ANNUAL MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #5
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
April 15, 2026 at 5:00 p.m.
Rio Grande Water Conservation District Conference Room
And by Zoom/Teleconference

Present: David Schmittel, President; George Whitten, Vice-President/Secretary/Treasurer; Dale Gerstberger, Manager; and Kit Caldon, Manager.

Absent : Corey Hill, Manager; Doug Gunnels, Ex Officio Member.

Staff and Consultants: Pete Ampe, Hill & Robbins, P.C.; Chris Ivers, Program Manager; Rose Vanderpool, Program Assistant; Quinton Norris, Program Manager; Clinton Phillips, Davis Engineering; and April Mondragon, Administrative Assistant.

Guests: Tim Lovato, Deb Sarason, Jessica Valdez, Kim Cooley.

Meeting Called to Order
President Schmittel called the meeting to order at 5:10 p.m. A quorum was present for the meeting. The Pledge of Allegiance was recited.

Approval of the Consent Agenda
President Schmittel asked for changes, additions or a motion to approve the consent agenda items:

- Agenda
- December 17, 2025-Special Meeting Minutes
- January 14, 2026-Special Meeting Minutes
- January 21, 2026-Quarterly Meeting Minutes
- March 19, 2026-Special Meeting Minutes
- March 19, 2026-Executive Session Minutes

A motion was made by Kit Caldon to approve the consent agenda as presented. The motion was seconded by George Whitten and unanimously approved.

Election of Officers
President Schmittel asked for election of officers. Pete Ampe opened the floor for nominations including self nominations for President of Subdistrict No. 5 Board of Managers or a nomination to retain the current slate of officers.

A motion was made by Dale Gerstberger to retain David Schmittel as President of the Board of Managers of Subdistrict No. 5. The motion was seconded by Kit Caldon and unanimously approved.

Pete Ampe opened the floor for nominations including self Nominations for Vice President of Subdistrict No. 5 Board of Managers.

A motion was made by Dale Gerstberger to retain George Whitten as Vice President/Secretary/Treasurer of the Board of Managers of Subdistrict No. 5. The motion was seconded by Kit Caldon and unanimously approved.

Disclosure of Potential Conflicts of Interest
President Schmittel asked for disclosure of potential conflicts of interest. Pete Ampe reminded the Board of the purpose and procedure of the disclosure, and asked the Board to list the water rights they have personal interest in.

David Schmittel: groundwater.
George Whitten: groundwater and surface water.
Kit Caldon: North Star Farms- groundwater.
Dale Gerstberger: surface water and groundwater.

Public Comment-Limit to 3 Minutes
President Schmittel asked for public comment. There was none.

Attorney's Report
President Schmittel asked for the attorney's report. Pete Ampe reported filing all of the Annual Replacement Plans (ARP) for the Subdistricts with the hope they would be approved soon. He provided an update on the Subdistrict No. 1 Plan of Water Management No. 4 trial date and the Texas vs New Mexico Colorado US Supreme Court Case.

Engineers Report
President Schmittel asked for the Engineers report. Clinton Phillips presented the Subdistrict No. 5 Saguache Monitoring Well Update and a map showing the location of the wells. He went over the change compared to the 2015 baseline and 2025. Mr. Phillips reported on the trend from the last few years of an increase from the baseline.

Program Manager's Report
President Schmittel asked for the Program Manager's report

- *Review and Consider Financial Report*

Chris Ivers went over the costs covered by the District for formation, the expenses and the total due to the District. Mr. Ivers presented the Balance Sheet. He highlighted the balance in the checking account, restricted pledged revenues for the CWCB loan reserve fund, assets, restricted cash, and loan payable. Mr. Ivers presented the Profit and Loss by Class Statement. He reported on the higher than normal legal and engineering expenses.

A motion was made by Kit Caldon to approve the financial report as presented. The motion was seconded by Dale Gerstberger and unanimously approved.

Mr. Ivers updated the Board on the approval of the surface water right SWSP and the North Star Farms water rights.

Review and Consider Request for Alternate Method of Measurement
President Schmittel asked for review and consider request for alternate method . Chris Ivers reported on a request from a water user to use an alternate method of measurement for sprinkler irrigation. He explained how the Division of Water Resources would not accept it as an official method of measurement. Mr. Ivers provided his recommendation.

