

**ANNUAL MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #5
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
April 9, 2025 at 5:00 p.m.
Rio Grande Water Conservation District Conference Room
And by Zoom/Teleconference**

Present: David Schmittel, President; George Whitten, Vice-President/Secretary/Treasurer; Dale Gerstberger, Manager; Corey Hill, Manager; and Kit Caldon, Manager.

Absent : Doug Gunnels, Ex Officio Member.

Staff and Consultants: Pete Ampe, Hill & Robbins, P.C.; Chris Ivers, Program Manager; Clinton Phillips, Davis Engineering; Michael Carson, Database Administrator; Rose Vanderpool, Program Assistant; Kylie Gregg, Office Manager; Wylie Keller, Water Resource Specialist; and April Mondragon, Administrative Assistant.

Guests: William Myers, David Hofmann, Steve Carlson, Mike Schreck, Tyler Carlson, Jessica Valdez, Ryan Unterreiner, Tim Lovato, Kalee Schreck.

Meeting Called to Order

President Schmittel called the meeting to order at 5:07 p.m. A quorum was present for the meeting. The Pledge of Allegiance was recited.

Approval of the Consent Agenda

President Schmittel asked for changes, additions or a motion to approve the consent agenda items:

- Agenda
- January 15, 2025-Quarterly Meeting Minutes

A motion was made by Kit Caldon to approve the consent agenda as presented. The motion was seconded by George Whitten and unanimously approved.

Election of Officers

President Schmittel asked for election of officers. Pete Ampe opened up the floor for nominations including self nominations for President of Subdistrict No. 5 Board of Managers or a nomination to retain the current slate of officers.

A motion was made by Kit Caldon to retain the current slate of officers. The motion was seconded by George Whitten and unanimously approved.

Disclosure of Potential Conflicts of Interest

President Schmittel asked for disclosure of potential conflicts of interest. Pete Ampe reminded the Board of the purpose and procedure of the disclosure, and asked the Board to list the water rights they have personal interest in.

Dale Gerstberger: priority #25, 55, 32, 46, 48, groundwater

Kit Caldon: North Star Farms-groundwater

David Schmittel: groundwater

George Whitten: groundwater, #25 priority, Rio Grande Canal, Santa Maria Reservoir

Corey Hill: groundwater, numerous senior and junior surface water priorities

Public Comment

President Schmittel asked for public comment. There was none.

Review and Consider Variance Request

President Schmittel asked for review and consider variance request. Chris Ivers reported receiving a variance request to the Groundwater Allocation Rules from Mike and Kalee Schreck. Kalee Schreck described their request for approval of the revision of the allocated history of the groundwater for her father's well. She provided the well WDID and acre feet being requested annually. Mr. Ivers presented a map of the property and location of the well. Ms. Schreck reported the property is pasture for cattle and provided the number of acres. Corey Hill commented on 250 acre-feet being rather high for the amount of acreage. Ms. Schreck explained why the pumping

history reflects zero. Mike Schreck reported a more efficient water system would be installed. Kit Caldon highlighted the need to conform to the rules according to historical pumping. Mr. Ivers explained the Schreck's option to lease credit should the variance be denied.

A motion was made by Dale Gerstberger to approve the variance request in the amount of 150 acre feet for one year to be reconsidered next year. The motion was seconded by George Whitten and unanimously approved.

Review and Consider Inclusion Agreement

President Schmittel asked for review and consider inclusion agreement. Steve Carlson explained his request to include an artesian well into Subdistrict No. 5. He provided the well number, location of the well, and direction he was given from the Division of Water Resources. Chris Ivers went over the fees that would have been assessed if the well had been in the Subdistrict. David Hofmann explained the shared well process and requirements to meet the groundwater rules. He highlighted the options available to Mr. Carlson with the irrigation component and without. Mr. Carlson reported he would consider his options including removing the irrigation component. No action was taken.

Approval of the 2025 Annual Replacement Plan

President Schmittel asked for approval of the 2025 Annual Replacement Plan (ARP).

- *Board Discussion*

Chris Ivers presented the ARP, he went over the number of wells, 2024 total groundwater withdrawals and the allocation amount set this year. Mr. Ivers reported on the dry year outlook and the projected 2025 groundwater withdrawals. He presented the stream flow forecast, the yearly depletions table and a list of sources of replacement water. Mr. Ivers reported waiting on the return of one (1) forbearance agreement and that without it could possibly prevent ARP approval. He went over Saguache Creek and Rio Grande River replacement sources. Mr. Ivers highlighted the Closed Basin Project (CBP) allocation to Subdistrict No. 5 and the alternate plan should CBP water not be available. He provided the 2024 five (5) year average and reported on the increase in composite water head. Dale Gerstberger commented on the increase to the water table on his ranch.

- *Public Comment*

William Myers questioned making replacements on the "dry" year rather than "average" as done in 2023. Chris Ivers reported on the added confidence in the forecast and having the remedy resources should the category increase to an "average" year. Mr. Ivers asked the Board to consider requesting fifty (50) acre feet of water from the District, he provided the costs associated.

- *Recommendation to the Board of Directors*

A motion was made by Kit Caldon to approve the 2025ARP as presented and request fifty (50) acre feet from the District at \$50 per acre foot plus storage. The motion was seconded by Dale Gerstberger and unanimously approved.

