

**ANNUAL MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #6
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
February 9, 2022, at 1:30 p.m.
Rio Grande Water Conservation District Conference Room
And By Zoom/Teleconference**

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

Absent: Armando Valdez, Ex-Officio Member.

Staff and Consultants: Pete Ampe, Hill & Robbins, P.C.; Amber Pacheco, Program Manager; Rose Vanderpool, Program Assistant; Linda Ramirez, Program Assistant; Michael Carson, Database Administrator; Clinton Phillips, Davis Engineering; Wylie Keller; Water Resources Specialist; Cassandra McCuen, HCP Coordinator/Program Assistant; and, April Mondragon, Administrative Assistant.

Guests: Virginia Christensen, Mike Dill, John Kuenhold, Manny Patel, Psagnesh Patel, Deb Sarason, David Hofmann, Leah Clark, Monica McCafferty, Jennifer, Linda Schoonhoven.

Meeting Called to Order

President Faucette called the meeting to order at 1:30 p.m. A quorum was present. The Pledge of Allegiance was recited.

Approval of Agenda

President Faucette 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

President Faucette asked for changes or a motion to approve the following minutes:

- November 2, 2021-Quarterly Meeting
- November 2, 2021-Executive Session
- November 23, 2021-Special Meeting

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

Election of Officers

President Faucette turned the meeting over to Pete Ampe. Pete Ampe reminded the Board of the current officers and opened up the floor for nominations for President including self-nominations or a nomination to maintain the current slate of officers. A motion was made to maintain the current officers for another year. The motion was seconded and unanimously approved.

Attorney's Report

President Faucette asked for the Attorney's report. Pete Ampe reported he would begin to work with Amber Pacheco on the Preliminary Water Report and Annual Replacement Plan. President Faucette questioned if he had been in on any of the discussions with the State concerning ATM projects. Mr. Ampe reported he had not been a part of those discussions.

Program Manager Update

President Faucette asked for the Program Manager update.

- *Financial Report*

Amber Pacheco presented the financial report. She highlighted the Subdistrict tracking sheet, Balance Sheet, and the Profit and Loss Statement. Ms. Pacheco reported Forbearance payments would go out in the next month and that some storage payments had been made. She highlighted the Subdistrict was under budget for 2021 and was looking good going into 2022.

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

- Update on Replacement Operations for 2021 Annual Replacement Plan

Amber Pacheco reported the winter time injuries were being covered by the Closed Basin Project. She provided the due date of the Preliminary Water Report and the process ahead. Ms. Pacheco provided the 2021 projected groundwater withdrawals, projected river flows, the water balances in the reservoirs and the amount of water that had been released.

Clinton Phillips provided an update on the confined wells. For his review he was using 2015 as a baseline year with the time span of December 2015 through December 2021. He highlighted the average change in head and showed individual hydrographs. Mr. Phillips explained why he chose 2015 as a baseline year.

Discussion and Possible Action on 2022 Forbearance Bonus Resolution

President Faucette asked for the discussion and possible action on 2022 Forbearance Bonus Resolution. He explained some of the other Subdistricts are offering five (5) year terms with the \$300 bonus. Amber Pacheco highlighted Forbearance could be for any multi-year agreements for the \$300 yearly bonus. She reported some of the agreements are in their third year and this would be good time to offer a longer term.

A motion was made to accept the 2022 Forbearance Bonus Resolution. The motion was seconded and unanimously approved.

Discussion and Possible Action on Participation Contract

President Faucette asked for the discussion and possible action on participation contracts.

- Wolfe Family Trust

Amber Pacheco presented the Wolfe Family Trust Participation Contract. She highlighted the location of the artesian well on a map, stated the well is not being put to any beneficial use and that it is metered and flowing up to 40 acre-feet a year. Ms. Pacheco reported they would pay fees as an active well. Discussion was held on how the State would include the well in the response function and how the Subdistrict would know if the farming practices were to change. David Hofmann explained how the response function would be used to calculate the stream impact based on differing farming practices.

A motion was made to accept the Wolfe Family participation contract with two (2) conditions: 1) the classification of the well will be "other" and the fees will be based on 6.75 acre-feet of consumptive use if the State also agrees with the numbers and if the State does not agree it will be classified as "flood" and the fees will be based on the actual metered data; and, 2) if a Sustainability Fee is assessed in the future, it will be based on the actual meter readings and not the 6.75 acre-feet of consumptive use. The motion was seconded and unanimously approved.

- John Noffske and Linda Schoonhoven

Amber Pacheco reported John Noffske and Linda Schoonhoven have one (1) irrigation well already in the Subdistrict and two (2) irrigation wells they did not include which have recently been placed on the abandonment list. She highlighted the contract would be for one (1) year which could be renewed at the Board's discretion and that the Contract Fee had already been paid. Ms. Pacheco provided the details of the wells and reported the wells are inactive and currently do not have meters. Linda Schoonhoven explained she is trying to protect the wells.

A motion was made to approve the John Noffske and Linda Schoonhoven Participation Contract. The motion was seconded and unanimously approved.

