

**Upper Gunnison River Water Conservancy District
Regular Board Meeting Minutes
Monday, March 28, 2022**

The Board of Directors of the Upper Gunnison River Water Conservancy District (UGRWCD) conducted a regular meeting on Monday, March 28, 2022, 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 (via Zoom), Julie Nania, Bill Nesbitt, Michelle Pierce, Don Sabrowski and Andy Spann.

Board members absent: Rosemary Carroll and John Perusek

Others present:

Cheryl Cwelich, UGRWCD Watershed Programs Coordinator

Sonja Chavez, UGRWCD General Manager

Hannah Cranor, Gunnison County Ag Producer

Jeff Derry, Center for Snow and Avalanche Studies

Jesse Kruthaupt, Trout Unlimited

John McCLOW, UGRWCD Legal Counsel

Steve Pope, Uncompahgre Valley Water Users Association

Beverly Richards, UGRWCD Water Resource Specialist

Jill Steele, UGRWCD Accountant

Sue Uerling, UGRWCD Administrative Asst./Communications Support Specialist

1. CALL TO ORDER

Board President Michelle Pierce called the meeting to order at 5:32 p.m.

2. AGENDA APPROVAL

Director Rebie Hazard moved and Director Julie Nania seconded approval of the agenda as circulated. The motion carried.

3. CONSENT AGENDA ITEMS

Director Joellen Fonken moved and Director Sara Bergstrom seconded approval of the consent agenda. The motion carried.

4. LEGAL MATTERS

EXECUTIVE SESSION

The Board of Directors went into Executive Session to discuss a maximum indirect cost recovery rate for consultants.

Director Bill Nesbitt moved and Director Joellen Fonken seconded approval to come out of Executive Session. The motion carried.

Director Bill Nesbitt moved and Director Andy Spann seconded approval of a new Sub-section 5.0.3, in the District's financial and procurement policy on Consultant Indirect Cost Recovery Rates as follows: The maximum indirect cost rate that an outside consultant can recover from the District is 18% of direct billed costs (not including fringe). The motion carried.

Legal Counsel John McClow referred to the summary of legislative bills included in the Board packet and said there were no new water bills in the last three weeks.

Director Sara Bergstrom asked for further clarification regarding SB22-115 concerning a landowner's liability. John said that the bill clarifies the meaning of terms related to landowner liability and declares that court decisions should not be relied on regarding third-party criminal conduct based upon whether the goods or services offered by a landowner are controversial; and that a landowner could be held liable as a substantial factor in causing harm without considering whether a third-party criminal act was the predominant cause of that harm. He said the District's interest in the bill arises from its ownership interest in Lake San Cristobal and Meridian Lake Reservoir.

Director Joellen Fonken thanked Counselor McClow for the material on Lake Powell and Glen Canyon Dam. John noted that since the Bureau of Reclamation (BOR) has never operated Glen Canyon Dam at elevations this low before, they are guessing how the generators will be impacted at an elevation of 3,490 acre-feet. He also said current projections for Lake Powell are based on currently anticipated runoff that will take place this spring, which is subject to change.

Director Don Sabrowski asked why BOR is making releases from Lake Powell to Lake Mead, even though Lake Powell is so low that it is a threat to the hydropower generators. John said these releases are part of their normal operations to meet the Upper Basin's obligations under the Colorado River Compact.

John also pointed out that the late Summer 2021 releases from Blue Mesa Reservoir (and releases from Flaming Gorge) should have been "shepherded" and they were not. John said the BOR has apologized for this and has made a verbal commitment that they will track this better should additional releases need to be made. John noted, however, that the BOR may seek an

additional releases from Flaming Gorge to try to protect elevation 3,525 in Lake Powell. John noted that since this water would be delivered outside of the priority system, then it would need to be shepherded and at this time, the BOR is still working out the details of how this would be accomplished.

Director Julie Nania noted that if special releases are later requested and there is not plan solidified for shepherding, at what point should the District push back a little more against making those releases?

5. MEET STEVE POPE, GENERAL MANAGER OF UVWUA

Steve Pope, General Manager of the Uncompahgre Valley Water Users Association, introduced himself and shared a little about his background. General Manager Pope noted that the UVWUA Board of Directors is echoing what the UGRWCD Board has already expressed about possible special releases and concerns over runoff projections. Steve noted that his biggest frustration is the inability to ratchet back operations quickly enough based on the forecasting they receive from BOR. He feels there needs to be a collective approach among all water managers to address shortages.

