



Upper Gunnison River Water Conservancy District

210 West Spencer Avenue, Suite B • Gunnison,
Colorado 81230 Telephone (970) 641-6065 •
www.ugrwcd.org

AMENDED

BOARD OF DIRECTORS

AGENDA - REGULAR MEETING

Monday, August 28, 2023

<https://us02web.zoom.us/join/9tZwtcOyhrTotE9WUYgh82hYOp7D3OfZE-cox>

MISSION STATEMENT

To be an active leader in all issues affecting the water resources of the Upper Gunnison River Basin.

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|------------------|-----------|---|
| 5:30 p.m. | 1. | Call to Order |
| 5:32 p.m. | 2. | Agenda Approval |
| 5:35 p.m. | 3. | Consent Agenda Items: Any of the following items may be removed for discussion from the consent agenda at the request of any Board member or citizen. <ul style="list-style-type: none">• Approval of July 24, 2023 Minutes• Monthly Budget Summary• Consideration of Expenses |
| 5:40 p.m. | 4. | Approval of 2023 Financial Audit (ACTION) |
| 5:50 p.m. | 5. | DINNER BREAK AND CONVERSATION WITH BECKY MITCHELL, STATE OF COLORADO'S COMMISSIONER TO THE UPPER COLORADO RIVER COMMISSION |
| 6:45 p.m. | 6. | 2024 Budget <ul style="list-style-type: none">• Strategic Plans for 2024 |

- Preliminary Estimate of Assessors' Valuations

7:25 p.m. 7. Basin Water Supply Update

7:35 p.m. 8. General Manager, Staff and Committee Updates

- Treasurer's Report
- General Manager's Update
- Drought Contingency Planning Update
- Watershed Management Planning Update
- Wet Meadows Program Update
- Education & Outreach Update
- Taylor Local User's Group Update
 - August 8, 2023 Meeting Summary
- Scientific Endeavors
- Gunnison River Festival Update
- STOR Update

8:10 p.m. 9. Miscellaneous Matters

- Current Gunnison River Spreadsheet
- Report on Colorado Water Congress Summer Conference

8:15 p.m. 10. Citizens Comments

8:17 p.m. 11. Future Meetings

8:20 p.m. 12. Summary of Meeting Action Items

8:25 p.m. 13. Adjournment

Note: This agenda is subject to change, including the addition of items or the deletion of items at any time. All times are approximate. Regular meetings, public hearings, and special meetings are recorded, and action can be taken on any item. The Board may address individual agenda items at any time or in any order to accommodate the needs of the Board and the audience. Persons with special needs due to a disability are requested to call the District at (970) 641-6065 at least 24 hours prior to the meeting.

AGENDA ITEM 3

Consent Agenda Items

**Upper Gunnison River Water Conservancy District
Regular Meeting Minutes of the Board of Directors
July 24, 2023 at 5:30 p.m.**

The Board of Directors of the Upper Gunnison River Water Conservancy District (UGRWCD) conducted a regular meeting on Monday, July 24, 2023 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: Rosemary Carroll, Joellen Fonken, Rebie Hazard, Stacy McPhail, Julie Nania, Bill Nesbitt, John Perusek, Mike Rogers (via Zoom), Don Sabrowski (via Zoom) and Andy Spann.

Board members absent: Michelle Pierce

Others present:

John McClow, UGRWCD General Counsel

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

Beverly Richards, Water Resource Specialist II

Jill Steele, Citizen (via Zoom)

Sue Uerling, UGRWCD Admin. Asst/Communications Support Specialist

1. Call to Order

Board Vice President Stacy McPhail called the meeting to order at 5:40 p.m.

2. Agenda Approval

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

3. Consent Agenda Items

Director Bill Nesbitt moved and Director Joellen Fonken seconded approval of the consent agenda items with the correction of the spelling of Eric Kowal's name on page 10 of the June 26, 2023 annual meeting minutes. The motion carried.

4. 2024 Budget – Budget Officer Appointment

Director Bill Nesbitt moved and Director Rosemary Carroll seconded the appointment of General Manager Sonja Chavez to serve as the 2024 Budget Officer for the District. The motion carried.

5. Legal and Legislative Matters

General Counsel John McClow reported that the Colorado River Drought Task Force members have all been appointed, a chair has been appointed and a facilitator has been appointed. The task force is supposed to meet by July 31, 2023 but as of the meeting time, no one knows when or where that meeting will take place.

With respect to the Colorado River, John reported that on June 16th, the Bureau of Reclamation (BOR) published a Notice of Intent to prepare an Environmental Impact Statement for the development of post-2026 Colorado River reservoir operations. (Several important reservoir and water management documents/agreements governing the operation of Colorado River facilities and management of Colorado River water are currently scheduled to expire at the end of 2026.) The BOR invited all Colorado River Basin partners, stakeholders, and interested members of the public to provide comments regarding the future process by August 15, 2023. Details can be found on the BOR's website. John noted that he does not see the need for this District to submit a comment letter as it would be redundant of the state's comments and at this time, the District will just observe. John said that since the BOR withdrew the supplemental Environmental Impact Statement upon their receipt of the third alternative that they received from the lower basin states, he anticipates that they will reissue a new Environmental Impact Statement by October 2023 with the final Record of Decision due in January 2024. John reminded the Board that this will be an interim document with adjustments made to address the severe drought conditions last year until new governing documents are released for Post-2026.

Director Joellen Fonken asked John to further explain Principle #6 of the Post-2026 Management Principles dealing with water rights for tribal nations. John explained that there are 30 tribes with federal reserved water rights from the Colorado River and its tributaries. John said when reservations were established for the tribes, the government promised that there would be sufficient water for the reservations' needs. John noted that some tribes are using their full water rights, some have been adjudicated and partly used, some are not yet utilized, and some tribes have reached settlements. He said Colorado's two tribes entered into settlement agreements regarding their water rights in the mid 1980's. He said that Principle #6 is the BOR's commitment to including tribal interests in the Post-2026 Colorado River management conversations and process.

6. Basin Water Supply Update

Water Resource Specialist Beverly Richards referred to her update in the Board packet and said that the biggest change since it was written was that at the time of the report, there had been some precipitation in the past 30 days and temperatures had been cooler, which is no longer the case. In a recent webinar that

she attended, Beverly said it was noted that soil moisture content has gone down significantly recently, and it was noted that although currently the entire state of Colorado is showing no drought, this will likely change soon, especially with the hotter temperatures and wind conditions.

7. General Manager's, Committee and Staff Reports

Treasurer's Report – Treasurer Bill Nesbitt reported that there wasn't much to report this month. He noted that the federal reserve is still considering another interest rate hike. He said he does have concerns that there have been five additional foreclosures reported in Gunnison County. He is also concerned about the impact of a potential UPS strike, since their deliveries have increased over the span of just a few years from 17 million packages to 71 million packages. He also read that Fed Ex pilots are considering a strike and that the local post office is down to just three delivery people. On the flip side, he said he is glad that the District now has over \$5 million invested, considering that not long ago the District was struggling to get to \$3 million. And he noted that these investments are secure and earning decent interest.

Approval of the 2022 District Audit – Treasurer Nesbitt reported that the audit received in the Board Packet did not include the "management letter" and the "independent auditor's report," and that he is not comfortable moving forward with the approval process without this letter. General Counsel John McClow noted that he has seen the letter, so he knows it has been prepared, but that it must have been held up in transit in the General Manager's absence. John agreed with Bill that it would be best to wait on approving the audit until all have reviewed that letter and said that it can wait until next month. Vice President Stacy McPhail announced that this action item will be tabled until next month and will appear on the August Board agenda.

General Manager's Memorandum – Vice President McPhail referred to the General Manager's memorandum included in the packet and noted that under the Watershed Management Planning process, GEI Consultants have been hired and have begun their assessment. She also noted that the Drought Contingency Planning process is underway, and a meeting will be held in August. Water Resource Specialist I Cheryl Cwelich was scheduled to give an in-person update on the Wet Meadows Program and the Gunnison River Festival, but she was in the field today helping with the wetlands assessment and has been held up. Stacy said Cheryl could give her reports later in the meeting once she had arrived.

8. DINNER BREAK

Scientific Endeavors Update – Director Rosemary Carroll reported that a large proposal has now been submitted on behalf of the Watershed Function Science Focus Area for a Department of Energy grant with the research taking place over the next four years. Rosemary noted that the research will be focused on three main objectives, which will be: (1) Looking backwards in time to determine how disturbances such as drought and higher temperatures have impacted the hydrology and the resilience of the land; (2) Looking forward to determine how the landscape might adjust to changes in the environment; and (3) Press and pulse events – can the data obtained from the East and Taylor Rivers be used or not as a model

for other larger basins? Rosemary explained that this will be a huge effort over the next four years but that all of those involved in the research will be biting off a small chunk of the pie to study.

Director Bill Nesbitt asked for Rosemary's opinion on whether or not AI (artificial intelligence) would be used in this study. His question was, "Just because you can use AI, should you?" Rosemary replied that she is certainly not an expert on AI ethics but said one area within her studies where she has seen it used successfully is, instead of re-writing code into other languages, AI can do this more efficiently and she does not see this as an ethics issue.

Education and Outreach Update – Vice President McPhail noted several of the items listed in the General Manager's memorandum under Education and Outreach and said that there has been a lot of activity in this area. She made a special note to remind the Board that the District is a co-sponsor of the Crested Butte Public Policy Forum (PPF) featuring Sam Myers' presentation on "Planetary Health" on Tuesday, August 1st at 7 p.m. at the CB Center for the Arts. The Board and staff were also invited to a pre-event reception for Mr. Myers at the home of Chuck McGinnis, the PPF's Treasurer, 115 Pristine Point Drive at Meridian Lake Park at 5:30 p.m. on Monday, July 31st.

Gunnison Basin Roundtable (GBRT) Update – General Counsel John McClow reported that the GBRT met on July 17th. John noted that the PEPO Committee reported that it had completed the update of the website and electronic media and that there would be a newspaper campaign commencing that would include three articles on water. John said the state awarded the GBRT with funding in the amount of \$25,000 specifically earmarked for education and outreach.

John said that the GBRT approved two applications for funding from the Water Supply Reserve Fund.

He said that there will be a Roundtable Summit for all Roundtable groups across the state on November 14th in Denver. He noted that at the meeting there were also several presentations from the Colorado River District, including a presentation by Zane Kessler about three water bills that were enacted during the legislative session.

Director Nesbitt also attended the GBRT meeting and said it was one of the most informative meetings he's attended in a long time. Bill said one concern that he had from the meeting was that he is personally opposed to the legislative measure that would allow non-governmental organizations (NGO's) to try to buy water rights from the ranchers and that he expressed his concerns to Andy Mueller.

General Counsel John McClow stated that he wanted to set the record straight on this matter and make note that he worked on the draft measure dated November 28th that was leaked to State Affairs. He said that it would not allow for purchases by NGO's of agricultural water. John said the draft measure was intended to allow the state to get federal funding to purchase decommissioned power plant water rights for compact protection, not agricultural water. The draft was never proposed as a bill. Bill felt that this measure should have been brought before the Board for their knowledge.

Director Julie Nania said she wanted to clarify that the measure had been discussed at one of the Legislative Committee meetings after the draft came out but because it was not an active proposal at the time, there was no action taken to bring it before the Board. She noted, however, that the committee did discuss the concept and that there was agreement that it would be a good idea to try to purchase retired power plant water rights for the compact.

Director Nesbitt also noted that the City of Gunnison gave their presentation about the proposed Water Treatment plant for the City and noted that the water rights to be used for the new plant would be priority water rights from the late 1880's which would pre-date the Gunnison Tunnel and the 1922 compact and basically could not be curtailed.

TLUG Update – TLUG Chair Don Sabrowski said that the TLUG members were contacted by Eric Knight (BOR) via email last week and Erik reported that his latest models were showing decreased inflows into Taylor, so he was recommended reducing releases. None of the TLUG members disagreed so Erik did go forward with reducing the releases from 400 cfs to 375 cfs through the end of July and this will be revisited at the next TLUG meeting on August 10th. Director Andy Spann noted that at the July meeting there was a consensus to beef up the year-end storage level a little to 76,500 acre-feet as a buffer against a dry season next year. Andy said he would like to see more water in the river since there is actually water this year available to help the boaters and irrigators extend their seasons.

9. Miscellaneous Matters

Electronic Participation in Board Meetings Policy – General Counsel John McCloy reported that he and the General Manager discussed that the current policy on Electronic Participation in Board Meetings does not match the current practice, so he has drafted an amended version for the Board's consideration. Director Rebie Hazard noted that while she understands that there are benefits of participating electronically, she wanted to strongly encourage members to be present in person for the meetings as it makes them much more worthwhile in her opinion. John McCloy did note that the current policy does state that Board members may participate in the meetings electronically under certain circumstances, but that that they are not allowed to vote. Since Covid 19, Board members participating online have been allowed to vote. Vice President Stacy McPhail agreed with Rebie that every effort should be made to be present in person for the meetings, but she also liked the balanced approach of the new policy as she appreciates the value of still being able to attend and participate in the meetings when work or family circumstances prevent in-person attendance. Director Rosemary Carroll pointed out that also for committee meetings that take place during the workday, she especially appreciates the ability to participate electronically, otherwise her work schedule would prevent her from being able to attend the meetings at all. Director Julie Nania agreed with Rebie and suggested that the word "strongly" be inserted prior to "encouraged to attend in person" but she does like that there are exceptions allowed when work or other situations prevent in-person attendance. She also noted that the policy mentions inclement weather and she feels this is important so that Board members' safety is not put into jeopardy in trying to get into

the meetings. Julie also said that she, personally, would rather a Board member attend remotely than not attend at all and that the amended policy can allow the Board to meet a quorum as well. Director Rosemary Carroll also noted that it has been especially nice to allow presenters to make their presentations remotely as the audio/visual capabilities of the system are very effective for these presentations.

After further discussion, the consensus was to leave the amended policy as John has presented but include the word “strongly” prior to “encouraged to attend in person.” It was also recommended he leave in the conditions where the chair would ultimately make the decision whether or not a Board member can attend and participate remotely.

Director Bill Nesbitt moved and Director Rebie Hazard seconded the motion to approve the amended Electronic Participation by Board Member policy with the addition of the word “strongly” added as noted above. The motion carried.

It was announced at this point that Water Resource Specialist Cheryl Cwelich was detoured by the same accident that prevented President Michelle Pierce from getting to Gunnison, so Cheryl will not make it in time to give updates on the Wet Meadows program or the Gunnison River Festival. President Stacy McPhail noted that Cheryl can send an email with any important updates that the Board may need to be aware of prior to the next Board meeting.

Director Bill Nesbitt commended Cheryl and other staff who have reached out to include the tribal leaders in the District’s operations and outreach.

Water Resource Specialist II Beverly Richards announced that the District was invited back to continue with the BOR Snow Measuring grant process. Beverly said there were a number of applications submitted from Colorado and that only the District and two other organizations in the state had received an invitation to continue.

Director Bill Nesbitt reported that he was approached about whether or not the District was concerned about downstream water rights from the impact of beaver dams that the forest service is currently promoting. Director Julie Nania responded that this is a long, complex discussion item that has come up both at the Legislative Committee meetings and the WMP meetings and that the District has further avenues to explore before coming to any decisions about the program or legislation around such beaver programs. It was noted that there is a lot of scientific research going on in the west right now about the impacts and/or benefits of such programs and that the District will continue to monitor the issue.

10. Citizens Comments

Vice President Stacy McPhail reported that there had been a question in the chat box and an email received from a citizen with respect to the 2022 UGRWCD Audit. Stacy noted that as discussed earlier in

the meeting, the audit has not been finalized and the Board is expecting the addition of the analysis. She said when this is received, it will be a public document and the audit will be added to next month's agenda.

11. Future Meetings – Vice President McPhail highlighted some of the upcoming meetings and activities as listed in the Board Packet. Director Bill Nesbitt noted that at the Gunnison Basin Roundtable meeting it was discussed that the group might want to consider going back to monthly meetings. This will be addressed at the September GBRT meeting.

12. Summary of Meeting Action Items

The 2022 UGRWCD Audit will be updated to include the management letter and will be presented for approval at the August Board meeting.

13. Adjournment

Board Vice President Stacy McPhail adjourned the regular Board meeting on July 24, 2023, at 6:56 p.m.

Respectfully submitted,

John Perusek, Secretary

Stacy McPhail, Vice President

Upper Gunnison River Water Conservancy District
Monthly Budget Summary 2023

	Jul 23	YTD 2023	2023 Budget	% of Budget
Ordinary Income/Expense				
Income				
Asp Water Sales	101.16	22,649.19	20,920.00	108.27%
Cloud Seeding Income	0.00	140,750.00	140,750.00	100.0%
Interest Income	6,006.34	49,921.10	20,000.00	249.61%
Property Tax Income				
Property Tax Current	235,370.23	1,446,603.47		
Specific Ownership	9,989.99	53,125.27		
Delinquent Tax & Interest	493.03	-1,135.25		
Grant Income - Property Taxes	0.00	554.83		
Property Tax Income - Other	0.00	0.00	1,598,974.00	
Total Property Tax Income	245,853.25	1,499,148.32	1,598,974.00	93.76%
Reimbursed Exp Income				
GRF Reimbursed Income	0.00	0.00	35,000.00	0.0%
LSC Reimbursed Income	0.00	0.00		
Misc Income	6.10	35,042.42		
UGRAWE Reimbursed Inc	0.00	9,458.86		
Reimbursed Exp Income - Other	0.00	0.00		
Total Reimbursed Exp Income	6.10	44,501.28	35,000.00	127.15%
Taylor-CWRPDA Hydro Income	0.00	0.00		
Unspent Funds from Previous Yr	0.00	0.00		
Watershed Mgmt Income				
CWCB 2023-2404 Black Mesa Gen.	0.00	0.00		
BOR DCP 2023-24 \$140,480	0.00	0.00		
Blue Mesa HABs Study	0.00	0.00		
CWCB WMP (TBD) Grant Income	0.00	0.00		
CRWCD CFP2021-15 Grant Inc	0.00	0.00		
CWCB 2019-2891 \$150,000	0.00	0.00		
CWCB 2020-2113 \$31,507	0.00	0.00		
CWCB 2022-2085 \$180,000	0.00	43,758.10		
NPS 2021-4821 Grant Inc	0.00	0.00		
TU Restore Grant Inc	0.00	0.00		
Watershed Restore Program Inc	0.00	0.00		
WMP CWCB PO 2023-3317	17,356.75	17,356.75		
Watershed Mgmt Income - Other	0.00	0.00	435,018.00	
Total Watershed Mgmt Income	17,356.75	61,114.85	435,018.00	14.05%
Wet Meadows Income				
USFS SPA 2018 Grant	0.00	54,254.73		
BLM L17AC00255	0.00	113,222.31		
BLM L19AC00207 Silt	0.00	43,186.64		
NFWF Landscape	0.00	0.00		
NFWF Phase II Grant Income	0.00	0.00		
NRCS Grant Income	0.00	0.00		
Wet Meadows BLM Grant Inc	0.00	0.00		
WM USFS PA 18 Inc	0.00	0.00		
Wet Meadows Income - Other	0.00	103,950.00	274,166.00	37.92%
Total Wet Meadows Income	0.00	314,613.68	274,166.00	114.75%

Upper Gunnison River Water Conservancy District
Monthly Budget Summary 2023

WQ Monitoring Inc	38,869.00	38,869.00	38,869.00	100.0%
Water Supply Income				
CWCB NCAR Water Supply2023-2377	0.00	6,923.70		
CWCB PO 2023-3158	36,031.07	36,031.07		
Water Supply Income - Other	0.00	0.00		
Total Water Supply Income	36,031.07	42,954.77		
Additional Contribution Reserve	0.00	0.00	283,636.00	0.0%
Total Income	344,223.67	2,214,522.19	2,847,333.00	77.78%
Cost of Goods Sold				
Cloud Seeding COST	28.99	113,751.75	189,060.00	60.17%
COST Grants	0.00	0.00		
Cost of Goods Sold	0.00	0.00		
NPS PO 2021-4821 COST	0.00	0.00		
UGR&D CRWCD CFP2021-15 COST	0.00	0.00		
Watershed COST				
CRWD CFP Grant - HAB's	0.00	9,750.00		
2023 GOCO Planning COST	0.00	20,000.00		
CWCB 2020-2113	0.00	2,104.00		
BOR DCP 2023-24 COST	0.00	539.00		
CWCB WMP 2023-3317	0.00	32,703.75		
2021-15 UG Restoration COST	0.00	0.00		
CWCB 2022-2085 (Restore) COST	10,260.00	20,901.50		
CWCB 2019-2891 COST	0.00	0.00		
CWCB PO 2019 2891 COST	0.00	0.00		
CWCB WtrShed Restore Grant COST	0.00	0.00		
TU Restore Grant COST	0.00	0.00		
UGR&D CRWCD CFP2022 COST	0.00	6,158.00		
CWCB GBRT-PEPO 2023-2489	-4,321.39	5,245.14		
Watershed COST - Other	0.00	37,297.80	482,920.00	7.72%
Total Watershed COST	5,938.61	134,699.19	482,920.00	27.89%
Wet Meadows COST				
CAWA	0.00	1,338.78		
FWS Sagebrush Ecosystem COST	10,137.67	35,817.06		
BLM Coop L17AC00255 COST	0.00	728.00		
BLM L19AC00207 COST	0.00	0.00		
CPW HPP COST	0.00	0.00		
CPW Wetlands Grant COST	0.00	0.00		
NFWF Phase II COST	0.00	0.00		
NRCS Grant Exp COST	0.00	0.00		
USFS 22-PA-11020400-050	0.00	1,350.68		
USFS PA-2 17-PA COST	0.00	0.00		
USFS SPA 2018 COST	0.00	0.00		
2022 GOCO Planning COST	0.00	13,816.59		
Wet Meadows COST - Other	0.00	6,216.86	294,166.00	2.11%
Total Wet Meadows COST	10,137.67	59,267.97	294,166.00	20.15%
WQ Monitoring COST				
WQ Monitoring USGS JFA 2023	0.00	37,117.00		
WQ Monitoring COST - Other	0.00	40,861.00	157,930.00	25.87%
Total WQ Monitoring COST	0.00	77,978.00	157,930.00	49.38%
Water Supply COST				
CWCB/ NCAR #2023-2377 \$14,998	0.00	7,555.57		
CWCB PO 2023-3158	0.00	34,906.07		
Water Supply COST - Other	0.00	0.00		
Total Water Supply COST	0.00	42,461.64		
Total COGS	16,105.27	428,158.55	1,124,076.00	38.09%

