

Upper Gunnison River Water Conservancy District
Meeting Minutes of the Board of Directors
Monday, September 26, 2022

The Board of Directors of the Upper Gunnison River Water Conservancy District (UGRWCD) conducted a regular Board meeting on Monday, September 26, 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, Rebie Hazard, Stacy McPhail (via Zoom), Bill Nesbitt, John Perusek, Don Sabrowski, and Andy Spann,

Board members absent: Joellen Fonken, Julie Nania, and Michelle Pierce.

Others present:

Sonja Chavez, UGRWCD General Manager

Cheryl Cwelich, UGRWCD Watershed Projects Coordinator

Bob Hurford, Division 4 Engineer, Colorado Division of Water Resources

John McClow, UGRWCD General Counsel

Kevin Rein, State Engineer, Colorado Division of Water Resources

Beverly Richards, UGRWCD Water Resource Specialist

Jill Steele, UGRWCD Accountant

Luke Mecklenburg (via Zoom), Assistant Attorney General, State of Colorado

Jason Ullmann, Assistant State Engineer, Colorado Division of Water Resources

Erin Wilson, Wilson Water Group

1. CALL TO ORDER

Board Secretary John Perusek called the meeting to order at 5:30 p.m.

2. AGENDA APPROVAL

Bill Nesbitt noted that the GBRT update and the Treasurer's report are not listed on the agenda.

Bill Nesbitt moved and Julie Nania seconded approval of the agenda as circulated. The motion carried.

3. CONSENT AGENDA ITEMS

Rosemary Carroll asked to make a minor correction to the August 29, 2022 meeting minutes. Under

Scientific Updates, she asked that the dollar amount be removed because she does not have the correct amount.

Rebie Hazard moved and Bill Nesbitt seconded approval of the consent agenda items. The motion carried.

4. 2023 BUDGET WORK SESSION

Discussion of Initial Draft 2023 Budget

Sonja said that the Finance Committee met to go through several of the highlighted items in the draft 2023 budget.

Bill Nesbitt said that the Finance Committee also discussed making changes to streamline investment authorizations. His intention is to combine new language and the existing investment resolutions into one, single investment resolution for the board's consideration in 2023. The committee discussed the District staff home loan assistance program concept. Director Nesbitt would like the board to receive a presentation to learn about the many different program configurations possible, potential impacts, and what other entities are doing.

Sonja said that highlighted lines in the draft budget reflect where more work is needed to finalize numbers, and some are earmarked for discussion today.

Discussion of budget line items:

Administrative travel and expense is increased from \$19,000 to \$25,000 due to the addition of one employee in 2022, Cheryl Cwelich.

Audit and accounting is increased because the Accountant will need to continue to work with Quick Books expert, Kim Antonucci.

Donation to Selenium Program: delete.

Dues, memberships & subscriptions appears to have increased largely because subscriptions were formerly under a different line item, Office Expenses.

Manager's Discretionary is increased from \$3,000 to \$25,000 in order to have more flexibility, in every day operations of the organization, for instance to sponsor an event, project that runs over budget, or to plan a conference or board retreat.

Meeting Expenses is increased because the District often provides food for more than just regular board meetings (e.g., committee meetings) and inflation is increasing all budgetary costs.

Payroll Expenses will increase. This is due to the addition of a new employee in 2022, the continued goal of moving employees to their pay range mid-points with strong performance, inflation and continued wage-pressure across the market.

Public outreach across the District continues to grow and with great success. A note was made that a portion of the \$5,000 in funding for RMBL's weather monitoring station will be re-allocated to RMBL's Science Days for kids and will be under Public Outreach line item. This event reaches over 400 RE1J students.

Home Loan Assistance Buying Program contribution is a place holder. Sonja will reach out to Jennifer Kermode or someone from the Housing Authority to make a presentation to the board. The Board was in agreement that housing is important and needs to be addresses by the District.

Wet Meadows expense includes \$20,000 for a discretionary item for the Wet Meadows Coordinator for various activities like matching a grant, putting on a conference, or buying a meals for volunteer groups. All expenditures will need to be approved by the General Manager and the board will be informed if any expenditures exceed \$1,000.

Line item 53 Taylor Park Projects Expenses is an annual amount paid to UVWUA for Taylor dam operations.

Line 56, Water Quality Monitoring. The District will need to make a decision on including funds for Lake Fork Valley Conservancy (LFVC). Due to LFVC non-performance under a consultant contract, the District is holding on to two years of previously set-aside funds and an invoice until deliverables are received.

Line item 59, Contingency. Sonja said this line item is for unbudgeted expenses that come up during the year and generally any expenses proposed out of this line item are put before the board for approval.