Discussion and Possible Action to Extend the Participation Contract Deadline for Two Non-Exempt Commercial Wells in the Alamosa-La Jara Response Area

President Faucette asked for the discussion and possible action to extend the participation contract deadline for two non-exempt commercial wells in the Alamosa-La Jara Response Area. Amber Pacheco reported being approached by the owners of the Movie Manor in Monte Vista to see if the Subdistrict would consider a participation contract to include two (2) wells into the 2022 Annual Replacement Plan. Ms. Pacheco reported receiving the request past the contract deadline, therefore it would be up to the Board of Managers to allow an extension. John Kuenhold reported there are two (2) active wells and one (1) inactive well on the property, he highlighted the Patel's plan to reopen

the restaurant. Mr. Kuenhold reported the 3 wells on the property are metered and decreed commercial, he also provided the depth of the wells. Mr. Kuenhold highlighted some of the ways the Patel's are looking to cut water use.

A motion was made to extend the Subdistrict No. 6 participation contract deadline and accept the Monte Vista AVS Hospitality Participation Contract. The motion was seconded and unanimously approved.

Discussion and Possible Action on the Colorado Parks and Wildlife Contract

President Faucette asked for a discussion on the Colorado Parks and Wildlife contract. Amber Pacheco presented and reported on the Colorado Parks and Wildlife Contract and explained it was in the process of being amended to clear up a few items and would go into effect in 2022.

Discussion Regarding the Setting of a Policy to Manage Assets Purchased by the Subdistrict

President Faucette asked for discussion regarding the setting of a policy to manage assets purchased by the Subdistrict. Amber Pacheco explained the conversation started when Subdistrict No. 1 purchased a number of well permits. Discussion was held on what to do with the well permits and the need to set up a policy/process on how to handle assets. Ms. Pacheco asked the Board to start thinking about it as it would be further discussed at the July Board of Directors/Subdistrict meeting.

Executive Session to Receive Legal Advice Regarding Negotiations for the Lease of Real Property

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

Mr. Ampe stated the Board was entering into executive session pursuant to section 24-6-402(4) to receive legal advice concerning the potential lease/purchase of real property and the Board would take no formal action or position during the executive session.

Direction for Staff

President Faucette asked for direction for staff. A motion was made to offer an ATM on the Monte Vista Canal at the rate of \$250 per acre-foot. The motion was seconded and unanimously approved.

Next Meeting

The next quarterly meeting was scheduled for May 11, 2022, 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 4:52 p.m.


Via - President


Secretary/Treasurer

RESOLUTION OF SPECIAL IMPROVEMENT DISTRICT NO.6 OF
THE RIO GRANDE WATER CONSERVATION DISTRICT
(Regarding Forbearance Contracts)

Resolution 2022-01

RECITALS

WHEREAS, Special Improvement District No. 6 of the Rio Grande Water Conservation District (“Subdistrict No. 6”) was created pursuant to section 37-48-108, C.R.S., and pursuant to section 37-48-101.3(1), C.R.S., is a body corporate under the laws of Colorado; and

WHEREAS, Subdistrict No. 6 was formed for the purpose of designing and implementing a cooperative plan for water management to assure the protection of senior surface water rights and promote the maximum beneficial and sustainable use of water resources; and

WHEREAS, Subdistrict No. 6 entered into numerous forbearance agreements with ditches whereby the Subdistrict was able to remedy injury to those ditches caused by groundwater withdrawals from Subdistrict Wells by providing a cash payment rather than introducing water at the top of the affected reach; and

WHEREAS, such forbearance agreements allowed the Subdistrict to meet its goals of remedying injury to senior surface water rights at a lower cost than expected; and

WHEREAS, not all ditches that entered into forbearance agreements received a financial benefit; and

WHEREAS, Subdistrict No. 6 wishes to thank all of those ditches who entered into forbearance agreements for ARP year 2021 and encourage those and other ditches to enter into forbearance agreements for ARP year 2022 and beyond; and

WHEREAS, Subdistrict No. 6 sees great value and increased efficiencies in working closely with other Subdistricts on entering into joint forbearance agreements.

RESOLUTION

NOW, THEREFORE, be it resolved by the Board of Managers, as follows:

1. Bonus Payment for ARP Year 2022. Subdistrict 6 will pay a one-time bonus of \$200.00 for each one-year forbearance agreement for ARP Year 2022 with Subdistrict 6. This bonus payment applies to every one-year forbearance agreement for ARP Year 2022 and is in addition to any payments due under a forbearance agreement.

2. Bonus Payment for multi-year forbearance agreement. Subdistrict 6 will pay a bonus of \$300.00 for each year of the ARP to any multi-year forbearance agreement with Subdistrict 6. This bonus payment applies to every forbearance agreement for ARP Year 2022 and is in addition to any payments due under a forbearance agreement. Equal payments of \$300.00 will be made annually through the term of the forbearance agreement.

RESOLVED this 9th day of February 2022.

ATTEST:

BOARD OF MANAGERS
SPECIAL IMPROVEMENT DISTRICT NO. 6 OF
THE RIO GRANDE WATER CONSERVATION
DISTRICT


Secretary


President