Attorney's Report

President Schmittel asked for the attorney's report. Pete Ampe reported working on purchase and sale agreements/easements and other documents in connection with real property acquisitions. He also gave an update on the US Supreme Court case.

Engineers Report

President Schmittel asked for the Engineers report. Clinton Phillips was not in attendance.

Program Manager's Report

President Schmittel asked for the Program Manager's report. Chris Ivers provided a status update on the drilling of augmentation well No. 3.

- *Review and Consider Financial Report*

Chris Ivers highlighted the costs covered by the District, the reimbursements made and the total balance due to the District. He presented the balance Sheet and Profit and Loss Statement. Mr. Ivers went over the checking account balance, total assets and the amounts connected to the construction of augmentation wells.

A motion was made by Kit Caldon to approve the financial report as presented. The motion was seconded by Dale Gerstberger and unanimously approved.

Mr. Ivers updated the Board on the process to close out the loan and begin repayment in 2026.

Discussion and Possible Action on Unpaid Invoices

President Schmittel asked for discussion and possible action on unpaid invoices. Chris Ivers presented an accounts receivable reconciliation report drafted by Kylie Gregg. They went over the unpaid invoices and asked the Board to provide direction on how to proceed. Discussion was held on the special circumstances behind each invoice. Mr. Ampe was asked to review the statues of limitations.

Review and Consider Revised Purchase and Sale Agreement with North Star Farm

President Schmittel asked for review and consider revised purchase and sale agreement with North Star Farm. Chris Ivers reported on the preapproval of the agreement and the language changes requested by the owner. Mr. Ivers also reported on the need to have questions answered by the Division of Water Resources prior to moving forward.

Consider Resolution to Accept Terms of CWCB Loan

President Schmittel asked for consider Resolution to accept terms of CWCB loan. Chris Ivers presented the proposed Resolution. He provided the total loan amount, interest rate, term of the loan and went over the change in the security collateral.

A motion was made by Dale Gerstberger to approve the Resolution to enter into the contract with CWCB. The motion was seconded by Kit Caldon and unanimously approved.

Direction for Staff

President Schmittel asked for direction for staff. There was none.

New Business

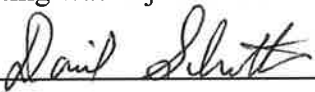
President Schmittel asked for new business. There was none.

Next Meeting

The next quarterly meeting is July 16, 2025 at 5:00 p.m.

Adjournment

The meeting was adjourned at 6:58 p.m.



President

Vice-President/Secretary/Treasurer

**RESOLUTION OF THE BOARD OF MANAGERS OF SPECIAL IMPROVEMENT
DISTRICT NO. 5 OF THE RIO GRANDE WATER CONSERVATION DISTRICT
WATER ACTIVITY ENTERPRISE**

*(To Affirm the Resolution to Apply for a Loan from the
Colorado Water Conservation Board)*

RECITALS

WHEREAS, the Rio Grande Water Conservation District was created pursuant to section 37-48-102, C.R.S.; and,

WHEREAS, pursuant to section 37-48-108, C.R.S., the Rio Grande Water Conservation District is authorized to establish special improvement districts; and,

WHEREAS, pursuant to the request of certain water users in the Saguache Creek basin and section 37-48-123, the District filed a Petition to establish Special Improvement District No. 5 of the Rio Grande Water Conservation District (“Subdistrict No. 5”) in the District Court, Saguache County and the District approved said petition on December 18, 2017; and,

WHEREAS, Subdistrict No. 5 as a local government entity is authorized to establish a water enterprise pursuant to Article 45.1 of Title 37 of the Colorado Revised Statutes and Subdistrict No. 5 has established such enterprise; and,

WHEREAS, the Enterprise is authorized to borrow money and incur indebtedness pursuant to section 37-50-107(1)(c), C.R.S.; and,

WHEREAS, the Board of Managers of Subdistrict No. 5 previously directed Enterprise staff and consultants to pursue and apply for a loan from the Colorado Water Conservation Board in the amount of six million, ninety-three thousand, three hundred thirty dollars (\$6,093,330.00); and,

WHEREAS, the Board of Managers, after consultation with Enterprise Staff and consultants determined its current fee structure and revenue is sufficient to meet the repayment terms of such a loan; and,

WHEREAS, Enterprise staff and consultants did apply for such loan and such loan application was approved by the Colorado Water Conservation Board; and,

WHEREAS, the Board wishes to memorialize said previous request, application, and approval in a written Resolution.

RESOLUTION

NOW, THEREFORE, be it resolved by the Board of the Enterprise that:

1. The Board has previously authorized Enterprise staff and consultants to request a loan in the amount of six million, ninety-three thousand, three hundred thirty dollars (\$6,093,330.00).

2. The Board hereby accepts the terms of said loan as provided by the Colorado Water Conservation Board and authorizes the acceptance of the loan on behalf of the Enterprise.

RESOLVED this 9 day of April 2025, at the office of the Rio Grande Water Conservation District, 8805 Independence Way, Alamosa, CO.

ATTEST:

BOARD OF MANAGERS SPECIAL
IMPROVEMENT DISTRICT NO. 5 OF THE
RIO GRANDE WATER CONSERVATION
DISTRICT WATER ACTIVITY
ENTERPRISE


Secretary


President