

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #1
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
March 2, 2021 at 2:00 p.m.
By Zoom Teleconference**

Present: Brian Brownell, President; Carla Worley, Vice-President; Jamie Hart, BOM; Miguel A. Diaz, BOM; Sheldon Rockey, BOM; Clay Mitchell, BOM; Chris Miner, BOM; Les Alderete, BOM; Tony Holcomb, BOM; Asier Artachevarria, BOM; Mike Kruse, Ex-Officio.

Staff and Consultants: Pete Ampe, Hill & Robbins P.C.; Marisa Fricke, Program Manager; Linda Ramirez, Program Assistant; Amber Pacheco, Program Manager; Clinton Phillips, Davis Engineering; Michael Carson, Data Base Administrator; and April Mondragon, Administrative Assistant.

Guests: William Myers, David Hofmann, Deb Sarason, Peggy Godfrey, Kim Cooley, Steve McCullough, Remington Durre, Greg Higel, Jake Burris, Brian David, Margaret Goehl Trujillo, Brad Grasmick, Ernie Myers, Steve Keller, Mark Brown, Whitney Justice, Dale Bartee, Elbert Davis, Tyler Faucette, and Leslie Bechaver.

Meeting Called to Order

President Brownell called the budget hearing to order at 2:01 p.m. A quorum was present.

Approval of the Agenda

President Brownell asked for amendments or an approval of the agenda. Appeals was added to Action Items section of the agenda as Letter F. A motion was made by Carla Worley to approve the agenda as amended. The motion was seconded by Clay Mitchell and unanimously approved.

Approval of Minutes

President Brownell asked for approval of the following minutes:

- December 2, 2020-Special Meeting
- December 2, 2020-Budget Hearing
- December 2, 2020-Executive Session
- December 2, 2020-Quarterly Meeting

A motion was made by Jamie Hart to approve the minutes as presented. The motion was seconded by Tony Holcomb and unanimously approved.

Public Comment

President Brownell asked for public comment. Tyler Faucette introduced himself as President of Subdistrict No. 6 Board of Managers, he asked the Board to consider a Memorandum of Understanding to sell a portion of their water stored in the Santa Maria Reservoir. Mark Brown encouraged the Board to not allow water credits to be sold. Remington Durre asked the Board if they would consider selling 150 acres on the 7 North for him to use in connection with his livestock operation.

Election of Officers

President Brownell asked for election of officers. Pete Ampe asked for nominations for president including self-nominations or a nomination to maintain current officers.

A motion was made by Jamie Hart to retain the current officers. The motion was seconded by Sheldon Rockey and unanimously approved.

Brian Brownell was thanked for all of his hard work and dedication to Subdistrict No. 1.

Program Manager's Report

President Brownell asked for the Program Manager's report. Marisa Fricke highlighted the 2020 Annual Report, she provided the pumping numbers and amount owed to the river. She provided an update on CREP and reported having room for one more permanent CREP contract in the budget. Ms. Fricke reported the District is looking to hire a new position and Amber Pacheco is acting deputy General Manager in Cleave Simpson's absence. She also reported on the high volume of calls, surface water credit being purchased and not starting next year's budget yet. Mike Kruse asked Ms. Fricke to outline the budget process. Discussion was held on Subdistrict No. 1 depletions and if the Subdistrict has to use Closed Basin Project water for winter or if they can release stored

water. Another question was asked if whether or not the Subdistrict could prepay the compact, Ms. Fricke stated she would look into it and report back to the Board.

A. Financial Report

Marisa Fricke presented the financials and highlighted the totals received from each county from tax collections. She reported paying routine expenses and the appeals that were approved at the last meeting as well as the San Luis Valley Canal shares.

A motion was made by Sheldon Rockey to approve the financial report as presented. The motion was seconded by Jamie Hart and unanimously approved.

Engineer's Report

President Brownell asked for the Engineer's report. Clinton Phillips presented the change in the unconfined aquifer, the change between February 2020 and 2021, the current aquifer level, the current five (5) year average and the acre feet needed to get to the -400,000 level. Mr. Phillips presented a snapshot of the study graph which showed the monthly change and the five (5) year running average. He highlighted the acre feet amount needed to get to the recovery level.

