

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #1
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
December 11, 2019, 9:00 a.m.
Rio Grande Water Conservation District Conference Room
Alamosa, Colorado 81101**

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

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

Guests: Dan Davis, Mike Kruse, Jake Burris, Les Alderete, Judy Jolly, Dale Bartee, Ernie Myers, Sean Toner, Jeremy Faucett, Chad Spearman, Willie Myers, Emma Censky, David Hofmann

Meeting Called to Order

President Brownell called the meeting to order at 9:06 a.m. A quorum was present. The Pledge of Allegiance was recited.

Approval of the Agenda

President Brownell added a report from Chet Tokarsky after the Engineer's report and added the election of a Secretary/Treasurer and asked for approval of the agenda with the amendments. A motion was made by Carla Worley to approve the agenda as amended. The motion was seconded by Miguel Diaz and unanimously approved.

Approval of the Minutes: August 28, 2019 Budget Hearing, September 3, 2019 Quarterly Meeting and November 26, 2019 Special Meeting

President Brownell asked for changes or a motion to approve the minutes as presented. A motion was made Jamie Hart to approve the minutes as presented. The motion was seconded by Clay Mitchell and unanimously approved.

Public Comment

President Brownell asked for public comment. There were none.

Program Manager Report

President Brownell asked for the Program Manager's report. Marisa Fricke presented the new five (5) year average and stated staff had been busy working on meter readings and fee calculations. Ms. Fricke reported meeting the December 1st deadline in submitting the fees to the Treasurer's office, she provided the totals and thanked Linda Ramirez and Clinton Phillips for their assistance. Ms. Fricke stated groundwater pumping dropped as she provided the totals and reported it was the second lowest pumping on Subdistrict record. Ms. Fricke reported on the public outreach meetings held, she recapped the goals and stated they were well attended with good feedback. Ms. Fricke stated staff continues to meet with producers regarding small capacity wells and reported seeking guidance from the Division of Water Resources regarding these wells.

A. Financial Report

Ms. Fricke provided the Profit & Loss Statement, Balance Sheet, Crep Balance sheet, Variable fee balance sheet and stated they are waiting on RCPP.

A motion was made by Sheldon Rockey to approve the financials as presented. The motion was seconded by Jamie Hart and unanimously approved.

Attorney Report

President Brownell asked for the Attorney Report. Pete Ampe reported Subdistricts No. 2 and 3 went through their first year of operation successfully, Subdistrict No. 6's Plan of Water Management was approved and will be effective as of October 1, 2020. Mr. Ampe reported Subdistrict No.'s 4 and 5 continue to move forward as he described the challenges they face and stated they must be operational by March 5, 2021 in order to be in compliance with the Rules and Regulations. Mr. Ampe updated the Board on the Segar change case and announced receiving two (2) letters of interest to serve on Subdistrict No. 1 Board of Managers.

Engineer's Report

President Brownell asked for the Engineer's Report. Clinton provided the Board with an updated on the change in the unconfined aquifer storage. Mr. Clinton also provided the current aquifer level, current five (5) year average level and the acre feet needed to get to the target level. Mr. Clinton asked Asier Artaechevarria for clarification on his request from the last meeting.

Telemetry Presentation

President Brownell asked for the telemetry presentation. Chet Tokarsky presented a map of all of the telemetry units installed and stated the well data and time are being collected, he explained where the data is located and how to assess the real time monitor link. Mr. Tokarsky reported the telemetry units have been collecting the data effectively with no issues or problems as he presented photos of some of the units. Mr. Tokarsky also reported on vandalism and presented photos of cut lines and an antenna that was torn from the device. Mr. Tokarsky described his monthly visits to the wells and what is conducted as well as demonstrated how the telemetry devices work.

Board of Managers Discussion

President Brownell asked for each of the following Board of Manager discussions.

A. 2020 Programs

Marisa Fricke reported on the potential and interest in a half circle fallow program and how it could work. Discussion was held on the length of the program commitment, how rotation into their farm unit would work and how to meter the reduced usage. Pete Ampe stated he and staff would draft the necessary documentation and send it out to the Board for review.

B. Aquifer Easement Concept/Program

Sheldon Rockey commented that after the presentation given by Allen Law and Judy Lopez, the Subdistrict should wait to see the offer they present, be supportive and consider partnering with them. Marisa Fricke shared a feedback summary provided by Judy Lopez with the Board.

C. Master Irrigator Program

President Brownell asked for comments and thoughts on a Master Irrigators program. Pete Ampe stated if the Board is interested in this concept, they could direct staff to seek additional information and report back.

D. Potential Subdistrict Summit

President Brownell asked the Board if they would be supportive of holding a Subdistrict Summit similar to the one held last year. Marisa Fricke provided a recap of the summit held last year. Discussion was held on the importance, the location and when to hold the summit.