Upper Gunnison River Water Conservancy District
Monthly Budget Summary 2023

Gross Profit	328,118.40	1,786,363.64	1,723,257.00	103.66%
Expense				
Vehicle Expenses - Toyota Tacom	280.54	423.79		
Reconciliation Discrepancies	0.00	0.00		
1 Op X				
Donation-Endangered Fish	0.00	0.00		
Admin.Travel & Exp.	3,070.16	16,228.02	35,000.00	46.37%
Accounting & Professional Fees	3,000.00	22,025.00		
Audit Expense	0.00	5,800.00	10,000.00	58.0%
Bad Debts	0.00	0.00		
Bank Service Charges	319.52	9,575.58		
BOD Expenses	618.36	5,678.40	15,000.00	37.86%
BOD Mileage	255.45	2,025.03	2,200.00	92.05%
BOD Mtg Fees	0.00	9,500.00	13,360.00	71.11%
Bonding and Insurance	0.00	14,674.00	12,003.00	122.25%
Building Rep/Maint	60.00	60.00	10,000.00	0.6%
Computer Exp				
Computer Asset Purchase	0.00	4,467.26		
Computer Repairs	0.00	0.00		
Computer Software	-190.88	8,470.30		
Internet	778.26	6,004.80		
Computer Exp - Other	0.00	5,022.47	22,850.00	21.98%
Total Computer Exp	587.38	23,964.83	22,850.00	104.88%
Copier Expenses	242.89	2,489.28	5,000.00	49.79%
County Treasurers' Fees	7,276.82	43,929.56	47,969.00	91.58%
Donation RMBL Weather	0.00	0.00		
Donation Selenium Program	0.00	0.00		
Dues, Memberships&Subscriptions	103.15	9,483.62	15,000.00	63.22%
Election Expenses	0.00	0.00		
Legal Publication	103.60	4,544.74	6,000.00	75.75%
Manager's Discretionary	626.79	17,356.11	25,000.00	69.42%
Meeting Expenses	196.77	2,334.21	4,000.00	58.36%
Office Equipment Exp	0.00	1,390.69	21,500.00	6.47%
Office Supplies & Misc Expenses	656.67	5,374.84	21,250.00	25.29%
Payroll Exp				
CRA Retirement Plan	3,761.47	26,186.97		
Medical Insurance	3,645.60	23,824.20		
Payroll Taxes	4,106.27	25,674.83		
Salaries - Admin	30,300.75	212,705.25		
Salaries - Staff	20,243.60	112,550.27		
Staff Development	0.00	2,129.70		
Work Comp Ins	557.00	5,109.00		
Payroll Penalties	0.00	0.00		
Payroll Exp - Other	450.00	825.00	762,354.00	0.11%
Total Payroll Exp	63,064.69	409,005.22	762,354.00	53.65%
Postage	0.00	441.00	1,500.00	29.4%
Public Outreach				
4-H Sponsorships	0.00	500.00		
Donation GRF	0.00	0.00		
Internship	0.00	0.00		
Mini-Grants	0.00	500.00		
Public Ed./Advertising	930.00	15,581.94		
Social Media	0.00	0.00		
Website Updates	0.00	774.00		
Youth Conservation Corps	0.00	0.00		
Public Outreach - Other	0.00	2,047.04	61,680.00	3.32%
Total Public Outreach	930.00	19,402.98	61,680.00	31.46%

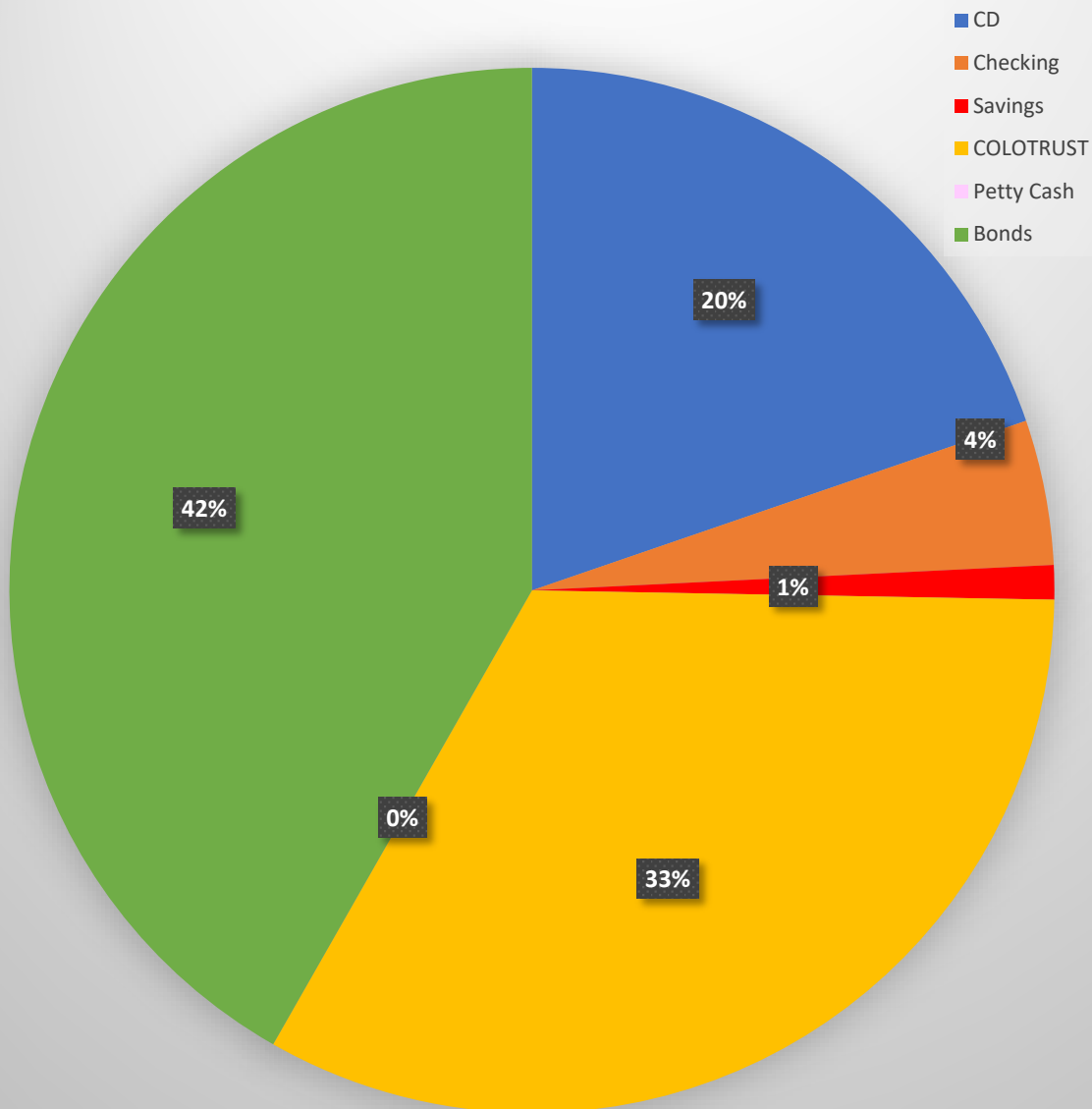
Upper Gunnison River Water Conservancy District
Monthly Budget Summary 2023

RICD Exp	0.00	0.00		
Telephone	419.30	4,540.08	7,110.00	63.86%
Utilities, Clean, Condo Dues	1,256.21	15,423.14	15,516.00	99.4%
Vehicle Expenses - Toyota Highl	128.13	607.36	4,525.00	13.42%
1 Op X - Other	0.00	0.00		
Total 1 Op X	82,915.89	645,853.69	1,118,817.00	57.73%
2 Non-Op X				
Lake Fork Conservancy	0.00	10,000.00	10,000.00	100.0%
Coal Creek Watershed Coalition	0.00	0.00	10,000.00	0.0%
City of Gunnison Cleanup	0.00	0.00	2,000.00	0.0%
Asp Subordination Report	0.00	5,040.00	22,040.00	22.87%
Aspinall Contract Costs	0.00	18,494.59		
Cloud Seeding	0.00	0.00		
Consulting/Engineering	1,952.78	12,274.19	15,000.00	81.83%
Contribution to Reserve Fund	0.00	0.00		
Donation Dust on Snowpack	0.00	3,500.00	3,500.00	100.0%
Drought Contingency Cont	0.00	0.00	44,000.00	0.0%
Endanger Fish Recovery Program	0.00	0.00	3,000.00	0.0%
Home Loan Program Cont	0.00	0.00	100,000.00	0.0%
Legal Fees/Projects	0.00	0.00		
LSC Expenses	13,464.00	13,464.00	13,464.00	100.0%
RMBL (Basinwide Planning X)	0.00	0.00		
Regional Water Supply Imp. Exp.	0.00	0.00		
Grant Program	0.00	157,360.65	300,000.00	52.45%
Spencer Ave Res Exp	0.00	0.00	10,000.00	0.0%
Taylor Park Projects Exp	0.00	7,436.00	7,436.00	100.0%
Taylor River Modeling Exp	5,114.96	-8,538.52	40,000.00	-21.35%
Watershed Mgmt X	0.00	5,988.28		
Wet Meadow X	0.00	14,208.41		
WQ Monitoring	10,000.00	10,000.00		
2 Non-Op X - Other	0.00	0.00		
Total 2 Non-Op X	30,531.74	249,227.60	580,440.00	42.94%
Capital Outlay Expense	0.00	714,876.83	0.00	
SUSPENSE	0.00	0.00		
Total Expense	113,728.17	1,610,381.91	1,699,257.00	94.77%
Net Ordinary Income	214,390.23	175,981.73	24,000.00	733.26%
Other Income/Expense				
Other Income	0.00	0.00		
Other Expense				
Contingency	0.00	0.00	24,000.00	0.0%
Depreciation Expenses	0.00	0.00		
Total Other Expense	0.00	0.00	24,000.00	0.0%
Net Other Income	0.00	0.00	-24,000.00	0.0%
Net Income	214,390.23	175,981.73	0.00	

UGRWCD & UGRWAE INVESTMENTS BY TYPE

CD	20%	\$	1,074,324.07
Checking	4%	\$	244,128.99
Savings	1%	\$	57,727.73
COLOTRUST	33%	\$	1,794,095.09
Petty Cash	0%	\$	8.00
Bonds	42%	\$	2,272,497.96
Total	100%	\$	5,442,781.84

UGRWCD + UGRWAE INVESTMENTS BY TYPE



UGRWCD	Instrument	Balance	Cost	Interest	Maturity	Date
Account Name: LPL Bonds	Type	7/31/2023	Basis	Rate	Date	Callable
LPL Bond 27 CUSIP 91282CDR9 Treasury Note	BOND					Sold 4/28/23. Value \$389,865.90
LPL Bond 17 (FHLB) CUSIP 91282CDH1 Treasury Note	BOND	193,515.90	204,335.35	0.790%	11/15/2024	
LPL 31 Fed. Home Loan Banks BOND CUSIP 3130 AT4D6	BOND	245,670.25	250,000.00	3.430%	6/15/2024	
LPL 28 Freddie Mac CUSIP 3134 GXQP2	BOND	192,611.80	200,000.00	3.150%	4/28/2025	7/28/2022
LPL Bond 20 (FHLB) CUSIP 3130 AJLA 5	BOND	508,156.55	550,000.00	0.810%	5/19/2025	
LPL Bond 21 (Fed Farm) CUSIP 3133 EL3P7	BOND	314,644.83	345,000.00	0.580%	8/12/2025	8/12/2022
LPL Bond 23 (FEDL) CUSIP 3130ALLD4	BOND	225,406.25	250,000.00	0.970%	3/17/2026	9/17/2021
LPL Bond 24 CUSIP 3130AMDY5 Fedl Home Loan Bank	BOND	450,073.50	500,000.00	1.110%	5/20/2026	5/20/2022
LPL 26 (Fed. Home Loan Banks) CUSIP 3130 APBE4	BOND	142,418.88	160,000.00	1.120%	9/30/2026	9/30/2022
LPL 29 FHL CUSIP 3134 GXYD0	BOND					Sold 4/28/23. Value \$292,891.08
LPL BOND SUBTOTAL:		2,272,497.96	\$ 2,459,335.35	1.495%		
Account Name: LPL Certificates of Deposit						
LPL 22 Merrick Bank CD thru LPL CUSIP 59013KLR5	CD	\$ 232,589.65	\$ 249,000.00	0.370%	12/30/2024	
LPL CD 25 Sallie Mae Bank CUSIP 795451 AA1	CD	234,089.90	245,000.00	0.580%	7/22/2024	3/30/2022
LPL 30 Synchrony Bank CD CUSIP 87165 EXB8	CD	237,012.75	245,000.00	3.510%	7/29/2025	
LPL CD SUBTOTAL:		\$ 703,692.30	\$ 739,000.00	1.487%		
Account Name: LPL Money Markets Savings						
LPL Money Market Savings Account	M.M. SAVINGS	\$ 14,592.18	-	1.094%	N/A	
LPL MM SUBTOTAL:		\$ 14,592.18				

Account Name	INSTRUMENT	Balance	Cost	Interest	Maturity	Notes
	TYPE	7/31/2023	Basis	Rate	Date	
Bank of the West Checking	CHKG	\$ 216,852.54		0.01%	N/A	
Community Banks of Colo. CD 1487 0420	CD	52,233.19		0.40%	9/26/2022	
Community Banks of Colo. Lake City CD # 7668	CD	105,015.89		4.01%	11/20/2026	
10520 Gunnison Bank & Trust CD 6637	CD	213,382.69		1.90%	2/26/2025	
10540 Gunnison Bank & Trust MM - Spencer Ave. Res. 3589	SAVING	43,135.55		0.25%		
				Average		
				Mo. Yield		
10295 COLOTRUST PLUS+	COLO.	1,314,316.50		5.22%	N/A	
10290 COLOTRUST PRIME	COLO.	97,948.71		4.92%	N/A	
10200 Petty Cash	PETTY	8.00		N/A	N/A	
MISCELLANEOUS BANK & COLOTRUST SUBTOTAL:		2,042,893.07				
TOTAL UGRWCD		\$ 5,033,675.51				

UGRWAE	INSTRUMENT	Balance		Interest	Maturity	
Account Name	TYPE	7/31/2023		Rate	Date	
Bank of the West Checking	CHKG	\$ 27,276.45		N/A	N/A	
COLOTRUST PLUS+	COLO.	381,829.88		5.29%	N/A	
TOTAL UGRWAE		\$ 409,106.33				

TOTAL UGRWCD + UGRWAE	\$ 5,442,781.84
------------------------------	------------------------

Total UGRWCD and UGRWAE by Bank			Total UGRWCD & UGRWAE by Investment Type		
LPL Financial	\$ 2,990,782.44	55%	CD	20%	\$ 1,074,324.07
Bank of the West	244,128.99	4%	Checking	4%	244,128.99
Community Banks of Colo.	157,249.08	3%	Savings	1%	57,727.73
Gunnison Bank & Trust	256,518.24	5%	COLOTRUST	33%	1,794,095.09
COLOTRUST	1,794,095.09	33%	Petty Cash	0%	8.00
Petty Cash	8.00	0%	Bonds	42%	\$ 2,272,497.96
TOTAL ALL BANKS	\$ 5,442,781.84	100%	Total	100%	\$ 5,442,781.84

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08/04/23
Accrual Basis

Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
July 2023

Date	Name	Account	Amount
Alan Wartes Media LLC			
07/31/2023	Alan Wartes Media LLC	Public Ed./Advertising	180.00
07/31/2023	Alan Wartes Media LLC	Legal Publication	49.28
Total Alan Wartes Media LLC			229.28
Alexander C. Baca			
07/21/2023	Alexander C. Baca	Utilities, Clean, Condo Dues	361.20
Total Alexander C. Baca			361.20
Andy Spann BOD			
07/10/2023	Andy Spann BOD	BOD Mileage	72.05
Total Andy Spann BOD			72.05
Anthem			
07/07/2023	Anthem	Medical Insurance	304.30
Total Anthem			304.30
Applegate Group, Inc.			
07/31/2023	Applegate Group, Inc.	Consulting/Engineering	1,952.78
Total Applegate Group, Inc.			1,952.78
Atmos Energy			
07/25/2023	Atmos Energy	Utilities, Clean, Condo Dues	38.82
Total Atmos Energy			38.82
Bank of the West			
07/31/2023	Bank of the West	BOD Expenses	618.36
07/31/2023	Bank of the West	Internet	124.56
07/31/2023	Bank of the West	Computer Software	-374.88

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Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
July 2023

Date	Name	Account	Amount
07/31/2023	Bank of the West	Manager's Discretionary	626.79
07/31/2023	Bank of the West	Meeting Expenses	196.77
07/31/2023	Bank of the West	Admin.Travel & Exp.	632.52
07/31/2023	Bank of the West	Dues, Memberships&Subscriptions	75.00
07/31/2023	Bank of the West	Vehicle Expenses - Toyota Highl	128.13
07/31/2023	Bank of the West	Vehicle Expenses - Toyota Tacom	280.54
07/31/2023	Bank of the West	GRF Receivable	484.02
07/31/2023	Bank of the West	Dues, Memberships&Subscriptions	28.15
Total Bank of the West			2,819.96
Bill Nesbitt - BOD			
07/10/2023	Bill Nesbitt - BOD	BOD Mileage	72.05
07/10/2023	Bill Nesbitt - BOD	Office Supplies & Misc Expenses	24.87
Total Bill Nesbitt - BOD			96.92
Business Solutions Leasing			
07/31/2023	Business Solutions Leasing	Copier Expenses	242.89
Total Business Solutions Leasing			242.89
CEBT			
07/19/2023	CEBT	Medical Insurance	3,268.20
Total CEBT			3,268.20
City of Gunnison			
07/31/2023	City of Gunnison	Utilities, Clean, Condo Dues	177.47
07/31/2023	City of Gunnison	Utilities, Clean, Condo Dues	172.47
Total City of Gunnison			349.94
Coal Creek Watershed Coalition			

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Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
July 2023

Date	Name	Account	Amount
07/31/2023	Coal Creek Watershed Coalition	WQ Monitoring	10,000.00
	Total Coal Creek Watershed Coalition		10,000.00
	Crested Butte News		
07/31/2023	Crested Butte News	Legal Publication	24.07
	Total Crested Butte News		24.07
	Crested Butte Public Policy Forum		
07/21/2023	Crested Butte Public Policy Forum	Public Ed./Advertising	750.00
	Total Crested Butte Public Policy Forum		750.00
	Dove Graphics		
07/31/2023	Dove Graphics	Office Supplies & Misc Expenses	393.00
	Total Dove Graphics		393.00
	Fullmer's Ace Hardware		
07/31/2023	Fullmer's Ace Hardware	Office Supplies & Misc Expenses	100.82
07/31/2023	Fullmer's Ace Hardware	Office Supplies & Misc Expenses	8.58
	Total Fullmer's Ace Hardware		109.40
	Gunnison Materials LLC		
07/31/2023	Gunnison Materials LLC	FWS Sagebrush Ecosystem COST	941.85
	Total Gunnison Materials LLC		941.85
	Hartman Brothers, Inc.		
07/31/2023	Hartman Brothers, Inc.	Cloud Seeding COST	28.99
	Total Hartman Brothers, Inc.		28.99
	John McClow		

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Accrual Basis

Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
July 2023

Date	Name	Account	Amount
07/10/2023	John McClow	Admin.Travel & Exp.	2,437.64
Total John McClow			2,437.64
Lake San Cristobal Water Activity Ent			
07/31/2023	Lake San Cristobal Water Activity Ent	LSC Expenses	13,464.00
Total Lake San Cristobal Water Activity Ent			13,464.00
LexisNexis			
07/31/2023	LexisNexis	Internet	653.70
Total LexisNexis			653.70
Lightspeed Voice			
07/02/2023	Lightspeed Voice	Telephone	1.72
Total Lightspeed Voice			1.72
Microsoft			
07/09/2023	Microsoft	Computer Software	184.00
Total Microsoft			184.00
New Morning Improvement, LLC			
07/31/2023	New Morning Improvement, LLC	Utilities, Clean, Condo Dues	506.25
Total New Morning Improvement, LLC			506.25
Pinnacol Assurance			
07/31/2023	Pinnacol Assurance	Work Comp Ins	557.00
Total Pinnacol Assurance			557.00
Rosemary Carroll - BOD			

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Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
July 2023

Date	Name	Account	Amount
07/10/2023	Rosemary Carroll - BOD	BOD Mileage	111.35
Total Rosemary Carroll - BOD			111.35
Shavano Conservation District			
07/31/2023	Shavano Conservation District	CWCB GBRT-PEPO 2023-2489	1,500.00
Total Shavano Conservation District			1,500.00
Sue Uerling			
07/31/2023	Sue Uerling	Telephone	94.32
Total Sue Uerling			94.32
Sunshine Creatives			
07/31/2023	Sunshine Creatives	CWCB GBRT-PEPO 2023-2489	1,438.20
Total Sunshine Creatives			1,438.20
The Paper Clip			
07/31/2023	The Paper Clip	Office Supplies & Misc Expenses	129.40
07/31/2023	The Paper Clip	Office Equipment Asset (<1500)	193.95
07/31/2023	The Paper Clip	GRF Receivable	23.71
Total The Paper Clip			347.06
The Saguache Crescent			
07/31/2023	The Saguache Crescent	Legal Publication	30.25
Total The Saguache Crescent			30.25
Thomas Johnson			
07/31/2023	Thomas Johnson	FWS Sagebrush Ecosystem COST	990.00
Total Thomas Johnson			990.00

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Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
July 2023

Date	Name	Account	Amount
07/31/2023	Thomas N Stoeber, CPA	Accounting & Professional Fees	3,000.00
	Total Thomas N Stoeber, CPA		3,000.00
07/05/2023	UnitedHealthcare	Medical Insurance	129.10
	Total UnitedHealthcare		129.10
07/31/2023	University Corp. for Atmospheric Research	Taylor River Modeling Exp	5,114.96
	Total University Corp. for Atmospheric Research		5,114.96
07/31/2023	Verizon Wireless	Telephone	323.26
	Total Verizon Wireless		323.26
07/31/2023	Watershed Science and Design	CWCB 2022-2085 (Restore) COST	10,260.00
	Total Watershed Science and Design		10,260.00
07/31/2023	Western Colorado Conservation Corps	FWS Sagebrush Ecosystem COST	8,205.82
	Total Western Colorado Conservation Corps		8,205.82
07/31/2023	Western Slope Fire & Safety, Inc.	Building Rep/Maint	60.00
	Total Western Slope Fire & Safety, Inc.		60.00

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Accrual Basis

Upper Gunnison River Water Conservancy District
Expenses For Approval (Paid & Payable)
July 2023

Date	Name	Account	Amount
TOTAL			71,392.28

AGENDA ITEM 4

Approval of 2022 Financial Audit

Upper Gunnison River Water Conservancy District
Financial Statements
December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Upper Gunnison River Conservation District

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of Upper Gunnison River Conservation District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Upper Gunnison River Conservation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of Upper Gunnison River Conservation District, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Upper Gunnison River Conservation District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Upper Gunnison River Conservation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Certified Public Accountants

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Upper Gunnison River Conservation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Upper Gunnison River Conservation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for major governmental funds be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Upper Gunnison River Conservation District's basic financial statements. The budgetary comparison information for enterprise funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
June 9, 2023

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis
December 31, 2022

As management of the Upper Gunnison River Water Conservancy District, (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the District.

General Background

The Upper Gunnison River Water Conservancy District was formed pursuant to the Colorado Water Conservancy Act, Sections 37-45-101 et seq., C.R.S. The original organizational decree was entered June 1, 1959, with reorganization decrees entered in October 1991 and November 2011. The District boundaries include all the Upper Gunnison River basin drainage, which is made up of the majority of Gunnison County and portions of Hinsdale and Saguache Counties. The Water Conservancy Act gives the District fairly broad powers. The District can appropriate water, litigate, enter into contracts, hold real property, operate projects, and perform other functions as needed to meet the present and future water needs of the District. The 2011 reorganization shifted a boundary line between Divisions 4 and 5 and added a second director to Division 5 based on the 2010 U.S. Census data. This resulted in a temporary increase from eleven to twelve directors. When a vacancy subsequently arose in Division 8, City of Gunnison, the number of directors in that division decreased from four to three and the total number of directors reverted to eleven.

The District's mission is to be an active leader in all issues affecting the water resources of the Upper Gunnison River Basin.

An eleven-member Board of Directors governs the District. Each member of the Board of Directors serves a four-year term. The terms are staggered with no more than four seats open in any given year. The Board utilizes committees to assist in resolving specific issues affecting the District. Regular meetings of the Board are generally held on the fourth Monday of each month. The Board also holds special meetings and work sessions, as necessary.

