

**Upper Gunnison River Water Conservancy District
Meeting Minutes of the Board of Directors
Monday, August 29, 2022**

The Board of Directors of the Upper Gunnison River Water Conservancy District (UGRWCD) conducted a regular Board meeting on Monday, August 29, 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, Rosemary Carroll, Joellen Fonken, Rebie Hazard, Stacy McPhail, Julie Nania, Bill Nesbitt, Michelle Pierce, John Perusek, Don Sabrowski and Andy Spann.

Board members absent: None

Others present:

Sonja Chavez, UGRWCD General Manager

Cheryl Cwelich, UGRWCD Watershed Program Coordinator

Jesse Kruthaupt, Trout Unlimited

John McClow, UGRWCD General Counsel

Luke Mecklenburg, Colorado Attorney General's Office (via Zoom)

Beverly Richards, UGRWCD Water Resource Specialist

Jill Steele, UGRWCD Accountant

Chris Sturm, Colorado Water Conservation Board (via Zoom)

Cody Tusing, City of Gunnison Public Works

Sue Uerling, UGRWCD Admin. Asst./Communications Support Specialist

1. Call to Order

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

2. Agenda Approval

Director John Perusek moved and Director Rebie Hazard seconded approval of the agenda. The motion carried.

3. Consent Agenda Items

Director Julie Nania noted a correction to the July 25, 2022 minutes stating that on page 5, the representative from Commissioner Kate Greenburg's office should be "Bethany" Howell, not Bethan. Director Rebie Hazard asked that the budget summary be pulled out for further discussion.

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

Director Hazard asked about the budget overrun in audit and accounting. General Manager Sonja Chavez responded that the overrun was due to work that Jill Steele has been doing with consultant Kim Antonucci in re-configuring and streamlining the District's Quick Books accounting software.

Rebie also asked about the overrun of expenses for interns. Sonja said that the District used two interns that were not budgeted for and that additional expenses were also incurred in paying John Murphy, who put in extra hours towards the social media campaign and the Gunnison River Festival. Rebie asked if in the future, interns can report to the Board about their accomplishments and experiences. Sonja agreed this would be a good idea. It was noted that there are some unspent funds that were budgeted for in 2022 that could be shifted to this category if needed. Sonja offered that for 2023, it might be helpful to have a separate line item for interns.

4. 2023 Budget

Discussion of goals: General Manager Chavez noted several programs for 2023 that will require budget consideration including but not limited to: Watershed and forest health assessments with the completion of wetlands assessment this year and geofluvial assessments next year; Continue watershed management planning education and outreach in earnest; Stream assessment work as part of the Watershed Management Planning Process; Continue long-term water quality monitoring (and it was noted that short-term monitoring of Tomichi Creek, for uranium and organic carbons, might be needed to meet new standards as directed by the Water Quality Control and Cebolla Creek also may require some baseline data before new standards go into effect for rare earth mineral mining); Allocation for continuation of monitoring algae at Blue Mesa; Hiring a consultant and assembling stakeholders groups to continue the drought contingency planning process (and it was noted here that of the \$325,000 allocated for this process, \$140,000 was funded by the Bureau of Reclamation); a budget line item for the Wet Meadows Program to provide matching funds for grants and/or possibly for workforce expenses; continuation of funding for Taylor River basin hydro modeling, including assistance for data collected from ASO flights; a possible remote generator site at Black Mesa and the GAP radar site; municipal source water protection planning/projects for Crested Butte and Mt. Crested Butte; and the Gunnison River Town Ditch inlet improvements.

Director Rosemary Carroll asked if these priorities will be reflected in the draft budget? Sonja replied "yes" and that the September Board meeting will be primarily focused on discussion of the budget.

Director Bill Nesbitt suggested the District seek funding from the City to help offset extra expenses for the Black Mesa remote cloud seeding generator. The District will be requesting participation from new potential parties to support the growing program.

Assessor's Property Valuations: 2022 property tax preliminary assessed valuations overall decreased from last year by \$4,923,955 or -0.62%.

- Gunnison County decreased from last year by \$4,101,680 or -0.56%
- Hinsdale County decreased from last year by \$901,410 or -1.73%
- Saguache County increased from last year by \$79,135 or 1.81%.

