

**Minutes of the First 2017 Quarterly Board Meeting of the
Board of Directors of the
Republican River Water Conservation District**

January 12, 2017

Burlington, Colorado

The Board of Directors of the Republican River Water Conservation District convened a regular meeting, pursuant to notice required by statute and the District's By-Laws, at Burlington Community & Education Center, Burlington, Colorado.

Present were:

Board Members:

Rod Lenz, President
Greg Larson, Vice President
Tim Pautler, Secretary
Aaron Sprague, Treasurer
Eugene Bauerle
Wil Bledsoe
Dennis Coryell
Brent Deterding
Kenny Helling
Steve Kramer
Stan Laybourn
Rod Mason
Steven Meakins
Roger Seedorf
Wayne Skold

Deb Daniel, RRWCD General Manager
Dawn Webster, RRWCD Administrative Assistant
Pete Ampe, RRWCD General Counsel, Hill & Robbins, P.C.
David Robbins, RRWCD General Counsel, Hill & Robbins, P.C.
Jim Slattery, RRWCD Engineer, Slattery Water Engineering, LLC
Tim Davis, RRWCD Program Consultant, TJD LLC

A sign in sheet listing the members of the public attending the meeting is attached as Exhibit 1.

STATEMENT OF QUORUM

President Rod Lenz called the meeting to order at 10:05 a.m., welcomed the public and started the meeting with the Pledge of Allegiance and a prayer. Secretary Tim Pautler conducted a roll call of Board members. With 15 Directors attending the meeting, Secretary Pautler

declared that a quorum of the Board was present. President Lenz acknowledged Senator Gardner's representatives Darlene Carpio and Andrew Dunkley, Dusty Johnson from Congressman Buck's office, and Chelsea Erickson with Kansas Division of Water Resources.

AGENDA AND APPROVAL OF MINUTES

President Lenz asked for any amendments to the agenda for the meeting. A motion to approve the agenda with no changes was made, seconded, and approved unanimously.

Prior to this meeting, the Directors had received, electronically, a draft of the minutes of the special Board meeting held on December 1st & 2nd, 2016, and the executive sessions held during that meeting. These documents were also included in the Board packet today. President Lenz asked if there were any changes or corrections to the minutes. It was pointed out that the word attorney was misspelled. A motion to approve the minutes of the special Board meetings held on December 1st & 2nd, 2016 with the spelling correction, and the minutes of the executive sessions held during that meeting was made, seconded, and approved unanimously.

PRESIDENT'S REPORT

At 10:10 a.m., President Rod Lenz discussed what had occurred at the special Board meeting in Loveland, highlighting the SWOT (Strength, Weakness, Opportunity, and Threat) exercise that the Board of Directors participated in at the meeting.

GENERAL MANAGER'S REPORT

At 10:20 a.m., General Manager Deb Daniel gave a slideshow presentation of the various projects being worked on in the District office, including multiple conservation programs, meeting with Kansas to discuss their LEMA conservation program. Mrs. Daniel also reported on maps that Engineer Randy Hendrix created for the District showing the saturated thickness and the water decline in each of the different Groundwater Management Districts within the Basin.

CCP OPERATIONS REPORT

Next, as CCP Operations Manager Tracy Travis was not able to attend, Manager Deb Daniel briefed the Board on the operations of the Pipeline, stating that the Pipeline has been operating flawlessly and will continue to operate until the end of March. Mrs. Daniel also noted that heaters are in the process of being installed in each of the individual well houses and should be completed by the end of February.

FINANCIAL REPORT

Next, Administrative Assistant Dawn Webster presented the financial report and the disbursement for the quarter ending December 31, 2016, which were previously sent to the entire Board electronically as well as being included in the Board packet. A motion to approve the financial report and the disbursements for the fourth quarter of 2016 was made, seconded, and approved unanimously. Mrs. Webster also notified the Board of the decrease in mileage reimbursement from .54/mile to .53.5/mile for 2017, which is set by the IRS.

COMMITTEES, ORGANIZATIONS, & PROFESSIONALS REPORTS

Director Aaron Sprague, Budget Committee Chairman, stated that he had nothing to report regarding the budget.

Director Steve Kramer, Conservation Committee Chairman, thanked the Plains Ground Water Management District and the State of Kansas for setting up the LEMA program meeting and stated that he felt that the saturated thickness map, prepared by Mr. Hendrix was a tool that was needed in the conservation efforts.

