RIO GRANDE WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS MEETING
TUESDAY, JANUARY 17, 2017
10:00 A.M.
RIO GRANDE WATER CONSERVATION DISTRICT CONFERENCE ROOM

Present: Greg Higel, President; Brian David, Vice-President; Dwight Martin, Secretary/Treasurer; Peggy Godfrey, Director; Lawrence Gallegos, Director; Lewis Entz, Director; Mike McClure, Director; and, Bill McClure, Director.

Excused: Cory Off, Director

Staff: Cleave Simpson, General Manager; Amber Pacheco, Program Manager; Rob Phillips, Program Manager; Allen Davey, District Engineer; Clinton Phillips, Davis Engineering; Michael Carson, Database Administrator; Cheryl Anderson, Office Manager; David Robbins, District’s Attorney; and, Linda Ramirez, Administrative Assistant.

Guests: Zeke Ward, RWEACT; Gwen Nelson, WCRC; Becky Brooks, Stealey II; Fred Bunch, NPS; Mac McFaddeden; Anne Steinhage; Steve Vandiver; Tammy Ivahnenko, USGS; Whitney Lentz, USGS; William Banks, USBS; Lawrence Crowther, Commonwealth Ditch; Heather Dutton, SLVWCD; Emma Recesor, RGHPRP; Charlotte Bobicki, Senator Bennet’s office; Ruth Heide, Valley Courier; Kurt Thompson, Agro Engineering; Bethany Howell, RGWCEI; Judi Perez, Rio Grande National Forest; Rio de la Vista, R.i.G.H.T.; Travis Smith, SLVID; Craig Cotten, CDWR; Andrea Bachman, RGHPRP; Sheldon Rockey; Morgan Garcia, USBR; Dan Dallas, USFS RGNF; and Russ Plummer, USBR.

CALL TO ORDER
President Greg Higel called the meeting to order at 10:05 a.m. The Pledge of Allegiance was recited.

INTRODUCTION OF STAFF & GUESTS
President Higel welcomed all those present and asked everyone to introduce themselves.

APPROVAL OF AGENDA
President Greg Higel stated there would be some changes to the agenda. Lewis Entz asked that CWCB be moved up after David Robbins and Cleave Simpson stated Rio de la Vista also asked to be moved up maybe right after CWCB. President Higel asked for a motion to approve the agenda with changes. A motion was made by Dwight Martin and seconded by Peggy Godfrey to approve the agenda with changes. The motion was unanimously approved.

APPROVE MINUTES
President Higel asked for a motion to approve the October 18, 2016, Minutes. A motion was made by Lewis Entz and seconded by Peggy Godfrey to accept the Minutes as written. The motion was unanimously approved. President Higel stated there was an Executive Session set of Minutes for the same date. Peggy Godfrey made a motion to accept the December 5, 2016, Budget hearing Minutes and Executive Session Minutes, the motion was seconded by Brian David. The motion was unanimously approved. Lewis Entz amended his motion to include the October 18, 2016, Executive Session Minutes; the motion was seconded by Peggy Godfrey. The motion was unanimously approved.

ANNOUNCEMENT OF MEETING NOTICE LOCATION
President Higel asked for the announcement of meeting notice locations. Cleave Simpson stated the Board is required to officially announce the quarterly meeting notice locations annually. For this year the quarterly meeting of the Rio Grande Water Conservation District will be conducted at the office facility located at 8805 Independence Way. Mr. Simpson stated that the minutes should reflect that Cory Off has an excused absence.

PUBLIC COMMENT
President Higel asked for public comment. There was no public comment.
APPROVE FINANCIAL REPORT
President Higel asked for the District’s Financial Report. Cleave Simpson gave an unaudited update of the end of year financials for the District. President Higel asked for a motion to accept the financial report. A motion was made Brian David and seconded by Peggy Godfrey to approve the financial report. The motion was unanimously approved.

MANAGER’S REPORT
President Higel asked for the Manager’s Report. Cleave Simpson highlighted his report, a copy of which is attached to the minutes. Mr. Simpson reported that interviews will be conducted later this week to fill the position vacated by Lionel Ortega and hopes to have someone hired for that position in the next couple of weeks. Mr. Simpson stated that Chris Ivers has stepped up and has been doing the well measurements until that position is filled. Mr. Simpson gave highlights on the following:

- Rio Grande-Del Norte Monument Expansion.
- Attended IBCC meeting in Denver.
- Colorado Water Congress State Affairs committee reconvened and holds webinar on Mondays at 8:00 a.m., everyone is invited to attend.
- Spoke at Rio Grande Canal, Santa Maria Ditch Company, San Luis Valley Irrigation Company and Monte Vista Canal meetings. The Costilla Ditch Company is going to use the District’s facilities and Mr. Simpson will attend that meeting. The Common Wealth Ditch Company also has their annual meeting scheduled at this facility in early February and Mr. Simpson will speak at that meeting as well.
- Organization and scheduling of a water sustainability workshop.
- Requested suggestions on projects for improving model competence in the Saguache Creek response area. Will get back with the Board on funding that project in the future.
- Seminar in this facility on January 24, 2017 through January 26, 2017, regarding the Rio Grande Cutthroat, club and sucker.
- Radar station at Alamosa airport is an opportunity to think what role the District might play in potentially helping to facilitate the radar station.
- Attend County Commissioner meetings to meet newly appointed county commissioners.

