

**ANNUAL MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #6
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
February 15, 2023, at 1:30 p.m.
RIO GRANDE WATER CONSERVATION DISTRICT CONFERENCE ROOM
AND BY ZOOM/TELECONFERENCE**

Present: Tyler Faucette, President; Virgil Valdez, Vice-President; Ronald Reinhardt, Secretary/Treasurer; Rodney Reinhardt, Manager; Mario Curto, Manager; Gerald Faucette, Manager; Kenneth Reynolds, Manager; Austin Miller, Manager; and, Armando Valdez, Ex-Officio Member.

Absent: Peter Clark, Manager; and Robert Middlemist, Manager.

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

Guests: Steve Keller, Virginia Christensen, Dee Greeman, Sally Wier, David Hofmann, Vern Heersink, Andy Martin, Robert Fobert and Haydn Christensen.

Meeting Called to Order

President Faucette called the meeting to order at 1:37 p.m. A quorum was present. The Pledge of Allegiance was recited.

Approval of Agenda

President Faucette asked for any amendments or a motion to approve the agenda. The agenda was amended to include the Pledge of Allegiance and a discussion on the BBA report. A motion was made to approve the agenda as amended. The motion was seconded and unanimously approved.

Approval of the Minutes

President Faucette asked for changes or a motion to approve the following minutes:

- November 2, 2022-Quarterly Meeting Minutes

A motion was made to approve the November 2, 2022 Quarterly Meeting Minutes as presented. The motion was seconded and unanimously approved.

- November 22, 2022-Special Meeting Minutes

A motion was made to approve the November 22, 2022 Special Meeting Minutes as presented. The motion was seconded and unanimously approved.

Oath of Office-Austin Miller

President Faucette asked for the oath of office for Austin Miller. Pete Ampe swore in Austin Miller and he was welcomed to the Board of Managers.

Election of Officers

President Faucette asked for election of officers. Pete Ampe reminded the Board of the current officers and opened up the floor for nomination for President including self-nominations or a nomination to maintain the current slate of officers. A motion was made to maintain the current officers. The motion was seconded and unanimously approved.

Attorney's Report

President Faucette asked for the Attorney's report. Pete Ampe updated the Board on the status of Subdistrict No. 1's Fourth Amended Plan of Water Management and the next steps. He also provided an update on the settlement between the states in the Texas vs. New Mexico and Colorado case. Mr. Ampe discussed progress on the development of a program to spend the SB22-028 funds. Mr. Ampe provided an update on the BBA report and suggested holding a work session with Willem Schrueder and Mike Sullivan to discuss the model.

Public Comment

President Faucette asked for public comment. There was none.

Program Manager Update

President Faucette asked for the Program Manager update. Amber Pacheco introduced Angelo Bellah as the new Program Manager of the Subdistrict.

- Financial Report

Amber Pacheco presented the Financial Report. She presented the Subdistricts tracking sheet and highlighted the costs and expenses since formation of the Subdistrict. Ms. Pacheco presented the Balance Sheet and

Profit and Loss Statement. She provided the checking account balance, accounts receivable, total assets, and accounts payable.

A motion was made to approve the financial report as presented. The motion was seconded and unanimously approved.

- Preliminary Water Report Update

Amber Pacheco reported working on the Annual Report. She provided the date the report is due and the information that goes into the report.

- 2023 Annual Replacement Plan Update

Amber Pacheco reported the preparation of the Annual Replacement Plan would begin after submittal of the Annual Report. She informed the Board of the interest received from the public to lease parcels. Ms. Pacheco provided an update on the water storage in the reservoirs. She reported the Subdistrict was currently using Closed Basin Project water to cover winter time depletions.

- Consider 2023 Forbearance Bonus Resolution

Amber Pacheco highlighted the forbearance terms used last year and the discussion to possibly add a ten-year option with a \$1,000 per year bonus. President Faucette reported on the hesitation from the Commonwealth Irrigation District to a ten-year forbearance agreement and suggested offering a five-year option.

A motion was made to add a five-year option to the Forbearance Resolution. The motion was seconded and unanimously approved.

A motion was made to approve the Forbearance Resolution as amended. The motion was seconded and unanimously approved.

- Consider Approval of Banking Resolution to Add Program Manager and Any New Officers

Amber Pacheco presented the Banking Resolution and explained why and when a resolution of this sort is needed. She read the names of the signatories on the bank account.

A motion was made to approve the Banking Resolution to add Angelo Bellah, Program Manager; retain Cleave Simpson, General Manager; Amber Pacheco, Deputy General Manager; Tyler Faucette, President; Virgil Valdez, Vice-President; and, Ron Reinhardt, Secretary/Treasurer as signatories on all bank accounts held by Subdistrict No. 6. The motion was seconded and unanimously approved.

Discussion and Possible Action to Amend the Deadline for Contracting with the Subdistrict to Include Wells in Annual Replacement Plan

President Faucette asked for discussion and possible action to amend the deadline for contracting with the Subdistrict to include wells in the Annual Replacement Plan. Amber Pacheco reported receiving four (4) inclusion contract requests after the December 1st deadline. She read the names on the contracts and explained the need for the Board to consider extending the contract deadline prior to considering the contracts. Ms. Pacheco reported there was minimal concern with the contracts affecting the Annual Replacement Plan if they are approved.

