

**QUARTERLY MEETING OF THE BOARD OF MANAGERS  
OF SPECIAL IMPROVEMENT DISTRICT #1  
OF THE RIO GRANDE WATER CONSERVATION DISTRICT  
September 5, 2023 at 1:30 p.m.  
8805 Independence Way, Alamosa CO 81101  
And by Zoom Teleconference**

**Present:** Jake Burris, President; Clay Mitchell, Vice President; Sheldon Rockey, Secretary/Treasurer; Jamie Hart, BOM; Miguel A. Diaz, BOM; Tony Holcomb, BOM; Chris Miner, BOM; Michael Jones, BOM; Brett Hemmerling, BOM; and Mike Kruse, Ex-Officio Member.

**Absent:** James Cooley, BOM.

**Staff and Consultants:** Pete Ampe, Hill & Robbins P.C.; Amber Pacheco, Deputy General Manager; Taylor Chick, Program Manager; Linda Ramirez, Program Assistant; Rose Vanderpool, Program Assistant; Wylie Keller, Water Resource Specialist; Clinton Phillips, Davis Engineering; Kylie Gregg, Office Manager; Michael Carson, Database Administrator; Crystal Benavidez, HCP Coordinator; and April Mondragon, Administrative Assistant.

**Guests:** Greg Higel, Deb Sarason, Steve Keller, Curt Trimble, and Michelle Lanzoni.

**Meeting Called to Order**

President Burris called the meeting to order at 1:35 p.m. The Pledge of Allegiance was recited, a quorum was present.

**Approval of the Agenda**

President Burris asked for approval of the agenda. A motion was made by Jamie Hart to approve the agenda as presented. The motion was seconded by Clay Mitchell and unanimously approved.

**Approval of the Minutes**

President Burris asked for approval of the following minutes:

- May 25, 2023-Special Meeting
- June 6, 2023-Quarterly Meeting
- June 6, 2023-Executive Session

A motion was made by Miguel Diaz to approve the minutes as presented. The motion was seconded by Jamie Hart and unanimously approved.

**Public Comment**

President Burris asked for public comment. There was none.

**Program Manager's Report**

President Burris asked for the Program Manager's report.

- *Financial Report*

Taylor Chick presented the Balance Sheet, Balance Sheet-Admin, Balance Sheet-CREP, Balance Sheet-Variable, and the Profit and Loss by Class Statement. He highlighted the balance in the checking account, assessments receivable and discussion was held on the miscellaneous sale of water. Staff was directed to further identify the Miscellaneous line item. Mr. Chick also presented the Profit and Loss budget vs. Actual statement and the Statement of Cash Flows.

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

Taylor Chick provided an update on the current business which included the collection of the administrative record. He also reported mailing out the 2023-meter reading forms, reviewing CREP contracts, updated surface water meter tracking and status on returned Farm Unit updates. Mr. Chick reported on a meeting with Clinton Phillips to discuss recharge options and highlighted the reservoir accounting. He provided the 2023 depletion replacement operations and an update on Subdistrict No. 1 properties. Discussion was held on the sheep on the Medano property and how they affected the land.

**Attorney's Report**

President Burris asked for the Attorney's report. Pete Ampe updated the Board on the Texas vs. New Mexico settlement agreement, the Farm Bill in connection with changes to the CREP program and the groundwater conservation easement program. He provided an update on SB22-028 funds, the dollar amount committed and total acre feet of water to be taken out of production. Mr. Ampe also highlighted the dollar amount the Republican River Conservation District has spent. Discussion was held on how to use a portion of Subdistrict No. 1's funds to incentivize the program. Mr. Ampe suggested the Board form a subcommittee to organize a plan to present to the Board of Directors. Jamie Hart, Miguel Diaz and Tony Holcomb volunteered to be on the subcommittee.

### Engineer's Report

President Burris asked for the Engineer's report. Clinton Phillips presented the change in the unconfined aquifer storage study. He presented the overall study period graph and gave a summary of the change between September 2022 and 2023, the current aquifer level, the current five (5) year average and the acre feet needed to get to the -400,000 level.

### Discussion and Possible Action Items

President Burris asked for discussion and possible action items.

- 2024 Detailed Budget

Taylor Chick presented the proposed 2024 budget. He explained the administrative fee revenues, the administrative fee expenditures as well as the ending administrative revenues and expenditures. Mr. Chick reported adding a recharge program to the administrative expenditures. He explained the Subdistricts ability to fund CREP contracts from the CD with assessments at zero (\$0) per acre foot. President Burris reported on the Finance Committees suggestion to using funds from the Subdistricts CD to fund CREP rather than assessing a fee. Mike Kruse reported being in favor of the zero dollar (\$0) for this year and suggested revisiting the subject next year. Mr. Chick described how the million dollars could be used to incentivize CREP. He reported on the \$150 variable fee and provided the projected groundwater withdrawals. Mr. Chick highlighted the miscellaneous revenue, and how it was calculated. President Burris thanked staff for attending the work session in Center. He highlighted the fees to be assessed in the 2023 pumping season to be collected for the 2024 budget to be \$3.00 for Administrative, zero (\$0) per acre foot for CREP and \$150 per acre foot for variable fee.

A motion was made by Jamie Hart to approve the budget as presented and set the admin fee at \$3.00, the CREP fee at \$0 and the variable fee at \$150 per acre foot. The motion was seconded by Tony Holcomb and unanimously approved.

