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

Unexcused: Bill McClure, Director.

Staff: David Robbins, District Attorney (via telephone); Cleave Simpson, General Manager; Rob Phillips, Program Manager; Cheryl Anderson, Office Manager; and, Linda Ramirez, Program Assistant.

Guests: Deb Sarason, Division of Water Resources; and David Hofmann, Division of Water Resources.

CALL TO ORDER
President Greg Higel called the meeting to order at 10:00 a.m. The Pledge of Allegiance was recited. There was a quorum present for the meeting.

APPROVAL OF AGENDA
President Higel asked for approval of the agenda. A motion was made by Lewis Entz to approve the agenda as presented. The motion was seconded by Peggy Godfrey and unanimously approved.

President Higel thanked Rob Phillips for his services for the Subdistrict and wished him luck in his new endeavors.

2018 BUDGET HEARING
President Higel called the Budget hearing to order. Notice of the 2018 budget hearing was properly noticed in the Valley Courier on November 25, 2017. President Higel asked for public comment on Subdistrict #1’s budget; Subdistrict No. 2’s budget; Subdistrict No. 3’s budget and the Rio Grande Water Conservation District’s budget. There were no public comments offered.

Cleave Simpson stated how the budget was prepared and which version will be presented to the State. Mr. Simpson stated Subdistricts with no revenue stream are included within the District’s budget. Mr. Simpson went through the budgets before the Board.

Mr. Simpson stated Subdistrict No. 1 set their administrative fee at $1.50 which is a reduction from $2.00; the CREP fees were set at $1.50 and groundwater withdrawal fees at $75.00 an acre foot net. Subdistrict No. 1 has set aside $3,000,000.00 for their CREP signup incentives.

Cory Off thanked Cleave Simpson, Greg Higel and Lawrence Gallegos for working on the budget and getting it to the Board for review.

President Higel asked for the adoption of the formal Budget Resolutions.

A motion was made by Peggy Godfrey for approval of the Resolution to Approve the FY2018 Budget. The motion was seconded by Lawrence Gallegos and unanimously approved.

A motion was made by Peggy Godfrey for approval of the Resolution to Appropriate Monies for FY2018. The motion was seconded by Cory Off and unanimously approved.

A motion was made by Peggy Godfrey for approval of the Mill Levy for FY2018. The motion was seconded by Brian David and unanimously approved.
Cleave Simpson thanked the entire Board but especially Greg Higel, Cory Off and Lawrence Gallegos for the time they spent on the management subcommittee.

ADJOURN
Meeting was adjourned at 10:25 a.m. The next scheduled quarterly meeting will be held on January 16, 2018, at 10:00 a.m.

[Signature]
President

[Signature]
Secretary/Treasurer
RIO GRANDE WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING
THURSDAY, DECEMBER 7, 2017
10:25 A.M.
RIO GRANDE WATER CONSERVATION DISTRICT CONFERENCE ROOM

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

Staff: David Robbins, District Attorney (via telephone); Pete Ampe, District Attorney; Cleave Simpson, General Manager; Rob Phillips, Program Manager; Cheryl Anderson, Office Manager; and, Linda Ramirez, Program Assistant

Guests: Deb Sarason, Division of Water Resources; David Hofmann, Division of Water Resources; Les Alderete, Skyline Potato; and, Shanan Wright.

CALL TO ORDER
President Greg Higel called the meeting to order at 10:25 a.m. There was a quorum present for the meeting.

APPROVAL OF AGENDA
President Higel asked for approval of the agenda. A motion was made by Peggy Godfrey to approve the agenda as presented. The motion was seconded by Dwight Martin and unanimously approved.

REVIEW AND ACTION FUNDING REQUEST FROM THE SAGUACHE CREEK WATER USERS ASSOCIATION FOR CLEANING AND STREAM MAINTENANCE FOR SAGUACHE CREEK AND WERNER ARROYO
President Higel asked for review and action on the funding request from Saguache Creek Water Users Association for Cleaning and Stream Maintenance for Saguache Creek and Werner Arroyo. Cleave Simpson stated Saguache Creek is doing extensive work and the Board has already authorized $5,000.00 for Saguache Creek as part of the annual snag and drag program in the current District budget to be used for stream maintenance. Saguache Creek Water Users will exhaust all that $5,000.00 this year and are seeking up to an additional $5,000.00 contribution. Mr. Simpson supports the application for funding and the District has funds available. Lawrence Gallegos asked if it is fiscal year 2017 funding and Mr. Simpson clarified it would be for 2017.