Attorney's Report

President Brownell asked for the attorney's report. Pete Ampe updated the Board on the Well Permit Purchase program. Mr. Ampe reported Subdistrict Nos 2, 3 and 6 continue to operate on Annual Replacement Plans. He reported Subdistrict No. 4 had their first partial Annual Replacement Plan approved and will be relying almost entirely on Well Injury Payment agreements. Mr. Ampe explained Subdistrict No. 5 also had their first partial Annual Replacement Plan approved, but with conditions.

Marisa Fricke requested to have a discussion regarding real property in executive session.

A motion was made by Jamie Hart to enter into executive session. Mike Kruse requested to delay executive session until the remainder of the agenda items be addressed. Jamie Hart retracted his motion to delay the executive session until the other agenda items besides next meeting have been addressed.

Action Items

A. CREP Contracts

Marisa Fricke highlighted the CREP contracts up for consideration. She reported they all met the required guidelines and suggested approval on the three (3) permanent CREP contracts. Clay Mitchell reported he would abstain from the vote.

A motion was made by Jamie Hart to approve the Wolfe and two (2) Mitchell CREP contracts. The motion was seconded by Sheldon Rockey and unanimously approved.

B. Fallow Contracts

Marisa Fricke highlighted the Fallow contracts up for consideration. She suggested approval of the Ernie Myers contract for 8 fields, the Ron Bowman contract for 2 fields and asked to have a discussion on Mr. Slanes Fallow application.

A motion was made by Sheldon Rockey to approve the Ernie Myers and Ron Bowman Fallow Contracts. The motion was seconded by Clay Mitchell and unanimously approved.

Marisa Fricke explained that John Slane had a field in the CREP program which was terminated due to issues. He then enrolled the field into the Fallow program and was accepted. Ms. Fricke reported he is applying for Fallow again; she explained the unique situation. Further discussion would be held.

C. Well Inclusions

Marisa Fricke provided the number of well inclusion applications received and the name of the applicants. She reported all of the wells have use that match their decrees. Ms. Fricke highlighted a few of the wells are large capacity wells, she provided the acre feet of water consumed.

Carla Worley abstained from the vote.

A motion was made by Jamie Hart to include the thirteen (13) wells on the next 2021 Annual Replacement Plan. The motion was seconded by Miguel Diaz and unanimously approved.

Discussion was held on the need for a consumptive use analysis on the McCullough wells. Ms. Fricke asked for the Board's direction regarding two (2) wells operating under one (1) year terms that did not cover their pumping with surface water credits.

A motion was made by Miguel Diaz to direct Marisa Fricke to advise Pelotas Farms and Stoops that in order for them to have their contract renewed in 2021, they will have to purchase surface water to make up for their over use in 2020. If this is not done timely, the Board will not renew the contracts. The motion was seconded by Sheldon Rockey and unanimously approved.

Marisa Fricke updated the Board on ten (10) Subdistrict No. 1 miscellaneous wells that have been issued new WDID numbers that will be included in the Annual Replacement Plan. Deb Sarason further explained why the wells were issued new WDID's.

D. Surface Water Inclusions & Agreements

Marisa Fricke reported receiving three (3) surface water inclusion agreements, one for Brian Rue with ten (10) shares of Rio Grande Canal and five (5) shares of Santa Maria, Del Mar Rochelle with ten (10) shares of Rio Grande Canal and one thousand (1,000) shares of Middlemist water and Cynthia Moore with three (3) shares of Rio Grande Canal. Ms. Fricke reported they have contracted in their wells and now are requesting to contract in their surface water. She presented a map and highlighted their locations.

A motion was made by Sheldon Rockey to accept the Brian Rue and Del Mar Rochelle surface water inclusion agreements with recommendations from staff. The motion was seconded by Jamie Hart and unanimously approved.

