QUARTERLY MEETING OF THE BOARD OF MANAGERS OF SPECIAL IMPROVEMENT DISTRICT #6 OF THE RIO GRANDE WATER CONSERVATION DISTRICT

November 3, 2020 at 1:30 p.m. By Zoom/Teleconference

Present: Tyler Faucette, President; Virgil Valdez, Vice-President; Ronald Reinhardt, Secretary/Treasurer; Kenneth Reynolds, Manager; Gerald Faucette, Manager; Rodney Reinhardt, Manager; Ted Heersink, Manager; Peter Clark, Manager; Mario Curto, Manager; and, Armando Valdez, Ex-Officio Member.

Absent: Rodney Archer, Manager.

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

Guests: Virginia Christensen; Deb Sarason, David Hofmann, and Craig Cotten, DWR.

Meeting Called to Order

Vice President Valdez presided over the meeting; he called the meeting to order at 1:30 p.m. A quorum was present.

Approval of Agenda

Vice-President Valdez asked for changes, amendments or a motion to approve the agenda. A motion was made to approve the agenda as presented. The motion was seconded and unanimously approved.

Approval of the Minutes

Vice-President Valdez asked for changes or a motion to approve the following minutes:

- August 4, 2020-Quarterly Meeting
- September 14, 2020-Special Meeting
- October 7, 2020-Special Meeting

A motion was made to approve the minutes as presented. The motion was seconded and unanimously approved.

Public Comment

Vice-President Valdez asked for public comment. There was none.

Attorney's Report

Vice-President Valdez asked for the Attorney's Report. Pete Ampe reported he is assisting Clinton Phillips with an Alternate Transfer Mechanism and working with Amber Pacheco on continuing to seek replacement sources. Mr. Ampe reported all of the other Subdistricts are up and running except for Subdistricts No. 4 and 5 who continue to work on finding water remedies and to secure Well Injury Payment agreements.

Program Manager's Report

Vice-President Valdez asked for the Program Manager's Report.

Financial Report

Amber Pacheco presented the Subdistrict No. 6 financial report. She highlighted the amount owed to the Rio Grande Water Conservation District. Ms. Pacheco presented the Balance Sheet and Profit and Loss Statement. Ms. Pacheco provided an update on forbearance costs, reservoir storage costs, and the treasurer fees from the counties.

A motion was made to approve the financial report. The motion was seconded and unanimously approved.

Update on Replacement Operations

Amber Pacheco provided the date the Annual Replacement Plan was approved and when the Subdistrict began making replacements on the Alamosa, Conejos and Rio Grande rivers. Ms.

Pacheco reported the Subdistrict was in forbearance the majority of the time, with the exception of one (1) day. Ms. Pacheco updated the Board on the amount of water being stored, where it is being stored, and the projected total amount of replacements including forbearance.

<u>Discussion and Possible Action on Long-term Storage Agreement with San Luis Valley</u> <u>Irrigation District</u>

Vice President Valdez asked for the discussion and possible action on a long-term storage agreement with San Luis Valley Irrigation District. Cleave Simpson provided the background information on the concept of a long-term storage agreement with the Rio Grande Water Conservation District and the Subdistricts. Mr. Simpson highlighted the amount of storage being offered and the dollar amount per acre-foot. Mr. Simpson reported the Rio Grande Water Conservation District as well as Subdistrict No.'s 1 and 2 are interested in pursuing an agreement and asked if Subdistrict No. 6 would also be interested. Mr. Simpson reported the storage would be allocated through a Memorandum of Understanding and could also be used for post-plan impacts. Discussion was held on the water being stored at the bottom of the reservoir and if the Taos Valley No. 3 water could be transferred into the reservoir.

A motion was made to proceed with the concept of a long-term storage agreement. The motion was seconded and unanimously approved.

Discussion and Possible Action on Purchase of Water Currently Stored in Platoro Reservoir
Vice-President Valdez asked for the discussion and possible action on purchase of water currently
stored in Platoro Reservoir. Amber Pacheco updated the Board on an offer from the Richfield
Canal to purchase stored project allocation water. President Faucette reported on the potential
amount of evaporation loss. Ms. Pacheco provided the dollar amount per acre-foot for the proposed
water and the total amount of depletions the Subdistrict owes on the Conejos River.

A motion was made to purchase the water from the Richfield Canal Company. The motion was seconded and unanimously approved.

Discussion and Possible Action on BLM Lovato Lease Rate Increase for 2021

Vice-President Valdez asked for the discussion and possible action on BLM Lovato lease rate increase for 2021. Amber Pacheco updated the Board on a meeting she had with the BLM and discussions around a rate increase for the Lovato water they make available to the Subdistricts. Ms. Pacheco reported how the Subdistrict offsets the BLM's pumping fee in exchange for a lease of the Lovato water. Cleave Simpson provided some suggested language to include in the agreement and reported challenging the BLM to pump less water. Discussion was held on placing a cap to limit their pumping and the threatening nature of the letter submitted by the BLM.