A motion was made by Peggy Godfrey to accept the request for additional funding up to $5,000.00. The motion was seconded by Cory Off and unanimously approved.

REVIEW AND ACTION FUNDING REQUEST FROM THE DISTRICT MANAGER FOR AUTOMATIC SENSING AND REPORTING OF GROUNDWATER LEVELS IN THREE (3) DISTRICT MONITORING WELLS
President Higel asked for review and action on a funding request from the District Manager for automatic sensing and reporting of groundwater levels in three (3) District monitoring wells. Cleave Simpson showed the Board the location of the new monitoring wells and stated that, with the help of Michael Carson and Chet Tokarsky, the District reached out to a private vendor called In-Situ for the loan of three transducers to monitor the unconfined system. In-Situ, at no cost to the District, provided three transducers and the trial transducers have been working well. Mr. Simpson reached out to several companies for pricing on transducers and In-Situ was the most cost effective. Mr. Simpson is proposing the District purchase these three transducers out of the existing study fund budget of which there is $30,000.00 available. Mr. Simpson is requesting $10,000.00 for these three transducers. Mr. Simpson stated there will be maintenance and recalibration costs associated with the transducers every two years. Dwight Martin asked if they are solar powered. Mr. Simpson stated they are strictly battery powered. Mr. Simpson stated Chet Tokarsky is running the well monitoring program and this gives him the capability to run the program more efficiently.

A motion was made by Peggy Godfrey to spend $10,000.00 to purchase three transducers. The motion was seconded by Cory Off and unanimously approved.
Lewis Entz asked if funding would be sought for more transducers. Mr. Simpson stated he is seeking funding for 26 more transducers. Heather Dutton, the San Luis Valley representative on the Colorado Water Conservation Board, is helping Mr. Simpson request funding in the appropriate places.

**DISCUSS PROGRESS FOR FACILITATED DISCUSSION WITH OPPONENTS TO SD#1 AMENDED PLAN OF WATER MANAGEMENT – BUDGET BASED VARIABLE FEE**

President Higel asked for discussion and a progress report on the facilitated discussions with opponents to SD#1's 3rd Amended Plan of Water Management – Budget Based Variable Fee. Cleave Simpson updated the Board on Subdistrict #1’s Board of Managers position on the discussions. Mr. Simpson stated there are two main groups in opposition to the variable based fee changes and that Subdistrict #1 is trying to get a facilitated discussion together with the opponents, as directed by the District Board. The Subdistrict #1 Board met to review the facilitation proposal and is asking that the District Board pay for the facilitated discussion. Judge Kuenhold will most likely be the facilitator and most of the funds requested would be to pay the facilitator. Subdistrict #1’s Board of Managers was not excited about the conditions put on them by the District Board to have a facilitated discussion and therefore believe the District Board should be responsible for payment. Mr. Simpson stated the District Board hearing for the 2nd Amended Plan of Water Management will be heard this afternoon at 1:00 p.m. and the Board will either adopt the Amended Plan or will deny it and send it back to the Board of Managers.

Brian David stated the Board of Managers believes the facilitated discussion is just a waste of time and felt like the District Board pushed the Board of Managers into doing this facilitated discussion. The Board of Managers feels the District Board should be responsible for paying for the costs associated with the facilitated discussion.

Discussion was had about the position of the opposers and what their opposition is about. David Robbins stated the opposers are the same people who entered into a Stipulation with the District when the first Plan of Management was being considered on how the Subdistrict was to make budget decisions because most of these opposers do not have ditch rights associated with their property. The opposers are of the opinion that their agreement to the original Plan of Water Management was predicated on the variable fee not exceeding $75.00 an acre foot. The opposers believe the agreement is being breached if the Subdistrict were to go above $75.00 an acre foot. Mr. Robbins stated the opposers attorneys have stated that if the $150.00 variable fee cap is exceeded the Subdistrict should have a complete record of actions that were taken to address opposers' concerns. Mr. Robbins stated what the Board is doing is trying to ensure is that the opposers have the opportunity to submit their concerns prior to litigation and the Board is affording them that opportunity. Bill McClure asked if there was an estimated cost. Mr. Simpson stated the cost is not yet known.

