

**Minutes of the Third 2018 Quarterly Board Meeting of the  
Board of Directors of the  
Republican River Water Conservation District**

**July 12, 2018**

**Holyoke, 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 the Phillips County Event Center, Holyoke, Colorado.

Board Members present were:

Rod Lenz, President  
Greg Larson, Vice President  
Tim Pautler, Secretary  
Aaron Sprague, Treasurer  
Gil Anderson  
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  
Suzanna Cure, 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  
Christine Arbogast, RRWCD Federal Lobbyist, Kogovsek & Associates  
Scott Meiklejohn, RRWCD State Lobbyist, Meiklejohn & Associates

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 10:02 a.m., welcomed the public and opened the meeting with the Pledge of Allegiance and a prayer. Tim Pautler conducted a roll call of the Board members, Stan Laybourn was initially absent but arrived at 10:09 a.m. Tim Pautler declared that a quorum of the Board was present.

## **AGENDA AND APPROVAL OF MINUTES**

President Lenz asked for any amendments to the agenda. There being no changes, a motion to approve the agenda was seconded and approved unanimously.

A motion to approve the Minutes of the quarterly Board meeting on April 12, 2018 was seconded and approved unanimously with no changes.

### **PRESIDENT'S REPORT**

10:14 a.m. President Rod Lenz gave the President's Report and focused on the last 6 months. Lenz first mentioned how he wished he could have made things happen quicker, but that we are thankful for progress on the CREP Amendment and other projects including the purchase, retirement of water rights and eventual sale ground of the Earl property, which was a step in the right direction for compact compliance. Lenz state he hopes more opportunities will arise in coming years. Lenz reported that the South Fork Republican Restoration Coalition (SFFRC) toured the focus area of the project and mentioned that everyone had their opinion on the direction of the project but the bottom line for everyone was that we need to restore stream flow. Next, Lenz talked about how the board agreed to help GWMDs, the board again needs to focus on how we will do that and get it in motion. Lenz then gave a brief report on the meeting with Wilson Water Group on the SWSI report, they wanted to get an idea of what the basin will look like in 30 years. Lenz also mentioned a Denver Post article about Kansas and Nebraska and how the article didn't include much about the efforts of Colorado to conserve the Ogallala.

### **GENERAL MANAGER'S REPORT**

10:20 a.m. General Manager Deb Daniel thanked those who were able to attend the meeting with Kara Sobieski and Tyler Benton from the Wilson Water Group, and Russ Sands from Colorado Water Conservation District to discuss their assignment to draft an update to the SWSI report.

Daniel stated she is keeping current on the activities of the Ogallala Water Coordinated Agriculture Project.

Daniel reported that Governor Hickenlooper recently removed a commissioner from the Colorado Groundwater Commission due to his actions while serving on the Board. She thanked the RRWCD board members for being professional and respecting their positions in representing their county, ground water management district and the Colorado Groundwater Commission.

Daniel reported that there are a significant number of acres in the basin that are not currently being assessed as irrigated or assessed the RRWCD Water Use Fee. Daniel decided to subscribe to a satellite imagery website which shows current maps of irrigated and dryland acres. Daniel reported Sat-Shot has already helped us see acres that are not currently being assessed and correct those errors to help assure that all those who should be assessed are assessed.

Daniel encouraged participation in the Subsurface Irrigation Efficiency Project open house in Kersey on Friday, July 13, 2018 and the Northwest Kansas Technical College Water Technology Farm in Goodland tour on August 21, 2017.

Daniel reported she and David Robbins contacted Rep. Jeni Arndt about scheduling a legislative tour for September 19, 2018. Becky Mitchell from CWCB, Bob Randall, director of the Department of Natural Resources will be invited along with legislators and others.

Minutes of the Quarterly Board Meeting - July 12, 2018

Daniel reminded the Board that letters of support for the Republican River CREP SEA are due on Friday, July 20, 2018.

### **FINANCIAL REPORT**

Suzanna Cure reported on the 2<sup>nd</sup> quarter financial report for 2018. A motion was made to accept the financial report, seconded and approved unanimously.

