

**Upper Gunnison River Water Conservancy District
Regular Meeting Minutes of the Board of Directors
August 28, 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, August 28, 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 and Andy Spann.

Board members absent: Michelle Pierce and Don Sabrowski

Others present:

Savannah Adkins, BLM – Wet Meadows Program

Steve Anders, USGS (via Zoom)

Bella Biondini, Gunnison County Times

Sonja Chavez, UGRWCD General Manager

Kathleen Curry, CRWCD Representative for Gunnison County

Cheryl Cwelich, Water Resource Specialist I

Hannah Cranor Kersting, CSU Extension Office and Gunnison Stockgrowers Association

Jesse Kruthaupt, Trout Unlimited

Grace Lindell, UGRWCD Wet Meadows Program

Andrew Lockman, Citizen, CB South

John McClow, UGRWCD General Counsel

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

Alana Nichols, UGRWCD Fellow (via Zoom)

Amy Ostdiek, Colorado Water Conservation Board

Beverly Richards, Water Resource Specialist II/Office Manager

Bob Robbins, Robbins Ranch (via Zoom)

Tommy Rozman, Division of Natural Resources

Liz Smith, Gunnison Board of County Commissioners

Jill Steele, Citizen (via Zoom)

Bill Trampe, Trampe Ranch

Sue Uerling, UGRWCD Admin. Asst/Communications Support Specialist

Cory Williams, USGS
Ari Yamaguchi, UGRWCD Wet Meadows Program Intern
Katie Young, BLM Wet Meadows Program Intern

1. **Call to Order**

Board Vice President Stacy McPhail called the meeting to order at 5:30 p.m.

2. **Agenda Approval**

Director Joellen Fonken moved and Director Rebie Hazard seconded approval of the agenda. The motion carried.

3. **Consent Agenda Items**

Director Bill Nesbitt moved and Director Mike Rogers seconded approval of the consent agenda items. The motion carried.

4. **Approval of 2023 Financial Audit**

Vice President Stacy McPhail referred to the copy of the 2022 Financial Audit in the Board packet and asked if there were any questions. None were raised.

Director Bill Nesbitt moved and Director Andy Spann seconded the approval of the 2023 Financial Audit as provided in the Board packet. The motion carried.

5. **DINNER BREAK and Conversation with Becky Mitchell, State of Colorado's Commissioner to the Upper Colorado River Commission**

Vice President Stacy McPhail introduced Becky Mitchell, the state of Colorado's Commissioner to the Upper Colorado River Commission and Amy Ostdiek, Chief of the Interstate, Federal, and Water Information Section at the Colorado Water Conservation Board. After spending the past six years as the director of the Colorado Water Conservation Board, Becky explained that with her recent appointment as Colorado's Commissioner to the Upper Colorado River Commission, she is hoping to meet with constituents from all parts of the state to hear their stories firsthand and be able to share these stories with the commission. She said she really appreciated Sonja and John's efforts to allow her and Amy to come at the last minute to address the Board. She also commended John McClow for his advising her and his knowledge of the history and legal issues of the compact.

Becky explained that she will be championing the state of Colorado's interests in protecting the Colorado River under the following "irrefutable truths" which she is passionate about:

