miscellaneous Updates

General Manager Sonja Chavez announced that there are some personnel changes going into effect for the USFS including Matt McCombs and Sam Pankratz moving into new positions at the state level. She said Mike Tarantino will be acting as interim supervisor until Sam's position can be filled.

Sonja noted that with respect to the Memorandum of Agreement for the installation and operation of a hydroelectric generation facility on the existing facilities at Taylor Park Dam, the Colorado River Water Conservation District asked to be a signatory to the memorandum as they were one of the original parties to the 1975 agreement. Sonja said that the District does not have an issue with this request and neither do the other parties.

Sonja referred to her November General Manager's report about the "Proposal for an Upper Gunnison Headwaters Wetland Mitigation Bank" being proposed by a private water equity firm called SCP Conservation LLC from Naples, Florida on behalf of the Colorado State Land Board. Sonja said the District has a number of concerns about the prospectus that SCP submitted to the Army Corps of Engineers, which are outlined in her report. Several Board members agreed with the concerns outlined in the memo, particularly increased depletions in the Tomichi Creek sub-basin, which has already been identified as over-allocated. Director Julie Nania recommended that any communications with the Army Corps of Engineers and other stakeholders should be limited to factual elements that support the District's concerns and not include any speculative outcomes.

Director Bill Nesbitt moved and Director Rebie Hazard seconded that General Counsel John McCLOW and General Manager Sonja Chavez should prepare a letter of comment to the Army Corps of Engineers identifying the District’s concerns about the Upper Gunnison Headwaters Wetland Mitigation Bank proposal by SCP Conservation. The motion carried.

Sonja noted that during the October 25, 2021 Board meeting, the Board approved a correction on page 4 of the September 2021 Board Minutes where an error was discovered in the Employers Council compensation ranges table of the 2021 Upper Gunnison District Compensation Study. At the October Board meeting, the Board agreed to correct the minimum and midpoint compensation ranges for the “Accountant” position. Since that meeting, it was discovered that the maximum compensation level was also listed incorrectly, so the table should read: Minimum - \$51,900; Midpoint - \$64,500 and the maximum point should now be \$77,900. These corrections were verified with the Employers Council.

Director Stacy McPhail moved and Director Joellen Fonken seconded the motion to correct the 2021 Upper Gunnison District Compensation Study table for the “Accountant” position as noted above. The motion carried.

9. MISCELLANEOUS MATTERS

CRWCD Demand Management Market Structure Conceptual Proposal – General Manager Sonja Chavez referred to the document included in the Board packet and noted that there was no action necessary on the report, that this was simply an outline of what the CRWCD heard from stakeholders about Demand Management.

State Engineer Water Measurement Tools Update – Sonja referred to the report included in the Board packet and said that she believes the water measurement changes will be reported to the Gunnison Stockgrowers Association at their December 7th annual meeting. Sonja said water users may need to make some minor improvements to their measurements devices throughout the basin and that they may need to make more frequent readings in order to improve documentation of their water use throughout the water year.

Gunnison Energy Production – see report included in Board packet.

Current Gunnison River Spreadsheet – see report included in Board packet.

Newspapers and Other Water Articles – see articles included in Board packet.

Thank yous – in addition to the two thank yous included in Board packet, President Michelle Pierce read the card received today from Cold Harbour Institute thanking the District for their support of the Soil Health Workshop.

10. CITIZEN COMMENTS

No citizens were present on the meeting for comments.

11. FUTURE MEETINGS

Sonja reviewed upcoming meetings included in the Board packets.

12. SUMMARY OF MEETING ACTION ITEMS

General Manager Sonja Chavez will develop a complete job description for the UGRWCD staff position for coordination of the Wet Meadows program and other UGRWCD duties and will present it to the Board at the December meeting.

General Counsel John McClow and General Manager Sonja Chavez will prepare a letter of comment to the Army Corps of Engineers identifying the District's concerns about the Upper Gunnison Headwaters Wetland Mitigation Bank proposal by SCP Conservation.

13. ADJOURNMENT

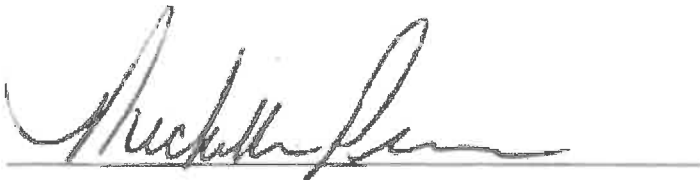
Board President Michelle Pierce adjourned the November 22, 2021 meeting at 7:00 p.m.

Respectfully Submitted,



John Perusek, Secretary

APPROVED:



Michelle Pierce, President