

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #2
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
May 2, 2023, 9:00 a.m.
Rio Grande Water Conservation District Conference Room
Alamosa, CO 81101
And by Zoom/Teleconference**

Present: Karla Shriver, President; Eric Hinton, Vice-President; Scot Schaefer, Secretary/Treasurer; Harold Stoeber, BOM; Michael Schaefer, BOM; Gerald Ziegler, BOM; Mark Deacon, BOM; and Greg Higel, Ex-Officio.

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

Guests: Michelle Lanzoni, Sally Weir, Jason Lorenz, and Louis Gallegos.

Meeting Called to Order

President Shriver called the meeting to order at 9:03 a.m. A quorum was present. The Pledge of Allegiance was recited.

Approval of the Agenda

President Shriver asked to remove item No. 3 from the agenda. She asked for any other amendments or a motion to approve the agenda as amended. A motion was made by Eric Hinton to approve the agenda as amended. The motion was seconded by Mark Deacon and was unanimously approved.

Approval of the Minutes

President Shriver asked for approval of the following minutes:

- February 15, 2023-Annual Meeting
- February 15, 2023-Executive Session
- February 22, 2023-Special Meeting
- February 22, 2023-Executive Session
- March 9, 2023-Special Meeting
- March 9, 2023-Executive Session

A motion was made by Mark Deacon to approve the minutes as presented. The motion was seconded by Scot Schaefer and unanimously approved.

Public Comment

President Shriver asked for public comment. There was none.

Attorney's Report

President Shriver asked for the attorney's report. Pete Ampe reported on the approval of all 2023 Subdistrict Annual Replacement Plans.

Program Manager's Report

President Shriver asked for the Program Manager's report.

- *Financial Report*

Angelo Bellah presented the financial report. He highlighted the formation costs, reimbursements to the District, expenses since formation and the remaining amount due to the District. Mr. Bellah presented the Balance Sheet and the Profit and Loss Statement. He highlighted the balance in the checking/savings account, accounts receivable, total assets, total liabilities and the payment for the Navajo water lease and water storage fee. Discussion was held on the water purchased from Subdistrict No.1 and when payment would be made.

A motion was made by Mark Deacon to approve the financial report. The motion was seconded by Michael Schaefer and unanimously approved.

- *Update on 2023 Annual Replacement Plan*

Angelo Bellah reported the 2023 Annual Replacement Plan (ARP) was approved with all forbearance agreements submitted by the deadline. He provided an update on the irrigation season including the current reservoir account balances. Mr. Bellah explained the lack of production from the Closed Basin Project to cover the Subdistricts compact obligations for 2022/2023 ARP year. He provided the acre foot amount of stored water that was released to cover the compact obligation. Mr. Bellah reported on a request from Jim

Phillips requesting the Board amend their decision regarding 2022 assessed fees. He also reported on the approval of all SWSPs and a request from Louis Gallegos to present a report to the Board completed by Agro Engineering. Mr. Bellah said he had not heard back from William Myers regarding his request at the last meeting.

- CREP-Board of Directors Directed Staff to Address CREP with Subdistrict Board of Managers

Angelo Bellah explained the direction given to staff from the Board of Directors to inquire with the Board of Managers to see if there was interest in pursuing a CREP program. Pete Ampe described the expanding the CREP program would likely require changing the boundary of the current Subdistrict No. 1 CREP, should the Subdistrict be interested, rather than creating a brand new CREP. The consensus of the Board was to continue to monitor and receive additional information.

Participation Contracts-Past Applicants Request an Audience with the Board

President Shriver asked for review and Consider Participation Contracts.

- James Phillips-request for assessed fees to be reviewed and amended

Angelo Bellah presented a letter from James Phillips as well as the Participation Contract. He reminded the Board of their decision to assess past fees. Mr. Bellah reported on the push back from Mr. Phillips and his request for the Board to reconsider the fees. He read the letter from Mr. Phillips into record (copy attached) and provided the total assessed fees. Mr. Bellah reminded the Board of their decision to remain consistent when managing these situations.

A motion was made by Mark Deacon to stand with the decision, leave it as it is to remain consistent. The motion was seconded by Scot Schaefer and unanimously approved.

- Louis Gallegos with Jason Lorenz from Agro Engineering-requested opportunity to present engineering report related to the denied participation contract

Angelo Bellah introduced Louis Gallegos and Jason Lorenz and asked for their presentation of additional engineering in connection to the denied participation contract. Jason Lorenz described the current location of the well and the plan to move the well from its current location to an alternate location. He provided the legal description of both locations and the diversion amount used to flood irrigate a parcel of land. Amber Pacheco reminded the Board of why the Participation Contract was not accepted. Discussion was held on the additional depletions the well would bring to the Subdistrict and the struggle to find replacement water. Pete Ampe reported the change of location of the well would be required to go through water court. Mr. Lorenz commented on the high cost of San Luis Valley Water Conservancy District augmentation water and the willingness of Mr. Gallegos to pay Subdistrict back fees. Discussion was held on the potential to do a forbearance agreement with Mr. Gallegos and other ideas to cover his own depletions.

A motion was made by Eric Hinton to table the matter, to continue negotiations with Mr. Gallegos with the understanding the Board is not approving the change. The motion was seconded by Mark Deacon and unanimously approved.

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

President Shriver asked for a motion to enter into executive session to receive legal advice regarding negotiations for the lease/purchase of real property. A motion was made by Mark Deacon to enter into executive session. The motion was seconded by Michael Schaefer 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 regarding negotiations for the lease/purchase of real property. The Board would take no formal action or position during the executive session.

Possible Action from Executive Session

President Shriver asked for possible action from Executive Session. A motion was made by Gerald Zeigler to instruct staff to move forward with seeking information and possible negotiations for lease purchase of real property in the future. The motion was seconded by Eric Hinton and unanimously approved.

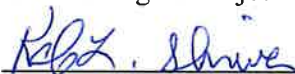
Next Meeting

The next quarterly meeting is scheduled for August 1, 2023, at 9:00 a.m.


Adjournment

A motion was made by Eric Hinton to adjourn the meeting. The motion was seconded by Gerald Ziegler and unanimously approved.

The meeting was adjourned at 10:33 a.m.



President



Secretary/Treasurer

To: Rio Grande Water Conservation District Sub District 2 Board,

My well was red tagged and not used from the end of June 2021 till the present time.

Therefore I ask that you waive the pumping fee for ½ of 2021 and all of 2022 since there has not been any water pumped since June of 2021.

The well had a meter installed in September of 2022.

Thank you,
Jim Phillips