

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #3
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
September 5, 2024 at 8:00 a.m.
8805 Independence Way, Alamosa, CO 81101
And By Zoom/Teleconference**

Present: LeRoy Salazar, President; Nathan Coombs, Vice-President/Secretary/Treasurer; Ruben Sandoval, Manager; Sam Vance, Manager; Warren Crowther, Manager; Doug Bagwell, Manager; and, Elliott Salazar, Ex-Officio Member.

Staff and Consultants: Pete Ampe, Hill & Robbins, P.C; Cleave Simpson, General Manager; Angelo Bellah, Program Manager; Rose Vanderpool, Program Assistant; Taylor Chick, Program Manager; Linda Ramirez, Program Assistant; Wylie Keller, Water Resource Specialist; Kylie Gregg, Office Manager; Michael Carson, Database Administrator; Chris Ivers, Program Manager; and, April Mondragon, Administrative Assistant.

Guests: David Hofmann, Chuck Finnegan, Ryan Morgan, Michelle Lanzoni.

Meeting Called to Order

Vice President Coombs presided over the meeting; he called the meeting to order at 8:02 a.m. A quorum was present. The Pledge of Allegiance was recited. Doug Bagwell led the opening prayer.

Approval of the Consent Agenda

Vice President Coombs asked for changes, additions or a motion to approve the consent agenda items:

- Agenda
- June 6, 2024-Quarterly Meeting Minutes
- June 6, 2024-Executive Session Minutes
- July 12, 2024-Special Meeting Minutes
- July 16, 2024-Executive Session Minutes

A motion was made by Ruben Sandoval to approve the consent agenda. The motion was seconded by Warren Crowther and unanimously approved.

Public Comment

Vice President Coombs asked for public comment. There was none.

Mr. Fred Cordova's Well

Angelo Bellah reported Fred Cordova was not present and that he would inform him of the Board's decision.

Attorney's Report

Vice President Coombs asked for the Attorney's report. Pete Ampe reported on a filing made by SWAG and NEWA to create a new Water Conservancy District. He explained it would be similar to what the Trinchera Subdistrict had done. Mr. Ampe described the boundary as a semi checker board with 100% of NEWA and SWAG wells being in agreeance. He explained the formation process and what they are attempting to accomplish. Mr. Ampe reported it would not have a direct impact on Subdistrict No. 3. Sam Vance highlighted the benefits of operating under the umbrella coverage of a Conservancy District or a subdistrict under a Conservation District. Nathan Coombs commented on the unknown of how it may affect the model/sustainability.

Program Manager's Report

Vice President Coombs asked for the Program Manager's report.

• **Financial Report:**

Angelo Bellah highlighted the costs covered by the District for formation, the amount reimbursed and the remaining balance. He presented the Balance Sheet and the Profit and Loss Statement. Mr. Bellah went over the assets, liabilities, equity, income and expenses. He reported on property management expenses in connection with the repair/replacement costs of the VFD that was hit by lightning. Discussion was held on whether or not the VFD was covered by insurance, Nathan Coombs suggested it be added if not covered. Mr. Bellah went over the water lease and storage payments.

• **Update on Ongoing Operations**

Angelo Bellah provided the 2024 irrigation season update. He highlighted the forbearance agreements and water released on the Rio Grande, Alamosa and Conejos Rivers in April, May, June and July. Mr.

Bellah provided the current reservoir balances and an update on the 2023 ARP forbearance payments. He also updated the Board on the Alpha Hay Farms, Lupita/El Coda Ditch shares and the Taos Valley No. 3 SWSPs.

- Update on Xcel Transmission Line Easements

Angelo Bellah presented the Xcel Transmission Line Request for a Temporary Construction Easement. He showed a map outlining the proposed location of the pull site, the dollar amount being offered and the length of the agreement. Doug Bagwell reported the amount being offered to the Subdistrict was lower than the amounts being offered to others.

A motion was made by Warren Crowther to approve and move forward with the Xcel Energy temporary construction easement. The motion was seconded by Doug Bagwell and unanimously approved.