A motion was made by Dale Gerstberger to require the correct measuring device to measure sprinkler use and deny the alternate method of measurement. The motion was seconded by Kit Caldon and unanimously approved.

Review and Consider Appeal of Annual Service and User Fee
President Schmittel asked for review and consider appeal of annual service and user fee. Chris Ivers described an error that occurred in 2021 in connection with Rio Grande Canal surface water credits owned by Kennan Anderson. Mr. Ivers recommendation was to approve the appeal due to a misunderstanding/staff error.

A motion was made by Kit Caldon to approve the Kennan Anderson appeal in the amount of $1,590. The motion was seconded by George Whitten and unanimously approved.

Review and Consider Investment Resolutions
President Schmittel asked for review and consider Investment Resolutions:

- *Resolution to Join as a participant in the COLOTRUST and Authorizing Signatories and Resolution to Join as a participant in the CSAFE and Authorizing Signatories*

Chris Ivers presented the resolutions. He described how approval would allow but not require the Subdistrict to invest in government investment trusts. Kylie Gregg explained how the local pools work, the risks and that they are not FDIC insured.

A motion was made by Kit Caldon to approve the resolutions to join as a participant in the COLOTRUST and the resolution to join as a participant in CSAFE. The motion was seconded by George Whitten and unanimously approved.

Discussion and Possible Action Directing Banking and Investment of Subdistrict Funds
President Schmittel asked for discussion and possible action directing banking and investment of Subdistrict funds. Chris Ivers asked the Board to think about and direct staff on where and how to invest Subdistrict funds. He presented the current interest rates and Kylie Gregg went over the options. Mr. Ivers recommended maintaining liquidity until the augmentation wells were in place.

A motion was made by George Whitten to table directing banking and investment of Subdistrict funds. The motion was seconded by Dale Gerstberger and unanimously approved

A motion was made by George Whitten table directing banking and investment of Subdistrict funds and revisit in six (6) months. The motion was seconded by Kit Caldon and unanimously approved.

Executive Session to Receive Legal Advice Concerning the Potential Purchase of Real Property
Chris Ivers reported not having anything to discuss in Executive Session

Direction for Staff
President Schmittel asked for direction for staff. There was none.

New Business
President Schmittel asked for new business. There was none.

Next Meeting
The next meeting was scheduled for July 15, 2026 at 5:00 p.m.

Adjournment
The meeting was adjourned at 5:54 p.m.

President

Vice-President/Secretary/Treasurer

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

A resolution authorizing the Rio Grande Water Conservation District Special Improvement District No. 5 to join with other local governments as a Participant in the Colorado Surplus Asset Fund Trust ("CSAFE") to pool funds for investment.

RECITALS

WHEREAS, pursuant to the provisions of C.R.S. Section 24-75-601 and 701, et seq., as amended and C.R.S. 24-75-702, et seq. as amended, any local government entity (including cities, towns, school districts, special districts, counties or political subdivisions of the state) is authorized to pool any moneys in its treasury, which are currently surplus funds and not immediately required to be disbursed, with similar moneys from other local government entities, in order for these entities to take advantage of short-term investments and maximize net interest earnings. CSAFE is formed as a common law trust under the laws of the state of Colorado.

WHEREAS, the District has adopted an Investment Policy that permits the District, including, its special improvement districts ("Subdistricts"), to pool moneys in treasury that are not immediately required to be disbursed with the same such moneys in the treasury of any other local government in order to take advantage of short-term investments and maximize net interest earnings consistent with and pursuant to such Investment Policy.

WHEREAS, the Subdistrict desires to participate in CSAFE formed in accordance with the aforesaid statutes, in order to pool its surplus funds with other local government entities.

WHEREAS, the Subdistrict has passed, by majority vote the following resolution:

RESOLUTION

NOW THEREFORE, be it resolved by the Board of Managers of the Rio Grande Water Conservation District Special Improvement No. 5 that:

The Subdistrict has reviewed C.R.S. Section 24-75-601, as amended and C.R.S. Section 24-75-701, et seq., as amended, of the Colorado Revised Statutes and the merits of investing in a trust as permitted by C.R.S. Section 2475-601, as amended and C.R.S. Section 24-75-701, et seq. as amended, including the trust's liquidity, risk diversification, flexibility, convenience and cost compared to the alternative direct purchase of comparable investments and finds it is in the best interest of the local government entity and therefore hereby approves and adopts this Resolution, along with other local government entities in the trust for the purpose of pooling surplus funds. The terms of the above-mentioned trust indenture shall be incorporated herein by this reference and a copy filed with the minutes of the meeting at which warranties, either expressed or implied, are part of this agreement between CSAFE and the District unless as set forth in the Indenture of Trust, but that CSAFE shall use its best efforts in conjunction with the District to accomplish these goals.