Mr. Simpson would like some action items considered as part of his report. The Board packets contain an application for 2016 CW 3020, San Luis Organics, LLC, who want to take an existing irrigated well close to Moffat and transfer portions of the historical consumptive use to either a new well or an existing domestic well to support a marijuana grow operation. A map of the area in question was shown and discussed by Allen Davye. Mr. Simpson recommends the Board file a Statement of Opposition to this application. Bill McClure stated Saguache County has legally approved 14 marijuana grow operations and water has always been an issue on each one. Mr. McClure asked the Board to keep the Saguache County Planning Commission apprised of any violations by contacting Wendy Maez at the Land Use office. Mr. Simpson stated if the Board takes a position he will certainly contact Ms. Maez. Bill McClure stated there was an application by Leach Airfield that no action was taken on by the Board and Mr. McClure feels if the Board takes action on one; it should take action on all applications concerning water rights. Leach Airfield will also be selling water for medical marijuana operations. Lewis Entz stated the Board is in the business of trying to conserve water and he hears that the Town of Center wants to sell water and you have the airport selling water and its opposite of what the Board is trying to do. Mr. Entz feels the Board needs to take a real close look at this. Dwight Martin asked if San Luis Organics had signed up for the Subdistrict. Mr. Simpson stated in its existing state as irrigation well, the current owners have signed a Petition to join the Subdistrict. Mr. Simpson reviewed records and it was actually an inactive well from the time meters were required until June of 2012. David Robbins thinks the other issue that the Board should pay attention to as they convert these wells from irrigation production to year around production is the affect it will have on the way the aquifer responds.
President Higel asked for a motion in opposition of the San Luis Organics, LLC’s application. A motion was made by Peggy Godfrey to file a Statement of Opposition to this application. The motion was seconded by Lawrence Gallegos and unanimously passed.

Mr. Simpson stated the next item for consideration associated with Case No. 2016 CW 3003 an application by 2J Ranches, Inc., in recognition of an alternate point of diversion for their wells and is associated with Arroyo Springs in Conejos County. The Board filed a Statement of Opposition in June of last year. The Board has the opportunity to collaborate with the Rio Grande Water Users and share expenses for engineering. The Board has in its packet a proposal from Hahn Engineers to do a hydrologic study and offer an opinion. Estimated cost was $18,000.00 and Mr. Simpson is seeking Board approval as this is a non-reoccurring item that he would not commit to without Board action. Mr. Simpson asked the Board if they want to continue in the case; work in corroboration with the Water Users; and, share costs for Mr. Hahn’s evaluation on a fifty-fifty cost basis. Dwight Martin is interested in having the engineers interview some of the water right holders coming out of Diamond Springs, such as Dennis Mortensen. Mr. Simpson will make sure Mr. Hahn receives information on who should be interviewed. David Robbins believes Mr. Hahn is a good hydrogeologist and would be a good expert for the District.

President Higel asked for a motion. Peggy Godfrey made a motion to spend the $18,000.00 with Hahn Engineering to get better studies of that area to back up the Statement of Opposition. Mr. Simpson clarified that the total was $18,000.00 and he is asking the Board for authorization to spend up to $10,000.00 of District funds. Ms. Godfrey amended her motion for clarification to spend up to $10,000.00; the motion was seconded by Lawrence Gallegos and unanimously passed.

Rob Phillips gave a report on Subdistrict #1, a copy of Mr. Phillips report is attached to the minutes. Mr. Phillips highlighted the following:

- Would like to pursue forbearance agreement.
- Still actively pursuing Subdistrict land and water rights.
- 1250 acre feet of recharge.
- Partition off 5 acre parcel of land on McConnell property and ask the Board of Directors to open it put for bid as soon as appraisal is completed.
- CREP and RCPP have total of 49 CREP contracts with 37 contractors, 5,975 acres in CREP, 110 irrigation wells. Approximately 1.7 million were paid to CREP contracts.
- The 2017 fiscal year Regional Conservation Partnership program was selected for funding. Mr. Phillips and Tim Davis will meet with State Conservationists in February to begin the process of this program. Subdistrict No. 1 has allocated $100,000.00 per year for the next three years. It will be a one to one match with the NRCS. A measure of success will be participation.
- The Board of Managers of Subdistrict #1 approved the variable fee changes to the Plan of Water Management. It is a fee structure amendment not a fee increase.

