

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #3
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
December 5, 2024 at 8:00 a.m.
8805 Independence Way, Alamosa, CO 81101
And By Zoom/Teleconference**

Present: LeRoy Salazar, President; Nathan Coombs, Vice-President/Secretary/Treasurer; Sam Vance, Manager; Warren Crowther, Manager; and, Doug Bagwell, Manager.

Absent: Ruben Sandoval, Manager; and, Elliott Salazar, Ex-Officio Member.

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

Guests: Greg Higel, Michelle Lanzoni.

Meeting Called to Order

President Salazar called the meeting to order at 8:01 a.m. A quorum was present. The Pledge of Allegiance was recited. Nathan Coombs led the opening prayer.

Approval of the Consent Agenda

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

- Agenda
- September 5, 2024-Quarterly Meeting Minutes
- September 5, 2024-Executive Session Minutes
- September 23, 2024-Special Meeting Minutes
- October 3, 2024-Special Meeting Minutes
- October 30, 2024-Special Meeting Minutes

A motion was made by Sam Vance to approve the consent agenda. The motion was seconded by Nathan Coombs and unanimously approved.

Public Comment

President Salazar asked for public comment. There was none.

Attorney's Report

President Salazar asked for the Attorney's report. Pete Ampe reported on the Board of Directors approval of Subdistrict No. 3 entering into a contract to purchase the Sowards well. He also reported working with Clinton Phillips on the Alpha Hay Farms SWSP and gave an update on the Texas vs. New Mexico/Colorado case.

Program Manager's Report

President Salazar asked for the Program Manager's report.

• *Financial Report:*

Angelo Bellah presented the costs covered by the District for formation. He went over the expenses since formation, the reimbursements made to the District and the remaining balance due to the District. Mr. Bellah presented the Balance Sheet. He went over the assets, the balance in the checking account, liabilities, equity and total assets. Mr. Bellah presented the Profit and Loss Statement. He highlighted the ordinary income, expenses, miscellaneous revenue and reported on the remaining Senate Bill Program funding available.

A motion was made by Nathan Coombs to approve the financial report as presented. The motion was seconded by Doug Bagwell and unanimously approved.

• *2024 Irrigation Season Update*

Angelo Bellah updated the Board on the water released and forbearance agreements utilized since September. President Salazar asked that a strategic plan be developed on the amount of water the Subdistrict stores, purchases, and leases. Nathan Coombs explained some of the benefits of performing exchanges in order to ensure the Subdistrict has wet water in the right places at the right times. Mr. Bellah stated he would take a look at the depletion obligations and develop some recommendations on

the amount of water to store for each river system based on the forbearance agreement trends. Mr. Bellah provided the current reservoir account balances and 2024 ARP forbearance amounts. He reported on an error that occurred on the Alpha Hay Farms SWSP annual return flow and that he would work with DWR to remedy the error. Mr. Bellah also reported on the SLV Drain/La Jara Creek fish well CU rate change.

- 2025 Irrigation Season Projects

Angelo Bellah gave an update on the Taos Valley No. 3 SWSP for 2025. He explained the updates made to the agreement and reminded the Board that there was no guarantee for the water to become available. He also provided the minimum payment amount. Pete Ampe commented on the amount of stored water owned by Subdistrict No. 1 and gave an update on SWAG. There was a discussion regarding SWAG forming their own water conservancy district. Nathan Coombs touched on the financial leverage gained by creating a conservancy district. Mr. Bellah provided his recommended amounts of water to put into storage. Discussion was held on the acre foot amount to request from the San Luis Valley Irrigation Well Owners (SLVIWO) and the possibility to use the water for recharge.

A motion was made by Doug Bagwell to request 1,000 acre-feet of SLVIWO water to be stored in Platoro. The motion was seconded by Nathan Coombs and unanimously approved.

Angelo Bellah presented the Terrace Irrigation Company SWSP lease agreement. He described the five (5) year SWSP limit to lease reached by Subdistrict No. 6 and Subdistrict No. 3's opportunity to lease the water for the next five (5) years. He provided the historical costs associated with leasing the water.