Mr. Simpson wants to make it clear that this would not be mediation and has to be done in an open meeting according to the Open Meetings Act.

Pete Ampe stated the Board of Managers is not opposed to new ideas; they just do not want to rehash what has already been discussed for the last five years. Greg Higel asked if parameters can be set for the facilitated discussions. Mr. Simpson stated initial parameters have been set but the opposers have not responded. Mr. Ampe stated the initial meeting would be amongst the attorneys to set parameters.

David Robbins stated the opposers attorneys have stated that if the $150.00 variable fee cap is approved they will challenge the Amended Plan in Court. Mr. Robbins stated that this proposed facilitation is an effort to avoid them taking it to Court or to make sure the administrative record is strong enough and complete enough if a Court action insues.

A motion was made by Cory Off for the District Board to pay for one facilitated meeting between the Subdistrict Board of Managers and the opponents but the meeting must take place in January or February. The motion was seconded by Lawrence Gallegos and unanimously approved.
Mr. Simpson asked what a one day discussion might cost. Mr. Robbins thought it would cost $1,000.00 to $2,000.00 for a day.

Mr. Simpson informed the Board of Judge Swift’s nomination to the Colorado Supreme Court. Mr. Simpson would like the Board to send a letter of support on behalf of Judge Swift. Mr. Simpson stated the Boards of Subdistrict No. 1 and Subdistrict No. 3 requested that a letter also be sent. President Higel stated everyone is in agreement with sending a letter of support for Judge Swift.

Pete Ampe explained the process for the pending trial on the Rules if Judge Swift is appointed to the Supreme Court. Mr. Ampe also stated that Judge Swift had issued an order that the District Board Room will be used for the trial on the groundwater rules.

Cory Off stated Jason Benton has talked with Cleave Simpson about the potential of a proposal. Mr. Simpson stated he has the proposal and will place it on the January agenda for consideration by the Board. Mr. Off explained the project will be for children. Mr. Simpson stated the request is for $5,000.00.

Bill McClure apologized for being late this morning and stated he had car trouble. Mr. McClure stated he did not have any objections to the proposed budget but would like the Board to consider placing money with institutions where they could get better interest rates. Mr. McClure stated Colorado Trust might be a good place and would like the Board to consider moving the money to better interest paying facilities. Mr. Simpson stated he will be happy to investigate different facilities.

OTHER ACTIONS AS REQUIRED
President Higel asked for other actions. There were no other actions.

ADJOURN
Meeting was adjourned at 11:30 a.m. The next scheduled quarterly meeting will be held on January 16, 2018, at 10:00 a.m.

[Signatures]
President

[Signature]
Secretary/Treasurer
RIO GRANDE WATER CONSERVATION DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING
THURSDAY, DECEMBER 7, 2017
1:00 P.M.
RIO GRANDE WATER CONSERVATION DISTRICT CONFERENCE ROOM

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

Staff: David Robbins, District Attorney (via telephone); Pete Ampe, District Attorney; Cleave Simpson, General Manager; Rob Phillips, Program Manager; Cheryl Anderson, Office Manager; and, Linda Ramirez, Program Assistant.

Guests: Deb Sarason, Division of Water Resources; David Hofmann, Division of Water Resources; Les Alderete, Skyline Potato; Shanan Wright; Harold Benson; Beth Temple; James McCormick; Donald Valdez (via telephone); Mike Kruse; Brian Rue; Andrea Rue; Keith Holland;

Board of Managers, Subdistrict No. 1: Tony Holcomb BOM; Miguel Diaz BOM; Brian Brownell BOM; Mike Mitchell BOM; Jamie Hart BOM; Carla Worley BOM; Jake Burris BOM; Asier Artaechevarria BOM; Chris Miner BOM; and, Sheldon Rockey BOM.

