

**RIO GRANDE WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS QUARTLERY MEETING
October 17, 2023, at 10:00 A.M.
Rio Grande Water Conservation District Conference Room
And By Zoom Teleconference**

Present: Greg Higel, President; Armando Valdez, Vice-President; Zeke Ward, Secretary/ Treasurer; Peggy Godfrey, Director; Mark Deacon, Director; Mike Kruse, Director; Doug Gunnels, Director; and, Elliott Salazar, Director.

Absent: Cory Off, Director.

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

Guests: Erin Minks, Garin Vorthmann, Chris Shaffer, Sharon Vaughn, Lawrence Crowther, Chris Lopez, Ryan Unterreiner, Rio de la Vista, John Irizarry, Monty Smith, Jake Burris, Jason Lorenz, Sally Wier, Morgan Dingfelder, Chris Lopez, Laura Spann, Nate Reynolds, Emma Eckenhausen, Karla Willschau, Lillian Adams, Azariel Madrigal, William Myers, Emily Fols, Dale Culver, Andrew Valdez, Craig Cotten, Hannah Thill, Heather Dutton, Kathy Lorenz, and Jeff Derry.

CALL TO ORDER

President Greg Higel called the meeting to order at 10:03 a.m. There was a quorum present for the meeting. The Pledge of Allegiance was recited.

INTRODUCTION OF STAFF AND GUESTS

President Higel welcomed all those present and asked for introductions.

APPROVE AGENDA

President Higel amended the agenda to add a discussion with the Trinchera Subdistrict regarding the SB22-028 program under the presentation of the audit, he asked for any other changes or a motion to approve the agenda. A motion was made by Doug Gunnels to approve the agenda as amended. The motion was seconded by Mark Deacon and unanimously approved.

APPROVAL OF THE CONSENT AGENDA

President Higel asked for approval of the consent agenda items:

- July 14, 2023- Quarterly Meeting Minutes
- July 18, 2023-Special Meeting Minutes
- September 15, 2023-Special Meeting Minutes
- September 15, 2023-Executive Session Minutes

A motion was made by Mark Deacon to approve the consent agenda items as presented. The motion was seconded by Zeke Ward and was unanimously approved.

CONSIDER APPROVAL OF THE DISTRICT'S 2022 FINANCIAL AUDIT PRESENTED BY WALL, SMITH AND BATEMAN

President Higel asked to consider approval of the District's 2022 financial audit presented by Wall, Smith and Bateman. Lillian Adams presented the 2022 Rio Grande Water Conservation District's independent auditors report. She highlighted the totals from the Statement of Net Position. Karla Willschau reported on the importance of the governmental accounting standard requirement to adopt the GASB standard that controls leases like the one with the SLV Irrigation District for water storage. Ms. Adams highlighted the statement of activities, total expenses, total general revenues, total change in net position, net position beginning and end of year. She then highlighted the governmental fund balance sheet, liabilities and total fund balance. Ms. Adams went over the Statement of Activities, Governmental Fund Balance Sheet, Statement of Revenue Expenditures, Enterprise Funds Statement of Net Positions, Statement of Revenue Expenses and the notes for financial statements used to prepare the financial statements. She highlighted the GASB provisions adopted by the District, the

change in fixed assets, long term debt, principal payments, future minimum payments and long-term business type activities. Ms. Adams highlighted the Budget to Actual for the general fund, Total Assets Statement of Net Position and the totals from the enterprise funds for each Subdistrict. Discussion was held on the importance of internal controls and the system the District has in place.

A motion was made by Peggy Godfrey to approve the 2022 financial audit as presented. The motion was seconded by Armando Valdez and unanimously approved.

