

**ANNUAL MEETING OF THE BOARD OF MANAGERS
OF SPECIAL IMPROVEMENT DISTRICT #3
OF THE RIO GRANDE WATER CONSERVATION DISTRICT
March 2, 2023 at 8:00 a.m.
8805 Independence Way, Alamosa, CO 81101
And By Zoom/Teleconference**

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

Absent: Ruben Sandoval, Manager.

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

Guests: David Hofmann, Michelle Lanzoni, and Greg Higel.

Meeting Called to Order

President Salazar called the meeting to order at 8:03 a.m. A quorum was present. The Pledge of Allegiance was recited. Dwight Martin led the opening prayer.

Approval of the Consent Agenda

President Salazar asked for changes, additions or a motion to approve the consent agenda items:

- Agenda
- December 1, 2022-Quarterly Meeting Minutes
- December 1, 2022- Executive Session Meeting Minutes

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

Election of Officers

President Salazar asked for election of officers. Pete Ampe opened the floor for nominations for President including self-nominations or a nomination to retain the current slate of officers.

A motion was made by Sam Vance to maintain the current slate of officers. The motion was seconded by Doug Bagwell and unanimously approved.

President Salazar thanked the Board of Managers for their trust in him. Sam Vance expressed appreciation for his leadership.

Public Comment

President Salazar asked for public comment. There was none.

Attorney's Report

President Salazar asked for the Attorney's report. Pete Ampe updated the Board on the SWSP request filed on behalf of Subdistrict No. 3 and the Trinchera Subdistrict. He provided an update on the Texas vs. New Mexico and Colorado compact case. Mr. Ampe highlighted the settlement agreement in the case and reported it had no impact on Colorado.

Program Manager's Report

President Salazar asked for the Program Manager's report.

- Financial Report: Amber Pacheco presented the Subdistrict financials through February. She highlighted the expenses, formation costs and the total remaining balance to be paid back to the District. Ms. Pacheco presented the Profit & Loss Statement, Balance Sheet and the total balance in the checking account.

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

- Report on 2022 Preliminary Water Report

Amber Pacheco updated the Board on the preparation and filing of the Preliminary Water Report. She provided the projected groundwater withdrawals and actual groundwater withdrawals. Discussion was held on the irregular readings from the Sowards' well.

- Consider Approval of Banking Resolution

Amber Pacheco presented the Banking Resolution and highlighted its purpose. A motion was made by Sam Vance to approve the Banking Resolution. The motion was seconded by Warren Crowther and unanimously approved.

District Engineer's Report

President Salazar asked for the District Engineer's Report. Clinton Phillips presented the difference in each well's reported measurement from Jan. 2015 and Jan. 2023. He had the well's grouped by model layer. Discussion was held on installing an augmentation station on the El Coda and how to secure funding.

Consider Approval of a Resolution to Pledge Revenues for Repayment of CWCB Loan for SD #3

President Salazar asked for consideration of the approval of a Resolution to Pledge Revenues for Repayment of CWCB Loan for Subdistrict No. 3. Amber Pacheco presented the Resolution and reported the Board of Directors approved the loan and program.

A motion was made by Nathan Coombs to approve the Resolution to Pledge Revenues for Repayment of CWCB Loan for Subdistrict No. 3. The motion was seconded by Doug Bagwell and unanimously approved.

Consider 2023 Forbearance Bonus Resolution

President Salazar asked for consideration of the 2023 Forbearance Bonus Resolution. Amber Pacheco presented the 2023 Forbearance Bonus Resolution. She described the changes and additions made. Pete Ampe highlighted the need to add a clause regarding being bound to the Forbearance agreement in the event the property should sell.

A motion was made by Nathan Coombs to approve the 2023 Forbearance Bonus Resolution. The motion was seconded by Doug Bagwell and unanimously approved.

Staff was directed to add the covenant language as discussed.

Discuss Progress on Annual Replacement Plan for 2023

President Salazar asked for discussion on progress on the Annual Replacement Plan for 2023. Amber Pacheco provided an update on the forbearance agreement renewals, SWSP filings and the Expo contract. She highlighted the acre-foot amount of water in storage and provided an update on the project with Subdistrict No. 6. Discussion was held on the centroid of pumping and the effect on the river. Ms. Pacheco highlighted the centroid of pumping analysis prepared by BBA.

