

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #1
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
September 1, 2020 at 1:30 p.m.
By Zoom Teleconference**

Present: Brian Brownell, President; Jamie Hart, BOM; Miguel A. Diaz, BOM; Sheldon Rockey, BOM; Clay Mitchell, BOM; Chris Miner, BOM; Les Alderete, BOM; Tony Holcomb, BOM; Asier Artaechevarria, BOM; and Mike Kruse, Ex-Officio.

Absent: Carla Worley, Vice-President.

Staff and Consultants: Pete Ampe, Hill & Robbins P.C.; Marisa Fricke, Program Manager; Linda Ramirez, Program Assistant; Clinton Phillips, Davis Engineering; Michael Carson, Data Base Administrator; and April Mondragon, Administrative Assistant.

Guests: William Myers, Deb Sarason, Dave Hoffman, Mike Dill, Peggy Godfrey, John Gerstle, Dale Bartee, and Jake Burris.

Meeting Called to Order

President Brownell called the meeting to order at 1:36 p.m. A quorum was present.

Approval of the Agenda

President Brownell asked for amendments or an approval of the agenda. Marisa Fricke asked to table letter E under Action Items titled Crites Augmentation Plan. A motion was made by Sheldon Rockey to approve the agenda as amended. The motion was seconded by Jamie Hart and unanimously approved.

Approval of Minutes

President Brownell asked for the approval of the following meeting minutes:

- March 3, 2020-(REVISED) Quarterly Meeting
- May 21, 2020-Special Meeting
- May 21, 2020-Executive Session
- June 2, 2020-Quarterly Meeting
- June 2, 2020-Executive Session

Sheldon Rockey asked for a change to be made to the June 2, 2020 quarterly meeting minutes. Mr. Rockey made a motion to approve the minutes as presented including the June 2, 2020 quarterly meeting minutes with the requested change. The motion was seconded by Jamie Hart and unanimously approved.

Public Comment

President Brownell asked for public comment. There was none.

Program Manager Report

President Brownell asked for the Program Manager's Report (copy attached). Marisa Fricke provided an update on the following:

- Farm Plans
- The CREP program
- Colorado Open Lands/Rio Grande Land Trust conservation easements
- Discussions held at the meet/greet with Michael Bennet
- Meter Reading forms
- Calculation of 2019 reconcile for the 2020 fee process
- Wall Smith Bateman annual audit review
- 2020 Replacement water operations
- Overview of budget work session

Ms. Fricke presented a map of Subdistrict No. 1 programs categorized by color and provided the percentage of total acres participating in conservation programs. She was asked to present a similar map from last year for comparison.

Financial Report

Ms. Fricke presented the balance sheet and highlighted a new line item for the half usage emergency programs. She reported liabilities would decrease as they begin to pay on contracts.

Ms. Fricke also presented the CREP balance sheet, variable fee balance sheet, statement of cash flows and the profit and loss statement.

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

Presentation by Colorado Open Lands

Marisa Fricke announced Judy Lopez and Allen Law were not in attendance to present.

Attorney's Report

President Brownell asked for the Attorney's report. Pete Ampe notified the Board of the passing of Melissa Jones, the long-time receptionist at Hill and Robbins P.C. Mr. Ampe provided an update on the budget litigation as well as an update on Subdistrict's No. 2, 3, 4, 5 and 6. Mr. Ampe informed the Board on the status of the S&T appeal and reported asking Tim Davis to monitor the CREP program and he would update the Board accordingly.

Engineer's Report

President Brownell asked for the Engineer's Report. Clinton Phillips provided an update on the unconfined aquifer storage and the current aquifer level. Mr. Phillips also updated the Board on the current 5-year average and the acre feet needed to get to the -400,000 level. Mr. Phillips presented a graph showing the unconfined aquifer storage level for the entire study period and provided an update on the west central San Luis Valley change in unconfined aquifer storage.

New Business

President Brownell asked for new business. Marisa Fricke reported on a conversation with Cleave Simpson and Amber Pacheco concerning the low river, depletions and a potential amendment to the Memorandum of Understanding with Subdistrict's No. 2, 3 and 6. Ms. Fricke stated more details will be forthcoming as more discussions take place.

Review and Possible Action Items

President Brownell asked for the review and possible action items.