- Review and Possible Action Taken on Offers to Purchase Tracts on Alpha Hay Property

Angelo Bellah reported on a below asking price offer received on Tract eight (8). Ryan Morgan explained how he could go back to the buyer with a counter. Vice President Coombs explained the importance of remaining consistent and not accepting anything below the asking price. Elliott Salazar highlighted the 4% difference and the need to possibly consider accepting the offer.

A motion was made by Sam Vance to accept the sale if the proposed buyer(s) offer the full price and deny the offer of \$68,000. The motion was seconded by Elliott Salazar and unanimously approved.

A motion was made by Doug Bagwell to accept all offers for full asking price. The motion was seconded by Sam Vance and unanimously approved.

A motion was made by Doug Bagwell to expand the contract with Colorado Land and Realty until June 2025. The motion was seconded by Ruben Sandavol and unanimously approved.

Angelo Bellah provided a list of the remaining tracts for sale. Discussion was held on constructing a fence around the well and reservoir. Mr. Bellah updated the Board on the CWCB loan projects and the Los Sauces lease/SWSP for the 2025 irrigation season. Discussion was held on the SWSP process with David Hofmann. Mr. Bellah gave an update on the Colorado Catch well. He presented correspondence from Craig Cotten regarding operations and an analysis on the use of water at the facility. Mr. Bellah also presented a letter from Colorado Catch to Pete Ampe. Mr. Ampe described the uniqueness of the well decree. Mr. Bellah reported BBA was working with DWR to better refine the CU rate and will update the Board accordingly.

District Engineer's Report-Clinton Phillips

Vice President Coombs asked for the District Engineer's report. Clinton Phillips was not present to report.

Preliminary 2025 Budget Discussion

Vice President Coombs asked for preliminary 2025 budget discussion. Angelo Bellah described the budget process and timeline. He suggested the Board hold a work session then schedule a special meeting to approve the budget.

New Business

Vice President Coombs asked for new business.

- Conejos Water Conservancy District's Confined Aquifer Recharge Study presentation-Nathan Coombs

Nathan Coombs reported on the purpose of the study, and collaborating partners working on the design of the monitoring wells. He said the request is for \$10,000 from Subdistrict No. 3 and Subdistrict No. 6 in 2025 and 2026 to help fund the study. Mr. Coombs reported a grant application had also been submitted to the Roundtable. He highlighted the other funding sources and explained how the test wells could help both Subdistricts identify the status of their sustainability.

A motion was made by Doug Bagwell to approve \$10,000 in 2025 and 2026 for the study. The motion was seconded by Elliott Salazar and unanimously approved.

President Salazar highlighted a study done by HRS on recharge a few years ago. Mr. Coombs confirmed the information from the HRS study would be folded into the new study.

- Review Subdistrict Investment Options

Angelo Bellah reported on the available options and limitations for the Subdistrict to deposit funds into interest-bearing accounts. He asked the Board to consider the fluctuating interest rates and described the offer from Alamosa State Bank (ASB) to waive penalty fees for early withdrawals. Sam Vance asked what Community Banks had to offer, Mr. Bellah stated they had not provided the information at this time. Pete Ampe explained the Subdistrict has the option to move funds to different accounts at different banks. President Salazar reported being in favor of the sweep accounts at ASB, he described the versatile benefits. Elliott Salazar recommended moving funds to San Luis Valley Federal Bank or ASB for efficiency. Kylie Gregg provided the dollar amount available to invest. President Salazar explained how sweep accounts are operated. Staff was directed to further investigate the investment options.

Executive Session to Receive Legal Advice Concerning the Purchase of Real Property

Vice President Coombs asked for an executive session to receive legal advice concerning the purchase of real property. A motion was made at 9:45 a.m. by Warren Crowther to enter into executive session. The motion was seconded by Doug Bagwell 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 the purchase of real property. The Board would take no formal action or position during the executive session.

Possible Action from Executive Session

Vice President Coombs asked for possible action from the executive session. Staff was directed to continue with discussions.

Next Meeting

A special meeting was scheduled for September 23, 2023 at 8:00 a.m.

The next quarterly meeting was scheduled for December 5, 2024, at 8:00 a.m.

Adjournment

The meeting was adjourned at 10:07 a.m.



President



Vice-President/Secretary/Treasurer