Bill McClure asked if there are separate audits conducted for each subdistrict. The Saguache County Commissioners would like to see financials for subdistricts. Cleave Simpson stated there is one audit that would encompass both the Subdistrict No. 1 and the District as one entity. David Robbins stated this Board looks at Subdistrict No. 1 financials at the end of year audit.

Cleave Simpson talked about Subdistrict No. 1’s Plan of Water Management on the efficiency changes and the State’s changes to that plan. Mr. Simpson also discussed the variable fee structure and the Board’s flexibility in responding to programs that are necessitated to support aquifer recovery. The Board will see two different Plans of Water Management for Subdistrict No. 1 in the next quarter.

President Higel thanked Rob Phillips and Amber Pacheco for the time they put into Subdistrict No. 1.

President Higel asked Amber Pacheco to give reports on the other subdistricts. Ms. Pacheco highlighted her report; a copy is attached to the minutes. Ms. Pacheco reported good news with
the Court approving the creation of Subdistrict No. 3. There is one new landowner that the Subdistrict is reaching out to before the Court signs the final approval. Ms. Pacheco will be looking for individuals who are interested in serving on the Board of Managers for Subdistrict #3. Ms. Pacheco will be sending out letters, e-mails and publish a notice in the paper. The final selection of Managers will be made by the District Board. Subdistrict No. 2 is working on their Plan of Water Management. Will post the Plan of Water Management on the website for the public to review and give feedback. Ms. Pacheco also has a timeline posted on the website for the public to review. San Luis Creek has just a hand full of people staff is still working with to get petitions signed. Ms. Pacheco is hoping to have everything done by the end of February to present to the Board for formation. Peggy Godfrey stated that there are several people she knows in that area that are selling their land and wanted Ms. Pacheco to be aware. Ms. Godfrey stated that Jim Swanson may be a good contact for staff. Saguache Subdistrict still has 86 wells staff is making contact with or getting into Petitions. Of the 86 wells, 36 are on Petitions, just waiting for them to come back. Ms. Pacheco is hoping by the end of April, beginning of May to be able to come before the Board with Subdistrict No. 5. The Alamosa-LaJara letters have gone out. About twenty-five percent have come in and signed Petitions. Staffs goal is to get Subdistrict No. 6 to the Board by summer.

President Higel questioned the financial reports being submitted to the Board at each meeting especially with the new subdistricts coming on board. Peggy Godfrey explained to Bill McClure that the financials were presented at the December meeting, of which Mr. McClure was not in attendance. Saguache County Commissioners do not want e-mails. President Higel wants a way to inform the commissioners. Mr. McClure stated he could receive the financials by e-mail and print them out for the commissioners. Cleave Simpson stated he will think about how best to do this and report back to the Board. Peggy Godfrey suggested asking the commissioners when Mr. Simpson attends their meetings how they would like to receive their information.

President Higel thanked Ms. Pacheco for her report.

DISTRICT ENGINEER’S REPORT-ALLEN DAVEY

President Higel asked for the District Engineer’s Report. Allen Davey handed the Board a packet and updated the unconfined aquifer storage and calculations of the change in that storage. The change in unconfined aquifer storage declined last month about 1,800 acre feet. Mr. Davey spoke on the graphs being shown. The hydraulic divide study has been completed and includes all monitored wells. Agro Engineering has been measuring all the wells and with the aid of computer programs they show the flow path of the groundwater. There was discussion on the hydraulic divide and its effect on the Rio Grande.

President Higel thanked Mr. Davey for his report.

DISTRICT ATTORNEY’S REPORT-DAVID ROBBINS

President Higel asked for the District’s Attorney’s report. David Robbins reported that he attended Subdistrict No. 1’s meeting and as reported by Rob Phillips the Board did not intend to raise the variable fees as a result of their actions. The court process takes time to change a Plan of Water Management and the Board would not be able to do that financially without going through the process of allowing themselves additional funds if needed. If you look at their balance sheet they have a large sum of money but there are two things that require them to hold significant amounts of cash in the bank. The first is, in addition to the water supply Subdistrict #1 has to satisfy the State Engineer that they have sufficient funds to obtain water and replace depletions during the 20 year term that will be caused by pumping this year. The second sum of money that they need to identify is for a number of 15 year CREP contracts that they have to pay bonus payments to the producers as well as to make the 20 percent cost share with the USDA. They put a cap of $150.00 per acre foot pumped as a maximum.

