

**Upper Gunnison River Water Conservancy District
Meeting Minutes of the Board of Directors
Tuesday, May 21, 2024**

The Board of Directors of the Upper Gunnison River Water Conservancy District (UGRWCD) conducted a regular Board meeting on Tuesday, May 21, 2024 at 1 p.m. at the Lake City Firehall, 131 North Henson, Lake City, Colorado and via Zoom video/teleconferencing.

Board members present: Joellen Fonken (via Zoom), Rebie Hazard (via Zoom), Stacy McPhail, Julie Nania (via Zoom), Bill Nesbitt, Michelle Pierce, Mike Rogers, and Andy Spann

Board members absent: Rosemary Carroll, John Perusek and Don Sabrowski

Others present:

Tom Carl, LSCWAE Board Member
Sonja Chavez, UGRWCD General Manager
Zach Dutra, Lake Fork Valley Conservancy
Travis Gilbertson, Division of Water Resources
Grant Houston, Silver World Publishing
Robert Hurd, Hinsdale County Commissioner
Katie Jagt, Watershed Science and Design (via Zoom)
Greg Levine, Hinsdale County Commissioner
John McClow, UGRWCD General Counsel
Luke Mecklenburg, Colorado Attorney General's Office (via Zoom)
Alana Nichols, UGRWCD Fellow
Beverly Richards, UGRWCD Office/Senior Program Manager
Sue Uerling, UGRWCD Admin. Asst/Communications Specialist (via Zoom)
Henry Wood, Lake San Cristobal Water Activity Enterprise Board of Directors

1. CALL TO ORDER

President Michelle Pierce called the meeting to order at 1:00 p.m.

2. AGENDA APPROVAL

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

3. CONSENT AGENDA ITEMS

Director Bill Nesbitt moved and Director Stacy McPhail seconded approval of the consent agenda. The motion carried.

4. PRESENTATION BY KATIE JAGT, ENGINEER, WATERSHED SCIENCE AND DESIGN

Ms. Jagt explained that she would be reporting on the discoveries made so far as part of the *Geo-Fluvial Assessment-Phase 2* commissioned by the District. Specifically, she will be focusing on the work her team has conducted in the Lake San Cristobal and Slumgullion Slide areas for this presentation. She said the objective of the assessment is to determine where the landscape itself can help mitigate post-fire impacts, and threats to water supply, infrastructure and personal safety. The assessment also provides recommendations for pre-emptively addressing post-fire impacts such as hillslope erosion and sedimentation, water quality impairments, flooding, debris flows and channel erosion. She noted that part of the assessment was working to understand where sediment flows, particularly the ash right after a wildfire, and what are the source, transport probability and deposition areas. She noted that problems occur whenever the sediment flows directly into or will be transported into infrastructure.

In the San Cristobal Watershed, Ms. Jagt shared maps produced of the areas with the highest risk for deposition to infrastructure. She noted a section boxed in yellow that is in pretty good shape located on BLM land. However, she said this flood plain is located above the areas that pose the most wildfire risk. Next, she noted two areas in blue closer to the lake that are in need of significant flood plain restoration, which will be expensive. Even closer to the lake, Ms. Jagt noted that there is one more small flood plain but because it is really small, it really doesn't have the capacity to serve as a depositional area for ash or debris. Adjacent to Lake San Cristobal itself, there is a BLM study area to the left and an area to the right that could provide some more active management possibilities.

Ms. Jagt said their systemic recommendations include: (a) Supporting beaver coexistence education efforts with the private landowners highlighted in the at-risk areas on the maps. She said the beavers are helping keep these areas wet and this should be continued, which might require some outreach and resources for the private landowners who have issues with beavers so that their first instinct is not to trap and remove them. (b) Secondly, Ms. Jagt noted in the case of a wildfire, the road immediately above the lake will likely be wiped out and therefore emergency evacuation strategies should be developed. (c) Limit fire ignition sources in the areas surrounding the lakes by providing education for campers and others using the lake about the dangers of wildfires; and (d) Clean up mine tailings, especially on high burn severity hillslopes, to prevent deposition directly into the lake.

Ms. Jagt said she is breaking out Slumgullion Slide from the overall watershed because she believes it requires a completely different management strategy than other areas around the lake. She said that Slumgullion Slide itself does not seem to have potential for high wildfire danger as it stays a little wet and the vegetation within the slide area is pretty sparse. The good news is that it is unlikely to see a high-severity burn in the high area.

