

**RIO GRANDE WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS QUARTERLY MEETING
July 19, 2022 at 9:00 A.M.
Rio Grande Water Conservation District Conference Room
And By Zoom Teleconference**

Present: Greg Higel, President; Armando Valdez, Vice-President; Dwight Martin, Secretary/
Treasurer; Peggy Godfrey, Director; Steve Keller, Director; Zeke Ward, Director; Mike Kruse,
Director; and Doug Gunnels, Director.

Absent: Cory Off, Director.

Staff and Consultants: David Robbins and Pete Ampe, Hill & Robbins, P.C.; Cleave Simpson,
General Manager; Amber Pacheco, Acting Deputy General Manager; Chris Ivers, Program Manager;
Wylie Keller, Water Resource Specialist; Rose Vanderpool, Program Assistant; Linda Ramirez,
Program Assistant; Kylie Gregg, Office Manager; Clinton Phillips, Davis Engineering; Cassandra
McCuen, HCP Coordinator/Program Assistant; Michael Carson, Database Administrator; and April
Mondragon, Administrative Assistant.

Guests: Erin Minks, Pricilla Waggoner, Ernie Myers, William Myers, Rio de la Vista, John Gerstle,
Heather Dutton, Emma Ressor, Deb Sarason, Craig Cotten, Sally Weir, Jan Waye, Becky Brooks, Ed
Nielsen, Chris Lopez, Brian Rue, Eric Hinton, Monica McCafferty, George Whitten, Mario Curto, Jamie
Hart, Maria Hart, Tony Holcomb, and Virgil Valdez.

CALL TO ORDER

President Greg Higel called the meeting to order at 9:05 a.m. There was a quorum present for the
meeting. The Pledge of Allegiance was recited.

INTRODUCTION OF STAFF AND GUESTS

President Greg Higel welcomed all those present and asked for introductions.

APPROVE AGENDA

A motion was made by Mike Kruse to approve the agenda as presented. The motion was seconded by
Armando Valdez and unanimously approved.

APPROVE THE CONSENT AGENDA ITEMS

President Higel asked for a motion to approve the consent agenda items.

- March 25, 2022-Special Meeting Minutes
- March 25, 2022-Executive Session Minutes
- April 15, 2022-Special Meeting Minutes
- April 19, 2022-Quarterly Meeting Minutes
- April 21, 2022-Special Meeting Minutes
- April 21, 2022-Executive Session Minutes

A motion was made by Dwight Martin to approve the consent agenda items as presented. The motion
was seconded by Steve Keller and unanimously approved.

PUBLIC COMMENT

President Higel asked for public comment. There were none.

REVIEW AND POSSIBLE ACTION

President Higel asked for review and possible action items:

- ***Financial Report***

Cleave Simpson presented the June 2022 bank statements and highlighted the low balance in the
Bureau of Reclamation account. Mr. Simpson presented the balances in the certificate of deposit
accounts, the June Profit and Loss Statement and the Balance Sheets for the District and each of the
Subdistricts. He also reported on the possibility of needing to submit a supplemental budget. Mr.
Simpson presented the check register report for April, May and June. He also reported the
expenditures were tracking well within the budget. Discussion was held on the position of the District

in connection with the purchase of the Hazard property and the loan for Subdistrict No. 5 for that purpose.

A motion was made by Mike Kruse to approve the financial report as presented. The motion was seconded by Armando Valdez and unanimously approved.

- ***Employee Pension Changes***

Cleave Simpson requested the Board of Directors consideration on updating the employee pension plan. He highlighted the corrections and changes that needed to be addressed.

A motion was made by Mike Kruse to approve the changes to the employee pension plan. The motion was seconded by Armando Valdez and unanimously approved.

- ***Offer to Divest Assets Acquired on Behalf of Subdistrict No. 1***

Cleave Simpson explained how and when Subdistrict No. 1 acquired the Medano property. He described the property, the number of acres, the subdivision process that was completed and the process to sell the house and subdivided acres. Mr. Simpson provided the listing price and the amount of the cash offer received. He reported the Subdistrict No. 1 Board of Managers had approved the acceptance of the cash offer for the house and eleven (11) acres. Mr. Simpson explained how the funds from the sale would be received back into the Subdistrict budget. Discussion was held on the five (5) acre-feet of San Luis Valley Irrigation District water not being included in the sale and the possibility of needing additional language in the deed addressing the District's retention of the water right.

A motion was made by Peggy Godfrey to approve the sale of the eleven (11) acres and the house. The motion was seconded by Steve Keller and unanimously approved.

- ***Subdistrict No. 1 Fourth Amended Plan of Water Management***

Pete Ampe provided the history, key points and an overview of how Subdistrict No. 1 got to the point where they believe that they must consider amending the Plan of Water Management. He highlighted the Subdistrict's goal to limit the groundwater pumping by matching the amount of water brought into the Subdistrict with the amount of water being pumped through Subdistrict wells. Mr. Ampe reported the Subdistrict is relying on a one-to-one concept to recover the aquifer. He reported on the results of a model run and explained how the Subdistrict would enforce the one-to-one concept. Mr. Ampe highlighted the Subdistrict Board of Managers voted on the fourth amended Plan of Water Management and it was unanimously approved. Discussion was held on the next steps to adopt the Plan as well as the goal to reduce pumping.

A motion was made by Peggy Godfrey to approve Subdistrict No. 1 Fourth Amended Plan of Water Management. The motion was seconded by Mike Kruse and unanimously approved.

