

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #1
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
September 7, 2021 at 5:00 p.m.
8805 Independence Way, Alamosa, CO 81101
And By Zoom Teleconference**

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; Les Alderete, BOM; Asier Artaachevarria, BOM; and, Mike Kruse, Ex-Officio.

Staff and Consultants: Pete Ampe, Hill & Robbins P.C.; Marisa Fricke, Program Manager; Clinton Phillips, Davis Engineering; Wylie Keller, Water Resource Specialist; Michael Carson, Database Administrator; and April Mondragon, Administrative Assistant.

Guests: Jake Burris, Steve Keller, Matthew Vickery, William Myers, Deb Sarason, Andy Jones, David Hofmann, Dale Bartee, Laverne Schmidt, Brian David, and Amber Wilson.

Meeting Called to Order

President Brownell called the meeting to order at 5:05 p.m. A quorum was present. The Pledge of Allegiance was recited.

Approval of the Agenda

President Brownell asked for amendments or an approval of the agenda. A motion was made by Jamie Hart to approve the agenda as presented. The motion was seconded by Sheldon Rockey and unanimously approved.

Approval of Minutes

President Brownell asked for approval of the following minutes:

- June 1, 2021-Quarterly Meeting
- June 21, 2021-Special Meeting
- July 13, 2021-Special Meeting
- July 27, 2021-Special Meeting
- July 27, 2021-Executive Session

Carla Worley asked for a correction to be made to the July 13, 2021 special meeting minutes. She then made a motion to approve the minutes as presented with the one correction to the July 13, 2021 minutes. The motion was seconded by Jamie Hart and unanimously approved.

Public Comment

President Brownell asked for public comment. There were none.

Program Manager's Report

President Brownell asked for the Program Manager's report. Marisa Fricke reported meter reading forms would be mailed out, the Subdistrict continues to receive feedback regarding the public outreach meeting and she provided an update on CREP. Ms. Fricke highlighted the Board of Managers whose terms will be expiring in 2022 and reported on the continued work with the CSU Economists. She provided an update on the Master Irrigator Course, named the three (3) new CREP contracts up for approval and provided highlights from the Colorado Water Congress meeting she attended. Ms. Fricke reported on the property maintenance on the Medano quarters, and on the 2021 replacement water operations.

Discussion was held on the Board of Manger appointment process.

A. Financial Report

Marisa Fricke presented the financials and highlighted that the large expenses would be paid out in December. Ms. Fricke also presented the Balance Sheet and Statement of Cash Flows.

A motion was made by Sheldon Rockey to approve the financial report as presented. The motion was seconded by Miguel Diaz and unanimously approved.

B. Presentation of the 2022 Budget

Marisa Fricke highlighted the budget process and presented the Subdistrict No. 1 2022 budget. Mike Kruse commented on a timeline issue and suggested the issue be brought to the District Board attention in order for it to be resolved. Ms. Fricke provided the amount of acre feet needed to get to the sustainable level and the benchmarks the Subdistrict has to meet per the decree. She then presented the 2022 Community and Reinvestment circle and a spreadsheet showing a breakdown of Subdistrict No. 1 budgeted admin, variable and CREP fees.

A motion was made by Sheldon Rockey to recommend to the District Board of Directors an increase in pay for Program Managers. The motion was seconded by Chris Miner and unanimously approved.

A motion was made by Carla Worley to approve the budget expenses for administration as presented. The motion was seconded by Miguel Diaz and unanimously approved.

A motion was made by Carla Worley to set the 2022 budget administration fee at \$3.00. The motion was seconded by Sheldon Rockey and unanimously approved.

Ms. Fricke explained how the variable fee is charged and highlighted the budgeted amount for conservation programs and asked the Board if they wanted to offer fallow in 2022. She also provided the amount budgeted for appeals and total expenditures.

A motion was made by Carla Worley to stop offering fallow programs, continue with the contracts the Subdistrict has in place but not offer any new ones. The motion was seconded by Clay Mitchell. Asier Artachevarria abstained, the motion passed.

Discussion was held on storage expenses and possibly moving water in storage to other reservoirs. Mike Kruse highlighted the offers received from other Subdistricts to purchase stored water from Subdistrict No. 1. Jamie Hart commented on not seeing the benefit of moving the Subdistricts stored water and why he is opposed. Discussion was held on interest in the Well Permit Purchase program and whether the Subdistrict holds on to the water right or to abandon/retire the water right permanently. Pete Ampe explained the potential for an argument of unappropriated water if the water rights are abandoned.

