

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #1
OF THE RIO GRANDE WATER CONSERVATION DISTRICT**

June 2, 2020 at 1:30 p.m.

**Rio Grande Water Conservation District Conference Room
Alamosa, Colorado 81101/Zoom Teleconference**

Present: Brian Brownell, President; Carla Worley, Vice-President; Jamie Hart, BOM; Miguel A. Diaz, BOM; Sheldon Rockey, BOM; Clay Mitchell, BOM; Chris Miner, BOM; Les Alderete, BOM; Tony Holcomb, BOM; Asier Artaechevarria, BOM; and Mike Kruse, Ex-Officio.

Staff and Consultants: Pete Ampe, Hill & Robbins P.C.; Cleave Simpson, General Manager; Marisa Fricke, Program Manager; Linda Ramirez, Program Assistant; Clinton Phillips, Davis Engineering; Michael Carson, Data Base Administrator; and April Mondragon, Administrative Assistant.

Guests: John Kretsinger, Judy Kretsinger, Dave Hoffman, Judy Jolly, Deb Sarason, Tim Carpenter, William Myers, Dee Greeman, Peggy Godfrey, Brian Rue and Andrea Rue.

Meeting Called to Order

President Brownell called the meeting to order at 1:46 p.m. A quorum was present.

Approval of the Agenda

President Brownell asked for amendments or an approval of the agenda. A motion was made by Sheldon Rockey to approve the agenda as presented. The motion was seconded by Miguel Diaz and unanimously approved.

Approval of Minutes

President Brownell asked for the approval of the following meeting minutes:

- February 28, 2020-Special Meeting
- March 3, 2020-Quarterly Meeting
- March 3, 2020-Executive Session
- April 13, 2020-Special Meeting

A motion was made by Jamie Hart to approve the minutes as presented. The motion was seconded by Carla Worley and unanimously approved.

Public Comment

President Brownell asked for public comment. There was none.

Program Manager Report

President Brownell asked for the Program Manager's Report. Marisa Fricke reported on the following:

- *Status of Conservation Program Enrollment*

Marisa Fricke reported emailing out the Program Manager's report prior to the meeting. Ms. Fricke highlighted the 2020 farm unit packets were mailed out; she provided a list of the documents enclosed in the packet. Ms. Fricke stated staff continues to work with Tim Davis on a four (4) year RCPP Program, she explained how the program works. Ms. Fricke provided an update on the Emergency Drought Program and shared some of the questions she has received, as well as a participation update. Ms. Fricke updated the Board on CREP and Fallow field checks, Surface Water Credit Leases and the acre feet leased out as well as the 2020 water replacement operation. Ms. Fricke provided an overview of the budget including the number of CREP contracts received and reported getting close to the budgeted amount. She also provided an update on the Fallow program, Prevent Plant, RCPP and the Half Usage programs including the budgeted amounts for each. Ms. Fricke reported the budget committee would need to meet to discuss the funding of the programs. Mike Kruse asked a question regarding the Half Usage program; discussion was held on whether or not he could back out of the program and sign up for Prevent Plant instead.

- *Financial Report:*

Ms. Fricke presented the financial report which included the Balance Sheet, Administration Balance Sheet, CREP Balance Sheet, Variable Balance Sheet and the Statement of Cash Flows. Mike Kruse asked a question regarding bonuses, Ms. Fricke explained. Mr. Kruse asked the Board to consider showing the long-term liabilities in the budget, discussion was held on why it has not been included

in the past. Cleave Simpson stated this conversation has been held with the auditors, and will invite Lillian from the audit and finance committee to a meeting to explain the reasoning.

A motion was made by Sheldon Rockey to approve the Financials. The motion was seconded by Chris Miner and unanimously approved.

- *Discussion on Preliminary 2021 Budget*

Ms. Fricke provided the Board with the operational timelines to work on the 2021 budget as well as the due date and reported she would work on scheduling a work session.

Executive Session

President Brownell asked for a motion to enter into executive session to receive legal advice. A motion was made by Jamie Hart to enter into executive session. The motion was seconded by Sheldon Rockey and unanimously approved.

Mr. Ampe stated the Board was entering into executive session. All discussion would relate to receiving legal advice regarding the potential purchase of real estate. The Board would take no formal position while in executive session.

Action on Executive Session

Pete Ampe Stated the Board was in executive session and had voted to come out. Discussion was related to receiving legal advice concerning the potential purchase of water.

Review and Possible Action Items

President Brownell asked for the review and possible action items.

