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

Excused: Greg Higel, President

Staff: David Robbins, District’s Attorney; Cleave Simpson, General Manager; Amber Pacheco, Program Manager; Allen Davey, District Engineer; Clinton Phillips, District Engineer; Cheryl Anderson, Office Manager; Chester Tokarsky, Program Technician; Linda Ramirez, Program Manager Assistant; and April Mondragon, Administrative Assistant.

Guests: Brenda Felmlee, Senator Tipton’s Office; Ralph and Glo Curtis, self; Ruth Heide, Valley Courier; Rio de la Vista, director of the Salazar Rio Grande Del Norte Center at Adams State University; Emma Reesor, RGHRP; Becky Brooks, Stealey II; Bethany Howell, RGWCEI; Heidi Sherk, The Nature Conservancy; Lawrence Crowder, Commonwealth Irrigation Company; Craig Cotten, DWR; Catherine Laurel Smerch, Headwaters Alliance; Fred Bunch, NPS; Tucker Blythe, NPS; Peter Striffler, USFWS; Heather Dutton, SLVWCD; Russ Plummer, USBR; Ken Rice, USBR; Morgan Garcia, USBR; Larry Brown, self; Christine Arbogast, Kogovsek and Associates; Cathy Garcia, US Senator Gardner’s Office; Ryan Unterreiner, CPW; Dan Dallas, USFS; David Hofman, DWR; Deb Sarason, DWR; Kit Caldon, self; Kate Ryan, BHGR Law; Marlin Sauder, self; Melissa Caldon; North Star Farm.

CALL TO ORDER
Vice President Brian David called the meeting to order at 10:05 a.m.

INTRODUCTION OF STAFF & GUESTS
Vice President Brian David welcomed all those present and asked for introductions. Mr. Simpson introduced and welcomed April Mondragon, new Administrative Assistant for the District.

APPROVE AGENDA
Vice President Brian David asked for a motion to approve the agenda. A request was made by Craig Cotten, DWR to be moved up on the agenda. A motion was made by Cory Off to approve the agenda as revised. The motion was seconded by Lawrence Gallegos and unanimously approved.

APPROVE MINUTES
Cleave Simpson explained the new procedure on approving the Minutes. The Consent Agenda Item allows the Board to approve more than one set of Minutes at a time. One Motion can approve up to 5 sets of Minutes. Mr. Simpson asked for a motion to approve the Consent Agenda.

Lawrence Gallegos made a motion to remove the October 17, 2017 Quarterly Minutes. Mr. Gallegos would like to review the audio and ask for corrections as needed. Cory Off made a motion to table the October 17, 2017 minutes. The motion was seconded by Peggy Godfrey and unanimously approved.

A motion was made by Bill McClure to approve the revised Consent Agenda. The motion was seconded by Peggy Godfrey and unanimously approved.

PUBLIC COMMENT
Vice President Brian David asked for public comment. There was no public comment.
APPROVE FINANCIAL REPORT
Vice President Brian David asked for the District’s Financial Report. Cleave Simpson presented the Financial Report. A motion was made by Cory Off to approve the financial report. The motion was seconded by Peggy Godfrey and unanimously approved.

MANAGER’S REPORT
Vice President Brian David asked for the Manager’s Report. Cleave Simpson reported on activities of the District for the previous quarter, a copy of which is attached to the minutes.

Mr. Simpson reported one item up for review and action was the appointment to the Closed Basin Operating Committee Board representative. A motion was made by Dwight Martin to appoint George Whitten for the next year and look into possible three-year rotation basis. The motion was seconded by Bill McClure and unanimously approved.

Vice President David thanked Mr. Simpson for his report.

SUBDISTRICT PROGRAM MANAGERS REPORTS
Vice President Brian David asked for a report from the District’s Program Managers. A copy of which is attached to the minutes.

Amber Pacheco reported Subdistrict No. 2’s Plan of Water Management was finalized and had been approved by the Board.

Ms. Pacheco stated Subdistrict No. 3 had been continuing to work on its Plan of Water Management and was about ready.

Ms. Pacheco reported Subdistrict No. 4 was approved late last summer.

Ms. Pacheco stated Subdistrict No. 5 was approved for formation by Judge Swift on December 18, 2017.

Ms. Pacheco reported Subdistrict No. 6 had been reviewing petitions for about two years. Ms. Pacheco stated the process was long, however hoped it would be done before irrigation season.