A motion was made to accept \$80 per acre-foot for 2021 BLM Lovato lease. The motion was seconded and unanimously approved.

Vice-President Valdez asked for the discussion and possible action on appeal of 2019 Subdistrict Groundwater Withdrawal Fees. Amber Pacheco reported receiving an appeal filed by Tyler Faucette on fees assessed to his well in 2019 and paid in 2020. Tyler Faucette reported being overcharged and felt the error occurred in the consumptive use calculation in the modeling. Ms. Pacheco explained how the fee calculations are done. Craig Cotten reported he is working with the modelers to come up with a resolution. Cleave Simpson highlighted the possibility of Mr. Faucette's well being measured incorrectly and what the best way to remedy it would be. Discussion was held on treating fish wells equally, how different types of wells are being measured,

Discussion and Possible Action on Appeal of 2019 Subdistrict Groundwater Withdrawal Fees

and the need to handle each on a case-by-case basis. Ms. Pacheco reported Mr. Faucette has paid his fees and has met the eligibility requirements to file an appeal.

A motion was made to approve the Tyler Faucette appeal and issue a refund based on Mr. Faucette's submitted calculations. The motion was seconded and unanimously approved. Tyler Faucette abstained.

Update from Joint Subdistrict Work Group Meeting

Vice-President Valdez asked for the update from the joint Subdistrict work group meeting. Tyler Faucette provided an update on the work session. Mr. Faucette highlighted the process, the discussions on what they wish to accomplish and how to avoid competition. Cleave Simpson suggested including Subdistrict No. 1 in the conversations and work sessions. Mr. Faucette

encouraged other Board of Managers to get involved and provided the date of the next joint Subdistrict work session.

Direction for Staff

Vice-President Valdez asked for direction for staff. Amber Pacheco highlighted the directions she was given as well as the routine tasks she would be working on. Ms. Pacheco provided the names of the Board of Managers that are up for re-appointment and reported she has submitted letters to the ditch companies.

Next Meeting

A Special Meeting was scheduled for November 24, 2020, at 7:30 a.m. The annual meeting was scheduled for February 10, 2021, at 1:30 p.m.

Adjournment

A motion was made to adjourn the meeting. The motion was seconded and unanimously passed. The meeting was adjourned at 3:00 p.m.

President

Secretary/Treasurer

Parcel Number	WDID	Meter Number	Assessed Pumping Fee	Appellant's Requested Change
5555 193 00032	2Z050ZY	19-08455 6P07-8-1251	\$39435.48	\$ 22831.63

anation of change: see attached		
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REQUEST FOR APPEAL OF SUBDISTRICT NO. 6 ASSESSED FEES

Return To:

Rio Grande Water Conservation District

C/O Subdistrict No. 6 8805 Independence Way Alamosa, CO 81101

Telephone: 719-589-6301

Fax: 719-992-2026

CONTACT INFORMATION:

	Owner	User
Name:	Tyler Faucette	Tyler Faucette
Address:	22862 CR 24 Santoid, CO	
Telephone:	(719) 588-2200	
E-Mail:	Tyler @ coloradocatch U.C. com	
Farm Unit No.	401 820	
Parcel No(s).	555519300032	

PLEASE CHECK BOXES OF FEES BEING APPEALED: (For each requested change please provide explanation

Parcel No.	WDID	Shared Wells on one meter
- 17		
xplanation of change:		

Subdistrict 6 board of Managers,

This letter is to explain the information and background of the appeal of assessed fees that I am filing. I have been in prolonged discussions with the state concerning the flawed response function for my fish farm well WDID# 2205024. The State has set my CU at 35% of my average pumping, which for 2014-2018 was 4621.32 acre feet. Using the response function provided the subdistrict then multiplies 4621.32 acre ft. by 35% and then divides it by .83 to adjust back to what the necessary withdrawals would be to achieve the calculated CU. When the state provided the response function for my well, they forgot to give me any credit for the 18 Shares of the Commonwealth ditch system that I own and divert onto my farm. The state allocated 100% of the consumptive use of my crop to my well, which is not correct. While water from the commonwealth is available, I use it on my crops first and then make up any difference that exists with my well water. I am limited to pumping 2800 gpm which is short of supplying a full water supply to all 630 acres that I farm, so the withdrawal limitation is further proof that the state is over charging me for the CU associated with my well. All of the well water that is not consumed by the crops on my farm is discharged into the 20 ft lateral and/or the Norton Drain and as such, belongs to the System at that point as a surface return. The legal precedent set by the state with the wells in the Other category is that once the original owner of the pumped water loses dominion and control of that water there is no further CU attributed to that well, even if it is available for diversion by subsequent water users.

