

**QUARTERLY MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #3
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
June 4, 2020 at 8:00 a.m.
By Zoom/Teleconference**

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

Staff and Consultants: Pete Ampe, Hill & Robins; Cleave Simpson, General Manager; Amber Pacheco, Program Manager; Rose Vanderpool, Program Assistant; Michael Carson, Database Administrator; Clinton Phillips, Davis Engineering; and, April Mondragon, Administrative Assistant.

Guests: Chuck Finnegan, Nick Gilleland, JC Gilleland, Ryan Gilleland, Deb Sarason, and David Hofmann.

Meeting Called to Order

President Salazar called the meeting to order at 8:02 a.m. A quorum was present.

Approval of the Agenda

President Salazar announced a change in the order of the agenda items and asked for any other amendments or a motion to approve the agenda. A motion was made by Nathan Coombs to approve the agenda with amendments. The motion was seconded by Ruben Sandoval and unanimously approved.

Opening Prayer

President Salazar asked Ruben Sandoval to lead the opening prayer.

Executive Session

President Salazar asked for a motion to enter into executive session to receive legal advice considering the acquisition of an interest in real property. A motion was made by Nathan Coombs to enter into executive session. The motion was seconded by Ruben Sandoval and unanimously approved.

Mr. Ampe stated the Board was entering into executive session to receive legal advice concerning the acquisition of an interest in real property. The Board would take no formal action or position.

Action on Executive Session Discussion

Pete Ampe stated the Board was in executive session and had voted to come out. Discussion was related to the potential purchase of real property. Direction was given to staff to draft an option contract for \$200,000.

Approval of the Consent Agenda

President Salazar asked for any changes or a motion to approve the Consent Agenda.

- Agenda
- March 3, 2020-Annual Meeting Minutes
- March 3, 2020-Executive Session Minutes
- April 13, 2020- Special Meeting Minutes
- May 7, 2020-Special Meeting Minutes
- May 7, 2020-Executive Session Minutes

A motion was made by Nathan Coombs to approve the consent agenda as. The motion was seconded by Doug Bagwell and unanimously approved.

Attorney's Report

President Salazar asked for the Attorney's Report. Pete Ampe updated the Board on Subdistrict's No. 4 and 5 and stated their Plans of Water Management were adopted by the District Board and are fully functional. Mr. Ampe reported both Subdistrict's are moving forward with Well Injury Payment contracts and stated they are the last two (2) Subdistrict's to have to remedy injurious depletions.

Program Manager's Report

President Salazar asked for the Program Manager's report.

- Financial Report

Amber Pacheco provided the Board an update on the financial statements including: the checking account balance, accounts receivable report, and, the amount due to the Rio Grande Water Conservation District since the formation of the Subdistrict. Ms. Pacheco reported on the water leased from Subdistrict No. 1, the Expo water purchase, and the stored water the District purchased on the Rio Grande River.

A motion was made by Sam Vance to approve the financial report. The motion was seconded by Nathan Coombs and unanimously approved.

- Update on ARP Operations

Amber Pacheco reported all of the replacements to-date were made as required and thanked the Division of Water Resources for their help. Ms. Pacheco provided the Board the amount of wet water replacements due on the Rio Grande and provided the amount of water in storage. She asked for direction from the Board on how to handle the remaining depletions owed by the Subdistrict and provided the options available.

A motion was made by Nathan Coombs to make an offer to purchase the entire amount of water the Rio Grande Water Conservation District allowed for Subdistrict No. 3 in the 2020 Annual Replacement Plan. The motion was seconded by Sam Vance and unanimously approved.

Ms. Pacheco provided the total number of depletions still owed on the Conejos system and the Alamosa River. She also reported the Antonito Ditch had not yet finalized a forbearance agreement with the Subdistrict. Ms. Pacheco discussed an option for the possibility of leasing water to Subdistrict No. 6 in an effort to recuperate costs. Ms. Pacheco described how the Town of Antonito accretion credits can be used by the Subdistrict. On days when forbearance is used, there was no accretion taken by the Subdistrict because the ditches were not actually diverting that amount from the accretions.

A motion was made by Sam Vance to account for the accretions for the Town of Antonito even when there is no reduction to the Subdistrict's depletion amount due to forbearance. The motion was seconded by Ruben Sandoval and unanimously approved.

Ms. Pacheco provided the preliminary NRCS forecast she used to project the depletions in the ARP and reported they may need to file an amended ARP to increase depletions if flows and pumping are different than the projection in the ARP. Discussion was held on the possible increased amount.

New Business

President Salazar asked for new business and direction regarding the potential purchase of water.

A motion was made by Nathan Coombs to direct staff to draft an option contract by June 14th at the latest for the purposed property purchase. The motion was seconded by Ruben Sandoval and unanimously approved.

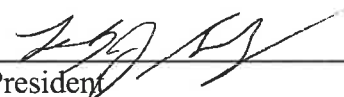
President Salazar requested the Board examine the financing options and legal due diligence in connection with the potential purchase of land and water for the Subdistrict.

Next Meeting

The next quarterly meeting is scheduled for September 3, 2020, beginning at 8:00 a.m.

Adjournment

The meeting was adjourned at 9:53 a.m.



President



Vice-President/Secretary/Treasurer