

**RIO GRANDE WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING
September 30, 2020 at 1:00 P.M.
By Zoom Teleconference**

Present: Greg Higel, President; Armando Valdez Vice-President; Peggy Godfrey, Director; Cory Off, Director; Bill McClure, Director; Mike Kruse, Director; Steve Keller, Director; and, Zeke Ward, Director.

Absent: Dwight Martin, Secretary/ Treasurer.

Staff and Consultants: David Robbins, Hill & Robbins. P.C.; Cleave Simpson, General Manager; Cheryl Anderson, Office Manager; Amber Pacheco, Program Manager; Marisa Fricke, Program Manager; Chris Ivers, Program Manager; Rose Vanderpool, Program Assistant; Michael Carson, Database Administrator; and April Mondragon, Administrative Assistant.

Guests: David Hofmann, Karla Willschau, Lillian Adams, and, Carlos Lopez.

CALL TO ORDER

President Greg Higel called the meeting to order at 1:11 p.m. There was a quorum present for the meeting.

INTRODUCTION OF STAFF AND GUESTS

President Greg Higel welcomed all those present and asked for introductions.

APPROVE AGENDA

President Higel asked for amendments or a motion to approve the agenda. A motion was made by Cory Off to approve the agenda as presented. The motion was seconded by Bill McClure and unanimously approved.

PUBLIC COMMENT

President Higel asked for public comment. There were none.

REVIEW AND CONSIDER APPROVAL OF THE 2019 DISTRICT AUDIT

President Higel asked for a review and consideration of approval of the 2019 District audit. Karla Willschau and Lillian Adams thanked everyone for their contribution. Ms. Willschau and Ms. Adams presented the 2019 Rio Grande Water Conservation District independent audit report. Director Kruse pointed out and inquired about the District's total assets and total liabilities. Director McClure questioned the general government tax, Ms. Willschau provided an explanation to both questions Ms. Willschau highlighted the notes to the financial statements. Discussion was held on Subdistrict's No. 1 assets being reflected in the District's portion of the audit on behalf of the Subdistrict. Ms. Adams highlighted the producer's obligation to recharge their water. Mr. Simpson explained all they can do is estimate the future obligation. Director Kruse commented on the contracted obligations. Director Off commented that Subdistrict No. 1 set up a CD for future obligations and so it is not a liability. A request was made to add further explanation for the external reader. Ms. Adams highlighted the statement of revenues for each Subdistrict with an approved Plan of Water Management. Discussion was held on the estimated future obligation and how it is booked in the audit report, Ms. Willschau read the explanation, and provided the required communications. She reported that she did not having any complaints or disagreements with the financial agreements, but did provide a few adjustments.

A motion was made by Peggy Godfrey to approve the 2019 audited financial statements. The motion was seconded by Cory Off and unanimously approved.

REVIEW AND CONSIDER APPROVAL OF NEW BANKING RESOLUTION TO IDENTIFY NEW SIGNATORIES

President Higel asked for review and consider approval of new banking resolution to identify new signatories. Cleave Simpson presented the proposed resolution and provided its purpose.

A motion was made by Bill McClure to approve the banking resolution as presented. The motion was seconded by Armando Valdez and unanimously approved.

Mr. Simpson reported only the President and Secretary/Treasurer of the Board will be the signatories.

CONSIDER APPOINTMENT OF JEREMY UHLENBROCK AS REPRESENTATIVE ACTING ON BEHALF OF RICHARD BLUMENHEIN TO SUBDISTRICT NO. 4 BOARD OF MANAGERS

President Higel asked for consideration of the appointment of Jeremy Uhlenbrock as representative acting on behalf of Richard Blumenhein to Subdistrict No. 4 Board of Managers. Cleave Simpson reported sending the Board a copy of Richard Blumenhein resignation letter. In the letter, Mr. Blumenhein requested Jeremy Uhlenbrock be appointed as representative acting on his behalf to the Subdistrict No. 4 Board of Managers. Director Godfrey reported Mr. Uhlenbrock has been actively participating in Subdistrict No. 4 meetings and has continued to stay informed.

A motion was made by Peggy Godfrey to appoint Jeremy Uhlenbrock as representative acting on behalf of Richard Blumenhein to Subdistrict No. 4 Board of Managers. The motion was seconded by Cory Off and unanimously approved.

Discussion was held on the terms of the Board of Managers as well as if the Subdistrict has a policy in place that allows representatives to serve on the Board.

REVIEW AND CONSIDER APPROVAL OF THE JOINT FUNDING AGREEMENT FOR FISCAL YEAR 2021 WITH THE UNITED STATES GEOLOGICAL SURVEY

President Higel asked for review and consider approval of the joint funding agreement for fiscal year 2021 with the United States Geological Survey. Cleave Simpson reported providing the Board with a copy of the funding agreement and highlighted what they do for the District under the agreement. Mr. Simpson reported that the District now measures the Baca wells. David Robbins provided background information on how long the District has been entering into the agreement with the USGS. Mr. Simpson's recommendation was to approve the joint funding agreement.

A motion was made by Cory Off to approve the joint funding agreement for fiscal year 2021 with the United States Geological Survey. The motion was seconded by Armando Valdez and unanimously approved.

Discussion and clarification were held on what mass measurement is.

DIRECTOR REPORTS

President Higel asked for Director reports. Cleave Simpson reported one of the Subdistricts are interested in purchasing property with water rights but does not have a funding mechanism or revenue stream. Mr. Simpson would like the Board to consider the District's role in a potential bridge loan. David Robbins clarified what the District has authority to do and stated it would be a Board policy decision. Director McClure expressed his concern of the District becoming a banking company to the Subdistricts. Director Kruse commented on the District's role to sponsor and support all of the Subdistricts. Further discussion was held on a potential bridge loan, how it would work and helping the Subdistricts get set up and started. Director McClure stated for the record, that he was concerned that all property being purchased by the District becomes tax exempt. Mr. Simpson agreed but explained that the District continues to make payments in lieu of the property taxes on all acquired property through MOU's with the affected County.

President Higel highlighted his concern with the uncomfortable negative conversations at the last meeting regarding the allocation of Closed Basin Water to Subdistrict No. 6. President Higel reiterated the importance of supporting the staff and the need to treat all of the Subdistricts equally. He also stated that he felt that the District was in a leadership role in the Valley but that it could be easily lost if the Board stopped cooperating and working together.

The next scheduled quarterly meeting will be held on October 20, 2020.


A motion was made by Bill McClure to adjourn the meeting. The motion was seconded by Cory Off and unanimously approved.

ADJOURN

Meeting was adjourned at 2:25 p.m.



President



Secretary/Treasurer



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Protecting & Conserving San Luis Valley Water

RESOLUTION

Whereas, the Rio Grande Water Conservation District does banking with all local banks in the San Luis Valley, and

Whereas, a number of positions have changed since the last time the signature cards for the District bank accounts were updated, and

Whereas, the Board of Directors of the Rio Grande Water Conservation desire to have the President, Secretary/Treasurer and District General Manager as signatories on all bank accounts held by the District, and

Therefore, be it resolved, that the Rio Grande Water Conservation District Board of Directors request that the subject banks change the signatories to reflect these designated individuals to discharge the banking business of the District.

Signed on this twenty-first day of October, 2020, at the quarterly meeting of the Rio Grande Water Conservation District.

Greg Higel, President

Dwight Martin, Secretary/Treasurer