A motion was made to extend the deadline for contracting into the Subdistrict to consider wells in the 2023 Annual Replacement Plan. The motion was seconded and voted on with six (6) yes votes and two (2) no votes. The motion passed.

Discussion and Possible Action on Inclusion Agreement

President Faucette asked for Discussion and Possible Action on an Inclusion Agreement.

- Jennifer Lavery

Angelo Bellah reported being approached on February 1st with the request to include two (2) unmetered irrigation wells into the Subdistrict. He provided the withdrawal capacity of each well and reported the Lavery's would like to get the wells included in the Subdistrict prior to the sale of the property. Mario Curto explained some of the struggles the family has had and suggested approval of the Inclusion Agreement. Discussion was held on the possibility of the wells becoming active and how to charge past Subdistrict fees. Amber Pacheco presented a map of the property and highlighted the location of the wells. She reported the applicants have other wells on the property that are in the Subdistrict. David Hofmann confirmed inactive variances had been filed with the State on both wells.

A motion was made to accept the Lavery Inclusion Agreement with the requirement they and/or future owners notify the Subdistrict prior to the wells being activated and they would be required to pay back fees plus a thirty percent (30%) penalty on the fees. The motion was seconded and unanimously approved.

Discussion and Possible Action on Participation Contracts

President Faucette asked for discussion and possible action on Participation Contracts.

- Jennifer Lavery

Angelo Bellah reported the applicant intends to use the three (3) wells for stock water with irrigation use available. He highlighted the withdrawal capacity and reported the wells are permitted as non-exempt small capacity wells which have an active status. Mr. Bellah stated the wells are currently buried. Mr. Bellah reported the wells draw from the confined aquifer. Pete Ampe explained the requirement to have meters installed unless they are filed as inactive.

A motion was made to accept the Lavery Participation Contract with the requirement they and/or future owners notify the Subdistrict prior to the wells being used for irrigation and they would be required to pay back fees plus a thirty percent (30%) penalty on the fees. The owners are also required to inactivate the irrigation portion or install meters. The motion was seconded and unanimously approved.

- R&D, LLC

Robert Fobert representing R&D, LLC, was present and described the proposal to transfer a well from a parcel owned by Scot Johnson to another parcel with ninety-one acres west of La Jara. He reported on his understanding that the transfer of 167 acre-feet would benefit the Subdistrict. Mr. Fobert also reported the amount of withdrawal would start out minimal and increase over the years. He informed the Board that the well is active and the new well had not yet been drilled. Discussion was held on the gallons per minute, diversions, averages, and consumptive use.

A motion was made to accept the R&D, LLC, Participation Contract according to the State Engineer's guidelines. The motion was seconded and unanimously approved.

- John Troyer

Angelo Bellah reported being approached on January 19th with a request for a Participation Contract for a well to be used for fish culture and a holding pond. He provided the dimensions of the pond and the amount of water it can hold. Mr. Bellah reported the well is unpermitted and has no meter or pump. Amber Pacheco presented a map of the property and highlighted the requirement to install a meter.

A motion was made to accept the John Troyer Participation Contract with back fees plus a thirty percent (30%) penalty on the fees. The motion was seconded and unanimously approved.

Discussion with Colorado Open Lands Regarding Groundwater Conservation Easements-Sally Wier

President Faucette asked for the discussion with Colorado Open Lands regarding groundwater conservation easements. Sally Wier introduced herself and explained her role at Colorado Open Lands. She described what a traditional conservation easement is vs. a groundwater conservation easement. Ms. Wier highlighted the Peachwood Farms groundwater conservation easement closed in Subdistrict No. 4 and how the easement was structured. She described the financial incentives with Colorado Open Lands, the tax benefits and how easement values are calculated.

The Board took a five minute break.

A motion was made to add a discussion to the agenda regarding the Monte Vista Canal ATM after the discussion and possible action to revise the terms of the Santa Maria Reservoir Company leases. The motion was seconded and unanimously approved.

Discussion and Possible Action to Revise the Terms of the Santa Maria Reservoir Company Leases

President Faucette asked for the discussion and possible action to revise the terms of the Santa Maria Reservoir Company leases. Amber Pacheco updated the Board on the current lease terms and a potential option to add a five-year term at \$250 per acre foot.

A motion was made to add the options of: \$250 per acre-foot plus the payment of the SMRC per-share assessment on a five-year lease; and, \$250 per acre-foot and no payment for SMRC per-share assessments on the one-year lease. The motion was seconded and unanimously approved.

Discussion was held on reaching out to the Amish community to set up a meeting. Ms. Pacheco provided the number of shares leased last year.

Discussion Regarding the Monte Vista Canal ATM

President Faucette asked for the discussion regarding the Monte Vista Canal ATM. Wylie Keller provided an update on the progress of an ATM concept on the Monte Vista Canal. He reported on the other options being explored as a result of the State not approving the well included in the original SWSP. Discussion was held on possibly using well(s) owned by Virginia Christensen and others and potential incentives. They also discussed the other potential challenges with the project.