5. Presentation by Chris Sturm, Colorado Water Conservation Board on "Wildfire Ready Watershed"

Chris Sturm explained that the CWCB was tasked with assessing wildfire risk and outcomes as a Legislative Directive resulting from Senate Bill 21-240 and that the CWCB independently added determining a framework that local communities can use to assess their local watershed and mitigate risk. He said they came up with an equation of "VALUES (including water infrastructure, public infrastructure, property and life safety) plus RISK (including floods after fire, fluvial hazards, mud and debris flow, water quality impairments and hillslope erosion) = SUSCEPTIBILITY (including statewide level; relative risk by watershed and a framework for addressing risk and how this directly intersects.)

Director Rosemary Carroll asked if the data they have collected would be available to the public as she felt this would be important information for our WMP Committee and the District.

Chris said the CWCB has a goal of providing an overlay of all of the potential hazards over the post hazard data, along with maps, and that they hope to complete this by Thanksgiving. He said the full presentation and updates, such as the overlays, will be available at

<https://www.wildfirereadywatersheds.com/>

Director Julie Nania observed that the risk to the front range appeared to look much higher due to their larger population base and whether the CWCB could use our local assessment data to interface with the state's data to give a clearer picture of risk given that much of their water supply comes from the western slope and given the lack of redundancy in water supply in rural areas. Julie also wondered as the District turns towards the suite of options for mitigation efforts, how do you get the most bang for your buck dollarwise?

Chris said that with the final report produced under the assessment, the CWCB will be producing a statewide map showing the risk for each area in the state and that he hopes that they can also push out basin-wide maps giving a more detailed risk assessment that should help eliminate factors like heavy areas of population. Chris agreed with Julie that factors such as redundancy, for instance, can be very important for more rural areas that might not have a backup water supply for drinking water. Chris said he is happy to sit down with groups to talk about how best to implement the framework for their local community.

Director Bill Nesbitt mentioned that he had some concerns about ground testing the data that came out of the state's assessment as back in the 1980's the data released by FEMA about the flood plain in Gunnison County turned out to be inaccurate and now property owners are faced with increased costs for flood insurance. "Will there be truth testing of the statistics?" Bill asked.

Chris replied that the CWCB is not a regulatory entity and that this study has no impact on property owners, such as an increase in insurance costs. He also said they are "not creating risk" with their assessment. He pointed out that it is not the CWCB's position to implement any sort of plans or outcomes from the study but that they are merely providing data and a framework for local authorities to address their own risk and possible mitigation plans. Chris said that while the CWCB will not be directly involved in helping local watersheds with the assessment and mitigation process, they do have a tool and funding available for communities to be able to help themselves and his goal is to be sure that all entities around the state are aware of this. He said they are happy to sit down with anyone to talk about local wildfire preparedness.

General Manager Sonja Chavez asked Chris whether the CWCB used consultants or staff to conduct their assessment. Chris answered that they used both - outside consultants to collect a lot of the data and in-house staff to assimilate the data. Sonja also asked if the CWCB had considered the impact of small legacy mines in their assessment. Chris replied that they did not look at mines on a statewide scale but that he thought this would be an important consideration for the local framework.

6. BREAK

7. Legal and Legislative Matters

General Counsel John McClow reported that he has had some recent discussions with Mount Crested Butte Water and Sanitation District (Mt. CBWSD) about proposed improvements to Meridian Lake Reservoir. John said that the Mt. CBWSD approached UGRWCD several years ago about this and an agreement was drawn up. Then, due to some changes in management, the Mt. CBWSD went into hiatus

on the project and now they are ready to resume activities. John said that Mt. CBWSD would be responsible for paying for and making improvements to Meridian Lake Reservoir, with the UGRWCD's approval. The basic premise is that they would deliver additional water to Meridian from Washington Gulch via a canal or pipeline and thereby increase the firm yield of the reservoir. In exchange they would have the right to use some of that water. The UGRWCD has the option to participate in helping finance some of the improvements to the outlet works which can benefit our water augmentation program. The District will also jointly file for new water rights for the reservoir. John offered to put a packet together about the project for the Board to review at the October Board meeting.

Director Bill Nesbitt asked if any funds need to be allocated for the 2023 budget for the project and John reiterated that all of the costs will be borne by the Mt. CBWSD unless we choose to help with improvements to the outlet works. Sonja noted that she would have this as an item for the budget discussion.

Director Rosemary Carroll noted that she was involved in the initial agreement process and that she recalled Mt. CBWSD proposing two possible options for improvements, one being the installation of a new pipeline and one being a canal. Her recollection was that there were some concerns about gravity. John agreed and said that costs will have changed significantly since then as well, so the project will definitely need review.