Executive Session to Receive Legal Advice Concerning the Purchase of Real Property

President Salazar asked for an executive session to receive legal advice concerning the purchase of real property. A motion was made by Nathan Coombs to enter into executive session. The motion was seconded by Doug Bagwell 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 concerning the purchase of real property. The Board would take no formal action or position during the executive session.

Possible Action from Executive Session

President Salazar asked for possible action from the executive session. There was none.

New Business

President Salazar asked for new business. There was none.

Next Meeting

The next quarterly meeting was scheduled for June 1, 2023, at 8:00 a.m.

Adjournment

A motion was made by Doug Bagwell to adjourn the meeting. The motion was seconded by Nathan Coombs and unanimously approved.

The meeting was adjourned at 10:09 a.m.



President



Vice-President/Secretary/Treasurer

**RESOLUTION OF THE BOARD OF DIRECTORS FOR THE SPECIAL
IMPROVEMENT DISTRICT NO. 3 OF THE RIO GRANDE WATER CONSERVATION
DISTRICT WATER ACTIVITY ENTERPRISE**

R E C I T A L S

WHEREAS, the Rio Grande Water Conservation District was created pursuant to section 37-48-102, C.R.S.; and,

WHEREAS, pursuant to section 37-48-108, C.R.S., the Rio Grande Water Conservation District is authorized to establish special improvement districts; and

WHEREAS, pursuant to the request of certain water users within the Conejos Response Area and section 37-48-123, the District filed a Petition to establish Special Improvement District No. 3 of the Rio Grande Water Conservation District (“Subdistrict No. 3”) in the District Court, Conejos County and the District approved said petition on October 16, 2016; and,

WHEREAS, Subdistrict No. 3 as a local government entity is authorized to establish a water enterprise pursuant to Article 45.1 of Title 37 of the Colorado Revised Statutes and Subdistrict No. 3 has established such enterprise; and,

WHEREAS, the Enterprise is authorized to borrow money and incur indebtedness pursuant to section 37-50-107(1)(c), C.R.S.; and,

WHEREAS, the Board of Managers of Subdistrict No. 3 previously directed Enterprise staff and consultants to pursue and apply for a loan from the Colorado Water Conservation Board in the amount of two million, five hundred and eighty thousand, five hundred and fifty dollars (\$2,580,550.00); and,

WHEREAS, the Board of Managers, after consultation with Enterprise Staff and consultants determined its current fee structure and revenue is sufficient to meet the repayment terms of such a loan; and,

WHEREAS, Enterprise staff and consultants did apply for such loan and such loan application was approved by the Colorado Water Conservation Board; and,

WHEREAS, the Board of Directors wishes to memorialize said previous request, application, and approval in a written Resolution.

R E S O L U T I O N

NOW, THEREFORE, be it resolved by the Board of the Enterprise that:


1. The Board has previously authorized Enterprise staff and consultants to request a loan in the amount of two million, five hundred and eighty thousand, five hundred and fifty dollars (\$2,580,550.00).

2. The Board hereby accepts the terms of said loan as provided by the Colorado Water Conservation Board and authorizes the acceptance of the loan on behalf of the Enterprise.

RESOLVED this 2nd day of March 2023

ATTEST:

RIO GRANDE WATER CONSERVATION
DISTRICT FOR SPECIAL
IMPROVEMENT DISTRICT NO. 3 OF THE
RIO GRANDE WATER CONSERVATION
DISTRICT WATER ACTIVITY
ENTERPRISE



Sec.