DISCUSSION WITH THE TRINCHERA SUBDISTRICT

President Higel asked for a discussion with the Trinchera Subdistrict representatives. Monty Smith reported on two (2) active applications for SB22-028 funds within the Trinchera Subdistrict. He highlighted discussions held with Amber Pacheco and Wylie Keller at the District and stated he felt both applications meet the required criteria of the program. Mr. Smith suggested there might be a misunderstanding regarding the Trinchera Subdistrict's pumping allocation. He explained how the allocation was set up and the goal of the allocation. He described the gains in the aquifer as a result of the allocations, commented on the pro-activeness from the Trinchera Subdistrict and why the applications should be able to receive SB22-028 funds. Jason Lorenz reported the applicants had not received an approval or denial and felt the allocation was the issue. He explained how the allocations are calculated and their attempt to spread equal amounts of water throughout the Subdistrict. Cleave Simpson read from the SB22-028 program rules regarding verifiable reduction. Craig Cotten explained the concerns from the State Engineer regarding whether or not there would be any cut back in the groundwater withdrawals. Mr. Lorenze reported on how the rules of the program are structured as well as the Trinchera Subdistricts rules. David Robbins explained the structure of phase 2 of the SB22-028 program. Sally Wier offered for consideration an opportunity of a groundwater easement in the Trinchera Subdistrict.

PUBLIC COMMENT

President Higel asked for public comment. There was none.

MANAGER'S REPORT

President Higel asked for the Manager's report.

- *Discuss the draft 2024 Budget*

Cleave Simpson presented the 2024 draft budget. He highlighted the beginning fund balance and the ending fund balance. Mr. Simpson presented the detailed worksheet and went over the revenues and expenses and highlighted the mill levy he was using for the budget and how the SB22-028 funds may show in the budget. Mr. Simpson reported the District was operating at full staff and legal was tracking higher than budgeted. He described the need to construct a detached garage and the budget amount for that project. Mr. Simpson ended by describing the budget process and the statuses of the District.

FINANCIAL REPORT

President Higel asked for the financial report. Amber Pacheco presented the Profit and Loss vs. Actual Statement, the Balance Sheet, the Check Register and the Balances in Certificates of Deposit. She highlighted the water storage lease, property tax revenue year to-date and explained any expenses that were over-budget. She reported the District should end the year within the total budgeted amount. Ms. Pacheco also provided the amount of reimbursements from the Subdistricts to the District for the building costs. Ms. Pacheco explained when a supplemental budget would be required.

A motion was made by Mark Deacon to approve the financial report as presented. The motion was seconded by Mike Kruse and unanimously approved.

The meeting recessed for lunch at 12:22 p.m. and resumed at 1:31 p.m.

- *Consider a date in November for a 2024 Budget Work Session*

Amber Pacheco reminded the Board the final certifications need to be submitted by December 15th. A Budget Work Session was scheduled for November 22, 2023, at 10:00 a.m.

- *Consider a date in November for a Management Committee Meeting*

A Management Committee Meeting was scheduled for November 21, 2023, at 3:00 p.m. Amber Pacheco provided an update on the SB22-028 program. She highlighted the number of applications being processed, the total spent in round one (1) and remaining amount for round two (2). Ms. Pacheco described the application process, the closing process and reported tracking staff time

associated with the Senate Bill program for reimbursement. She reported remaining in contact with the Republican River Conservation District.

- Consider approval of the FY2024 Joint Funding Agreement with USGS

Amber Pacheco reported receiving the joint funding agreement for fiscal year 2024 with USGS for the well measuring program and water quality testing. She explained each year the District is responsible for more of the costs of the program. Ms. Pacheco reported on a grant the USGS received to cover most of the well integrity tests in the last year and a new part of the agreement to be on a cycle. She provided the total cost including the District's portion and the amount of increase.

A motion was made by Armando Valdez to approve the 2024 funding request with USGS for fiscal year 2024. The motion was seconded by Mark Deacon and unanimously approved.

PROGRAM MANAGER'S REPORTS

President Higel asked for Program Manager's reports.

- Subdistrict No. 1-Taylor Chick

Taylor Chick provided an update on meter readings being submitted in order to get certifications to the counties. He reported on the Resolution passed by the Subdistrict No. 1 Board of Managers to create a program to incentivize the SB22-028 program in addition to the funds paid by the Senate Bill funding. Mr. Chick presented details on the nine (9) accepted Well Purchase Program (WPP) bids. He provided the dollar amount to purchase the wells, the average diversions, price per acre-foot, bid price and the number of acres. Mike Kruse recused himself. President Higel explained the need for Board approval for the Subdistrict to use funds from the 2024 budget for these incentives. Amber Pacheco highlighted language in the SB22-028 program which allows for additional incentives to be offered. David Robbins added the Subdistrict No. 1 incentive program was created to further encourage participation in the SB22-028 program.