Steve feels the snowpack is “okay” this year, at least better than last year, but that since “the bucket (Blue Mesa) is empty, this gives everyone cause for concern.” He did note that thanks to the monsoonal rains received last July and August, the soil moisture might be a little better this year in the Uncompahgre Valley.

Steve reviewed a number of water efficiency/improvement projects planned by the UVWUA and noted that the cost on many of these has increased significantly and therefore his Board is not 100 percent behind them. He noted that the cost of pipe for several projects alone has increased two and a half times since the initial bids were received and that delivery is more than 24 weeks out, which makes it very difficult to even complete projects.

Steve noted that he received the thirty-percent design report for the Taylor Park Hydro Power development project for review and comment. He is anxious to see this project go forward as he said the costs are also increasing for this project as time passes.

Steve noted that spring operations through the Gunnison Tunnel would begin this week and that it would take about a week for it to be “fully-charged.” He said this will help meet the needs of the ag producers in his valley who need water to get crops started. Director Bill Nesbitt asked Steve if it would be possible to have the UGRWCD Board tour the Gunnison Tunnel and Steve said perhaps we can schedule a joint meeting of the UVWUA and UGRWCD Boards, including a tour of the tunnel, as some of his Board have not toured the tunnel either.

6. DINNER BREAK

7. DUST ON SNOW PRESENTATION BY JEFF DERRY.

Jeff Derry of the Center for Snow and Avalanche Studies gave a Power Point presentation about the 2022 water year Dust on Snow Program. Jeff thanked the District for its longtime financial commitment to the Dust on Snow Program.

Director Joellen Fonken asked Jeff if he thinks we are headed towards another Dust Bowl. Jeff noted that in general, dust has been on the increase in our area since the 1990's. He said that high elevation lake samples show that dust is increasing and that microplastics have even been discovered in people's bloodstream.

Jeff said his organization is researching the possibility of receiving annual funding from the state through the approval of a line item within the state budget.

8. BASIN WATER SUPPLY UPDATE

Water Resource Specialist Beverly Richards said not much has changed since she wrote the update for the Board packet, except that the snowpack has dropped from 117 percent to 105 percent as of today.

9 a. TREASURER'S UPDATE

Treasurer Bill Nesbitt reported that not a lot has changed since his last report. He noted that the Federal Home Loan Bank is looking at making more funds available for mortgages, which might be worth looking into when and if the investments become available. He said that there is still a lot of interest in US Treasuries from large investors around the world. He said the District has no investments coming due until later in 2022. There was some discussion about whether there were any banks in the Gunnison or Colorado River Basin with competitive CD rates. Bill said he has checked at several locations and no one in the area is offering any competitive rates. It was agreed that Bill will meet with General Manager Sonja Chavez to talk about potential investments going forward.

9 b. GENERAL MANAGER'S, COMMITTEES AND STAFF UPDATES

General Manager Sonja Chavez referred to her Memorandum in the packet and noted the following:

- Colorado Airborne Snow Measurement (CASM) partners were approved for a \$1.9M grant from the CWCB for CASM flights in all critical mountain watersheds, including the Upper Gunnison Basin. The total cost for the comprehensive CASM program is \$15M annually. Director Bill Nesbitt asked who funds all of this and Sonja said she would get back to him with the specifics.
- The District facilitated its first Gunnison Valley Water SMART group meeting on March 1. Water Resource Specialist Beverly Richards has developed a spreadsheet to better track the various water projects being planned by the municipalities and other Water SMART partners so that then we can better their needs and the role that the District can play in providing support.
- Sonja briefly reviewed the District’s “Joint Party Status filing” for the Homestake Pitch Uranium Mine proposal with the Water Quality Control Commission (WQCC). She also reported that she has been appointed to the WQCC by Governor Polis and that her appointment is scheduled for confirmation by the state legislature this Thursday, March 31.
- As Steve Pope reported earlier, Sonja said the District also received the thirty-percent design report for the Taylor Park Hydro Power Development project and she has no major concerns.
- Sonja said the District is moving forward with the June 2022 Water Conference, which will be called the Upper Gunnison River Basin Water Roundup (or just “Roundup”) to be held June 9 and 10th at the I-Bar Ranch. Sonja is hoping for 100-150 participants for the inaugural event, which will lead into the Gunnison River Festival.