A staff of five, consisting of a general manager, office manager /senior water resource specialist, administrative assistant/communication specialist, Water resource specialist/wet meadows program coordinator, and general counsel, along with contracted engineering consultants, and accounting/CPA firm, carries out the activities of the District as directed by the Board.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities by \$6,921,061 (i.e., net position) as of December 31, 2022, an increase of \$341,614 in comparison to the prior year.
- The District's Net Position for the General Fund was \$5,529,513, an increase of \$259,620 in comparison to the prior year.
- General property taxes totaled \$1,641,327 or 96% of general revenues.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis
December 31, 2022

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner like a private-sector business.

The **statement of net position** presents information on all the District's assets and liabilities, with the difference between the two being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The **statement of activities** presents information showing how the District's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g., uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the District include general government administration. The Business-type Activities of the District include the following water enterprise fund.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The District's funds can be divided into two categories: Governmental Funds and Proprietary Funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis
December 31, 2022

Governmental funds with similar information are presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains one governmental fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

Proprietary Funds – The District maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses a separate enterprise fund to account for its utility fund: Water Enterprise Fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the District's financial position. For the year ended December 31, 2022, the District's combined assets exceeded liabilities by \$6,921,061. Of this amount, \$5,529,513 is unrestricted and available to meet the District's ongoing financial obligations.

A portion of Net Position is the investment in capital assets (net of accumulated depreciation) of \$1,618,599 (23% of Net Position). This amount reflects the investment in all capital assets (e.g., infrastructure, land, dams, reservoirs, and office equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis
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The following table summarizes the District's governmental and business-type Net Position for 2022 and 2021:

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 3,637,441	\$ 3,157,259	\$ 400,604	\$ 314,159	\$ 4,038,045	\$ 3,471,418
Capital assets	618,016	630,375	1,000,583	1,003,813	1,618,599	1,634,188
Long-term Investments	2,929,680	3,118,220	-	-	2,929,680	3,118,220
Total assets	<u>7,185,137</u>	<u>6,905,854</u>	<u>1,401,187</u>	<u>1,317,972</u>	<u>8,586,324</u>	<u>8,223,826</u>
Current Liabilities	47,468	83,787	9,639	8,418	57,107	92,205
Non-current liabilities						
Compensated absences	57,151	57,169	-	-	57,151	57,169
Total liabilities	<u>104,619</u>	<u>140,956</u>	<u>9,639</u>	<u>8,418</u>	<u>114,258</u>	<u>149,374</u>
Deferred Inflow of Resources						
Property taxes	<u>1,551,005</u>	<u>1,495,005</u>	<u>-</u>	<u>-</u>	<u>1,551,005</u>	<u>1,495,005</u>
Net Position						
Investment in capital assets, net of related debt	618,016	630,375	1,000,583	1,003,813	1,618,599	1,634,188
Restricted	63,257	63,257	-	-	63,257	63,257
Nonspendable	6,669	6,234	-	-	6,669	6,234
Unrestricted	4,841,571	4,570,028	390,965	305,741	5,232,536	4,875,768
Total net position	<u>\$ 5,529,513</u>	<u>\$ 5,269,894</u>	<u>\$ 1,391,548</u>	<u>\$ 1,309,554</u>	<u>\$ 6,921,061</u>	<u>\$ 6,579,447</u>

An additional portion of net position, \$63,257, represents resources that are subject to external restrictions on how they may be used, the nonspendable amount represents prepaid expenses and therefore are not available funds to spend. The remaining balance of unrestricted net position, \$5,529,513 (76% of Net Position), may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

Governmental and business-type activities increased the District's Net Position by \$341,614 in 2022.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis
December 31, 2022

	Governmental Activities		Business-Type Activities		Government-Wide Totals	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 703,963	\$ 494,321	\$ 117,145	\$ 287,080	\$ 821,108	\$ 781,401
General Revenues						
Taxes	1,641,327	1,444,576	-	-	1,641,327	1,444,576
Miscellaneous	115,781	1,442	-	-	115,781	1,442
Interest income	(174,475)	(3,776)	6,310	47	(168,165)	(3,729)
Lake San Cristobal	-	-	-	-	-	-
Totals	<u>2,286,596</u>	<u>1,936,563</u>	<u>123,455</u>	<u>287,127</u>	<u>2,410,051</u>	<u>2,223,690</u>
Expenses						
Salaries & Benefits	716,974	563,874	31,860	27,144	748,834	591,018
Public Outreach	43,559	27,125	-	-	43,559	27,125
Legal & Accounting	11,117	6,033	530	293	11,647	6,326
Occupancy Expenses	15,145	14,053	1,146	505	16,291	14,558
Bonding & Insurance	12,745	8,586	1,165	1,038	13,910	9,624
Office Expense	83,591	154,087	1,668	3,114	85,259	157,201
Board of Directors Expenses	10,617	5,628	523	169	11,140	5,797
Board of Directors Fees	11,560	9,680	-	-	11,560	9,680
General & administrative	26,873	40,891	1,340	375	28,213	41,266
Membership & Dues	7,198	12,398	-	-	7,198	12,398
Computer Expense	22,938	-	-	-	22,938	-
Vehicle Expense	10,549	-	-	-	10,549	-
Taylor Park Project	41,526	7,436	-	-	41,526	7,436
Watershed Program	127,180	-	-	-	127,180	-
Fish Recovery Program	-	6,000	-	-	-	6,000
Water Quality Program	96,830	177,818	-	-	96,830	177,818
Wet Meadows Program	253,396	-	-	-	253,396	-
Water Supply & Improvements	342,287	637,344	-	-	342,287	637,344
Lake San Cristobal	13,464	13,464	-	-	13,464	13,464
Cloud Seeding Program	137,075	140,962	-	-	137,075	140,962
Repairs & Maintenance	-	-	-	66	-	66
Miscellaneous	3,500	-	-	-	3,500	-
Capital Outlays	-	-	-	-	-	-
Depreciation Expense	38,852	29,761	3,229	3,229	42,081	32,990
Total Expenses	<u>2,026,976</u>	<u>1,855,140</u>	<u>41,461</u>	<u>35,933</u>	<u>2,068,437</u>	<u>1,891,073</u>
Increase in net assets	259,620	81,423	81,994	251,194	341,614	332,617
Beginning	5,269,893	5,188,470	1,309,554	1,058,360	6,579,447	6,246,830
Ending	<u>\$ 5,529,513</u>	<u>\$ 5,269,893</u>	<u>\$ 1,391,548</u>	<u>\$ 1,309,554</u>	<u>\$ 6,921,061</u>	<u>\$ 6,579,447</u>

Business-type Activities

Business-type activities for the year resulted in an increase in Net Position of \$81,994. Charges for services accounted for 100% of total revenues.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis
December 31, 2022

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. An unreserved net position may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The District has one governmental fund, the General Fund, which is the primary operating fund for the District. At the end of 2022, the unassigned net position of the General Fund was \$4,898,722 while the total fund balance was \$4,968,648. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned net position and total net position to total fund expenditures. The net position of the District's General Fund increased by \$271,960 during 2022.

Proprietary funds. The District's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The District has one enterprise fund: Water Enterprise Fund. At the end of 2022, the fund represented the following net position amounts:

Fund:	Water
Unrestricted net position	\$ 390,965
Total net position	\$ 1,391,548
Increase in net position	\$ 81,994

The substantial increase in services charged was due to a large block of water (Units) being purchased by one entity.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District budgeted \$2,013,133 for 2022 expenditures. Actual expenditures were \$2,016,021. There was no amendment to the original budget for the General Fund or the Enterprise Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

The District's investment in capital assets for its governmental and business-type activities as of December 31, 2022, was \$1,618,599.

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis
December 31, 2022

	Balance 12/31/2021	Increase	Decrease	Balance 12/31/2022
<u>Governmental Funds</u>				
Buidling and Land	\$ 759,424	\$ -	\$ -	\$ 759,424
Office Equipment	69,385	27,879	18,077	79,187
Vehicles	45,861	-	-	45,861
Less Accumulated Depreciation	(244,296)	(38,852)	16,692	(266,456)
Net Governmental Capital Assets	<u>\$ 630,374</u>	<u>\$ (10,973)</u>	<u>\$ 34,769</u>	<u>\$ 618,016</u>
<u>Business-type Activities</u>				
Asset not being depreciated	\$ 942,457	\$ -	\$ -	\$ 942,457
Asset being depreciated				
Dam Rehabilitation	113,024	-	-	113,024
Less Accumulated Depreciation	(51,668)	(3,229)	-	(54,897)
Net Depreciable Capital Assets	61,356	(3,229)	-	58,127
Total Business-type Capital Assets	<u>\$ 1,003,813</u>	<u>\$ (3,229)</u>	<u>\$ -</u>	<u>\$ 1,000,584</u>

Economic Factors and Next Year's Budget

Public health restrictions related to the pandemic eased in 2022. Gunnison County saw higher tourism tax revenue with visitors frequenting hotels and restaurants and participating in perceived "safer" outdoor activities like camping, biking, hiking, fishing, boating, etc.

General fund revenues increased by approximately \$196,751 in 2022 as market housing prices remained high. There was only one active foreclosure, a visible reduction in available single-family homes on the market, and an increase in the sales of vacant land/lots.

Staffing Changes and Efficiencies: In 2022, the District converted the \$65,000 annual UGRWCD contract for a Wet Meadows Coordinator to a permanent staff position (water resource specialist) at UGRWCD. The position is being supported by the \$50,000 annual contribution the UGRWCD formerly dedicated to this contract and \$10,000 - \$15,000 per year from agency partners as well as outside grants. The agency contribution is on-going. Redirecting this funding from a contract position to a staff position allowed executive management to improve management of the wet meadows program while also providing additional support for other critical District-wide activities.

An unbenefited and non-permanent, seasonal wet meadow program field supervisor (May to October) position was added to staff in 2023. The position is supported entirely by outside, Wet Meadows Program grant program income. A water resource fellow position (non-permanent and unbenefited) part-time position was also added to assist with drought planning. This majority of this position is being supported by outside grant funding and education and outreach funds. Finally, in 2023, the District converted the accounting staff position to a contract position with the firm Thomas N. Stoeber P.C., CPA.

In 2023, Gunnison County reports that they anticipate decreased tourism activity as a result of people returning to regular pre-pandemic travel. The District also anticipates a continued slight increase in general fund revenues in 2023 due to sustained high property values.

In 2023, the District had unplanned expenses related to a second field vehicle purchase, the purchase of Spencer Avenue Business Park Condominium Unit A which was formerly occupied by the Bureau of Land Management.

The second vehicle (Toyota Tacoma) was purchased on March 13, 2023, for \$45,250. A second vehicle with greater

Upper Gunnison River Water Conservancy District
Management's Discussion and Analysis
December 31, 2022

ground clearance was needed for field work and to support various activities occurring within the District. The vehicle is being rented back to the Wet Meadows Program (\$5,000 per season) and mileage is being reimbursed by Wet Meadows Program grants at published IRS rates.

Unit A was purchased for \$650,000 on May 18, 2023, due to a growing need for staff space and the presence of a willing seller. It was important to the Board that they could ensure that the use of the building space remained compatible with District operations and there was also strong long-term investment income potential for the District. The District now owns the entire building. The plan is to maintain existing District space in Unit B (Board room, general counsel office, and storage area) and move the rest of staff and District operations to the lower level of Unit A. The upstairs portion of Unit A and the entire Unit C space will be leased with estimated monthly income of \$4,600 beginning the first half of 2024 which is an annual return on investment of approximately 5.6 to 8 percent. UGRWCD will be conducting a renovation of the office space and has no cost estimate at this time. Staff also anticipate completing improvements to the Board Room's audiovisual equipment (\$20,000).

The District will have a public meeting to amend the 2023 budget at the same time that they are developing and approving the 2024 budget.

Request for Information

The financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to General Manager, Upper Gunnison River Water Conservancy District, 210 West Spencer Avenue, Suite B, Gunnison, CO. 81230 or 970-641-6065, 970-641-1162 (fax), schavez@ugrwcd.org

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Government-Wide
Statement of Net Position
December 31, 2021

	Primary Government		
	Governmental Activities	Business Type Activities	Totals
Assets			
Current Assets:			
Cash & equivalents	\$ 169,442	\$ 29,657	\$ 199,099
Certificates of deposits	1,680,927	-	1,680,927
Investments-ColoTrust	256,404	370,947	627,351
Accounts receivable	175,285	-	175,285
Due from other Governments	8,323	-	8,323
Property taxes Receivable	1,551,005	-	1,551,005
Accrued Interest Receivable	9,260	-	9,260
Prepaid expenses	6,669	-	6,669
Total Current Assets	3,857,315	400,604	4,257,919
Long-term Investments:			
Bonds	2,709,806	-	2,709,806
Capital Assets:			
Office equipment	79,187	-	79,187
Office building & land	759,424	-	759,424
Vehicle	45,861	-	45,861
Dam rehabilitation	-	113,024	113,024
Meridian Lake Reservoir	-	942,457	942,457
Less accumulated depreciation	(266,456)	(54,898)	(321,354)
Net Capital Assets	618,016	1,000,583	1,618,599
TOTAL ASSETS	7,185,137	1,401,187	8,586,324
Liabilities			
Accounts payable	28,539	9,639	38,178
Accrued liabilities	18,929	-	18,929
Total Current Liabilities	47,468	9,639	57,107
Noncurrent Liabilities:			
Compensated absences	57,151	-	57,151
TOTAL LIABILITIES	104,619	9,639	114,258
Deferred Inflow of Resources			
Property taxes	1,551,005	-	1,551,005
Net Position			
Investment in capital assets	618,016	1,000,583	1,618,599
Restricted for TABOR reserve	63,257	-	63,257
Unrestricted	4,848,240	390,965	5,239,205
TOTAL NET POSITION	\$ 5,529,513	\$ 1,391,548	\$ 6,921,061

The accompanying notes are an integral part of these financial statement.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Government-Wide
Statement of Activities
December 31, 2021

	Primary Government		
	Governmental	Business	
	Activities	Type	Totals
	Activities	Activities	
Expenses Programs			
Salaries & Benefits	\$ 716,974	\$ 31,860	\$ 748,834
Public Outreach	43,559	-	43,559
Legal & Accounting	11,117	530	11,647
Occupancy Expenses	15,145	1,146	16,291
Bonding & Insurance	12,745	1,165	13,910
Office Expense	83,591	1,668	85,259
Board of Directors Expenses	10,617	523	11,140
Board of Directors Fees	11,560	-	11,560
General & Administrative	26,873	1,340	28,213
Membership & Dues	7,198	-	7,198
Computer Expense	22,938	-	22,938
Vehicle Expense	10,549	-	10,549
Taylor Park Project	41,526	-	41,526
Aspinall Expense	19,429	-	19,429
Consulting & Engineering Expense	18,742	-	18,742
Regional Water Supply Improvement	304,116	-	304,116
Lake San Cristobal	13,464	-	13,464
Cloud seeding program costs	137,075	-	137,075
Watershed program costs	71,281	-	71,281
Wet Meadows program costs	251,599	-	251,599
Water Quality Monitoring program costs	86,830	-	86,830
Watershed Management General	55,899	-	55,899
Wet Meadows Meadows- General	1,797	-	1,797
Water Quality Monitoring-General	10,000	-	10,000
Miscellaneous	3,500	-	3,500
Depreciation	38,852	3,229	42,081
Capital Outlay	-	-	-
TOTAL PROGRAM EXPENSES	2,026,976	41,461	2,068,437
Program Revenue			
Basin wide Planning	592,156	-	592,156
Cloud Seeding Program	90,750	-	90,750
Charges for services	21,057	117,145	138,202
Total Program Revenue	703,963	117,145	821,108
NET PROGRAM REVENUE(EXPENSES)	(1,323,013)	75,684	(1,247,329)
General Revenues			
Property taxes	1,641,327	-	1,641,327
Interest on deposits and investments	(174,475)	6,310	(168,165)
Miscellaneous	115,781	-	115,781
TOTAL GENERAL REVENUES	1,582,633	6,310	1,588,943
Change in Net Position	259,620	81,994	341,614
Net Position - January 1	5,269,893	1,309,554	6,579,447
Net Position - December 31	\$ 5,529,513	\$ 1,391,548	\$ 6,921,061

The accompanying notes are an integral part of these financial statement.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Balance Sheet - General Fund
December 31, 2022

Assets

Current Assets:

Cash & equivalents	\$ 169,442
Certificates of deposits	1,680,927
Investment-ColoTrust	256,404
Due from other Governments	8,323
Accounts receivable	175,285
Property taxes receivable	1,551,005
Accrued interest receivable	9,260
Prepaid expense	6,669
Total Current Assets	<u>3,857,315</u>

Long-term investments:

Investments	<u>2,709,806</u>
TOTAL ASSETS	<u><u>6,567,121</u></u>

Liabilities

Accounts payable	28,539
Accrued Liabilities	<u>18,929</u>
TOTAL LIABILITIES	<u><u>47,468</u></u>

Deferred Inflow of Resources

Property taxes	<u>1,551,005</u>
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Net Position

Restricted for TABOR reserve	63,257
Nonspendable	6,669
Unassigned	<u>4,898,722</u>
TOTAL NET POSITION	<u><u>\$ 4,968,648</u></u>

The accompanying notes are an integral part of these financial statement.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Reconciliation of the Governmental Net Position to
the Statement of Net Position
December 31, 2022

Total Governmental Net Position	\$ 4,968,648
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported as assets in the governmental funds.	618,016
Long-term liabilities for compensated absences are not due and payable in the current period and therefore are not reported as expenditures in the funds.	(57,151)
Net position of Governmental Activities.	<u>\$ 5,529,513</u>

The accompanying notes are an integral part of these financial statement.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Revenues, Expenditures and Change in Net Position - General Fund
For the Year Ended December 31, 2022

Revenues

Taxes	\$ 1,641,327
Charges for services	21,057
Interest on deposits and investments	(174,475)
Watershed Management Income	199,687
Cloud seeding program	90,750
Wet Meadows Income	357,567
Water Quality Monitoring Income	34,902
Miscellaneous	117,166
TOTAL REVENUES	<u>2,287,981</u>

Expenditures

Current:

Salaries & Benefits	716,992
Public Outreach	43,559
Legal & Accounting	11,117
Occupancy Expenses	15,145
Bonding & Insurance	12,745
Office Expense	83,591
Board of Directors Expenses	10,617
Board of Directors Fees	11,560
General & Administrative	26,873
Membership & Dues	7,198
Computer Expense	22,938
Vehicle Expense	10,549
Taylor Park Project	41,526
Aspinall Expense	19,429
Consulting & Engineering Expense	18,742
Regional Water Supply Improvement	304,116
Lake San Cristobal	13,464
Cloud seeding program costs	137,075
Watershed program costs	71,281
Wet Meadows program costs	251,599
Water Quality Monitoring program costs	86,830
Watershed Management General	55,899
Wet Meadows Meadows- General	1,797
Water Quality Monitoring-General	10,000
Miscellaneous	3,500
Capital Outlay	27,879
TOTAL EXPENDITURES	<u>2,016,021</u>

NET CHANGE IN NET POSITION 271,960

Net Position January 1 4,696,688

Net Position December 31 **\$ 4,968,648**

The accompanying notes are an integral part of these financial statement.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Reconciliation of the Governmental Net Position to
the Statement of Net Position
December 31, 2021

Net Change in Net Position - Governmental Fund

Amounts reported for governmental activities in the statement of activities are different because:	\$	271,960
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount by which capital outlays exceeded depreciation in the current period.

Fixed assets added during year	\$	27,879	
Loss on Disposal of Fixes Assets		(1,385)	
Depreciation		<u>(38,852)</u>	(12,358)

Expenses for compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds

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Change in Net Position of Governmental Activities	<u>\$</u>	<u>259,620</u>
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The accompanying notes are an integral part of these financial statement.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Net Position
Enterprise Fund
December 31, 2022

	Water Enterprise Fund
Assets	
Current Assets:	
Cash & equivalents	\$ 29,657
Accounts Receivable	-
Investments-ColoTrust	370,947
Total Current Assets	<u>400,604</u>
Capital Assets:	
Meridian Lake Reservoir	942,457
Dam Rehabilitation	113,024
Less Accumulated Depreciation	(54,898)
Net Capital Assets	<u>1,000,583</u>
Total Assets	<u>1,401,187</u>
Liabilities	
Current Liabilities	
Accounts payable	9,639
Total Current Liabilities	<u>9,639</u>
Total Liabilities	<u>9,639</u>
Net Position	
Invested in Capital Assets, Net of Related Debt	1,000,583
Unrestricted	390,965
Total Net Position	<u><u>\$ 1,391,548</u></u>

The accompanying notes are an integral part of these financial statement.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Revenues, Expenses and Change in Net Position
Enterprise Fund
For The Year Ended December 31, 2022

	Water Enterprise Fund
Operating Revenues:	
Charges for Services	\$ 117,145
Total Operating Revenue	<u>117,145</u>
Operating Expenses:	
Salaries & Benefits	31,860
Accounting & Legal	530
Occupancy Expenses	1,146
Bonding & Insurance	1,165
Office Expenses	1,668
General & Administrative	1,340
Board Expenses	523
Repairs & maintenance	-
Depreciation	<u>3,229</u>
Total Operating Expenses	<u>41,461</u>
Operating Income (Loss)	<u>75,684</u>
Non-Operating Revenues (Expenses)	
Interest Income	6,310
Miscellaneous income	-
Total Non-Operating Revenues (Expense)	<u>6,310</u>
Income (Loss) Before Transfers	81,994
Total Net Position, January 1	1,309,554
Total Net Position, December 31	<u><u>\$ 1,391,548</u></u>

The accompanying notes are an integral part of these financial statement.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Cash Flows
Enterprise Fund
For The Year Ended December 31, 2022

	Water Enterprise Fund
Cash Flows From Operating Activities:	
Cash Received from Charges for Services	\$ 117,145
Payments to and on behalf of employees	(31,860)
Cash Payments for Goods and Services	(5,119)
Net Cash Provided (Used) by Operating Activities	<u>80,166</u>
 Cash Flows From Investing Activities	
Increase in Investment	(81,310)
Interest on Investments	6,310
Net Cash Provided (Used) by Investing Activities	<u>(75,000)</u>
 Net Increase (Decrease) in Cash & Cash Equivalents	5,166
 Cash Balance, January 1	24,493
 Cash Balance, December 31	<u><u>\$ 29,659</u></u>
 Reconciling of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>\$ 75,684</u>
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation Expense	3,229
Assets (Increased) Decreased	
Accounts Receivable	29
Liabilities Increased (Decreased)	
Accounts Payable	1,221
Total Adjustments	<u>4,479</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 80,163</u></u>

The accompanying notes are an integral part of these financial statement.

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Upper Gunnison River Water Conservancy District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below:

Reporting Entity

These financial statements present the financial position and results of operations of the District, a political subdivision of the State of Colorado created on June 1, 1959. The District is supported jointly by Gunnison, Hinsdale, and Saguache counties based upon a mill levy on real property located in the District. The purpose of the District is to represent the water interests of the residents of the Upper Gunnison River Watershed area. An eleven-member board governs the District.

These financial statements include only the District as there are no component units required to be included in accordance with GASB Statement No 14.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of governmental net position and the statement of governmental activities) report information on all the nonfiduciary activities of the District. *Governmental activities*, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific program. *Program revenues* include charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

The accounts of the District are organized based on funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period. The District has only one governmental fund, the General *Fund*, which is the general operating fund of the District.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included in the Statement of Net Position. The District has presented the following major proprietary fund.

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Water Enterprise Fund

Water Enterprise Fund is used to account for the provision of water services to the residents of the Upper Gunnison River Watershed and include administration, operations and maintenance of the water system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water debt. All costs are financed through charges to customers.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (60 days). Those revenues associated with the current period susceptible to accrual are property taxes, interest revenue, and charges for services. All other revenues are reported when cash is received. Expenditures are recorded when the related fund liability is incurred.

