SPECIAL IMPROVEMENT DISTRICT NO. 1
OF THE RIO GRANDE WATER CONSERVATION
DISTRICT

Plan of Water Management

Amended and Restated_______, 2022

Official Plan, June 15, 2009
Effective December 19, 2011
Amended June 6, 2017
Amended______, 2019
Amended______, 2022
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FOURTH AMENDED PLAN OF WATER MANAGEMENT
Special Improvement District No. 1
of the Rio Grande Water Conservation District 5-3-2022

The Board of Directors of the Rio Grande Water Conservation District on behalf of the Board of Managers of Special Improvement District No. 1 ("Subdistrict" or "Subdistrict No. 1"), submits the following Amended and Restated Plan of Water Management ("Plan") as the official plan of the Subdistrict, subject to Court approval, pursuant to section 37-48-126, C.R.S. The District Court, Water Division No. 3 approved the Plan on May 27, 2010. The Plan was subsequently amended June 6, 2017, and ________.

1. DEFINITIONS

1.1. Annual Replacement Plan or "ARP" means the compilation of data, calculation of stream depletions caused by the withdrawal of groundwater from Subdistrict Wells, and the planned operations to remedy injurious stream depletions during the period covering May 1st of the then current year through April 30th of the subsequent year.

1.2. "ARP Year" or "Plan Year" means the timeframe an ARP is in effect, from May 1st of the then current year through April 30th of the subsequent year.

1.3. "Annual Service and User Fee" means total yearly fee assessed upon Subdistrict Territory consisting of the sum of the Administrative Fee, the CREP Fee, the Subdistrict Fee, and the Depletion Fee.

1.4. "Closed Basin" has the same meaning as that term is defined in Art. I (d) of the Rio Grande Compact, C.R.S. §37-66-101.

1.5. "Confined Aquifer" has the same meaning as that term is defined in Rule 4.A.1 of the Rules Governing New Withdrawals of Ground Water in Water Division 3 Affecting the Rate or Direction of Movement of Water in the Confined Aquifer System as such Rules exist now or as they may be amended in the future.

1.6. "Contract Well" means a well that is included by the process outlined in section 2.3 via a formal agreement between the Subdistrict and the well owner to include a groundwater well that is not currently a Subdistrict Well in the Subdistrict’s ARP.

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1.7. “CREP” means the Conservation Reserve Enhancement Program as defined and administered by the United States Department of Agriculture – Farm Service Agency (USDA-FSA) through the authority of the Farm Bill (Conservation Title). In general, CREP allows the USDA, in cooperation with a local sponsoring entity, to offer an annual rental payment for a term of fifteen years to producers willing to fallow a parcel(s) of land and forego the use of the associated water right, including groundwater supplied by a well during that time. CREP aims to foster land and water conservation through this process.

1.8. “Depletion Fee” means annual assessment of the Net Groundwater Withdrawn multiplied by the Water Value.

1.9. “Farm Operator” means an individual or entity actually managing and farming land owned by one or more Farm Owners.

1.10. “Farm Owner” means the individual(s) or entity(s) holding title to tract of land as reflected in the records of the County Treasurer.

1.11. “Farm Unit” means any irrigated lands under the control and management of a Farm Operator identified to Subdistrict staff through the Farm Unit Update process.

1.12. “Groundwater Use Rules” means the ‘Rules Governing the Withdrawal of Groundwater in Water Division No. 3 (the Rio Grande Basin) and Establishing Criteria for the Beginning and End of the Irrigation Season in Water Division No. 3 for All Irrigation Water Rights’ promulgated by the State Engineer September 23, 2015, and decreed in Case No. 2015CW3024, District Court in and for Water Division No. 3, as said Rules currently exist or as they may be amended in the future.

1.13. “Hydraulic Divide” means a hydraulic separation between the Unconfined Aquifer underlying Subdistrict Lands and the Unconfined Aquifer tributary to the Rio Grande and defined by the line labeled “Drainage Divide” that appears on Plate 1 of Colorado
Water Resources Circular 18, Water in the San Luis Valley, South-Central Colorado (attached as Exhibit 1). Verification of the Hydraulic Divide, in terms of its existence, location, and extent must be based upon written acceptance by the State Engineer.

1.14. “Measurement Rules” means the well measurement rules adopted by the State Engineer and approved by the Water Court, Division 3, Case No. 2005CW12 (August 1, 2006).

1.15. “Net Groundwater Withdrawals” means total groundwater withdrawn measured by using a water flow meter or such other method approved by the State Engineer pursuant to the State Measurement Rules for Division 3 less the applicable Surface Water Credit. This could result in either a positive or negative value.

1.16. “Non-Benefited Subdistrict Land” means Subdistrict Land that is irrigated only with surface water without an irrigation well in the parcel and/or without the physical ability to receive delivery of groundwater withdrawn from a well on another parcel. In addition, it includes land irrigated with groundwater pursuant to, and in compliance with, the provisions of a validly decreed plan for augmentation. Some land irrigated with groundwater may be only partially covered by a plan for augmentation in which case that land will be Subdistrict Land and will only be treated as non-benefited to the extent of the groundwater allowed to be withdrawn pursuant to a validly decreed plan for augmentation. Except as provided in Section 7, below, non-benefited lands will not be assessed by the Subdistrict or be subject to Annual Service and User Fees.

1.17. “Special Water” is as described or defined in the decrees for the Rio Grande Canal, which decrees include the decree in Case No. 3638, Rio Grande County District Court, and the contracts giving rise thereto.

1.18. “Subdistrict Land” means the same as “Subdistrict Territory.”

1.19. “Subdistrict Members” means individuals or entities that own Subdistrict Territory.
1.20. “Subdistrict No. 1 Response Area” has the same meaning as “Response Area No. 1” as that term is used in the Groundwater Use Rules.

1.21. “Subdistrict No. 1 Response Functions” has the same meaning as ‘Response Functions for Response Area No. 1’ as that term is used in the Groundwater Use Rules.

1.22. “Subdistrict Rules” or “Subdistrict Rules and Regulations” mean the rules adopted by the Subdistrict for the implementation of this Plan, as the same are amended from time to time.

1.23. “Subdistrict Territory” means, pursuant to section 37-48-123(d), C.R.S., all lands within the exterior boundaries of the Subdistrict that were classified as irrigated by the applicable county Treasurers and/or Assessors as of May 12, 2006. Subdistrict Territory will remain a part of the Subdistrict for as long as the Subdistrict exists.

1.24. “Subdistrict Wells” means wells and irrigation systems used by the owner of Subdistrict Land or any other wells and associated irrigations systems included under this Plan by contract as described in section 2.3. Wells included in the Plan and qualified to receive the benefits afforded by the Plan are those wells subject to the Groundwater Use Rules. A list of Subdistrict Wells in included in Appendix 1. Such list may be updated and changed from time to time through the Subdistrict’s ARP process.