EXECUTIVE COMMITTEE UPDATE

President Michelle Pierce said Jennifer Kermode, director of the Gunnison Valley Regional Housing Authority (GVRHA), gave a presentation to the committee on March 1 about their housing programs. Michelle said Jennifer reported that based on a report completed in 2016 for the GVRHA, Gunnison would need an additional 960 homes by 2020, and this didn’t happen. Director Stacy McPhail said that Jennifer told the committee that if the District decides to go forward with its own housing assistance program, this would not invalidate or disqualify any applicants for the District program from also applying to any GVRHA program.

TAYLOR LOCAL USER’S GROUP

Director Don Sabrowski said that as Chair of TLUG, he hopes to remind and emphasize to the TLUG representatives that although the group makes flow recommendations to the UGRWCD that the UGRWCD Board can approve, modify or reject final recommendations of the TLUG if they are not consistent with the Stipulation or decree. Both the TLUG proposal and the UGRWCD proposals would be taken to the Four Parties in this situation who make the final

decisions about releases and operations. Don noted that the Stipulation spells out that the year-end target storage for high water years is 75,000 acre-feet for Taylor Reservoir. So far this year, 2022 is predicted to be an *average water year*, which means the year-end target storage is 70,000 acre-feet for October. At the March 7 meeting, TLUG Representative Ernie Cockrell said he wants TLUG to specify a temporary year-end target of 73,000 acre-feet for now. The group decided to keep the flows at 73 cfs until the April 7th TLUG. Don pointed out that the reservoir was developed to provide water for all users, as well as to keep the health of the river, and not intended to store water that could be put to beneficial use upon reasonable request of a water user. Don intends to encourage the group to leave the 70,000 year-end storage target alone and just continue to take a conservative approach. Director Joellen Fonken asked if the Colorado Parks and Wildlife Division were part of the TLUG Group. General Manager Sonja Chavez answered “no” but that Dan Brauch and the CPW staff are invited to attend all meetings and often do provide regular input on the health of the fishery.

WATERSHED MANAGEMENT PLANNING COMMITTEE

General Manager referred to the Forest and Watershed Health and WMP Committee meeting minutes from the March 9th and March 14th meetings, respectively.

GRANT COMMITTEE

Water Resource Specialist Beverly Richards gave a Power Point presentation on behalf of the Grant Committee briefly reviewing all of the applications and funding recommendations. The District received 15 applications with funding requests totaling \$346,016, over \$146,000 more than the \$200,000 that was included as a line item in the 2022 District budget. Director Bill Nesbitt noted that he was pleased to see the District leveraging outside funding with District grant dollars at 9:1 and what a great way to use taxpayer dollars for making water resource improvements. Director Julie Nania said it was exciting to see so many of the applications came out of the WMP process as it has been a big lift and a lot of work for the District.

General Counsel John McClow noted that the funding for the grant application for the East River Number 1 Break Project should be pulled out of the overall grant funding motion so that Director Andy Spann could recuse himself from the voting, since he is a direct benefactor of that grant.

Therefore, the motions were made as follows:

- 1. Grant Committee Chair Joellen Fonken motioned for approval of the Grant Committee’s 2022 recommendations to award District Grant funds in the amount of \$173,920 (contingent upon staff receipt of identified additional information), not to include the East River Number 1 Break Project. The motion carried.**

2. **Grant Committee Chair Joellen Fonken motioned for approval of the Grant Committee’s 2022 recommendation to award District Grant funds in the amount of \$26,071 to the East River Number 1 Break Project. Director Andy Spann recused himself from the vote. The motion carried.**
3. **Grant Committee Chair Joellen Fonken motioned for approval of the Grant Committee’s recommendation to transfer the final \$22,101 available from unused District grant funds (2015-2020) for use in this cycle. The motion carried.**
4. **Grant Committee Chair motioned for approval of the expenditure of \$50,000 from the Engineering Fund Set-Aside available from unused District Grant funds (2015-2020) for this cycle. The motion carried.**
5. **Grant Committee Chair motioned for approval of the expenditure of \$33,900 from the District Non-Operating Budget Line Item 47, Basinwide Planning – WMP Implementation for this cycle. The motion carried.**

WET MEADOWS PROGRAM UPDATE

Watershed Programs Coordinator Cheryl Cwelich referred to her memorandum in the packet and noted that the UGRWCD Wet Meadows Restoration and Resiliency Building Program (WMRRBP) submitted a grant concept paper to Greater Outdoors Colorado (GOCO) on February 17, 2022. The concept paper was accepted by GOCO and the District will now move forward with a full Planning & Capacity grant request proposal of \$158,100.