CALL TO ORDER
President Greg Higel called the meeting to order at 1:07 p.m. The pledge of allegiance was recited. There was a quorum present for the meeting.

President Higel called for introductions of staff and guests.

APPROVAL OF AGENDA
President Higel asked for approval of the agenda. A motion was made by Cory Off to approve the agenda as presented. The motion was seconded by Peggy Godfrey and unanimously approved.

PUBLIC COMMENT
President Higel asked for public comment.

Harold Benson addressed the Board concerning inclusion into Subdistrict No. 1 and explained that he owns 340 acres and wants to know about inclusion of surface water credits if the Second Amended Plan passes. Mr. Benson stated he spoke with Martha Archuleta about joining the subdistrict and was told he would not get surface water credit. Mr. Benson stated he is 88 years old and does not farm much anymore. Mr. Benson believes he left a deposit of $500.00 with the Subdistrict. Mr. Benson stated he flood irrigates and does not understand the 50 gpm on the meter.

Beth Temple addressed the Board and stated she is here for S&T Farms. Ms. Temple read a provision on page 9 of the Second Amended Plan concerning Carnero Creek that has been in the original Plan. Ms. Temple stated the Amended Plan has the same sentence with additional language added. Ms. Temple expressed opposition to the language because they are not able to determine which aquifer they are recharging. Ms. Temple believes this statement in the Plan excludes L Cross Ranch (S&T Farms) because of the burden of proof which requires S & T Farms to show that its water operations meet the requirements of the Plan.

Tony Holcomb, a member of the Board of Managers of Subdistrict No. 1, addressed the Board and stated he has read the Amended Plan and has not talked to the Subdistrict Board about it yet but believes in doing the Amended Plan the Subdistrict is trying to make the Valley whole and wanting to get people into the Subdistrict. Mr. Holcomb believes it is going to be difficult to determine where surface water is recharged. Mr. Holcomb believes it is going to be very costly for the small person who wants to join to prove where their water is going. Mr. Holcomb stated there is a lot of water getting credited to Subdistrict #1 not going to the unconfined aquifer because folks were already in the boundary. Mr. Holcomb is concerned about the way the
language is written because it takes the decision making process out of the hands of the Board of Managers and places the burden and cost on the farmer.

Peggy Godfrey addressed the Board and asked Rob Phillips to explain if someone bought land on La Garita Creek and is recharging it there and pumping it somewhere else in the Valley; she thought the Subdistrict Board stated as long as you are recharging the water somewhere in the response area it was acceptable. Mr. Ampe responded that the issue is the way the Plan is currently written water has to be recharged within the boundaries of the Subdistrict and has to benefit the aquifer within the Subdistrict; the Amended Plan will allow people outside the boundaries of the Subdistrict but within the response area to have the potential to receive surface water credits. Mr. Ampe stated the Subdistrict is charged with protecting and restoring the unconfined aquifer and if they are being given a credit for their surface water it should be benefiting that aquifer.

Cory Off asked if Beth and Shane Temple would have to prove where water is being recharged. Mr. Ampe responded the Board of Managers will have to decide whether the water is going into the unconfined aquifer. Mr. Ampe stated the Temples will have to prove there is a benefit to the unconfined aquifer and the Subdistrict to get the surface water credit.

Mike Kruse addressed the Board and spoke of the confined and unconfined aquifer coming up with different replacement plans. Mr. Kruse would like to know what the Subdistricts goal is. Mr. Kruse believes once the Subdistrict reaches its goal there is no reason for the Subdistrict to exist.

Mike Mitchell addressed the Board and spoke of people making better methods of irrigation to grow different crops. Mr. Mitchell spoke of the benefits to the aquifer and stated those are the thoughts the Board of Managers used to amend this plan. Mr. Mitchell believes water is going to both aquifers because both fluctuate.