1.25. “Surface Water Credit” means the water that will be accounted for on a Farm Unit basis as offsetting groundwater withdrawals under the Plan. It includes (a) any surface water diverted from the Rio Grande into the Subdistrict No. 1 Response Area; (b) any surface water diverted from flowing streams in the Closed Basin and decreed for use on irrigated land in the Subdistrict, in the amount recharged to the Unconfined Aquifer on or adjacent to the irrigated lands to offset well withdrawals use to irrigate said lands; and (c) any surface water diverted from flowing streams in the Closed Basin and used within the Subdistrict No. 1 Response Area, but outside of the Subdistrict, for which
Surface Water Credit is granted pursuant to an unexpired inclusion contract with the Subdistrict, in the amount recharged to the Unconfined Aquifer on or adjacent to the irrigated lands to offset well withdrawals used to irrigate lands lawfully irrigated with the water rights. Surface Water Credit does not include (a) water captured in drains or seepage ditches, or water otherwise recaptured after initial use within the Subdistrict No. 1 Response Area; (b) or reuse of return flow from the use of water derived from streams flowing into the Closed Basin. All Surface Water Credit must be diverted pursuant to a water right decree that was entered by the court prior to the formation of the Subdistrict. Surface Water Credit is used by the Subdistrict for purposes of computing the Depletion Fee and has no relationship to Recharge Decrees\(^1\) adjudicated by the Division 3 Water Court.

1.26. “**Sustainable Unconfined Aquifer**” generally refers to a condition where withdrawals from the Unconfined Aquifer match recharge to the aquifer from all sources, with due regard or daily, seasonal and long-term demand, so that mining of the aquifer is not occurring on a long-term basis.

1.27. “**Unconfined Aquifer**” means the aquifer composed of sand, gravel, clay, and other materials, and not under artesian pressure, located within the Subdistrict. This includes the area within the Subdistrict not overly the confining blue clay layers, which separate the Confined and Unconfined Aquifers.

1.28. “**Unconfined Aquifer Storage**” means the quantity of water within the Unconfined Aquifer as calculated for Rio Grande Water Conservation District by Davis Engineering Service, Inc. and titled “Change in Unconfined Aquifer Storage, West Central San Luis Valley.”

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\(^1\) The Recharge Decrees include, but are not limited to, the decrees enter in Cases No. W-3979, W-3980, 96CW45, 96CW46, and any other decrees entered after the formation of the Subdistrict that contain terms sufficient to allow imported water, or a portion thereof, to act as a direct offset to groundwater withdrawals in determining surface water depletions through the application of the RGDSS Model or Response Functions.
1.29. “Unconfined Aquifer Storage Level” means a five-year running average of the average annual level of the Unconfined Aquifer Storage calculated on a monthly basis.

1.30. “Water Administration Year” or “Water Year” means the period from November 1st to October 31st of the subsequent year.

1.31. “Water Value” means a charge per acre-foot of groundwater withdrawn by Subdistrict Wells. Water Value will be adjusted by the Board of Managers as required by this Plan, section 4.2.5 below, and is used to calculate the Depletion Fee.

2. BACKGROUND AND BASIS OF THE PLAN OF WATER MANAGEMENT.

2.1. Current Situation

2.1.1. Members of the Subdistrict are landowners within the Rio Grande Water Conservation District who rely on groundwater from wells for all or part of their irrigation water supply for lands north of the Rio Grande mostly within part of the area known as the Closed Basin.² The consumption of groundwater from the Unconfined Aquifer within the Subdistrict, under current hydrologic conditions, significantly exceeds the total amount of aquifer recharge, from both natural sources and water diverted from the Rio Grande into the Subdistrict, that is necessary to maintain a sustainable water supply in the Unconfined Aquifer. This imbalance between recharge to and consumption of groundwater has adversely affected Subdistrict Lands, resulting in significant declines in groundwater levels, loss of well productivity, and other problems for irrigated agriculture. Unless the total consumption of groundwater in the Subdistrict is reduced, these problems will continue.

² The legal description of the Subdistrict is contained within the Court’s Order establishing the Subdistrict in Case No. 2006CV64 dated July 19, 2006.
2.1.2. The current condition of the Unconfined Aquifer is the direct result of both ongoing groundwater consumption by Subdistrict Wells during the last two decades, increased temperatures, and reduced water supply caused by the current prolonged drought. This drought in the Rio Grande Basin in Colorado began prior to formation of the Subdistrict.

2.1.3. The Subdistrict was established in 2006 and began operation of its First Amended Plan of Water Management in 2012. The First Amended Plan and the subsequent Amended Plans focused on using economic incentives to encourage voluntary participation in conservation programs for reduction of consumption of groundwater, to increase aquifer levels in the Unconfined Aquifer, and to achieve and maintain a sustainable aquifer. The use of voluntary conservation programs to recover the aquifer has not been sufficient to prevent continued long-term decline of Unconfined Aquifer water levels.

2.1.4. In order to restore a long-term balance between available water supplies and the amount of groundwater use, it is necessary to balance total withdrawals of groundwater by Subdistrict Wells and Contract Wells with the quantity of Surface Water Credit. If this is achieved, the Subdistrict anticipates that, over time, the natural recharge to the Unconfined Aquifer will result in the refilling of the Unconfined Aquifer to the Plan’s desired recovery level.

2.1.5. Although the Subdistrict successfully remedied injurious depletions to senior surface water rights caused by groundwater withdrawals from Subdistrict Wells, it has not been successful in achieving and maintaining a Sustainable Unconfined Aquifer. This Plan is intended to address the now-apparent deficiencies of the previous Amended Plans of Water Management and adopts new means needed to achieve a Sustainable Unconfined Aquifer.
2.1.6. The Subdistrict realizes that if more restrictive steps are not taken to achieve a Sustainable Unconfined Aquifer, the State Engineer will, at some point, be unable to approve a future Annual Replacement Plan, resulting in the curtailment of Subdistrict Wells. State Engineer denial of an Annual Replacement Plan could result in the curtailment of all Subdistrict Wells, causing severe negative impact on the agricultural economy of the Subdistrict and the San Luis Valley as a whole.

2.2. Subdistrict Territory.

2.2.1. Pursuant to section 37-48-123(d), C.R.S., the Subdistrict Territory includes all lands within the exterior boundaries of the Subdistrict that were classified as irrigated by the applicable County Treasurers and Assessors as of May 12, 2006.

2.2.2. Initial inclusion of lands within the Subdistrict was determined by providing a description of the Subdistrict Territory in the Petition, as required by section 37-48-123(d), C.R.S., and requesting that the County Treasurer and/or Assessor of each county in which territory was proposed to be included provide a list of the names of all landowners of property within the territory that was classified as irrigated. To the extent that land classifications change within the Subdistrict, Subdistrict Lands may become Non-Benefited Subdistrict Lands.