Ms. Pacheco reported the first terms are set to expire in February on Subdistrict No. 2. Notice had been sent out to all members with interest to serve. Ms. Pacheco stated all of the current sitting board members were the only ones interested. Ms. Pacheco asked the Board to reappoint the At-Large Member Eric Hinton and Harold Stober for the Voting District No. 2s. A motion was made by Peggy Godfrey to accept the two returning board members for another term. The motion was seconded by Cory Off and unanimously approved.

Cleave Simpson reported Rob Phillips from Subdistrict No. 1 resigned effective the end of December last year. Mr. Simpson stated the hope was to have a new manager on board by the end of the month or beginning of February. Mr. Simpson gave an update on CREP and the Fallow Program.

Cleave Simpson provided education on Colorado Trust and how it works. Mr. Simpson highlighted Resolution of water study fund and read a portion of the Resolution

David Robbins commented the District needs to invest where it makes the most sense. Mr. Robbins explained why the resolution was set up the way it was.

Mr. Simpson reported on the Checking Account Statements, Operating Accounts, Money Markets, Study Accounts, Operating Certificate of Deposits, Interest Rate and totals.

Discussion was had on the Study Account.
Mr. Simpson stated the Board would be provided an update at the next quarterly in April.

Vice President David thanked Ms. Pacheco and Mr. Simpson for their reports.
DISTRICT ENGINEER'S REPORT-ALLEN DAVEY
Vice President Brian David asked for the District Engineer’s Report. Allen Davey and Clinton Phillips were present to report on the following:

Clinton Phillips provided an update on the well data between December 2016 and December 2017.

Alan Davey reported on the new monitoring well in Manassa and stated the survey had been scheduled and they were working through the process.

Vice President Brian David thanked Mr. Davey and Mr. Phillips for their reports.

DISTRICT ATTORNEY'S REPORT-DAVID ROBBINS
Vice President Brian David asked for the District’s Attorney’s report. David Robbins addressed the following issues:

- Mr. Robbins reported the filing of an appeal with the Court of Appeals by S&T on the recent ruling in their case against SD#1.
- Mr. Robbins reported meeting with Senator Gardner and having an open conversation on the important issues surrounding the Farm Bill.
- The Rules and Regulations Trial being held at the Rio Grande Water Conservation District and will last 4 or 5 weeks.
- Texas vs. New Mexico/ Colorado trial case probably will not have implication for Colorado water users.
- Florida vs. Georgia trial case, Florida was seeking a portion of the Appalachia Cola.
- Closed Basin Project funding, a District Contract with the Bureau on civil maintenance need to be sure it is up to date.
- Farm Service Agency Executive Director meeting at the end of the month.

Vice President Brian David thanked Mr. Robbins for his report.

DIVISION ENGINEER'S REPORT
Vice President Brian David asked for the Division Engineer’s report. Craig Cotten was present to report. Mr. Cotten reported on the annual flow and the upper RG Basin High/Low Snowpack. Mr. Cotten reported it was the lowest basin in the state, with graphs to show the amounts; the next 6 months we’re not looking too good. Mr. Cotten reported on water storage and how was it stored. Mr. Cotten stated the water was stored during spring when the Rio Grande Reservoir had a hard time passing all the inflow, so the water was inadvertently stored.

Vice President Brian David thanked Mr. Cotten for his report.

KOGOVSEK AND ASSOCIATES-CHRISTINE ARBOGAST
Vice President Brian David asked for Kogovsek and Associates report. Christine Arbogast was present to report. Ms. Arbogast stated 2018 at the federal level looked unpredictable. Ms. Arbogast reported the government was working to avoid a shutdown; however it did not look good. Ms. Arbogast reported the trip to D.C. would probably be in the spring depending on what the House Bill looked like. Ms. Arbogast also reported the Infrastructure package and Tax package impact. Ms. Arbogast stated the Department of Interior was having discussions on moving the Reclamation and BLM to the west.

Vice President Brian David thanked Ms. Arbogast for her report.

STEALEY II – BECKY BROOKS
Vice President Brian David asked for Stealey II’s report. Becky Brooks was not able to attend; Mr. Simpson read Ms. Brooks’ report into the record.

Vise President Brian David thanked Mr. Simpson for reading Ms. Brooks’ report.

THE MEETING RECESSED AT 12:30 FOR LUNCH AND RESUMED AT 1:30 P.M.
U.S.B.R. REPORT
Vice President Brian David asked for the U.S.B.R. report. Cleave Simpson read the Bureau of Reclamation Report into record. Copy of this report is attached to the minutes.

Vice President Brian David thanked Mr. Simpson for reading the Bureau's report.