It is the District's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property Taxes Receivable

Property taxes for the current year are levied and attached as a line on property on January 1 of the succeeding year. They are payable in full by April 30 or in two equal installments due on February 28 and June 15. Property taxes levied in the current year and payable in the following year are reported as receivable on December 31. However, since the property taxes are not available to pay current liabilities, the receivable is reported as deferred revenue.

Capital Assets

Capital assets are stated at cost. Donated assets are recorded at their estimated fair market value at the date of donation. The District defines capital assets as assets with an initial cost of \$2,000 or greater. Replacements, which improve or extend the lives of property, are capitalized. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures as incurred and are not capitalized.

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Capital Assets – continued

Capital assets are depreciated using the straight-line method over the following useful lives:

Office equipment	5-10 years
Dam rehabilitation	35 years

The District started to depreciate the cost of the Meridian Lake Reservoir dam rehabilitation in 2006 when the asset was transferred to the enterprise fund.

Compensated Absences

Full-time employees, except for the manager and water attorney who are covered under separate contracts, earn paid time-off based upon the number of years of service. At the Board's discretion, part-time employees may earn paid time off on a pro-rata basis. The maximum amount of paid time-off that can be accumulated is 432 hours, after 15 years of service. All earned paid time-off is payable upon termination.

Net Position

Net position represents the difference between assets and liabilities. Net assets invested in capital assets consist of capital assets, net of accumulated depreciation. Net position is reported as restricted when there are limitations imposed on their use by external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes reconciliation between *fund balances* of the *governmental funds* and *Net Position of governmental activities* as reported in the government-wide statement of Net Position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between the *net change in fund balances of the governmental funds* and the *changes in Net Position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resource's measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

NOTE 3 - TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments.

On November 3, 1998, the electors of the District approved the retention and spending of the District's non-tax revenues for the year beginning January 1, 1999, and subsequent years, without regard to the limitations imposed by the Amendment and to impose a maximum property tax rate not to exceed 2.0 mills. The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the general fund's fund balance is classified as restricted for emergencies as required by the Amendment. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment.

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2022

NOTE 4 – BUDGETS

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. Budgets are required by state law for all governmental, proprietary, and trust funds.
- B. The budget officer is required to submit a proposed budget to the Board by October 15.
- C. Public hearings are conducted by the Board to obtain taxpayer comments.
- D. Certification of the mill levies to the Board of County Commissioners and adoption of the budget and appropriations are required by December 15.
- E. Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the budget. No changes were made to the originally adopted budget.
- F. Budget appropriations lapse at the end of each year.
- G. The District adopts budgets on a basis that is consistent with GAAP.

NOTE 5 - DEPOSITS AND INVESTMENTS

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102% of the uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations secured by first lien mortgages on real property located in the state. PDPA allows the institutions to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commission for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

On December 31, 2022, the carrying amounts of the District's deposits were \$199,099. Of the bank balances, all is covered by FDIC depository insurance. Of the above bank balance, the General Fund's share is \$169,340 and the Water Fund's share is \$29,657.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain US government agency securities, certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and guaranteed investment contracts. The District's investment policy follows Colorado statutes. On December 31, 2022, the District's investments included certificates of deposit, funds held in COLOTRUST and long-term government bonds. The CD's have maturity dates ranging from April 2023 to December 2024. The long-term Government maturities range from April 2023 to June 2027.

	Carrying Value	Cost	
CD's (Level 1)	\$ 938,323	\$ 984,000	
Federal Farm Credit Banks (Level 2)	311,418	345,000	Moody's AAA; S&P AA+
Federal Home Loan Bank (Level 2)	1,559,482	1,710,000	Moody's AAA; S&P AA+
Federal Home Mortgage	482,748	500,000	Moody's AAA; S&P AA+
U.S. Treasury Notes (Level 2)	576,032	598,967	Moody's AAA
	<u>\$ 3,868,003</u>	<u>\$ 4,137,967</u>	

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2022

NOTE 5 - DEPOSITS AND INVESTMENTS – continued

The District Categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) in active markets for an identical asset or liability that a government can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly, Level 2 inputs include quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liabilities.

Level 3: Unobservable inputs for an asset or liability.

Net Asset Value Investment

The District had invested \$627,351 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes, and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAA by Standard and Poor's, Fitch's, and Moody's rating services. The General Funds share of the amount is \$256,404 and the Water fund's share is \$370,947. *These Investments are measured at Net Asset Value.*

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2022

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2022, was as follows:

	Balance 12/31/2021	Increase	Decrease	Balance 12/31/2022
Governmental Funds				
Capital assets being depreciated				
Building and Land	\$ 759,424	\$ -	\$ -	\$ 759,424
Office Equipment	69,385	27,879	18,077	79,187
Vehicle	45,861	-	-	45,861
Less Accumulated Depreciation	(244,296)	(38,852)	16,692	(266,456)
Governmental Activities Capital Assets, Net.	<u>\$ 630,374</u>	<u>\$ (10,973)</u>	<u>\$ 1,385</u>	<u>\$ 618,016</u>
Business-type Activities				
Capital assets not being depreciation	<u>\$ 942,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 942,457</u>
Capital assets being depreciated				
Dam Rehabilitation	113,024	-	-	113,024
Less Accumulated Depreciation	(51,668)	(3,229)	-	(54,897)
Total Capital Assets Being Depreciated	<u>61,356</u>	<u>(3,229)</u>	<u>-</u>	<u>58,127</u>
Business-Type Activities Capital Assets, Net.	<u>\$ 1,003,813</u>	<u>\$ (3,229)</u>	<u>\$ -</u>	<u>\$ 1,000,584</u>

Total depreciation expense for the General Fund for the year ended December 31, 2022, was \$ 38,852, which was charged to the General and Administrative function. Water Enterprise Fund had depreciation expense of \$3,229.

NOTE 7 - RETIREMENT PLANS

The District participates in the Colorado Retirement Association (CRA) that provides retirement benefits through a defined contribution money purchase plan (the Plan) to participating Colorado counties, municipalities, and special districts. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All employees must participate in the plan immediately after employment. The District has agreed to contribute 7% of employee compensation. The employee is required to contribute an amount equal to the District's contribution and may contribute up to 10% of the compensation. Employees are 100% vested once they are eligible to participate in the Plan. The covered payroll for the Plan was \$471,657 for the year ended December 31, 2022. The District and employees, each, contributed \$33,226, which is 7% of the covered payroll. The employer can authorize the term benefits and has the right to amend those terms.

The District's employees may participate in CRA's 457 deferred compensation plan if they choose. There is no District participation in this plan.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded commercial coverage in any of the past three years.

Upper Gunnison River Conservancy District
Notes to the Financial Statements
December 31, 2022

NOTE 9 - COMMITMENTS

In 2007, the District entered into an agreement with Hinsdale County and the Town of Lake City to commission a feasibility study for a controlled outlet structure for Lake San Cristobal and the District. That project was ongoing as of December 31, 2022.

NOTE 10 – LEASES

The District leases a copier. The lease term is 60 months at \$243 per month. Below is the remaining lease payment schedule on December 31, 2022.

2023-2024 / \$2,915 per year	\$ 5,830
2025	<u>972</u>
Total	<u>\$ 6,802</u>

NOTE 11 – FUND BALANCE CLASSIFICATION POLICIES AND PROCEDURES

During 2022, the District implemented GASB 54, Fund Balance Classification. With this new GASB, the fund balance is broken into five classifications. (1) Non-spendable – not in spendable form, (2) Restricted funds constrained by external parties, (3) Committed – constraints on use of funds imposed by the highest level of decision-making authority, in the District's case that is the Board of Directors. The funds must be established, modified, or rescinded by use of resolution of the Board. (4) Assigned – funds intended to be used for a specific purpose, where the intent is expressed by an official authorized by the governing board, in the District's case that is the General Manager and (5) Unassigned – which are funds available for any purpose. The District does not have Committed or Assigned fund classifications in 2022.

It is the District's policy to spend restricted funds first, then unrestricted funds, for the purpose for which the restriction dictates. Committed and assigned funds are spent first, when expenditure is incurred for which the commitment or assigned designation was established.

The District does have fund classifications as follows:

- Restricted which is dictated by Colorado State Law
- Nonspendable
- Unassigned.

REQUIRED SUPPLEMENTARY INFORMATION

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Statement of Revenues, Expenditures and Change in Fund Balance - Budget & Actual
General Fund
For the Year Ended December 31, 2022

	Original & Final Budget	Actual	Variance
Revenues			
Carryover from Prior Year	\$ 47,754	\$ -	\$ (47,754)
Taxes:			
Property	1,609,542	1,641,327	31,785
Total Taxes	1,609,542	1,641,327	31,785
Cloud Seeding Program	92,750	90,750	(2,000)
Watershed Management Program	381,500	199,687	(181,813)
Water Contract Sales	19,885	21,057	1,172
Water Quality Monitoring	35,570	34,902	(668)
Wet Meadows Program	288,066	357,567	69,501
Earnings on Deposits & Investments	(20,000)	(174,475)	(154,475)
Miscellaneous	43,676	117,166	73,490
Total Revenues	2,498,743	2,287,981	(210,762)
Expenditures			
Salaries & Benefits	621,993	716,992	(94,999)
Public Outreach	41,940	43,559	(1,619)
Legal & Accounting	7,500	11,117	(3,617)
Occupancy Expenses	32,626	15,145	17,481
Bonding & Insurance	12,003	12,745	(742)
Office Expense	76,637	83,591	(6,954)
Board of Directors Expenses	767	10,617	(9,850)
Board of Directors Fees	13,360	11,560	1,800
General & Administrative	1,003	26,873	(25,870)
Membership & Dues	5,222	7,198	(1,976)
Computer Expense	22,850	22,938	(88)
Vehicle Expense	4,525	10,549	(6,024)
Taylor Park Project	47,436	41,526	5,910
Aspinall Expense	23,550	19,429	4,121
Consulting & Engineering Expense	-	18,742	(18,742)
Regional Water Supply Improvement	250,000	304,116	(54,116)
Lake San Cristobal	13,464	13,464	-
Cloud seeding program costs	118,000	137,075	(19,075)
Watershed program costs	175,500	71,281	104,219
Wet Meadows program costs	369,636	251,599	118,037
Water Quality Monitoring program costs	-	86,830	(86,830)
Watershed Management General	75,000	55,899	19,101
Wet Meadows Meadows- General	-	1,797	(1,797)
Water Quality Monitoring-General	92,121	10,000	82,121
Capital Outlay	-	27,879	(27,879)
Miscellaneous	8,000	3,500	4,500
Total Expenditures	2,013,133	2,016,021	(2,888)
Excess of Revenues Over (Under) Expenditures	485,610	271,960	(207,874)
Fund Balance, January 1,	118,175	4,696,688	4,578,513
Fund Balance December 31,	\$ 603,785	\$ 4,968,648	\$ 4,370,639

The accompanying notes are an integral part of these financial statement.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT
Schedule of Revenues, Expenses and Change in Available Resources - Budget & Actual
Water Enterprise Fund
For the Year Ended December 31, 2022

	Original & Final Budget	Actual	Variance
Revenues			
Annual Meridian Dues	\$ 34,290	\$ 39,914	\$ 5,624
Other Income	-	77,231	77,231
Earnings on Deposits & Investments	47	6,310	6,263
Total Revenues	<u>34,337</u>	<u>123,455</u>	<u>89,118</u>
Expenses			
Salaries & Benefits	27,741	31,860	4,119
Accounting & Legal	335	530	195
Occupancy Expenses	1,209	1,146	(63)
Bonding & Insurance	1,098	1,165	67
Office Expenses	2,137	1,668	(469)
General & Administrative	1,003	1,340	337
Board Expenses	767	523	(244)
Repairs & Maintenance	-	-	-
Total Expenses	<u>34,290</u>	<u>38,232</u>	<u>3,942</u>
Excess of Revenues Over (Under) Expenses	47	85,223	85,176
Reconciliation to Statement of Activities:			
Depreciation	-	(3,229)	(3,229)
Available Resources, January 1	26,677	1,309,554	1,282,877
Available Resources, December 31	<u>\$ 26,724</u>	<u>\$ 1,391,548</u>	<u>\$ 1,364,824</u>

The accompanying notes are an integral part of these financial statement.

AGENDA ITEM 5

BREAK

AGENDA ITEM 6

2024 Budget

MEMORANDUM



TO: UGRWCD Board of Directors
FROM: Beverly Richards, Office Manager
DATE: August 21, 2023
SUBJECT: 2024 Budget

Enclosed is the first draft of the 2024 budget for discussion. Staff will continue to work with Directors through the budgeting process to finalize this document.

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT

2024 Budget Detail

DRAFT

8/21/23

Account Type	Description	2023		2024		
		Budget Detail	Budget Totals	Budget Detail	Budget Totals	
1	Aspinall Water Contract Sales	\$ 20,920	\$ 20,920	\$ 21,920	\$ 21,920	Used \$57 per af
2	Cloud Seeding PO POGG1, PDAA	\$ 140,750	\$ 140,750		\$ 142,750	
2a	CWCB	\$ 117,000		\$ 119,000		
2b	Gunnison County	\$ 10,000		\$ 10,000		
2c	Gunnison County Stockgrowers	\$ 250		\$ 250		
2d	CBMR/Vail Resorts, Inc.	\$ 2,000		\$ 2,000		
2e	East River Sanitation District/Skyland Metro	\$ 2,000		\$ 2,000		
2f	City of Gunnison	\$ 2,000		\$ 2,000		
2g	Town of Mt. Crested Butte	\$ 3,000		\$ 3,000		
2h	Mt. Crested Butte Water and Sanitation District	\$ 2,000		\$ 2,000		
2i	Antelope Hills	\$ 500		\$ 500		
2j	Dos Rios	\$ 2,000		\$ 2,000		
3	Interest Income				\$ 29,000	
3a	Interest on Investments	\$ 6,000		\$ 8,000		
3b	Bonds Market Value Adjustment	\$ 14,000	\$ 20,000	\$ 21,000		
4	Property Tax Income					
4a	General Property Tax	\$ 1,530,674	1,598,974		-	
4b	Penalties & Interest on Tax	\$ 3,300				
4c	Specific Ownership Tax	\$ 65,000	\$ 1,598,974			
5	Reimbursed Expenses Income		35,000		38,696	
5a	UGRWAE 4.46% Cost Share	\$ 33,297	\$ 33,297	\$ 37,832		
5a	LSCWAE Cost Share			\$ 864		
6	Watershed Management Income		\$ 435,018		\$ 548,250	
6a	CWCB 2023-3317 (WMP Phase III)	\$ 15,000	15,000	\$ 76,500		
6b	CWCB 2022-2085 (Water Restoration Grant)	\$ 83,000		\$ 45,000		
6c	HAB Phase 2	\$ 150,000		\$ 35,000		
6d	USBR Drought Contingency	\$ 115,000		\$ 90,000		
6e	USBR Snow Measurement			\$ 279,000		
6f	USBR Snow Measurement (WRF-Hydro)			\$ 22,750		
7	Wet Meadows Income	\$ 274,166		\$ 300,000	\$ 300,000	
7a	BLM L19AC00207 Silt				-	Working with staff to refine this section
7b	NFWF Landscape					
7c	WM USFS PA 18 Income					
7d	FWS Sage Brush Ecosystem	\$ 81,000				
7e	USFS PA 2022 Income	\$ 30,000				
7f	GOCO 2022 Income	\$ 103,950				
7g	BLM L17AC00255	\$ 59,216				
8	Water Quality Monitoring Income		\$ 38,869		\$ 40,035	
8a	Gunnison County	\$ 14,632		\$ 15,071		
8b	Lake San Cristobal Water Activity Enterprise	\$ 13,556		\$ 13,963		
8c	Skyland Metro/East River Sanitation	\$ 1,611		\$ 1,659		
8d	National Park Service	\$ 9,070		\$ 9,342		
9	Unspent Funds from Previous Year			\$ 100,000	\$ 100,000	rollover funds
9a	District Grant Prtogram					
9b	Water Quality Monitoring					
9c	Public Outreach and Education					
9d	Cloudseeding					
	Home Loan Assistance Program			\$ 100,000	\$ 100,000	
10	Additional Contribution from Reserve Fund	\$ 283,636	\$ 283,636			This is a plug number to balance line 63
TOTAL REVENUES			\$ 2,286,548	\$ 1,320,651	\$ 1,320,651	

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT

2024 Budget Detail

DRAFT

OPERATING EXPENSES

11	Admin Travel and Expenses	\$	25,000	\$	35,000	\$	35,000	\$	35,000	Travel Mileage
12	Audit	\$	10,000	\$	10,000	\$	10,000	\$	10,000	
13	Accounting Services					\$	51,000	\$	51,000	
14	BOD Expenses	\$	15,000	\$	15,000	\$	15,000	\$	15,000	
15	BOD Mileage	\$	2,200	\$	2,200	\$	5,000	\$	5,000	
16	BOD Mtg Fees	\$	13,360	\$	13,360	\$	13,360	\$	13,360	
17	Bonding and Insurance	\$	12,003	\$	12,003	\$	15,000	\$	15,000	
18	Building Repair/Maintenance	\$	10,000	\$	10,000			\$	10,000	
18a	Unit A					\$	5,000			
18b	Unit C					\$	5,000			
19	Computer Expense	\$	22,850	\$	22,850			\$	29,300	
19a	Computer Asset Purchase	\$	4,000	\$	4,000	\$	6,000			Computer - John and Bev
19b	Computer Repair/IT Support	\$	5,800	\$	5,800	\$	5,800			
19c	Software	\$	6,800	\$	6,800	\$	7,500			Includes Microsoft, Quickbooks, ArcGIS, Adobe
19d	Internet	\$	6,250	\$	6,250	\$	6,500			
19e	Carbonite Storage	\$	3,300	\$	3,300	\$	3,500			
20	Copier Expenses	\$	5,000	\$	5,000	\$	5,500	\$	5,500	
21	County Treasurers' Fees	\$	47,969	\$	47,969			\$	-	
22	Spencer Building Renovation (Unit A)									Have not received initial quote
23	Spencer Building Unexpected Expense	\$	10,000	\$	10,000	\$	10,000	\$	10,000	rollover
23a	Unit A									
23b	Unit C									
24	Dues, Memberships, Subscriptions			\$	15,000			\$	15,900	
24a	Colorado Water Congress Dues	\$	2,319			\$	2,500			
24b	NWCCOG - QQ	\$	546			\$	600			
24c	Water Education Colorado	\$	600			\$	600			
24d	Special District Association of Colorado	\$	1,238			\$	1,300			
24e	Employers Council	\$	1,500			\$	2,000			
24f	CWC State Affairs Committee	\$	550			\$	550			
24g	CWC Federal Affairs Committee	\$	200			\$	200			
24h	Weather Modification Association	\$	300			\$	300			
24i	Lexis Nexus (Co Revised Statute Support)	\$	7,747			\$	7,850			Moved from Computer Expenses
25	Legal Publication	\$	6,000	\$	6,000	\$	10,000	\$	10,000	Will include ads for TLUG and Board Vacancy
26	Manager's Discretionary Budget	\$	25,000	\$	25,000	\$	25,000	\$	25,000	
27	Meeting Expenses	\$	4,000	\$	4,000	\$	5,000	\$	5,000	Will include committee mtg expenses
28	Office Equipment Exp	\$	21,500	\$	21,500	\$	21,500	\$	21,500	furniture and miscellaneous no asset equipment
29	Office Supplies & Expenses	\$	21,250	\$	21,250	\$	12,000	\$	12,000	
30	Payroll Exp			\$	762,354			\$	-	Will be provided by Accounting
30a	CRA Retirement Plan	\$	51,673							
30b	Medical Insurance	\$	55,152							
30c	Payroll Taxes	\$	45,600							
30d	Salaries	\$	596,079							
30e	Staff Development	\$	9,000							
30f	Work Comp Ins	\$	4,850							
31	Postage	\$	1,500	\$	1,500	\$	1,000	\$	1,000	
23	Telephone	\$	7,110	\$	7,110	\$	7,110	\$	7,110	Included Verizon and Lightspeed
33	Utilities	\$	15,516	\$	15,516	\$	4,200	\$	4,200	
33a	Unit A					\$	1,000	\$	1,000	
33b	Unit C					\$	3,200	\$	3,200	
34	Cleaning					\$	6,500	\$	6,500	weekly office and carpet cleaning
35	CAM					\$	5,400	\$	5,400	Common Area Maintenance - snowplowing and yard work
36	Vehicle Expenses	\$	4,525	\$	4,525	\$	5,000	\$	5,000	gas and general repair
TOTAL OPERATING EXPENSES						\$	321,970	\$	321,970	

UPPER GUNNISON RIVER WATER CONSERVANCY DISTRICT

2024 Budget Detail

DRAFT

NON-OPERATING EXPENSES

37	Asp Subordination Report	\$	5,000	\$	5,000	\$	5,500	\$	5,500	
38	Aspinall Contracts	\$	17,040	\$	17,040	\$	21,920	\$	21,920	
39	Consulting/Engineering	\$	15,000	\$	15,000	\$	46,000	\$	46,000	
40	City of Gunnison Cleanup	\$	2,000	\$	2,000	\$	2,000	\$	2,000	
41	Regional Water Supply Improvement							\$	569,000	
41a	Cloudseeding	\$	189,060	\$	189,060	\$	173,000			
41b	Emergency Response Mitigation					\$	100,000			
41c	Taylor River Modeling					\$	46,000			
41d	H2O Budget and Return Flow Study					\$	250,000			
42	Coal Creek Watershed Coalition	\$	10,000	\$	10,000	\$	10,000	\$	10,000	
43	Colorado Dust on Snow	\$	3,500	\$	3,500	\$	3,500	\$	3,500	
44	Drought Contingency Planning Contribution	\$	44,000	\$	44,000	\$	30,000	\$	30,000	
45	District Grant Program	\$	300,000	\$	300,000	\$	200,000	\$	200,000	\$50000 rollover
46	Gunnison County Cheatgrass Coordinator					\$	4,200	\$	4,200	new request
47	Gunnison River Festival	\$	10,000	\$	10,000	\$	11,000	\$	11,000	Added \$1k for intern assistance
48	Endangered Fish Recovery Program	\$	3,000	\$	3,000	\$	3,000	\$	3,000	Ask John
49	Home Loan Program Contribution	\$	100,000	\$	100,000	\$	-	\$	-	see rollover
50	Lake Fork Valley Conservancy	\$	10,000	\$	10,000	\$	10,000	\$	10,000	
51	Lake San Cristobal Expenses	\$	13,464	\$	13,464	\$	13,464	\$	13,464	Unsold Base Units
52	Public Outreach and Education							\$	60,735	
52a	Advertising Radio and Newspapers					\$	13,000			
52b	Ongoing Expenses (Mini-grants Promotional Items)					\$	11,500			
52c	Mayors and Manager Meeting					\$	300			
52d	General Public Outreach					\$	19,250			
52e	Local School Involvement					\$	11,750			
52f	Other Sponsorships					\$	1,250			
52g	Miscellaneous Expenses					\$	3,685			
53	Taylor Park Projects Expense	\$	7,436	\$	7,436	\$	7,700	\$	7,700	
54	Watershed Management Expense	\$	482,920	\$	482,920	\$		\$	621,500	
54a	CWCB 2023-3317 (WMP Phase 3)					\$	79,500			
54b	HAB Phase 1 and 2					\$	80,000			
54c	CWCB 2022-2085					\$	45,000			
54d	USBR Drought Contingency					\$	120,000			
54e	USBR Snow Measurement					\$	279,000			
54f	TU RESTORE					\$	18,000			
55	Wet Meadows Expense	\$	294,166	\$	294,166	\$	300,000	\$	300,000	
56	Water Quality Monitoring	\$	157,930	\$	157,930	\$	163,000	\$	163,000	
TOTAL NON-OPERATING EXPENSES						\$	2,082,519	\$	2,082,519	
57	Capital Outlay Expense		-							
58	Contingency		24,000				24,000		24,000	
TOTAL EXPENSES								\$	2,428,489	

Discussion From October 22, 2012

Brett Redden said that the board needs to look at this for this year, flesh it out some more and not do a knee-jerk reaction to this, but form some idea of where the board wants the reserve to be for 2013.