Sonja went through the proposed 2023 Strategic Goals spreadsheet, detailing the various funding sources available for each project, the timeline, and type of water use. The board was appreciative of the effort and had no suggested edits (see attached).

Bill Nesbitt asked how much the District will contribute to the Harmful Algal Blooms study. Sonja said \$30,000. She also mentioned that there is an additional \$41,008 in grant funding coming from the Colorado River District CFP, that we will fiscally manage on behalf of the USGS and National Park Service. She just received the contract and will be signing. Bill asked if there is anything else on the horizon, as far as the budget goes. Sonja said there is not.

In the Water Quality Monitoring Program, the District will continue its long-term trend monitoring sites. A few short-term monitoring sites may be added to obtain a baseline and to monitor for rare earth metals on Cebolla Creek, and Marshall and Tomichi creeks for contaminants associated with the Pitch Uranium Mine. There are various stream segments in the East River basin where cadmium, copper, and arsenic are a problem. These are high priority water quality contaminant issues that the District needs to address and collection of dissolved organic carbon may need to be added.

Drought Contingency Planning: A \$160,000 grant was obtained from the Bureau of Reclamation WaterSMART Program to do drought contingency planning in 2023. The District estimates that we will spend \$115,000 in 2023 with \$44,000 committed as an in-kind match from the District. We will continue to fund raise as well. Sonja is seeking board support in case that funding does not get secured.

Sonja said she wants to implement a study of a “big-gun” irrigation, which is a single irrigation sprinkler gun mounted on a pole that can shoot/spread water across a field much like a rotating sprinkler in your yard. They are very useful in difficult to irrigate areas and could maximize production on our land in an efficient manner. Problems can include access to electricity for development of adequate water pressure. But there is potential.

The Taylor Basin WRF Hydro modeling effort with Dave Gochis and UCAR has been budgeted at \$40,000 per year and could increase in 2023. Four new precipitation measuring sites will be installed. Dave Gochis has the equipment; it would be a matter of just paying someone to operate and maintain the sites. The cost is estimated to be about \$6,000 - \$10,000 annually.

A new cloud seeding remote generator will be installed on Black Mesa. The CWCB will pay \$25,000 for that installation, and the district will pay \$42,600.00. Total cost of the cloud seeding program in 2023 will be between \$114,000 and \$120,000 in cloud seeding.

Municipal projects would include pre-feasibility engineering and implementation of the wing inlet for the City Ditch system. Sonja estimates the construction to cost \$150,000 and the District could contribute a portion of that cost via the grant program.

Don Sabrowski asked about Doppler radar. Sonja said the infrastructure is taken care of as far as the actual radar system. Western States Water Partnership has had problems with the contractor they originally planned to work with. Sonja put them in contact with a local contractor but they were not happy with the cost estimate for the project, therefore this year, they plan to mount the radar system on a trailer.

Director Carroll asked if the CWCB will be looking for funds for ASO flights, and if that is a priority for this board. Rosemary saw a request was received from the CWCB for the UGRWCD to participate in funding four ASO flights for each the East and Taylor basins. Beverly indicated that funding is not critical fo 2023, but will be in subsequent years. Sonja would like to have other parts of the basin covered in addition to the East and Taylor River basins but will have to see what other partners from adjacent watersheds can be lined

up to share in that cost. Rosemary said it is something we should think about going forward and is important for a number of reasons. Dave Gochis would love to see more simulations in order to further test the WRF Hydro model which does not rely on a 30-year of record period to predict inflows as does the Colorado Basin River Forecast Center (CBRFC) model used by the Bureau of Reclamation. When Sonja asked why CBRFC is not using any of the ASO data, they said because they still considered it “experimental”. If we can show more data with higher accuracy, that can help them decide to use ASO data in their forecast making. This year the model had a 2% forecast error.

Andy Spann asked how much more is needed to get permanent doppler site installed. Sonja indicated it was \$100,000. She’s been a little frustrated with the speed and project coordination. They could come to the District for a grant application.

Andy asked if \$25,000 enough for big-gun funding? Sonja said there is a lot of other funding out there, but if the Board wanted to put more funding toward the project and just moved forward, the Board could make that recommendation.

Funding Requests for 2023:

The Coal Creek Watershed Coalition has submitted a request for support in the amount of \$10,000 in 2023 similar to last year.

The Center for Snow and Avalanche Studies has requested funding in the amount of \$3,500 for its Colorado Dust-on-Snow Program in 2023. This is the same level of funding provided by the UGRWCD in 2022.