Mr. Robbins reported the following:

- St. Jude in the Roaring Fork area sought a water right decree for aesthetics and fishing. Mr. Robbins believes the legislature will review this again.
- Special Master in the case Texas v. New Mexico and Colorado will be issuing his first report. He will resolve issues on intervenors and motions to dismiss.
- Mr. Robbins will seek to continue the conditional water rights for the District.
• The referee has recommended approval of our diligence application in the Zapata case and the Decree should be final for another six years.
• Groundwater rules trial is still set for one year from now. The 26(a)(2) expert reports have been filed.
• The Alamosa Trinchera San Luis Valley Irrigation Well Owners exchange cases are ongoing.
• Santa Maria change case is set for trial the first week in April for two days. Settlement has been reached with all objectors except for one who is appearing pro-se.
• Still working on the Malouf change case, there is some on-going disagreement.
• Mr. Robbins stated he is still waiting for data from the City of Alamosa on the Alamosa Golf Course case which is on-going.

President Higel thanked Mr. Robbins for his report.

COLORADO WATER CONSERVATION BOARD
President Higel asked for Colorado Water Conservation Board’s report. Travis Smith reported the CWCB on the projects bill has provided a funding package in light of the BP decision on severance tax and how that is accounted for. In light of the funding shortfall CWCB has provided a great plan forward that was supported by the Board. There is a 25 million dollar package, 10 million to help support the work of the round tables on water projects; 10 million dollars to implement the priorities of the Colorado Water Plan and 5 million dollars for stream management plans. It is part of the 2017 projects bill. There are a couple of proposed legislations that are outside of the normal project bill process. One is a dredging bill and how that is funded. CWCB has supported the creation of the round tables, the basin plans, reservoirs being rehabilitated, lots of infrastructure, conservation easements, river restoration and creation of the subdistricts here in the San Luis Valley. Mr. Smith informed the Board this is his last presentation as his term is up.

President Higel thanked Mr. Smith for his report.

RIO GRANDE INITIATIVE/R.G.H.T.-RIO DE LA VISTA
President Higel asked for the Rio Grande Initiative report. Rio de la Vista thanked Travis Smith for his service. Ms. de la Vista also thanked the Board for their support of the Rio Grande Headwaters Land Trust and the Rio Grande Initiative; the Board’s support helps get other funding and matching funds. RiGHT had their San Luis Valley Conservation and Connection Initiative community workshop at the District’s facilities last week. This grant helps fund restoration, recreation, education and conservation projects here in the Valley. RiGHT was able to close on the conservation easement on the Rainbow Trout Ranch on the Upper Conejos Canyon. RiGHT also closed on the second phase of the Dugan Ranch property at the end of December. GOCO awarded RiGHT funding for the La Garita Creek Ranch conservation easement.

President Higel thanked Ms. de la Vista for her report.

KOGOVSEK AND ASSOCIATES – CHRISTINE ARBOGAST
President Higel asked for the report from Kogovsek and Associates. Ms. Arboogast was not able to attend due to bad weather and sent a report for Mr. Simpson to read into the record. Mr. Simpson read the report into the record and discussed the trip to Washington D.C. for the Farm Bill. It was reported that Ms. Arboogast thanked the Board for approval of the Professional Services Agreement.

Mr. Simpson asked the Board if they wanted representation in Washington in the coming months as it pertains to the Farm Bill. Discussion was had on who the Board had a desire to send to Washington and how many representatives should attend. David Robbins stated the Board usually sent two or three Board Members, the Manager and often one of the attorneys. The Board needs to decide from a budgetary standpoint how many people they can send to Washington. Mr. Simpson asked the Board to allow him time to speak with Ms. Arboogast and confirm when the trip to Washington would take place. Mr. Simpson stated there will probably be a special meeting called at the end of February, first part of March and he would be better able to define plans at that time.
President Higel thanked Cleave Simpson for reporting.

STEALEY II - BECKY BROOKS
President Higel asked for the report from Stealey II. Becky Brooks commented that the Board could make a trip to Denver to talk with representatives. Legislature came back on January 11, 2017; have a 25% turn over every two years in the legislature. Constantly have to give understanding of what the Subdistrict Bill did and the changes that were made. Ms. Brooks attends the Colorado Water Congress State Affairs meeting every Monday morning. Ms. Brooks thinks it is important that she participate in the Ag Council and the agriculture meetings as they have an impact on water as well. Ms. Brooks stated they are dealing with some repeat bills this year.

President Higel thanked Ms. Brooks for her report.

U.S.B.R. REPORT
President Higel asked for the BOR report. Russ Plummer, acting manager, reported the water salvage continued and deliveries were completed. No deliveries were made to the Blanca Wildlife Habitat this quarter. Work on the check station wind screens was completed to prevent freezing of the drum screen equipment; maintenance repairs were made on the lake pumping station roof structure. A total of 345 samples were collected from the Closed Basin project from October 1, 2016 through December 31, 2016. Greg Gillespie retired in December of 2016.

President Higel thanked Mr. Plummer for his report.

The meeting recessed at 12:30 for lunch and resumed at 1:50 p.m.