The board discussed contemplated potential uses for the reserve fund. John McClow said that the 1998 ballot issue language included development of water resources as well as defense of water resources in the basin.

Steve Glazer said that if the District were to acquire water or build a project, it will cost a substantial amount. The \$4 million currently in the reserve fund would be a source of a down payment for a debt that would likely require voter approval to fully fund. He said that \$4million is not an unreasonable amount.

John McClow said that the board has given staff instructions to identify smaller projects, which it is doing. One example is Lake San Cristobal project, which cost approximately \$500,000. That is another potential use of the fund.

Steve Schechter said the District needs to keep the reserve fund large to deal with drought and finding other ways to store water in this basin.

Brett Redden asked if the fund is increasing by more than projected, does the board need a mechanism to change the way it contributes to the fund.

Gary Hausler suggested establish a budget line item called "reserve increase," as suggested in John McClow's memo.

Steve Glazer suggested implementing John's memo, establishing the reserve fund balance at \$4 million, and creating a new line item "reserve increase." This initially would be where any unspent revenues from the prior year budget are deposited. If the board decides that reserve fund balance gets too big, the board can choose to set the mill levy lower in order to maintain a reserve fund balance that is realistic.

John McClow said that the growth of the fund has been haphazard. His memo reflects an attempt to establish a regular, orderly process for contributing to the fund, as opposed to just contributing all unspent budgeted funds each year. The board can change the agreed-upon balance at any time, but there would be a budgeted means of how to maintain it.

Brett Redden said there seems to be agreement among the board that \$4 million is a desirable fund balance. The annual growth of the fund should be by a bit more than inflation, or the fund's value will decrease in real terms. The question is how much growth does the board want.

Brett Redden asked both Bill Trampe and Kathleen Curry for comments.

Bill Trampe said that the CRWCD has its capital fund that allows them the most flexibility and least restrictions they can have. The balance of the fund changes a lot.

Kathleen Curry said that the language in the ballot question gave enough flexibility to put money aside for legal purposes and wet water. A healthy fund with the kind of money it contains is what the board should be doing, but the board ought to let the public know how much it would be willing to put into some actual wet water. Although there are not too many great options, there are some. She said she would like to know what the board has in mind for projects, not just litigation.

Paul Hudgeons suggested adding to a base amount of \$4 million by the amount of inflation each year as a policy.

Jim Pike moved that the board establish a policy regarding its reserve fund, of \$4 million and grow it by 3% annually, to be adjusted annually with the effect that the year-end reserve surplus becomes part of the beginning fund balance for the following year. Bill Nesbitt seconded.

Paul Hudgeons said he thinks that the 3% should be tied to inflation and adjusted each year.

Steve Glazer asked how the 3% would be funded. John McClow said it would come from revenues.

Brett Redden said that the currently projected year-end 2012 budget surplus of approximately \$161,000 would be cash on hand, which reduces the need for that amount of revenue in the 2013 budget. The board could set the mill levy lower as a result.

The motion carried.

Frank reminded the board that October is the last chance for board input on the draft budget other than changes based upon the public hearing in November.

13. BOARD/STAFF/COMMITTEE MEMBER REPORTS

Treasurer's Report – Board Treasurer Gary Hausler said he had nothing to discuss.

Executive Committee – Steve Glazer said it was suggested that the board establish a compensation policy.

AGENDA ITEM 7

Amended Budget for 2023

MEMORANDUM



TO: Board of Directors
FROM: Sonja Chavez, General Manager
DATE: August 21, 2023
SUBJECT: Review of 2023 Budget Amendment Items

Staff would like to review with the Board, several new and unanticipated expenses that will require a budget amendment in 2023 including:

- Field vehicle purchase (Toyota Tacoma): \$45,250
- Spencer Avenue Condominium Unit A Purchase: \$650,000
- Spencer Avenue Building Roof Replacement: \$106,000
- Water Budget & Irrigation Return Flow Study: TBD
- Board Room Projector and Automated Screen: \$27,794

MEMORANDUM



TO: UGRWCD Board of Directors
FROM: Beverly Richards, Office Manager
DATE: August 18, 2023
SUBJECT: Purchase of Projector for Upper Gunnison Board Room

Background: The Board of Directors approved the expenditure of funds for the replacement of some of the District's audiovisual equipment in 2020. Specifically, a new camera, new microphones, and speakers, audiovisual control system with rack, and computer. At the time, staff were advised by King Systems that the existing and outdated projector and screen that were installed over 12 years ago could present some problems for the new audiovisual system that was being installed. Staff decided to try to save the District money and re-utilize some of our older equipment.

Issue: District staff have had ongoing issues with the current projector in the board room including having to plug and unplug the AV rack system and projector (which requires getting on a ladder to reach the projector on the ceiling) in order to reboot the system and get it to recognize each other. In addition, staff was advised by King that we should leave the screen down at all times in order to avoid the possibility that it would become misaligned with the camera and projector. These efforts are not only frustrating and time consuming, but it is dangerous to have staff climbing ladders and we are always concerned that we will not be able to get the system running properly before meetings. The ability to conduct remote meetings is a critical component of our day-to-day operations. It is important that the District update our infrastructure in order to be efficient and effective and continue to have a reliable means for board and public participation in meetings.

On August 18, 2023, staff and the General Manager had a meeting with King Systems and reviewed the quote for a new projector and automated screen (attached as Exhibit A). The total price for materials and installation is \$27,793 and can be completed within 30 to 45 days of approval from the Board.

Staff have identified the following areas within our existing 2023 budget that can be utilized to support the proposed project:

- Building Repair/Maintenance (\$9,940 remaining); and
- Office Equipment (\$20,110 remaining).

Given staff experience during the 2020 bid process with limited local audiovisual expertise in Gunnison and surrounding areas and King Systems' previous competitive bid, familiarity with our existing AV system, knowledge of District AV needs, and excellent service record, staff is recommending that the board not require a new bid solicitation process. Our request is consistent with section 4.6.2 Procurement Policy which states that, *Whenever possible the District may purchase products locally without seeking competitive quotes. However, the preference for local suppliers is not intended to preclude the District from purchasing products from non-local sources whenever it is in the District's interest to do so.*

Finally, consistent with UGRWCD's Product Purchase Policy 4.7.3, *The Board must approve all product purchases greater than \$10,000.*

Recommendation for Board Action: Authorize staff to enter into contract with King Systems for the purchase and installation of a new board room projector and screen utilizing the building repair/maintenance and office equipment budget line items at a price of \$27,793.

UGRWCD

8/18/2023

Manufacturer	Model	Description	Qty	Price	Total
Audio/Video/Control Equipment (Crestron)					

Conference Room**Projector**

LG	BU70QGA	3840 x 2160 16:9 Native 3 HDMI, 1 HDBT, 1 Display Port	1	\$ 5,660.00	\$ 5,660.00
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Screen

Panasonic	PT-MZ780WU7	Motorized Screen - 119" Diag.	1	\$ 4,438.00	\$ 4,438.00
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Mount and Surge Protection

Chief	RPAU	Medium Dual Swing Arm Wall Mount - 25" Ext	1	\$ 269.00	\$ 269.00
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Source Equipment

Owner Furnished	Source Input	Room PC - Video Conf. - HDMI	1	\$ -	\$ -
Owner Furnished	Source Input	Wireless Presentation - HDMI	1	\$ -	\$ -
Owner Furnished	Source Input	HDMI cable input - HDMI	1	\$ -	\$ -
Owner Furnished	Source Input	VGA cable input - VGA - DELETE FROM SYSTEM	1	\$ -	\$ -
Owner Furnished	Source Input	Phone	1	\$ -	\$ -

Power Equipment

Panamax	C3-IP	IP Controllable Surge w/network reset at Projector	1	\$ 495.00	\$ 495.00
Surge-X	UPS-1000-OL	Battery back-up for rack equipment	1	\$ 1,367.73	\$ 1,367.73
SurgeX	SA-15	Initial inline surge protection	1	\$ 432.53	\$ 432.53

Miscellaneous

Materials	Miscellaneous	Required materials to complete the installation	1	\$ 1,836.03	\$ 1,836.03
Shipping			1	\$ 1,266.23	\$ 1,266.23

Parts Subtotal for the proposed system = \$15,764.51

Total price for Proposal before design, delivery & installation.

Design, Delivery, & Installation**Engineering**

Design, Programming, calibration, and commissioning of equipment

Project Management

Site Visits, Meetings, Material Handling, Documentation and Training

Installation

In-Shop / On-Site Installation

Warranty

1 Yr. Coverage on all King Systems Supplied Equipment	1	INCLUDED	\$ -
1 Yr. Coverage on all King Systems Supplied Labor (workmanship)	1	INCLUDED	\$ -

Labor Subtotal for the proposed system = \$12,029.15

Project Subtotal = \$ 27,793.66

0.00% Sales Tax = \$ -

Total Proposed System Price = \$ 27,793.66

NOTE: This document is the exclusive property of King Systems LLC and is loaned to the recipient in strict confidence and shall not, without prior, written permission from King Systems LLC, be disclosed, reproduced, copied, or loaned, in whole or in part, or used for any purpose except for the sole benefit of King Systems LLC. Acceptance of this document will be construed as an agreement by recipient to the foregoing conditions.

AGENDA ITEM 8

Legal and Legislative Matters

AGENDA ITEM 9

Basin Water Supply

MEMORANDUM

TO: UGRWCD Board Members

FROM: Beverly Richards, Water Resource Specialist

DATE: August 18, 2023

SUBJECT: Basin Water Supply Information

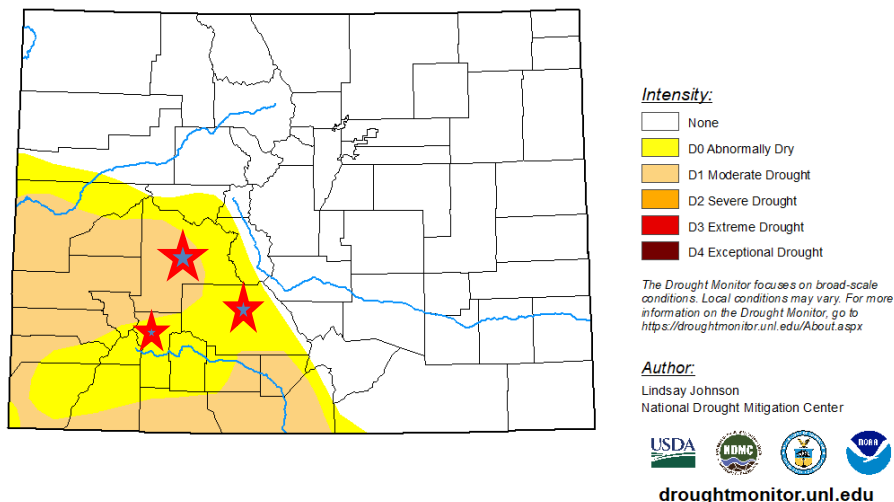
The information supplied as part of this memorandum is a monthly feature and includes information about drought, precipitation, snowpack information, streamflows, and reservoir storage.

Current Conditions – Drought and Precipitation

As shown in the map from the *US Drought Monitor* dated August 15, 2023, drought conditions are returning to a large portion of the western and southwestern part of the state. Gunnison County currently shows 39% of the county experiencing abnormally dry (D0) conditions and 61% of the county has moved into moderate drought conditions (D1). Hinsdale County shows 91% of the county in abnormally dry conditions and the other 9% is now in moderate drought conditions. Saguache County still has a very small amount of the county (8%) experiencing no drought conditions, 84% is experiencing abnormally dry conditions and 8% has moved into moderate drought conditions. The Drought Monitor looks at a variety of different conditions including temperature, soil moisture, water levels in streams and lakes, snow cover, water runoff to develop these ratings. Precipitation for the three counties has been very low over the past 30 days (see below) which generated these changes to the drought conditions.

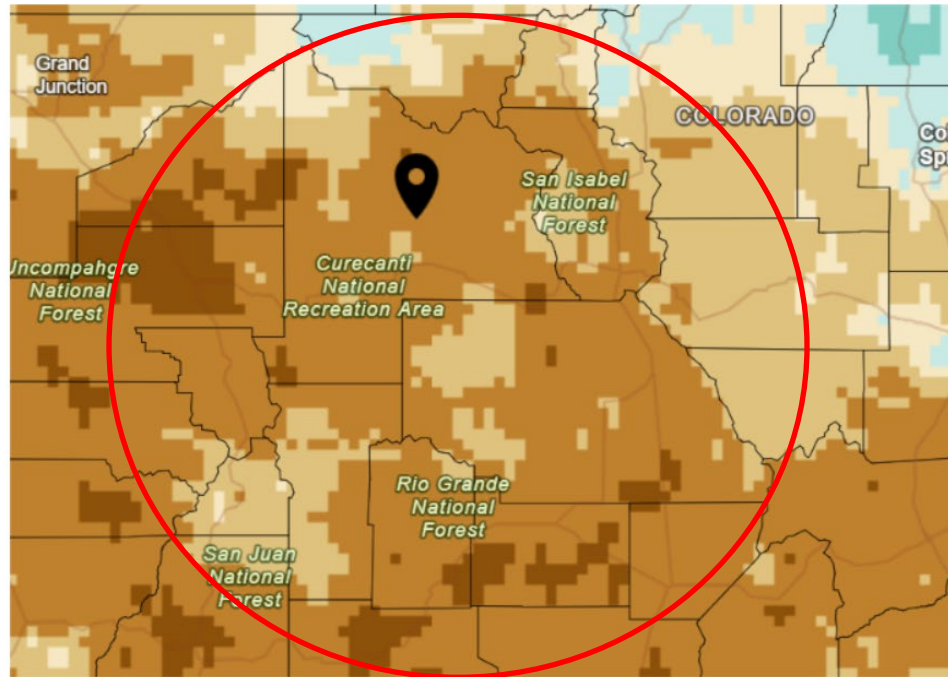
U.S. Drought Monitor Colorado

August 15, 2023
(Released Thursday, Aug. 17, 2023)
Valid 8 a.m. EDT

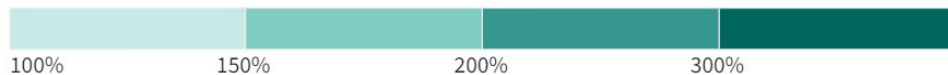
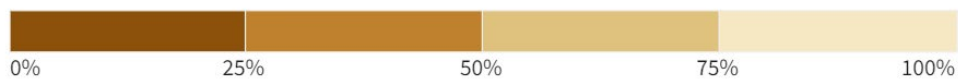


As you can see from the figure provide below (*Drought.gov, August 18, 2023*), precipitation in the Upper Gunnison River Basin for the past 30 days has remained on the dry side with a large portion of the area receiving only 25 to 50% of normal precipitation. There were areas in all of the counties that had more precipitation, ranging from 50 to 75% of normal, but for the most part conditions remained dry.

30-Day Percent of Normal Precipitation



Percent of Normal Precipitation (%)

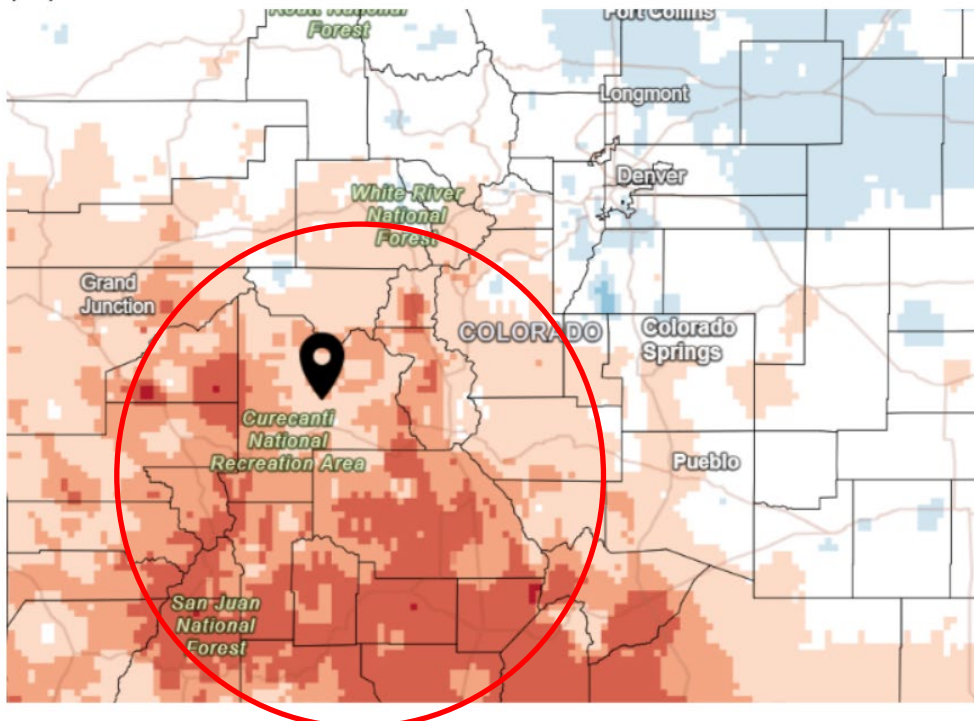


Source(s): UC Merced
Data Valid: 08/14/23

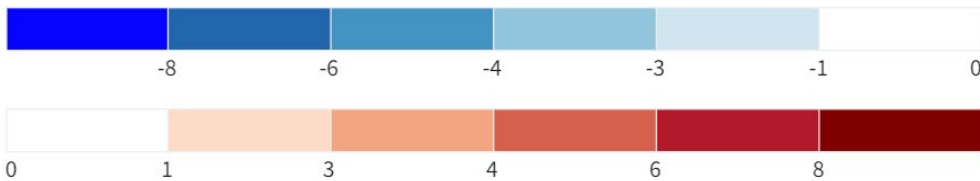
Drought.gov

For the past 30 days temperatures has been warmer than normal as shown in the figure provided below dated August 14, 2023. This figure shows that temperatures for the past 30 days have ranged from +1 degree to +6 degrees above normal for this time of year which adds to the dry conditions being experienced in the basin.

30-Day Departure from Normal Maximum Temperature (°F)



Departure from Normal Max Temperature (°F)

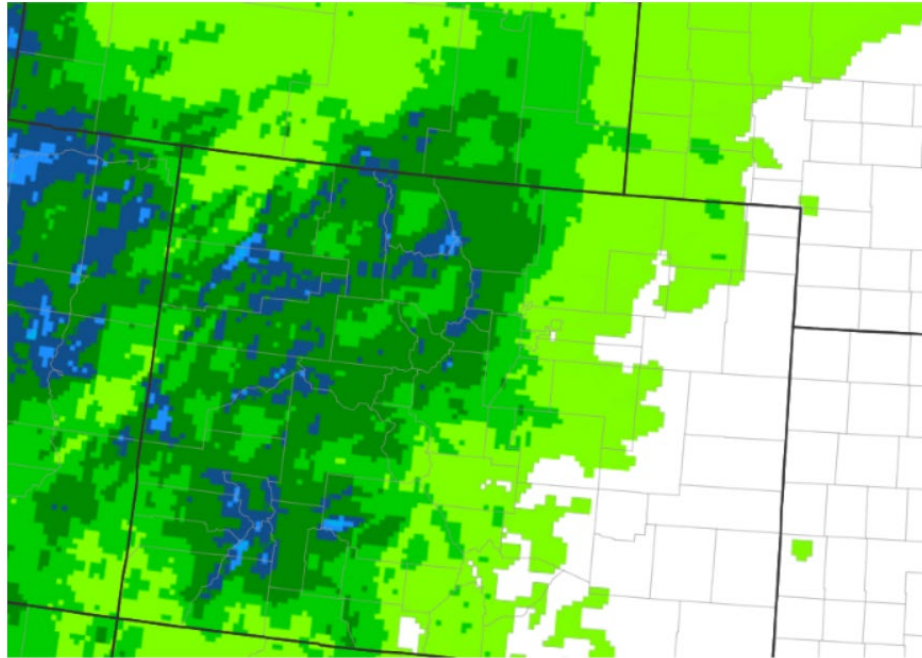


Source(s): UC Merced
Data Valid: 08/14/23

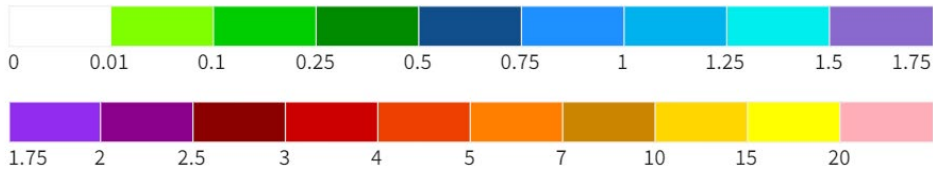
[Drought.gov](https://drought.gov)

The 7-day Quantitative Precipitation Forecast figure dated August 17, 2023, shows the precipitation forecast for the next seven days. This forecast indicates that the area could receive precipitation in the range of one-tenth of an inch to one inch of precipitation throughout the entire basin.

7-Day Quantitative Precipitation Forecast



Predicted Inches of Precipitation



Source(s): Weather Prediction Center
Updates Daily: 08/17/23

Drought.gov

Streamflow Information

Streamflow information throughout the basin is provided in the table below. As shown, streamflows at all of the sites on August 17 have decreased substantially since the July report. While this is typical for this time of year, only four sites on this list are at or above the historical average for August 17. This is due in part from lack of precipitation and warm temperatures over most of the last 30 days.

Station Name	July 14 (cfs)	August 17 (cfs)	Difference (cfs)
Gunnison River near Gunnison	1,250	662	-588
Gunnison River at Gunnison Whitewater Park	1,140	590	-550
Tomichi Creek at Sargent's	52	37	-15
Tomichi Creek at Gunnison	111	111	0
Taylor River at Taylor Park	196	68	-128
Taylor River blw Taylor Park Reservoir*	407	352	-55
Taylor River at Almont*	557	432	-125
Slate River abv Baxter Gulch	248	29	-219
Coal Creek abv McCormick Ditch	29	4	-25
East River blw Cement Creek	570	125	-445
East River at Almont	637	148	-489
Ohio Creek near Baldwin	148	32	-116
Lake Fork blw Lake San Cristobal*	197	77	-120
Henson Creek at Lake City	214	66	-148
Lake Fork at Gateview*	514	185	-329

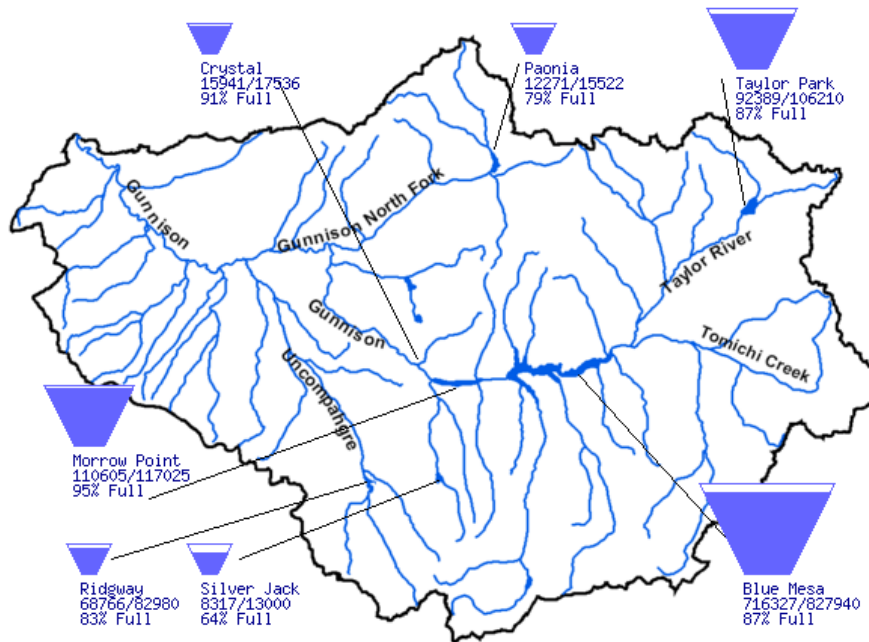
*These gage sites are at or above the historical average for August 17

Reservoir Storage and Operations

Reservoir storage in the entire Gunnison Basin is at 83% of full, which is a decrease of 13% from last month's report. Both reservoirs in the Upper Gunnison basin, Taylor and Blue Mesa, are at 87% so total reservoir storage in the Upper Gunnison basin is also 87% which is a decrease of 7% from last month's report.

