

**Upper Gunnison River Water Conservancy District
Meeting Minutes of the Board of Directors
Monday, July 22, 2024**

The Board of Directors of the Upper Gunnison River Water Conservancy District (UGRWCD) conducted a regular Board meeting on Monday, July 22, 2024 at 5:30 p.m. at the Upper Gunnison River Water Conservancy District, 210 West Spencer, Suite A, Gunnison, Colorado and via Zoom video/teleconference.

Board members present: Rosemary Carroll, Joellen Fonken, Rebie Hazard (via Zoom), Stacy McPhail, Julie Nania, John Perusek, Mike Rogers, Don Sabrowski and Andy Spann.

Board members absent: Michelle Pierce and Brooke Zanetell

Others present:

Bella Biondini, Gunnison Country Times (via Zoom)
Sonja Chavez, UGRWCD General Manager
Kathleen Curry, Gunnison Basin Roundtable
Raquel Flinker, Colorado River Water Conservation District
Lucy Harrington, GEI Consultants
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
Robert Sakata, Ag Water Policy Advisor, Colorado Department of Agriculture
Sue Uerling, UGRWCD Admin. Asst./Communications Specialist
Bruce Walters, Colorado River Water Conservation District
Melissa Wills, Colorado River Water Conservation District
Ari Yamaguchi, Water Resources Technician

1. CALL TO ORDER

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

2. AGENDA APPROVAL

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

3. CONSENT AGENDA ITEMS

Director John Perusek moved and Director Julie Nania seconded approval of the consent agenda. The motion carried.

4. BUDGET OFFICER APPOINTMENT

Director Andy Spann moved and Director Julie Nania seconded appointing General Manager Sonja Chavez as the Budget Officer for fiscal year 2025.

5. GENERAL COUNSEL REPORT

General Counsel John McClow said he had no report and introduced Robert Sakata, Ag Water Policy Advisor with the Colorado Department of Agriculture for an overview of his position and duties.

Mr. Sakata said that he appreciated the opportunity to come before the Board to introduce himself and share more about his role. His presentation included an organizational chart for his department. He noted that he has visited a lot of agencies since his appointment and has enjoyed seeing different parts of the state. Mr. Sakata reported that agriculture brings \$47 billion to the Colorado economy and provides 195,000 jobs. He said that ag producers are stewards of 30 million acres of land in the state. He is concerned that agriculture has lost over one million acres of land to development. Director Andy Spann asked where the majority of this acreage was lost? Mr. Sakata replied that the majority was lost east of the front range and in the San Luis Valley. He referenced the recent large purchase by the City of Aurora allowing it to periodically divert more than 7 billion gallons of water from the Arkansas River to the city every decade through a purchase of farmland in rural southeast Colorado. He noted that rural landowners who have sold their property and accompanying water rights have signed non-disclosure agreements, sometimes unknowingly, making it difficult to keep track of the number of water rights lost to developers and out-of-state investors. Mr. Sakata said the buyers are more interested in the water rights than the land. He would like to see this process become much more transparent. He is also concerned about the effects of climate change for agriculture as long-term forecasts predict temperatures will rise 2.5 to 5.5 degrees by 2050 with more extreme weather events, lower snowpack and less runoff. He noted that although agriculture is one of the biggest economic drivers in the state, only 7.9 cents make it back to the producer for every dollar spent. These issues combined have created a mental health crisis for ag producers. Farmers and ranchers are 3.5 times more likely to commit suicide than the general population. He reported that the National Rural Health Association is working to provide more accessible mental health services for ag producers. In spite of the challenges, he considers agriculture the “Occupation of Hope” and is committed to helping improve the outlook. He encouraged the audience to contact him with any questions or concerns and provided the following contact information: Robert.Sakata@state.co.us, (720)512-6868.

6. BASIN WATER SUPPLY REPORT

Senior Program Manager Beverly Richards referenced her report included in the packet and noted that while recent rains have been welcome, stream flows and reservoirs have started to decline, indicating that more moisture is going into dryer soil content. General Manager Chavez said that there was higher runoff in June than initially predicted and now July is showing lower runoff than normal, so this will be something to keep an eye on.

7. COLORADO RIVER DISTRICT STATE OF THE RIVER REPORT

Raquel Flinker, Sr. Water Resources Engineer/Project Manager for the Colorado River District (CRD), began the presentation by giving an overview of the River District's mission:

To lead in the protection, conservation, use and development of the water resources of the Colorado River basin for the welfare of the District, and to safeguard for Colorado all waters of the Colorado River to which the state is entitled.