A motion was made by Sheldon Rockey to not abandon the wells at this time and to add them to Subdistrict assets. The motion was seconded by Jamie Hart, Brian Brownell and Chris Miner opposed; the motion passed.

Marisa Fricke reported on the decrease in pumping due to the new fee and conservation programs.

A motion was made by Carla Worley to approve the programs portion paid for by the variable fee portion of the budget. The motion was seconded by Jamie Hart, Asier Artachevarria abstained, the motion passed.

A motion was made by Clay Mitchell to approve and set the variable fee for next year at \$150 per acre foot. The motion was seconded by Tony Holcomb, Asier Artachevarria and Les Alderete abstained, the motion passed.

Ms. Fricke highlighted the CREP portion of the budget.

A motion was made by Sheldon Rockey to cover the gap payment for all CREP up to the \$220 level. The motion was seconded by Clay Mitchell and unanimously approved.

Pete Ampe suggested directing staff and consultants to draft a written policy that would allow people with CREP contracts with surface water to do a bid in to essentially buy that out to be funded by the roughly three (3) million in a CD and later in the year possibly if the 1.2 million budgeted towards new CREP contracts does not get spent, the Subdistrict would then move that money towards that same program.

A motion was made by Miguel Diaz that if the 1.26 is not used for new contracts, the remainder can be used to cover surface water obligations prior. The motion was seconded by Clay Mitchell and unanimously approved.

A motion was made by Jamie Hart to accept the CREP program budget as presented. The motion was seconded by Clay Mitchell and unanimously approved.

A motion was made by Miguel Diaz to set the CREP fee at \$12. The motion was seconded by Clay Mitchell and unanimously approved.

Engineer's Report

President Brownell asked for the Engineer's report. Clinton Phillips provided an update in the change in the unconfined aquifer storage study, the change between August 2020 and 2021. He provided the current aquifer level, the current five (5) year average and the acre feet needed to get to the -400,000 level. Mr. Phillips highlighted the amount of recovery the Subdistrict is aiming for each year.

Attorney's Report

President Brownell asked for the attorney's report. Pete Ampe reported the court denied Farm Tech's challenge to the budget in a well written short order. Mr. Ampe provided an update on the ongoing economic study to support the fourth Plan of Water Management and assistance he has received from another legal firm.

Action Items

Marisa Fricke reported action items A, B and C of the agenda have already been taken care of.

A. Contract Wells

Marisa Fricke reported SRS temporary abandoned their augmentation plan to operate under an approved inclusion agreement through the Subdistrict. Ms. Fricke highlighted SRS would be requesting a contract renewal at the next Subdistrict No. 1 quarterly meeting in December. She reported they have met all of their terms and any other contracts needing in would be considered at the December quarterly meeting as well.

Tony Holcomb reported the wells on Subdistrict No. 5 boundaries needed to get figured out before the December quarterly meeting.

B. Subdistrict Properties

Marisa Fricke reported getting the Medano property subdivided and would like the Board of Managers to consider the next steps to sell the house. Tony Holcomb suggested trying to sell the entire property.

A motion was made by Carla Worley to direct staff to go to the District Board to ask them to move forward to sell the Medano property. The motion was seconded by Sheldon Rockey and unanimously passed.

C. CREP Contracts

Marisa Fricke highlighted having three (3) CREP contracts for the Boards consideration.

A motion was made by Miguel Diaz to approve the Blue Sky Farms temporary CREP contract for 100 acres. The motion was seconded by Sheldon Rockey and unanimously approved.

A motion was made by Sheldon Rockey to approve the two (2) Michell Ag temporary CREP contract for two (2) quarters. The motion was seconded by Miguel Diaz and unanimously approved. For the record Clay Mitchell announced he is related and has no interest in the CREP contract.

Board of Managers Open Discussion

President Brownell asked for Board of Mangers open discussion. Discussion was held on how historical consumptive use is measured.

New Business

President Brownell asked for new business. There were none.

Next Meeting

A work session was scheduled for October 12, 2021 at 1:30.

The next quarterly meeting is scheduled for December 7, 2021 at 1:30 a.m.

Adjournment

The meeting was adjourned at 8:29 p.m.



President



Secretary/Treasurer