GREAT SAND DUNES NATIONAL PARK AND PRESERVE REPORT
President Higel asked for the Great Sand Dunes National Park report. Fred Bunch reported Lisa Carrico is out on detail. Visitors to the park this year was 382 thousand, 82,000 more visitors. The Park is working on strategies for additional parking for visitors and the best way to handle the congestion. Mr. Bunch believes the park was so busy because of the 100 year celebrations, the population increase in Colorado; the creek flow throughout the summer and good gas prices. They are trying to figure out the population and location of elk. They are hoping to close on the Medano Ranch purchase by December 2017. Mr. Bunch discussed the use of drones for research on the Rio Grande Cutthroat.

President Higel thanked Mr. Bunch for his report.

U.S.G.S. REPORT
President Higel asked for the U.S.G.S. report. Bill Banks reported the investment of money on drones to operate in high terrane. Mr. Banks would like to use the drones to measure snow in higher altitudes. Bill Banks introduced Tammy Ivahnenko, water specialist in Colorado. Ms. Ivahnenko showed a presentation of the US Geological Survey water smart focus area. There are three states involved in the study; the study is in its first year. The USGS website is up and running, they are working on real time snow data.

President Higel thanked Mr. Banks and Ms. Ivahnenko for their reports.

U.S. FOREST SERVICE REPORT
President Higel asked for the U.S. Forest Service report. Dan Dallas reported they are still working on the title and land exchange. They are working with Nathan Coombs on snow pack devices. Working on the forest plan revision documents, the last one was done in 1996. They will have to comply with the National Environmental Compliance Act. David Robbins asked Mr. Dallas to get with Cleave Simpson to set up a meeting to look over the settlement agreement.

President Higel thanked Mr. Dallas for his report.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT REPORT
President Higel asked for the SLV Water Conservancy District Report. Heather Dutton reported they are continuing to run the augmentation program. The Anaconda water right purchase will be completed in the next couple of months. Matt Hilner has been hired to help Ms. Dutton. The
Round Table officers were elected; still waiting for decision on funding. Ms. Dutton is interested in applying for the CWCB position and would like support from the Board.

President Higel thanked Ms. Dutton for her report.

**RIO GRANDE HEADWATERS RESTORATION PROJECT**
President Higel asked for the Rio Grande Headwaters Restoration Project report. Emma Reesor gave the Board a handout that goes over the next year. They are continuing the Upper Rio Grande Watershed assessment. Ms. Ressor reported on several projects such as the Rio Grande State wildlife infra structure erosion; Centennial and San Luis Canal; Del Norte River front project and outreach and education efforts. Ms. Ressor has submitted an application for a water leader course and asked the Board for their support with tuition. Mr. Simpson asked how much the tuition would be. Ms. Ressor replied she had other supporters and tuition would be $812.00 per supporter, split four ways.

President Higel thanked Ms. Reesor for her report.

**DIVISION ENGINEER’S REPORT**
President Higel asked for the Division Engineer’s report. Craig Cotten gave a slide presentation. Mr. Cotten reported there are 20 grow facilities for marijuana, 18 in Saguache, 11 in Costilla. Five facilities are for medical purposes and 24 for recreational purposes. The Division comments on applications for valid water rights. There was a change in the law as of January and caregivers now have to register. The new Saguache regulations allow caregivers to grow 36 plants. There are 5 substitute supply plans and 2 court cases for marijuana grows. The Rules and Regulations case is still ongoing; they are meeting with the objectors and experts. The Texas v. New Mexico and Colorado are waiting for a report from the Special Master. The snow pack is at 151%, the basins around are higher. April 5, 2017, is the Rio Grande Compact conference in Santa Fe, New Mexico. The State Engineer, Dick Wolfe is retiring in June of 2017.

President Higel thanked Mr. Cotten for his report.

**COLORADO STATE PARKS AND WILDLIFE REPORT**
President Higel asked for the Colorado State Parks and Wildlife report.

**CONGRESSMAN TIPTON’S OFFICE-BRENDA FELMLEE**
President Higel asked for Congressman Tipton’s office report. Brenda Felmlee reported that Congressman Tipton sits on the Financial Service committee and the Natural Resources committee. Ms. Felmlee stated they are keeping track of the water and extends an offer for anyone to call Congressman Tipton’s office with questions.

President Higel thanked Ms. Felmlee for her report.

**WILLOW CREEK RECLAMATION COMMITTEE**
President Higel asked for Willow Creek Reclamation Committee’s report. Gwen Nelson thanked the Board for their support of Willow Creek. Ms. Nelson spoke of Willow Creek’s accomplishments in 2016. Ms. Nelson spoke of the stewardship opportunities for Willow Creek and stated they are confirming lead levels and will submit them to the State. Willow Creek is also assisting with the Rio Grande Watershed assessment.

President Higel thanked Ms. Nelson for her report.

