RIO GRANDE WATER CONSERVATION DISTRICT  
BOARD OF DIRECTORS SPECIAL MEETING  
JUNE 28, 2017  
2:00 P.M.  
RIO GRANDE WATER CONSERVATION DISTRICT CONFERENCE ROOM

Present: Greg Higel, President; Brian David, Vice-President; Dwight Martin, Secretary/Treasurer; Peggy Godfrey, Director; Cory Off, Director; Bill McClure, Director; Lewis Entz, Director; and, Lawrence Gallegos, Director (via telephone).

Excused: Mike McClure, Director.

Staff: Cleave Simpson, General Manager; Pete Ampe, District’s Attorney; Cheryl Anderson, Office Manager; Rob Phillips, Program Manager; Rose Vanderpool, Program Assistant; and, Linda Ramirez, Administrative Assistant.


President Higel called the meeting to order at 2:02 p.m. There was a quorum present. The Pledge of Allegiance was recited.

President Higel asked for introduction of staff and guests.

APPROVAL OF AGENDA
President Higel asked for amendments to the agenda. Cleave Simpson stated he would like to add General Manager report after action items. A motion was made by Cory Off to approve the agenda as amended. The motion was seconded by Bill McClure and unanimously approved.

PUBLIC COMMENT
President Higel asked for public comment.

David Warsh asked for clarification of public comment to deal with changes to the Plan on July 11, 2017. Cleave Simpson explains it has always been an open public comment process. The first action item for the Board to consider today is the Amended Plan on the Efficiency portion. Mr. Simpson explains the procedures that have been followed to date. The agenda item today for review and action is the Amended Efficiency Plan with changes recommended by the State Engineer’s office. If the Board approves the Amended Plan today, it will go back to the State Engineer’s office for approval, if the State Engineer accepts the Amended Plan for approval there will be a formal hearing to adopt the Amended Plan. Mr. Warsh asked if the Board is following the procedure for starting over. Mr. Simpson believes that is correct. Pete Ampe clarified that under the statute the Plan only has to be reviewed by the State Engineer if there is a groundwater management plan as contemplated under 501 (4)(c). The fee structure is not part of the groundwater management plan and therefore would not go before the State Engineer. It would however come back to this Board for a hearing at another time.

Dave Warsh went through Subdistrict finances and is not advocating for raising any fees. Mr. Warsh does not believe the Board of Managers has a plan for use of the money they currently have without raising any fees. Mr. Warsh believes Subdistrict #1 is working and this Board should tell the Board of Managers to live within their means. Mr. Warsh believes other changes can be made to the Plan and would like to see all necessary changes made before submitting the Plan for amendment. Mr. Warsh believes the District Board is the public’s safeguard from the majority or minority on Subdistrict #1’s Board. Cory Off asked why the year in arrears is turned over to the State. Pete Ampe stated it is not turned over to the State any more than it already is, it would eliminate two well measurements and appeals. Mr. Off requested Mr. Simpson again go through the steps for amending the Plan. Mr. Simpson again went through the processes of amending the Plan. Mr. Off believes there should be other programs besides CREP. Mr. Off believes the Board should have an economist to market these plans and figure out what plans work. Bill McClure
believes there should be a five year plan with projections so that everyone knows what the variable fee will be. Mr. McClure asked if this Board could request Subdistrict #1’s Board to come up with a five year plan. President Higel stated this would be the time to make any requests. Peggy Godfrey asked how the surface water credits would be done a year in arrears. Mr. Simpson stated it would be by going back one year. Lewis Entz asked where the cap control is in the chain of command. Mr. Ampe stated this Board has control over the fee structure and the budget for Subdistrict #1. Mr. Warsh stated another problem with year in arrears is the landlord/tenant situation. Mr. Warsh wants to know how the transition is going to work for the year in arrears. President Higel commented a year in arrears would be a lot simpler than all the problems that arise with the calculations. Mr. Simpson stated the year in arrears would help producers by not paying taxes up front and then going through the appeal process to get reimbursed. The issues on appeal would be taken care of before the calculations go to the County.