- CD Resolution

Taylor Chick presented a Certificate of Deposit Resolution. He explained the resolution was needed in order for the Subdistrict staff to access the funds currently held in a Certificate of Deposit. Discussion was held on the penalties associated with early withdrawal.

A motion was made by Clay Mitchell to approve of the Resolution to Allow Staff to Access Funds Currently Held in a Certificate of Deposit. The motion was seconded by Miguel Diaz and unanimously approved.

- CREP Contracts: GAP Payment, Updated Incentives Offered, & Updated Contract Addendums

Taylor Chick explained how a gap payment would be necessary when offering a match on the highest rate offered by FSA for CREP. He reported on the proposed incentives to offer for permanent and temporary CREP. Discussion was held on the size of the focus area.

A motion was made by Clay Mitchell to approve the CREP Addendum No. 4 for additional incentives for enrolling irrigated acres. The motion was seconded by Chris Miner and unanimously approved.

Taylor Chick presented the Addendum No. 5 for additional incentives for CREP. Tony Holcomb questioned the timing of offering additional incentives for CREP and how it may interfere with the Senate Bill program.

A motion was made by Miguel Diaz to approve the CREP Addendum No. 5 for additional incentives for enrolling irrigated acres. The motion was seconded by Jamie Hart. Tony Holcomb opposed; the motion passed.

Taylor Chick presented CREP contracts RG #11-2021 and SAG #33-2020. He reported on the errors that were discovered during a staff conducted audit of CREP contracts. Mr. Chick explained how the errors occurred and the plan to correct the issues.

A motion was made by Jamie Hart to approve the payment schedule addendums for contracts RG #11-2021 and SAG #33-2020. The motion was seconded by Clay Mitchell and unanimously approved.

- Sale of Equipment on Lacy Property

Taylor Chick reported on a request from an interested party to purchase equipment on the Lacy Property. He presented photos and a list of the equipment located on the property. Pete Ampe reported on the requirement to advertise for bids. Clay Mitchell commented on the possibility of needing to put water on the property one day. Discussion was held on selling the equipment individually or categorizing the equipment into packages.

A motion was made by Miguel Diaz to sell and seek bids for the equipment in three (3) categories as follows: (1) sprinkler; (2) motors and pumps; and (3) electrical with no minimum bid. The motion was seconded by Jamie Hart and unanimously approved.

- Water Rights on Medano Property

Taylor Chick presented a map of the Medano property. He identified the parcels tied to Farmers Union and Non-Farmers Union parcels. President Burris asked about any requirements from the conservation holder. Mr. Chick described how the fees are assessed to the parcel number and the need to petition the water rights off the parcel. Pete Ampe explained the exclusion of water rights and retention by the Subdistrict. Mike Kruse commented on the potential need to recharge water on the property one day. He suggested opening up discussions with the Fish and Wildlife to see if there would be any interest from them in the property. Discussion was held on potential hunting access opportunities.

- Recharge Pits on Properties

Taylor Chick reported on a recharge pit maintenance cost share program. He explained the requirements for the 50% cost share to maintain a recharge pit in Subdistrict No. 1 and the application process. Discussion was held on setting a per acre cap.

A motion was made by Miguel Diaz to set the cap at \$10,000 with a 50% cost share. The motion was seconded by Mike Kruse and unanimously approved.

**Executive Session Concerning Potential Litigation, and to Receive Legal Advice Thereto**

President Burris asked for a motion to enter into executive session concerning potential litigation. A motion was made by Chris Miner to enter into executive session. The motion was seconded by Miguel Diaz and unanimously approved.

Mr. Ampe stated the Board was entering into executive session pursuant to section 24-6-402(4)(a) to receive legal advice concerning potential litigation. The Board would take no formal action or position during the executive session.

**Board of Mangers Open Discussion**

President Burris asked for Board of Managers Open Discussion. There was none.

**New Business**

President Burris asked for new business. There was none

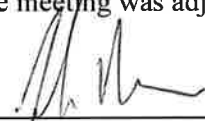
**Next Meeting**

The next quarterly meeting is scheduled for December 5, 2023 at 1:30 p.m.

**Adjournment**

A motion was made by Jamie Hart to adjourn the meeting. The motion was seconded by Michael Jones and unanimously approved.

The meeting was adjourned at 5:03 p.m.

  
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President

  
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Secretary/Treasurer

RESOLUTION TO ALLOW STAFF TO ACCESS FUNDS CURRENTLY  
HELD IN A CERTIFICATE OF DEPOSIT

A RESOLUTION ALLOWING WITHDRAWAL OF FUNDS FROM SUBDISTRICT NO. 1'S  
ALAMOSA STATE BANK CERTIFICATE OF DEPOSIT.

There is need for Subdistrict No. 1 to be able to access the funds currently held in a  
Certificate of Deposit held in the Alamosa State Bank ("CD") for the 2024 budget to fund CREP  
program expenditures.

AND WHEREAS

There may be penalties for early withdrawal from the CD and Board approval is needed  
to be able to remove funds from the CD in order to fund the CREP program expenditures.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS FOR  
SUBDISTRICT NO. 1, OF THE RIO GRANDE WATER CONSERVATION DISTRICT,  
COLORADO:

1. Allows staff to withdraw such funds from the CD as necessary for the 2024 budget  
only to fund the CREP program expenditures.
2. Agrees to accept any penalties for early withdrawal from the CD as may be imposed  
by the Alamosa State Bank.

ADOPTED, this 5<sup>th</sup> day of September, 2023.

Attest:

  
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President

  
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Secretary/Treasurer