- *Consideration of potential action following Executive Session*

A motion was made by Jamie Hart to move forward with the potential purchase of two (2) shares of Prairie Ditch shares and work with the Prairie Ditch Company to turn the shares back over to them as permanent forbearance. The motion was seconded by Mike Kruse.

Clay Mitchell commented on the benefit the purchase would be to the Subdistrict as well as the ditch company. Asier Artachevarria commented on his concern of taking surface water off of the market and converting it to permanent forbearance as an end result. Pete Ampe explained the motion and that all three parties would have to be in agreeance before moving forward with the purchase.

The motion was voted on and passed unanimously.

- *Reservoir Storage*

Marisa Fricke asked the Board for direction regarding the amount of water to move from Santa Maria Reservoir storage. Jamie Hart suggested negotiating a better rate. Sheldon Rockey stated he did not think they would go down. Ms. Fricke provided the current rate and how the Subdistrict has been invoiced. Sheldon Rockey explained the exchange and asked Ms. Fricke for the amount of being stored prior to the move, she provided the amount. Jamie Hart provided his concern of paying too much for Santa Maria storage and suggested a negotiation to lower the costs. Mr. Rockey stated \$50.00 is what the reservoir company came up with after a discussion was held among the Santa Maria Reservoir Board.

A motion was made by Jamie Hart to move up to 5,000-acre feet of Santa Maria Reservoir stored water to the Rio Grande Reservoir. The motion was seconded by Les Alderete and unanimously approved.

- *Emergency Drought Contract Terms*

Marisa Fricke provided the Board with a few of the questions she has received regarding the Emergency Drought Contract terms. The Board and Pete Ampe provided clarification. Ms. Fricke also provided some of the thoughts and questions from alfalfa growers on paying the producers to not irrigate after the second cutting. Discussion was held on the date of the first cutting and the loose ends of the new program, Carla Worley suggested compiling a small committee to discuss further. Jamie Hart suggested 25% reduction, further discussion was held. Ms. Fricke provided the

amount of water that could be saved and the dollar amount the producers said they would consider. Discussion was held on how to set the parameters to make the new program work, the date watering would need to cease as well as the date the second cutting dates. Pete Ampe asked how to calculate the savings, discussion was held on calculating by acre foot or by using last years pumping. Mike Kruse suggested offering a higher rate to increase enrollment.

A motion was made by Sheldon Rockey to create a new emergency drought program that requires the producer to stop irrigating June 14, 2020 through July 20, 2020, the Subdistrict will pay \$60.00 per acre on established alfalfa ground. Staff would read the meters and the sign up date is by June 5, 2020. The motion was seconded by Jamie Hart and unanimously approved.

Pete Ampe questioned the program's funding, Ms. Fricke asked about a limit of acres or to accept signups on a first come first serve basis until funds run out.

- *5 Year Surface Water Inclusion Policy*

Marisa Fricke provided a follow up on the Rue's question regarding Rio Grande Canal water recharge and asked how they would treat the water outside the boundary. Ms. Fricke reported the Rue's filled out a Surface Water Inclusion contract and sent a map that shows where water would be recharged, she asked how the Subdistrict is going to treat the water outside of the boundaries. President Brownell asked if they have been recharging it or using the water. Jamie Hart voiced his concerns of acting on the same situation incorrectly in the past and reported on the importance of the five (5) year average. Clinton Phillips commented on the past situation with the Rhoads which was a different situation from the Rue's, and he states was handled correctly. Discussion was held on the past record of water. Ms. Fricke presented a map showing the boundaries and explained where Mr. Rue has been recharging. Brian Rue described how and where he has been using the water and explained they have been trying to get the issue resolved since 2014. Mike Kruse commented on the wells not being subject to the Subdistrict fees in the past. Mr. Phillips suggested the Board have a policy on how the Subdistrict wants to handle this type of situation going forward.

A motion was made by Carla Worley for the ten (10) shares owned by Brian Rue that have been historically recharged within the response area to the extent those records exist, those count towards the five (5) year average, the ten (10) shares that have not been recharged within the boundary will have zeros attached for the last four (4) years but will start counting this year. The motion was seconded by Jamie Hart and unanimously approved.

- *Fallow Contracts*

Marisa Fricke reported Amy Kunugi with Southern Colorado Farms is inquiring to add 3 fields to her current one (1) field for four (4) years Fallow Contract and change the contract to a four (4) field for one (1) year Fallow Contract. Mike Kruse stated they would need to make this option available to others. Discussion was held on whether the budget could handle the addition.

