

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #3
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
December 7, 2023 at 8:00 a.m.
8805 Independence Way, Alamosa, CO 81101
And By Zoom/Teleconference**

Present: LeRoy Salazar, President; Nathan Coombs, Vice-President/Secretary/Treasurer; Sam Vance, Manager; Ruben Sandoval, Manager; Doug Bagwell, Manager; Warren Crowther, Manager and, Elliott Salazar, Ex-Officio Member.

Staff and Consultants: Pete Ampe, Hill & Robbins, P.C; Amber Pacheco, Deputy General Manager; Angelo Bellah, Program Manager; Rose Vanderpool, Program Assistant; Taylor Chick, Program Manager; Linda Ramirez, Program Assistant; Wylie Keller, Water Resource Specialist; Kylie Gregg, Office Manager; Michael Carson, Database Administrator; Clinton Phillips, Davis Engineering; and, April Mondragon, Administrative Assistant.

Guests: Michelle Lanzoni, Jason Lorenz, Sally Wier, David Hofmann, William Myers.

Meeting Called to Order

President Salazar called the meeting to order at 8:02 a.m. A quorum was present. The Pledge of Allegiance was recited. Leroy Salazar led the opening prayer.

Approval of the Consent Agenda

President Salazar asked to add potential lease/fallow and CREP program discussion to the agenda. He asked for any other changes, additions or a motion to approve the consent agenda items:

- Agenda-Amended
- September 7, 2023-Quarterly Meeting Minutes
- September 7, 2023-Executive Session Minutes
- October 9, 2023-Special Meeting Minutes

A motion was made by Nathan Coombs to approve the consent agenda. The motion was seconded by Doug Bagwell and unanimously approved.

Public Comment

President Salazar asked for public comment. There was none.

Attorney's Report

President Salazar asked for the Attorney's report. Pete Ampe reported working with staff and the Board of Managers on the Alpha Hay Farms contracts. He provided an update on the Texas vs New Mexico/Colorado compact case settlement agreement. Mr. Ampe gave a break down of the stipulation from the Rules concerning the timing the Subdistrict has to come into compliance with sustainability. President Salazar asked for the stipulation to be sent out to the Board of Managers to review and see how it effects the Subdistrict.

Program Manager's Report

President Salazar asked for the Program Manager's report.

- *Financial Report:* Angelo Bellah presented the financial statement. He highlighted the formation costs covered by the District, amount reimbursed and the remaining amount due to the District. Mr. Bellah presented the Balance Sheet and the Profit and Loss Statement. He highlighted the checking/savings account balance, fees yet to be collected and forbearance checks to go out in the next few weeks. Mr. Bellah also reported on the total assets, liabilities, income, total expenses and water leases.

- *Water Replacement Operations and Costs*

Angelo Bellah provided the administration water replacement operations and costs for October and November on the Conejos, Alamosa and Rio Grande River systems. He updated the Board on Forbearance Agreements set to expire and provided the current reservoir account balances. Mr. Bellah updated the Board on the progress of the SWSP's and projects within the Subdistrict. He asked for Board discussion/approval to seek bids on projects. Amber Pacheco explained the process and requirement to put District/Subdistrict projects out for bid. Mr. Bellah updated the Board on

the Xcel Transmission Line Improvement Project and the sale of land and assets. Doug Bagwell suggested looking into solar on the land that does not sell. Mr. Bellah asked for direction on what to do with the 1500-gallon chemical tank on the property.

A motion was made by Nathan Coombs to approve a resolution stating the 1500-gallon chemical tank on the property is of no value. The motion was seconded by Doug Bagwell and unanimously approved.

Angelo Bellah reported on a request from Kevin and Pamela Jones requesting a lease/fallow agreement with the Subdistrict. Discussion was held on the five (5) year average, when an HCU analysis is required, the lack of consumptive use and how to determine the payment amount without performing an HCU analysis. Pete Ampe explained the fallow program in Subdistrict No. 1. The Board discussed flexibility, the length of potential agreements and allocation options. Mr. Bellah asked the Board for direction on continuing to consider pursuing/adopting a CREP program.

A motion was made by Sam Vance to approve the financial report as presented. The motion was seconded by Doug Bagwell and unanimously approved.

District Engineer's Report-Clinton Phillips

President Salazar asked for the District Engineer's report. Clinton Phillips presented the confined aquifer monitoring well measurements change compared to the 2015 baseline and 2022. He also presented the diversion vs change in composite water head at varying streamflows graph. President Salazar highlighted monitoring well CON. 1 remained stable until 2002 which dropped ten (10) feet and never recovered. He expressed the importance of being proactive in exploring the Subdistrict's options in reducing groundwater withdrawals and sustainability.

Discussion on What Measures to Implement in Order to Achieve Aquifer Sustainability

President Salazar asked for the discussion on what measures to implement in order to achieve aquifer sustainability. Jason Lorenz explained the allocation model being implicated in the Trinchera Subdistrict. He highlighted how it was started, the amount of cutback, areas to consider a reservoir and how the tier structure functions. Mr. Lorenz described how fallowing acres, changing crop type, changing rotational year and cutting back acreage help farmers maintain. He reported on the meaning of allocation and the Subdistricts ability to assess fees and past pumping fees. Pete Ampe reminded the Board of the Subdistricts authority to remove wells from the Annual Replacement Plan (ARP) for failing to comply with the Subdistrict's rules and regulations. Mr. Lorenz highlighted the groundwater diversion/combined streamflow and change in composite water. He presented a chart on annual composite head change vs net groundwater diversion/combined streamflow. Mr. Lorenz reported on the need for eight (8) wet years in order to recover one dry year. He explained the difference between the recharge in the unconfined and confined aquifer, the importance of the Board of Managers to manage well pumping using allocation as a tool. Mr. Lorenz provided the amount of cutback needed to maintain the aquifer and the percent of reduction to get back to the 2015 level. He presented the diversion vs change in composite water head at varying streamflow's and explained what happens at different diversion. Discussion was held on sharing the information and presentation given by Jason Lorenz to figure out what measurements the Subdistrict is willing to make.