She reported that the River District was created in 1937 and has grown to 25 staff members and 15 Board of Director members, who are appointed by the counties they represent. She noted that the River District is funded by property tax levies. She invited those present to attend the Colorado River District's 2024 Annual Water Seminar "Meet the Moment: Acting Today for Tomorrow's Water Security" on September 20, 2024 at Colorado Mesa University in Grand Junction. Registration details are on their website.

Ms. Flinker highlighted some of the River District's significant accomplishments through the decades, such as the development of the Aspinall Units, securing Black Canyon Water Rights, defeating the Union Park Transmountain Diversion efforts, the delisting of the Lower Gunnison and the implementation of their Community Funding Partnerships. She displayed a map of the boundaries of the Upper and Lower Colorado River basins and noted that 65 percent of the flows to the Colorado River start within this District, so they have a significant voice in inter-state and national level water discussions. Ms. Flinker said that the proposed equitable distribution of water between the Upper and Lower Basin states – 7.5 million acre-feet of water – has been out of balance for over 20 years as the demand in the Lower Basin outweighs the supply and will continue this way with a hotter, dryer climate. She noted that Colorado now has a full-time water commissioner, Rebecca Mitchell, to support the water rights and needs of Colorado and the Upper Basin states. Ms. Flinker noted that the 2007 Interim Guidelines, the 2019 Drought Contingency Plan and 2023-24 System Conservation Pilot Project were all stop-gap measures to try to rectify shortages in Lake Powell and Lake Mead. While they helped in the short term, they have proven to be unsustainable as there is less water coming into the system due to climate change. Ms. Flinker reported that for post-2026 Operations, the argument is for using actual observed conditions and data instead of basing operations on 24 month forecasts. She said that both the Upper and Lower Basin states have submitted alternatives to deal with water shortages, but they are still working on coming to a consensus on specific operations. In addition, Ms. Flinker said there were three other proposals offered outside of the Upper and Lower Basin alternatives. She noted that post-2026 operations need to be durable solutions and that the Upper and Lower Basin representatives are meeting monthly and making some progress.

More recently, she reported that the River District has been focusing on the Shoshone Permanency Project. She said the Shoshone Hydroelectric Plant is located in Glenwood Canyon about 8 miles east of Glenwood Springs. On December 19, 2023, the River District executed a Purchase & Sale Agreement with Public Service Company (a subsidiary of Xcel Energy) to buy the Shoshone water rights for \$99 million. Ms. Flinker explained that these are large and very senior non-consumptive water rights that will be protected for the western slope and state through this purchase. She said a full Shoshone call can command up to 1,408 cubic feet per second, or 1.02 MAF per year. She noted that the purchase was only for the water rights and not for the hydroelectric plant as the River District has no interest in maintaining and operating the plant. Ms. Flinker said that for 20 years now, 20 western Colorado government and water entities have been working to permanently preserve the Shoshone flows and with the recent state and federal funds that were made

available and having a willing partner in Excel, now was the time to act. Ms. Flinker said that currently \$54.15 million has been committed towards the purchase price by a variety of partners. She said the balance remaining to fully-fund the purchase will be requested from the Federal Government. She also noted that the CRD would be requesting a new in-stream flow right from the Colorado Water Conservation Board.

Director Joellen Fonken asked if mud and rockslides in that area of the canyon could affect the infrastructure of the plant. Ms. Flinker replied “yes” that after a fire in the area and a post-fire 200-year rain event a couple of years ago, there was significant debris flow in the canyon which shut down the hydroelectric plant for nearly a year and a half. She noted that in the past 20 years, the plant has frequently been offline due to mud and rockslides.

General Manager Sonja Chavez asked what the UGRWCD could do to support the CRD in finalizing the purchase and the approval of the new in-stream water use and Ms. Flinker said letters of support would be welcomed.

CRD Attorney Bruce Walters said the application process for the federal funding will open within the next week and be open for a 12-week period and that the application will come under the Inflation Reduction Act funding stream.

Director Rosemary Carroll asked if Excel will be required to pay for their water use for the power generated from the hydroelectric plant and if that could be used to help fund the purchase. Mr. Walters said the CRD will lease back the water to Excel for use by the hydroelectric plant but that this will not be part of the purchasing agreement. Ms. Flinker said there is a clause within the purchase agreement that the Public Service Company will set aside a portion of the \$99 million purchase funding for water projects on the Western slope.