A motion was made to pay expenses plus \$20 per acre-foot pumped. The motion was seconded and unanimously approved

Executive Session to Receive Legal Advice Regarding Negotiations for the Lease/Purchase of Real Property

President Faucette asked for a motion to enter into executive session to receive legal advice regarding negotiations for the lease/purchase of real property. A motion was made to enter into executive session to receive legal advice regarding negotiations for the lease/purchase of real property. The motion was seconded and unanimously approved.

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

Possible Action Following Executive Session

President Faucette asked for possible action following executive session. A motion was made to make an offer to Subdistrict No. 1 for Subdistrict No. 6 to purchase up to 1,000 acre-feet of their stored water for \$250 per acre-foot, to pay only the current year (2023) storage fees and the water would only be used to replace depletions to ditches on the north side of the river. The motion was seconded and unanimously approved.

Direction for Staff

President Faucette asked for direction for staff. Staff was directed to move forward and pursue what was discussed.

New Business

President Faucette asked for new business. There was none.

Next Meeting

The next quarterly meeting was scheduled for May 10, 2023, at 1:30 p.m.

Adjournment

A motion was made to adjourn the meeting. The motion was seconded and unanimously passed. The meeting was adjourned at 5:37 p.m.



President



Secretary/Treasurer



Rio Grande Water Conservation District

8805 Independence Way • Alamosa, Colorado 81101

Phone: (719) 589-6301 • Fax: (719) 992-2026

Protecting & Conserving San Luis Valley Water

RESOLUTION

Whereas, Special Improvement District No. 6 of the Rio Grande Water Conservation District wishes to do banking with local banks in the San Luis Valley, and

Whereas, Cleave Simpson, the General Manager of Rio Grande Water Conservation District, shall be a signatory on all bank accounts held by the Subdistrict, and

Whereas, the Board of Managers of Special Improvement District No. 6 of the Rio Grande Water Conservation District desire to have: Amber Pacheco, Deputy General Manager; Angelo Bellah, Program Manager; Tyler Faucette, President; Virgil Valdez, Vice-President; and, Ron Reinhardt, Secretary/Treasurer, as signatories on all bank accounts held by the Subdistrict, and

Therefore, be it resolved, that Special Improvement District No. 6 Board of Managers requests the banks allow the General Manager, Deputy General Manager, Program Manager, President, Vice-President and Secretary/Treasurer to discharge the banking business of the Subdistrict.

Signed on this 15th day of February, 2023, at the annual meeting of Special Improvement District No. 6.



President



Vice-President



Secretary/Treasurer

RESOLUTION OF SPECIAL IMPROVEMENT DISTRICT NO. 6 OF
THE RIO GRANDE WATER CONSERVATION DISTRICT
(Regarding Forbearance Contracts)

RECITALS

WHEREAS, Special Improvement District No. 6 of the Rio Grande Water Conservation District (“Subdistrict No. 6”) 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. 6 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. 6 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. 6 wishes to thank all of those ditches who entered into forbearance agreements for ARP Years 2020, 2021 and 2022, and to encourage those and other ditches to enter into forbearance agreements for ARP Year 2023 and beyond; and

WHEREAS, Subdistrict No. 6 sees great value and increased efficiencies in working closely with other Subdistricts on entering into joint forbearance agreements.

RESOLUTION

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

1. Bonus Payment for ARP Year 2023. Subdistrict 6 will pay a one-time bonus of \$200.00 for each one-year forbearance agreement for ARP Year 2023 with Subdistrict 6. This bonus payment applies to every one-year forbearance agreement for ARP Year 2023 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 6 will pay a bonus of \$300.00 for each ARP Year for any three-year

forbearance agreement with Subdistrict 6. This bonus payment applies to every three-year forbearance agreement beginning with ARP Year 2023 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.

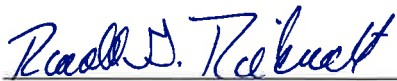
3. Bonus Payment for a five-year forbearance agreement beginning in ARP Year 2023. Subdistrict 6 will pay a bonus of \$500.00 for each ARP Year for any five-year forbearance agreement with Subdistrict 6. This bonus payment applies to every five-year forbearance agreement beginning with ARP Year 2023 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 2023. Subdistrict 6 will pay a bonus of \$1,000.00 for each ARP Year for any ten-year forbearance agreement with Subdistrict 6. This bonus payment applies to every ten-year forbearance agreement beginning with ARP Year 2023 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 15th day of February 2023.

ATTEST:

BOARD OF MANAGERS
SPECIAL IMPROVEMENT DISTRICT NO. 6 OF
THE RIO GRANDE WATER CONSERVATION
DISTRICT



Secretary



President

I Austin Miller, do [select swear, affirm] that I will support the constitution of the United States, the constitution of the state of Colorado, and the laws of the state of Colorado, and will faithfully perform the duties of the office of the Board of Managers of Special Improvement District No. 6, upon which I am about to enter, to the best of my ability.



2-15-2023

Austin Miller

February 15, 2023