

**Upper Gunnison River Water Conservancy District
Meeting Minutes of the Board of Directors
Monday, September 23, 2024**

The Board of Directors of the Upper Gunnison River Water Conservancy District (UGRWCD) conducted a regular Board meeting on Monday, September 23, 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: Joellen Fonken, Rebie Hazard, Stacy McPhail, Julie Nania, Rosemary Carroll (via Zoom), John Perusek, Andy Spann and Brooke Zanetell.

Board members absent: Mike Rogers and Don Sabrowski

Others present:

Sonja Chavez, UGRWCD General Manager

John McClow, UGRWCD General Counsel

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

Alana Nichols, UGRWCD Fellow

Cole Osborne, North American Weather Consultants (via Zoom)

Beverly Richards, UGRWCD Office/Senior Program Manager

Robert Sakata, Ag Water Policy Advisor, Colorado Department of Agriculture (via Zoom)

Jared Smith, North American Weather Consultants (via Zoom)

Sue Uerling, UGRWCD Administrative Asst./Communications Specialist

Ari Yamaguchi, UGRWCD Water Resources Technician

Amanda Aulenbach, UGRWCD Wet Meadows Program Coordinator

1. CALL TO ORDER

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

General Manager Sonja Chavez introduced Amanda Aulenbach as the new Wet Meadows Restoration Program Coordinator and Bailey Friedman as the new Water Resources Project Manager. Amanda began her duties at the end of August and Bailey will begin next week.

2. AGENDA APPROVAL

Director Rebie Hazard and Director John Perusek seconded approval of the agenda as presented. The motion carried.

3. CONSENT AGENDA ITEMS

Director John Perusek moved and Director Rebie Hazard seconded approval of the consent agenda as presented. The motion carried.

4. 2023 AUDIT

Thomas Stoeber, CPA, reported that he met with the auditor, Paul Miller, at the beginning of the audit and then again at the end of the audit. He noted that in Mr. Miller's "unqualified opinion" there were no changes, which Mr. Stoeber said means it was a clean audit with no issues.

Mr. Stoeber noted that the big takeaway is that the District's assets exceeded its liabilities by \$7.3 million as of December 31, 2023, which is considered its net position. This is an increase of over \$400,000 in comparison to the prior year. The District's net position for the General Fund was \$5.9 million, an increase of over \$412,000 in comparison to the prior year. General property taxes collected were over \$1.637 million or 84% of general revenues. Mr. Stoeber pointed out that revenues from property taxes have steadily increased over the past several years. He said the health of the District is very sound. He said it will be important for the District to continue working within the budget and set a reasonable budget that the organization can meet. He noted that last year it was important that the budget be amended after the purchase of Suite A and that this is the sort of unusual activity that required an amendment.

Director Rebie Hazard asked about the \$243 overdraft shown under the Water Activity Enterprise figures. Neither Mr. Stoeber nor staff remembered any such overdraft so staff will do some research to see what these charges were for.

Director Joellen Fonken asked if Mr. Stoeber had seen organizations who have steadily built their reserves "tone down" their mill levy accordingly. Mr. Stoeber replied that he has not seen this happen in a long time. He recalled that the Gunnison Fire District and the Gunnison Watershed RE1J School District both did lower their requested mill levy each once, but that this was many years ago. In today's economy, it's unlikely an entity would lower their mill with operational costs continuing to rise, but because some organizations have the ability to set their mill levy within a range, it is not unheard of. Mr. Stoeber noted that once voters have approved a mill levy for an organization, it is what it is.

After no further questions were raised, President McPhail asked Director Hazard if she was comfortable moving forward with the approval of the 2023 Audit without knowing exactly what the \$243 overdraft was for. Director Hazard replied "yes," that the nominal amount is not a big concern.

Director Julie Nania moved and Director Joellen Fonken seconded approval of the 2023 Audit as presented. The motion carried.

5. Resolution 2024-08 to Approve Check Signers

With the resignation of former President Michelle Pierce, General Manager Sonja Chavez explained that for the District's banking operations, the bank requires a resolution and accompanying documents to update the signers on the District's bank accounts.

Director Rebie Hazard moved and Director Julie Nania seconded approval of Resolution 2024-08 to certify the signers for the District's bank accounts as presented. The motion carried.

6. General Counsel Update

General Counsel John McClow reported that the letter of support for the Gunnison Outdoor Resources Protection Act (the "GORP Act") authorized by the Board at the last meeting received two positive comments from Board members and was sent to Senator Bennet's office. John Whitney from Senator Bennet's office told John that they had received letters of support from all of the participants involved in the planning process for the GORP act.