General Manager Chavez also asked Mr. Walters for his opinion on a recent Supreme Court decision on a water compact between Texas and New Mexico. Mr. Walters replied that this case flew under the radar but that the fear is that their decision opens the door for the federal government to intervene anytime there is a disagreement between states over a water compact. John McClow noted that this case also allows for compact interpretation and that the federal government is saying states cannot ignore the terms of the compact. Ms. Chavez said that for the benefit of the Board, Texas and New Mexico came to an agreement over a water compact, but the federal government jumped in and said they have the right to review the agreement and determine whether or not to honor it.

Next, Melissa Wills, manager of the CRD’s Community Funding Partnership Program (CFPP), gave an update on the status of the program. She said over the past four years there have been over 100 projects funded with over \$21 million and additionally, these awards have leveraged \$84 million for western slope water projects. Ms. Wills said for the next three years, the CFPP will have a focus on the Gunnison basin and she encouraged Board members to funnel folks having an interest in the CFPP her way. She noted that in the 15 county CRD region, they have looked for projects with collaboration and local support where they can serve as a catalyst to secure funding from other sources. She said the CRD Board has stipulated that CFPP

projects must have multiple benefits under the following categories: productive agriculture, conservation and efficiency, healthy rivers, watershed health and water quality and infrastructure. Ideally a CFPP project will meet two or more of these categories. Funding opportunities come under three categories of: general grants, emergency grants and accelerator grants. General Manager Chavez asked if there now could be a fourth category for opportunities because of the CRD's approval of Airborne Snow Observatory (ASO) flights support. Ms. Wills said the CRD Board just approved \$500,000 over the next three years to go toward ASO flights across the CRD. She also explained that the accelerator grants will supply about 85 percent of the costs to apply for federal grants. Ms. Wills encouraged those interested in CFPP applications to give her a call to set up a pre-application meeting and to note that requests for less than \$50,000 are reviewed by the General Manager and requests over \$50,000 are reviewed by the CRD Board of Directors. She noted that it is important to bring matching dollars to the table. She concluded by thanking Sonja Chavez for bringing so many projects to the CRD to infuse the program.

8. GENERAL MANAGER, STAFF AND COMMITTEE UPDATES

Financial Report Treasurer's Report

General Manager Sonja Chavez reported that Tom Stoeber was planning on coming to the Board meeting to give an overview of his meeting with Auditor Paul Miller, but Tom is ill and Sonja prefers that he be present to review the audit results, so this matter will be tabled until next month. Sonja said that the audit did go really well and that there were just a few tweaks suggested by Mr. Miller. She said the transparency that the District brought with the budgeting process and the way the monies are being spent is a good thing and that the little tweaks can just make it better.

Ms. Chavez also noted that the District had an investment expire at the end of June and the funds were swept into the LPL money market. On the next bank and bond balances report, it will show that those funds then purchased a two-year US Treasury note with a return rate of 5.15 percent and a one-year call provision.

Unit A Renovations

Staff have officially moved into Suite A now and is enjoying the extra space. There are just a few things left to clean out from Suite B and then it will be advertised for rent beginning in August.

There were a lot of old paper files and reports that had to be recycled during the move which left staff feeling like it is time to reduce the amount of paper used by the District. President Michelle Pierce approved the staff's recommendation that future Board packets will all be via electronic versions only. For those who might have issues with internet connections, tablets or iPads to download the packet in advance can be made available, so Board members should let staff know if you need one.

Projects and Fundraising

As announced earlier, the Colorado River District approved CFPP funding for \$500,000 for ASO Flights within the District. The application was submitted in collaboration with the North Fork District. The Upper Gunnison basin will benefit from approximately \$120,000 earmarked for flights along the East and Taylor basins.

On August 14th, the Doppler GAP weather station will be on a trailer and in the District parking lot for a media/VIP event at noon before it is moved a few days later to Big Mesa. The BLM has ensured all utilities are ready for the installation and Ari and Alana have driven the road to ensure it is passable with a 30-foot trailer. Ms. Chavez said it will benefit multiple users including the airport and hospital to check weather conditions for airplane and helicopter landings, the state patrol and road crews to determine plowing and closure details due to weather and to provide data for the scientific projects in the Upper Basin.

Staff submitted a funding request to the BLM in April of this year for \$385,000 in support of wet meadow restoration. That proposal has taken an interesting turn, and we are now hearing that a portion of those grant funds (\$125k) will be managed as a cooperative agreement while the balance (\$260k) will require a bid to provide services to BLM under a Good Neighbor Authority (GNA) agreement. This is new territory for the District so staff will be researching contractual requirements and ensuring there is no additional risk or liability to the District before entering into any agreements.