2.2.3. Subdistrict Territory is limited to irrigated lands served by Subdistrict Wells that withdraw groundwater for a beneficial use thereon. If a Subdistrict Well is used as a source of water for augmentation, substitution, or exchange for another water right, such other water right must be diverted within Water Division 3 for a beneficial use located within Water Division No. 3. No Subdistrict Well can be used as a source of water to be exported outside of Water Division No. 3, or to facilitate the export of other sources of water to locations outside of Water Division No. 3.

2.3. Contract Authority. To the extent permitted by law, and in accordance with the Subdistrict Rules, the Subdistrict may, at the discretion of the Board of Managers, contract
with other well owners, water users, mutual ditch or reservoir companies, subdistricts, water user’s associations, governmental entities and other persons or entities within or without the boundary either within the Subdistrict exterior boundaries or outside the Subdistrict exterior boundaries to advance the Plan Goals and Overall Objective. In adopting rules for this purpose, the Subdistrict Board of Managers may only contract to include a well is the Subdistricts ARP if the well’s impacts can be determined using the Subdistrict No. 1 Response Function pursuant to the procedures set forth in the Groundwater Use Rules. Additional terms and conditions may be included in contracts if the Board of Managers deems it necessary or desirous to meet the goals of the Subdistrict.

2.3.1. In accordance with section 2.3, the Subdistrict may recommend and request that the Board of Directors of the Rio Grande Water Conservation District contract on behalf of the Subdistrict to purchase or lease water and temporarily or permanently change the surface water rights so as to be legally able to be used for recharge, storage, enter into permanent forbearance agreements, or other means of augmentation or replacement to replace injurious stream depletions from the operation of Subdistrict Wells, and purchase, lease, or sell lands associated with such water. The Subdistrict may also recommend and request that the Board of Directors of the Rio Grande Water Conservation District contract with surface water right holders to purchase or lease any available surplus augmentation credits from qualifying court approved plans for augmentation to advance the Plan goals and overall objectives.

2.4. Plan Goals and Overall Objective.

2.4.1. The objective of this Plan is to provide a water management alternative to state-imposed regulations, including applicable provision of the Groundwater Use Rules, that would otherwise limit or even prohibits the use of Subdistrict Wells. To accomplish this objective the Plan will prevent injurious depletions, to senior surface water rights, avoid interference with Colorado’s obligations under the Rio Grande Compact, and achieve a Sustainable Unconfined Aquifer, thereby allowing
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groundwater levels in the Unconfined Aquifer within the Subdistrict Territory to increase; and then to maintain a sustainable irrigation water supply in the Unconfined Aquifer with due regard for the daily, seasonal, and longer term demands on the Unconfined Aquifer.

2.4.2. To achieve these goals, reducing and managing overall groundwater consumption is essential; that is, a program that focus on achieving a long term balance between net groundwater consumption and surface water brought into the Subdistrict, in order to achieve and maintain a Sustainable Unconfined Aquifer and allow the natural inflow to the Unconfined Aquifer to assist in recovering the Unconfined Aquifer water levels.

2.4.3. The intent of this Plan is to comply with the applicable provisions of section 37-92-501(4), C.R.S.

2.5. Effect of Subdistrict and Plan.

2.5.1. Subdistrict Wells divert groundwater for irrigation purposes pursuant to well permits and/or decrees recognized under Colorado law. Neither the creation of the Subdistrict nor this Plan will alter or amend any vested surface or groundwater rights, including aquifer recharge credits associated with water rights in any Ditch or Reservoir Company or Irrigation District. Neither the creation of the Subdistrict nor this Plan expand any lawful beneficial use of water or allow a water right to be used for a beneficial use not contained in a valid decree or well permit.

2.5.2. The Plan is a water conservation program approved by the Rio Grande Water Conservation District within the meaning of C.R.S. section 37-92-103(2), so that reduced diversion of groundwater by Subdistrict Wells is not evidence of intent to abandon any portion of the water right.
2.5.3. This Plan does not alter or affect the ability of individual water right owners to exchange, trade, lease, or sell water, to the extent permitted by the articles of incorporation and bylaws of the participating ditch companies, reservoir companies, irrigation districts, and Colorado law, provided that the exchange, trade, lease, or sale proposed does not expand the amount of groundwater consumption occurring within the Subdistrict. For purposes of this Plan, all water diverted from the Rio Grande and conveyed into the Subdistrict or use on lands outside the Subdistrict and within the Subdistrict No. 1 Response Area that have valid inclusions contracts with the Subdistrict, will be treated the same for accounting purposes, regardless of whether the water is diverted pursuant to decrees for direct flow or delivered from storage.

2.5.4. Special Water diverted from the Rio Grande, delivered for irrigation use by the Rio Grande Canal, and measured at a farm diversion by the persons using the Special Water for irrigation will be subtracted from diversion into the Subdistrict No. 1 Response Area attributable to the Rio Grande Canal, and will be accounted for separately. Nothing in this Plan alters the rights or obligations of either the persons entitled to use Special Water or the Rio Grande Canal Water Users Association.

2.5.5. All water rights from streams in the Closed Basin, with decrees entered prior to the formation of the Subdistrict, that are delivered to Subdistrict Land for initial beneficial use, are entitled to receive Surface Water Credit in the amounts established in this Plan. No Surface Water Credit from such lands may be sold or transferred off the lands that the water rights are lawfully entitled to irrigate. Proper devices must exist to capture and measure the portion of such water rights diverted to Unconfined Aquifer recharge to offset groundwater withdrawals by Subdistrict Wells used to irrigate the lands lawfully irrigated by such water rights.

2.5.6. Lands outside of the Subdistrict No. 1 Territory but within the Subdistrict No. 1 Response Area.
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2.5.6.1. All water rights from La Garita, Carnero Creeks, or other streams flowing into the Closed Basin, with decrees entered prior to the formation of the Subdistrict, that are delivered to lands that the water rights are lawfully decreed to irrigate, outside of the Subdistrict and within Subdistrict No. 1 Response Area, will be entitled to Surface Water Credit in the amount determined in the inclusion contract with the Subdistrict and the terms of this Plan. No Surface Water Credit from such lands may be sold or transferred off such lands. Proper devices must exist to capture and measure the portion of such water rights diverted to Unconfined Aquifer recharge on or adjacent to the lawfully irrigated lands to offset groundwater withdrawals used on the lands irrigated by such water rights, which lands are being served by Contract Wells.