A motion was made by Sheldon Rockey to accept the four (4) fields for one (1) year Fallow Contracts for Southern Colorado Farms. The motion was seconded by Les Alderete and unanimously approved.

- *CREP Contracts*

Marisa Fricke presented the Janet Myers permanent CREP Contract for 122.8 acres for consideration.

A motion was made by Carla Worley to accept the Janet Myers permanent CREP Contract. The motion was seconded by Clay Mitchell and unanimously approved.

- *Half Usage*

Marisa Fricke presented the Half Usage Contracts for consideration which included one (1) for Valley Alliance and two (2) for Worley Family Farms, LLC.

A motion was made by Sheldon Rockey to approve all three (3) Half Usage Contracts. The motion was seconded by Jamie Hart, Carla Worley recused herself, the motion passed.

- *Subdistrict No. 1/RGWCD Well recertification*

Marisa Fricke asked the Board for direction regarding a well located on the Medano property owned by the Subdistrict. Ms. Fricke reported the well can be inactivated or recertified. Deb Sarason commented on the inactivation variance.

A motion was made by Sheldon Rockey to inactivate the well located on the Medano property. The motion was seconded by Les Alderete and unanimously approved.

Attorney's Report

President Brownell asked for the attorney's report. Pete Ampe reported Subdistrict's No. 4 and 5 had their Plans of Water Management adopted by the District Board and will be operational in 2021. Mr. Ampe also reported working with Ms. Fricke on the contracts for the new emergency programs.

Engineer's Report

President Brownell asked for the Engineer's report. Clinton Phillips presented the change in the unconfined aquifer storage, provided the current aquifer level, the current five (5) year average and a graph that shows the overall change in storage. Mr. Phillips provided the progress of looking at the aquifer as an underground storage reservoir and provided the next steps. Mr. Phillips asked the Board to start thinking about where pumping sites could be located. David Hofmann commented on the location of putting water in the river.

Board of Managers Open Discussion

President Brownell asked for the Board of Managers open discussion. Jamie Hart updated the Board on a meeting he attended with Bill Paddock, Heather Dutton, Craig Cotton and John Kuenhold regarding humidification wells. Mike Kruse commented on using canal shares for replacements and encouraged members to start discussions with ditch company Boards.

New Business

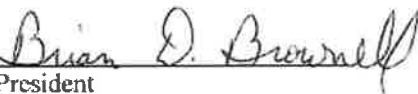
President Brownell asked for new business. Marisa Fricke reported the budget committee will meet before the next quarterly meeting. Mike Kruse and Clay Mitchell stated they would like to be at the budget committee meetings.

Next Meeting

The next quarterly meeting is scheduled for September 2, 2020 at 1:30.

Adjournment

The meeting was adjourned at 4:51 p.m.



President



Secretary/Treasurer

June 2, 2020

Subdistrict No. 1 Program Managers Report

Current Business

- ❖ Mailed out all 2020 Farm Unit Updates on Friday May 22.
- ❖ Working with Tim Davis on RCPP 4th Year Contract
- ❖ Many phone consultations regarding Emergency Drought Program
- ❖ Preparing for CREP and Fallow field checks
- ❖ Surface Water Credits Leased to Date: 22,659 acre feet

2020 Replacement Water Operations

Subdistrict No.1 has no river depletions for the month of May. The Response Function calculated -30 acre feet for May 2020. We are currently moving approximately 5,000 acre feet from Santa Maria reservoir to Rio Grande Reservoir.

Overview of Budget

2020 Budget (Variable) To Date Expenses

CREP One Time Sign Up Incentives (Variable): Budgeted \$915,000 = 4 CREP Contracts

6 CREP 2020 Contracts

Burns	Permanent	118	\$1,500 x 118 = \$177,000
Mitchell	Permanent	121.84	\$1,500 x 121.84 = \$182,760
Siri Trust	Temporary	120	
Welch	Permanent	120	\$1,500 x 120 = \$180,000
Kruse	Permanent	122	\$1,500 x 120 = \$180,000
Myers	Temporary	122.8	
Total			\$719,760

FALLOW (Variable): Budgeted \$500,000

3,190 acres enrolled	@ \$200 acre	\$638,000
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RCPP (Variable): Budgeted \$100,000

* All funds accounted for per NRCS

HALF Usage (Variable): Budgeted \$120,000

5,043	@ \$100 acre	\$504,300
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EMERGENCY Drought (Variable):

1,500 acres interested	@ \$200	\$300,000
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