

**RIO GRANDE WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING
SEPTEMBER 27, 2022 at 12:00 P.M.
Rio Grande Water Conservation District Conference Room
And By Zoom Teleconference**

Present: Greg Higel, President; Armando Valdez, Vice-President; Dwight Martin, Secretary/Treasurer; Peggy Godfrey, Director; Steve Keller, Director; Zeke Ward, Director; and, Mike Kruse, Director.

Absent: Cory Off, Director: and, Doug Gunnels, Director.

Staff and Consultants: David Robbins, Hill & Robbins, P.C.; Cleave Simpson, General Manager; Amber Pacheco, Acting Deputy General Manager; Chris Ivers, Program Manager; Wylie Keller, Water Resource Specialist; Rose Vanderpool, Program Assistant; Linda Ramirez, Program Assistant; Kylie Gregg, Office Manager; Cassandra McCuen, HCP Coordinator/Program Assistant; Michael Carson, Database Administrator; and April Mondragon, Administrative Assistant.

Guests: William Myers, Deb Sarason, Becky Brooks, David Hofmann, Judy Lopez, Roger Sherman, Kim Wakasugi, Karla Willschau, Lillian Adams, and Ryan Unterreiner.

CALL TO ORDER

President Greg Higel called the meeting to order at 12:07 p.m. There was a quorum present for the meeting. The Pledge of Allegiance was recited.

INTRODUCTION OF STAFF AND GUESTS

President Greg Higel welcomed all those present and asked for introductions.

APPROVE AGENDA

A motion was made by Zeke Ward to approve the agenda as presented. The motion was seconded by Steve Keller and unanimously approved.

PUBLIC COMMENT

President Higel asked for public comment. There was none.

STEALEY II-BECKY BROOKS UPDATE

President Higel asked for the Stealey II update. Becky Brooks provided a legislation update on the Water Resources Review Committee and announced her retirement. She highlighted how she began with Wally Stealey twenty-four (24) years ago and how she recently experienced the loss of her daughter. Ms. Brooks reported she would close down the Stealey II firm at the end of the year. She was thanked for her hard work and dedication to the District throughout the years.

GENERAL MANAGER UPDATE

President Higel asked for the General Manager's update.

- *Federal legislation-the Rio Grande Water Security Act*

Cleave Simpson provided an update on the Rio Grande Water Security Act, how it was developed and what the next steps would be. David Robbins explained what New Mexico is trying to accomplish through the bill and why it is critical that the State of Colorado continue to resist this piece of legislation. He also reported the State of Colorado has responded and has taken the formal lead on opposing the legislation.

- *Progress on new Program Manager for Subdistrict No. 1*

Cleave Simpson reported on the status of filling the program manager position. He provided the number of candidates to be interviewed. Discussion was held on the Board of Managers role in the process.

- *Update on the 4th Amended Plan of Water Management for Subdistrict No. 1*

Cleave Simpson stated Subdistrict No. 1 was in the process of working through the State's concerns regarding the 4th Amended Plan of Water Management. David Robbins reported he and Pete Ampe had received some proposals from Bill Paddock but had not had the chance to discuss them nor make any recommendations to the Board of Managers. Mike Kruse provided an update from the last Subdistrict No. 1 meeting.

- *Next steps on funding from SB22-028*

Cleave Simpson reported on two (2) intergovernmental agreements to be signed by the Republican River Water Conservation District and the State of Colorado. He also reported the Management Committee would be working on the criteria, the process and the guidelines for who and how to apply for funding.

- 2023 District Budget Timeline

Cleave Simpson reminded the Board of the District’s budget timeline.

DEPUTY GENERAL MANAGER UPDATE

President Higel asked for the Deputy General Manager Update. Amber Pacheco reported on the progress being made in Subdistrict No. 3 on a potential purchase of two (2) quarters from Alpha Farms. She provided the location of the property, the total number of acres and highlighted the due diligence work being done on the water rights. Ms. Pacheco provided the historical consumptive use on the well associated with the potential purchase and the current lease on the property. She explained what the Subdistrict hopes to do with the water, how it would be managed, the purchase price and where a portion of the funding would come from. Ms. Pacheco provided the amount of water Subdistrict No. 3 owes to the Conejos River and the amount of water the purchase would bring into the Subdistrict.