Mr. McClow said that the Water Conservation Board put a call on the Slate River to maintain the required streamflows.

He also said the Bureau of Reclamation has again rescheduled the meeting to review the 1975 Agreement and it is now scheduled for October 21, 1024.

Mr. McClow reported that at last week's Colorado Water Conservation Board meeting, they made a lot of grant awards, including one to the Home Ditch Project and one to Coldharbour Institute, submitted by Julie Nania. Congratulations were offered to Director Nania.

Senior Program Manager Beverly Richards said she spoke with Tom Rozman (Water Commissioner) earlier in the day about the Slate River call and he reported that due to some recent good rain and snowfall in the area, they had stopped releases from the reservoir for now because flows were being met.

Mr. McClow also noted that the District had received an email from Steve Pope, General Manager of the Uncompahgre Valley Water Users Association indicating that as part of the commissioning process for the Taylor River Hydropower Plant, they would be flushing the penstock, ramping the plant up and down. As a result, there were flow fluctuations of approximately 50 cfs throughout the weekend. Mr. McClow shared with Mr. Pope that this would not be an issue for three days. The flows should now be stabilized at the planned flows of 300 cfs until the next scheduled flow change. This information was shared with TLUG representatives, TLUG stakeholders, the District's general email members, and the general public on the District's social media platforms. Director Joellen Fonken asked if it would be possible to tour the hydroelectric plant. Manager Chavez indicated that she would reach out to UVWUA or GCEA to organize a tour.

7. Budget Work Session

General Manager Sonja Chavez reviewed the budget memorandum in the packet line by line which outlined the changes made to the draft budget since the previous Board meeting. Some specific highlights she reviewed included the District canceling its contract with the Employer's Council and noted that she was not

happy with their membership services including the new salary database they have transitioned which was a valuable component of our previous membership. She indicated that the District would be joining State Human Resource Management (SHRM).

Ms. Chavez also reported that the District was not successful in securing the Bureau of Reclamation grant for the additional ASO flights in the basin. She said that of the 16 grants funded, none were for flights in Colorado, even though our basin is the second largest tributary of the Colorado River. She said she will be contacting the CWCB and Colorado River District to see if the UGRWCD can still retain the funding they pledged but it may require some program changes (to be determined).

Ms. Chavez reported that the District was successful in securing \$941,000 in funding agreements from the Bureau of Land Management (BLM) to support the Wet Meadows Restoration Program for the next three to five years. She offered her thanks to the BLM for their partnership. President Stacy McPhail noted that this was the largest amount of funding the program has received from other partners since its inception. She said the District has carried the burden of this program funding for a number of years and she was happy to see that the program is now sustainable into the future without such a heavy reliance on the District for financial support.

Director Rebie Hazard asked if the state's capping or reducing property taxes will have an effect on the District's budget. General Manager Chavez replied that she and Tom Stoeber will be attending a webinar tomorrow offered by the Special Districts Association to better understand outcomes from HB24-1001. At this time, Ms. Chavez feels the implications will be minor but she will know more after the webinar. Director Hazard noted that if valuations go down, it could affect homeowner's insurance coverage as it would be based on a reduced valuation. She said this is a real concern for her. Ms. Chavez said she hopes the issue will be clearer for her and Mr. Stoeber tomorrow after the webinar. General Counsel John McClow reported that the District has some flexibility in the mill levy as well. He said that by a vote of the taxpayers in 1998, the District can levy up to two mills. Historically, the Board has stayed just shy of this level, but in a crisis, it would be possible to raise the mill levy to offset additional expenses.

Director Julie Nania said that since the District was able to save over \$400,000 what is the staff consensus on the right balance of revenues versus expenses. "Are we under spending?" she asked. She asked how much the staff wants to see in reserves. General Manager Chavez replied that she foresees expenses going up in the next five years with the possibility of increased funding for more ASO flights, the cost of the return flow study, additional water quality monitoring, and inflationary pressures on wages. She noted she "feels comfortable where we are now around that \$6.9 million mark in reserves" but that she worries if there would be a big wildfire in the basin, the District would need to respond to something like that. The District is also trying to raise a lot of additional monies to help offset some of its programming costs, so she feels comfortable with the model as it is now. President McPhail said she likes where the District is at with the budget and particularly feels that payroll expenses compared to the overall budget are reasonable. She also feels it gives the District some capacity to continue to grow and retain staff as programming increases. She noted that the District is in a very different and positive position than it was five years ago with regard to better serving our community. She is very comfortable with setting aside the savings of \$400,000 last year

as a cushion for inflation and the potential situation of having general funding revenues decrease due to the recent legislation or a potential recession. General Counsel McClow pointed out that if there should be a recession, it is a slow-moving train that does not happen overnight and the District would have time to make budgetary adjustments if necessary.

