

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #4
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
September 1, 2020 at 9:00 a.m.
By Zoom/Teleconference**

Present: David Frees, President; Pete Stagner, Vice-President/Secretary/Treasurer; Richard Blumenhein, Manager; Jan Waye, Manager; and Peggy Godfrey, Ex-Officio Member.

Staff and Consultants Present: Pete Ampe, Hill and Robbins, P.C.; Chris Ivers, Program Manager; Rose Vanderpool, Program Assistant; Michael Carson, Data Base Administrator; Clinton Phillips, Davis Engineering; Cheryl Anderson, Office Manager; and April Mondragon, Administrative Assistant.

Guests: Jeremy Uhlenbroch, David Hofmann and John Mattingly, Ray Miller, John Gerstle, Sean Toner, Mike Dill, and Ann Bunting.

Meeting Called to Order

President Frees called the meeting to order at 9:14 a.m. A quorum was present.

Approval of the Agenda

President Frees asked for amendments or a motion to approve the agenda. The adoption of the Rules and Regulations was added to the agenda. A motion was made by Richard Blumenhein to approve the agenda as amended. The motion was seconded by Pete Stagner and unanimously approved.

Approval of the Minutes

President Frees asked for amendments or a motion to approve the following meeting minutes:

- June 2, 2020- Quarterly Meeting
- July 22, 2020- Special Meeting
- August 10, 2020- Special Meeting

A motion was made by Richard Blumenhein to table the approval of the three (3) sets of meeting minutes. The motion was seconded by Pete Stagner and unanimously approved.

Attorney's Report

President Frees asked for the Attorney's Report. Pete Ampe reported working with Chris Ivers to prepare for contracts and provided an update on the Fish and Wildlife contract. Mr. Ampe provided the due date of the first Annual Replacement Plan for Subdistrict No. 4 and highlighted the importance of getting Well Injury Payment agreements completed. President Frees asked if anyone had any questions for Mr. Ampe, there were none.

Program Manager's Report

President Frees asked for the Program Manager's report. Chris Ivers presented the financial report which included the running balance since the formation date of the Subdistrict. Mr. Ivers also presented the Profit & Loss statement and Balance sheet. John Mattingly asked if the financial reports were available on the website. Mr. Ampe explained the financial report is available upon request to Mr. Ivers. Discussion was held on the amount of money owed to the District and how long the Subdistrict has to repay it. Mr. Ivers provided the total number of petitioned wells in Subdistrict No. 4.

A motion was made by Richard Blumenhein to approve the financial report. The motion was seconded by Pete Stagner and unanimously approved.

Discussion on Well Injury Payment Agreements

President Frees asked for the discussion on Well Injury Payment agreements. Chris Ivers reported working with several surface right owners on Well Injury Payment agreements. Mr. Ivers asked the Board how they would like to handle the ditches and priorities with several owners. Discussion was held on how the sign on bonus payments would be handled and the impacts it has on the budget. Mr. Ivers provided a list of well owners that he has been in contact with and those that need to be contacted.

Consider the Adoption of the Rules and Regulations of Subdistrict No. 4

President Frees asked for the consideration to adopt the Rules and Regulations of Subdistrict No. 4. Chris Ivers presented the changes made to the draft Rules and Regulations since they last reviewed them.

A motion was made by Pete Stagner to adopt the Rules and Regulations of Subdistrict No. 4 as presented. The motion was seconded by Richard Blumenhein and unanimously approved.

2021 Budget Discussion

President Frees asked for the 2021 Budget Discussion. Chris Ivers asked the Board if they reviewed the reports he sent to them and stated the budget is based off the long-range forecast. Discussion was held on what would happen if the Subdistrict came up short and the District's role in the situation. Mr. Ivers explained how he estimated the stream impacts and how a supplemental budget would work. Mr. Ivers presented a variety of scenarios and fees; he asked the Board if they would like to assess a flat fee or use a tiered system. President Frees expressed his preference and asked the Board for their thoughts and comments as wells. Mr. Ivers reported the Rules and Regulations allow them to change the way they assess fees in the future if needed.

A motion was made by Pete Stagner to assess the Administrative fees at one level. The motion was seconded by Richard Blumenhein and unanimously approved.

Mr. Ivers reported they have the option to do fees at a tiered rate based off of consumptive uses, he provided the dollar amounts per acre foot at the different rates. Discussion was held on municipal uses. Ann Bunting provided the estimate annual usage for the Town of Crestone and stated it will be interesting to see if individuals change their behavior once they receive a statement. President Frees reported on the complication of the town receiving credit from the sewage plant. Jeremy Uhlenbroch pointed out that a flat fee would be easier for all to understand.

A motion was made by Richard Blumenhein to that, for the 2021 budget, the groundwater withdrawal fee be set at a flat rate for all application types. Mr. Blumenhein stated the Board has the ability to change it in the future if necessary. The motion was seconded by Jan Waye and unanimously approved.

Mr. Ivers presented the Subdistrict No. 4 draft 2021 budget. Discussion was held on the Subdistrict's sustainability level. Pete Ampe reported the level is monitored annually. President Frees reported the sustainability measure is used to try to return the pumping levels to the 1978-2000 level. Mr. Ivers highlighted the contracting fees and asked Mr. Ampe for the budget approval due date. Mr. Ampe provided the due date. Discussion was held on bonus payments and contracting in to the Subdistrict deadline.

General Board Discussion

President Frees asked for the general Board discussion and provided direction for staff. John Mattingly asked how voting will take place if Board of Managers receive Well Injury Payments. Pete Ampe explained how the voting would take place. John Gerstle suggested the Board talk to Ron Garcia concerning the Fish and Wildlife and what is needed to move forward.

Next Meeting

A special meeting was scheduled for September 30, 2020 at 10:00 a.m. The annual meeting is scheduled for December 1, 2020 at 9:00 a.m.

Adjournment

A motion was made by Pete Stagner to adjourn the meeting. The motion was seconded by Richard Blumenhein and unanimously approved

The meeting was adjourned at 10:55 a.m.



President



Vice-President/Secretary/Treasurer