Counsel McClow also noted that the Bureau of Reclamation's deadline for states to provide plans to address the Colorado River shortage came and went without any solutions. He said all three lower basins states sent letters outlining how much each of them has already done towards conservation and that both California and Arizona noted that any further reductions must come from agriculture. Their replies were that the government could pay between \$1,500 to \$2,400 per acre to fallow agricultural acres, which the budget cannot support. John pointed out that even fallowing is only a short-term band-aid and that there will have to be permanent reductions to shore up the system. He noted that if we have another dry year in 2023 like we did in 2022, then in 2024 Lake Powell and Lake Mead could go to Deadpool and nobody downstream will get any water. Basically, everything is at a stalemate right now.

Director Don Sabrowski thanked John for the letter he wrote for the Gunnison Stockgrowers Association. Don admitted he was still a little confused why the upper basin states are immune to action at this time by the Secretary of Interior. John replied that there is no legal device nor legal obligation for the upper basin states to curtail their usage since the upper basin states are in compliance with the compact and are actually taking less water than the compact allows.

8. Basin Water Supply Update

Water Resource Specialist Bev Richards reported that at the recent Aspinall Meeting, forecasters are predicting that there is a 60 percent chance that the Gunnison River basin could move to a neutral or El

Nino weather pattern by Spring, which historically has brought more precipitation to the region. At the meeting, they also noted that the water supply forecast changed from normal to below normal. Bev said their model was incorrect and initially showed more snowpack, especially above Taylor Reservoir, than was actually received.

9. General Manager and Staff/Committee Updates

Treasurer's Report: Treasurer Bill Nesbitt reported he and Sonja met with the District's bond advisor at the Colorado Water Congress meeting and agreed to enter into a trade for \$250,000 US Treasuries yielding 3.375%. Bill noted that we will continue to try to ladder the maturities of our investments. He also noted that recession indicators are increasing.

Executive Committee Meeting Update: President Michelle Pierce reported the committee met on July 27th and performed senior staff reviews, which went well.

General Manager's Update Miscellaneous: General Manager Sonja Chavez referred to her update in the packet.

Cloud Seeding and Gap Weather Radar – Sonja reviewed the Upper Gunnison Basin's Cloud Seeding Program and noted that the permit is up for renewal this year. She noted there were issues with the manually operated site near Black Mesa this past year but that staff still believe this location could be very beneficial in terms of water production potential. Sonja also noted that the addition of a gap weather radar site in this area could be tied to the basin's remote generators to help alleviate such issues and could increase cloud seeding success using localized Gap Weather data. Sonja asked for the Board's blessing to continue support of adding a remote cloud seeding generator at Black Mesa and to proceed with pursuing gap weather radar near Blue Mesa. She hopes to get a funding proposal to the Board as soon as possible. It was noted by several Board members that they were NOT in support of a Gap radar site on the back of a trailer and were promised a permanent site with permanent structure.

Grant Program Update: Jesse Kruthaupt of Trout Unlimited gave a Power Point presentation on the dam bank repairs and infrastructure improvements recently finished at Vouga Reservoir in cooperation with R & K Staheli Farms (funded through the District's 2020 grant program). Jesse expressed his and the owner's appreciation.

Harmful Algae Bloom (HAB) grant request report: CRWCD Community Funding partnership Director Amy Moyer has been very busy processing Accelerator Grants and has been delayed in providing an update on the status of the District's HAB grant application. Amy hopes to have a report ready in a couple of weeks.

2023 Farm Bill Session with Senator Michael Bennet: Sonja reviewed the details included in her memo with respect to the public listening session held August 18 in Hotchkiss with Senator Michael Bennet. Overall, she was pleased with the opportunity to share the input from UGRWCD's constituents.

Agricultural Assessments – General Manager Chavez reported that she hopes to have 15 to 20 assessments completed by the end of the season and that she is pleased with the 95 percent success rate in assessed project moving forward to actual construction. There was a discussion of lack of information around line locations/direction of flow of ditches (only about 50% complete). The biggest concerns associated with wildfire are where key infrastructure are located in order to assess mitigation of risk. Andy, Don and Stacy can reach out to Stockgrowers and see if they have any input now or at the time of stakeholder meetings. Basic question – Do you have any key infrastructure that you would be concerned about should there be a fire?

