

**RULES AND REGULATIONS OF SPECIAL IMPROVEMENT DISTRICT NO. 5 OF
THE RIO GRANDE WATER CONSERVATION DISTRICT BOARD OF MANAGERS**

ARTICLE I

Object

1. The Purpose of the Board of Managers of Special Improvement District No.5 of the Rio Grande Water Conservation District (“Subdistrict”) is to carry out the general supervision and operational management of the Subdistrict. Specifically, the Board of Managers must develop and implement a plan of water management to benefit the property within the Subdistrict. The plan of water management must be designed to remedy injurious depletions to senior surface water rights from groundwater withdrawals from Subdistrict Wells and to conserve and stabilize the water supply for irrigation, domestic, municipal, industrial and other beneficial uses for those water users within the boundaries of the Subdistrict.
2. The Board of Managers will operate both separately and in conjunction with the Board of Directors of the Rio Grande Water Conservation District.

ARTICLE II

Members

1. Number of Members. As stated in the Petition for Establishment of Special Improvement District No. 5 of the Rio Grande Water Conservation District, the Board of Managers will be composed of five (5) members and one (1) Ex Officio member.
2. Appointment Criteria for Members. As stated in the Petition for Establishment of Special Improvement District No. 5 of the Rio Grande Water Conservation District, Members must either be a landowner or a representative of a landowner charged with the management and/or

operation of farming, ranching or other activities on Subdistrict Land that involve the beneficial use of water from Subdistrict Wells. If duly designated by the landowner, the representative will serve in a representative capacity on the Board in the Landowner's absence. A landowner may revoke the designation of at any time by written notice to the District Board of Directors. Land within the Subdistrict must be current on all assessments and in good standing with the Subdistrict to permit a landowner or representative to serve on the Board of Managers.

3. Appointment of Members. The Board of Directors of the Rio Grande Water Conservation District will select the Managers from letters of interest submitted to the District for any seat that is expiring or is vacant. The inaugural Board of Managers may prepare a list of aspiring qualifications to guide the District Board of Directors appointments to the Board of Managers. If no qualified individual volunteers to serve for an expiring or vacant seat, then the Board of Directors will be free to make an appointment of its choosing meeting the applicable criteria.

4. Ex Officio Member. The Ex Officio member may be a member of the Board of Directors of the Rio Grande Water Conservation District and may be unaffiliated with the Subdistrict. The District Board may, but is not required to, publish notice of the vacancy and accept applications for the position if it concludes that a member of the District Board will not serve in that capacity. The Ex Officio member is a non-voting member. The Ex Officio member must be appointed by the Board of Directors of the Rio Grande Water Conservation District and will serve a term of indeterminate length at the pleasure of the District Board of Directors but must be confirmed at least every two (2) years. The Ex Officio member will provide regular updates concerning the Board of Managers activities at Rio Grande Water Conservation District Board Meetings.

5. Terms of Members. Regular members shall serve four year terms, with no limit on the number of terms that a member may serve. The first Board of Managers shall be comprised of two (2) members serving initial terms of two (2) years, two (2) members serving initial terms of three (3) years and the remaining member serving an initial term of four (4) years. Thereafter, members will serve terms of four (4) years. The Board of Managers will assign the initial length of each member's term at the first meeting of the Board of Managers as described in the Petition to Establish the Subdistrict.

6. Removal of Member of the Board of Managers. At any regular meeting of the Board of Managers, should any three (3) of the Managers elect to seek the removal of a member, the request for that member's removal will be referred to the Rio Grande Water Conservation District Board of Directors. The Board of Directors at their next regular or special meeting, and after proper notice, may consider the recommendation from the Board of Managers to remove such member, with cause. After public deliberation, the Board of Directors can remove such member if the motion to do so is supported by at least six (6) affirmative votes of the Board of Directors. Any member of the Board of Managers whose removal has been recommended must be given an opportunity to be heard at both the meeting of the Board of Managers and the Board of Directors of the Rio Grande Water Conservation District. Any member of the Board of Managers whose removal will be proposed to the Board of Directors must be given adequate notice of the reasons for the proposed removal and of the date and time of the Board meeting where an opportunity to be heard by the Board of Directors of the Rio Grande Water Conservation District will be afforded before any action is taken.

7. Vacancy. If a member of the Board of Managers resigns or is removed before the end of a term of office, the Board of Directors shall request letters of interest from Subdistrict Members

who meet the qualifications of the vacant seat. The District Board will select a new member to fulfill the unexpired term from those letters of interest. This new member will stand for retention at the end of the term in the same manner as the other members.

ARTICLE III

Officers

1. Number / Election / Term. The Officers of the Board of Managers are a President and a Vice-President/Secretary/Treasurer. All such officers must be selected or appointed at the first meeting of the Board of Managers by majority vote and afterwards at the Annual Meeting of the Board of Managers. Officers will serve for a period of one year, and until their successors shall have been selected or appointed and enter upon a discharge of their duties. In case one or more of said offices is vacant for any reason, the Board of Managers may, at any meeting, fill such vacancy or vacancies as may then exist.