A motion was made by Armando Valdez to approve the nine (9) Well Purchase Program contracts. The motion was seconded by Mark Deacon and unanimously approved.

Taylor Chick reported seven (7) of the WPP bids could qualify for SB22-028 funding which led to Board discussions on possibly allowing them to opt out of the WPP contracts in order to apply for the SB22-028 program. He provided the dollar amount the Subdistrict would be able to put back into next year's budget for the WPP if the wells are allowed to participate in the SB22-028 program.

A motion was made by Armando Valdez to approve the ability for the accepted WPP contracts to opt out and apply for the SB22-028 program with Subdistrict No. 1 incentives. The motion was seconded by Mark Deacon.

Discussion was held on irrevocable and revocable contracts. David Robbins explained the non-revocable nature of the agreement and the fact that its mutual and does not create a form of precedence going forward. Chris Ivers reported the wells were being retired regardless and allowing them to opt out and apply for SB22-028 would be for no gain. Armando Valdez explained the advantage of moving into the Senate Bill program due to the short timeline and how it would allow for the Subdistrict to retire more wells in the future. Zeke Ward commented on the added value of additional wells to be retired.

The motion was voted on. Greg Higel and Doug Gunnels voted NO and Mike Kruse abstained. The motion passed.

Discussion was held on the majority voting determination.

Taylor Chick provided the approved Administration Fee, Variable Fee, and the CREP Fee. He explained the intention of the Subdistrict to use funds from the Subdistrict's CD to cover CREP contract obligations in 2024.

A motion was made by Armando Valdez to approve the Subdistrict No. 1 2024 budget. The motion was seconded by Zeke Ward and unanimously approved.

- Subdistrict No's 2, 3, and 6-Angelo Bellah

Angelo Bellah presented a survey of the subdivided Alpha property tracts. He reminded the Board of their prior approval to sell 42 acres to the Conejos Water Conservancy District. Mr. Bellah highlighted the tracts Subdistrict No. 3 Board of Managers are proposing to put out for bid. He provided the starting bid amount per acre and which tract would be retained by the Subdistrict for access to the well and recharge pond. Mr. Bellah highlighted the remaining loan amount and how the sale of the property would help to lower the balance of the loan.

A motion was made by Mark Deacon to approve the sale of the remaining parcels on the Alpha Hay Farm property as presented. The motion was seconded by Zeke Ward and unanimously approved.

Angelo Bellah updated the Board on Subdistrict No. 2, 3 and 6 irrigation season stream depletions, forbearance agreements and provided the current reservoir account balances. He reported on the continued discussions in Subdistrict No. 2 with Louis Gallegos regarding a participation agreement and the Town of Del Norte SWSP project. Mr. Bellah reported preliminary budgets had been approved and each Subdistrict continues to seek water purchases/leases and to explore other options.

- Subdistrict No. 's 4 and 5-Chris Ivers

Chris Ivers reported Subdistrict No. 5 was fully operational for the 2023 irrigation season. He provided the acre-feet pumped from the augmentation well into Saguache Creek and when the well was shut off. Mr. Ivers reported operating at 100% Well Injury Payment Agreements (WIP) on San Luis Creek for both Subdistricts 4 and 5 and Closed Basin Project water on the Rio Grande. He highlighted a lease in Subdistrict No. 4 of three (3) quarters to a barley grower which was successful. Mr. Ivers reported on the revegetation process on the remaining quarters in Subdistrict No. 4 and the pumping allocation in Subdistrict No. 5.

DISTRICT ENGINEER'S REPORT-CLINTON PHILLIPS

President Higel asked for the District Engineer's report. Clinton Phillips was not present to report. Amber Pacheco presented the change in unconfined aquifer storage study update. She provided the change for September 2023, the change between September 2022 and 2023, the current aquifer level, the current 5-year average, and the acre-feet needed to get to the -400,000 level.