Mike Kruse commented to Mr. Entz that there is a cap of $150,000 in the Amended Plan. Mr. Kruse would also like to know how the Subdistrict is going to transition into the year in arrears. Mr. Kruse believes the initial Plan was very well written and producers can live with that Plan. Mr. Kruse believes the fee should be raised to $150,000 as long as the goal of the Plan is met in the end. Peggy Godfrey asked if the aquifer does not rise, will that be the benchmark for raising fees.

Lynn Kopfman asked for time to shed historical information on the formation of the Subdistrict. The goal and objective of the work group was to reach a plan that was sellable to the public. Mr. Kopfman assured his friends and neighbors there would be a cap of $75,000 on the variable fee. Mr. Kopfman believes there are other ways to spend the money the Subdistrict already has to take land out of production. Mr. Ampe stated remedying depletions is non-negotiable. Under the current response functions the Subdistrict has enough to meet its 20 year lag depletion for this year. Mr. Ampe stated the Subdistrict will have to cover lag depletions every year.

Terry Chiles stated what was on the original proposed Plan was not what was approved. It is supposed to be about recovering the aquifer and not about money. This is all about protecting surface rights. If you go year in arrears you know what your credit is so you can budget. Mr. Chiles believes he has a copy of the original Plan that was sold with the Petition.

Lynn Kopfman believes the number one priority was depletions to the river and the Subdistrict has accomplished that.

Mike Mitchell stated as the public looks at the surplus of money the Subdistrict has, they need to know the Subdistrict is talking about escrow lining funds for current contracts and looking at other programs where the money can be spent. The Board of Managers has to look at the sustainability issue further down the line.

Mark Steakley, general counsel for Farming Technology reviewed the proposal and the goals presented by the Subdistrict are important to the Valley. Mr. Steakley believes that John McClure’s proposal of mediation is a way for everyone to look at sustainability and fees. Mr. Steakley would like to hear what the Board of Managers is trying to accomplish, why they need the money and the amount of money needed. Mr. Steakley would like to use a mediator to put together some programs to accomplish goals for the Subdistrict. Mr. Steakley does not believe the variable fee in and of itself solves sustainability.

Jamie Hart sits on the Subdistrict #1 Board and would like to explain what the Board goes through to make these decisions. Mr. Hart is a farmer who has ground without water, ground with only surface water and no wells, ground with wells and he pumps surface water. Mr. Hart has heard comments today that the Board does not come up with ideas but no one comes to meetings where the Board is processing ideas. The Board of Managers sees the money in the bank as already being spent. With the year in arrears you would know in advance what you owe before you even plant a crop. The Board does not use the constituents’ money frivolously, the Board is very careful on how they spend that money. The change in the Plan is something the Board has talked about for a year and a half before presenting the final changes.

Mark Steakley commented other subdistricts are coming on board and will have an effect on sustainability and he does not support an increase in fees above $75.00.

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Chris Miner is on the Subdistrict #1 Board and has been on the Board for five years. Mr. Miner believes the Board keeps coming back to CREP because of the Federal dollars. The Board is trying to be proactive and have something in place when the time is critical and the funds are needed.

Rob Phillips stated there has been negativity regarding CREP. Mr. Phillips believes CREP is a very important tool for Subdistrict No. 1. Cory Off explains his belief that CREP is best bang for the buck but also gave everyone tunnel vision where no other programs are being sought to help farmers that don’t qualify for CREP.

Charlie Versaw farms in Saguache County and agrees with Dave Warsh. Mr. Versaw believes if the cap is raised it will drive people like him out of business. Mr. Versaw voluntarily cut back 50 percent. Federal rules for CREP require full circles, therefore he does not qualify. Lynn Kopfman convinced Mr. Versaw to sign the Petition stating fees would not go above $75.00 an acre foot. Mr. Versaw feels betrayed at this point.