2. President. The President will preside at all meetings of the Board of Managers. The President must sign all agreements, contracts, bonds, and other instruments authorized by, or affecting the rights and duties of the Subdistrict, and may countersign checks issued by the Subdistrict in conjunction with other authorized signatories. The President will consult with and obtain approval from the Rio Grande Water Conservation District Board of Directors for contract bids, acquisition of property and other matters for which Rio Grande Water Conservation District Board approval is required.

3. Vice-President/Secretary/Treasurer. In the event of a vacancy in the office of President, the absence or inability of the President to act, the Vice-President may perform any of the duties of the President. Upon request of the President, the Vice-President may perform such duties of the President as the President may indicate in writing.

Acting as Secretary, they will cause accurate minutes of the proceedings of the Board of Managers to be kept in a well bound book of record and shall have custody of certificates, contracts, bonds given by employees, and the written evidence of all official acts of the Subdistrict which shall be kept open for inspection as required by law. The Secretary must attest, and may affix the seal of the Subdistrict, to all instruments requiring the signature of the President, except checks and bonds, and to perform such other duties as may be assigned by the Board of Managers.

Acting as Treasurer, they shall be responsible for the custody and safe-keeping of all monies of the Subdistrict and shall pay out of the funds in the Treasurer's custody the obligations of the Subdistrict which have been incurred and approved by Board of Manager's action. The Vice-President/Secretary/Treasurer may countersign checks issued by the Subdistrict.

ARTICLE IV

Parliamentary Procedures

1. Robert's Rules of Order is hereby adopted as the parliamentary guide of the Board of Managers.

ARTICLE V

Meetings

1. Annual Meeting. The Annual Meeting of the Board of Managers shall be held on the third Wednesday of April of each year at the principal office of the Rio Grande Water Conservation District at 8805 Independence Way, Alamosa, CO 81101.

2. Regular Meetings. Regular meetings of the Board of Managers shall be held on the third Wednesday of the months of January, April, July and October at the principal office of the Rio Grande Water Conservation District. Notice of any change to the meeting time will be noticed in

the same manner as all regular and special meetings. Whenever the date set for a regular meeting of the Board of Managers shall fall upon a legal holiday, that meeting shall be held on the Thursday following such holiday at the hour and place specified for the regular meeting.

3. Special Meetings. Special meetings of the Board of Managers may be held upon the call of the President, or any three Managers. Such meetings shall be considered to be properly held if all members of the Board of Managers shall have received written notice of the time and place of such meeting by regular United States mail, electronic mail or other written electronic communication at least three (3) days in advance of the meeting.

4. Notice of Meetings. Public notice of all regular and special meetings must be given by posting the same in the manner provided by law at least twenty-four hours before the meeting. No other notice than that afforded by these Rules and Regulations will be required for any regular or special meeting of the Board of Managers.

5. Quorum. A majority of the Board of Managers shall constitute a quorum for the holding of meetings; all action of the Board of Managers shall be by vote of a majority of the whole Board.

6. Place of Meeting. All regular meetings of the Board of Managers will be held at the principal office of the Rio Grande Water Conservation District; special meetings may be held at any place within the exterior boundaries of the Rio Grande Water Conservation District specified in the notice of the meeting or in such other location as allowed by law.

7. Attendance Required. Attendance at all meetings of the Board of Managers is required of each member. If a member cannot attend a meeting of the Board of Managers, he must notify the President of the Board of Managers of that fact at least twenty-four (24) hours before the meeting is scheduled. If the President is timely notified, the member's absence will be

considered to be excused. If a member has unexcused absences from two (2) Board meetings in a calendar year, the Board of Managers may request that the Board of Directors of the Rio Grande Water Conservation District secure his removal and replacement with an individual willing to fully perform the duties required of a member of the Board of Managers, as provided for by Article II, paragraph 6 above.

8. Organizational Meeting. The first meeting of a newly appointed Board of Managers must be held within ninety (90) days of Rio Grande Water Conservation District Board's appointment of the Board of Managers. Notice will be given to the newly appointed Board of Managers members by the Rio Grande Water Conservation District Board.

ARTICLE VI

Personnel

1. Board of Managers Personnel. The Board of Managers may retain employees and other personnel in consultation with the Rio Grande Water Conservation District Board of Directors. Unless agreed otherwise by the Board of Directors, the Board of Managers will utilize the services of the District staff, its engineers and attorneys and will pay for those services in the manner agreed to with the Board of Directors.

ARTICLE VII

Duties of Board of Managers

1. In October of each year, the Board of Managers will provide a written report to the Rio Grande Water Conservation District Board detailing the prior year's operations, achievements, expenditures and budget. This annual report will include the anticipated operation, expenditures and budget for the coming year. The annual report will include a certification of the total amount

of Subdistrict assessments to be levied in the coming year, subject to final approval by the Rio Grande Water Conservation District Board prior to December 1st.