Wet Meadows Coordinator Hiring

UGRWCD received 18 qualified applications. Initial interviews with the 5 finalists were done remotely and the hiring committee narrowed the list down to three individuals. One candidate will be flying in tomorrow for an in-person interview and tour and the other two will be scheduled to come in late July and early August

Wet Meadows Program and Research and Monitoring - Water Resources Technician Ari Yamaguchi reported that a number of 2023 wet meadows sites have been revisited this season and are holding up well and don't require any maintenance at this time. This past Saturday, there were 20 volunteers who helped with restoration work. A second volunteer event will take place Saturday, Sunday and Monday of Labor Day weekend and they are expecting around 40 volunteers.

There are a number of students and faculty at Western Colorado University (WCU) interested in research related to restoration sites. To ensure that the partners' priorities are represented and identified in the contracts, Mr. Yamaguchi will have an official seat on those WCU advisory committees and act as the point person and technical liaison between individual projects and the agency partners.

Director Rosemary Carroll noted that there are also Western students involved in the Harmful Algae Bloom study and others that don't really fall under the "Wet Meadows Restoration" work and wondered if the District will also have some input with these students. Mr. Yamaguchi replied that "yes" the District will provide some oversight as well because this project is receiving funding from the District Grant Program; all

studies receiving District funding will include Mr. Yamaguchi on the advisory committee. General Manager Sonja Chavez also said that there is a GIS study being conducted by a DU student (and Gunnison local), Joslyn Hayes, and that the District will be supporting her Masters' study.

Watershed Management Planning (WMP) – Director Stacy McPhail reported the WMP Committee met recently and reviewed progress with the program since Cheryl's departure. Director McPhail is currently reviewing items for the Phase II report and awaiting details from the final geo-fluvial report for Phase II so that the final report can be submitted later this year. Senior Program Manager Beverly Richards reported that Katie Jagt has offered to come present the final geo-fluvial results to the Board when she returns from maternity leave.

Drought Contingency Planning (DCP) – Fellow Alana Nichols reported the DCP recently wrapped up their feasibility assessment. She commended the consultants for conducting 32 interviews and gathering 26 surveys for the assessment. The next step is to conduct a vulnerability assessment which will help the DCP develop mitigation actions. The DCP Administration team did put out an RFP for a Communications Consultant who can lead the effort to develop a communications dashboard and create a comprehensive communications plan for disseminating the goals and mitigation actions to the partners and general public. If any Board members know of someone who might be interested, they are asked to let staff know. The next DCP stakeholders meeting will be September 26th and might need to be held offsite due to a lack of ample space in the conference room.

Education and Outreach – Administrative Assistant/Communications Specialist Sue Uerling referred to her memo in the packet and asked if there were any questions. She asked the committee to look at their calendars to select a time and date in mid-August to have a committee meeting to begin the 2025 action plan and budget process. An email will be sent to committee members.

Gunnison Basin Roundtable (GBRT) – General Manager Sonja Chavez reported that the GBRT funded one project on the Big Blue River. Since the Big Blue does not fall within a district at this time, there was discussion on what would need to happen to bring them into the UGRWCD. Counselor McClow replied that the property owners of that area would need to petition the District court to issue a decree that would increase the boundaries of the UGRWCD. He said it would be important for the property owners in this area to understand that this would mean an increase in their property taxes as well.

Commissioner Becky Mitchell also provided an update to the GBRT. Ms. Chavez noted that the C-9 Water Summit will be held in Crested Butte and she will ask staff to email the details to the Board.

Taylor Local Users Group (TLUG) – TLUG Chair Don Sabrowski reported that the bottom line right now is that flows out of the Taylor basin are greater than flows in, so the group will need to come to a consensus about how conservatively to manage flows to meet the October reservoir goal. He's hoping the modeling will stand up for the rest of the season.

General Manager Chavez reported that the Four Parties will hold their annual meeting on July 30th and that there will be changes requested to allow TLUG to recommend prompt changes to releases as necessary due to rapidly changing conditions. She is going to ask for on-call numbers for the Bureau of Reclamation, the dam operator and others to prevent situations like there have been in the past where she was unable to reach anyone who could order quick changes to release amounts.