Director Nania noted that she is pleased with the additional grant funding secured by the District this year and that, in turn, the District might want to consider increasing the amount of funding it offers through the District grant program to increase the amount of matching funds it makes available so that applicants can take advantage of some of the other increased grant opportunities available at this time. Ms. Chavez replied that she agrees we should try to capitalize on some of the opportunities available at this time and she is hopeful that the new Projects Manager Bailey Friedman can help grow our partnerships to implement more watershed-wide projects.

Ms. Chavez also reported that when she spoke with Senator Bennet she told him that our community needs incentive pay for federal employees working in resort areas versus the situation we currently have where folks move here for a year or two and are unable to find housing and leave to work in Denver (which gets incentive pay). She plans to meet with John Whitney from Senator Bennet's office to discuss this idea further.

8. BASIN WATER SUPPLY REPORT

Beverly Richards reported currently there are no areas of drought in the basin. However, according to the National Weather Service, they are anticipating moving into a warmer, dryer pattern for the next three months. She said that precipitation for the water year to date is at 119 percent of normal. She noted that the soil moisture content spikes after a precipitation events and then dries back up rapidly. Finally, she reported that most of the streamflow gauges were registering at normal or above normal.

As for reservoir content, Ms. Richards noted that Blue Mesa is at about 67 percent right now and she believes this is because of flow requirements at the Whitewater Colorado gauge under the Aspinnall Unit Record of Decision. Blue Mesa Reservoir will have a winter storage level of around 66-67 percent. According to Reclamation, Taylor Reservoir may end the water year with approximately 73,000 acre-feet of storage if we stay cool and wet.

9. Presentation by North American Weather Consultants – Cloudseeding Report

Cole Osborne and Jared Smith of North American Weather Consultants provided a presentation about the District's cloudseeding program. Mr. Osborne noted that it is surprisingly difficult for water to freeze just below its melting point as it resists freezing unless it has something like dust or some other solid to cling to and form ice crystals. In pure water, it takes an energetic nudge to jostle the molecules into the special arrangement needed to freeze. He noted that when water freezes and forms ice crystals, they congregate to form snowflakes which eventually grow heavy enough to fall. He explained that nucleating agents expedite the formation of snowflakes by providing the necessary energetic nudge. These can be natural (such as fine

dust particles), circumstantial (such as pollution or smog) or even intentional (such as through the cloud seeding process.

For the UGRWCD Cloud Seeding Program, they use silver iodide. Silver Iodide molecules exhibit strong electrical polarity and silver iodide crystals have a shape similar to ice crystals. Radar data is used to monitor the composite reflectivity of the clouds and possible incoming storms. Plumes of silver iodide are then released into the air either through ground-based seeding from manual or remote generators in the basin. Cole noted that the remote generators deliver a higher concentration of silver iodide and can be placed in otherwise unreachable locations while the manual generators sometimes during storm conditions at night will be turned on for a couple of hours in advance and may continue to run until the operator can get back to the generator to turn them off.

The UGRWCD Program started in 2002 with the goal of increasing water in the higher terrain of the basin. It includes portions of the West Elk Mountains, Saguache Range and portions of the San Juans. Evaluations show a 7-12 percent increase of precipitation over a long-term period, with the cost of the water produced from enhanced snowpack estimated to be around \$6-12 per acre-foot.

During the 2023-2024 season, cloud seeding took place from November 15, 2023 to April 15, 2024 and included 31 operational periods over 47 days for a cumulative total of 1375.75 hours of seeding from manual sites and 277.75 hours from the remote sites. There were two storms seeded in November, five in December, six in January, seven in February, nine in March and two in April. Precipitation was below normal in November, December and through the beginning of January with precipitation trending to near normal conditions by the end of the season. April 1 snowpack was around 93% of normal.

Mr. Osborne noted that for the 2024-25 season, the predictions show western Colorado on the edge of warmer, dryer conditions with the potential for lower-than-average precipitation to near normal conditions, so time will tell.

They reported that it would really benefit the UGRWCD Program if they could tie into the new Doppler radar station to be installed at Black Mesa and if they could install a few more generators in the area.

Director Joellen Fonken asked if it was possible to install generators into designated wilderness areas. Cole replied that under a different program, they were able to target an area in the Rocky Mountain Wilderness for cloud seeding with special permission, which was just granted a couple of years ago. He was not aware of any other wilderness areas involved in cloud seeding.