2.5.6.2. If, in any year, the operation of a Farm Unit outside the Subdistrict No. 1 Territory but within the Subdistrict No. 1 Response Area results in Surface Water Credit generated from surface water diverted into the Subdistrict No. 1 Response Area from the Rio Grande, above the amount of the Groundwater Withdrawals from that Farm Unit in that year, such excess Surface Water Credit can be leased or otherwise transferred to any other person, entity, or Farm Unit in the Subdistrict.

2.5.7. Water rights purchased or retired by the Subdistrict will only be used to protect and enhance the irrigation water supply for Subdistrict Wells, including the replacement of injurious depletions to surface water rights. Purchased and/or retired water rights may be resold in exchange for permanent Forbearance Agreements but will not be resold or otherwise used for purposes inconsistent with this Plan. No Surface Water Credit from such water rights owned by the Subdistrict will be available for use to offset Depletion Fees. When the Plan has achieved its goals, the Subdistrict may sell or otherwise dispose of such water rights that are no longer needed to meet the Goals and Objective of the Plan.
2.6 Limitations on Replacement of Injurious Depletions.

The Subdistrict will replace injurious depletions that result from groundwater withdrawals by Subdistrict Wells, as well as their delayed depletions impacting a surface stream from groundwater withdrawals occurring before the creation of the Subdistrict and all delayed depletions by Subdistrict Wells that will occur in subsequent years that are capable of quantification in the manner required in the Groundwater Use Rules. The Subdistrict will not replace any injurious depletions from wells used on Non-Benefitted Subdistrict Lands resulting from diversions occurring after the time the well is no longer covered by the Subdistrict’s ARP.

2.7 Accretions to the Rio Grande.

The Subdistrict anticipates that operating under a plan that seeks to match groundwater withdrawals with waters imported into the Subdistrict that, at some time in the future, Subdistrict Members’ operations will result in a net-positive accretion to the Rio Grande. If such net-positive accretion to the Rio Grande occurs, the Subdistrict will use those accretions by exchange to storage, substitution, delivery to the State line for Compact credit, other beneficial use, or by lease to another Subdistrict within Water Division No. 3 for replacement or remedy of that Subdistrict’s injurious depletions.

3. DESCRIPTION OF PLAN OF WATER MANAGEMENT

3.1 General Plan Description.

3.1.1 Upon approval of the Plan, Subdistrict Members making groundwater withdrawals from Subdistrict Wells are required to contribute financially to fund ongoing programs and new programs initiated by the Board of Managers to ensure that the amount of groundwater withdrawals matches the amount of Surface Water Credit. By matching groundwater withdrawals with Surface Water Credit, a Sustainable Unconfined Aquifer will be achieved.
3.1.2. The Plan goals will be two-fold until the Sustainable Unconfined Aquifer level described in section 3.4.3 is achieved: (1) to set the Water Value at a rate that eliminates any economic incentive to have a groundwater withdrawals greater than the amount of Surface Water Credit; and, (2) to continue to raise funds to assure the remedy of injurious depletions to senior surface water rights, continue funding conservation programs, and to avoid interference with Colorado’s obligations under the Rio Grande Compact.

3.2. Acts and Improvements.

3.2.1. The Subdistrict may implement some or all of the following non-exclusive list of acts or improvements:

3.2.1.1. A program of temporary fallowing, which may include cooperation with federal programs, to remove sufficient acreage from production, on an ongoing basis, to achieve reduction in groundwater withdrawals necessary to achieve the goals of the Plan;

3.2.1.2. Economic incentives for the permanent removal of lands from irrigation, which may include cooperation with federal programs;

3.2.1.3. Replacement of stream depletions and/or increases in groundwater recharge;

3.2.1.4. Infrastructure improvements to maximize the diversion and recharge of water available to Colorado under its compact allocation;

3.2.1.5. Purchase and retirement of irrigated lands and/or water rights, either within or without the exterior boundaries of the Subdistrict;

3.2.1.6. Education and research into water conservation, water use efficiency, improved water management, and public education on agricultural water use;
3.2.1.7. Improvement and operation of ditches, headgates, and recharge facilities to make the best use of available water and to improve groundwater recharge; and,

3.2.1.8. Economic incentives to reduce groundwater use by assessing fees on groundwater withdrawals.

3.2.2. The Subdistrict intends to use concurrently a combination of the Depletion Fee and Subdistrict Fee with one or more of the other listed improvements to achieve the goals of the Plan. The Plan will operate for an indefinite period to attempt to reach the aquifer recovery goal in section 3.4.3, and thereafter to ensure that a sufficient reduction in groundwater consumption continues to occur such that the long-term average total consumption of groundwater within the Subdistrict matches the long-term average total inflows to the Unconfined Aquifer from natural sources of inflow and from water brought into the Subdistrict from the Rio Grande by ditch systems.

3.3. **Protection of Senior Surface Water Rights**

3.3.1. In order to ensure the protection of senior surface water rights diverting from the Rio Grande and to avoid interference with Colorado’s obligations under the Rio Grande Compact, the Subdistrict may utilize a portion of its revenues from the Depletion Fee and the Subdistrict Fee to remedy any injurious depletions by Subdistrict Wells calculated to occur to resulting from the operation of Subdistrict Wells, subject to the limitations in sections 2.6, 7, and 8.

3.3.2. Depletions to surface streams caused by groundwater withdrawals from Subdistrict Wells will be calculated as required by the Groundwater Use Rules. The Subdistrict will ensure that a methodology exists to remedy all injurious depletions resulting from groundwater withdrawals by Subdistrict Wells, subject to the limitations in sections 2.6, 7, and 8.
3.3.3. The following activities, among others, may be undertaken as part of the Subdistrict’s efforts to prevent injurious depletions to senior surface water rights:

3.3.3.1. Purchase or obtain existing surface water rights and/or storage rights to be used as replacement water for any injurious depletions to surface water rights resulting from groundwater withdrawals from Subdistrict Wells; and,

3.3.3.2. Enter into agreements with ditch and canal owners which provide for the remedy of injurious depletions by means other than providing water to replace stream depletions.

3.3.3.3. Establish programs to promote the maintenance of the hydraulic divide between the Closed Basin and the Rio Grande.

3.4. Restoration of Ground Water Levels and Groundwater Storage

3.4.1. In order to ensure that there is recovery to and maintenance of groundwater storage in the Unconfined Aquifer at the desired Sustainable Unconfined Aquifer level described in section 3.4.3, below the primary objective of this part of the Plan is to assure a long-term match between the net groundwater withdrawals by Subdistrict Wells and Surface Water Credit. This will result in a Sustainable Unconfined Aquifer, provided that no increased net consumption of groundwater from or reduction of inflow to the Unconfined Aquifer affecting the Subdistrict are authorized by either the State Engineer, Colorado Division of Water Resources, or the Division No. 3 Water Court.