I have prepared a spreadsheet that details my crop history, pump withdrawals and commonwealth deliveries from 2014-2018. My crop history is verifiable through FSA, the withdrawals and total commonwealth diversions can be verified with the Colorado Dept of Water Resources. I have owned the 18 shares of Commonwealth for all the years in question.

The original fee that was assessed was as follows:

5 yr pumping average 4621.32

CU percentage provided by State X 35%

Total CU 1617.462

Subdistrict correction factor to

Adjust to total withdrawals .83

Total withdrawals for CU 1948.749

Fee of 20.20 per acre foot 20.20

Withdrawal fee \$39364.74

Admin fee \$ 430.00

Total fee \$39794.74

My actual fee was \$39435.48 so there must be rounding in the actual response function that I am not accounting for.

I feel that the following fee calculation follows the precedents set by the state with the other wells in the "other" category and is a fair representation of what actually occurs on my farm. I have used the following assumptions for crop CU, I believe that I am being more than fair.

Alfalfa 30", Barley 20", Canola 20", Oats 18", new Alfalfa 24", and Sorghum 20"

Average Crop CU 2014-2018 1322.05

Adjustment for total Water needs /.83

Total Applied Water 1592.8341

Average Commonwealth received

2014-2018 792.3963

Net Well requirements 800.4378

New fee \$16603.84 Includes admin fee of \$435.00

Fee paid 2020 \$39435.48

Refund \$22831.63

In the future I would propose that my fee be calculated as proposed to avoid needing to file an appeal each year.

Thank you for your consideration,

Tyler Faucette

Well WDID # 2205024

Parcel # 555519300032

Tyler Faucette Wiesbart Farm CU and Commonwealth information

I own 18 Shares of the Commonwealth irrigation system, all 18 shares are diverted and used on the acreage lis

		2014	2014	2015	2015	2016	2016	2017	2017
Field	Acres	Crop	CU	Crop	CU	Crop	CU	Crop	CU
W1	202.15		505.375		505.375	alfalfa	505.375	alfalfa	505.375
W2	214.56	alfalfa	536.4	alfalfa	536.4	barley	357.6	barley	357.6
W3	108.78	Barley	181.3	Barley	181.3	barley	181.3	new alfalfa	217.56
W4	39.9	new alfalfa	79.8	alfalfa	99.75	alfalfa	99.75	alfalfa	99.75
W5	72.43	sorghum	120.7	Barley	120.7	barley	120.7	new alfalfa	144.86
Total Cu			1423.6		1443.5		1264.7		1325.1
Assumed									
Alfalfa	30"		Sorghum	20"					
Barley	20"								
Canola	20"								
Oats	18"								
New Hay	24"								
Common	Wealth W	ater							
			2014		2015		2016		2017
Total Dive	ersions		55562.5		57380.5		62780.5		75264.9
60% deliv	erv/40% d	itch loss	33337.5		34428.3		37668.3		45158.94
Acre ft/sh	nare 732.16	525 shares	45.53292	!	47.02275	-	51.44800		61.678848
My delive	ry 18 share	es	819.5926	!	846.4096	ŧ	926.06409		1110.2197
Net differ	ence		604.0		597.1		338.7		214.9
to be cov	ered by we	ell							
		1 State record				Average p	umping		
2019			Approved					.1. 1.2	(A . P AV
2018			Approved			Kesponse	runction c	alculations	(Avg div)X
2017			Approved			۸ 6	CI 1		
2016 2015			Approved			Average f		ual to sprinkl	or calculati
2013			Approved Approved			aujustine	nt to be eq	ual to sprinkl	er calculati
2014			Approved						
2013			Approved			Common	wealth Dive	arsions	
2012			Approved			COMMON	wealth DIVE	.1310113	
2011			Approved			New fee h	nasis Adius	ted CU less Co	ommonwe:
2010			Approved				/ tajus		
2005	1110.57	731	Approved						

sted below.

2018		2018	2019	2019
Crop	CU		Crop	CU
forage oats		303.2	barley	336.9
barley		357.6	alfalfa	536.4
oats/alfalfa		272.0	alfalfa	272.0
alfalfa		99.8	alfalfa	99.8
barley		120.7	canola	120.7
		1153.2		1365.7

2018	2019
17605.5	75171.1
10563.3	45102.66
14.4275348	61.601980
259.695627	1108.8356
893.5	256.9

2014-2018 4621.32

(.35)/(.83) 1948.75 this is what my 2020 fee was based on

2014-2018 1322.05

ons 1592.83413 CU/.83

2014-2018 792.39625€

alth Diversion 800.437880 acft

Fee \$16,603.85 includes \$435 admin fee

Paid \$39,435.48 Refund \$22,831.63