Director Wil Bledsoe, Chairman of the Legislative Committee, reported that the State of Colorado held a rule making meeting on December 5, 2016 in Burlington where there were draft rules discussed and those rules will be available to view on the state's website. Mr. Bledsoe stated the next rule making meeting will be held on February 9, 2017 in Burlington.

Director Greg Larson, Chairman of the Negotiating Committee, reported that recently the Committee has had discussions regarding water rights with Colorado Parks & Wildlife, Gary & Nancy Earl, and Don & Myrna Andrews. Mr. Larson also reported that the Dryden property that the RRWCD owns will be put out for another three-year lease and the notice will be published in the Basin papers soon.

After a short discussion, a motion to add the Innovation & Technology Committee report to the agenda was made, seconded, and passed unanimously.

Director Steven Meakins, Chairman of the Innovation & Technology Committee, reported that there has not been an official committee meeting yet, but would like to discuss the possibility of using a conservation program on the Dryden property in the future.

Director Eugene Bauerle, Chairman of the Nominating Committee, stated that he had nothing to report.

Director Roger Seedorf, Chairman of the Personnel Committee, reported that the committee had not met yet.

Director Greg Larson reported that the Colorado Water Congress (CWC) will have its annual winter meeting January 26 through January 28, 2016, which he planned to attend with President Rod Lenz and would have a report at the April Board meeting.

General Manager Deb Daniel reported that she had just attended a meeting in Longmont for the South Platte Roundtable and reported on the projects that were applying for funding, noting that two applicants were approved for funding.

Director Steve Kramer reported that the Water Preservation Partnership (WPP) will have its meeting on January 17th where they are discussing the results from the survey that Colorado State University sent out to well owners within the Basin. Mr. Kramer stated that he is hopeful that the group will be supportive of some sort of a conservation program that includes all of the Ground Water Management Districts.

After discussion, a motion for Director Kenny Helling to be the RRWCD representative for the Yuma County Water Authority was made, seconded, and passed unanimously.

After discussion, a motion for Director Roger Seedorf to be the RRWCD representative for the Yuma County Weed Control District was made, seconded, and passed unanimously.

Tim Davis, RRWCD Program Consultant, reported to the Board on the completion of the 2016 CREP annual report that was requested and sent to USDA, and explained what was involved in the annual report. Mr. Davis updated the Board on the funding for the OAI program and answered questions from the Board.

At 11:55 a.m., President Lenz recessed the meeting for lunch.

At 1:04 p.m., the meeting was re-convened.

PUBLIC COMMENT

At 1:04 p.m., President Lenz invited comment from the public.

Kevin Penny, a producer South of Burlington, CO, expressed the need of additional funding being put towards the 25,000 acre retirement on the South Fork. Mr. Penny also expressed his concern regarding the \$14.50/acre assessment fee and feels that it should be assessed by acre-feet pumped instead of acres that are being irrigated.

Barry Hinkhouse, a producer from Burlington, CO, expressed his concern of what he believed to be a smaller than originally thought area where the 25,000 acre retirement would need to take place on the South Fork. Mike Sullivan, Deputy State Engineer informed Mr. Hinkhouse that there are roughly 97,000 acres in the retirement area on the South Fork. Mr. Hinkhouse also expressed concern regarding the \$14.50/acre assessment fee and feels that with the reporting and meter reading available, the District could change the fee to water being pumped out of the well.

At 1:22 p.m., having no other comments from the public, public comment was closed.

PRESENTATIONS

At 1:24 p.m., Dr. Chad Godsey from Godsey Precision Ag gave a slideshow presentation on Advancing Irrigation Management through Demonstration of Integrated Technologies.

PROFESSIONALS REPORTS CONTINUED

Christine Arbogast, RRWCD federal lobbyist, was not able to attend the meeting.

Scott Meiklejohn, RRWCD state lobbyist, was not able to attend the meeting but emailed an updated link to the District office showing bills that have been submitted for consideration during this legislative session.

Jim Slattery, RRWCD water engineer, reported that he had been working on the ‘orphan well’ for the CCP, which is located in the Central Yuma Ground Water District, as well as working with Board committees on potential water right purchases within the Basin.