**RIO GRANDE WATERSHED EMERGENCY ACTION COORDINATION TEAM (RWEACT)-ZEKE WARD**
President Higel asked for the RWEACT report. Zeke Ward reported the energy impact fund grant will cover the entire watershed. Mr. Ward revisits all 70 partners in light of the transition and new focus. Mr. Ward invited the Board to continue their partnership with RWEACT. Cleave Simpson asked for a motion to continue the Board’s partnership. Peggy Godfrey made a motion to continue support of RWEACT. The motion was seconded by Brian David and unanimously passed.

President Higel thanked Mr. Ward for his report.
EDUCATION REPORT – BETHANY HOWELL
President Higel asked for the Education Report. Bethany Howell reported that three to four
teams will be preparing for State competition in the areas of oral skills, fish and wildlife, soil
health aquatics and wildlife. Ms. Howell thanked the Board for their support and reported they
had received grant funding for education based programs. Ms. Howell will be participating in the
water leader course in April. Ms. Howell stated they are looking for 14 to 18 year olds for camp
counselors this summer in South Fork.

President Higel thanked Ms. Howell for her report.

OTHER REPORTS AND COMMENTS
President Higel asked if there were any other reports or comments. There were no other reports.

OTHER
Lawrence Gallegos stated the sustainability workshop should be put on the calendar now. Cleave
Simpson stated that Subdistrict #1 is in favor of the sustainability workshop. Cleave Simpson
gave the date of Monday, February 27, 2017, for the workshop to be followed by a special
meeting by the Board.

ADJOURN
Bill McClure made a motion to adjourn the meeting. The motion was seconded by Peggy
Godfrey and unanimously passed.

Meeting was adjourned at 5:15 p.m.

[Signature]
President

[Signature]
Secretary/Treasurer
Cleave Simpson (chronological order since last quarterly meeting)

Conduct a tour of the Norton Drain with Oscar — identify maintenance needs. We rented a small excavator, contacted impacted land owners and removed a number of nuisance Russian olive trees.

Work with legal counsel drafting a BLM potential participation contract with future subdistricts.

Work with legal counsel drafting a water rights lease agreement — still working on this.

Attend a meeting of the Trinchera Water Conservancy subdistrict Board of Managers. Just staying connected with them.

Participate in another Rio Grande Del Norte National Monument potential expansion discussion — no resolution but parties still agree to the terms we provided for protecting water rights.

Facilitate a budget work session with the Board.

Take a tour of Shaw Reservoir.

Attend a luncheon with Governor Hickenlooper — hosted by Adams State.

Attend annual American Groundwater Conference in Denver, topics included: Overview of the RGDSS by DWR, Water Trading opportunities in Colorado, Denver Groundwater Basin review.

Attend SD#2 BOM meeting, working on timeline and development of SD#2 Plan of Water Management.

Rio Grande Basin roundtable meetings in November and January. I am one of two roundtable representatives to the IBCC (Interbasin Compact Committee).

Attend SD#1 BOM meeting — working on amended plan of water management.

IBCC meeting in Denver, seminar cohosted by the Colorado Ag Water Alliance group. Discussions concentrated on ATM's (Alternative Transfer Mechanisms). This same group is presenting a one day seminar here February 28th at the RGWCD.

Continue conversation with individual water right holder who is interested in a possible leasing arrangement for their surface water rights.

Colorado Water Congress State Affairs Committee review possible legislation for introduction into this legislative session — funding for Aquatic Nuisance Species prevention, funding for dredge operations on the South Platte basin reservoirs, 1921 Irrigation District Act update, exemptions for Graywater regulations research and cleanup of language for the State Engineer roles and responsibilities. More discussion last week around the St. Judes' supreme court ruling last year as well as possible legislation associated with Colorado Open Records Act.

Meet with Division engineer to discuss multiple pending and active water issues.

Attend several Tool Box Talks with District CBP maintenance employees and the BOR.

Participate in a radio interview KSLV to discuss subdistrict progress.
The Rio Grande Basin Roundtable executive committee met with our new State House representative Mr. Donald Valdez – just introductions and general conversation.

Monthly meet with Davis Engineering to discuss process and expectations concerning both routine and non-routine work requests.

Attend and speak at the annual meetings of the Rio Grande Canal Company and the Santa Maria reservoir company. Also did the same at the SLV Irrigation District annual meeting and the Monte Vista Canal annual meeting.

Spent some time with a small group of Saguache Creek water users, assisting them with Information about subdistrict process.

Conduct interviews (6) for vacant Database Administrator / IT support position. We hired Michael Carson, he started with the District on January the 9th.

Spoke at a Confined Aquifer Sustainability group information meeting, update on subdistrict process for the southern part of the Valley.

Testified at the hearing for Subdistrict #3 formation.

Working on updating the employee handbook, last updated in 2008. Will present DRAFT copy for review and comments.

**Things to do, in no particular order:**

Conduct interviews and hire to fill vacancy as a result of Lionel Ortega retirement.