5. BREAK

6. DISCUSSION WITH COLORADO STATE ENGINEER, KEVIN REIN, REGARDING POTENTIAL COMPACT CURTAILMENT ADMINISTRATION AND RULES

Sonja Chavez introduced State Engineer Kevin Rein. Mr. Rein gave a presentation on Colorado Compact Administration and the State Engineer’s Office Role. He discussed the Colorado River Compact of 1922, the South Platte River Compact of 1923, and the Upper Colorado River Compact of 1948.

Kevin Rein discussed methods of allocating water among states, when the need to make rules arises and what issues need to be addressed by those rules. How to plan for and mitigate impacts of curtailment, if it becomes necessary. How curtailment is applied, and investigation of other strategies.

Mr. Rein said that in Water Division 6, they are working on measurement rules to use in water administration, and they think they have a set of rules to submit to the water court.

Bill Nesbitt said he has not seen Western Area Power Authority at any of the meetings he has attended, and they are one of the bigger elephants in the room.

Director Spann asked if there are any transmountain diversions that might be added to the list of compacts Kevin discussed. Andy expressed concern that the majority of the votes are on the East Slope while the majority of the water is on the west slope. He asked how much of a role our governor will play in the process. Kevin said the rulemaking is a stakeholder-driven process that needs to go through court. Andy said he appreciates the presentation. He said if this goes differently from the prior appropriation doctrine, then what good are his water rights. Would he be able to survive on the figure that is arrived at? If ag producers are going to survive curtailment in this valley, a lot of changes need to be made which we cannot afford to make, financially and infrastructure-wise.

The meeting segue wayed into the presentation from Erin Wilson (consultant) and John McClow (General Counsel).

Rosemary Carroll sought clarification from Kevin on exactly how much time he thinks we have to address the water shortage crisis or to deal with compact administration. Kevin said we are not at the “2 minute mark” but we are running out of time, if you figure in all the things that need to happen. It’s important for Kevin to hear from stakeholders like us as he’s trying to figure out the best way to handle these issues and identify things that he needs to consider in the development of rules.

7. PRESENTATION & CONVERSATION: JOHN MCCLOW (UGRWCD) AND ERIN WILSON (WILSON WATER GROUP) - UPPER GUNNISON BASIN HYDROLOGY, COMPACT RISK, & UGRWCD RISK REDUCTION

John McClow showed a flow chart depicting steps to curtailment. He said at Upper Colorado River Commission meetings and at Colorado Water Congress, they are always asked what curtailment will look like, when will it happen, how will it happen. That is still unknown because there are so many questions that have not been answered and will need to be worked through. It is time to get started but it will not be an automatic process.

John McClow said that current operating guidelines for Glen Canyon Dam expire 12/31/25. He said that the problem is not the compact, it is aridification. Aridification could be solved by renegotiation of the 2007 guidelines. This provides a glimmer of hope that there is another way to solve the problem.

If flows at Lee Ferry fall below 75,000,000 acre feet over a 10 year running average, what happens? What is the cause? Did the upper basin states cause it? Under the Mexican Treaty of 1944, the Mexican obligation shall come from the surplus. And if no surplus the deficiency is made up by upper and lower states equally. The upper basin has said publicly when there is a surplus, it goes to the lower states and they should make up the deficiency.

Any litigation takes place in the United States Supreme Court. The states do not have a uniform system of measuring consumptive use. The Commission has been working for 10 years to try to get all Upper Division states to use the same measuring system. Colorado is very efficient at measuring; the other states are not as thorough in their measurements. When we have inconsistent standards and accuracy, how do we measure? The 10 year penalty box: if any state(s) in the 10 years preceding the curtailment has used more than their allocation, that state has to make up the deficiency to the lower division before anyone any other state has to contribute. The 1948 Compact says that the UCRC shall determine the amount and timing of curtailment.

John McClow said that statute says if we have a compact that is deficient in determining how it should be administered the state engineer shall make rules. So, then Kevin decides to make curtailment rules. He will go out and talk to various water users then utilize a public hearing process. After taking input he would then propose rules and submit them to the water court. Statute says anyone who does not agree with the proposed rules can challenge them in water court. The water court decision can then be appealed to the state supreme court if desired. And then, Bob Hurford has to go out and implement it. It will not be simple, quick, or easy.

Erin Wilson, of Wilson Water Group, gave a presentation on Upper Gunnison Basin Hydrology and Compact Risk. The Gunnison River hydrology is extremely variable and depends upon snowpack; for example, 2019 had 3 times as much streamflow as did 2018. The current 22 year period is drier than any other previous period on record.

Four tributaries contribute to flows through Gunnison: The East River/Slate, Ohio Creek, Taylor River, and Tomichi Creek/Cochetopa. Each has its own unique set of characteristics and challenges.