- (1) Acknowledging that climate change is real. Becky said everyone must anticipate a drier and more variable hydrologic future and must have the flexibility to be able to adapt quickly to changing conditions. She said here in the Upper Gunnison Watershed, our water users live on the front lines of climate change and for the last 20-plus years they regularly have experienced significant cuts to their water supplies.
- (2) Accepting that water users in the Lower Basin are not more important than water users in the Upper Basin. The Upper and Lower Basins have equal apportionments to the river in perpetuity, established by the 1922 Colorado River Compact, and these apportionments need to be enforced, she said. When Director Nesbitt asked if this was also true for Front Range water users, Becky replied that this “truth” of “no one is more important than anyone else” goes for all water users, even within the state. She noted that it is imperative for everyone in the state to rally together to promote and protect our state’s rights. “We must present a united front for Colorado,” she said.
- (3) Preventing overuse in the Lower Basin. Becky said water use in the Lower Basin cannot continue to exceed available supplies and that operations of Lake Powell and Lake Mead must adapt to better respond to actual hydrology at any given time. Becky said it is so fortunate that the west experienced a wet winter, or the conversations would be very different right now. She noted that the Lower Basin has used over nine-million-acre feet of water while the Upper Basin has used just three- to four-million-acre feet and that this simply cannot continue and is unacceptable. She also believes the Lower Basin needs to account for all depletions, including evaporation and transit losses. Becky noted that in late summer 2021 when the Bureau of Reclamation gave just an eight-day notice of their intent to release water from Blue Mesa Reservoir in an attempt to shore up Lake Powell and Lake Mead, this was a problem on several levels. She said that the fact that the releases were scheduled just before the Labor Day weekend had a serious impact on the recreational economy of the Gunnison valley. In addition, she noted that there was no means of ensuring that the water released would actually reach Lake Powell or Lake Mead and that there was no concern for what this would mean for the fishery or other environmental impacts in this area. She said it was “just wrong” for the releases to be required to help the Lower Basin states continue to overuse water, especially when it simply wasn’t available due to drought conditions. She said she would fight any such releases in the future. The Lower Basin’s overuse poses risks to the entire Colorado River Basin according to Becky.
- (4) Defending against attempts at compact curtailment in the Upper Basin states. Becky said since the Upper Basin states are in full compliance with the 1922 Colorado River Compact, Upper Basin water use should not be curtailed and she will fight against any attempt to do so.
- (5) Operating Lake Powell and Lake Mead to respond to actual hydrology and to protect storage. Becky noted that the interim guidelines that were developed to manage releases from Lake Powell are not scientifically based on hydrology. This has led to depleted storage and has driven both Lake Powell and lake Mead into crisis mode. She said future releases from Lake Powell should be determined by actual hydrology and protecting storage rather than by conditions at Lake Mead or to meet the demands of Lower Basin’s water users when they are already far exceeding their allocation.
- (6) Preserving federal reserved water rights for Tribal Nations. Becky noted that when she said

before that no one is more important than anyone else, she was including the Tribal Nations in this statement. She said that they have federally-guaranteed water rights they are entitled to use and that until recently, Tribal Nations were not even included in the discussions. Becky said she is proud of the progress she has seen in her dealings with the Ute Mountain and Southern Ute tribes. She reported, however, that they are not using anywhere near their apportionment and that she will fight for all Tribal Nations to receive the water rights they are entitled to and that the Lower Basin cannot continue to depend on Tribes' undeveloped federal reserved water rights to meet other needs outside of the tribes.

Although, she did not have the time to address the last two points, Becky also believes the eight truths include:

- (7) Complying with federal environmental law, and
- (8) Advancing coordination between the United States and Mexico.

Area rancher Bill Trampe said he has grave concerns for the future of ag producers in the Gunnison basin when he drives down the road and sees how many properties have been sold to wealthy individuals from outside the area where these properties are covered with trees and greenery. He noted that many of them will sell their water rights to have fish in the river and do not understand the implications this has on the ag producers downstream. He feels ag producers, especially in rural areas at our elevation, are very vulnerable in these Colorado River negotiations and that they "have a target on their back." There was also agreement between those present that these problems are not going to be mitigated just by throwing federal dollars at them. Becky strongly agreed and said she would "step out loudly if she sees a misuse of funds." She said just throwing federal money into the pot creates a "shell game of sorts" where the accounting of these funds is hidden under bureaucratic "shells", and she will not be part of any shady accounting and will speak out against this.

Becky's bottom line was that we all must "learn to live within the means of the river." In the interest of time, Becky concluded her presentation but said that she would like to come back to a future Board meeting for further input from the Board and water users in the Upper Gunnison River Basin.