DISTRICT ATTORNEY'S REPORT-DAVID ROBBINS

President Higel asked for the District Attorney's report. David Robbins reported on the refile of the application for augmentation by the SWAG group in Subdistrict No. 1. He stated the application did not vary significantly from the plan filed previously. Mr. Robbins recommended the District Board authorize the filing of a statement of opposition in order to better determine what the long-term intentions are for the group. He also reported receiving consultation on "friendly" condemnation vs. a purchase. Mr. Robbins described the requirements in connection with condemnation. He updated the Board on the ruling in the Texas vs. New Mexico case. Mr. Robbins reported on a meeting he and Cleave Simpson attended in New Mexico organized by Chris Holly. He explained the purpose of the meeting and the topics that were discussed. Mr. Robbins highlighted the work Wylie Keller and Amber Pacheco have done in connection with applications for SB22-028 funds.

A motion was made by Mike Kruse to authorize the District attorneys to file a statement of opposition in the SWAG case. The motion was seconded by Peggy Godfrey and unanimously approved.

Staff was directed to develop additional information regarding condemnation for the Board to review prior to taking action on the matter.

SENATOR BENNET'S OFFICE-ERIN MINKS

President Higel asked for Senator Bennet's office report. Erin Minks provided an update on the Monument National Conservation Area discussion, the Farm Bill discussions and on her attendance at the meeting in Santa Fe.

SENATOR HICKENLOOPER'S OFFICE-AZAREL MADRIGAL

President Higel asked for Senator Hickenlooper's office report. Azariel Madrigal introduced herself. She reported she is looking forward to working with everyone and learning more as well as working closely with Senator Bennet's office.

COLORADO LEGISLATIVE STRATEGIES-GARIN VORTHMANN

President Higel asked for Colorado Legislative Strategies report. Garin Vorthmann provided a written report (attached). She updated the Board on water issues discussed by the Water Resources &

President Higel asked for the Colorado Dust on Snow report. Jeff Derry reported on six (6) dust on snow events. He presented the CSAS update, the upper Rio Grande snow water equivalent chart, the BOR snow water supply forecasting program demonstration and evaluation of cosmic ray neutron rover as an emerging snow monitoring technology for improved water management. Mr. Derry explained the snowtopography project and improvement and assessment of a snowpack runoff dust decision. He presented plant community monitoring photos, the CODOS funding summary by water year and thanked the Board for their ongoing support.

U.S.B.R. REPORT-MORGAN DINGFELDER

President Higel asked for U.S.B.R. report. Morgan Dingfelder provided the operations update, project deliveries, maintenance branch update and water laboratory update. (Copy of report attached.)

U.S.B.L.M. REPORT

President Higel asked for the U.S.B.L.M. report. Dale Culver introduced himself and gave his background. He provided an update on projects at the Blanca Wetlands, Shaw Reservoir and with water controls. He reported on the completed Treasure Pass flume and announced Sue Swift-Miller would be retiring.

U.S.P.S. REPORT

President Higel asked for the U.S.P.S. report. Andrew Valdez updated the Board on operations and visitation at the Park. He provided the average year stream flow and the acre-feet that flowed in the Medano Creek and Sand Creek. He reported on the collection of hydrological data and a talk he would be giving at Adams State University in November.

OTHER REPORTS OR COMMENTS

President Higel asked for other reports or comments. There was none.

ADJOURN

The meeting was adjourned at 4:35 p.m.

The next quarterly meeting is scheduled for January 16, 2024.



President



Secretary/Treasurer



Legislative Report – October 2023

Water Resources and Agriculture Review Committee (WRARC)

The Water Resources & Agriculture Review Committee has met three times since August and has discussed a variety of water issues ranging from Colorado River management, Waters of the United States, water conservation and Tribal Nation Water Rights. With the expansion of the committee's charge to also include general agricultural topics, the following issues have also been discussed: veterinary care, pesticide regulation and the status of wolf reintroduction.

The committee has requested 15 bills to be drafted for consideration at the next hearing. The list of water related bill topics include:

- Public meeting requirements for Colorado Parks & Wildlife, Colorado Water Conservation Board and the Colorado Ag Commission.
- Non-functional Turf in New Developments
- Impacts of Water Conservation Measures on Water Rights
- Groundwater Monitoring Data in Specified Water Conservancy Districts
- Create Task Force to Study High Altitude Storage
- Study green infrastructure to support water quality
- Water Management Authority for certain Conservancy Districts

Non-water related topics for draft bills include:

- Expanding scope of practice for vet techs
- Add veterinary telehealth to the Veterinary Practice Act
- Creation of a loan program to incentivize veterinary services in USDA shortage areas
- Constitutional amendment to protect the right to hunt and fish
- Civil infractions under the Noxious Weed Act
- Legalize the sale of raw milk
- Establish of a right of way easement tax credit for landowners who have CDOT right of ways
- Extend funding for wild horse management

The legislative rules allow the committee to approve up to 10 bills that can be forwarded as interim committee bills for the 2024 legislative session. The Committee will meet on October 31 to narrow their list of bills to forward as interim committee bills to be introduced in the 2024 legislative session.