Election of Secretary/Treasurer

President Brownell asked for the election of a Secretary/Treasurer and asked for nomination.

Carla Worley nominated Clay Mitchell for Secretary/Treasurer of the Board of Managers of Subdistrict No. 1; the motion was seconded by Jamie Hart.

A motion to cease nominations and elect by acclamation was made by Jamie Hart. The motion was seconded by Sheldon Rockey, Clay Mitchell was elected Secretary/Treasurer by acclamation.

Action Items:

President Brownell asked for the action items.

A. 2020 Assessments and Budget

Marisa Fricke stated they have a lot to update and go over as she provided the total amount collected. She also stated she is working on a budget with the actual revenue accounted for. Ms. Fricke explained how the budget process works and how they guesstimate pumping, and due to the lowest pumping numbers on record, came in short. Ms. Fricke provided the updates and adjustments made to the budget, and provided the carry over amount. She also highlighted the numbers for the fallow contracts and escrow amount for future commitments and stated the amended budget would be submitted to the District Board. A request was made to track the fallow program amounts rather than budget them. Another request to address going to a year in arrears was brought up and asked to be addressed

B. Small Capacity Wells

Marisa Fricke presented three (3) small capacity wells to be considered by the Board: Southern Colorado Farms, Lyn McCullough and Van Treese Farms. Ms. Fricke provided the consumptive

use for each well and was provided with direction in the event they do not agree with the amount. Discussion was held on contracting in new wells.

A motion was made by Sheldon Rockey to accept the Southern Colorado Farms contract, the Lyn McCullough contract and the Van Treese contract. The motion was seconded by Miguel Diaz and unanimously approved.

C. Participation Contracts

Marisa Fricke reported receiving three participation contract inclusion requests. The requests are from Spud Cellar, Trevon Pepper and two (2) from Skyline Potatoes.

A motion was made by Sheldon Rockey to accept the inclusion contracts for Spud Seller, Trevon Pepper and the two (2) from Skyline Potatoes. The motion was seconded by Jamie Hart and unanimously approved.

Pete Ampe reported two (2) more wells have submitted requests to be covered by the Subdistrict. They are Compost Technologies and the Alligator Farm; discussion was held on the uniqueness of them and Ms. Fricke provided the estimated pumping figures.

A motion was made by Sheldon Rockey to table the Compost Technology and Alligator Farm inclusion contracts. The motion was seconded by Jamie Hart and unanimously approved.

D. Updates to Subdistrict's Rules and Regulations, and Template Inclusion Contracts

Pete Ampe reported sending out a redlined version of Subdistrict No. 1's Rules and Regulations and Template Inclusion Contract for review. Mr. Ampe highlighted the changes, why the changes were made and stated the goal is to streamline all changes into a single document. The Board provided additional suggested changes. Mr. Ampe also suggested changing the December quarterly meeting to the second Tuesday of the month. The policy on how to handle the individuals that do not turn in meter readings was highlighted, as well as the surface water credit notifications deadline. Mr. Ampe reported working on simplifying the number of contracts and how they are used in the Subdistrict.

A motion was made by Carla Worley to accept the changes and additions as suggested by Pete Ampe to Subdistrict No. 1 Rules and Regulations and contracts. The motion was seconded by Sheldon Rockey and unanimously approved.

Executive Session

President Brownell asked for a motion to enter into executive session to receive legal advice on pending and threatened litigation and potential purchase (s) of real property. A motion was made by Jamie Hart to enter into executive session. The motion was seconded by Miguel Diaz and unanimously approved.

Mr. Ampe stated the Board was entering into executive session. All discussion would relate to receiving legal advice regarding pending and threatened litigation and potential purchase (s) of real property. The Board would take no formal position while in executive session.

Action on Executive Session Discussion

Pete Ampe stated the Board was in executive session and had voted to come out. Discussion was related to receiving legal advice regarding pending and threatened litigation and potential purchase (s) of real property. The Board did not take action to move forward on a potential property purchase, Asier Artaechevarria disclosed he may contact the seller of the real property discussed in Executive Session to obtain additional information.

Pete Ampe asked for direction from the Board regarding the S&T contract.

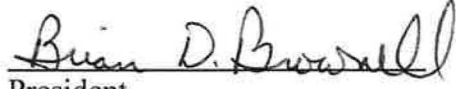
A motion was made by Jamie Hart to offer the original offer to S&T and reject the counter offer. The motion was seconded by Chris Miner and unanimously approved.

Next Meeting

The Subdistrict Summit will be held in January, a Special Meeting may be held prior.
The next quarterly meeting will be on March 3, 2020.

Adjournment

The meeting was adjourned at 3:20 p.m.



President



Secretary/Treasurer