The Subdistrict is liable for all checks written on its account, authorized or unauthorized. The Subdistrict should implement proper security procedures to safeguard the checks for each account. CSAFE does not guarantee the prevention of fraud or theft from a District account.

The Authorized Signatories for the Rio Grande Water Conservation District Special Improvement District are those persons who hold the positions of General Manager, Deputy General Manager, Program Manager, Subdistrict President, Subdistrict Vice-President, and Subdistrict Secretary/Treasurer. The current persons holding those positions are those persons listed in the Banking Resolution attached hereto and incorporated herein whom are the approved staff and Board Officers empowered to invest funds of the Participant or his/her successor in function, are hereby authorized and directed to execute the Indenture of Trust and any other documents necessary to establish an account with CSAFE. The Authorized Signatories are hereby designated the "Treasurer" as that term is defined in the Indenture of Trust and are therefore authorized to invest money from the Participants' treasury, from time to time, which are not immediately required to be disbursed, by purchasing shares of CSAFE with those available funds and is authorized to redeem, from time to time, part or all of those shares as funds are needed for other purposes.

The Authorized Signatories may be changed from time to time by written notice to CSAFE.

Any investment in CSAFE must be consistent with and pursuant to the District Investment Policy.

Adopted, this ___th day of _____ A.D. 2026

____

_______, President

ATTEST: ___________________________

______, Secretary/Treasurer

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

A resolution authorizing the Rio Grande Water Conservation District Special Improvement District No. 5 to join with other local governments as a Participant in the Colorado Local Government Liquid Asset Trust (the "Trust") to pool funds for investment.

RECITALS

WHEREAS, pursuant to Part 7, Article 24 (C.R.S.), it is lawful for any local government to pool any moneys in its treasury that are not immediately required to be disbursed with the same such moneys in the treasury of any other local government in order to take advantage of short-term investments and maximize net interest earnings; and

WHEREAS, the District has adopted an Investment Policy that permits the District, including, its special improvement districts ("Subdistricts"), to pool moneys in treasury that are not immediately required to be disbursed with the same such moneys in the treasury of any other local government in order to take advantage of short-term investments and maximize net interest earnings consistent with and pursuant to such Investment Policy; and

WHEREAS, the Trust is a statutory trust formed under the laws of the state of Colorado in accordance with the provisions of Parts 6 and 7, Article 24 and Articles 10.5 and 47 of Title 11 of the Colorado Revised Statutes regarding the investing, pooling for investment, and protection of public funds; and

WHEREAS, the Subdistrict desires to become a Participant in the Trust.

RESOLUTION

NOW THEREFORE, be it resolved by the Board of Managers of the Rio Grande Water Conservation District Special Improvement No. 5 that:

1) Rio Grande Water Conservation District Special Improvement No. 5 hereby approves, adopts, and thereby joins as a Participant with other local governments pursuant to Part 7, Article 75, Title 24 of the Colorado Revised Statutes that certain Amended and Restated Indenture of Trust entitled the Colorado Liquid Government Asset Trust dated May 1, 2021 as amended from time to time, the terms of which are incorporated herein by this reference and a copy of which shall be filed with the minutes of the meeting at which this Resolution was adopted; and

2) The Designee and Authorized Signatories are those persons who hold the positions of General Manager (Cleave Simpson), Deputy General Manager (Amber Pacheco),Program Manager (Chris Ivers), President (David Schmittel), and Vice-President (George Whitten). The current persons holding those positions are listed on the Trust Registration Form attached hereto and incorporated herein. The Authorized Signatories are authorized by the Participant to direct the investment of such Participants' investment funds.

3) The Designee and Authorized Signatories may be changed from time to time by written notice to COLOTRUST; and

4) The Trust currently has three investment portfolios COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. Prior to investing in any of the portfolios offered by the Trust, Participants are encouraged to review the COLOTRUST Information Statements and Investment Policies for each portfolio. Any investments in such portfolios must be consistent with and pursuant to the District Investment Policy.