Pete Ampe, RRWCD legal counsel, reported to Board regarding the draft rules for the boundary change issue, noting that the rules state that if a producer has a ground water right within the Basin they either get covered by the CCP or they come up with their own augmentation plan. Mr. Ampe stated that the District will provide a list to the State of Colorado once a year stating what wells are covered by the CCP. Next, Mr. Ampe updated the Board on the Tip Jack Case, stating that the Hutton Foundation is attempting to move the decreed point of diversion from its historic location down stream to the point of diversion of the Hutton #1 & #2 and the trial date is set for April 2018. Finally, Mr. Ampe updated the Board on the Hutton Foundation lawsuit, stating that the Foundation filed an appeal to the Supreme Court to challenge the ruling from Judge Hartman which ordered that they have to start their process of objection to the current well use in the Northern High Plains with the Groundwater Commission.

At 2: 23 p.m., Mike Sullivan, Deputy State Water Engineer, updated the Board on negotiations with Kansas regarding the Compact Compliance Pipeline and Bonny Reservoir operations. Mr. Sullivan reported that they are still working with Kansas and Nebraska and the next meeting is scheduled for February 7, 2016 in Lincoln, Nebraska. Mr. Sullivan stated that a meeting held in St. Francis, Kansas consisting of water users from that area, revealed that the water users want water back in Bonny Reservoir, which will be a topic of discussion at the upcoming meeting in Lincoln, as well as discussing the water short year test which has been an issue for the last five years. Mr. Sullivan also noted that State Water Engineer Dick Wolfe will be retiring at the end of June 2017, so they will be reiterating to Kansas and Nebraska how important it is to come to an agreement before he retires. Mr. Sullivan answered questions from the Board regarding the draft rules for the boundary issue.

At 3:02 p.m., Director Meakins left the meeting.

BOARD DISCUSSION AND ACTION ITEMS

At 3:22 p.m., the Board discussed the public place or places for posting notice of meetings in accordance with the Colorado Open Meetings Law. A motion to continue posting such notices at the Yuma County Courthouse and the RRWCD website was made, seconded, and passed unanimously.

Next, the Board reviewed the rates for Professional Associates for 2017. After discussion, a motion to approve the proposed rates for Professional Associates for 2017 was made, seconded, and passed unanimously.

Next, the Board discussed conditions of the Dryden property lease.

Next, after discussion, a motion for the Executive Committee, Director Wil Bledsoe, Director Aaron Sprague, Director Steve Kramer, General Manager Deb Daniel, program consultant Tim Davis, federal lobbyist Christine Arbogast, and a representative from legal counsel to go to Washington D.C. on behalf of the RRWCD was made, seconded, and approved unanimously.

Finally, after discussion, a motion to allow General Manager Deb Daniel to seek three bids for a new RRWCD vehicle and give them to the Executive Committee for review was made, seconded, and approved unanimously.

EXECUTIVE SESSION

At 3:34 p.m., a motion was made pursuant to section 24-6-402(4), C.R.S., to enter into executive session to receive legal advice on legal questions and litigation concerning South Fork water rights; to discuss and determine positions, develop strategies, and instruct negotiators concerning the purchase or lease of water rights; determine positions and instruct negotiators concerning water supply acquisition, receive legal advice on legal questions related to such agreements, contracts and easements, discuss program applications; Compact Compliance and discussions with Kansas (to the extent subject to privilege), and the Compact Compliance Pipeline and Bonny Reservoir. The motion was seconded and passed unanimously. President Lenz stated that no adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall occur in executive session. Before entering executive session, President Lenz thanked the public for attending the meeting.

The Executive Session ended at 4:24 p.m. and the Board returned to open public session. President Lenz confirmed that no formal action had occurred during the executive session.

OLD BUSINESS

There was no old business.

NEW BUSINESS

After discussion, a motion to authorize the Executive Committee to offer Gary and Nancy Earl \$2.34 million to purchase 1,707 +/- acres and all water rights and appurtenances, subject to legal and engineering review of the contract, and setting forth a plan to divest the land included in said property within three years and to close on the contract when legal and engineering review had been successfully completed was made, seconded, and approved unanimously.

At 4:31 p.m., having no further business to be brought before the Board, a motion to adjourn the meeting was made, seconded, and passed unanimously.

Secretary

Date