Would still like to organize an Aquifer Sustainability workshop with the Board and SD’s.

Review possible projects for improving model confidence in Saguache Creek response area.

Have proposal for small scale model of the area between Del Norte and South Fork. Need to work on a funding proposal for Roundtable consideration.

Participate in the Colorado Parks and Wildlife sponsored Rio Grande Native fish meeting to be held at the RGWCD January 24th through the 26th.

Discuss District possible role in new weather radar station proposal, pending.

Convene the previously organized employee/compensation committee to review District wage and salary compensation process, as well as future staffing considerations.

I will be attending the Colorado Water Congress winter conference in Denver later this month.

Prep for presentations I will be giving in the next quarter:

- Colorado Aquaculture annual meeting at Mt. Princeton.
- SLV Forage and Livestock show in Monte Vista.
January 17, 2017

Program Manager’s Report for Subdistrict No. 1

2016 Fee Completion

- Subdistrict staff met the December 1st deadline for the 2016 fee completion and they were submitted to the area county treasurer offices on that date.
- Breakdown of the 2016 Subdistrict fees are as follows:
  - Total Fee Acres: 167,889.0
  - Total Admin/CREP fee at $4.00/ac: $671,554.44
  - Total Variable Fee at $75/af: $4,781,631.71
  - Grand Total: $5,453,186.15
- Total Groundwater Pumping for the calculation of the 2016 fees that includes the reconcile period in 2015 was 227,460 acre feet.

2016 Replacement Water Operations

- Releases of reservoir water for depletion obligations ceased as of November 6th, 2016 when all of the reservoirs went into storage on the Rio Grande.
- Closed Basin Project allocations for SD#1 have been replacing depletion obligations for all three stream reaches to the Rio Grande since that time and will continue through the winter months.
- A total of 887.1 acre feet of “wet water” was released from the upstream reservoirs during the 2016 irrigation season replacing Stream Reach 1 and 2 projected depletion obligations for SD #1.
- There was no forbearance exercised by SD #1 during the 2016 irrigation season. SD #1 will again pursue forbearance agreements for the 2017 irrigation season with all of the canal systems within Stream Reach 1 and 2 on the Rio Grande to add to their water portfolio for the 2017 ARP.
- Total replacement water in storage for SD #1 in both Rio Grande and Santa Maria Reservoir facilities as of the end of the year is 20,125.0 acre feet.

SD #1 Land & Water Rights

- The Subdistrict is still actively pursuing the acquisition of land and water right opportunities however, there were no land or water right purchases completed by the District on behalf of SD #1 in 2016. Based on total head-gate diversions for the Rio Grande Canal during the 2016 irrigation season netting approximately 21.0af/share, the
Subdistrict with their 59.5 shares of surface water would have diverted approximately 1,250.0 acre feet towards recharge to the aquifer on the White, McConnell and Lacy properties during the 2016 irrigation season. The Board of Managers have decided to portion a 5.0 acre plot of land with the McConnell house in 2017 and ask the Board of Directors if it can be opened up for bid as soon as an appraisal is completed on the plot. The Board of Managers will approach this Board with a proposal later this year.

2016 Plan Year Unconfined Aquifer Recovery in the closed basin of Subdistrict No. 1

- SD #1 saw a recovery of 58,083 acre feet in Davis Engineering’s unconfined aquifer storage study of the closed basin from September of 2015 to September of 2016. Groundwater pumping reductions within Subdistrict No. 1 remain at or near 30% of what it was at the beginning of the plan in 2012.

Rio Grande CREP and RCPP in SD #1

- SD #1 has a total of 49 CREP contracts now that includes 37 contractors, 5,975.0 acres and 110 irrigation wells. There are 43 irrigation wells included in a temporary water retirement contract and 67.0 irrigation wells included in permanent groundwater retirement contracts. Wells included in the permanent water retirement contract will be plugged and abandoned at the end of the term on the Contract.
- 2014, 2015 and 2016 fiscal year existing CREP contracts were all found to be in cropping and water use compliance by the USDA FSA at the end of the 2016 fiscal year and all were paid their annual rental payments as well as money owed to them by the Subdistrict. (Approximately $1.7 million dollars just by the Subdistrict alone).
- The staff began receiving CREP cover crop certifications from the NRCS in 2016 for the 2014 fiscal year contracts showing above average success.
- On December 20, 2016, Subdistrict staff was notified that the 2017 Fiscal Year Regional Conservation Partnership Program (RCPP) proposal that was submitted last fall for Subdistrict No. 1 was selected for funding. Like the first and second program year of the RCPP, the FY2017 application process was highly competitive, with 111 full proposals submitted by diverse applicants from across the nation. Full proposals underwent rigorous technical review, and were scored based on the criteria outlined in the Announcement of Program Funding, and ranked against other projects in the funding pool. Tim Davis and I will meet with the NRCS State Conservationist’s Randy Randall and Dawn Jackson the first week of February to begin the processes of the program. The start date of this program in SD #1 will be October 1, 2017.