Education and Outreach Committee – Committee Chair Sara Bergstrom reported that the committee met on August 11th and discussed where we are at with the current year action plan and preliminary plans for the 2023 Budget Year. She noted that Sue Uerling will be developing a calendar for the 2023 Budget Year/Action Plan activities. She said the committee is also hoping John McCLOW can develop a “Water 101” presentation and/or brochure that can help explain water rights to residents in the basin. There was also discussion about increasing the amount allocated from \$300 to \$500 for Mini-Grants in hopes that educators will find this amount to be more helpful when considering water education and outreach projects.

Taylor Local User's Group Update: The August 9th Meeting Minutes were included in the Board Packet. TLUG Chair Don Sabrowski reported that at the meeting the TLUG representatives approved keeping flows at 230 cfs through Labor Day to benefit the rafting/boating and agricultural users. The TLUG representatives met again virtually on August 17th and thanks to recent rains, it was determined that the flows could be maintained at 230 cfs through Labor Day. After Labor Day, the TLUG recommendation was to begin to reduce flows by 25 cfs increments until reaching the 82 cfs winter flow rate in order to maintain a year-end storage of 68,200 acre feet in Taylor Reservoir. It was noted that a flow of 82 cfs will actually be better than last year's winter flow rate of 75 cfs. The next meeting is tentatively scheduled for September 8, 2022 at 10 AM.

Wet Meadows Program Update:

Watershed Program Coordinator Cheryl Cwelich reviewed her memo included in the packet and reported that the 22 wicker weirs on BLM property in Monson Gulch were breached to reduce impacts to downstream water rights. The BLM is working with water commissioners to install two Parshall flumes to monitor stream flows through the impacted reach. Staff have reached out to the United States Geological Survey (USGS) to partner on a base flow study that could help to substantiate benefits of wet meadow restoration structures.

Scientific Endeavors: Director Rosemary Carroll noted several upcoming conferences and seminars with respect to watersheds and watershed management: (1) September 12-16 – Mountain Climb at RMBL regarding mountain hydrology, which Rosemary will attend in person; (2) September 12-16 – ASO Workshop – Bev and Rosemary will attend via Zoom; and (3) September 21-23 – Department of Energy conference where proposed funding will be discussed. Rosemary said they are likely moving into the Taylor and going into adaptive forest management and biology and geochemistry. Ken Williams would like to talk to the Board about this project. Rosemary thinks that there will be overlap with forest management and watershed health goals.

STOR Committee Update: Director Joellen Fonken reported she would pass the District’s representation baton to Sonja as Frank Kugel had originally participated as UGRWCD representative and she felt it was important for the General Manager to be that person.

Colorado Water Congress Update: This was the highest attended Summer Conference ever. Those in attendance felt they learned a lot from the special Forest/Watershed Health session. Those in attendance felt Senator Michael Bennet showed a firm commitment to watershed health. Heidi Gnall, who is running against Governor Polis made her pitch.

10. Miscellaneous Matters

The monthly reports and news articles were included in the packet.

11. Citizens Comments

No comments were presented.

12. Future Meetings

A list of upcoming meetings was included in the Board Packet. Director Joellen Fonken noted that the location for the September Board meeting was to be announced and General Manager Chavez said she would let the Board know ASAP.

13. Summary of Meeting Action Items

- (1) Make the name change to Bethany Howell in the July 2022 Board Minutes
- (2) Have future interns give a presentation to the Board about their accomplishments and experiences
- (3) Cloud Seeding – Reach out to other area constituents for consideration of funding support.

- (4) Invite the Forest Service to make a presentation on their plans for local near-term forest management activities.
- (5) For the October meeting, John McClow will put together a packet for the Board's review on possible improvements to Meridian Lake by the Mt. Crested Butte Water Sanitation District
- (6) John McClow and Andy Spann, with input from Stacy McPhail, will discuss getting input from area ag users regarding their concerns to ag infrastructure if there were a fire in their sub-basin
- (7) Check with Kenneth Hurst Williams on possibly presenting findings from his recent study and give him opportunity to get input on research/science needs of the District at the October Board meeting
- (8) Sonja will provide Rosemary Carroll with priorities for the District with respect to possible funding through the Department of Energy for their studies to commence along Taylor River/Reservoir
- (9) Sonja will convene the Finance Committee for a preliminary review of the 2023 budget.

14. Adjournment


President Michelle Pierce adjourned the August 29, 2022, meeting at 8:25 p.m.

Respectfully Submitted,



John Perusek, Secretary

APPROVED:



Michelle Pierce, President