A motion was made by Dwight Martin to authorize staff to proceed with the loan application for Subdistrict No. 3 to be reviewed and contingent on the Board of Directors final approval. The motion was seconded by Mike Kruse and unanimously approved.

Chris Ivers provided an update on the lease/purchase and sale agreement Subdistrict No. 4 entered into with Ron Bowman. He highlighted the lease payment amounts and the payment due dates. Mr. Ivers reminded the Board that the District agreed to fund the November payment. He reported they continue to work towards finalizing the conservation easement and explained how the Subdistrict plans to secure funding. Discussion was held on how groundwater would be reduced through the conservation easement and the possibility of the Subdistrict applying for funding through SB22-028.

REVIEW AND CONSIDER FOR ACTION

President Higel asked to review and consider the following action items:

- Contracts for Subdistrict No. 1 Well Permit Purchase Program

Cleave Simpson highlighted this would be the second year of Subdistrict No. 1’s Well Purchase Program. He reported the Subdistrict received nine (9) contracts and he provided the amount of money Subdistrict No. 1 budgeted for the program. Mr. Simpson presented a map showing the location of the fifteen (15) wells to be retired. Mike Kruse reported he had involvement in a couple of the contracts and recused himself from the discussion.

A motion was made by Steve Keller to accept all nine Subdistrict No. 1 Well Permit Purchase Program contracts. The motion was seconded by Peggy Godfrey and unanimously approved. Mike Kruse abstained from voting.

Mike Kruse commented on the Well Permit Purchase Program ranking system/guidelines and the possibility to get funding from SB22-028. Discussion was held on the criteria considered for the program and the total number of wells purchased so far.

- Intergovernmental Agreement between the District and the State of Colorado-funding from SB22-028

Cleave Simpson presented the Intergovernmental Agreement and reported on the details of the lengthy document. He highlighted the District’s obligations, insurance coverage requirements and information that would need to be provided to the State. Discussion was held on confidentiality and conflicts of interest. David Robbins reported on the significance of the conflict-of-interest provisions and reporting required by the District to obtain funding through SB22-028. Further discussion was held on conflict of interest and when a director or Board of Manager should recuse themselves. Mr. Robbins provided direction on how to properly submit a letter of notification on intention to participate in a program to be funded with SB22-028 funding. He reiterated the funds must be used toward the reduction of groundwater use and that approving the Intergovernmental Agreement would not create a conflict.

A motion was made by Zeke Ward to approve the Intergovernmental Agreement between the District and the State of Colorado. The motion was seconded by Peggy Godfrey and unanimously approved.

DISCUSS AND CONSIDER APPROVAL OF THE DISTRICT 2021 FINANCIAL AUDIT PRESENTED BY WALL, SMITH AND BATEMAN

President Higel asked to discuss and consider approval of the District 2021 financial audit presented by Wall, Smith and Bateman. Karla Willschau and Lillian Adams provided an overview of the independent auditor’s report. Ms. Adams highlighted the budget to actual amounts for the District and each Subdistrict as well as the estimated unaudited future obligation. Ms. Willschau explained the required communication letters to the Board and adjustments that were made.

A motion was made by Dwight Martin to approve the 2021 financial audit as presented. The motion was seconded by Zeke Ward and unanimously approved.

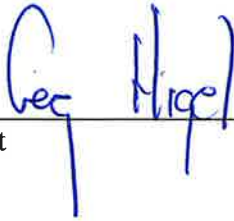
REVIEW NOTICE FROM THE BUREAU OF RECLAMATION TO TERMINATE THE COOPERATIVE AGREEMENT

President Higel asked to review the notice from the Bureau of Reclamation to terminate the Cooperative Agreement. Cleave Simpson presented the termination agreement and provided the history of the cooperative agreement. He reported on the duties and how the District employees assisted with running the project, the number of employees the District had in the past and how many are currently employed. Discussion was held on how to move forward with the one District employee.

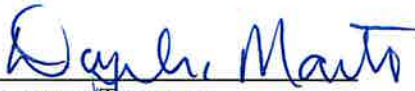
ADJOURN

The meeting was adjourned at 3:09 a.m.

The next quarterly meeting was scheduled for October 18, 2022.



President



Secretary/Treasurer