Data Current as of:
08/17/2023

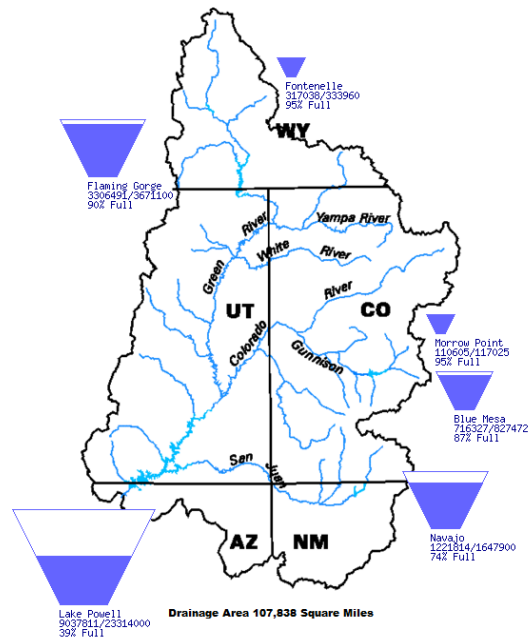
Gunnison River Basin, CO



Reservoir storage in the Upper Colorado River Basin is now at 80% full. This is a 1% decrease from last month's report, but a 16% increase from last year at this time. This is reflected in the tea-cup diagram below dated August 17.

Data Current as of:
08/17/2023

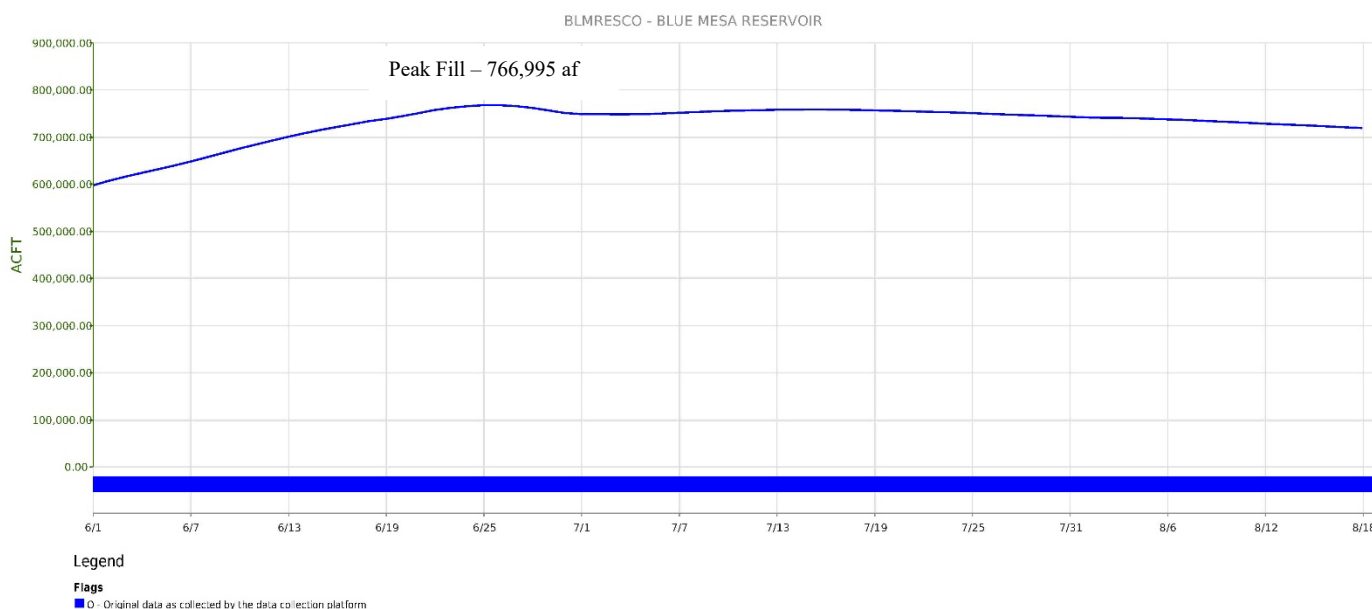
Upper Colorado River Drainage Basin



Aspinall Unit Operations:

Per Erik Knight with the *US Bureau of Reclamation* dated August 14, 2023, the July unregulated inflow into Blue Mesa was 117,000 acre-feet which is 108% of normal. The unregulated inflow amounts forecasted for August-October are 137,000 acre-feet which is 107% of normal.

The total WY23 unregulated inflow amount to Blue Mesa is projected to be 1.08 million acre-feet (maf) which is 120% of normal. Blue Mesa reached its peak on June 25 at an elevation of 7512.47 feet which corresponds to 92.4% full storage in the reservoir. The hydrograph provided below shows the elevation changes since June 1.

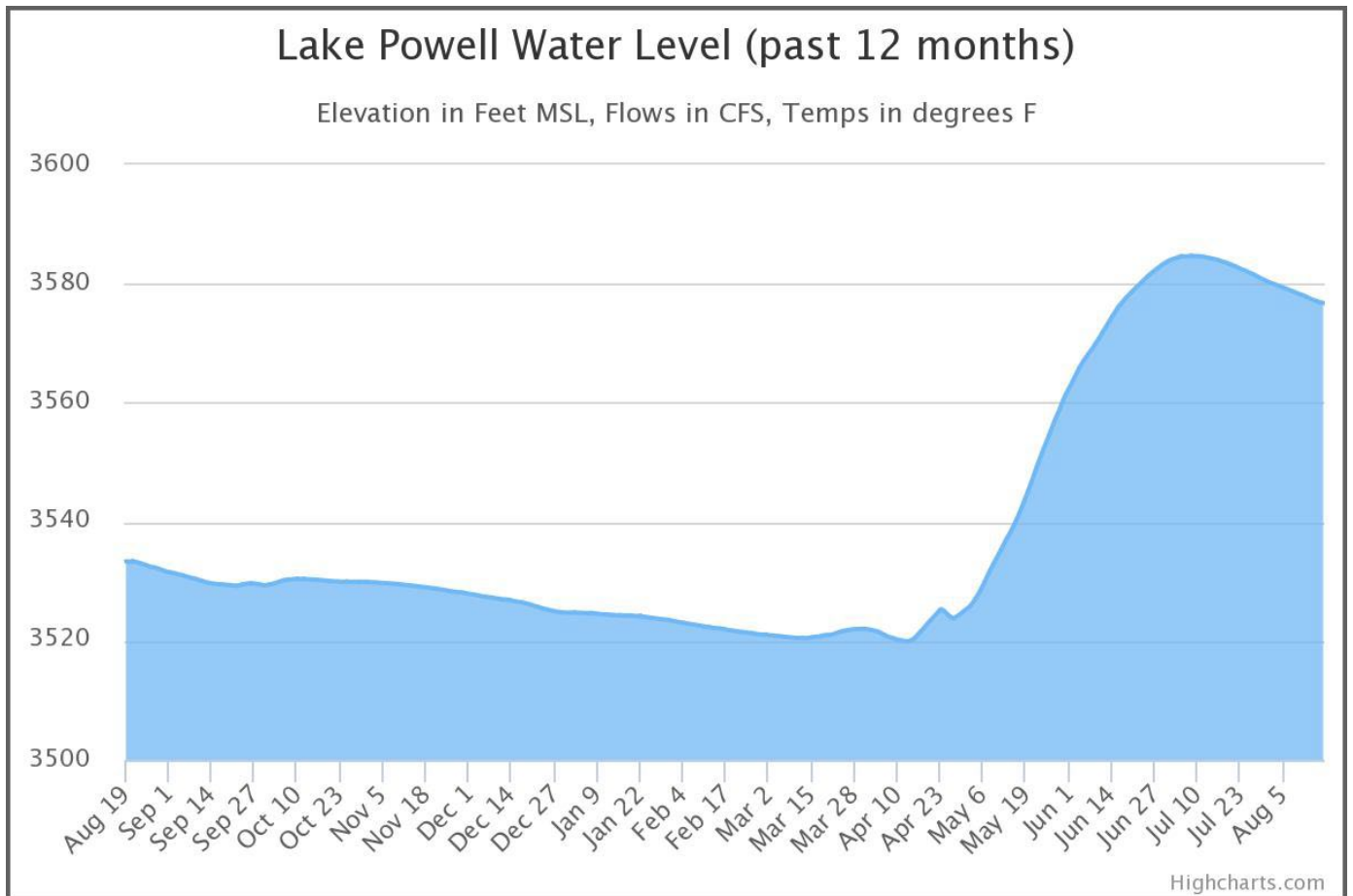


By the end of WY23 Blue Mesa elevation is projected to be approximately 7500.21 feet which corresponds to 659,950 acre-feet of storage or 80% of capacity. Based on reservoir operations, the reservoir will be drawn down to 70% or 579,558 acre-feet to meet the icing target by December 31, 2023. This is aimed at preventing icing issues upstream of the reservoir.

Lake Powell Operations:

This information is provided by the *Lake Powell Water Database* webpage (lakepowell.water-data.com) and is dated August 17, 2023.

Lake Powell elevation is currently 3576.76 feet with a content of 9,037,811 acre-feet (39% full). The hydrograph provided below shows the elevation change for the past twelve months. Water storage has risen by 3.3 maf in WY23. This content is down 7.78 feet from the high for WY23 though the lake is 43.21 feet above this time in 2022. Lake Powell is still 123.1 feet below the full pool at 39%.



Total inflows into Lake Powell for WY23 were 11.3 maf which is 117% of the average for August 17. The inflows for WY23 are 226% of the inflows for WY22 and total inflows for WY23 have exceeded outflows by 3.6 maf. Total releases for WY2023 to date have been 7.7 maf which is 103% of the minimum required releases of 7.5 maf.

AGENDA ITEM 10

General Manager and Committee Reports

AGENDA ITEM 10

Treasurer's Report

MEMORANDUM



TO: Board of Directors
FROM: Sonja Chavez, General Manager
DATE: August 21, 2023
SUBJECT: General Manager Update & Committee Reports (August)

I. Treasurer's Report

Treasurer Bill Nesbitt will provide an oral report.

II. General Manager Updates

Miscellaneous

- A. Employee Handbook:** Senior staff have made a number of additions and revisions to the employee handbook and would like to update the board and request your approval (Exhibit B).
1. **Section 2.2.1 Medical Insurance** first sentence: Removed "group" as the employees have the option of either the District's group health insurance coverage or the Board can authorize payment of an employee's Medicare or other private insurance, etc.
 2. **Section 2.2.2 Retirement Plan:** Updated the language and tables to reflect the Board's authorization for a tiered pension contribution plan with required match and starting with 8% and increasing by 1% for every 5 years of service.
 3. **Section 2.3.1 Paid Time Off (PTO):** Included a footnote reflecting Board's ability to negotiate a higher initial rate of PTO earning for new employees and that rates would increase by 2 hours/month after each five-year anniversary. Table 2 was also updated to reflect a maximum accumulation ceiling of 432 hours.
 4. **Section 2.3.2 Unpaid Leave:** Updated the language to reflect the District's incorporation of a Family Leave Program and that PTO does not accrue during Unpaid Leave or Colorado FAML I leave periods.
 5. **Section 2.3.4 Family Leave:** New section to reflect the Board's approval of a 12 week leave policy for new parents and a Paid Family Leave Fund for paying the employer participation portions of FAML I or 2 weeks of paid leave in situations where employees cannot earn 12 weeks of paid leave in order bridge any gaps in income. Provided language that allows the General Manager to modify accumulation limits for employee planning on taking Family Leave.
 6. **Section 2.3.2 Deductions:** Updated the language to reflect the employee's option to participate in a Roth IRA plan.

7. **Section 3.7. Training & Education:** Updated the language to reflect the Board's approval of the District's Education Assistance Program consistent with the CARES act and through 2025. Incorporated the Handbook as Exhibit B.
8. **Section 3.8 Employee Home Opportunity Program (EHOP):** Added this section to reflect the Board's approval of the Program.
9. **Section 4.3 Harassment:** Updated the language in the Handbook to reflect changes in the federal definition of harassment.

ACTION REQUESTED: Approval of the August 20, 2023, updates to the UGRWCD Employee Handbook.

B. Spencer Avenue Condominium Building Update

The UGRWCD has found a contractor to complete the renovation of Unit A and is in the process of obtaining a cost estimate and contract agreement. The contractor will also take care of the HVAC update and electrical requirements. We were also informed that we would have to bring all the smoke alarms and emergency exit signage up to code. The contractor estimates that the work will commence February of 2024 and take 45-60 days. The upstairs units are being repainted and the roof replacement is on-going.

- C. Regarding Informal Discussion w/Saguache County Commissioners:** The Saguache Board of County Commissioners (SBOCC) has sent an email request to a number of entities including UGRWCD for an informal discussion on September 12 at 6pm about the possibility of lowering mill levies and what if any assistance can be given to taxpayers in Saguache County due to increasing property values (See Exhibit C – Email from Saguache County).

ACTION REQUESTED: Informal discussion with the UGRWCD Board on the matter.

D. Water Quality Update

On August 14, 2023, the State of Colorado Water Quality Control Commission (WQCC) held informational and rulemaking hearings in Denver, Colorado. Items of specific importance to our constituents include:

- **Informational Hearing for 401 Certification (Regulation #82)**

Background: Section 401 of the federal Clean Water Act (CWA) requires that any applicant for a federal permit must provide the federal agency with a 401 certification from the State in which any project or activities may result in fill or discharge into navigable waters of the U.S. The Water Quality Control Division (WQCD) reviews and issues the permits under Section 401 for actions or projects that are applicable to Colorado's 401 Certification Regulation #82. These include:

- Section 404 permits issued by the U.S. Army Corps of Engineers (USACE)
- Federal Energy Regulatory Commission licenses for hydropower projects

The original federal had been in existence without any major changes from 1971 through 2020 when the Trump administration issued a new "2020 Rule" which conflicted with Colorado's Regulation #82. In May of 2021, the Biden Administration announced its

intention to revise the rule and on October 2021 a federal district court vacated the Trump 2020 Rule. Then in April of 2022, the court decision vacating the Trump 2020 rule was overturned so now the Trump 2020 Rule is back in effect.

In June 2022, the EPA published the “401 Improvement Rule” in the federal register for comment and currently it is being reviewed by the federal Office of Management and Budget (OMB) and EPA is expected to issue a final version fall of 2023.

- **Rulemaking Hearing for Colorado’s Primary Drinking Water Regulation (Regulation #11):** All suppliers of drinking water in Colorado are subject to regulations adopted by the U.S. EPA under the Safe Drinking Water Act as well as regulations adopted by the Commission. The Rulemaking Hearing was related to replacement and adoption of federally mandated regulation revisions for lead and copper in drinking water.

Specifically, the hearing addressed:

- *Updates the EPA’s 1991 Lead and Copper Rule* based upon a better understanding of exposure risk factors and optimal treatment. For example, it prioritizes replacement of lead service lines to reduce exposure, implements trigger levels, requirements for sampling procedures, corrosion control treatment requirements, and requires sampling in public schools and child-care facilities and public notification. Previous focus had been on filtration and the UGRWCD believes that this approach ensures that the water quality problem is addressed and risks are communicated to customers. The final stakeholder meeting was held on August 9, 2023. The goal is to have a final version of the policy by August 31, 2023. Compliance with the new rule is expected starting October 16, 2024.
- *Backflow Prevention & Cross Connection Rule:* Water utilities must inventory and protect all cross connections and have at least 90% of all assemblies tested every year. Typically, this is the responsibility of the customer and does not apply to single family homes. If the assembly cannot be tested the municipality is now required to track it and test it the following year. If two years pass without a test, there is a violation. Specifically, the update to the regulation: 1) created a combined ratio for compliance, 2) modified the language for the “common extension request”, 3) modified the language for the compliance determination to make it easier to obtain a one-year extension in low-risk situations; and 4) cleaned-up dates within the rule.

As a point of note, Colorado’s Regulation #11 is no more stringent than the federal rule. The Water Quality Control Division (WQCD) recognizes the need for additional resources to help utilities complete the inventories. WQCD has contracted with Corona Environmental Consulting for technical aspects of the policy such as the use of predictive modeling.

If anyone is interested in additional information please use the following link: [\(08.2023\) Reg. 11 Colorado Primary Drinking Water Regulations - Google Drive](#)

The UGRWCD is also going to host the WQCC for their Annual Planning Retreat in Gunnison in the District Conference Room on September 10th and 11th. There is a half day of

planning items on the agenda on both mornings of the 10th and 11th and an educational boat tour and presentation on Blue Mesa on the afternoon of the 10th for division and commission staff by the National Park Service and the United States Geological Survey where we will discuss the Harmful Algal Bloom (HAB) study being conducted on Blue Mesa Reservoir (BMR) as a follow-up to the most recent Lakes Nutrient Rulemaking Hearing.

III. Drought Planning

A. Drought Contingency Planning Update

Task Force: An email with a description of the planning effort and a poll asking about interest in attending was sent to a select group of participants who have the technical knowledge to help with the development of a Drought Contingency Planning (DCP) or who could help identify someone from their water user community (Exhibit C). Our goal is to have our Task Force established in time for a mid-September formal kick-off meeting. The purpose of the TF is to oversee and design the DCP process, work closely with consultants, be a liaison to the broader community and ensure cross-collaboration, and engaging members of the community.

B. Discussion with USGS on the Upper Gunnison Basin Water Budget & Irrigation Return Flow Study

Background: UGRWCD water users were asked about their interest in participating in a high-elevation grass hay demand management pilot study by the Colorado River District (CRD) at our February 2023 board meeting. Water users expressed concern over the long-term and multi-year impacts to production and cattle operations and impacts to their neighbors and downstream water users. CRD's goal was to try get data and information demonstrating that could support the Western Slope's position that demand management couldn't be accomplished in such a flood dominated system without significant impacts.

UGRWCD met with the Gunnison County Stockgrowers in March of 2023 and proposed an alternative study that could accomplish the same goals but without having to ask water users to intentionally fallow. Water Users in the Upper Gunnison basin are all too familiar with demand management after having to manage water users through years of on-going drought. Therefore, UGRWCD suggested that a study be commissioned over the next 5-10 years that could gather necessary data and develop a model that would capture impacts to groundwater and surface water stream flow in a flood dominated system in dry, average and wet years. The study would hopefully capture what happens naturally in response to reduced water use during drought years and under water rights administration.

The USGS has requested that the UGRWCD create a list of specific topics or focused questions related to the proposed Upper Gunnison Basin Water Budget and Irrigation Return Flow Study. USGS Staff (Cory Williams, USGS Western Colorado Studies Section Chief), will be remotely attending the meeting and will be available to answer questions and help guide the discussion. The purpose of this exercise is to ensure that the draft proposal they have worked up thus far is consistent with staff and Board priorities and input.

ACTION REQUESTED: Board discussion resulting in a list of focused water study questions for USGS related to the Water Budget & Irrigation Return Flow Study.

- IV. Wet Meadows Program Update** – Please see memorandum from staff member, Cheryl Cwelich (Wet Meadows Program Coordinator).
- V. Education and Outreach Update for June 2023** – Please see memorandum from staff member, Sue Uerling (Communications Specialist).
- VI. Taylor Local Users Group** – Please see attached draft minutes from the August 8th TLUG meeting. Director & TLUG Chair Don Sabrowski will give a verbal update as well.
- VII. Scientific Endeavors** - Verbal Update from Director Rosemary Carroll.
- VIII. Gunnison River Festival (GRF)** – Verbal Update Cheryl Cwelich (Executive Director).
- IX. Strategic Tourism and Outdoor Recreation** – Meeting notes from the July 27th meeting are attached as Exhibit D. Water Resources Fellow, Alana Nichols, attended the August 24th meeting as the General Manager Office/Program Manager, Beverly Richards was participating in the Aspinall Operations Meeting and she will give a verbal report to the Board.



EMPLOYEE HANDBOOK OF THE UPPER GUNNISON RIVER
WATER CONSERVANCY DISTRICT



1. INTRODUCTION.

1.1. Disclaimer.

IMPORTANT

THE GUIDELINES CONTAINED IN THIS HANDBOOK DO NOT REPRESENT A CONTRACT, ARE NOT MEANT TO BE ENFORCEABLE, AND SHOULD NOT BE RELIED UPON AS BINDING, INFLEXIBLE PROMISES MADE BY THE DISTRICT. THE DISTRICT RESERVES THE RIGHT TO CHANGE OR RESCIND THESE GUIDELINES AT ANY TIME, AS WELL AS THE RIGHT TO DETERMINE THEIR MEANING, PURPOSE, AND EFFECT. THE DISTRICT ALSO RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO DETERMINE WHETHER, AND TO WHAT EXTENT, THESE GUIDELINES SHOULD BE APPLIED IN ANY GIVEN CIRCUMSTANCES. THIS HANDBOOK SUPERSEDES ALL PREVIOUS EDITIONS AND SINGLE GUIDELINE MEMORANDA ISSUED IN THE PAST.

EMPLOYMENT WITH THE DISTRICT IS “AT-WILL.” ANY EMPLOYEE MAY BE TERMINATED WITH OR WITHOUT CAUSE OR A HEARING, JUST AS ANY EMPLOYEE MAY RESIGN AT ANY TIME, FOR ANY REASON. NOTHING IN THIS HANDBOOK IS INTENDED TO MODIFY THE AT-WILL RELATIONSHIP BETWEEN THE DISTRICT AND ITS EMPLOYEES.

1.2. Purpose and Scope of Guidelines.

These guidelines are intended to inform employees of the District’s position on basic, employment-related subjects. They are not all-inclusive, but address those general topics most likely to be of interest to employees in the course of ordinary, day-to-day operations of the District. These guidelines serve as a reference source by employees and the General Manager. The District expects that they ordinarily will be followed.

To the extent that these policies are inconsistent with the terms of an individual employment contract, the terms of the contract will control.

1.3. Authority of Board of Directors.

The District Board of Directors reserves the right to adopt, amend, or rescind any guideline, procedure, or benefit. Any modification of these guidelines may be made only pursuant to formal action of the Board of Directors, reflected in the official records of the Board. No employee or agent of the Board is authorized to modify these guidelines by agreement, practice, or otherwise.

Ultimate responsibility for operation of the District is vested in the Board of Directors. The Board retains the right to operate the District consistent with its legal authority, including, but not limited to, the right to direct the work of employees; hire, promote, demote, classify, evaluate, and retain employees in positions with the District; demote, suspend, discharge, or otherwise discipline employees; transfer, assign and schedule employees; lay off employees; determine and implement the methods, equipment, facilities, personnel, and other means by which District operations are to be conducted; take steps it deems necessary to maintain the efficiency and safety of operations; determine the budget of the District; determine the level of any activity or service provided by the District; and determine planning or staffing levels. The Board of Directors may exercise its authority to manage the district through its General Manager.

1.4. Equal Employment Opportunity.

The District is an equal employment opportunity employer. These guidelines are to be applied without regard to any otherwise qualified person's race, creed, color, sex, sexual orientation, age, national origin, ancestry, religion, disability, or genetic information, subject to such reasonable requirements of the District as may be permitted by law.