U.S. FOREST SERVICE REPORT
Vice President Brian David asked for the U.S. Forest Service report. Peggy Godfrey read Dan Dallas' report into the record.

Vice President Brian David thanked Peggy Godfrey for reading Mr. Dallas' report.

GREAT SAND DUNES NATIONAL PARK AND PRESERVE REPORT
Vice President Brian David asked for the Great Sand Dunes National Park report. Fred Bunch was present to report. Mr. Bunch introduced Tucker Blythe, the acting superintendent. Mr. Bunch reported the Park hit a visitation record which came in at 487,000 which was 1004 more since 2013. Mr. Bunch stated the Park raised the entrance fee to $20 per car and the annual pass was $40.00.

Vice President Brian David thanked Mr. Bunch for his report.

U.S.G.S. REPORT
Vice President Brian David asked for the U.S.G.S. report. Cleave Simpson read Williams Banks' report into record.

Vice President Brian David thanked Mr. Simpson for reading Mr. Bank's report.

U.S.F. & W.S. REPORT
Vice President Brian David asked for U.S.F. & W.S.'s report. Peter Striffler was present to report. Mr. Striffler reported looking at the best way to use water and how to reduce the footprint on the wetlands. Mr. Striffler reported they would stop using a few wells in Monte Vista all together and look to reduce their overall pumping volumes.

Vice President Brian David thanked Mr. Striffler for his report.

SAN LUIS VALLEY WATER CONSERVANCY DISTRICT AND CWCB REPORT
Vice President Brian David asked for the SLV Water Conservancy District Report. Heather Dutton was present to report. Ms. Dutton reported SLVWCD continues to provide augmentation water for western and northern parts of the Valley. Ms. Dutton reported the largest CWCB loan on record was granted in the amount of $90 million to Northern Water Conservancy District to fund the Wind Gap By Pass Project.

Vice President Brian David thanked Ms. Dutton for her report.

RIO GRANDE HEADWATERS RESTORATION PROJECT
Vice President Brian David asked for the Rio Grande Headwaters Restoration Project report. Emma Reesor was present to report. Ms. Reesor provided an update on the Five Ditches Project and the Consolidated Pace project.

Vice President Brian David thanked Ms. Reesor for her report.

COLORADO STATE PARKS AND WILDLIFE REPORT
Vice President Brian David asked for the Colorado State Parks and Wildlife report. Ryan Unterreiner was present to report. Mr. Unterreiner reported on Beaver and the Trujillo Meadows project.

Vice President Brian David thanked Mr. Unterreiner for his report.

SENATOR GARDNER'S OFFICE- CATHY GARCIA
Vice President Brian David asked for Senator Gardner’s report. Cathy Garcia was present to report. Ms. Garcia reported on the Farm Bill, Immigration Bill and the Infrastructure Bill.

Vice President Brian David thanked Ms. Garcia for her report.

**CONGRESSMAN TIPTON’S OFFICE-BRENDA FELMLEE**

Vice President Brian David asked for Tipton’s report. Brenda Felmlee was present and gave an update on the continuing resolution (CR) and what was going to happen. Ms. Felmlee stated they were still waiting on the leadership to schedule a vote on the Water Rights Protection Act.

Vice President Brian David thanked Ms. Felmlee for her report.

**WILLOW CREEK RECLAMATION COMMITTEE**

Vice President Brian David asked for Willow Creek Reclamation Committee’s report.

Laurel Smerch was present and gave a presentation on the work completed in the last year.

Vice President Brian David thanked Ms. Smerch for her report.

**RIO GRANDE INITIATIVE/R.I.G.H.T-RIO DE LA VISTA**

Vice President Brian David asked for the Rio Grande Initiative report.

Rio De La Vista was present to report on the activities of R.i.G.H.T. Ms. De La Vista thanked the board for the ongoing financial support.

Vice President Brian David thanked Ms. De La Vista for her report.

**EDUCATION REPORT-BETHANY HOWELL**

Vice President Brian David asked for the Education report.

Bethany Howell was present and gave an update. Ms. Howell stated they partnered with Costilla Conservation District and worked in class rooms at Centauri and Sargent schools. Ms. Howell also reported on the summer camp, she stated they hoped to have a water festival in late May.

Vice President Brian David thanked Ms. Howell for her report.

**OTHER REPORTS AND COMMENTS**

Vice President Brian David asked if there were any other reports or comments. There were no other reports.

**ACTION ITEMS**

Vice President Brian David asked for Action Items.