Brian Rue addressed the Board and stated he owns property in Del Norte near the airport and asked Mike Mitchell if the Subdistrict will be paying for engineering costs. Cleave Simpson stated it would be the Board of Manager’s decision but the burden is on those seeking inclusion into the Subdistrict. Mr. Rue wondered how the Subdistrict boundaries were decided. Mike Mitchell stated the Amended Plan is to give the Board the ability to talk to other people about joining the Subdistrict; the Board is trying to make it better for everyone. David Robbins stated that at the time the Subdistrict was submitted to the Court for approval there was significant notice given of the lands to be included including a map and legal descriptions of all the land that was being included into the Subdistrict so that anyone not included could go to the Court and request to be included. Mr. Robbins stated there was plenty of opportunity but not one person went to the Court and requested to be included at that time.

Cory Off asked Brian Rue and Beth Temple if they felt they still would not be allowed to contract into the Subdistrict with the amended changes. Mr. Rue stated he heard they would have to prove that they should get a contract and to pay the engineering costs. Cleave Simpson stated the level of evaluation to join as a contractor will be up to the Board of Managers. David Robbins stated the cost for contracting in outside land should not be put on the other subdistrict owners.

Beth Temple stated she was not told they could not contract in. Ms. Temple stated there have been numerous changes made for them to be able to contract in but she feels changes are being made intentionally to be adverse to them. Cleave Simpson stated it was a process to get the Second Amended Plan to this point and the Board of Managers has been actively pursuing this amendment.

Bill McClure asked about the appeal process and whether they would have to go to Court if they are not allowed to contract in the Subdistrict. Pete Ampe stated there is an appeal process but it is for fees not for a contract, a contract is a meeting of the minds and you cannot force anyone to enter into a contract. Mr. Ampe stated there is no requirement to show 100 percent of the water goes into the unconfined aquifer.

REVIEW AND POSSIBLE ACTION/ADOPTION OF SECOND AMENDED PLAN OF WATER MANAGEMENT FOR SPECIAL IMPROVEMENT DISTRICT #1
President Higel asked for review and possible action/adoption of Second Amended Plan of Water Management for Special Improvement District #1. Cleave Simpson gave a sequence of events on how this hearing was accomplished and he read the statute into the record. Mr. Simpson stated the Board of Managers and the District Board unanimously approved the Second Amended Plan of Water Management. The Amended Plan was then sent to the State Engineer and the Board of Managers received approval from the State in October 2017. Mr. Simpson stated he received no written objections to the Amended Plan.

Mr. Simpson stated the District Board is here to adopt the plan and went over some of the comments that were made. Mr. Simpson stated the State Engineer put a stipulation on the proposal to allow for fee collection a year in arrears until the Rules and Regulations are amended and approved by the District Board. Mr. Simpson stated the Board of Managers will not transition into a program where fee collection is done a year in arrears but instead will rely on the October to October meter readings. The Board of Managers took action to not change to the year in arrears at this time. Pete Ampe informed the District Board that the Board of Managers came to the conclusion that changing the timeline would do the same thing as going into a year in arrears fee collection. Mr. Ampe stated the District Board will always have to approve any new Rules and Regulations of the Board of Managers.

Brian Brownell stated the Board of Managers decided that eliminating the State from the process would improve efficiency; getting the meter reading process on line so the Subdistrict can do calculations; and getting the County offices to agree to additional time to submit figures in December would be best.

Cleave Simpson stated the Board of Managers is asking the District Board to adopt the Second Amended Plan of Water Management and make it effective. Brian Brownell stated they are leaving the year in arrears in the Second Amended Plan as a backup if the new dates and data collection process do not work.

A motion was made by Cory Off to adopt the Second Amended Plan of Water Management for Subdistrict No. 1. The motion was seconded by Peggy Godfrey and unanimously approved.

Carla Worley stated it is the Subdistrict’s intention to allow lands to be contracted into the Subdistrict to put people back together not to divide them up.

Mr. Benson asked if he would now be able to submit an application. Cleave Simpson informed Mr. Benson he had to wait the ten day period until the Rules became final.

**OTHER ACTIONS AS REQUIRED**

President Higel asked for other actions. There were no other actions.

**ADJOURN**

Meeting was adjourned at 2:10 p.m. The next scheduled quarterly meeting will be held on January 16, 2018, at 10:00 a.m.

\[Signature\]

President

\[Signature\]

Secretary/Treasurer