The bad news is that there are two significant drainages that drain directly onto the lower portion of the Slumgullion Slide that then flow into Lake San Cristobal. After a high-severity burn, Ms. Jagt said the excess runoff would end up on an outcropping of the road and then settle onto the very unstable base of the slide area itself. She said this is a situation to avoid at all costs. Her recommendations for management strategies here include: (a) burn severity mitigation by thinning forested areas and removing beetle kill. (b)

on the south side where there is the highest risk, she recommends some enhancements and restoration to turn this area into a better depositional pocket; (c) limit future development in the slide area, particularly along the very unstable base; (d) install an early warning system now to warn resident and visitors when there is potential for a flash flood or debris and mud flow to allow adequate time to evacuate the area; and (e) harden and engineer the outlet with rock structure or concrete banks to better funnel flows coming down into the creek. Ms. Jagt said she understands that these are complex, expensive strategies but that they are very important for watershed health and public safety.

Director Joellen Fonken asked if there might be monies available from the Colorado Department of Transportation (CDOT) to help with any of the recommended enhancements along the highway? Ms. Jagt replied that CDOT would likely weigh the risk to the highway versus the cost of maintenance or replacement. She said it would require a very pointed conversation with CDOT and that there is actually a very narrow part of the highway that serves as a bit of a buffer to keep some debris flow on the side of the highway and not flowing into the stream.

Hinsdale County Commissioner Robert Hurd said he has known of some of these problems for many years and was glad to see such a detailed presentation. He asked if the presentation could be made available to the Hinsdale County Commissioners and Lake City administrators, perhaps in June. General Manager Sonja Chavez said the presentation was recorded today and that the District could also help with scheduling Ms. Jagt for a presentation directly to the government officials. Ms. Chavez noted that this would become part of the District's Watershed Management Planning final report. She explained that the Geo-fluvial assessment has outlined a number of areas that require mitigation in the District and that the District will be evaluating based upon risk. Ms. Chavez asked Ms. Jagt if there were suggestions to help with recreation concerns in the lower part of the slide. Ms. Jagt reported that there were really not many opportunities to address the issues in the lower part of the slide but that the best solution would be to manage the source control by finding ways to keep the sediment in the upper portion of the slide and prevent it from coming down. Mr. Hurd also noted that there is a high sulfur load that is making its way down into the lake and that he thinks this might be worth a separate study. Ms. Chavez said this would be something the District could consider for the future. Ms. Jagt concluded with the suggestion of initiating a public education campaign, even up by Henson Creek, about being "safe with sparks" whether that be with campfires or ATV's or other sources of sparks.

5. GENERAL COUNSEL'S UPDATE: LEGAL AND LEGISLATIVE

General Counsel John McClow referred to the Legislative Update included in the packet and said that there was a last-minute scramble to get legislation passed. Counselor McClow noted that the "Dredge and Fill" bill (HB24-1379) had amendments submitted right up to two days before the legislative session ended. He said the final bill by and large came out pretty good. The downside is that the jurisdiction is still going to remain under the control of the CDPHE and that the challenge going forward is that the rulemaking process will still be very complicated and disorganized.

Counselor McClow gave a verbal report about the State of the Colorado River. Counselor McClow noted that the Upper Basin states are reviewing a proposal by the Lower Basin states and no final consensus has

been reached. However, the good news is that seven of the states have met to discuss ways to move forward to reach consensus. The Bureau of Reclamation (BOR) has published a revised draft Supplemental Environmental Impact Statement as part of an effort to update Colorado River water use guidelines and address usage and conservation. Counselor McClow said the BOR is struggling to identify a baseline for the NEPA process going forward. Director Bill Nesbitt asked if they are considering evapotranspiration in coming up with their recommendations. Counselor McClow said that remains to be seen. Director Nesbitt also asked if Counselor McClow is seeing a kumbaya spirit now between the east and west water users in the state of Colorado. Counselor McClow replied that he wouldn't necessarily call it "kumbaya" but that the east and west are in agreement with the position presented by Rebecca Mitchell.

Counselor McClow also gave a verbal update on the Colorado Water Conservation Board's meeting last week in Granby. Agenda items included final action on the 2024 Instream Flow and Natural Lake Level recommendations.

Counselor McClow noted that the Board also approved the Diane Hoppe Memorial Scholarship be awarded to a student from Arvada West High School. Counselor McClow would like to find ways to encourage local students to apply for this scholarship.

