QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #5
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
July 17, 2026 at 3:00 p.m.
Rio Grande Water Conservation District Conference Room
And by Zoom/Teleconference

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

Absent : Dale Gerstberger, Manager; Dale Hazard, Ex Officio Member.

Staff and Consultants: Arthur Sayre, Hill & Robbins, P.C.; Chris Ivers, Program Manager; Rose Vanderpool, Program Assistant; Kylie Gregg, Office Manager; and April Mondragon, Administrative Assistant.

Guests: Tim Lovato, William Myers, Deb Sarason, Jessica Valdez, Ian Elchols, Rebie Hazard, David Hofmann.

Meeting Called to Order
President Schmittel called the meeting to order at 3:01 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
- April 10, 2026-Special Meeting Minutes
- April 15, 2026-Annual Meeting Minutes
- April 28, 2026-Special Meeting Minutes

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

Public Comment-Limit to 3 Minutes
President Schmittel asked for public comment. Tim Lovato asked to make comments at the end of the meeting. William Myers asked to make comments/discussion during item 8.

Attorney's Report
President Schmittel asked for the attorney's report. Arthur Sayre updated the Board on the Subdistrict No. 1 Plan of Water Management No. 4 trial. He reported on the conclusion of the Texas vs New Mexico and Colorado US Supreme Court case. Mr. Sayre gave an update on the SWAG augmentation plan case and explained how questions could be asked in open session and other discussions should be held in executive session.

Engineers Report
President Schmittel asked for the Engineers report. Clinton Phillips was not present, Chris Ivers presented the Subdistrict No. 5 Saguache monitoring wells map. He highlighted the missing data, and not having all the measurements from last year. Mr. Ivers explained how the District is working to regain access to some of the wells and to remedy the situation. He went over the five (5) year average groundwater withdrawals in the confined aquifer and the composite water head change. Mr. Ivers highlighted Subdistrict No. 5's significant reduction of pumping and answered Tim Lovato's question regarding how many acre feet ran in Saguache Creek last year.

Program Manager's Report
President Schmittel asked for the Program Manager's report

- *Review and Consider Financial Report*

Chris Ivers presented the costs covered by the District for formation, the remaining balance due and the annual payment amount. Mr. Ivers presented the Balance Sheet. He went over the amount in the checking account, the first installment on the loan, accounts receivables, restricted cash and the loan

payable. Mr. Ivers highlighted the largest costs on the Profit and Loss Statement and interest expenses.

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

- *Saguache Creek Augmentation Update*

Chris Ivers gave an update on the Saguache Creek Augmentation project. He updated the Board on the contractors, well permits, location of the wells and status of the SWSP. Mr. Ivers reported on the departure of Angelo Bellah, the restructuring of the Program Managers of the District and how he would take on the roll of Managing Subdistricts 2-6.

Discussion Regarding Potential MOU with SWAG

President Schmittel asked for the discussion regarding potential MOU with SWAG. William Myers introduced himself as the representative of the Sustainable Water Augmentation Group. He reported filing an augmentation plan with the courts and stated that due to the model updates, is actively seeking replacement sources on Saguache Creek to remedy depletions. Mr. Myers explained how the SWAG wells are located within the Subdistrict No. 1 response area. He highlighted the number of irrigated acres and estimated acre feet of depletions. Mr. Myers asked for an MOU with Subdistrict No. 5 similarly to the MOU with Subdistrict No. 1 and 4. He asked the Board to consider his request and make a decision at the next quarterly meeting.

Discussion Regarding Long Term Subdistrict Remedy Operations

President Schmittel asked for discussion regarding long term Subdistrict remedy operations. Chris Ivers presented a table showing dry, average and wet year depletions. He highlighted the plans in place for Subdistrict No. 5 to satisfy the needs on Saguache Creek. Mr. Ivers described the developing needs on the Rio Grande and San Luis Creek and the goal to secure ten (10) year or longer WIP agreements. He reported on the water rights owned by Subdistrict No. 4 and the potential for an augmentation well. Mr. Ivers described the decision made by DWR to no longer allow summer irrigation season production of the Closed Basin Project to remedy Subdistrict winter time depletions unless the curtailment is at zero. Amber Pacheco described the change and how it would impact all Subdistricts. She reported this year would not be an issue and conversations with DWR would continue. Mr. Ivers reminded the Board how the San Luis Creek depletions were being remedied through an MOU with Subdistrict No. 4.

Review and Discuss Preliminary 2027 Annual Budget

President Schmittel asked for review and discuss preliminary 2027 Annual Budget. Chris Ivers presented the draft Subdistrict No. 5 2027 Budget. He went over the administrative fund balance, the groundwater withdrawal fund balance and the amount collected so far in 2026. Mr. Ivers highlighted staff salaries and benefits, liability insurance, legal and engineering, reimbursements to the District and the CWCB loan payment. He went over remedy portfolio expenses and disbursements from the second CWCB loan for the well drilling and pipelines. Mr. Ivers presented the draft Subdistrict No. 5 2027 budget. He reported on the increase of some of the line items, and went over the amount budgeted for salaries, engineering and the CWCB loan payment. Mr. Ivers highlighted an IRA grant disbursement and the closing on the remaining four (4) quarters of North Star Farms. He went over the total reserve funds and remaining groundwater fee fund balance. Mr. Ivers gave an update on the completed and planned purchases from North Star Farms. He presented the estimated administrative and groundwater withdrawal fee for active and inactive wells, sprinkler, flood and other wells.

Executive Session to Receive Legal Advice Concerning Potential Litigation

President Schmittel asked for executive session to receive legal advice concerning potential litigation. A motion was made by Kit Caldon to enter into executive session at 4:04 p.m. The motion was seconded by George Whitten 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 potential litigation. The Board would take no formal action or position during the executive session.

Direction for Staff

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

New Business

President Schmittel asked for new business. William Myers asked if it would be possible to move the pumping allocation deadline closer to the ARP. Tim Lovato asked if a transducer had been installed in the well on the Hazard property. Chris Ivers explained how they had not been receiving readings. Mr. Lovato commented on the decline in the depth to water on wells he used to monitor and asked if the wells on North Star Farms purchased by the Subdistrict had been abandoned. David Hofmann reported the wells would not be abandoned unless ordered by the court. He also suggested Mr. Lovato get in contact with the modelers in order to help answer his question regarding compensation for water going from the confined to the unconfined aquifer.

Next Meeting

A special meeting was scheduled for September 8, 2026 at 3:00 p.m.
The next quarterly meeting was scheduled for October 21, 2026 at 5:00 p.m.

Adjournment

The meeting was adjourned at 4:45 p.m.

President

Vice-President/Secretary/Treasurer