

**ANNUAL MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #2
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
February 2, 2021, 1:30 p.m.
By Zoom/Teleconference**

Present: Karla Shriver, President; Eric Hinton, Vice-President; Scot Schaefer, Secretary/Treasurer; Mark Deacon, BOM; Michael Schaefer, BOM; Harold Stoeber, BOM; Gerald Ziegler, BOM; and, Greg Higel, Ex-Officio.

Staff and Consultants: Pete Ampe, Hill & Robbins P.C.; Amber Pacheco, Program Manager; Rose Vanderpool, Program Assistant; Clinton Phillips, Davis Engineering; Michael Carson, Database Administrator; and, April Mondragon, Administrative Assistant.

Guests: Deb Sarason, David Hofmann, Rick Davie and David Colville.

Meeting Called to Order

President Shriver called the meeting to order at 1:30 p.m. A quorum was present.

Approval of the Agenda

President Shriver asked for amendments or a motion to approve the agenda. A motion was made by Scot Schaefer to approve the agenda as presented. The motion was seconded by Mark Deacon and unanimously approved.

Election of Officers

President Shriver asked for Election of Officers. Pete Ampe opened the floor for nominations including self-nominations for President or a nomination to retain the officers as currently appointed. A motion was made by Michael Schaefer to retain all of the current officers. The motion was seconded by Mark Deacon and unanimously approved.

Approval of the minutes:

President Shriver asked for additions, corrections or a motion to approve the following meeting minutes:

- November 3, 2020-Quarterly Meeting
- November 24, 2020-Special Meeting
- December 14, 2020-Special Meeting

A motion was made by Eric Hinton to approve the meeting minutes as presented. The motion was seconded by Scot Schaefer and unanimously approved.

Public Comment

President Shriver asked for public comment. There were none.

Attorney's Report

President Shriver asked for the Attorney's report. Pete Ampe reported on the Conflict-of-Interest Policy adopted by the Rio Grande Water Conservation District Board of Directors. Mr. Ampe provided an update on the City of Monte Vista contract. Deb Sarason explained the return flows from the shallow wells and how any credits would be handled. Mr. Ampe also provided a brief update on the Subdistrict No. 1 budget litigation.

Program Manager's Report

President Shriver asked for the Program Manager's report. Amber Pacheco provided the financial report which included the total expenses and amount of pay down to the Rio Grande Water Conservation District for the Subdistrict's formation costs. Ms. Pacheco also presented the Balance Sheet and highlighted the bank account balance, accounts receivable and other liabilities.

A motion was made by Scot Schaefer to approve the financial report as presented. The motion was seconded by Michael Schaefer and unanimously approved.

Ms. Pacheco provided an update on the replacement operations and preliminary water reports. She reported staff continues to receive calls from surface water right owners interested in selling or leasing water.

Discussion and possible action on submitted contracts

President Shriver asked for discussion and possible action on submitted contracts.

- *Upper Rio Grande Wells- four (4) separate Participation Contracts*

Amber Pacheco presented the proposed contract for Richard and Lugail Davie Trust. She provided the number of wells, location of the wells and how the wells are used. Rick Davie voiced his concerns regarding the model as well as being able to use his reservoir water. President Shriver confirmed the contract fee would be waived.

A motion was made by Eric Hinton to approve the Richard and Lugail Davie Trust Participation Contract. The motion was seconded by Scot Schaefer and unanimously approved.

Ms. Pacheco presented the David Colville proposed contracts which are Thistledown, LLC and Corset Ranch, LLC. She provided the number of wells and how the wells are used.

A motion was made by Scot Schaefer to approve the Thistledown, LLC and Corset Ranch, LLC Participation Contracts. The motion was seconded by Eric Hinton and unanimously approved.

Ms. Pacheco presented the proposed contract under Jan and Rich Grande 2013 Living Trust. She provided the well use and provided information on their transmountain water.

A motion was made by Scot Schaefer to approve the Jan and Rich Grande 2013 Living Trust Participation Contract. The motion was seconded by Michael Schaefer and unanimously approved.