Next, Counselor McClow referred to the draft of the updated Bylaws for the Board's consideration. He noted that all of the updates had been discussed at previous Board meetings. He referred to the compensation clause which will increase the monthly payments to Board members from \$75 to \$100 not to exceed a maximum of \$2,400 annually, not including travel expenses, which are paid separately. Counselor McClow said he followed the Board's previous direction that he seek approval of this provision by the District Court Judge. The maximum annual compensation is consistent with the state statute for Board compensation.

Director Stacy McPhail moved and Director Bill Nesbitt seconded approval of the revised bylaws as circulated. The motion carried.

6. TREASURER'S REPORT – Treasurer Bill Nesbitt reported that the Federal Reserve has left interest rates the same even though the Personal Consumption Expenditures Index and Consumer Price Index showed improvement. He said for a sobering experience, folks should take a look at the U. S. Debt website. He said the Feds may do a "token drop" of a quarter point later this year but that so far the economy is fairly strong and the job numbers are steady, but that the Feds would like to see inflation drop to two percent before making any moves. Treasurer Nesbitt reported that the two-year US Treasuries are currently yielding 4.88 percent, while the five-year is yielding 4.63 percent and the 10-year is yielding 4.378 percent. He noted that gold, copper and silver are being sought after by several countries, including China. In spite of the uncertainty of the economy and markets, Treasurer Nesbitt reported that the District's investments are earning solid yields, are well protected, and with the current laddering of investments, liquidity is not an issue. He praised Rob Casacelli of Peak Investments, the District's investment advisor, for his expertise in advising the District on the best investments for the organization.

Updated Financial and Investment Policies: General Counsel John McClow reviewed all of the previous versions of the District's financial and investment policies and updated all of the responsibilities and actions to reflect the current financial operations conducted by staff, the contract bookkeeper and the Board. In addition, certain verbiage was updated to comply with state statutes.

Director Bill Nesbitt thanked John McClow and Sonja Chavez for tackling these updates to the Financial and Investment Policies and noted that he is pleased to see this cleaned up before his term ends.

Treasurer Bill Nesbitt moved and Director Mike Rogers seconded approval of the General Counsel's revisions to the Financial and Investment Policies as circulated. The motion carried.

7. BASIN WATER SUPPLY REPORT

Senior Program Manager Beverly Richards said there was a considerable amount of precipitation in the region in the past few weeks. The Upper Basin has received 300 percent of normal for the month of May to date, which has been good for the water supply. As of May 20th, the Upper Basin was at 101 percent of the median for snowpack. Hinsdale and Saguache County did get some precipitation as well this month, but they still remain in the dry category and are below the average precipitation for the month. Cooler temperatures at the beginning of the month have slowed the melt off a bit and stream flows actually dropped some from what was being recorded towards the beginning of the month. Blue Mesa Reservoir is expected to reach a maximum content of approximately 657,000 which is 79% of full reservoir, although with the recent precipitation, this could be higher. Lake Powell elevation is currently at 3561.51 feet which is 34% full. The elevation in the reservoir has risen 28.61 feet since this time last year. There was an Airborne Snow Observatory flight yesterday, so the District will look forward to receiving that data.

8. GENERAL MANAGER AND STAFF REPORTS

General Manager's Report:

Spencer Business Park Unit A Renovation Update – Due to the timing of the 65th Anniversary Celebration and other upcoming deadlines, staff decided to delay the move to Unit A from June to July. Furniture is starting to arrive and being assembled. After seeing the new carpeting in the General Manager's office (which was necessary due to the expansion of that office), General Manager Chavez decided the rest of the carpeting on first floor looked pretty worn out, so for an additional \$10,035, it was decided to replace all of the carpet on first floor. To date, the renovation expenses total \$126,635 which is still under the approved budget of \$160,000. The new carpeting will be installed later this week. The bathroom countertop should be installed later in the week and the back entrance work will also begin next week.

USBR Snow Water Supply Forecasting Grant Proposal (R24AS00206) – General Manager Chavez reported that this grant application requires a resolution from the applicant's governing body to commit the applicant to the financial and legal obligations associated with the receipt of a financial assistance award. The project proposal is focused on conducting airborne LiDAR snow-free and snow-on flights for the benefit of accurate inflow forecasting capabilities, coordinated reservoir operations, and support of scientific

research occurring within the basin. This project is a partnership among various local, state and federal agencies. The Total Project Cost is \$2.71 million. General Manager Chavez reviewed the funding sources and noted that there is some risk to the District should one or more of our funding partners drop out and as with any other government agency, annual contributions are dependent upon annual budgets. Should this happen, she said it would be possible to modify the project scope and budget. Ms. Chavez noted that there are letters of financial commitment and enthusiastic support from the other partners to make this project happen because of its significant value. She asked the Board for their support of Resolution 2024-05 for the grant application.