3.4.2. If this long-term match can be achieved, the Subdistrict anticipates that over time the natural inflow into the Unconfined Aquifer within the Subdistrict Territory will cause the Unconfined Aquifer water levels to rise.

3.4.3. Specifically, the Plan’s goal is to achieve a Sustainable Unconfined Aquifer level measured at levels between 200,000 and 400,000 acre-feet below the storage level
that was projected to exist on January 1, 1976. The Subdistrict’s engineers have used the State Engineer’s Rio Grande Decision Support System Groundwater Model to evaluate the time required to reach this desired groundwater level. The engineering analysis indicates that this goal can be reached within 20 years after final acceptance and implementation of this 4th Amended Plan. The 20-year period, however, is based on hydrologic conditions that existed between 1997 and 2020. Given the current drought and the unknown future effects of climate change, natural inflow into the Unconfined Aquifer cannot be reliably predicted and may be more than or less than occurred in the period 1997 to 2022. Thus, in wetter hydrologic conditions the Subdistrict may achieve this goal sooner than 20 years, and in drier hydrologic conditions it may take more than 20 years to achieve this goal.

3.4.4. Because the groundwater system in the San Luis Valley is non-linear, the Subdistrict anticipates that the Unconfined Aquifer Storage will increase at a greater rate while groundwater levels are low and will increase at a slower rate as groundwater levels increase due to increased losses to evapotranspiration. Given the nonlinearity of the groundwater system and the unknown future water supply conditions, it is not possible to establish specific date-based requirements for increases in Unconfined Aquifer Storage levels.

3.4.5. Achieving a Sustainable Unconfined Aquifer must meet the following benchmarks:

3.4.5.1. At a minimum, after the first two full (2) ARP years following the final approval of this Plan, the groundwater withdrawals from the Unconfined Aquifer by Subdistrict Wells (and wells included by contract) should equal the quantity of Surface Water Credit. If it does not, then during the third ARP year of the Plan, and annually thereafter, the Board of Managers must adjust the Water Value used to calculate the Depletion Fee in the amounts set forth in 4.2.5.3 below. The Board of Managers will thereafter annually evaluate progress and may increase the Water Value as they, in their sole discretion,
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deem necessary to have total groundwater withdrawals equal total Surface Water Credit.

3.4.6. The Subdistrict will also continue to participate in and fund the local cost-share for the Rio Grande CREP program and will continue to investigate, develop, fund, and participate in such other conservation programs as the Subdistrict deems necessary or helpful in achieving or maintaining a Sustainable Unconfined Aquifer.

3.4.7. Once the Subdistrict’s Unconfined Aquifer Storage level goal is achieved total consumption from irrigation well withdrawals will be managed in a manner that assures continued maintenance of a Sustainable Unconfined Aquifer, as determined by the Board of Managers, approved by the State Engineer, and consistent with section 3.4.3, above, necessary to prevent injurious depletions to senior surface water rights, taken together with, the provision for replacement water supplies and other agreements sufficient to remedy calculated injurious depletions, prevention of interference with the Rio Grande Compact, and the irrigation needs of Subdistrict Land.

3.4.8. All measurements used to gauge success in reaching the Sustainable Unconfined Aquifer level goal will be based on a five-year running average of annual Unconfined Aquifer Storage Level derived from the average of monthly levels, starting from the date of approval of this Amended Plan.

3.4.9. The Board of Managers of Subdistrict No. 1 will continue to provide an annual accounting and reporting structure that includes data and information relevant to Plan operations in content, format and scheduling deemed acceptable to the Division 3 Engineer.

3.4.10. The methodology and procedure for making the annual accounting described above, including the methodology to calculate injurious depletions to surface water
4. SUBDISTRICT COSTS, FEES AND CHARGES

4.1. The Subdistrict is entitled to raise funds by assessment of reasonable Annual Service and User Fees to carry out the purposes set forth in this Plan. The Subdistrict intends to finance its costs by raising sufficient annual revenue through the imposition of variable Annual Service and User Fees (or assessment) as described below, in as fair and equitable matter as possible that nevertheless recognizes the absolute need to achieve a Sustainable Unconfined Aquifer, i.e., achieve a close match between Surface Water Credit and the withdrawal of groundwater by Subdistrict Wells and Contract Wells. Subdistrict Well and Contract Well users using lower quantities of groundwater and who accrue the most Surface Water Credit will pay a lower Depletion Fee, and Subdistrict Well and Contract Well users who use larger quantities of groundwater but who have little or no offsetting Surface Water Credit, will pay a higher Depletion Fee. Should Subdistrict Wells and Contract Wells not be allowed to continue to withdraw groundwater because the objectives and goals are not being met, the Subdistrict may continue to assess fees until post-plan injurious stream depletions caused by past groundwater withdrawals from Subdistrict Wells have been remedied, subject to the limitations on wells on Non-benefitted Subdistrict Lands and reclassified Confined Aquifer Wells contained in sections 2.6, 7, and 8.

4.2. ANNUAL SERVICE AND USER FEE:

4.2.1. The Annual Service and User Fee is a service and user fee (or assessment) that will consist of the four components listed below. Each component will be evaluated, and if appropriate, adjusted by the Board of Managers annually as required by this Plan and in response to the demands of the Plan. The components are as follows:
4.2.2. An **Administrative Fee** not to exceed five dollars ($5.00) per acre of Subdistrict Land to provide sufficient revenue to fund the operations of the Subdistrict and to repay any sums due to the Rio Grande Water Conservation District. The Administrative Fee will be set based upon the anticipated funding necessary in the next budget year for programs and other costs and expenditures to be funded by the Administrative Fee. The Board of Managers has determined that the cost of Subdistrict operation should be borne equally by all benefitted Subdistrict Land.

4.2.3. A **CREP Fee** not to exceed twelve dollars ($12.00) per acre of Subdistrict Land to provide sufficient revenue to fund the local cost share components of a CREP Program designed to retire a total of up to 40,000 acres of land from irrigation in the Subdistrict. The CREP Fee will be set based upon the anticipated funding necessary in the next budget year for programs and other costs and expenditures to be funded by the CREP Fee. The Board of Managers has determined that a defined revenue stream is necessary in order to successfully complete and operate the CREP Program and that the benefits of a CREP program in the Subdistrict apply to Subdistrict Acres. The CREP Fee will be used to fund the local cost-share for the CREP Program, and, in the discretion of the Board of Managers, the CREP may also be used to fund the additional incentives other than those specifically required by the CREP contract between the State of Colorado and the United States Department of Agriculture, as such additional incentives are modified by the Board of Managers. The CREP Fee will not be used to fund programs not directly associated with the CREP Program.