- ***Subdistrict No. 2 Purchase Agreement***

Cleave Simpson reported on discussions between Subdistrict No. 2 and Navajo Development Inc. regarding the purchase of a portion of their transbasin water right. Amber Pacheco gave an overview and summary of what the potential agreement will look like. Ms. Pacheco explained how the water is decreed, the acre-foot amount the Subdistrict is considering purchasing and how the water could be used. Pete Ampe explained the court procedure. Mr. Pacheco highlighted an issue with a forest service permit associated with the diversion and explained the options. Discussion was held on maintenance and managing the infrastructure associated with the ditch and the associated permit. Mike Kruse commented on setting a new price on water.

A motion was made by Armando Valdez to approve the Subdistrict No. 2 purchase agreement. The motion was seconded by Dwight Martin and unanimously approved.

- ***Subdistrict No. 5 Groundwater Allocation Rules***

Chris Ivers reported on the draft of Subdistrict No. 5 Board of Managers amended Groundwater Allocation Rules. He highlighted the hardships to some surface water owners that came after the original allocations were adopted. Mr. Ivers reported on the revisions to the Subdistrict's Rules, how the allocation fee would be calculated and explained the variance process. Ed Nielsen commented on his belief that there was a lack of recovery in the aquifer and how he believes Saguache Creek is affected by well pumping. President Higel highlighted the fact that Subdistrict No. 5 was the first Subdistrict within the District to place a curtailment on their own pumping. George Whitten reported

on the social issues the Subdistrict has been faced with as well as the goal and commitment to maintain the aquifer for sustainability.

A motion was made by Mike Kruse to approve the Subdistrict No. 5 Groundwater Allocation Rules. The motion was seconded by Armando Valdez. Peggy Godfrey and Doug Gunnels voted no. The motion passed.

- ***Intergovernmental Agreement with Republican River Water Conservation District***

Cleave Simpson reported on the outcome of Senate Bill 28 and the need for the Intergovernmental Agreement with the Republican River Water Conservation District. He explained the funds were not appropriated directly to the Rio Grande Water Conservation District and Republican River Water Conservation District. He discussed the importance of the process to ensure each District would have access to half of the funds to help reduce dependence on groundwater withdrawals. David Robbins commented on the necessity of the Intergovernmental Agreement to ensure that both communities within the two Districts are treated fairly without competition between them which was the intent of the legislature.

A motion was made by Steve Keller to approve the Intergovernmental Agreement with the Republican River Water Conservation District. The motion was seconded by Peggy Godfrey and unanimously approved.

- ***Adoption of Guidelines for Groundwater Fund***

Cleave Simpson stated he did not yet have the draft guidelines detailing what would be considered eligible for funding for the Board to consider, however, he had provided the management committee with an example from the CWCB as a starting point. Mr. Simpson reported on the need to compile guidelines on who can apply and how to apply for funds. He reported when the funds would need to be committed, spent by, and the type of programs that would qualify. David Robbins highlighted the complexity of documenting the use of ARPA funds and the consequences if expended inappropriately.

MANAGER'S REPORT

President Higel asked for the Manager's report. Cleave Simpson reported on the resignation of Subdistrict No. 1 Program Manager Marisa Fricke and the pursuit to hire a replacement. He also reported on his legislative duties.

DISTRICT ATTORNEY'S REPORT-DAVID ROBBINS

President Higel asked for the District Attorney's report. David Robbins provided an update on the Texas vs. New Mexico case and some of the history. He reported Pete Ampe continues to work on issues that arise from the SWAG application for a plan for augmentation. Mr. Robbins explained what the SWAG group of well owners are asking for and what they hope to gain. He reported he is working with the State of New Mexico on Senate Bill 7793 and House Bill 4236 and explained what the State of New Mexico hopes to accomplish by doing a basin wide study to identify any efficiencies that might be achieved and how to better manage water. He expressed his concern that any federal study could easily produce recommendations that are contrary to the allocations in the Rio Grande Compact with the resulting conflicts. He also asked for authorization to allow Pete Ampe and Cleave Simpson to file a statement of opposition in an abandonment case which involves a well allegedly owned by Renewable Water Resources that falsely asserts the well is covered by the Subdistrict No. 4 Plan of Management.

A motion was made by Armando Valdez to file the entry of appearance on behalf of the Rio Grande Water Conservation District. The motion was seconded by Dwight Martin and unanimously approved.

KOGOVSEK & ASSOCIATES-CHRISTINE ARBOGAST

Cleave Simpson reported Christine Arbogast was not able to present due to a prior commitment. Mr. Simpson and David Robbins provided some additional history on Senate Bill 7793 and 4236 and how the District was made aware of the situation. Erin Minks highlighted the importance of communication between agencies, Senators and constituents surrounding water issues that impact the Rio Grande.

STEALEY II-BECKY BROOKS

President Higel asked for the Stealey II report. Becky Brooks reported on the reallocation and redistricting issues at the legislative level. She talked about the water problems in the San Luis Valley and the sixty (60) million dollars provided by S22-028 for the two water conservation districts to help

address the issues related to groundwater use. Ms. Brooks also reported on an anti-speculation bill introduced to the Water Resources Interim Committee last year and commended the Board of Directors on the hard conversations held today.

ADJOURN

The meeting was adjourned at 11:52 a.m.

The next quarterly meeting was scheduled for October 18, 2022.



President



Secretary/Treasurer