6. 2024 Budget

Strategic Planning: General Manager Sonja Chavez reviewed staff's 2024 Strategic Goals and went line by line through the 2024 Draft Budget spreadsheet, pointing out any figures that were missing at this point and any major changes from the 2023 budget. The biggest differences still pending are the: (A) Property Tax Income anticipated for 2024 since as of the meeting time, the District had not received property valuations from Saguache County; (B) Wet Meadows income as staff is still tallying 2023 income and projecting income for 2024; (C) Unspent funds from 2023 to rollover to 2024 are not finalized yet; (D) the District is still waiting for Chris Klein's estimate for the renovations to Suite A; and (E) the CPA firm is still determining all payroll expenses for 2023 to project the figures needed for 2024.

There was some discussion about the amount allocated for the District Grant program for 2024 and the amount of 2023 rollover of unused funds. It was noted that several outside grant sources are now only awarding grants that will benefit multiple users or multi-resource concerns therefore, perhaps the dollar amount allocated for 2024, currently \$200,000, should be increased to \$250,000 for a total amount of \$300,00 available in 2024? Sonja noted that this would be a discussion for staff and the Finance Committee before the next meeting.

Preliminary Estimate of Assessors' Valuations – As of the meeting time, only the Assessors' Valuations from Gunnison County and Hinsdale County had been received. Both were included in the Board packet.

7. Basin Water Supply Update

In the interest of time, Vice President Stacy McPhail encouraged the Board to review the Basin Water Supply update included in the board packet and reach out to Water Resource Specialist Beverly Richards with any questions.

8. General Manager's, Committee and Staff Reports

Treasurer's Report – Treasurer Bill Nesbitt reported that at today's Federal Reserve meeting, they decided there would be no interest rate increases in September, but there might be more coming down the road, possibly in July 2024. He does have concerns that the US is producing and selling less goods and that the US debt is now \$32.7 trillion. He noted that it is also concerning that there are now five foreclosures in Gunnison County. On a more positive note, he reported that our budget is now double what it was when he first came on the Board and the District's investments are secure.

General Manager's Memorandum:

Employee Handbook: Senior staff have made a number of additions and revisions to the employee handbook (Exhibit B in the packet). General Manager Sonja Chavez noted that changes had been reviewed and discussed at previous meetings and asked if there were any questions. None were raised.

Director Julie Nania moved and Director Rosemary Carroll seconded the approval of additions and revisions to the Employee Handbook as noted in Exhibit B in the Board packet. The motion carried.

Spencer Avenue Condominium Building Update: General Manager Chavez reported that the District has finally found a contractor interested in working on the renovation of Unit A. Chris Klein Construction is working on an estimate to submit to the District, which will be added to the 2024 Budget projections. Chris said the work will likely commence February of 2024 and take 45-60 days. The upstairs units are being repainted and the roof replacement is on-going. Sonja and General Counsel John McClow indicated that a request for bids had been sent to 14 companies with only one actual bid

submitted. Phone calls were also made to numerous companies to ask about their interest. Given that only one bid had been received and they could get no other bids, staff was going to move forward with Chris Klein. Staff asked if there were any concerns. No concerns were raised. Staff is anticipating a draft cost estimate soon.

Regarding Informal Discussion w/Saguache County Commissioners: The Saguache Board of County Commissioners (SBOCC) 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. General Manager Chavez noted that she has put the meeting on her calendar to listen in. It was noted that Saguache County property tax income to the District is nominal and staff will attend the meeting, will listen only, and will report back to the board.

Water Quality Update: On August 14, 2023, the State of Colorado Water Quality Control Commission (WQCC) held informational and rulemaking hearings in Denver, Colorado. General Manager Chavez referred to her memo in the packet and noted that the District will host the WQCC for their Annual Planning Retreat 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 Reservoir (BMR) on the afternoon of the 10th for division and commission staff by the National Park Service and the United States Geological Survey. The Harmful Algal Bloom (HAB) study being conducted on Blue Mesa Reservoir (BMR) will be the focus of conversation given the most recent Lakes Nutrient Rulemaking Hearing.