Discussion Regarding the Resolution for 2024 ARP Forbearance Bonuses

President Salazar asked for the discussion regarding the Resolution for 2024 ARP Forbearance Bonuses. Angelo Bellah presented the proposed Resolution and provided the bonus amounts for the prior year.

A motion was made by Sam Vance to approve the Resolution for 2024 ARP Forbearance Bonuses and leave the bonus payments the same as 2023. The motion was seconded by Doug Bagwell.

Discussion was held on encouraging other Subdistricts to adopt the same forbearance agreement terms/structure to ease the signature process.

The motion was voted on and unanimously approved.

A motion was made by Sam Vance to allow people to convert existing forbearance contracts to a longer term or ten (10) year term. The motion was seconded by Nathan Coombs and unanimously approved.

New Business

President Salazar asked for new business. There was none.

Executive Session to Receive Legal Advice Concerning the Purchase of Real Property

President Salazar asked for an executive session to receive legal advice concerning the purchase of

real property. A motion was made at 10:06 a.m. by Nathan Coombs to enter into executive session. The motion was seconded by Warren Crowther and unanimously approved.

Mr. Ampe stated the Board was entering into executive session pursuant to section 24-6-402(4)(a) to receive legal advice concerning the purchase of real property. The Board would take no formal action or position during the executive session.

Possible Action from Executive Session

President Salazar excused himself during executive session. Vice President Coombs asked for possible action from the executive session. There was none.

Next Meeting

A work session was scheduled for December 13, 2023 at 8:00 a.m. The next quarterly meeting was scheduled for March 7, 2024, at 8:00 a.m.

Adjournment

The meeting was adjourned at 10:30 a.m.



President



Vice-President/Secretary/Treasurer

RESOLUTION OF SPECIAL IMPROVEMENT DISTRICT NO. 3 OF
THE RIO GRANDE WATER CONSERVATION DISTRICT
(Regarding Forbearance Contracts)

R E C I T A L S

WHEREAS, Special Improvement District No. 3 of the Rio Grande Water Conservation District (“Subdistrict No. 3”) was created pursuant to section 37-48-108, C.R.S., and pursuant to section 37-48-101.3(1), C.R.S., is a body corporate under the laws of Colorado; and

WHEREAS, Subdistrict No. 3 was formed for the purpose of designing and implementing a cooperative plan for water management to assure the protection of senior surface water rights and promote the maximum beneficial and sustainable use of water resources; and

WHEREAS, Subdistrict No. 3 entered into numerous forbearance agreements with ditches whereby the Subdistrict was able to remedy injury to those ditches caused by groundwater withdrawals from Subdistrict Wells by means other than introducing water at the top of the affected reach; and

WHEREAS, such forbearance agreements allowed the Subdistrict to meet its goals of remedying injury to senior surface water rights at an economic cost which allows for the continued use of groundwater with the Subdistrict; and

WHEREAS, not all ditches that entered into forbearance agreements received a benefit because there was no forbearance due to those ditches during the ARP Year; and

WHEREAS, Subdistrict No. 3 wishes to thank all of those ditches who entered into forbearance agreements for ARP Years 2020, 2021, 2022 and 2023, and to encourage those and other ditches to enter into forbearance agreements for ARP Year 2024 and beyond; and

WHEREAS, Subdistrict No. 3 sees great value and increased efficiencies in working closely with other Subdistricts on entering into joint forbearance agreements.

R E S O L U T I O N

NOW, THEREFORE, be it resolved by the Board of Managers, as follows:

1. Bonus Payment for ARP Year 2024. Subdistrict 3 will pay a one-time bonus of \$200.00 for each one-year forbearance agreement for ARP Year 2024 with Subdistrict 3. This bonus payment applies to every one-year forbearance agreement for ARP Year 2024 and is in addition to any payments due under a forbearance agreement.
2. Bonus Payment for a three-year forbearance agreement beginning in ARP Year 2023. Subdistrict 3 will pay a bonus of \$300.00 for each ARP Year for any three-year

forbearance agreement with Subdistrict 3. This bonus payment applies to every three-year forbearance agreement beginning with ARP Year 2024 and is in addition to any payments due under a forbearance agreement. Equal payments of \$300.00 will be made annually through the term of the forbearance agreement.


3. Bonus Payment for a five-year forbearance agreement beginning in ARP Year 2024. Subdistrict 3 will pay a bonus of \$500.00 for each ARP Year for any five-year forbearance agreement with Subdistrict 3. This bonus payment applies to every five-year forbearance agreement beginning with ARP Year 2024 and is in addition to any payments due under a forbearance agreement. Equal payments of \$500.00 will be made annually through the term of the forbearance agreement.

4. Bonus Payment for a ten-year forbearance agreement beginning in ARP Year 2024. Subdistrict 3 will pay a bonus of \$1,000.00 for each ARP Year for any ten-year forbearance agreement with Subdistrict 3. This bonus payment applies to every ten-year forbearance agreement beginning with ARP Year 2024 and is in addition to any payments due under a forbearance agreement. Equal payments of \$1,000.00 will be made annually through the term of the forbearance agreement.

RESOLVED this 7th day of December, 2023.

ATTEST:

BOARD OF MANAGERS
SPECIAL IMPROVEMENT DISTRICT NO. 3 OF
THE RIO GRANDE WATER CONSERVATION
DISTRICT



Secretary



President