President Higel stated he started this process and has a senior water right. He wanted to find a process that was fair to everyone. Discussion was had on whether the two action items should be tabled. Cleave Simpson appreciates the public input. Mr. Simpson stated Subdistrict #1 is in year seven of their 20 year benchmark and although they have seen incremental improvement the criteria is the five year running average has to move up to the minus 200 to minus 400 thousand acre feet. The Subdistrict has made no ground in improving and has only stopped the decline of the five year average. Mr. Simpson explained the sustainability issues for the remaining subdistricts and does not believe any of the remaining subdistricts will be up and running before 2019.

The Board decided to go ahead with the action items and do roll call votes.

**REVIEW AND ACTION SUBDISTRICT #1 AMENDED PLAN OF WATER MANAGEMENT - EFFICIENCY**

President Higel asked for review and action on Subdistrict #1 Amended Plan of Water Management - Efficiency.

Cleave Simpson stated the Board approved a version on this Amended Plan in July of last year, it went to the State Engineer and he offered comments. The Board of Managers took those comments into consideration and adopted them. The Board of Managers re-reviewed the Amended Plan and resubmitted it. The Board of Managers had unanimous consent on the Amended Plan for Efficiency. Mr. Simpson highlighted changes to the Amended Plan. A motion was made by Cory Off to approve the efficiency portion of the Amended Plan. The motion was seconded by Lawrence Gallegos. A roll call vote was taken by the Board as follows:

- Bill McClure – Yes
- Brian David – Yes
- Lawrence Gallegos – Yes
- Dwight Martin – Yes
- Peggy Godfrey – Yes
- Lewis Entz – Yes
- Cory Off – Yes
- Greg Higel – Yes

The motion was unanimously passed.

Peggy Godfrey asked if the Board could address whether mediation is appropriate at the July 18, 2017, meeting.

**REVIEW AND ACTION SUBDISTRICT #1 AMENDED PLAN OF WATER MANAGEMENT – PUMPING FEES**

President Higel asked for review and action on Subdistrict #1 Amended Plan of Water Management – Pumping Fees.

Cleave Simpson appreciates the public comment on this item. Mr. Simpson reminded everyone that this item does not go to the State Engineer for approval. Mr. Ampe stated there will be a separate public hearing on this item that will be set at the Board’s discretion. The approval of the pumping fee portion of the Amended Plan gives the Board of Managers the ability to approach the
District Board to increase or decrease fees. This Board supervises and oversees the operation of the Board of Managers and ultimately has the final decision. A motion was made by Cory Off to approve the pumping fee portion of the Amended Plan. The motion was seconded by Dwight Martin. A roll call vote was taken by the Board as follows:

Dwight Martin - Yes
Peggy Godfrey – Yes
Lewis Entz – No
Lawrence Gallegos – Yes
Bill McClure – No
Brian David – Yes
Cory Off – Yes
Greg Higel – No.

Roll call vote was 5 in favor and 3 against. Motion passed.

GENERAL MANAGER’S REPORT
President Higel asked for the General Manager’s Report. Cleave Simpson wanted to update the Board on the budgeted confined aquifer monitoring well in Conejos County. Requests for proposals were sent out and there is a vendor lined up and willing to put in the monitoring well. The proposal is above what was budgeted by $1,000.00. Mr. Simpson intends to contract with the vendor on this well for full construction. Mr. Simpson has received interest from the Trinchera Subdistrict who would like to open dialog with the Board and staff on how to collaborate going forward, maybe even contract with the Rio Grande Water Conservation District to assist them in managing their subdistrict. Mr. Simpson stated the hearing for formation of Subdistrict No. 4 is scheduled for July 10, 2017, at 2:00 p.m. in Saguache. Subdistrict No. 1 has a special meeting scheduled for July 11, 2017, at 1:30 p.m. One item on the agenda is to discuss and consider the acquisition of the West Medano Ranch.

ADJOURN
The meeting was adjourned at 5:00 p.m. The next scheduled meeting will be held on July 18, 2017, at 10:00 a.m.

[Signatures]
President
Secretary/Treasurer