4.2.4. **Subdistrict Fee** not to exceed Twelve dollars ($12.00) per acre (as adjusted annually in accord with the consumer price index applicable to the Alamosa County Region) of Subdistrict Land to provide sufficient revenue to provide revenue for Subdistrict improvements, including, permanent retirement and/or annual fallowing of the required acreage, protection of senior surface water rights, to develop necessary infrastructure improvements, funding of CREP incentives other than those
specifically required by the CREP contract between the State of Colorado and the United States Department of Agriculture as such additional incentives are modified by the Board of Managers, to set aside funds for known future financial obligations in an amount of not more the five-hundred thousand dollars ($500,000.00) per annual budget, and to set aside or invest a portion of the overall funds generated under this fee, not to exceed a total fund balance of Four-million, Five Hundred Thousand dollars ($4,500,000.00) for future unknown contingencies or expenditures and such moneys may be invested in accordance with State Law. The Subdistrict Fee will be set based upon the anticipated funding necessary in the next budget year for programs and other costs and expenditures, as set forth in this section 4.2.4, to be funded by the Subdistrict Fee. The Board of Managers determined that if the Plan goals are met, the Subdistrict Fee will need to provide only a very small level of funding and that additional funding for Subdistrict programs and other costs are necessary and that the cost of Subdistrict of programs and other costs should be borne equally by all Subdistrict Acres. This fee is only necessary in the event the Depletion Fee is not adequate to fully fund implementation of Plan.

4.2.5. A Depletion Fee based on a Water Value per acre-foot of Net Groundwater Pumped from Subdistrict wells on each farm or Farm Unit, and by Contract Wells as an economic disincentive intended to assure a long-term balance between the Groundwater Withdrawals from Subdistrict Wells and Surface Water Credit.

4.2.5.1. The initial Water Value will initially be Five-Hundred dollars ($500.00) per acre-foot of groundwater per year (as adjusted annually in accord with the consumer price index applicable to the Alamosa County region), and as approved by the Board of Directors of the Rio Grande Water Conservation District through the required annual budgeting process. The Board of Managers has determined that this per acre-foot Water Value is necessary to achieve and maintain the Sustainable Unconfined Aquifer as required by this Plan.
4.2.5.2. The funds generated by the Depletion Fee may be used to: 1) provide revenue for Subdistrict improvements that directly assist the Subdistrict in achieving and maintaining a Sustainable Unconfined Aquifer and increasing storage levels under this Plan, including, permanent retirement and/or annual fallowing of the required acreage, funding of CREP incentives other than those specifically required by the CREP contract between the State of Colorado and the United States Department of Agriculture; 2) to provide replacement water sufficient to remedy injurious depletions to senior surface water rights.

4.2.5.3. After the second ARP year after final approval of this Amended Plan, and every year thereafter, the Board of Managers will review the match between annual total groundwater withdrawals and Surface Water Credit. If the average annual total groundwater withdrawals over the previous 2 years averages more than 2,000 acre-feet per year more than the amount of Surface Water Credit, the Board must increase the Water Value by not less than one hundred dollars ($100.00) and up to five hundred dollars ($500.00) per acre-foot for the next annual budget. The amount of the increase will be that amount the Board of Managers determine is necessary to further reduce total groundwater withdrawals.

4.2.5.4. After the 5th ARP year of operation under this Plan and bi-annually thereafter, the Subdistrict will review the then current progress towards (1) achieving a Sustainable Unconfined Aquifer and the Unconfined Aquifer Storage level. If the Plan has not maintained a Sustainable Unconfined Aquifer, the Board of Managers will set the Water Value at an amount the Board of Directors determines will be sufficient to achieve and maintain a Sustainable Unconfined Aquifer.

4.2.5.5. Until the Sustainable Unconfined Aquifer Storage level goal of paragraph 3.4.3. is met, the Board of Directors cannot lower the Water Value to less than
the amount that results in total groundwater withdrawals matching total Surface Water Credit.

4.2.6. Due to the timing of receipt from the Colorado Division of Water Resources their official well meter readings and surface water diversions necessary for the calculation of the Depletion Fee, the Depletion Fee will be assessed one-year in arrears. The Administration Fee, CREP Fee, and Subdistrict Fee do not rely upon well meter records or surface water diversion records and will be assessed in the then current budget year.

4.2.7. Subdistrict Wells that are Confined Aquifer wells will be subject to the same assessments, except as provided in section 8.0 below.

4.3. **CALCULATION OF THE DEPLETION FEE.** The Depletion Fee will be determined as follows:

4.3.1. Annual Depletion Fees is assessed one-year in arrears. The following is a non-binding example of the year-in-arrears fee process:

4.3.1.1. The Board of Managers adjusts the Water Value as required by this Plan and provides notice by December 1, 2023, of what the Water Value for 2023 will be.

4.3.1.2. All groundwater withdrawals for Water Administration Year 2023 are reported by groundwater users to the Colorado Division of Water Resources, Water Division No. 3 in compliance with the Measurement Rules and the Division of Water Resources reports groundwater withdrawals by Subdistrict Wells to the Board of Managers.

4.3.1.3. The Board of Managers requests that the Colorado Division of Water Resources finalizes diversion records for Water Administration Year 2023
4.3.1.4. Subdistrict Staff calculates Depletion Fee pursuant to this Plan and provides notice of all fees for 2023 to Subdistrict members on or before March 7, 2024.

4.3.1.5. Deadline to file appeals as to 2023 Fees to the Subdistrict is August 1, 2024.

4.3.1.6. Appeals are resolved, and Fees are provided to County Assessors by December 1, 2024, for collection in 2025.

4.3.2. Determine total groundwater withdrawals. No later than May 1 of each year, for each Subdistrict Well, the Subdistrict will:

4.3.2.1. Identify wells and irrigation systems used by each Subdistrict Well;

4.3.2.2. Obtain the total gross groundwater withdrawal for each Subdistrict Well as contained in the official well meter records of the Division of Water Resources.

4.3.2.3. Calculate the total amount of gross groundwater withdrawn on each farm, Farm Unit, or contract well(s) by totaling the amount of groundwater withdrawn by all Subdistrict Wells on the farm, Farm Unit or by the contract well(s) for the previous Water Administration Year;

4.3.2.4. Provide the amounts calculated in section 4.3.2.3, above, to the Farm Operator by first-class mail or other acceptable means of transmission, including electronic mail, by August 31 of the same year.

4.3.2.5. Determine Surface Water Credit. Determine the quantity of Surface water diverted into the Subdistrict that meet the requirements for Surface Water Credit;
4.3.2.6. Calculate Amount of Surface Water Used: No later than May 1 of each year, for each owner of land irrigated with groundwater (excluding Non-Benefitted Subdistrict Land) within the Subdistrict as defined by current County records, the Subdistrict must:

4.3.2.6.1. Calculate the amount of surface water allocated to the farm or Farm Unit by virtue of the shares of the canal or reservoir company, or other surface water supplies attributable to the lands within the farm or Farm Unit or allocable to lands within an irrigation district based upon a five-year running average utilizing the previous Water Administration Year and the four previous Water Administration Years; and,

4.3.2.6.2. Calculate the amount of surface water applied directly to irrigation or other beneficial use and not used for recharge and deduct the consumptive use of such water from the surface water value calculated above to determine the Surface Water Credits for each farm or Farm Unit.