- *2021 Proposed Budget/Follow up items from the budget work session*

Marisa Fricke presented the current budget and highlighted the changes for the 2020 supplemental budget. Mike Kruse questioned where the inclusion contract fees fit into the budget. Ms. Fricke also presented the 2021 budget and the date it is due to the District Board for consideration. She highlighted the expenses and shared a chart to show where the Subdistrict is in the budget process. A discussion was held on the Santa Maria water in storage, how to reduce the costs, when the storage agreement is due and how it works. Sheldon Rockey reported on a potential long-term storage agreement from the Rio Grande Reservoir to be presented to the Rio Grande Water Conservation District Board to consider. Ms. Fricke explained how carry over helps the Subdistrict and highlighted the CREP fee as well as the carry over amount.

A motion was made by Sheldon Rockey to approve the 2020 supplemental budget. The motion was seconded by Jamie Hart and unanimously approved.

- *Surface Water Inclusion Contracts*

Marisa Fricke reported receiving three (3) surface water inclusion contracts and provided the amount of water for each. Ms. Fricke stated her recommendation to the Board is to approve the three (3) inclusion contracts.

A motion was made by Chris Miner to approve the Aspen Produce and Dixie Parker inclusion contracts. The motion was seconded by Clay Mitchell and unanimously approved.

Pete Ampe asked Les Alderete to recuse himself from the vote on his inclusion contract.

A motion was made by Chris Miner to approve the Les Alderete inclusion contract. The motion was seconded by Sheldon Rockey. The motion was seconded by Sheldon Rockey and unanimously approved. Les Alderete abstained,

- *Rio Grande Reservoir Agreement*

Marisa Fricke presented the draft one-year, short term storage lease agreement between the San Luis Valley Irrigation District and the Special Improvement District No. 1. Ms. Fricke asked for

the Board's thoughts as she presented photos of the work that was done to the reservoir. Pete Ampe stated he is fine with the agreement as presented.

A motion was made by Clay Mitchell to approve the short-term contract with the Rio Grande Reservoir as written. The motion was seconded by Tony Holcomb and unanimously approved.

Mike Kruse commented on storage and asked if this Board of Managers could be more actively involved in the discussions regarding the potential long-term storage contract. Sheldon Rockey reported on the intent of the long-term storage contract.

- *Surface Water Inclusion Policy Draft*

Marisa Fricke presented the draft Surface Water Inclusion Policy regarding the requirements and limitations for surface water contracts for water used outside of the Subdistrict boundaries or brought into the Subdistrict under contract. Ms. Fricke presented a map of the lands that may be included, highlighted the requirements, how the length of the contract would be calculated, how surface water credit would be applied and how excess surface water would be carried over. Discussion was held on how surface water credit would be handled, as well as the potential amount of water that could be brought into the Subdistrict. Jamie Hart commented on bringing credits into the Subdistrict and reducing revenue.

- *Appeals*

Marisa Fricke provided the details concerning the Consaul appeal and reported her recommendation is to approve the appeal and refund the amount of \$5,755.

A motion was made by Jamie Hart to approve the Consaul appeal. The motion was seconded by Clay Mitchell and unanimously approved.

Board of Managers Open Discussion

President Brownell asked for the Board of Managers open discussion. Jamie Hart expressed his concern with the Subdistricts progress. Les Alderete reported a representative from Dragon Line Advantages is willing to present to the Board to discuss his irrigation system. Sheldon Rockey explained why the Dragon Line irrigation system did not work for his operation. Mike Kruse suggested the Board begin discussing and possibly amending the Plan of Water Management, a separate confined aquifer Subdistrict and how to meet the sustainability goal. Clinton Phillips highlighted the importance of the Subdistrict developing a mechanism that would immediately respond to weather conditions. Marisa Fricke shared what individuals have shared with her regarding the enforcement component and where the Subdistrict is today. Jamie Hart suggested a potential mechanism that could be adjusted annually. Clay Mitchell suggested lowering the CREP incentive and limit the amount of water that could be purchased from the Subdistrict. Ms. Fricke presented a few slides presented by Kevin Rein at a prior meeting addressing Subdistrict No. 1's situation. Discussion was held on what the Subdistrict needs to do next as well as possibly holding a Board retreat after harvest.

Next Meeting

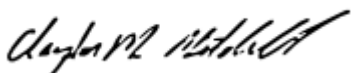
The next quarterly meeting is scheduled for December 2, 2020 at 1:30.

Adjournment

The meeting was adjourned at 4:17 p.m.



President



Secretary/Treasurer