2. EMPLOYEE STATUS, BENEFITS, AND LEAVE.

2.1. Employee Status.

All permanent full-time employees are benefitted employees, entitled to the employee benefits described in this Section 2. Part-time employees will receive employee benefits as determined by the General Manager.

2.2. Employee Benefits.

2.2.1. Medical Insurance.

The District will provide health insurance coverage for employees. The District will pay the provider directly for premiums in an amount approved by the Board. Employee is eligible to receive coverage under the District's group health insurance policy on the first day of the month following the date of hire. The terms and conditions of all group insurance plans offered by the District are subject to change from time to time at the discretion of the Board of Directors.

2.2.2. Retirement Plan.

The District is a member of the Colorado Retirement Association (CRA) which maintains a retirement plan for the member organizations of CRA. Retirement benefits provided to District employees are governed by the applicable provisions of the CRA Retirement Plan and Trust Agreement.

All benefitted employees are eligible to participate in the District's retirement plan immediately as of Employee's date of hire. Employees must execute all necessary paperwork required for participation. The District's plan includes 401(a), 457, and Roth IRA plans.

The District will make a contribution to the 401(a) retirement plan for each participant:

Term of Employment	District Contribution
Upon commencement of employment	8% of compensation
After 5 years of employment	9% of compensation
After 10 years of employment	10% of compensation

Employees must match the District's contribution. For the purpose of calculating contributions, compensation does not include overtime pay, fringe benefits, expense reimbursements, deferred compensation, or welfare benefits.

2.2.3. Expense Reimbursement.

Employees who incur expenses in the conduct of District business, such as the use of personal car, out-of-pocket miscellaneous expenses, or other travel expenses will be reimbursed subject to review and approval by the General Manager and an Executive Committee member. The District Expense Report and Request for Reimbursement and receipts must be submitted to the District by Employee to verify all expenses.

2.2.4. District Vehicle.

The District owns vehicles for Employee use while conducting District business. Employee use of District vehicles is permitted under the following conditions.

Employee must possess a valid driver's license, a copy of which must be kept on file with the District. Employee must report revocation of the driver's license to the General Manager. Employee must obey all traffic laws and promptly report any violations or accidents to the General Manager through a written report. Traffic violations may lead to suspension of Employee's use of the District vehicle, in the discretion of the General Manager. Employee is responsible for paying any traffic or parking fines incurred while using the District vehicle. If the District vehicle is damaged due to Employee negligence, Employee will be required to reimburse the District for any costs incurred in repairing the damage.

Employee must reserve use of District vehicles using the shared Vehicle Calendar. Travel log and expense information must be completed accurately and completely in the Travel Log maintained by the District in the vehicle binder at the time of vehicle use including date of use, Employee's initials, trip destination and purpose, mileage driven, and any fuel purchased. A receipt must be obtained for vehicle related purchases made with the District gas credit card and placed in the "Receipts" envelope in the vehicle binder. Receipts for vehicle-related purchases made by other means must be submitted to the General Manager for approval and reimbursement.

While conducting District business, Employee may utilize District vehicles for reasonable incidental personal use (e.g., going to dinner or going to a nearby shopping mall when conducting business out of town, etc.), but Employee should minimize personal use. The District reserves the right to seek reimbursement from Employee for excessive personal use.

Except in the case of an emergency where Employee cannot drive, only District employees may drive the District vehicle. Emergency drivers must possess a valid driver's license.

2.3. Leave Time.

2.3.1. Paid Time Off.

Permanent full-time employees earn Paid Time Off (PTO) for each full month of employment at the rate set out in Table 1 below¹. Part-time employees earn PTO at a pro-rated rate. PTO may be used as vacation time, during Employee's own illness, to care for an ill relative, medical or other personal appointments during business hours, or any other purpose. Employees are encouraged to use PTO each year, but if Employees do not, PTO will accrue until Employee has accrued the maximum set out in Table 2 below, at which time accrual will cease until Employee uses an amount of PTO equal to or greater than the amount accruable during one month at Employee's current rate of accrual. Employee will be paid for all accrued PTO as of the effective date of termination at the time of termination of employment, whether termination is with or without cause.

Table 1

Term of Employment	Paid Time Off Accrual
Upon commencement of employment	14 hours per month
After 5 years of employment	16 2/3 hours per month
After 10 years of employment	18 2/3 hours per month
After 15 years of employment	20 2/3 hours per month
After 20 years of employment	22 2/3 hours per month
After 25 years of employment	24 2/3 hours per month
After 30 years of employment	26 2/3 hours per month

¹ In its discretion, the Board of Directors may negotiate a higher initial rate of PTO earning with a new employee. Subsequent increases will be 2 hours per month after each five-year anniversary of employment, consistent with Table 1.

Table 2

Term of Employment	Maximum Accumulation
After 1 year of employment	168 hours
After 5 years of employment	294 hours
After 10 years of employment	360 hours
After 15 years of employment	432 hours

2.3.2. Holidays.

In addition to Paid Time Off, Employees are entitled to all paid holidays authorized by the Board of Directors.

2.3.3. Unpaid Leave.

In addition to PTO, Employee will be permitted, upon reasonable notice to, and approval by, the General Manager, to take unpaid leave for a period not to exceed one month (exception for Family Leave under policy 2.3.4 below), provided that the activities of the District will not be adversely affected thereby. Employee may not take unpaid leave unless Employee has less than 8 hours of accrued PTO available. PTO will not accrue during unpaid leave.

2.3.4. Family Leave

The District has a 12 week family leave policy for new parents. To be eligible, Employee must have completed 12 months of continuous full-time service with the District. Family leave can be taken as paid or unpaid leave. Employee is required to enter into a written agreement and prepare a family leave plan that considers use of their PTO, Colorado Family and Medical Leave Insurance (FAMLI), and the District's Paid Family Leave Fund as described below.

The District maintains a Paid Family Leave Fund (Fund) which can be utilized by the District and Employee. Employee must notify the General Manager as soon as possible about their desire to utilize the Fund. The Fund can be utilized to pay the employer participation portion of the Colorado Family and Medical Leave Insurance (FAMLI) program when Employee is not able to reasonably accumulate 12 weeks of paid leave utilizing their District PTO. The General Manager can modify the maximum PTO accumulation limits for employees planning on taking Family Leave.

If Employee is not able to take advantage of FAMLI due to time constraints, the District will provide up to 2 weeks of paid leave in order to help bridge any gaps in financial income during their leave, provided that Employee has depleted their PTO balance. Weekly

payments will be equivalent to the Colorado FMLI weekly payment formula. PTO will not accrue during FMLI leave.

2.3.5. Jury Duty, Court Time.

An employee who is required to serve or appear as a juror, witness in a criminal case or witness in a case not resulting directly from the discharge of the employee's duties as an employee will be granted court leave with pay for the first five days of service for the hours for which the employee would otherwise have been at work for the District. Any employee who has received fees or payment and has been granted court leave with pay will have such fees deducted from their wages with the exception of pay for travel. After the first five days of court leave the employee may take leave without pay. If an employee is involved in litigation for personal purposes the employee may be granted leave without pay or use any accrued paid time off.

3. EMPLOYMENT PRACTICES.

3.1. Pay Periods.

Employees are paid once each month. The pay period ends on the last day of the month. The District utilizes Direct Bank Deposit for all Employees.

3.2. Deductions.

Federal and state income taxes and social security contributions are automatically deducted from employee paychecks, as is required by law.

Retirement plan contributions are deducted from employees' monthly paychecks in the amounts required for participation in the District's 401(a) retirement plan and in the amounts requested by the Employee for the optional 457 or Roth IRA plans.

3.3. Garnishment.

A garnishment is a legal deduction of a specified sum from an employee's wages in order to satisfy a creditor. If the District is required to garnish an employee's wages, the garnishment will be made in accordance with the law.

3.4. Overtime.

The District may require employees to work overtime. Employees who are not exempt from the Fair Labor Standards Act will receive overtime compensation for hours actually worked in excess of forty hours during the work week. Overtime will not be worked unless approved by the General Manager.

Overtime compensation for time spent in training will be provided as required by the Fair Labor Standards Act.

3.5. Compensatory Time.

Overtime actually worked by non-exempt employees may, at the District's discretion, be compensated in compensatory time of one and one-half (1½) hour for each hour worked in excess of forty hours per week. It is understood that in agreeing to work for the District, employees agree

to accept compensatory time in compensation for overtime actually worked when deemed appropriate by the General Manager. Employees will be advised in advance whether overtime will be compensated with compensatory time or with payment at 1½ times the employee's regular rate.

3.6. Reporting Accidents, Workers' Compensation.

Any employment-related accident involving any injury or property damage whatsoever must be reported to the General Manager. Such report must be made at the earliest practicable time. Failure to report promptly any accident involving injury or property damage may result in disciplinary action up to and including discharge.

Employees are covered for employment-related injury or illness by the Colorado Workers' Compensation Act. Under the Act an employee may receive benefits for missing work as a result of an employment-related injury or illness. Delay in reporting a work-related injury or illness may result in a loss of benefits under the Act.

3.7. Training and Education.

The District supports education and training programs which improve the skills, qualifications, and performance of District employees. The District will pay the fees and costs of education and training programs that are specifically required by the District. In addition, the District may, in its discretion, approve payment of all or a portion of the fees and costs of education or training programs requested by employees. The General Manager must approve the requested program in advance. The District's approval of payment for one segment, portion, or course that is a component of an education or training program does not obligate the District to pay for any additional segment, portion, or course.

Through 2025, full-time permanent employees who have completed one year of service, may request to participate in the District's Educational Assistance Program consistent with the 2020 Coronavirus Aid, Relief and Economic Security (CARES) Act. Under the CARES Act, the District is allowed to provide up to \$5,250 annually (through 2025) toward Employee's student loan payments as a pre-tax deduction from Employee's gross income. Complete terms and requirements of the Program are described in *EXHIBIT B* to this Handbook.

3.8. Employee Home Opportunity Program

The District has established an Employee Home Opportunity Program (EHOP) as a recruitment and retention tool. Regular, permanent, full-time employees of the District who are making their first home purchase since becoming an employee of the District or experiencing a status change requiring relocation or change of ownership (e.g., divorce, death of spouse) are eligible to obtain a loan from the District that can be used as a down-payment toward the purchase of home within 30 miles of the District office and which serves as the employee's primary residence. Loan amounts up to 20% of the purchases price (not to exceed \$100,000) may be granted depending upon the ability of the employee and co-borrower, if any, to repay the loan. Interest on the loans is set based upon the District's current average investment earnings rate (excluding real estate investments) at the time of the loan request. A portion (20%) of the loan is forgiven at each of the 5, 10 and 15 year anniversaries up to a maximum of 60% of the original principal of the EHOP loan. If the employee leaves the District, the loan (minus any forgiveness) plus any accrued interest must be paid in full within 30 days.

3.9. Employee Appraisals.

The District expects each of its employees to be appraised concerning his or her job performance at least annually. The appraisal process is intended to provide Employee with information concerning their employment progress and to serve as a means of improving employee performance. The appraisal process is not meant to serve as a substitute for ongoing discussions between the General Manager and employees.

4. EMPLOYEE CONDUCT.

4.1. General Rules of Conduct.

The District expects all of its employees to act in the best interests of the District and its constituents. It is the responsibility of all employees to observe all rules, guidelines, operating procedures and directives of the District. The District further expects that each of its employees will behave with courtesy and respect toward other employees and members of the public.

4.2. Drugs and Alcohol.

The District strictly prohibits the manufacture, distribution, use or possession on District premises of alcoholic beverages of any kind and drugs other than those prescribed by a physician or obtained from a legal over-the-counter source. Employees are expected to use prescription or legal over-the-counter drugs in an appropriate manner and dosage and are expected to know whether the appropriate use of such drugs may impair their ability to perform their jobs safely and competently.

4.3. Harassment.

The District prohibits any harassment of its employees on the basis of sex, race, color, national origin, ethnicity, ancestry, disability, religion, age, marital status, gender identity, gender expression, or sexual orientation (protected classes).

Harassment means any unwelcome physical or verbal other conduct or any written, pictorial, or visual communication directed at an individual or group of individuals because of that individual's or group's membership, or perceived membership, in a protected class which conduct or communication is subjectively offensive to the individual alleging harassment and is objectively offensive to a reasonable individual who is a member of the same protected class.

Notwithstanding the foregoing, petty slights, minor annoyances, and lack of good manners do not constitute harassment unless the slights, annoyances, or lack of manners, when taken individually or in combination and under the totality of the circumstances, meet the standards set forth in the preceding paragraph.

Any employee who believes that he or she has been the victim of prohibited harassment or who has observed such harassment is expected to report the harassment to the General Manager or the Board President. In all events, prohibited harassment should be reported to a person in a position to take corrective action against the harasser, including, if necessary, members of the District's Board of Directors.

Upon notification of prohibited harassment, the General Manager or Board member will immediately investigate, take action to prevent and remedy any harassment, and report his or her findings and course of action to the District Board and the complaining party. Investigations of

reported harassment and the results of such investigations will be kept confidential to the extent possible, given the need for a complete and fair investigation.

Employees will not be subject to retaliation for making good faith complaints or reports of prohibited harassment.

If prohibited harassment is found to have occurred, the District will take such disciplinary action against the harassing party as it deems necessary and appropriate, including warning, suspension, or immediate discharge.

4.4. Conflict of Interest.

District employees may not place their personal interests above the best interests of the District or Board's constituents. Accordingly, employees of the District may not:

- Engage in a substantial financial transaction for private business purposes with another employee whom he or she supervises;
- Take any official action directly and substantially affecting to its economic benefit a business or other undertaking in which he or she has a substantial direct or indirect financial interest or business arrangement;
- Disclose or use confidential information acquired in the course of his or her official duties to further substantially his or her personal financial interests; or
- Accept a gift of substantial value or a substantial economic benefit which might tend improperly to influence him or her in the discharge of his or her responsibilities, or which could be construed as a reward for action taken in the course of official duties.

5. EMPLOYEE RECORDS.

5.1. Personnel Records.

Personnel records are retained by the District concerning all employees. Such records ordinarily include applications, insurance forms, payroll deduction authorizations, performance appraisals, certain pay records, transfer and promotion forms, records of disciplinary action, training records, and any certificates or credentials required for an employee's job. Other information concerning employees may be kept as personnel records, in the discretion of the District.

In order to keep personnel records current, the Office Manager must be notified of any change in any employee's address, phone number, marital status, or military status; any birth or death in any employee's immediate family; any change in the name or telephone number of the person to be notified in case of emergency; any change in insurance beneficiary; or any other information needed to maintain accurate records. Each employee is responsible for providing the District with records concerning any licenses or certificates required for the performance of his or her job, as well as any documents showing that education or training relevant to employment has been completed.

5.2. Release of Information.

Personnel records are considered confidential subject to statutory requirements. Employees may examine their own personnel records, except for letters of reference, by contacting the Office

Manager. Employees may authorize the release of specified personnel records by executing a written request designating the record(s) to be released and the person or entity to whom they may be released.

Unless authorized by Employee in writing, no personal information on past or present District employees will be provided by the District via telephone inquiries, except to confirm or deny information presented by a third party. Responses to requests by mail will be limited to confirmation of documented information provided by a third party, unless such requests for information are accompanied by an authorization to release the information requested, signed by the employee.

A copy of any written information sent to a third party concerning a former or current employee will also be sent to the last known address of the employee.

6. MISCELLANEOUS POLICIES.

6.1. Employee Use of District Computer Resources.

All District computers and other devices, including cellular phones, must be used in a responsible, efficient, ethical and legal manner.

Employee use of District computers and other devices, including cellular phones, must be consistent with the objectives of the District. Transmission or access of any material in violation of any U.S. or state law or regulation is prohibited. Internet transactions and e-mail and text messages are not private.

Security on the District's computer network is a high priority. The District is to be notified of known or suspected security problems.

6.2. Employee Use of Electronic Mail.

Electronic mail is an electronic message that is transmitted between two or more computers or electronic terminals, whether or not the message is converted to hard copy format after receipt and whether or not the message is viewed upon transmission or stored for later retrieval. Electronic mail includes all electronic messages that are transmitted through a local, regional, or global computer network.

Electronic messages are not for private or confidential matters. Because there is no guarantee of privacy or confidentiality, other avenues of communication should be used for such matters.

Electronic mail sent or received by the District or the District's board of directors and employees may be considered a public record subject to public disclosure or inspection under the Colorado Open Records Act.

6.3. District Credit Card.

A District credit card is available for use by District employees for travel and business related to the District under the following conditions.

The District credit card may only be used for District-related expenses and for purposes relating to Employee's job commitments. The District credit card may not be used to receive cash advances, bank checks, traveler's checks, or electronic cash transfers. A receipt must be obtained for all purchases made with the District credit card and promptly provided to the Office Manager. All

District credit card purchases are subject to review and approval by the General Manager and District Treasurer.

Employee may not give the District credit card to unauthorized individuals, including other employees.

6.4. Smoking.

Smoking is not permitted anywhere in the District office or within fifteen feet of any doorway leading into the District office.

DRAFT



Upper Gunnison River Water Conservancy District

Educational Assistance Program

The 2020 Coronavirus Aid, Relief and Economic Security (CARES) Act allows employers to provide up to \$5,250.00 annually (through December 31, 2025) toward student loan payments on behalf of employees. Deductions are made from the employee's gross income and the employee does not owe federal income tax on the payment. An Educational Assistance Program as defined by the CARES Act is a separate written plan created by an employer for the exclusive benefit of its employees to provide the employees with educational assistance.

At the January 30, 2023 Regular Board Meeting, the District's Board of Directors approved the creation of a *UGRWCD Educational Assistance Program* consistent with the provisions of 26 U.S. Code §127 for regular permanent full-time employees, to run through December 31, 2025, with the following requirements.

- Only full-time permanent employees who have completed one year of service are eligible to participate in the Program.
- Payments by the District may only be made on a qualified education loan (as defined in 26 U.S. Code § 221(d)(1)).
- The education loan repayment assistance amount cannot exceed \$5,250.00 per calendar year.
- The education loan repayment assistance funds will be paid directly to the employee's education loan lender in a single payment at the beginning of the year in which the award is granted.
- A formal request for education loan repayment assistance must be made prior to November 30th.
- Deductions for education loan repayment assistance from an employee's gross income will be made monthly in an amount equal to the amount requested divided by the remaining pay periods at the time of the request.
- If an employee who has received education loan repayment assistance leaves employment with the District, the employee must reimburse the District an amount equal to the total education loan assistance awarded to the employee, less the total amount deducted from the employee's gross income. Reimbursement will be deducted from the employee's final paycheck.

Employee initial _____

2023 UGRWCD Educational Assistance Program

Education Loan Repayment Request

Name: _____

Social Security Number: _____

Education Loan Repayment Request: \$_____ (*cannot exceed \$5,250.00*)

Education Loan Lender: _____

Loan or Account Number: _____

Lender Address (for payment): _____

By signing this Request, employee represents and agrees:

1. Employee has read and understands the requirements of the UGRWCD Educational Assistance Program.
2. The loan for which employee is requesting repayment assistance is a qualified education loan (*see attached*).
3. The total amount of education loan repayment assistance awarded to employee will be paid to the lender identified above within the month of February, 2023.
4. Deductions for education loan repayment assistance will be made monthly from employee's gross income in an amount equal to the amount requested divided by the number of pay periods remaining in the calendar year.
5. If employee leaves employment with the District, employee must reimburse the District an amount equal to the total education loan assistance awarded to employee, less the total amount deducted from employee's gross income as of the date employment ceases.
6. Reimbursement described in paragraph 4 will be deducted from employee's final paycheck.
7. Employee has been advised by the District to seek advice from a income tax professional before participating in the UGRWCD Educational Assistance Program.

Employee Signature

Date

APPROVED:

General Manager

Date

(d) Definitions. For purposes of this section—

(1) Qualified education loan. The term “qualified education loan” means any indebtedness incurred by the taxpayer solely to pay qualified higher education expenses—

(A) which are incurred on behalf of the taxpayer, the taxpayer’s spouse, or any dependent of the taxpayer as of the time the indebtedness was incurred,

(B) which are paid or incurred within a reasonable period of time before or after the indebtedness is incurred, and

(C) which are attributable to education furnished during a period during which the recipient was an eligible student.

Such term includes indebtedness used to refinance indebtedness which qualifies as a qualified education loan. The term “qualified education loan” shall not include any indebtedness owed to a person who is related (within the meaning of section 267(b) or 707(b)(1) [26 USCS § 267(b) or 707(b)(1)]) to the taxpayer or to any person by reason of a loan under any qualified employer plan (as defined in section 72(p)(4) [26 USCS § 72(p)(4)]) or under any contract referred to in section 72(p)(5) [26 USCS § 72(p)(5)].

26 U.S.Code § 221

Employee initial: _____

From: [Sonja Chavez](#)
To: [Sonja Chavez](#)
Subject: FW: Invitation to talk Mill Levies with Saguache County Commissioners
Date: Thursday, August 17, 2023 3:32:27 PM
Attachments: [image001.png](#)

Sonja Chavez, General Manager
Upper Gunnison River Water Conservancy District
210 West Spencer Avenue, Suite B
Gunnison, Colorado 81230
Office: 970-641-6065
Mobile: 970-596-4066
Website: www.ugrwcd.org



PUBLIC RECORDS NOTICE: Under Title 24, Colorado Revised Statutes, this email and responses, unless otherwise made confidential by law, may be subject to the Colorado Open Records Act and may be subject to public inspection under § 24-72-203.

Hildner <matt@slvwcd.org>; Paula Martinez <paula@centerco.gov>; Sarah Koehn Frey <sarahkoehnfrey@nslibrarydistrict.org>; stagnerb@valley.k12.co.us; Sue Uerling <sue@ugrwcd.org>; T Mills <tmills@gunnisonschools.net>; tom@stoeber-cpa.com

Subject: Invitation to talk Mill Levies with Saguache County Commissioners

Hello everyone. Hope you have had a great summer so far.

The Saguache County Commissioners would like to invite you to an informal discussion about the possibility of lowering mill levies and to talk about what assistance we may be able to give to all the taxpayers in Saguache County due to the increase in property tax values.

The meeting is scheduled for Tuesday, September 12th at 6pm and will be held at the Saguache County Road and Bridge meeting room. The address for the meeting room is 305 3rd Street, Saguache, CO.

If you could please RSVP and let me know if you will be attending, I would appreciate it.

Any questions, please let me know.

Thanks,
Wendi Maez
Saguache County Administrator
PO Box 100

From: [Beverly Richards](#)
To: [Sonja Chavez](#)
Subject: STOR Update for General Manager's Report
Date: Monday, August 21, 2023 11:46:32 AM

Sonja,

Here is a STOR summary from the July 27th meeting.

The discussion centered around Item #3 of the Strategic Plan. This item says the following and the topics discussed are listed below:

By December 31, 2024, the STOR committee will identify areas and a plan for implementation in the upper valley drainage corridors (Kebler, Slate River, Washington Gulch, Gothic, Brush Creek) that require additional infrastructure and/or transit to accommodate recreation demand and protect natural resources and recreation amenities.