4.3.3. Determine Net Groundwater Withdrawn. The Surface Water Credit will be deducted from the total groundwater withdrawn to determine the Net Groundwater Withdrawn.

4.3.4. Determine Water Value: The charge per acre-foot of groundwater withdrawn shall be set and adjusted as required by section 4.2.5, above.

4.3.5. Calculation: All calculations will be on a farm or Farm Unit basis or by each Contract.

4.3.5.1. The Subdistrict will total all groundwater withdrawals from all wells allocated to the farm, Farm Unit or Contract, as described in section 4.3.3. above;
4.3.5.2. The Subdistrict engineer will calculate the five-year running average of all surface water creditable to the farm or Farm Unit, with appropriate modification for surface water applied directly to irrigation, as described in section 4.3.2.6.1, above;

4.3.5.3. The Subdistrict will subtract the Surface Water Credit as described in section 4.3.2.6, above, from the adjusted Net Groundwater Withdrawn as described in section 4.3.3 to produce the Net Groundwater Withdrawn;

4.3.5.4. The Subdistrict will multiply the total Net Groundwater Withdrawn by the Water Value to determine the Depletion Fee for the farm or Farm Unit.

4.3.6. Surface Water Credit for Contract Wells. Surface Water Credit calculations for Contract Wells will be in accord with the individual contract if the contract contains such terms, and section 2.5.6, above.

4.4. **Total Annual Service and User Fee:** The total Annual Service and User Fee for each farm or Farm Unit for any one year will be equal to the total of the Administrative Fee (section 4.2.2) plus the CREP Fee (section 4.2.3), plus the Subdistrict Fee (section 4.2.4) plus the Depletion Fee (section 4.2.5). The total Annual Service and User Fee will thereafter be submitted to the Rio Grande Water Conservation District for approval and then to each Subdistrict County for addition to its tax rolls for collection in accordance with Colorado law.

4.5. **Certification of the Annual Service and User Fees:** The Subdistrict will ask for current ownership records for all Subdistrict Lands from the County Assessor during the annual fee calculation process. All Annual Service and User Fees will be assessed to the then current owner of the Subdistrict Land. All Annual Service and User Fees will be certified to each County Treasurer in every County which encompasses Subdistrict Land. Contract wells will be assessed per the agreement in each individual contract.
4.6. The Fees provided for above and the requirements to measure groundwater diversions will not be applied to lands that are irrigated solely with surface water.

4.7. The Board of Managers will not relieve a landowner of the obligation to pay these fees unless the landowner has a decreed augmentation plan or has included the well(s) within another Subdistrict in order to ensure that injurious depletions, including post-plan depletions, will be replaced and aquifer sustainability achieved. Further, the Board of Managers will continue to levy fees on such wells and irrigated lands in a fair and equitable manner that recognizes the proportional future financial obligations of the Subdistrict that the Subdistrict incurred prior to the decreed augmentation plan or joining another subdistrict.

4.8. Subdistrict Lands enrolled in programs that will result in their permanent removal from irrigation shall not be subject to further Subdistrict Fees from the time that the permanent removal has been legally committed and dry up has occurred.

4.9. Whatever financial circumstances may ensue, unless there is remedy of injurious depletions as determined in compliance with the Groundwater Use Rules, the Subdistrict Wells will not be entitled to the benefit of exemption from curtailment by the State Engineer pursuant to section 37-92-501(4)(c).

4.10. In order to ensure that all Subdistrict Well and Contract Wells owners receive fair and equal treatment, the Board of Managers will consider appeals by such well owners if the Annual Service and User Fee is considered to be inaccurate or in error. However, any request for corrections to or error alleged in the quantity of groundwater withdrawn by any well pursuant to section 4.3.4., above, must be received by the Subdistrict as required by the Subdistrict’s Rules. As the quantity of groundwater withdrawn by any well will be based on the official well meter records of the Colorado Division of Water Resources, no appeal claiming an error in such records will be allowed. The Board of Managers will proceed in compliance with the Subdistrict’s Rules.
4.11. Any funds collected from contracts with non-Subdistrict entities will be applied to advance the Plan Goals and Overall Objective.

4.12. The Subdistrict will comply with applicable rules and regulations promulgated by the State Engineer in Division 3.

5. ANTICIPATED BENEFITS

5.1. Subdistrict Benefits. Anticipated benefits to Subdistrict members of implementing the Plan include:

5.1.1. Stabilization of the groundwater supply by reduction of groundwater over-draft;

5.1.2. Higher average groundwater levels resulting in lower withdrawal heads;

5.1.3. Sustainable groundwater supply for Subdistrict Wells;

5.1.4. Economic support for landowners who withdraw land from irrigation;

5.1.5. Avoiding state-imposed groundwater regulation and the attendant need to have costly plans for augmentation approved by the Water Court as a condition for the continued operation of wells;

5.1.6. Preventing injurious depletions to senior surface water rights; and

5.1.7. Preventing interference with Colorado’s obligations under the Rio Grande Compact.


5.2.1. When the Sustainable Unconfined Aquifer Storage level goal of paragraph 3.4.3. is met, and so long as a Sustainable Unconfined Aquifer is maintained, the Board of Managers will allow the Total Groundwater Withdrawals by the owners of water diverted into the Subdistrict No. 1 Response Area from the Rio Grande to increase in
an amount sufficient to result in the total consumption of the amount of such surface water.

5.2.2. When the Sustainable Unconfined Aquifer Storage level goal of paragraph 3.4.3. is met, the Board of Managers will establish a committee to work with the Division Engineer to quantify the amount of water available annually from native inflow to the Closed Basin that may be withdrawn by wells within the Subdistrict consistent with maintaining a Sustainable Unconfined Aquifer. The goal of the committee will be to agree with the Division Engineer on the manner of allocation of native inflow to the Subdistrict among wells legal entitled to the use thereof. The native inflow available for allocation must not include increases in groundwater storage resulting from the non-use of imported water under the Plan. The method of allocation should be based on the lawful use by the wells. The lawful use should not be reduced on account of any conservation undertaken by the operator of the well during or after 2002, or the lack of physical supply to such well as a result of groundwater level declines in the Subdistrict. The Division Engineer will thereafter allocate such water among all wells entitled to the use thereof in accordance with Colorado law.

5.3. Benefits to the San Luis Valley. The resulting stabilization of water levels and reduction of groundwater overdraft within the Subdistrict will have broad benefits to the economy of the San Luis Valley as a whole.