Senior Program Manager Beverly Richards reported that the District does have plans to approach the CWCB about putting in a third remote generator above Ohio Creek, as this was shown by a UCAR study to be a favorable location.

General Manager Sonja Chavez said that Sarah Tessendorf of UCAR had conducted the SNOWIE study that Mr. Osborne referenced in his presentation and that it would be a good idea to have her come before the Board to share more of her study results.

Mr. Osborne noted that for some of the manual generator operators, that when they leave the area or retire from providing the service, it can be difficult to find new people to operate the generators as they have to educate them about the program. He said it would be a huge help if funding were made available for additional generators and if the District could help secure landowners who would be willing to have a generator on their property and learn the operations.

Wet Meadows Coordinator Amanda Aulenbach asked if there were any negative consequences to the environment from the use of silver iodide. Mr. Jared Smith replied that several research studies have been conducted over the last three decades to compare levels of silver after a cloud seeding event to areas that have not been seeded. He said the difference was after cloud seeding they found 30 parts per trillion compared to 10 parts per trillion in non-seeded areas over hundreds of thousands of acres. He said basically the silver iodide turns to elemental silver that is naturally found on surfaces and is non-reactive, so there is really no differences and no negative consequences found to date. He noted that when the generators put a small burst of silver iodide into the atmosphere that creates a chain reaction of crystal formation. That small burst spreads over a really large area and not all snowflakes that fall to the ground during a cloud seeding event carry any silver iodide.

10. TREASURER'S REPORT

President Stacy McPhail thanked Director John Perusek for stepping into the Treasurer position. It was noted that a brief report was included in the Board packet. No questions were raised about the report.

GENERAL MANAGER'S REPORT

Projects & Fundraising: Ms. Chavez noted that she had previously covered the agreement with the BLM.

Briefing on Senator Bennet Community Infrastructure Input Meeting: Ms. Chavez said that she and Amanda Aulenbach met with Senator Bennet and focused on four main points: the City of Gunnison water treatment plant; replacement of wastewater treatment plant at the north end of the valley, agricultural infrastructure needs and watershed health/source water protection issues.

Water Quality & Quantity: Water Resources Technician Ari Yamaguchi provided a memorandum in the packet and said that he and Alana Nichols were going out once a week to collect samples for the Irrigation Return Flow study and that these visits would be reduced to once a month after irrigation season has ended.

He attended the Hinsdale County public meeting on 18 September regarding aquatic nuisance species (ANS), expressing the District's support for CPW's requests of the county, including funding. There was discussion about CPW installing a lockable gate at the main boat ramp on Lake San Cristobal (LSC) that will mitigate the number of people who put their boats in the reservoir outside of board inspection hours. If the project is approved by Hinsdale County, the District expressed that they may be able to provide funding assistance to

help offset installation costs. In addition, CPW also expressed concern about other sites on LSC where people are launching trailered watercraft (Wupperman Campground) and the desire to strategically place large boulders to prevent access. There was discussion following that it would be important to provide public outreach in the area about the dangers of ANS. District funds may also be used to support CPW in expanding the daily operating hours and the duration of the inspection season at this location. No formal agreements have been made. The District set aside \$20,000/yr in 2025 at its August meeting which can be used to support ANS activities throughout the Upper Gunnison Basin.

Mr. Yamaguchi also reported that District Staff and other stakeholder, including the BLM, Town of CB, CB South Metro and Coal Creek Watershed Coalition met on September 11th for the annual Water Quality/Quantity meeting required as part of the USGS Joint Funding Agreement. USGS representatives presented on new flow measurement methods in development, reviewed data collected throughout the basin during WY 2024 to date and discussed the budget for continuing monitoring into 2025 as sampling costs increase.

Wet Meadows Program Update: Wet Meadows program Coordinator Amanda Aulenbach reported that she is “what’s new” for the program. She also reported that in terms of funding/grants, she’s been working with the Nature Conservancy (TNC) on a funding proposal for the Antelope Creek Watershed Restoration Project. She’s working on scheduling a site visit with the Bureau of Land Management (BLM), Colorado Parks and Wildlife (CPW), and BIO-Logic Inc. contractor to assess site potential and initiate restoration planning.

As was mentioned earlier, she and General Manager Sonja Chavez worked on the BLM Good Neighbor Authority funding agreement and was successful in securing \$312,000 over 3 years to: implement a new restoration project at Gold Basin, conduct maintenance on 5 existing projects on BLM land, conduct cultural resource surveys, and conduct vegetation monitoring. Ms. Chavez and Ms. Aulenbach also worked on the BLM Cooperative Agreement where the District received a commitment of \$620,000 over five years.