A motion was made by Nathan Coombs to approve the lease of water from the Terrace Irrigation Company. The motion was seconded by Doug Bagwell and unanimously approved.

Angelo Bellah provided an update on the Los Sauces SWSP. Discussion was held on what infrastructure is needed for the project and the next steps.

- Alpha Hay Property Updates

Angelo Bellah gave a property maintenance update on the recharge pond. He reported receiving one (1) RFP on the fence install and was working with Waterworks Irrigation on a quote for a float switch. Mr. Bellah highlighted the payment received from Xcel for the temporary construction easement. He reported on the sale of Tract 8 and provided the number of tracts remaining on the market. Mr. Bellah gave an update on the CWCB loan. Discussion was held on the current operations, an augmentation station and if a pipeline would be needed.

- Real Property/Water Right Leases and/or Purchases

Angelo Bellah stated he did not have an update on the Colorado Catch offer at this time.

District Engineer's Report-Clinton Phillips

President Salazar asked for the District Engineer's report. Clinton Phillips presented the Subdistrict No. 3 Conejos Monitoring Wells map and the change compared to the 2015 baseline and 2022. He explained where there was a decline and the areas that showed increases. Nathan Coombs asked to be provided with a report on Alpha Hay Farms pumping numbers since the Subdistrict and Trinchera Subdistrict purchased four (4) circles. Mr. Phillips reported including the individual hydrographs in the report to the Board.

New Business

President Salazar asked for new business.

- Review Subdistrict Investment Options

Angelo Bellah presented the updated CD rates. He explained the miscommunication that occurred with First Southwest Bank (FSWB) on the 12-month CD rate being 1% higher than what the Bank is able to offer a public entity. Mr. Bellah reported the new rate would rank FSWB fourth (4th) amongst the local banks. He reported on the updated CD rates gathered by Kylie Gregg which were emailed to the Board as well as being presented during the meeting. Mr. Bellah commented on the low CD rate offered by Community Banks of Colorado and their more competitive nine (9) month CD rate of 3.77 APY if the Board should choose to look at a nine (9) month CD. He reported this rate would put Community Banks of Colorado in line with Rio Grande Banks. Mr. Bellah highlighted the rates would expire at the end of the week. President Salazar reminded the Board of the motion made at the Special Meeting on October 30, 2024 to deposit \$400,000 into a CD at FSWB. He asked the Board to consider depositing the \$400,000 into a CD at Alamosa State Bank (ASB). Nathan Coombs agreed it would be in the best interest of staff and the Subdistrict to keep everything at ASB.

A motion was made by Nathan Coombs to deposit all funds into a CD at ASB.

Mr. Bellah reminded the Board of the agreement with ASB to allow for early closure of the CD without penalty should the need arise.

The motion was seconded by Doug Bagwell and unanimously approved.

- Alpha Fence RFP

Angelo Bellah presented a map of the Alpha property. He reported receiving one (1) RFP from Over the Top Fencing. Mr. Bellah provided the amount budgeted for the project. He went over the bid and explained the two (2) quotes provided based on the quality type of fencing. Discussion was held on the dollar amount of the bid, the type of fencing/enclosure needed to meet the needs of the Subdistrict, the feasibility of the well and possibly relocating the well. Pete Ampe suggested they obtain a ballpark estimate for the well and direct Mr. Bellah to draft and provide the Board with another map outlining the fence/enclosure plan.

Executive Session to Receive Legal Advice Concerning the Purchase of Real Property

President Salazar asked for an executive session to receive legal advice concerning the purchase of real property. A motion was made at 9:58 a.m. by Nathan Coombs to enter into executive session. The motion was seconded by Sam Vance 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 the purchase of real property. The Board would take no formal action or position during the executive session.

Possible Action from Executive Session

President Salazar asked for possible action from the executive session. There was none.

Next Meeting

The next quarterly meeting was scheduled for March 6, 2025, at 8:00 a.m.

Adjournment

The meeting was adjourned at 10:12 a.m.



President



Vice-President/Secretary/Treasurer