6. ENFORCEMENT OF PLAN OF WATER MANAGEMENT

6.1. If a Subdistrict Member fails to comply with this Plan, Subdistrict Rules, or Subdistrict Resolutions, the Board of Managers, in its sole discretion, may subject such non-compliant Subdistrict Members to economic or other penalties for such violations up to and including subjecting non-complying Subdistrict Wells to the Groundwater Use Rules by removing the wells from future Subdistrict ARPs.

7. DECREED PLANS FOR AUGMENTATION
7.1. For all plans for augmentation that include Subdistrict Wells decreed after the date of this Plan, the following conditions will apply to the wells on Non-Benefitted Subdistrict Lands included in the Plan for Augmentation:

7.1.1. The Subdistrict will not replace post-pumping depletions from such wells from groundwater withdrawals occurring after the well is not a Subdistrict Well. Such depletions will not be included in any Subdistrict ARP after the entry of the Augmentation Plan Decree.

7.1.2. The Subdistrict will not be responsible for the wells on the Non-Benefitted Subdistrict Lands obligations to achieving and maintaining a sustainable aquifer in the Subdistrict No. 1 Response Area.

7.1.3. The Subdistrict will continue to assess Non-Benefitted Subdistrict Lands a CREP Fee calculated as a pro rata share of the total amount of CREP contracts enrolled on the date of entry of the augmentation plan decree.

7.2. When a Plan for Augmentation is entered by the court, all Subdistrict Wells subject to that Plan for Augmentation will be immediately removed from the Subdistrict’s ARP then in effect.

7.3. Subdistrict Members whose wells are included in a Plan for Augmentation remain responsible for all Annual Service and User Fee that were incurred prior to the date of entry of the Augmentation Plan Decree.

7.4. Wells cannot be readmitted to the Subdistrict No.1 Plan of Water Management without approval by the Board of Managers and subject to such terms and conditions as the Board of Managers deem fair and equitable, including those necessary to compensate the Subdistrict for expenses incurred that benefit the well or wells seeking readmission to the Plan, and in accordance with the applicable Subdistrict Rules.
8. SUBDISTRICT LAND SUPPLIED FROM THE CONFINED AQUIFER

8.1. Irrigated land within the Subdistrict that receives all or a portion of its water supply from Confined Aquifer wells or wells partially completed in the Confined Aquifer will be considered to be Subdistrict Wells covered by this Plan. At the election of the landowner such land shall be entitled to be reclassified as Non-Benefitted Subdistrict Land if and when the Confined Aquifer wells are either covered by a final decree for a plan of augmentation or are included in the Plan of Management of a separate confined aquifer subdistrict.

8.2. Any irrigated land within the Subdistrict receiving its groundwater supply exclusively from the Confined Aquifer may be relieved of the obligation to pay the Fees set forth in section 4 above if the landowner petitions the Board of Managers for such relief and provides proof that the source of groundwater is exclusively from the Confined Aquifer and the Confined Aquifer well(s) either have been included in a decreed plan for augmentation, or have been included in a confined aquifer subdistrict.

8.2.1. After receiving the request seeking exemption from Annual Service and User Fees for a Confined Aquifer well(s), the Board of Managers will consider any information provided and must conclude that it establishes clearly and convincingly that:

8.2.1.1. the well(s) diverts exclusively from the Confined Aquifer and that the well(s) will remedy all injurious depletions, and;

8.2.1.2. meet any sustainability requirements set forth in law or regulations.

8.2.1.3. if the Board does not so conclude it will refuse to grant relief from the Fees.

8.3. Wells completed into both the Unconfined and Confined Aquifers do not qualify for relief under this section 8.
8.4. Confined Aquifer wells in Subdistrict No. 1 may elect either to change their participation to a Confined Aquifer subdistrict, or to comply with rules and regulations enacted by the State Engineer for such wells. Unless and until such election is made in writing and submitted to the Board of Managers, the well will remain subject to this Plan. A reclassified Confined Aquifer well cannot be re-admitted to the Plan without approval by the Board of Managers and subject to such terms and conditions as the Board of Managers deem fair and equitable, including those necessary to compensate the Subdistrict for expenses incurred that benefit the well or wells seeking readmission to the Plan, and in accordance with the applicable Subdistrict Rules.

8.5. If a well or wells is reclassified pursuant to Section 8.1, above, The Subdistrict will continue to assess the reclassified wells a CREP Fee calculated as a pro rata share of the total amount of CREP contracts enrolled on the date of reclassification of the well, and Subdistrict Members whose wells are reclassified under this section 8 remain responsible for all Annual Service and User Fee that were incurred prior to the date of reclassification.

9. BUDGET AND ACCOUNTING

9.1. The Board of Managers will prepare and submit a detailed annual budget for the ensuing Calendar Year to the District’s Board of Directors for review and approval. The Subdistrict will post notice of the annual budget prior to the Board of Manager’s meeting to review and submit the annual budget to the District Board of Directors to allow for public comment from Subdistrict Members. Once approved by the District Board of Directors, the Subdistrict’s annual budget will be included in the District’s annual budget which is approved and submitted to the State of Colorado. The annual budget process will be further defined in the Subdistrict Rules.

9.2. The Subdistrict’s annual budgeting process is contained in the Subdistrict Rules. The annual Subdistrict budget will include detailed descriptions of the activities to be
undertaken in the Calendar Year for the purpose of operating and administering the ARP and this Plan and the amount and type of revenues that are required to fund the budgeted expenditures.

10. BOARD OF MANAGERS

10.1. The eleven-member Board of Managers will be selected in the manner provided for in the Petition.

10.2. This Plan of Water Management for the Special Improvement District No. 1 of the Rio Grande Water Conservation District was submitted on the ___day of _____ and became effective on the ___ day of ________.

10.3. This Plan of Water Management for the Special Improvement District No. 1 of the Rio Grande Water Conservation District was Amended the Second time ______________.

10.4. This Plan of Water Management for the Special Improvement District No. 1 of the Rio Grande Water Conservation District was Amended the third time ______________.

10.5. This Amended and Restated Plan of Water Management for the Special Improvement District No. 1 of the Rio Grande Water Conservation District is submitted this ___ day of _______, 2022.

11. TRANSITION PROVISIONS

11.1. All contracts between the Subdistrict and Contract Well owners will remain in effect until the expiration of the term of the contract in effect at the time of final approval of this Amended Plan. The Subdistrict hereby notifies all such contract holders that it will not automatically renew such contracts at the expiration of their current term. The Subdistrict will, however, renegotiate such contracts on terms consistent with this Plan.
11.2. All unused Surface Water Credits at the end of the ARP year in effect when this Amended Plan is finally approved, will remain available for use in the first ARP year under this Plan.