The East River has the most consumptive use for irrigation, and a little municipal use in the Crested Butte area. The East River and tributaries are widely used for recreation. Depletions are relatively small, about 7% of natural flow. East River hydrologic challenges include a quicker runoff, inconsistent winter snowpack, and increased competition between agricultural and recreational uses.

Taylor River annual, natural flows are significantly altered by Taylor Park Reservoir operations. Flows are lower than natural flows in May – July as water is stored during these months. Flows are higher than natural flows in October – April as releases are made. Storage is carried over in wet years and available in subsequent dry years. Taylor River benefits include robust and flexible reservoir releases and bypass agreements. During the recent 22-year drought, the reservoir has served its purpose, but it is unclear if it can fully meet the intended purposes as we continue to see multi-year drought.

Ohio Creek, like Tomichi Creek, is a “working” river, with a significant portion diverted for irrigation. Depletions during dry years are more than 50% of natural flows. There is no storage in the watershed so most ditches experience shortages in late season, regardless of hydrologic year type. Challenges include a quicker runoff as temperatures increase that will further limit water availability. There may be increased conflict between agricultural water users/landowners and anglers. Return flows come back quickly as surface flows, or through shallow, alluvial aquifer, over months.

Tomichi Creek diversions are greater than natural flow as irrigation return flows are re-diverted downstream. Gravelly soils require significant diversions to fill the soil zone and allow efficient irrigation. There is minimal storage for irrigation.

Temperatures have been trending up, and precipitation has been trending down. This makes for difficulty in hydrologic forecasting. Annual runoff forecasting is generally good for the upper Gunnison but is only useful a few months before peak runoff occurs. Forecasting hydrology on a *year timeframe* is not feasible.

Erin thinks that Upper Gunnison Basin forecasting is relatively good especially when you compare it to other basins, which is not to say it cannot be improved.

8. LEGAL AND LEGISLATIVE UPDATE

9. GENERAL MANAGER UPDATE

The Board received the General Manager Updates for September in their packets. Additional discussion included:

Treasurer's report: Bill Nesbitt said that the two-year treasuries have been outpacing the five- and ten-year treasuries. The feds are shooting for a 2% inflation rate. Our investments are secure and safe and we have a great rate of return.

The GBRT met on September 19. Water Supply Reserve Fund guidelines have been published. We will now have CWCB regional directors stationed throughout the state. The one in our area will oversee the Colorado/Yampa/White/Green Basins. Comments on the Colorado Water Plan can be received until September 30. Significant funding is available for water projects. The CWCB proposing to bring each roundtable account to \$1,000,000 in WSRF due to a big severance tax year. There were no applications to the grant committee, and no major updates. The IBCC will meet October 25. City of Grand Junction asked for a letter of support for grey water education. There were 5 applicants applying for the At Large Seat vacated by Sonja but Steve Anderson failed to provide the applicant letters of interest.

10. MISCELLANEOUS MATTERS

Rosemary Carroll said that there was a tour of East River sites. Julie Nania gave a good presentation at RMBL. Beverly Richards said that Rosemary did a presentation for the ASO webinar and did a great job as well.

The Sustainable Tourism and Outdoor Recreation (STOR) Committee met on September 22nd. District staff present for the meeting included Beverly Richards and Cheryl Cwelich. The Committee began with discussion of STOR Committee Membership updates, including Joellen Fonken recusing herself from the

Committee to focus on her new role at CB Nordic. The District indicated that it would nominate a new representative with direction from the UGRWCD Board. The Committee then discussed the process for Strategic Planning and review of the stakeholder survey.

Don Sabrowski said that the Stockgrowers would appreciate if Sonja and Stacy would talk about fire risk management in November whenever it fits their schedules.

Don Sabrowski said that he, John Perusek, and Sara Bergstrom recently toured Taylor Dam. He really enjoyed the experience/tour and was impressed of the forethought of the people who designed it. They made it easy for this hydropower conversion. They are hoping to have the hydropower ready to go by January next year. He expressed appreciation to Matt and Sonja for making that happen.

11. CITIZENS COMMENTS

No citizens requested to speak.

12. FUTURE MEETINGS

Information on future meetings was included in the packets.

13. SUMMARY OF MEETING ACTION ITEMS

Bill Nesbitt, John McClow, and Sonja Chavez will work on a revising financial procedures.

Stacy and Sonja will follow up with Pam Johnston about wildfire risk assessments discussion with Stockgrowers.

14. ADJOURNMENT

Board Secretary John Perusek adjourned the September 26, 2022 meeting at 9:14 p.m.

Respectfully Submitted,



Stacy McPhail, Vice-President

APPROVED:



John Perusek, Secretary