- *Sally Weir-Land Only Inclusion Agreement*

Ms. Pacheco presented the land only inclusion contract for Sally Weir. She highlighted the details of the shared ownership of the well already in the Subdistrict and provided the location of the well.

A motion was made by Eric Hinton to approve the Sally Weir Land Inclusion Contract. The motion was seconded by Mike Schaefer and unanimously approved.

- *City of Monte Vista Participation Contract*

Amber Pacheco highlighted an agreement that was prepared by the City of Monte Vista's attorney. She provided the number of wells and what they are offering the Subdistrict in return. Ms. Pacheco reported they will be seeking coverage in the 2021 ARP.

- *Colorado Parks and Wildlife (amendment to original contract)*

Ms. Pacheco updated the Board on a possible amendment to the original contract with CPW regarding a potential change to supply the Subdistrict with storage rather than water for the Subdistrict's replacement of the depletions for CPW wells.

Discussion and possible action on paying a pro-rata share of the Subdistrict fees billed to the BOR/CPW for Mitigation wells in Saguache Subdistrict

President Shriver asked for discussion and possible action on paying a pro-rata share of the Subdistrict fees billed to the BOR/CPW for mitigation wells in Saguache Subdistrict. Amber Pacheco explained how the mitigation wells are used in connection with Russell Lakes and the Closed Basin Project. Ms. Pacheco reported paying the pro-rata share is a way to cover the mitigation wells at Russell Lakes owned by CPW/BOR. Ms. Pacheco highlighted that Subdistrict No. 3 agreed to the pro-rata share agreement as long as all of the other Subdistricts agree. She reported the agreement would be on a one-year basis. President Shriver commented on the importance of the Closed Basin Project winter water. Mitigation requirements were discussed further.

A motion was made by Michael Schaefer to approve Subdistrict 2 pay the pro-rata share of Subdistrict fees billed to CPW and BOR for mitigation wells in Saguache Subdistrict with the same contingencies as Subdistrict No. 3 and Pete Ampe writing a letter to the BOR. The motion was seconded by Mark Deacon and unanimously approved.

Discussion and possible action on 2021 Forbearance Bonus Resolution

President Shriver asked for discussion and possible action on the 2021 forbearance bonus resolution. Amber Pacheco reported the proposed resolution is exactly the same as the one the Board approved for 2020. President Shriver requested a spreadsheet to monitor forbearance agreements.

A motion was made by Scot Schaefer to approve the 2021 Forbearance Bonus Resolution as presented. The motion was seconded by Mark Deacon and unanimously approved.

Discussion regarding 2021 budgeted amount for replacement sources

President Shriver asked for discussion regarding 2021 budgeted amount for replacement sources. Amber Pacheco reminded the Board of the conversation at the last meeting and provided the annual budget for the replacement sources.

Discussion regarding recent letter from DWR regarding commercial non-exempt uses

President Shriver asked for discussion regarding the recent letter from DWR regarding commercial non-exempt uses. Amber Pacheco highlighted how the Subdistrict might be able to assist these well owners and what is allowed by the Subdistrict to help these well owners to come into compliance with DWR. She also reported on what the Subdistrict cannot do.

A motion was made by Eric Hinton to extend the deadline to contract with the Subdistrict until March 1, 2021, for the entities that received letters from DWR regarding commercial non-exempt use wells after December 1st. The motion was seconded by Scot Schaefer, Karla Shriver and Mark Deacon abstained; the motion passed.

Executive Session

President Shriver asked for a motion to enter into executive session to receive legal advice regarding negotiations for the lease of real property. A motion was made by Scot Schaefer to enter into executive session. The motion was seconded by Michael Schaefer and unanimously approved.

Mr. Ampe stated the Board was entering into executive session to receive legal advice regarding negotiation for the lease of real property. The Board would take no formal action or position during the executive session.

Next Meeting

The next Quarterly Meeting is scheduled for May 4, 2021, at 1:30 p.m.

Adjournment

President Shriver asked for a motion to adjourn the meeting. A motion was made by Scot Schaefer to adjourn the meeting. The motion was seconded by Gerald Ziegler and unanimously approved.

The meeting was adjourned at 3:25 p.m.



President



Secretary/Treasurer