President

RESOLUTION OF SPECIAL IMPROVEMENT DISTRICT NO. 3 OF
THE RIO GRANDE WATER CONSERVATION DISTRICT
(Regarding Forbearance Contracts)

RECITALS

WHEREAS, Special Improvement District No. 3 of the Rio Grande Water Conservation District (“Subdistrict No. 3”) was created pursuant to section 37-48-108, C.R.S., and pursuant to section 37-48-101.3(1), C.R.S., is a body corporate under the laws of Colorado; and

WHEREAS, Subdistrict No. 3 was formed for the purpose of designing and implementing a cooperative plan for water management to assure the protection of senior surface water rights and promote the maximum beneficial and sustainable use of water resources; and

WHEREAS, Subdistrict No. 3 entered into numerous forbearance agreements with ditches whereby the Subdistrict was able to remedy injury to those ditches caused by groundwater withdrawals from Subdistrict Wells by means other than introducing water at the top of the affected reach; and

WHEREAS, such forbearance agreements allowed the Subdistrict to meet its goals of remedying injury to senior surface water rights at an economic cost which allows for the continued use of groundwater with the Subdistrict; and

WHEREAS, not all ditches that entered into forbearance agreements received a benefit because there was no forbearance due to those ditches during the ARP Year; and

WHEREAS, Subdistrict No. 3 wishes to thank all of those ditches who entered into forbearance agreements for ARP Years 2020, 2021 and 2022, and to encourage those and other ditches to enter into forbearance agreements for ARP Year 2023 and beyond; and

WHEREAS, Subdistrict No. 3 sees great value and increased efficiencies in working closely with other Subdistricts on entering into joint forbearance agreements.

RESOLUTION

NOW, THEREFORE, be it resolved by the Board of Managers, as follows:

1. Bonus Payment for ARP Year 2023. Subdistrict 3 will pay a one-time bonus of \$200.00 for each one-year forbearance agreement for ARP Year 2023 with Subdistrict 3. This bonus payment applies to every one-year forbearance agreement for ARP Year 2023 and is in addition to any payments due under a forbearance agreement.
2. Bonus Payment for a three-year forbearance agreement beginning in ARP Year 2023. Subdistrict 3 will pay a bonus of \$300.00 for each ARP Year for any three-year

forbearance agreement with Subdistrict 3. This bonus payment applies to every three-year forbearance agreement beginning with ARP Year 2023 and is in addition to any payments due under a forbearance agreement. Equal payments of \$300.00 will be made annually through the term of the forbearance agreement.

3. Bonus Payment for a five-year forbearance agreement beginning in ARP Year 2023. Subdistrict 3 will pay a bonus of \$500.00 for each ARP Year for any five-year forbearance agreement with Subdistrict 3. This bonus payment applies to every five-year forbearance agreement beginning with ARP Year 2023 and is in addition to any payments due under a forbearance agreement. Equal payments of \$500.00 will be made annually through the term of the forbearance agreement.

4. Bonus Payment for a ten-year forbearance agreement beginning in ARP Year 2023. Subdistrict 3 will pay a bonus of \$1,000.00 for each ARP Year for any ten-year forbearance agreement with Subdistrict 3. This bonus payment applies to every ten-year forbearance agreement beginning with ARP Year 2023 and is in addition to any payments due under a forbearance agreement. Equal payments of \$1,000.00 will be made annually through the term of the forbearance agreement.

RESOLVED this 2nd day of March 2023.

ATTEST:

BOARD OF MANAGERS
SPECIAL IMPROVEMENT DISTRICT NO. 3 OF
THE RIO GRANDE WATER CONSERVATION
DISTRICT



Secretary



President



Rio Grande Water Conservation District

8805 Independence Way • Alamosa, Colorado 81101

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Protecting & Conserving San Luis Valley Water

RESOLUTION

Whereas, Special Improvement District No. 3 of the Rio Grande Water Conservation District wishes to do banking with local banks in the San Luis Valley, and

Whereas, Cleave Simpson, the General Manager of Rio Grande Water Conservation District, shall be a signatory on all bank accounts held by the Subdistrict, and

Whereas, the Board of Managers of Special Improvement District No. 3 of the Rio Grande Water Conservation District desire to have: Amber Pacheco, Deputy General Manager; Angelo Bellah, Program Manager; LeRoy Salazar, President; Nathan Coombs, Vice-President/ Secretary/ Treasurer, as signatories on all bank accounts held by the Subdistrict, and

Therefore, be it resolved, that Special Improvement District No. 3 Board of Managers requests the banks allow the General Manager, Deputy General Manager, Program Manager, President, Vice-President/Secretary/Treasurer to discharge the banking business of the Subdistrict.

Signed on this 2nd day of March, 2023, at the annual meeting of Special Improvement District No. 3.



President



Vice-President/Secretary/Treasurer