Ms. Aulenbach and Mr. Yamaguchi are also working with Joslyn Hays, MS student at the University of Denver and Gunnison High School Graduate, to discuss her timeline for the fall and plans for the GIS project Joslyn is leading for the District and other partners.

She also provided a brief wrap-up of the 2024 Wet Meadows field season and plans to hire two new interns for the 2025 season. A 2024 end of season meeting with partners will be held on October 22.

Drought Contingency Planning (DCP) Update: UGRWCD Fellow Alana Nichols reported that the DCP hired Savannah Nelson to serve as the Communications Consultant for the Upper Gunnison River DCP. She also reminded the Board of the DCP stakeholders meeting on Wednesday morning beginning at 9 a.m. She said several targeted workshops will follow the general stakeholders meeting, including: Municipal and Industrial Focus: September 25, 2024, 2:30-4:30 pm (District Office & Zoom); Environmental Focus: September 26, 2024, 1-3 pm (District Office & Zoom); Recreation Focus: October 3, 2024, 9-11 am (Virtual only); Agency Focus: October 15, 2024, 1-3 pm (Virtual only) and an Agriculture Focus workshop will be scheduled for later in October.

Education and Outreach Committee: Administrative Assistant Sue Uerling referred to the memorandum included in the packet and said the other new news that she had on behalf of the committee is that the

Gunnison Elementary School was able to find drivers to transport the third and fifth grade classes to Gothic for the RMBL Field Trips. In addition, after the Rotary Fishing tournament was initially postponed in May due to the Highway 50 Bridge closure, a smaller version will be held this coming weekend, September 28 and 29th at Blue Mesa Reservoir. The District is providing imprinted items for the participants' goodie bags and sponsorship funding.

Taylor Local Users Group (TLUG) Update: In TLUG Director/Chairman Don Sabrowski's absence, General Manager Chavez reported that TLUG held their last meeting for 2024 on September 9th. The group was able to approve the USGS release recommendations throughout the summer and will end the season with a just over 73,000 acre-feet of water stored. She noted that at the beginning of October, releases will be gradually ramped down to provide appropriate streamflow for the brown trout spawning.

Scientific Endeavors: Director Rosemary Carroll wished everyone a Happy New Water Year as of October 1st and hoped to see a lot of the Board and staff at the C-9 Summit on October 1st and 2nd at the Crested Butte Center for the Arts.

Gunnison Basin Roundtable (GBRT) : General Counsel John McClow attended the GBRT meeting on September 16th. He reported that there are two vacant seats on the GBRT and no one had applied. General Manager Chavez explained that the roundtable meets every other month with the option for virtual attendance. Mr. McClow noted that there are specific requirements for the "Environmental Seat." He also reported that the GBRT awarded two grants and the CWCB has update their Guide, which is currently out for public comment. They also discussed the Basin Implementation Plan and encouraged attendance at the C-9 Summit. Mr. McClow told Board members that if they were not able to attend both days, the meat of the meeting takes place on the second day. He noted that registration closes on September 28, 2024.

11. MISCELLANEOUS MATTERS

President Stacy McPhail expressed her sincere appreciation for former President Michelle's Pierce years of service to the District. Several Board members noted that they miss her. President McPhail read Resolution 2024-09 in full which honors Ms. Pierce. The resolution will be signed by the President and Secretary and framed in a glass-encased frame outlined with real wildflowers and sent to Ms. Pierce.

Director Rebie Hazard moved and Director Andy Spann seconded approval of Resolution 2024-09 honoring former President Michelle Pierce for her many years of service to the District. The motion carried.

12. CITIZEN COMMENTS

No citizen comments were brought forth.

13. FUTURE MEETINGS

A list of meetings was included in the Board packet. Director Julie Nania pointed out that the Headwaters Conference at Western is October 25th and 26th. She encouraged Board members to attend noting that it is a great opportunity to orient a lot of new students to water issues and the importance of the watershed.


14. SUMMARY OF MEETING ACTION ITEMS

- Staff will arrange a tour of the new Hydropower Plant on Taylor Reservoir
- Staff will research the overdraft charges for the Water Activity Enterprise noted on the audit
- Staff will try to connect the North American Water Consultants with the Doppler radar team to be able to share data for the cloud seeding program
- Staff will reach out to Sarah Tessendorf of UCAR about providing a presentation to the Board on her cloudseeding research

15. ADJOURNMENT

President Stacy McPhail adjourned the September 23, 2024 Board meeting at 7:27 p.m.

Respectfully Submitted,



Don Sabrowski, Secretary

APPROVED:



Stacy McPhail, President