Director Joellen Fonken asked if this grant application would compete with the GOCO application being submitted for improvements at the Gunnison River Whitewater Park. Cheryl said “no,” that this application was in the category of “planning and capacity” and not “improvements.”

Director Bill Nesbitt moved and Director Andy Spann seconded approval of Resolution 2022-01 in support of the GOCO Grant as outlined in Exhibit B included in the packet.

EDUCATION AND OUTREACH UPDATE

Administrative Asst./Communications Support Specialist Sue Uerling referred to her update in the Board packet and said she had no further updates at this time. Director Bill Nesbitt said that he was pleased to see the media coverage of the District’s distribution of the “Drop” books to Gunnison Elementary School first graders. He also noted that the District distributed the remainder of the previous book “Water” to the first graders in Crested Butte and Lake City in November 2021, when Covid protocols did not allow for in-person distribution.

SCIENTIFIC ENDEAVORS UPDATE/LONG LAKE UPDATE

Director Rosemary Carroll was not in attendance to provide an update on Scientific Endeavors. Director Carroll did, however, send an email noting she attended the latest Long Lake meeting on March 1st. In brief, John Mugglestone ran this meeting. He presented new signage for user etiquette and the proposed trail system. Trail Colorado approached the Crested Butte Land Trust (CBLT) to help teach volunteers how to do trail construction. This training is scheduled for June 18-20, 2022. Training will be in combination with six agencies/non-profits and CBLT expects 20-25 people. There were discussions on trail design and if bikes should be allowed, with emphasis on supporting commuters and hand cycles. However, no consensus was reached with regard to both. CBLT did obtain a grant for noxious weed removal. The Long Lake working group will likely meet two-times per year moving forward.

GUNNISON BASIN ROUNDTABLE (GBRT) UPDATE

Director Bill Nesbitt reported that Nancy Fishering has joined the GBRT as the representative from the Uncompahgre Valley Water Users Association Board. Bill noted that Sonja did put forward comments to the group about the need for shepherding emergency releases. He said the group was very vocal about the BOR's insensitivity to the timing of the releases from Blue Mesa. Everyone thought they could have waited until after Labor Day so as not to disrupt the end of the season at Blue Mesa. Bill said Andy Mueller of the Colorado River District gave a nice presentation about the study on the western slope Demand Management Market Framework (as was provided in the February Board Meeting Packet). The GBRT will also continue to meet at the Delta County Commissioners conference room until further notice. General manager Sonja Chavez said they did approve one grant application from Jesse Kruthaupt, Trout Unlimited, for Hot Springs Reservoir and a letter of support to the CWCB for another project on the Blue Ditch which is located in the lower Gunnison basin.

GUNNISON RIVER FESTIVAL UPDATE

Director Joellen Fonken reported that the Festival plans are coming along. She said Western professor Scott Borden and students have been collaborating with the CPW and Gunnison County for guidelines at Mergelman Pond.

10. MISCELLANEOUS MATTERS

President Michelle Pierce referred to the regular monthly reports included in the packet; the Gunnison Energy Report, Gunnison River Spreadsheet and the News Articles, and asked if there were any questions. None were raised.

Director Julie Nania asked if any District Board members would be interested in assuming her role on the Gunnison Basin Roundtable Board as she is finding the time commitment to be challenging.

11. CITIZEN COMMENTS

No citizen comments were received.

12. FUTURE MEETINGS

A listing of upcoming meetings was included in the Board packet.

13. SUMMARY OF ACTION ITEMS

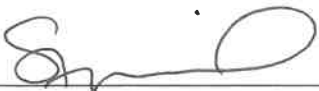
General Manager Chavez will incorporate the Consultant Indirect Cost Recovery Rates into the District financial policy document.

General Manager Chavez and Director Bill Nesbitt will meet regarding potential future investments for the District.

14. ADJOURNMENT


President Michelle Pierce adjourned the March 28, 2022 board meeting at 8:41 p.m.

Respectfully Submitted,



Stacy McPhail, Acting Secretary

APPROVED:



Michelle Pierce, President