2. The Board of Managers will consult with the Rio Grande Water Conservation District Board on an as-needed basis to obtain approval for contract bids, acquisition of property and other matters for which Rio Grande Water Conservation District Board approval is required.

3. The scope of responsibility of the Board of Managers includes the authority to:

A. prepare and submit an official Subdistrict Plan of Water Management for approval by the Rio Grande Water Conservation District and take such future actions to comply with the approved Plan;

B. determine the amount, if any, of acreage served with groundwater that must be withdrawn from Subdistrict and contract wells under varying hydrologic conditions or determine the manner in which injurious depletions to senior surface water rights caused by withdrawal of groundwater by Subdistrict Wells will be replaced to the affected streams or what other means, other than providing water, may be used in order to remedy injury to senior water rights and to achieve the aquifer sustainability requirements of then valid rules and regulations of the Colorado Division of Water Resources and Senate Bill 04-222;

C. cooperate with the Rio Grande Water Conservation District Board of Directors to execute and operate all works and improvements in the Subdistrict Plan;

D. solicit and approve bids, and recommend their acceptance by the Rio Grande Water Conservation District Board of Directors, for contracts to carry out the works and improvements in the Subdistrict Plan;

E. recommend and request that the Rio Grande Water Conservation District Board of Directors enter into any other contracts reasonably necessary to effectuate the purposes of the

Plan, including contracts with United States and state governments, corporations, special districts, municipalities and other public and private entities to remedy injurious depletions caused by the withdrawal of groundwater within or outside of the Subdistrict and for other purposes;

F. request that the Rio Grande Water Conservation District retain employees and other personnel in conjunction with or separate and apart from the Rio Grande Water Conservation District;

G. monitor measurement devices and collect scientific data in order to effectuate the purposes of the Plan;

H. after consultation with, and with the approval of the Board of Directors, enter upon any lands within or without the Subdistrict to make surveys and examinations necessary for the express purpose for the operational activities of the Subdistrict only;

I. after consultation with, and with the approval of, the Board of Directors, improve any watercourse and alter or remove any structure connected to a watercourse, as reasonably necessary to effectuate the Plan, with any costs and notices to be undertaken as provided in section 37-48-132, C.R.S.;

J. recommend and request that the Board of Directors of the Rio Grande Water Conservation District purchase, lease, or acquire property as reasonably necessary to effectuate the purposes of the Plan in coordination with the Board of Directors of the Rio Grande Water Conservation District and sell or convey such property that is no longer reasonably necessary to effectuate the purposes of the Plan in coordination with the Board of Directors of the Rio Grande Water Conservation District;

K. recommend and request that the Board of Directors of the Rio Grande Water Conservation District acquire and use water rights or other property by purchase or long or short term leases with or without a pledge of general or specific revenues of the Subdistrict;

L. annually determine and certify to the Rio Grande Water Conservation District Board of Directors the total amount of assessments to be levied, subject to final approval and levy by the Rio Grande Water Conservation District Board of Directors; and

M. conduct any other functions and duties as provided for the Board of Managers in sections 37-48-123 C.R.S. *et seq.*, and in particular, sections 37-48-127 to 37-48-133.

EXCEPT that all contracts are subject to approval by the Rio Grande Water Conservation District Board of Directors and all property acquired, developed, or constructed must be held in the name of the Rio Grande Water Conservation District exclusively for the purposes and benefit of the Subdistrict.

ARTICLE VIII

Adoption of Rules and Regulations

1. Adoption of these Rules and Regulations must occur by a majority vote of the Board of Managers. Any changes to these Rules and Regulations must be addressed in accordance with the provisions set forth in Article IX, paragraph 1 below.

ARTICLE IX

Amendment of Rules and Regulations

1. These Rules and Regulations may be amended or repealed in a manner not inconsistent with the law creating the Subdistrict by majority vote of the Board of Managers with approval of the Rio Grande Water Conservation District Board. Such amendment may be addressed at any regular meeting of the Rio Grande Water Conservation District Board, provided ten (10) days

prior notice of the proposal for such amendment or repeal shall have been filed in writing with the Manager of the Rio Grande Water Conservation District, and provided further that the text of the proposed amendment or repeal shall have been delivered to each member of the Rio Grande Water Conservation District Board of Directors and the District's attorney at least five (5) days prior to the meeting at which the proposed amendment or repeal is to be presented for action.

Approved by the Board of Managers for Special Improvement District No. 5 of the Rio Grande Water Conservation District on April 25th, 2018.

ATTEST: BOARD OF MANAGERS
SPECIAL IMPROVEMENT DISTRICT NO. 5 OF
THE RIO GRANDE WATER CONSERVATION
DISTRICT

Secretary

President

Approved by the Board of Directors of the Rio Grande Water Conservation District on August 16th, 2018.

ATTEST: BOARD OF DIRECTORS OF THE RIO
GRANDE WATER CONSERVATION DISTRICT

Secretary

President