1. Funding request from RG/Center Soil Conservation Districts and Sargent High School FFA-Jason Benton, President of the Rio Grande Soil Conservation District. Mr. Benton reported the requested funds would be used to install a sprinkler on a corner of the conservation district’s property for the students to raise barley. The project would teach the students to be self-sufficient and apply what they learn to real life. A motion was made by Peggy Godfrey to fund the $5,000.00 request to the Soil Conservation project. The motion was seconded by Bill McClure and unanimously approved.

2. Sale of subdivided (approximately 5 acres) McConnell property. A motion was made by Bill McClure to authorize Greg Higel to enter into a contract and close on the McConnell property. The motion was seconded by Peggy Godfrey and unanimously approved.

A Special Meeting will be coming up to appoint a Board of Managers for the Saguache Subdistrict and discuss the Colorado Trust Investment

**OTHER**

Director’s reports.

There were none.
ADJOURN
Meeting was adjourned at 3:22 p.m.

The next scheduled quarterly meeting will be held on April 17, 2018.

[Signature]
President

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

Had dinner with Representative Scott Tipton to review District issues.

Work with engineers and legal counsel on the Malouff change cases.

Assist producers in Alamosa La Jara response area with questions about subdistrict participation, work with individuals to get petitions signed and returned to the District.

Continue to work on District budget including proposal for evaluating employees' salaries and our competitiveness. Submitted final budget for adoption in early December.

Met with stakeholders about winter stream flows on the Rio Grande and Conejos.


Participate in meeting with the Rio Grande Senior Water Users association, just introduction and subdistrict update.

Provide a basin overview to CWCB staff, particularly new Project Manager/Engineer, who were on site for visit.

Begin CWC State Affairs meetings.

Conduct interviews and hire new Administrative Assistant – April Mondragon started January 1st.

Attend meeting with Trincheria Subdistrict and continue dialogue around potential contracting opportunities.

Met a couple of times with CWCB Basin Director Heather Dutton to review ongoing issues and opportunities in our basin.

Attend IBCC meeting in November, outline expectations for 2018. Agreed to serve on committee to evaluate potential funding sources in support of the State Water Plan.

Continue to work with stakeholders and our legal counsel on agreement for owning and operating a Doppler weather radar station. Have a DRAFT agreement to review. I was one of 3 representatives to present to the legislative Capital Development Committee around CDOT application for funding the balance of the purchase cost of the radar. Committee was very receptive and indicated this was an excellent application. Will know if we made the short list for funding requests sometime early in this legislative session.

Attend a summit for the Colorado AG Water Alliance in Loveland – value of agriculture to the State.

Attend the annual meeting of the Monte Vista Canal.

Meet with Senator Michael Bennet to discuss District issues, encourage support of the Radar project.

Attend Charlotte Bobicki and Travis Smith retirement parties.

Attend the annual meeting and present at the SLV Irrigation District in Center.

Attend the Conejos Water Conservancy meeting and end of year get together in La Jara.

Provide testimony at the hearing for the formation of SD#5 in Saguache District Court – order signed by Judge Swift later that day.

Meet with Division 3 engineer to discuss water court applications.
**Program Manager’s Report for Amber Pacheco-January 2018**

**Subdistrict No. 2** The Board of Managers have finalized the Plan of Water Management and it was approved by the Rio Grande Water Conservation District in 2017. The Plan will be filed with the State Engineer’s office within the next month or so. Once approved by the State Engineer, the Board of Director’s will be required to hold a hearing to take comments on the Plan’s approval. They have also been working on a set of rules and regulations to further define how the Subdistrict’s Fee process will be completed, how contracts are completed and also how be considered. It would like to see the Plan approved in time for the District’s staff to prepare the fee calculations for a 2018 assessment that would be collected in 2019. The next quarterly meeting for the Subdistrict No. 2 Board of Manager’s is scheduled at the same time that the Groundwater Rules trial will be taking place at the District’s office so this meeting will likely be moved towards the end of the month of February.

**Subdistrict No. 3** The Board of Managers continue to work on the Plan of Water Management and have also begun working on a set of rules and regulations similar to Subdistrict No. 2. It is my opinion that the Plan is about complete and will be ready for public meetings in the next couple months. A call analysis was prepared for the Conejos Water Conservancy District to identify the number of days water rights were in priority for both the Conejos and the San Antoine. The Board of Managers would like to reach out to those water right’s owners who are most likely to be the calling rights and might accept forbearance for remedy of injurious stream depletions. They are also working on other ideas for putting together a portfolio of replacement supplies once the Subdistrict begins making replacement.