Scientific Endeavors – Director Rosemary Carroll reported that she met recently with Ken Williams, and he reported on the data collection his team has been conducting in the Taylor Basin and Trail Creek sites. She said this is intensive plot by plot work and that with respect to obtaining data from beaver dam analogs, Mr. Williams was told by the U S Forest Service that this was no longer a priority for them at this time. General Manager Chavez said this was a serious concern for her as she feels this data from beaver dam analogs is important to understand how they benefit wetlands sustainability. Director Carroll agreed and said this is why she was bringing this to the District’s attention.

9. WETLANDS ASSESSMENT PRESENTATION

Lucy Harrington, Senior Regulatory Specialist with GEI Consultants, reported that for the past year, she and her team have been identifying wetlands and gathering data from these wetlands in the 15 sub-basins of the UGRWCD, which covers 2.4 million acres. In addition to identifying wetlands, the goal was also to assess historic losses of wetlands and assess future loss risk of wetlands in order to develop a prioritization of wetlands conservation and restoration efforts.

Ms. Harrington explained that their approach was to start with an extensive database review of the many GIS public data bases available that provide data on wetlands without focusing on any one set of data over another. Then they conducted quantitative field verification to assess whether the data they had previously reviewed held up in real time. They brought this data back into the office for some post processing, including some weighting of factors at each site to determine a category between one and four for each site, with one being “not a wetland” progressing to four being “a healthy wetland that would do best just being left alone.” These categories can help the District determine which wetlands will be most successful to pursue mediation from a cost and time perspective. Finally, they fed all the information that they had gathered into a machine learning system. Ms. Harrington noted that during the field verification, her team did focus on public lands near roadways and trails as it would have taken a significant amount of resources and time to go onto private lands. Therefore, this does put a little bit of bias into the data collected.

During the final phase of machine learning, Ms. Harrington said all of the data from both the GIS data bases that were reviewed and the site visits were fed into the computer under 18 variables. This was done to train the computer model to then assess all 2.4 million acres in the basin to classify a tract as wetlands or not in the same manner that GEI Consultants classified tracts in their site visits. To do so, she said they used 60 percent of the data for teaching the machine and 40 percent for testing the machine learning process. She noted this resulted in the machine getting up to an 86 percent accuracy level for identifying wetlands and their levels in the 2.4 million acres of the basin. Ms. Harrington said they also threw in “threat assessment” data to further refine prioritization of mitigation needed to save wetlands. There were a number of threats identified, but

she said they did use wildfire risk and climate change risk for all of the sites fed into the computer. She noted that the report should help the District select which sites are higher priority for mitigation and restoration and what sort of funding to go after to address them.

Ms. Harring said that for other future applications, this report can help with: (1) large-scale planning and permitting for development, roads, etc.; (2) pre-fire mitigation planning; and (3) overall wetland planning and management.

Director Stacy McPhail thanked GEI Consultants and said she really liked the machine learning process that was used to allow for so much more assessment of the 2.4 million acres. General Manager Chavez also thanked Ms. Harrington and her team and said she feels the District got so much more data out of this process than she anticipated and this will really help with future planning on many levels.

10. MISCELLANEOUS MATTERS

Director Don Sabrowski asked General Manager Chavez if she had any update on where Gunnison County stands in finding a new Cheatgrass Coordinator. Staff members Ari Yamaguchi and Beverly Richards both said they understand that some of the cheatgrass work is being conducted by some volunteers and NCRS staff but that no one has officially filled the role. Ms. Chavez said she would follow up with the County manager and commissioners to find out more details as she does feel that the spread of cheatgrass poses the greatest fire risk to the District.

11. CITIZEN COMMENTS

No citizen comments were brought forth.

12. FUTURE MEETINGS

A list of meetings was included in the Board packet.

13. SUMMARY OF MEETING ACTION ITEMS

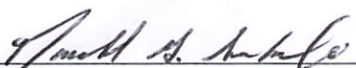
General Manager Sonja Chavez will check with Gunnison County on the progress of hiring a new Cheatgrass Coordinator and whether or not any of the proposed sites will be serviced this year.

Staff will email the Directors information about the C9 Summit in Crested Butte on October 1 and 2, 2024.

14. ADJOURNMENT

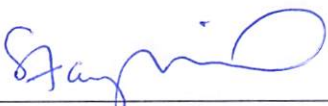
Vice-President Stacy McPhail adjourned the July 22, 2024 Board meeting at 7:33 p.m.

Respectfully Submitted,



Don Sabrowski, Secretary

APPROVED:



Stacy McPhail, Vice President