Drought Contingency Planning Update: General Manager Chavez reported that the Drought Contingency Planning (DCP) Task Force (TF) will be meeting on September 8th for their kick-off meeting. The purpose of the TF is to oversee and design the DCP scope of work, work closely with consultants, be a liaison to the broader community and ensure cross-collaboration, and engage members of the community.

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.

Cory Williams, USGS's Western Colorado Studies Section Chief, and Steve Anders, USGS's Supervisory Hydrologic Technician attended the meeting via Zoom to get input from the Board. There was discussion about some level of confidentiality requested by ag producers potentially participating in the studies. Sonja indicated that preliminary discussion with Gunnison County Stockgrowers indicated they understood that measurement rules were coming and that diversion records were already public knowledge. There was also discussion about how the questions would need to be worded carefully so that there are no foregone conclusions alluded to under the study. There was also discussion about the modeling process, possible study basins, and what sort of scientific processes and data would be used to develop the model, as well as the timing of the data collection and modeling. There was also discussion about starting with one watershed versus doing multiple watersheds. Director Rosemary Carroll offered to share the modeling that she had completed with her group for the East River and said the USGS could cull parts of the model that might be helpful to them. Several Board members suggested starting along the Tomichi Creek since there are so many irrigation diversions in that area. Everyone agreed that it would be important to continue to study the effects of what is also occurring downstream any upstream study areas. Cory and Steve pointed out that the initial study will likely take four to five years and that the USGS is planning on helping fund part of the work.

Wet Meadows Program Update – Vice President McPhail referred to the Wet Meadows memorandum in the packet and asked Cheryl Cwelich if she had anything to add. Cheryl said they are winding down their season, which has been super busy with the installation of 70 structures over five project areas. Director Rebie Hazard said she appreciated that so many of the Wet Meadow staff attended the meeting and were present for Becky Mitchell's discussion.

Education and Outreach Update for June 2023 – The committee will meet on Thursday, August 31 at 1 p.m. to discuss the strategic plan and budgeting for 2024.

Taylor Local Users Group – Vice President McPhail noted that the August 8th TLUG minutes were included in the packet. The next meeting is scheduled for September 8 at noon.

Scientific Endeavors - Director Rosemary Carroll offered to hold her update until the next Board meeting.

Gunnison River Festival (GRF) –. Executive Director Cheryl Cwelich reported there were about 30 boats that participated in the Sunni Gunni Costume Float and that the costumes were hilarious. She said there were about 250-300 people who came to the activities at the Whitewater Park. Cheryl said they really tried to appeal to the younger crowd about using PFD's and choosing safe vessels to float the rivers. Cheryl reported the GRF Board will be meeting in September to discuss thoughts around and potential recommended changes for the 2024 festival.

Strategic Tourism and Outdoor Recreation (STOR) –Water Resources Fellow, Alana Nichols, attended the August meeting while Sonja was at the Colorado Water Congress conference and will give an update at the next board meeting.

9. Miscellaneous Matters

Colorado Water Congress Summer Conference Update – Due to the late hour of the meeting, this discussion was tabled.

Staff is working with the Colorado River District to obtain clarification around the CRWCD's Board position on parameters around funding on-farm improvement projects.

Staff is working with the City of Gunnison to help move a Community Funding Partnership application for funding forward to the County for a letter of support.

10. Citizens Comments

Vice President Stacy McPhail asked if any of the citizens in attendance had any comments. Luke Mecklenburg from the Colorado State Attorney's office said he was glad to attend.

11. Future Meetings – Vice President McPhail referred to the schedule included in the Board packet.

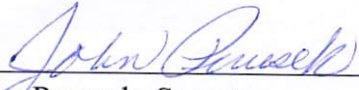
12. Summary of Meeting Action Items

No items were specifically mentioned, but staff and the Board will continue to develop the 2024 budget.

13. Adjournment

Board Vice President Stacy McPhail adjourned the regular Board meeting on August 28, 2023, at 9:39 p.m.

Respectfully submitted,



John Perusek, Secretary



Stacy McPhail, Vice President

