

**Upper Gunnison River Water Conservancy District
Regular Meeting Minutes of the Board of Directors
November 27, 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, November 27, 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, Michelle Pierce, Mike Rogers, Don Sabrowski and Andy Spann.

Others present:

Sonja Chavez, UGRWCD General Manager

John McClow, UGRWCD General Counsel (via Zoom)

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

Alana Nichols, UGRWCD Fellow

Beverly Richards, Water Resource Specialist II/Office Manager

Sue Uerling, UGRWCD Admin. Asst/Communications Support Specialist

1. Call to Order

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

2. Agenda Approval

President Michelle Pierce noted an addition to the agenda for the consideration of a special funding assistance request by the City of Gunnison.

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

3. Consent Agenda Items

President Michelle Pierce asked if anything needed to be removed for further discussion from the Consent Agenda Items. Director Bill Nesbitt and Director Julie Nania asked that the minutes be removed for consideration.

Director Stacy McPhail moved and Director Rosemary Carroll seconded approval of the monthly budget summary and the October 2023 expenses. The motion carried.

Director Nesbitt noted that although General Manager Sonja Chavez was at the meeting and made reports and comments throughout, her name was not listed under the "Others present" attendees.

Directors Nesbitt and Nania mentioned that under the “Legal and Legislative Matters” report, the minutes referred to a 1975 Agreement, but part of the title was missing. General Counsel John McClow said the full title should be the “1975 Taylor Park Reservoir Operation and Storage Exchange Agreement.”

Director Nesbitt also noted that he had not received a report from Cheryl Cwelich regarding the Wet Meadows vegetation monitoring results recently published by Renee Rondeau at Colorado Natural Heritage Program (CNHP). President Michelle Pierce said that this would not be a correction to the minutes but staff could follow-up on the request for information.

Director Bill Nesbitt moved and Director Joellen Fonken seconded approval of the October 23, 2023 Meeting Minutes with the corrections noted. The motion carried.

4. Legal and Legislative Matters

General Counsel John McClow referred to the items included in the Board Packet and said that with respect to the 1975 Taylor Park Reservoir Operation and Storage Exchange Agreement, he and Sonja met with the Four Parties (Ed Warner, Lee Traynham, Raquel Flinker, Steve Pope, Reece Carpenter, Erik Knight and Peter Fleming) on November 2, 2023, and had a productive meeting about the renewal/update. John said the Bureau of Reclamation has a list of requirements they will be working on in the next couple of months and the group will meet again on February 14th at 10 a.m. for a progress update.

John presented a summary of some water related legislative actions that will likely be proposed when the General Assembly convenes on January 10, 2023. John said the State Affairs Committee will meet on December 5th and discuss the proposed bills. John is chair of this committee. Early in January 2024, John said the District will schedule weekly UGRWCD Legislative Committee meetings to discuss proposed bills throughout the legislative session.

In the packet, John also provided a copy of a letter from Attorney General Phil Weiser on behalf of the Colorado Department of Law to the Colorado River Drought Task Force proposing several concepts for the Task Force’s consideration. Director Don Sabrowski asked about the concept 1 *Reversion of Present Perfected Water Rights Otherwise Subject to Abandonment* and what happens when a water right is abandoned and the state takes it over. What will the state do with it? John said the state taking over abandoned water rights is not a popular option with the Task Force and was rejected by the Task Force. Luke Mecklenburg of the Colorado Attorney General’s Office agreed.

5. General Manager’s Report

General Manager Sonja Chavez reported that the District is in need of a new server to handle storage requirements for all of the records required to be retained electronically and for current operations. Sonja sent an email to all Board members previously explaining the need which included estimate of \$12,335.92

as quoted by GL Computers and a request for their authorization to move forward with the purchase. Sonja received favorable replies from the Board members via email but felt it was helpful to have it in the public Board meeting record.

Director Bill Nesbitt moved and Director Joellen Fonken approval of the expenditure of \$12,335.92 for a new server for the District. The motion carried.