**Subdistrict No. 4** The Board of Managers held their first meeting on December 18th to put together a set of by-laws and to set up a schedule for meetings to begin working on their Plan. They were provided with a first draft of a detailed Plan to review before the next meeting so we can start the editing process. It was a well-attended meeting and I was very pleased with the public interaction at the meeting.

**Subdistrict No. 5** Judge Swift signed the order approving the formation of the Saguache Subdistrict on December 18th. Both Cleave Simpson and George Whitten testify to the process that was undertaken to prepare the conceptual documents that accompanied the petitions and also about the petition process. We had no land owner changes ahead of the hearing so the Judge was able to rule immediately. On December 20th, I sent letters out to all Subdistrict No. 5 landowners of record requesting letters of interest to serve on the initial Board of Managers. Those letters are due back to Cleave by close of business January 19th. Once all letters are received they will be compiled and sent out to the Board of Directors who will chose five individuals to serve. At this point we have received three letters and do expect that we will likely receive more than five in total. I will ask the Board of Directors if they would like me to conduct a straw poll similar to the one that was done in the Subdistrict No. 4 to assist them in making their selections. Once the Board is selected I will set up an organizational meeting to prepare a set of by-laws and to set up a meeting schedule to begin editing the Plan.

**Subdistrict No. 6** We continue working to gather the last petitions. I have reviewed all of the petitions that we have received and compared them to deeds and county records to verify legal descriptions of the land being included and the signatures included on the petitions. I hope to have the process done by end of February. I will be sending letters out to those well owners that have not finalized petitions to let them know that we are about to finish the petition drive and give them the opportunity to come in to the office or call/e-mail their information so we can finish this last Subdistrict. Once we have all the petitions gathered and verified, they will be presented to the Board of Directors for approval to file them with the District Court. The petition will be filed with the District Court of the County that includes the majority of the Subdistrict’s lands which I have not yet determined since we do not have all the petitions verified or collected.
Bureau of Reclamation Report to the RGWCD
January 16, 2018

OPERATIONS

Water salvage operations continued as recommended by the Project Operating Committee to meet the Rio Grande Compact, Project Mitigation, and Subdistrict #1 depletion obligations. We have our new Hydro-Tech picking up some of the Irrigation System Operator activities until that position has been filled.

Deliveries were completed on 11/3/2017 to the Alamosa Wildlife Refuge (ANWR). A total of 2,512 AF of mitigation water was delivered to the Refuge in 2017. In addition the Refuge gifted 96 AF of mitigation water to the BWHA.

Deliveries were completed on 10/23/2017 to the Blanca Wildlife Habitat Area (BWHA). A total of 1,274 AF was delivered to the BWHA in 2017. This total reflects the CBP mitigation amount (800 AF) in addition to water exchanges with Colorado Parks & Wildlife (CPW) & San Luis Valley Water Conservancy District (SLVWCD). Also included is a 96 AF gift from the ANWR to the BWHA (exchange of mitigation water).

Delivery to the Rio Grande for the year to date is 7,938 AF.

San Luis Lake reached a maximum elevation of 7515.9 ft. on 6/30/2017, and has since declined to 7514.7 ft. due to evaporation.

San Luis Lake (12/31/17)

<table>
<thead>
<tr>
<th>San Luis Lake</th>
<th>San Luis Lake Elevation</th>
<th>Storage</th>
<th>TDS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7514.7 ft. MSL</td>
<td>3,448 acre-feet</td>
<td>1,454 ppm</td>
</tr>
</tbody>
</table>

Project Deliveries: (1/1/17 to 12/31/17)

<table>
<thead>
<tr>
<th>Deliveries to:</th>
<th>Total Deliveries as of December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rio Grande—total</td>
<td>7,938* acre feet</td>
</tr>
<tr>
<td>Alamosa National Wildlife Refuge—total</td>
<td>2,512** acre feet</td>
</tr>
<tr>
<td>Blanca Wildlife Habitat Area—total</td>
<td>1,274** acre feet</td>
</tr>
<tr>
<td>San Luis Lake—total</td>
<td>0.0 acre feet</td>
</tr>
<tr>
<td>Head Lake (West)</td>
<td>0.0 acre feet</td>
</tr>
<tr>
<td><strong>Total Deliveries as of December 31, 2017</strong></td>
<td><em><em>11,724</em> acre-feet</em>*</td>
</tr>
</tbody>
</table>

* Preliminary total. Final delivery total will be determined by CDWR. Total amount credited to the Rio Grande is 7,938 + 378 (exchanges with BLM, CPW & SLVWCD) = 8,316 AF

** Includes 96 AF exchange delivered to BLM, but credited to USFWS mitigation total.