The draft legislation will be released on October 10. CLS will follow up with SWWCD staff once more details are available.

Colorado River Drought Task Force (CRDTF)

The CRDTF has met six times. The purpose of the task force is to provide recommendations for potential state legislation that would provide additional tools to the Colorado Water Conservation Board (CWCB) to collaborate with the Colorado River Water Conservation District, the Southwestern Water Conservation District, and other relevant stakeholders, including holders of water rights, agricultural producers, industrial water users, environmental organizations, the Ute Mountain Ute Tribe, the Southern Ute Indian Tribe, and local governments, to develop programs that address drought in the Colorado River Basin and interstate commitments related to the Colorado River and its tributaries



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through the implementation of demand reduction projects and the voluntary and compensated conservation of the waters of the Colorado River and its tributaries.

CLS staff has been actively engaged in the conversation and will continue to monitor the discussions. The task force is scheduled to meet at least four more times with additional meetings being scheduled for the sub-task force on tribal matters. Discussion points for the task force have been separated into two areas, intrastate needs and how to help Colorado water users better manage drought conditions and interstate water matters and how to protect the State of Colorado in Colorado River management discussions. Topics for potential legislative proposals include water management/planning by energy providers, stream restoration, water sharing, water banking and development of more tools to keep agricultural water in agriculture. It is important to note that these are just concepts where the discussion is just beginning. More concepts are likely to be added to the list for consideration in the next couple of months.

The task force will submit a final report to the Water Resources and Agricultural Review Committee no later than December 15, 2023.

Bureau of Reclamation Report to the RGWCD

October 17, 2023

OPERATIONS

Water salvage operations continued as recommended by the Project Operating Committee to meet Rio Grande Compact and mitigation obligations.

For the YTD (1/1/2023 to 9/30/2023)

A total of 1,627 AF was delivered to the Alamosa National Wildlife Refuge through CHO1 & 2.

A total of 1,443 AF was delivered to the Blanca Wildlife Habitat Area through CHO3 & 4.

A total of 14 AF was delivered to Head Lake West, through the Head Lake Pipeline.

Delivery to the Rio Grande has been 5,307 AF.

San Luis Lake is dry at an Elevation of 7509 ft.

San Luis Lake (9/30/2023)

San Luis Lake	San Luis Lake Elevation	7509.0 ft. MSL
	Storage	0 acre-feet
	TDS	N/A ppm TDS

Project Deliveries: (1/1/2023 to 9/30/2023)

Deliveries to:	Rio Grande—total.....	5,307 acre-feet
	Alamosa National Wildlife Refuge—total	1,627* acre-feet
	Blanca Wildlife Habitat Area—total	1,443* acre-feet
	San Luis Lake—total	0.0 acre-feet
	Head Lake (West).....	14 acre-feet
	Total Deliveries as of September 30, 2023	<u>8,391 acre-feet</u>

**Includes 250 AF exchange delivered to BLM but credited to USFWS mitigation total. Also includes 31.7 AF Treasure Pass / Chicago Ditch water exchange.*

MAINTENANCE BRANCH

Well rehabilitation operations were completed for 15 salvage wells to date in 2023. Weed management continued at canal check structures. Preventative maintenance on project features is ongoing. Staff performed repairs and maintenance on the Outlet building. Blade work continued on lateral roads and canal berms. Preventative maintenance was completed on heavy equipment in preparation for planned work. Staff assisted BLM and CPW with maintenance projects.

WATER LABORATORY

A total of 583 samples were collected from the Closed Basin Project during the period of April 1, 2023, through September 30, 2023.

Total Dissolved Solids at the Outlet was an average of 295 mg/L for the period.