

**RESOLUTION
SPECIAL IMPROVEMENT DISTRICT NO. 1 OF THE
RIO GRANDE WATER CONSERVATION DISTRICT
BOARD OF MANAGERS**

Creating the Well Purchase Program

WHEREAS, as part of its approved Plan of Water Management, Special Improvement District No. 1 of the Rio Grande Water Conservation District (Subdistrict No. 1) is required to recover and maintain the unconfined aquifer under Subdistrict No. 1 to certain levels; and,

WHEREAS, Subdistrict No. 1 has funded numerous short- and long-term conservation programs to reduce consumptive use of groundwater and to assist in recovering the unconfined aquifer to meet the requirements of the Plan of Water Management ; and,

WHEREAS, Water Division No. 3 remains in a long-term reduction in water supplies; and,

WHEREAS, despite the efforts and financial support of Subdistrict No. 1, the unconfined aquifer has not recovered to the level as required by the Plan of Water Management; and,

WHEREAS, Subdistrict No. 1 remains committed to meet the terms of the Plan of Water Management; and,

WHEREAS, the Subdistrict No. 1 desires to introduce another conservation program to assist in meeting those terms; and,

WHEREAS, Subdistrict No. 1 has determined that permanent retirement of ground water wells and the associated irrigated acreage is needed; and,

WHEREAS, the participation in the Conservation Reserve Enhancement Program has not been at the levels Subdistrict No. 1 anticipated; and,

WHEREAS, Subdistrict No. 1 desires to create a program to purchase well permits and ground water decrees and permanently dry-up the associated irrigation to assist in the recovery of the unconfined aquifer.

RESOLUTION

NOW, THEREFORE, be it resolved by the Board of Managers of Special Improvement District No. 1, acting by and through its Water Activity Enterprise, that:

1. Producers must agree that any lands served by the wells that are accepted by the Subdistrict, enrolled in the program, and purchased by the Subdistrict, being those lands that may be legally irrigated by the well, will be subject to a covenant that prohibits any future use of groundwater for irrigation that will bind all future owners of the land. Surface water may continue to be used for irrigation on those lands. Future lawn and garden irrigation under an exempt well will also be permitted. Subdistrict No. 1, in its sole discretion, may allow a certain amount of ground water to be used from the offered well for revegetation or other conservation purposes for a limited amount of time.

2. Subdistrict No. 1 hereby establishes a Well Purchase Program under the following terms:

2.1 Interested Subdistrict Members (“Producers”) may offer ground water rights and permits for purchase by Subdistrict No. 1.

2.2 Producers who wish to participate in the Program must submit a sealed bid prior to the program deadline. The bid will be on a form provided by the Subdistrict and will include,

at a minimum, the legal description of the location of the well and the lands irrigated by the well, the annual ground water withdrawals from 2011 through 2020, inclusive, the WDID for the well, the number and location of the acres that may legally be irrigated by the well, any permit number or decree name and case number, and a listing of any other water rights that may legally irrigate those same acres. The Producer must also include a plan for revegetation of the land or otherwise conserving the soil of the ground to be enrolled.

2.3 The Board of Managers of Subdistrict No. 1 will evaluate and rank each bid to determine the potential benefit to the Subdistrict per dollar spent by the Subdistrict. That ranking will be as follows:

2.3.1 The total offered price will be divided by the average pumping over the previous 10 years, not including any years in which the well was enrolled in a Subdistrict conservation or fallow program or enrolled in the prevent plant to produce a base ranking number.

2.3.2 In recognition that the unconfined and confined aquifers are interconnected to a certain extent but that reductions of pumping in the confined aquifer have a lesser direct impact on the unconfined aquifer levels, wells that withdraw primarily or completely from the confined aquifer will have the base number multiplied by 2, resulting in a higher aquifer ranking number.

2.3.3 In recognition that a well may be legally allowed to irrigate a larger area than it has in the past, the acres that may legally be irrigated by the well will be multiplied by 2 and subtracted from the aquifer ranking number, resulting in a total rank number.

2.3.4 The lower number in the final ranking is the better ranking.

2.3.5 An example of the ranking procedure is shown below:

Ave. Pumping:	200 af/yr average	200 af/yr average	200 af/yr average	200 af/yr average
Total Price:	\$500,000	\$500,000	\$500,000	\$400,000
Aquifer:	Unconfined	Unconfined	Confined	Unconfined
Acres:	160 potential acres	240 potential acres	160 potential acres	160 potential acres
Base	2500 (\$/af)	2500 (\$/af)	2500 (\$/af)	2000 (\$/af)
Aquifer	2500 (\$/af x 1)	2500 (\$/af x 1)	5000 (\$/af x 2)	2000 (\$/af x 1)
2 x Potential acres	320	480	320	320
Total rank number	2180	2020	4680	1680

2.3.6 The Board of Managers may also consider the Producer’s revegetation or soil conservation plan for land in determining what offers to accept.

3. All wells that can legally irrigate the offered lands must be included in the Producers offer. Surface water is not eligible for the Well Purchase Program.4. Subdistrict No. 1 will hold title to the water permit or water right under the Well Purchase Program and, in its sole discretion, may cancel the permit or abandon the water right.

5. Participation in the Program is limited to the then available funds of Subdistrict No. 1.

6. Subdistrict No. 1 will rely primarily, but not solely, on the final rank number in determining which offers to accept. Subdistrict No. 1 may, in its sole discretion, also consider the following:

6.1 Cropping history.

- 6.2 Soil conservation plan for the dried-up acres
 - 6.3 Annual appropriation for each well.
 - 6.4 If the groundwater rights were historically part of a voluntary or formal conservation program.
 - 6.5 Potential future use of the ground water under the offered decrees and/or permits if the well is not purchased by Subdistrict No. 1.
 - 6.6 Cumulative impact on local tax base.
 - 6.7 Consultation with community members or others with specialized knowledge.
 - 6.7 Such other factors as the Board may, in its sole discretion, consider to be relevant.
6. Subdistrict No. 1 reserves the right to reject any offer in its sole discretion.
7. Any water rights or permits acquired by Subdistrict No. 1 under this program will not be sold or transferred to any entity nor will the water rights or permits acquired exported from Water Division No. 3 or used to support or facilitate such an export.
8. Interested parties must submit an irrevocable offer on a form provided by Subdistrict No. 1 and said form must be received by Subdistrict No. 1 before 3:00 pm on May 1, 2022.
9. Subdistrict No. 1 will evaluate the offers and provide notice of offer acceptance after June 7, 2022.

I certify that the foregoing is a true and correct copy of a resolution adopted by the members of the Board of Managers of Special Improvement District No. 1 in a special meeting

assembled in Alamosa, Colorado on the __ day of _____, 2022 at which a quorum
was present.

Brian Brownell
President

Attest:

Clay Mitchell
Secretary/Treasurer