Marisa Fricke reported on the recent development from Subdistrict No. 6 regarding the revised Memorandum of Understanding (MOU). She highlighted the terms of the original MOU that was signed for the 2020 Annual Replacement Plan. Amber Pacheco provided the amount of water that was released through October for Subdistrict Nos. 2 and 3. President Brownell suggested a new MOU be prepared and a committee be set up to work on developing a plan on how to deal with Subdistrict No. 1 storage water. Ms. Pacheco highlighted how she handles the administration, accounting and documentation when operating under the MOU. She also provided the date she sent the request to Subdistrict No. 1. President Brownell reiterated the importance of a subcommittee. Pete Ampe reminded the Board of the rules of when three (3) or more Board members getting together to discuss the public's business, a notice must be posted.

A motion was made by Sheldon Rockey to appoint Brian Brownell, Carla Worley and Clay Mitchell as officers of the Water Subcommittee. The motion was seconded by Miguel Diaz and unanimously approved.

E. Pasture Agreement

Marisa Fricke reported Wayne Brown requested to renew the pasture lease on the Subdistrict No. owned Medano property in the fall. She provided the number of sheep, number of days and the dollar amount listed in the agreement.

A motion was made by Chris Miner to accept/continue the pasture agreement. The motion was seconded by Clay Mitchell and unanimously approved.

F. Appeals

Marisa Fricke reported providing the Board of Managers the appeals and provided staff recommendations.

A motion was made by Jamie Hart to approve the appeals as staff recommends. The motion was seconded by Sheldon Rockey and unanimously approved.

Board of Managers Open Discussion

President Brownell asked for Board of Managers open discussion. Sheldon Rockey suggested they continue to move forward with the Well Permit Purchase program. Clay Mitchell commented on a letter received from the Prairie Ditch Company.

Discussion and Possible Action on Pursuing Change of Plan of Water Management

President Brownell asked for discussion and possible action on pursuing change of Plan of Water Management. Jamie Hart asked for clarification on whether or not the Subdistrict can change their Plan of Water Management. Pete Ampe reported on the procedural matters and suggested holding a work session to discuss. Mike Kruse and Jake Burris reported they would be against changing the sustainability metric. Marisa Fricke provided an update on the Subdistrict No. 1 Annual Summit. A work session was scheduled.

New Business

President Brownell asked for new business. Discussion was held on establishing rules for the re-enrollment of fallow contracts.

Discussion on Paying a Pro-Rata Share of the Subdistrict Fees Billed to the Closed Basin Project Mitigation Wells in Saguache Subdistrict No. 5

President Brownell asked for discussion on paying a pro-rata share of the Subdistrict fees billed to the Closed Basin Project mitigation wells in Saguache Subdistrict No. 5. Marisa Fricke reported Subdistrict No. 5 is trying to get up and running and she explained the purpose of the mitigation wells and the lack of funding to cover the wells. Ms. Fricke reported all other Subdistrict agreed to entertain the proposal to cover the wells so they do not get shut off. She highlighted how the Closed Basin Project benefits the Subdistricts. Pete Ampe explained how the cost share would be split up among the different Subdistricts, contingent on all other Subdistrict's being in agreement. Mike Kruse voiced his opposition. Peggy Godfrey reported on the amount of water the Closed Basin Project pumps. Deb Sarason highlighted the benefit Subdistrict No. 1 has had for quite some time from the Closed Basin Project

A motion was made by Carla Worley to approve the MOU for Subdistrict No. 1 to pay a pro-rata share of the Subdistrict fees billed to the Closed Basin Project mitigation wells in Saguache Subdistrict No. 5 with the understanding the agreement is for one year. The motion was seconded by Miguel Diaz and voted on, Chris Miner abstained, the motion passed.

Executive Session

President Brownell asked for a motion to enter into executive session to receive legal advice regarding pending litigation and discussion regarding real property. A motion was made by Jamie Hart to enter into executive session. The motion was seconded by Sheldon Rockey and unanimously approved.

Mr. Ampe stated the Board was entering into executive session to discuss a potential real property purchase. The Board would take no formal action or position during the executive session.

Action on Executive Session Discussion


Pete Ampe stated the Board was in executive session and had voted to come out. Discussion was related to a potential property purchase.

Next Meeting

A work session was scheduled for March 15, 2021 at 9:00 a.m. The next quarterly meeting is scheduled for June 1, 2021 at 1:30 a.m.

Adjournment

The meeting was adjourned at 5:40 p.m.



President



Secretary/Treasurer