Sonja reported that at the Grant Committee meeting on November 21, 2023, Director Mike Rogers brought forth an out-of-cycle request on behalf of the City of Gunnison for District funding assistance in the amount of \$25,000. Grant Committee Chair Joellen Fonken explained that the City of Gunnison was relying on funding being available from the State's Revolving Fund to have their contractor/consultant analyze the raw water testing results, but due to declines in the fund, the State has had to prioritize awards which means the City would have to wait until later in 2024. The City already has a \$25,000 commitment in 2023 from the Department of Local Affairs (DOLA) if the City can come up with a 50 percent match. It was explained that this \$25,000 is available in the District's 2023 budget under the Grant program since the Town of Crested Butte had returned their award of \$50,000 as they were not ready yet to begin their project. The Grant Committee also discussed whether the 2024 Draft Budget Grant funding should be reduced from the previously recommended \$300,000 to \$275,000 to cover this out-of-cycle request or whether the 2024 Draft Grant budget line item should remain at \$300,000 by incorporating additional general fund revenue. Director Bill Nesbitt said he would like to see the budgeted amount for Grant funding in 2024 remain at \$300,000. This was the consensus of the other Board members as well.

Director Joellen Fonken moved that the Board approve the recommendation of the Grant Committee to provide out-of-cycle grant funding to the City of Gunnison in the amount of \$25,000 for its raw water well testing by reallocating a portion of the \$50,000 grant funding returned by the Town of Crested Butte in 2023. The motion carried with Director Mike Rogers abstaining from the vote.

6. 2023 Budget Amendment Public Hearing

Board President Michelle Pierce adjourned the regular Board meeting and announced that she was convening the public hearing on the 2023 Budget Amendment. General Manager Sonja Chavez reminded the Board that the reason the amended budget was required was due to the previously approved purchases of Unit A of the Spencer Avenue Building park, the 2023 Toyota Tacoma truck, the roof replacement for the Spencer Avenue Building Park, the new projector and screen for the District Board Room and the network server all totaling \$849,225 in additional capital outlay expenses. Director Rosemary Carroll asked if the 2023 amended budget would need to reflect the \$25,000 in funding assistance allocated for the City of Gunnison. Sonja replied that this will have no impact on the amended budget because the \$25,000 was already included under the grant funding line item. There were no public comments made about the 2023 Budget Amendment, so President Pierce concluded the Public Hearing.

Director Stacy McPhail moved and Director Bill Nesbitt seconded the motion to approve Resolution 2023-07 amending the 2023 Budget as presented. The motion carried.

7. 2024 Budget Hearing

President Michelle Pierce convened the public hearing on the 2024 Draft Budget. There were no public comments made on the 2024 Draft Budget. President Pierce concluded this Public Hearing.

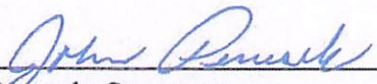
8. Board Discussion on Budget Hearings

General Manager Sonja Chavez reported that even though Proposition HH failed at the polls, the Governor reconvened the legislature for discussion on how to provide property tax relief for homeowners for the 2024 budget year. Legislative Bill SB23B-001 has changed the residential assessment rate from 6.75% to 6.7%. These means that County Assessors will have to revise certificates of final valuation of property to local governments and special districts like the UGRWCD. This also results in a change to the dates when 2024 budgets must be approved by local governments and special tax districts. Sonja said this would mean the current December 12, 2023 meeting to pass the UGRWCD 2024 budget will need to be postponed to January. Director Bill Nesbitt asked if Sonja has spoken with Ann Terry at the Special District Association of Colorado. Sonja replied that she has not spoken directly with Ann, but that she has been receiving regular emails from Ann about the possible changes to property taxes and the 2024 budget process. President Michelle Pierce reported that the state is working on software that will help with the recalculation of property taxes based on SB23B-001 and that it is likely the dates for budget deadlines will go back to a calendar schedule similar to that which was proposed under Proposition HH. Sonja said an email will be sent to all Board members once the dates have been finalized.

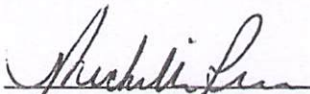
9. Adjournment

Board President Michelle Pierce adjourned the regular Board meeting on November 27, 2023 at 6:07 p.m.

Respectfully submitted,



John Perusek, Secretary



Michelle Pierce, President