Director Bill Nesbitt moved and Director Andy Spann seconded the approval of Resolution 2024-05 in support of the UGRWCD's application to the U.S. Bureau of Reclamation to carry out three years of airborne LiDAR snow measurement flights in the East, Taylor and North Fork River Basins.

Wet Meadows Update – General Manager Chavez reported that the Wet Meadows Coordinator Position has been advertised in newspapers along the western slope and on several professional electronic job boards. The deadline for applications is May 31, 2024. The District has already received several promising applications.

Taylor Local User's Group (TLUG) Report – In the absence of TLUG Chair Don Sabrowski, General Manager Chavez reported that the TLUG representatives met on May 8th and that a draft of the meeting summary was included in the packet. She noted that the overall consensus of the representatives was to try to hold back more of the releases early in the season to have a little more water later in the summer in case it turns out to be a very dry summer with low soil moisture. Since the meeting, Erik Knight of the Bureau of Reclamation let the District know that the forecast is trending toward higher runoff due to recent precipitation, so there may need to be an increase in the proposed releases to prevent the reservoir from spilling over the dam. Ms. Chavez noted that the Four Parties will meet in June and she will secure the names and contact information for representatives from the Four Parties so that quick changes can be made to releases if needed. In the past, when Erik Knight was out of the office and a change to the releases was needed to meet the end of year storage objective, she was not successful in getting a quick response from the Four Parties.

65th Anniversary Celebration – Administrative Assistant/Communications Specialist Sue Uerling reported that food and drink vendors and the band Opal Moon with Evelyn Roper have been confirmed for the 65th Anniversary Celebration on Monday evening, June 24th from 6 to 9 p.m. She encouraged folks from Lake City to come up for the celebration.

Gunnison Basin Roundtable (GBRT) – General Manager Chavez reported that the GBRT met yesterday in Delta and she and Counselor McClow were in attendance. She said the GBRT did approve a grant application for replacement of the headgate and the construction of a new in-channel diversion structure on the Home Ditch. There was significant discussion from the GBRT regarding the size and scope of the project within the river. She relayed both the support and concerns of the UGRWCD board including outreach to the recreational boating community and the need for wingwalls to protect the structure and prevent water from

getting around the headgate. General Manager Chavez noted that she agreed that the District would help with the additional cost of the re-design to incorporate the wingwall.

General Manager Chavez said the Colorado River District gave an update to the GBRT and said they have raised \$50 million towards the Colorado River District deal to purchase the Shoshone water rights from Xcel Energy.

Director Bill Nesbitt commended the GBRT's Outreach and Education Coordinator, Savannah Nelson, saying she is a great presenter and has developed creative ways, besides just advertisements, to educate the public about the GBRT's mission. Director Nesbitt also mentioned that Ms. Nelson will be using a 30-page document that former UGRWCD Board member George Sibley wrote about the Gunnison Basin to develop updated educational materials for public dissemination.

Gunnison River Festival (GRF) – GRF Secretary and Outreach Coordinator, Alana Nichols reported that she and Cheryl Cwelich have been working on sponsorships for this year's events and have received several nice checks so far, including from some new sponsors, Waypoints and Merrick. She reported that the Taylor Down River Race will take place on Friday, June 21st in Almont with the awards party to follow at Three Rivers Resort, which is being sponsored by Three Rivers and Scenic River Tours. On Saturday, June 22nd, the festival will be held at the Gunnison Whitewater Park with boating, surfing, live music, family activities and vendor booths. Ms. Nichols said there will also be a GRF stand-up paddle board event held at Lake San Cristobal in July, date to be announced.