- North Village was identified as a pilot site for infrastructure/amenities. Amenities have been mapped and are available on the website. Have determined that there needs to be improvement for supporting access and management.
- Have met with Mountain Express to discuss overall goals but there are some limitations with Mountain Express.
- It was suggested to reach out to congressional representatives about addressing shuttling/charter challenges.
- There needs to be an understanding of USFS winter travel management planning/timing
- Access areas this are identified as vulnerable is necessary due to degrading conditions and how access points can be managed.
- Expand shuttle service deeper into Mt. Crested Butte
- Perform outreach to White River National Forest to understand Hanging Lake and Maroon Bells access in order to better understand issues and actions taken to address.
- Forest Plan needs to be completed prior to developing long term plans

Bev

Beverly Richards
Office Manager/Water Resource Specialist II
Upper Gunnison River Water Conservancy District
210 West Spencer, Suite B
Gunnison, CO 81230
Office: 970-641-6065
Mobile: 970-209-0020



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MEMORANDUM



TO: UGRWCD Board of Directors
FROM: Beverly Richards and Cheryl Cwelich
DATE: August 15, 2023
SUBJECT: Watershed Management Update

The River Network hosted a 3-day field trip on August 2-4 in the Upper Gunnison Basin. Upper Gunnison staff was instrumental in helping to plan the field trip and the response from the group was very positive.

August 2nd consisted of providing information about the Upper Gunnison Wet Meadows project to the Friends of the Yampa and the River Network. This included an informational presentation by Cheryl Cwelich and Nate Seward about wet meadow restoration practices in the basin. The presentation was followed by a tour of wet meadows restoration sites at Cabin Creek, Sagehen Gulch, and Chance Gulch.

On August 3rd a presentation was given by Director McPhail about the Upper Gunnison's Watershed Management Planning process to date as part of the Stream Management Planning (SMP) Peer Learning Network. Jesse Kruthaupt and Craig Ullmann from Applegate Engineering also gave a presentation on watershed system optimization which came out of the planning process. This was followed by a tour of implementation project sites at lower Tomichi Creek, Marshall #1 on the Gunnison River, and Gunnison Valley Tomichi Ditch also on the Gunnison River.

On August 4th, staff provided a tour and conducted a site assessment exercise which involved wet meadows assessments and macroinvertebrate sampling.

MEMORANDUM



TO: UGRWCD Board of Directors
FROM: Cheryl Cwelich, Water Resource Specialist
DATE: August 16, 2023
SUBJECT: Wet Meadows Program Update (August)

During the month of July & August, the following activities have commenced or been completed in the Gunnison Basin Wet Meadows & Riparian Restoration Collaborative (GBWMRRC):

Notable Activities Completed or in Progress:

- 2023 Field Season:
 - The sagebrush steppe and wet meadows conservation crew has been plugging away with restoration project implementation (Powderhorn & Cebolla Creeks, Razor Creek, Cabin Creek and Pine Creek), along with assisting with the WMP wetland assessment, site assessments, seed collection, and cheatgrass inventories.
 - Crew members from Western Colorado Conservation Corp (WCCC) from a 2022 Greater Outdoors Colorado (GOCO) Youth Corp Grant started on July 24th through August 7th to assist with wetland restoration projects developed by U.S. Fish & Wildlife Service Partners for Wildlife Program, Trout Unlimited (TU), Natural Resource Conservation Service (NRCS), Colorado Parks & Wildlife (CPW) and the Ute Mountain Ute Tribe (UMUT).
- Outreach & Education:
 - On July 12th, the Wet Meadows Coordinator and restoration contractor, Shawn Conner of BIO-Logic, provided a presentation and tour of a BLM wet meadow restoration site as part of a workshop for the Western Summer Teachers Institute.
 - On July 20th, the Coordinator assisted with a tour of Centennial State Wildlife Area (SWA) by Colorado Parks & Wildlife Commissioners to provide information on wet meadows restoration work on the property.
 - On July 26th & 27th, along with Brandon Miller of the U.S. Fish & Wildlife Partners for Wildlife Program, the Coordinator hosted volunteers from High Country Conservation Advocates on Powderhorn & Cebolla Creeks at L&P Ranch for a two-day restoration event.
 - On August 2nd, the Coordinator along with Nate Seward, Wildlife Biologist for Colorado Parks & Wildlife (CPW) presented and provided a tour of wet meadow restoration sites to Friends of the Yampa and the Colorado River Network.
 - On August 4th, staff provided a tour and conducted a site assessment exercise to the Colorado River Network for the Stream Management Planning (SMP) workshop for SMP planners from around the state.
 - On August 7th, the Coordinator hosted incoming Master's of Environmental Management (MEM) students at Pinecrest Ranch with Ute Mountain Ute Directors to discuss ongoing restoration efforts at the property.

- Grant & Funding Opportunities:
 - While Colorado Parks & Wildlife (UGRWCD as a sub-awardee) was invited to submit a full proposal to the National Fish & Wildlife Foundation for a 2023 America the Beautiful Challenge grant of \$4.9 million, the grant partners decided to wait a year due to staffing capacity constraints with federal partners, especially around the NEPA process.
- Research:
 - The USGS hydrologic team with Dr. Laura Norman has completed their ground-truthing assessment in Taylor Park and will be submitting a formal proposal in the coming month or so. The U.S. Forest Service Hydrologist has moved on and that position will not be backfilled locally. Given this and other factors, such as massive funding for vegetation management and a currently active wildfire, the USFS is at or beyond staff capacity and are not able to assist with permitting. This is a big concern for the UGRWCD and this watershed community. There is also hesitancy about a high-profile study on beaver-based restoration. Given these factors, we are not able to move forward with the study. We plan to work to bring attention to the issue of not having a Hydrologist in a key headwaters area of the Colorado River.
 -
- Other:
 - Updates on the Bureau of Land Management (BLM) Gunnison Sage-grouse (GUSG) Draft Resource Management Plan Assessment/Environmental Impact Statement (RMPA/EIS):
 - The BLM is reviewing Cooperating Agency comments and edits August 7 – August 25 (version 3)
 - Note, cooperators will also have the opportunity to review and submit comments on the Draft RMP Amendment / Draft EIS during the 90-day public comment period, anticipated for this Fall 2023.
 - The next Cooperating Agency meeting is TBD.

MEMORANDUM



TO: UGRWCD Board of Directors
FROM: Sue Uerling, Adm. Asst./Comm. Support Specialist
DATE: August 21, 2023
SUBJECT: Education and Outreach Update

The following is a brief update on Education and Outreach action items included in the 2023 plan:

- **PROMOTIONAL ITEMS:**

An order for 200 reusable grocery shopping bags with the “Save Me” logo has been placed with Pat’s Screen Printing and should be here in time to use for this year’s Taylor Challenge at the end of August. Design work continues for producing a couple new UGRWCD banners.

- **SPONSORSHIP:**

The District sponsored a session of the Crested Butte Public Policy Forum on August 1, 2023 at the Crested Butte Center for the Arts. The speaker for this forum was Dr. Sam Myers, principal research scientist at the Harvard School of Public Health and the director of the Planetary Health Alliance, which includes 350 organizations from over 65 countries. His presentation was called “Planetary Health” and he discussed the human health impact, both physical and mental, of global environmental change. In addition to sponsoring the presentation, the District also funded a portion of the cost of a reception for Dr. Myers on July 31 at the home of Chuck McGinnis at Meridian Reservoir. General Counsel John McClow and Administrative Assistant Sue Uerling attended the events. There were approximately 50 people at the reception and 250 at the presentation. The District was publicly thanked and well recognized at both events.

- **MINI-GRANTS:**

The Coal Creek Watershed Coalition has begun their efforts of handing out WAG bags and educating people on their use. Coal Creek will have a table to hand out more bags at the Gunnison River Festival’s “Sunni Gunni Float” on Saturday, August 26th. This effort is supported by a \$485 Mini-Grant awarded to Coal Creek by the District.

- **LOCAL SCHOOL INVOLVEMENT:**

Staff has contacted school administrators and teachers to schedule and plan for the following activities this fall semester: the Taylor Challenge for Gunnison eighth graders; xeriscaping gardens at the Gunnison Middle and High School campuses; a weather station for science classes at the Gunnison High School; distribution of the book “Drop” to first graders at the Gunnison, Crested Butte and Lake City Schools, and field trips to RMBL for Gunnison, Crested Butte and Lake City students.

MEMORANDUM



TO: UGRWCD Board of Directors
FROM: Beverly Richards, Water Resource Specialist
DATE: August 15, 2023
SUBJECT: Grant Committee Update

Here is an update of the 2022/2023 Grant Program to date:

- 2022 Contracts: Completed – 8; In progress – 6 (with expiration dates of 12/31/23 or later)
- 2023 Grant Program – 18 total grant awards; 1 – project complete; 13- contracting completed or awaiting final signature from Upper Gunnison; 2 – awaiting contracting; 2 – declined award.
- Rozich Ditch – declined award; Coal Creek Dam – declined award as they are going after additional funding. Both were encouraged to return to us for funding in the future.
- Additional Funds Breakdown – 2023 Grant Program:

Budget Amount 2023	\$300,000
Awards Amount 2023	\$288,737
Sub-total – Remaining Funds	\$11,263
Marshall No 1 cost overruns (2022)	\$12,090
Grants Declined	\$51,200
Total Remaining Available Funds	\$50, 373

MINUTES
Taylor Local Users Group
August 8th, 2023

TLUG Attendees:

TLUG Representatives Present:

Ryan Birdsey (Flatwater Recreation)
Don Sabrowski (Chair)
Mark Schumacher (Boating Interests)
Roark Kiklevich (Wade Fishing)
Ernie Cockrell (Taylor Placer via Zoom)
Andy Spann (Agricultural via Zoom)

Others in person:

Rory Birdsey
Dan Brauch (Colorado Parks and Wildlife)
Beverly Richards (UGRWCD)
Sonja Chavez (UGRWCD)
Sue Uerling (UGRWCD)
Alana Nichols (UGRWCD)

By Zoom:

Erik Knight (BOR)
Dustin Brown (Scenic River Tours)

I. Introductions & Approval of Minutes:

Following introductions Chairman Don Sabrowski asked the Board if there were any requested changes to the July 10th, 2023, meeting minutes. There was no discussion or changes for the July 10th meeting minutes.

II. CBRFC Water Supply Update and USBR Model Forecast (Erik Knight – Bureau of Reclamation):

Erik Knight presented the CBRFC forecast. The final April-July inflow volume for Taylor Park Reservoir is 118,000 acre-feet and 126% of average. Over the month of July 2,000 acre-feet was lost. The forecast for August inflows is predicted to decrease by 10,000 acre-feet. These inflow decreases are due to the lack of monsoon season and dry conditions. The inflow graph for this year shows a nice volume and slow runoff in May and June. The sustained runoff from late May to the end of June, flowing at levels just under 1,000 cfs, contributed to a steady influx into Taylor Reservoir. There was a greater decrease in inflows than expected in July through August because of high temperatures and lack of precipitation. The current inflows are in the upper 25% range of historical inflows.

The current Taylor Park release is 350 cfs with intentions to hold this consistent release throughout the remainder of the month. The releases will drop to 300 cfs in September. The Taylor Park Operations graph shows a projected content of 97% full and a maximum fill of 103,509 acre-feet. This maximum content is about 1.35 ft under the spillway crest. Release adjustments were made to meet the target of 75,000 acre-feet in October. August and September will maintain the existing releases of 350 cfs. However, in October there will be a reduction to 227 cfs, followed by a decrease to 125 cfs around mid-October – an adjustment that has been expedited by 12 days compared to the previous model. These modifications will effectively manage the reservoir content, maintaining it at 75,200 acre-feet.

Ryan Birdsey asked Erik Knight if the 125 cfs release after October 31 will be the projected flow through the winter?

Erik Knight said it will decrease to 100 cubic feet per second on November 1st and maintain that flow through the winter season.

Ryan Birdsey asked Erik Knight if we see the forecast continue to drop what do we plan for in that case?

Erik Knight said if the forecast continues to drop that would come out of the month of October or even reductions in September.

Mark Schumacher believes we should wait for the end of August or for the September forecast first and see if we need to reduce. Hopefully at the end of August, there will have been some more rain.

Sonja Chavez said the forecast is not looking good for rain in late August.

III. Preliminary TLUG Draft Operational Release Recommendations:

Ryan Birdsey thinks it looks fine for now and we will just have to wait and see what happens in the forecast.

Roark Kiklevich agreed and would prefer to take water out in October. Taylor is so important right now and the water temperatures are currently running high. The East River is peaking at 65 degrees daily and the Taylor has been peaking at 58 degrees daily. The Taylor River water temperature is keeping Gunnison River at a 62-degree range which is important for the fishery.

Dan Brauch said for the brown trout spawn it would be good to get down to the minimum releases by mid-October to carry out through the winter. He's hoping to see decreased water temperature conditions by the end of August because the current water temperatures are high.

Roark Kiklevich asked if there is any temperature data collected at the outlet of the reservoir dam?

Sonja Chavez said there is no temperature data collected at the outlet of the reservoir. She did speak to USGS about installing a temperature sensor and what it would cost. USGS said a temperature sensor would cost around \$400 for the purchase and installation, and then \$400 a month for operations and maintenance. She reached out to Matt Feier of Gunnison County Electric Association and Steve Pope of the Uncompahgre Valley Water Users Association and asked them for their support of installing a temperature gage and helping to financing it. She is planning to follow up with them to gather their insights and opinions on the matter.

Ernie Cockrell asked if conditions continue to be dry with no rain what is the plan? What would be the next cut?

Erik Knight said there is still room to cut from October since there was a good buffer built in initially. If not from October, then cuts could also be made at the end of September if necessary.

Ernie Cockrell said he has no suggestions, and he agrees the group should wait to see what happens in the next couple of weeks.

Ryan Birdsey asked Dan if it's better to decrease winter release flows in mid-October for brown trout.

Dan Brauch expressed concern that if the brown trout lays their eggs during higher water releases in elevated areas, they run the risk of their eggs drying out if the flow is reduced after they lay their eggs.

Erik Knight said there is a buffer in the model and the actual end of October content is currently 75,500 acre-feet.

Dan Brauch recommended decreasing to the proposed winter flows in mid-October.

Andy Spann said the plan looks good. He agreed that if cuts need to be made, they should come out of October and late September. He would prefer to keep flows as projected through the middle of September if possible.

IV. Miscellaneous Updates:

Dan Brauch presented an update on Spring Creek Reservoir. The maximum elevation for filling the Spring Creek Reservoir reached up to 35 feet. This allowed them to monitor the outlet and they noted there was seepage of concern around the spillway area. They are working with the state and it was decided there will be restrictions placed on the reservoir to keep the established target elevation at 28 feet, which is about 10 feet below full. There was work done to improve release capacity without engaging spillway. This included the installation of a syphon which, when engaged, significantly aided in lowering the storage levels. The second syphon will be installed next month. The syphons will allow CPW to control water inflow and releases and not engage the spillway, thus allowing them to keep reservoir at about 28 feet in the future. As of now, they don't have money allocated for

rebuilding the spillway. Dan predicts any rebuilding might be more in the 5-year timeframe.

Sonja Chavez said this would be a great project for UGRWCD grant program because more storage benefits everyone in Spring Creek and downstream.

Dan Brauch said they do have an engineer working locally that can respond to any questions or emails the group may have on this project.

Don Sabrowski asked if the current syphon installed was being used.

Dan Brauch said that it is not at this time, but it was operated for a while and now they are just running the outlet and there is still some seepage. The outlet doesn't open completely so most releases are from seepages coming through the dam. The storage levels do decrease from seepage openings that were recorded historically.

Ryan Birdsey asked if soft or hard tube syphons are being used.

Dan Brauch said they are hard steel syphon. They physically start and stop syphon right now.

Beverly Richards reported on the Lowline Fire. She said the group that is currently managing the fire is transitioning to a new work crew tomorrow. There is a red flag warning and for the past two days there has been concern about fire lines that they set on the southern and eastern divisions. There could be a chance for moisture (30-40% from Thursday to Saturday) with more wind than rainfall. The air quality is still being monitored and most impacts are around 2 a.m. to 3 a.m. with a UG quality. They are doing patrols and monitoring constantly along those fire lines.

Sonja Chavez said the District will be monitoring water quality in the area with real-time water quality monitoring at the existing gage on Baldwin. The District's secondary role will be bringing in additional resources from the CRCWD Board to assist with any issues coming up. Two focal points emerged in terms of the wildfire response that garnered attention. The first question was where the ditch alignments are and if this could be important for fires in the future. The second was how wet meadows can be used for a natural fire break, which might garner additional support and continue the program at a higher level.

Additional updates included the District's success in entering the second phase of the BOR snow water measurement grant process. Next week the UGRWCD will be giving a technical pitch to the BOR review panel and asking for a million dollars to continue ASO flights and modeling with WRF Hydro over three years. The District partners with and supports Jeff Deems and the airborne flight observatory team. The District has also begun the Drought Contingency Planning process and will be reaching out to the TLUG representatives for their input. The USGS has been awarded additional funding to conduct further research on harmful algae bloom in the Blue Mesa Reservoir, which requires additional funding for a local match.

V. Schedule Next Meeting:

Mid-August forecast zoom meeting: August 22nd at 12:00pm.

Next meeting planned for Friday September 8th at 12:00pm.

This meeting was adjourned at 12:41pm by Chair Don Sabrowski.

DRAFT

AGENDA ITEM 10

Scientific Endeavors

AGENDA ITEM 10

Gunnison River Festival Update

AGENDA ITEM 10

STOR Committee Update

AGENDA ITEM 11

Miscellaneous Matters

TO

Daily Summary for Month --> Aug

Taylor Park Reservoir										Silver Jack Reservoir				Aspinall Unit					GUNNISON TUNNEL ALLOCATION																	
River Call					Average Flow			Reservoir		1st Fill	2nd Fill	Other	Aspinall	Reservoir	BP Acct	AU Acct	Reservoir Contents			Total Aspinall Unit Inflow		1st Fill	Contract	Streamflow and Divs		Type of Water Diverted into Tunnel							Tot 1st fill			
Day of Month	Silver Jack Reservoir & Juniors In (1=Yes, 0=No)	TP Releases from TP (1=Yes, 0=No)	Excess Released and AU Nat Inflow (cfs)	Gun Tunnel (GT) Shortage after AU and TP Inflow (cfs)	3-Day Average TP Inflow (cfs)	3-Day Ave. GT Shortage after AU and TP Inflow (cfs)	TP Res. Content (af)	USGS outflow (cfs)	TP Compute d Inflow (cfs)	1st Fill - in TP (af)	2nd Fill - in TP (af)	Other Storage - in TP - (af)	AU Storage - in TP - (af)	SJ Res. Content (af)	SJ Inflow to Res. Storage (cfs)	BP - Storage - in SJ (af)	AU Water - Storage - in SJ (af)	BM Res Content (af)	MP Res Content (af)	CR Res Content (af)	AU Change In Storage (af)	Computed rel from CR (cfs)	AU Inflow below TP & with AU Aug Rel (cfs)	#REF!	UGRWC D Contract water (af)	Gun. River below Portal (cfs)	Total Gunnison Tunnel Divs (cfs)	GT Divs - AU Inflow minus TP released Inflow (cfs)	GT Divs - TP Released Inflow (cfs)	GT Divs - SJ Storage Inflow by AU Exch (cfs)	GT Divs - UGRWC D Contract Water Rel from 2nd Fill (cfs)	GT Divs - Rel for Credit in BM (cfs)	1st Fill Credit in TP and AU (af)			
	(1)	(2)	(3)	(5)	(6)	(7)	(8)	(11)	(14)	(15)	(19)	(25)	(30)	(34)	(36)	(39)	(43)	(47)	(49)	(77)	(100)	(124)	(125)	(127)	#REF!	#REF!	(128)	(131)	(132)	(133)	(134)	(135)	(136)	(137)	#REF!	(140)
1	1	1					98,437	375	227					11,323	0	11,323	0	110,878	16,982		1,880					780	1,100			0	0					
2	1	1					98,125	374	227					11,209	0	11,209	0	111,224	16,653		1,829					730	1,099			0	0					
3	1	1					97,815	361	215					11,061	0	11,061	0	110,854	15,931		1,837					728	1,109			0	0					
4	1	1					97,485	347	191					10,892	0	10,892	0	110,847	15,945		1,836					727	1,109			0	0					
5	1	1					97,117	347	171					10,720	0	10,720	0	110,902	15,894		1,835					726	1,109			0	0					
6	1	1					96,749	347	171					10,517	0	10,517	0	110,807	15,982		1,833					724	1,109			0	0					
7	1	1					96,341	347	152					10,320	0	10,320	0	110,902	15,862		1,832					723	1,109			0	0					
8	1	1					95,939	347	154					10,104	0	10,104	0	111,232	15,618		1,830					721	1,109			0	0					
9	1	1					95,498	353	141					9,936	0	9,936	0	110,957	15,720		1,810					720	1,090			0	0					
10	1	1					95,095	351	158					9,743	0	9,743	0	110,917	15,074		1,772					719	1,053			0	0					
11	1	1					94,693	349	156					9,535	0	9,535	0	110,980	15,743		1,772					718	1,054			0	0					
12	1	1					94,272	349	147					9,336	0	9,336	0	724,959	111,067	15,553	1,772					717	1,055			0	0					
13	1	1					93,855	349	149					9,150	0	9,150	0	111,028	15,446		1,773					717	1,056			0	0					
14	1	1					93,608	350	236					8,941	0	8,941	0	721,155	110,941	15,270	1,774					717	1,057			0	0					
15	1	1	0	225			93,172	349	139					8,727	0	8,727	0	719,257	110,886	15,630	-1,593	1,774	694			716	1,058	694	139	0	0	0	0			
16	1	1					92,793	349	168					8,526	0	8,526	0	110,391	16,224		1,773					715	1,058			0	0					
17	1	1					92,396	349	159					8,320	0	8,320	0	110,579	15,934		1,771					714	1,057			0	0					
18	1	1					92,020	348	169					8,119	0	8,119	0	110,658	15,919		1,769					712	1,057			0	0					
19	1	1					91,589	348	140					7,911	0	7,911	0	713,490	110,744	15,905	1,778					711	1,067			0	0					
20	1	1						0													0					0	0			0	0					
21	1	1						0																		0				0	0					
22	1	1						0																		0				0	0					
23	1	1						0																		0				0	0					
24	1	1						0																		0				0	0					
25	1	1						0																		0				0	0					
26	1	1						0																		0				0	0					
27	1	1						0																		0				0	0					
28	1	1						0																		0				0	0					
29	1	1						0																		0				0	0					
30	1	1						0																		0				0	0					
31	1	1						0																		0				0	0					
Total	31	31	0	225	0	0	6,689	3,270						0							-1,593	34,249	694				13,735	20,514	694	139	0	0	0	0	0	0
Total (af)							13,268	6,487						0							-3,160	67,933	1,377				27,243	40,690	1,377	276	0	0	0	0	0	0
Min	1	1	0	225	0	0	91,589	0	139	0	0	0	0	7,911	0	7,911	0	713,490	110,391	15,270	-1,593	0	694	0	0	0	694	139	0	0	0	0	0	0	0	0
Max	1	1	0	225	0	0	98,437	375	236	0	0	0	0	11,323	0	11,323	0	724,959	111,232	16,982	-1,593	1,880	694	0	0	0	780	1,109	694	139	0	0	0	0	0	0

Annual Summary (all values in ac-ft) Note: Reservoir content is the end of the month content

	(days)	(days)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)	(af)
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AGENDA ITEM 11

Colorado Water Congress Summer Conference Update

AGENDA ITEM 12

Citizen Comments

AGENDA ITEM 13

Future Meetings

FUTURE MEETINGS/EVENTS

- ▶ Water Quality and Quantity Program Meeting - August 30, 2023 at 10 AM
 - ▶ Labor Day Holiday - Offices Closed - September 4, 2023
 - ▶ TLUG Meeting - September 8, 2023 at Noon
 - ▶ Watershed Management Planning Meeting - September 13, 2023 at 1:30 PM
 - ▶ Gunnison Basin Roundtable Meeting - September 18, 2023 at 3 PM
 - ▶ UGRWCD Board Meeting - September 25, 2023 at 5:30 PM
 - ▶ UGRWCD Board Meeting - October 23, 2023 at 5:30 PM
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AGENDA ITEM 14

Summary of Action Items

AGENDA ITEM 15

Adjournment