Adopted, this ____th day of______ A.D. 2026

____
______, President

ATTEST: ___________________________
_______, Secretary/Treasurer

MEMORANDUM OF UNDERSTANDING BETWEEN SUBDISTRICT NO. 1, SUBDISTRICT NO. 4 AND SUBDISTRICT NO. 5 REGARDING REMEDY OF INJURIOUS DEPLETIONS WITHIN SAGUACHE RESPONSE AREA

April __, 2026

Groundwater withdrawals from Wells included within Special Improvement District No. 1 ("Subdistrict No. 1) and Special Improvement District No. 4 ("Subdistrict No. 4") may cause injurious stream depletions to Saguache Creek within the Saguache Response Area, as that area is defined by the Colorado Division of Water Resources. Subdistrict No. 1, Subdistrict No. 4 and Special Improvement District No. 5 ("Subdistrict No. 5") agree that it will be more efficient for Subdistrict No. 5 to provide a remedy for injurious depletions to Saguache Creek within the Saguache Response Area caused by groundwater withdrawals from Wells included in the Subdistrict No. 1 and Subdistrict No. 4 Annual Replacement Plans than have Subdistrict No. 1 and Subdistrict No. 4 attempt to find independent sources to remedy those injurious depletions to Saguache Creek.

The additional injurious depletions to Saguache Creek from Subdistrict No. 1 and Subdistrict No. 4 may exceed the ability of Subdistrict No. 5 to remedy the total daily rate of injurious depletions and necessitate additional infrastructure beyond what Subdistrict No. 5 requires to remedy its injurious depletions to Saguache Creek. In this event Subdistrict No.1, Subdistrict No. 4, and Subdistrict No. 5 will determine their pro-rata cost to secure the infrastructure needed to remedy all of the injurious depletions to Saguache Creek.

Subdistrict No. 5 agrees it will provide the remedy for injurious depletions to Saguache Creek from Subdistrict No. 1 and Subdistrict No. 4 Well's groundwater withdrawals under the terms contained in this Memorandum of Understanding.

Some of the injurious depletions within the Saguache Response Area will be remedied through the application of Well Injury Payment contracts between surface water rights and the individual Subdistricts. Subdistrict No. 1 and Subdistrict No. 4 will be responsible for all payments to surface water right holders for any due under any Well Injury Payment Contract and Subdistrict No. 5 will not be responsible for any such payments.

Within 90 days of the end of each ARP Year, Subdistrict No. 5 will determine the total costs it incurred in remediating injurious depletions to Saguache Creek, not including costs under Well Injury Payment contracts. Each Subdistrict will determine the calculated depletions to Saguache Creek due to groundwater withdrawals from wells within its ARP. Subdistrict No. 5 will then determine Subdistrict No. 1's and Subdistrict No. 4's pro-rata shares of the injurious depletions and apply each subdistrict's pro-rata share to the total costs incurred as determined above.

Subdistrict No. 5 will supply an invoice of that pro-rata share of remedy costs to Subdistrict No. 1 and Subdistrict No. 4. Subdistrict No. 1 and Subdistrict No. 4 will pay said costs as invoiced within 60 days of receipt.

Term: This Memorandum of Understanding will remain in effect until revoked in writing by either Subdistrict No. 1, Subdistrict No. 4, or Subdistrict No. 5. Such notice of revocation must be provided at least 180 days prior to the start of an ARP Year.

Signed:

Subdistrict No. 1

By:____________________________ 4/13/26

Jake Burris, President — Date

Subdistrict No. 4

By:____________________________ ____________

David Frees, President — Date

Subdistrict No. 5

By:____________________________ 4/15/24

David Schmittel, President — Date

Subdistrict No. 5 will supply an invoice of that pro-rata share of remedy costs to Subdistrict No. 1 and Subdistrict No. 4. Subdistrict No. 1 and Subdistrict No. 4 will pay said costs as invoiced within 60 days of receipt.

Term: This Memorandum of Understanding will remain in effect until revoked in writing by either Subdistrict No. 1, Subdistrict No. 4, or Subdistrict No. 5. Such notice of revocation must be provided at least 180 days prior to the start of an ARP Year.

Signed:

Subdistrict No. 1

By:______________________________ ____________________

Jake Burris, President Date

Subdistrict No. 4

By: [signature] April 14, 2026

David Frees, President Date

Subdistrict No. 5

By: [signature] 4/15/26

David Schmittel, President Date