9. MISCELLANEOUS MATTERS

Zach Dutra, director of the Lake Fork Valley Conservancy (LFVC) gave an update on activities conducted by the LFVC. He reported that the LFVC had applied for a grant to the Hinsdale Board of County Commissioners to support the study of sedimentation deposition at Lake San Cristobal and how recreational activities in the area impact Lake San Cristobal. He said the initial request was for just shy of \$150,000. Mr. Dutra noted that LFVC did not meet the criteria for the grant as a "primary watershed" so instead they were awarded a total of \$50,000 towards the sedimentation study, although the award has not yet been formally announced. He was hoping there would be more monies committed by the EPA towards this study, but their budget was reduced for this fiscal year, so therefore, the LFVC will be looking for additional funding. He also noted that he had been working without much luck to try to get researchers at the School of Mines interested again in conducting data collection at Lake San Cristobal, so he will also be seeking some new partners. He said specifically that the Colorado School of Mines was going to create a map of the boundaries of the sedimentation disposition and then pinpoint when the impact to the lake begins. General Manager Sonja Chavez encouraged Mr. Dutra to contact the Colorado River District to see if the LFVC grant application might fall under the Colorado River District's Community Funding Partnership program. Commissioner Robert Hurd reviewed some of the sedimentation issues they had been dealing with since 1984 and noted that he understands it would be very expensive to try to fix some of these issues. He did commend Mr. Dutra on his efforts to seek this grant funding. Mr. Dutra pointed out that this grant application was only for research and does not include any sort of treatment for the issues.

Mr. Dutra noted that the LFVC had recently participated in a state-funded community workshop where one of the actions identified under their “standing riverway initiatives” was to create an instream recreational structure (wave) where the LFVC owns property adjacent to the lake. Mr. Dutra asked Dan Brauch of Colorado Parks and Wildlife to review the initiative and the two of them walked from the confluence all the way down to the property that the LFVC owns. Mr. Brauch said the current structures are in pristine condition and are functioning as they are supposed to. He said it would be an “atrocious” to make any changes to the current structures or add any new in-stream structures. Therefore, Mr. Dutra said the LFVC would not be participating in this initiative.

Mr. Dutra also reported that the organization will be erecting educational signage on their property around Lake San Cristobal about boater safety and responsibility. He said the District helped fund this signage and that they would be modeled after other interpretive signage in the county.

Counselor John McClow referred to an email he had forwarded to the Board to request additional funding for the Colorado Water Congress Colorado River Project. He noted that the CWC is currently showing a budget shortfall of \$45,000 for the transition from Tom Pitts to Rich Belt and they have reached out to members to increase their annual assessment, which is \$3,000 annually for the District. General Manager Chavez offered that the District could cover the additional \$857.15 requested by the CWC from the Manager’s Discretionary Fund. Director Bill Nesbitt said he could make a motion to that effect, but President Pierce pointed out that since the funding would be coming from the Manager’s Discretionary Fund, no Board approval is needed. Director Nesbitt said he still felt it was important to have a notation in the minutes that the Board agrees with the request. There was agreement from the Board to continue to support the Colorado River Project including the additional funding amount.

President Michelle Pierce noted that the deadline for applying for the two expiring terms of the UGRWCD Board of Directors is May 24th. Since Director Nesbitt will resign from his position, the District Judge will accept applications for the City of Gunnison division. The other expiring term is for Division 4, Taylor River, which is currently held by Don Sabrowski. Director Sabrowski had indicated that he intends to reapply.

10. CITIZEN COMMENTS

Mr. Henry Wood announced that the Ute Mountain Ute Dancers would be performing in Lake City again on August 17th and he encouraged everyone to come. He suggested that the District might want to help fund this event again. Staff will reach out directly to LSCWAE Director Wood about options for UGRWCD to provide support.

Greg Levine, Hinsdale County Commissioner, thanked the District for the grant monies they received for the Wooperman Campground drinking water supply upgrade.

11. FUTURE MEETINGS

A listing of meetings was included in the Board packet.

12. SUMMARY OF MEETING ACTION ITEMS

General Manager Chavez will:

- Coordinate with Robert Hurd and the Hinsdale County Commissioners (and any other groups from Lake City or the area) to set up a presentation or provide the written results of Katie Jagt's presentation at a meeting in June or July.
- Coordinate with Program Manager Beverly Richards to make plans with Rob Casacelli for the District's treasuries that will be maturing this year.
- Ms. Richards will request a new invoice from the Colorado Water Congress to pay the annual assessment along with the increase discussed.

13. ADJOURNMENT

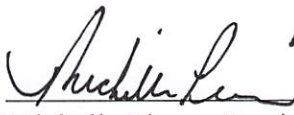
President Michelle Pierce adjourned the May 21, 2024 Board meeting at 3:03 p.m.

Respectfully Submitted,



John Perusek, Secretary

APPROVED:



Michelle Pierce, President