2016 Subdistrict No. 1 Annual Report

- District staff has begun the process of compiling water use data from the Colorado Division of Water Resources, Allen Davey’s Office, the 2016 ARP monthly accounting
reports, and the District’s irrigated ag census for 2016. The Subdistrict No. 1 Annual Report is due to the Colorado State Engineer and Water Court by March 1, 2017.

**SD #1 Board of Managers Current Business**

- SD #1 Board of Manager’s held a special meeting yesterday, January 16th here at the RGWCD conference room. After 3 years in preparation of a proposal to amend the current variable fee structure in the current Plan of Water Management by both Board members and staff, the amendment proposal was approved by the Board of Managers yesterday and will begin the next steps moving forward. The Board will meet again on January 30th here at the RGWCD conference room to work on this proposal, the first plan efficiency amendment proposal, and CREP signup incentives for 2017.
Program Manager Report-Amber Pacheco

SD #3 (Conejos) - The Formation Hearing to establish Subdistrict #3 was held in Conejos District Court on January 13th. Cleave Simpson and Nathan Coombs testified on behalf of the work group and the District. Judge Swift approved the formation petition and formed Special Improvement District #3 of the Rio Grande Water Conservation District. She will not sign the order until Monday, January 23rd, to allow our staff time to try and contact a new owner of land that was petitioned in to the Subdistrict under the old owner. If they chose to not be included in the Subdistrict, Pete will revise the court filing so the land is excluded. The next step is to form the BOM for Subdistrict #3. The Board of Managers consists of seven seats and one ex-officio member who is a member of the RGWCD Board of Directors. I will be sending e-mails, letters, running an article and posting on our website to inform those in SD #3 that anyone interested in serving as a member of the Board of Managers must send in a letter of interest to the RGWCD Board of Directors within 30 days of judicial approval which is February 22, 2017. The Board of Directors will select Board Members from these letters based on geographic criteria set out in the Petition to Establish SD #3. Once formed the Board of Managers will draft by-laws defining the responsibility of the Board of Managers and then will move into preparing the final Plan of Water Management.

SD #2 (Rio Grande Alluvium) - A special BOM meeting was held on January 9th to continue discussions on revisions to the Plan of Water Management. The board reviewed a draft of the Plan that was prepared for the Board’s review based on discussions held during the November quarterly meeting. The Board suggested some small language changes that Pete and I will incorporate into the Plan. Once the changes are complete, the Plan will be circulated to the Board for comments and then made available for the public to review on the District’s website. The next quarterly meeting for SD #2 will be held on February 6th beginning at 1:00 p.m.

SD #4 (San Luis Creek) - Rose has really been pushing hard to get ahold of every well owner to discuss the subdistrict option with them. An article was ran in the paper to notify landowners that the petition drive would close on December 31st. Only a small number of well owners were still not petitioned in at the time I choose this end date. My hope was this would get those few owners to contact our office so we could work with them and find out what their plans were for their wells. As I have said in the past many times, we are trying to make contact with every well owner so they all have the opportunity to petition in to the subdistrict if they should so choose. With that said, we can only do what we can with the contact information that is available to us and we have a small amount of owners that we are still trying to reach even after year-end. Rose has been sending letters and making calls to all well owners that the District has not yet been able to contact hoping that they will reach out to us because we are having trouble getting in touch with them. My hope is to have the petitions verified and ready for presentation to the District Board sometime in late February or early March.

SD #5 (Saguache) - Out of 302 wells, about 86 wells remain that have not been included in petitions. Of this 86, 38 are on petitions that we just have not yet received back in the office.
We have contacted or attempted to contact the remaining 48 wells and have yet to get them to respond or make a final decision that have already been collected or the owners have chosen to exempt/abandon the wells. An article was ran in the paper to notify landowners that the District wanted to close the petition drive by December 31st. Rose continues to make calls and working with well owners to complete the process. I am hoping to have SD #5 petitions completed and verified by the end of March so they can be presented to the Board for approval possibly in May.

SD #6 (Alamosa/La Jara) – Letters were sent out to non-exempt well owners notifying them that the petition drive has been started for the Alamosa-La Jara Subdistrict. Contact information we used came from the State’s well ownership records. This was just a first attempt to start contacting well owners. District staff will begin making calls to well owners to inform them of the process and help them with petitions if they wish to include their land in the Subdistrict. A number of well owners have already come in to complete Farm Plans and petitions so the drive is off to a pretty good start. About 25% have completed petitions or have petitions in hand that they will return. The Deadline set for SD #6 petitions is February 28, 2017 so we will be working really hard to try to meet that goal.

District - I continue to work with all staff on other District related duties as well.