### **CCP OPERATIONS REPORT**

At 10:30 a.m. Tracy Travis, operations manager of the compact compliance pipeline, gave his report. The pipeline ran from October 1, 2017 to April 30, 2018. There were a couple power outages, duration of which were 1 day and 2 days. The pipeline pumped just under 10,000 acre-feet. All valves have been exercised and some other summer maintenance tasks yet to do this summer. There was some damage to the valves caused by wind.

Rod Lenz asked if there was any trouble restarting from the blizzard outage. Travis replied that the battery back-up did die over the 2-days and didn't automatically restart with power coming back on. Travis had to manually turn on the battery backup.

Lenz asked if there was any other maintenance to pay attention to with the pipeline being in its 5<sup>th</sup> year of pumping. Travis replied that erosion from cattle and rodents burrowing down along pipeline is on his radar for potential problems. Travis did ask if a requisition of a mower would be worth pursuing with the board. Travis currently uses his own mower. Travis also noted that all flow meters have been tested and passed with all TFM bearings being changed out.

### **COMMITTEES' REPORTS**

- Director Aaron Sprague, Budget Committee Chairman, reported that another budget meeting was not accomplished because of it being such a busy time. The Committee also wanted to wait on this meeting because the RRWCD office is working on a spreadsheet that will better represent how a fee change will affect all counties and GWMDs in the RRWCD Basin. Work on the 2019 budget has also begun and the budget hearing will be during the October meeting. Sprague mentioned other factors that will affect the decision making of the Budget Committee and the Board to review a change in fee structure. The budget committee will aim to have two meetings in August, the first meeting is to discuss the change in fee structure and the second is the annual budget meeting. It was asked how much the administrative costs would increase if the fee assessment structure was changed. It is unclear at this point how much that will increase. Many factors were mentioned on how the administration costs would be affected. If the fee structure were changed and based on acre-feet pumped, that would increase the chance of error from flow meters and data entry. Robbins also mentioned that the District would need to have a policy for irrigators to appeal fees assessed based on acre-feet pumped. A guest, Dennis Herman manager of membership and corporate services for Highline Electric Association, reported that HEA has installed a couple of totalizing flow meters that have the capabilities of reporting over radio frequencies to the main office. The flow meters are working well up to this point in the growing season.

- Director Steve Kramer, Conservation Committee Chairman, reported on the GWMD applications for funding. He would also like to help promote the CREP program as soon as the CREP amendment comes through.
- Director Steven Meakins, Chairman of the Innovation & Technology Committee, reported on the Conservation funding for the GWMDs. He would also like to start a Master Irrigator program within the district.
- Director Wil Bledsoe, Legislative Committee Chairman reported on the CAPA meeting in Cheyenne Wells, CO regarding expanding the boundaries of the District. The State Engineer expected an answer from irrigators in the East Cheyenne GWMD by July 1<sup>st</sup> but no answer has been received as of the date of this meeting. Producer Alan Welp had hoped to contact Senator Sonnenberg to get the Interim Water Committee more involved. There is a possibility that the well owners in the East Cheyenne GWMD will have an opportunity to vote next week on whether to support or to oppose the boundary change of the RRWCD. Bledsoe then reported that the board will discuss a contract to offer to wells located inside the domain but outside the RRWCD boundary later in the meeting during action items. A draft of the contract was included in the board packet. Lenz asked if the board wanted to send out the contracts now or wait. Discussion continued about the potential contract and boundary change. Robbins stated that he has received calls from producers who wish to be within the District. It was made clear that the producers outside the boundary need to know the consequences of not changing the RRWCD boundary verses changing it.
- Director Greg Larson, Negotiating Committee Chairman, reported the Dryden property payments are current. Larson reported the Earl Property sale went well and that, factoring in the proceeds from the sale, the cost for purchasing and retiring the Earl water rights were about \$2,075/ acre-foot. Comparatively the Cure's was bought at about \$1,924/acre-foot. We are currently working on another well to be added into the pipeline.
- Director Steven Meakins, Nominating Committee Chairman, reported that the vote for executive offices will occur during the October quarterly meeting. Please email the office if you are interested in running. Emails must be received for documentation.
- Director Roger Seedorf, Personnel Committee Chairman, noted that there is nothing significant to report. Personnel evaluations will occur in September.
- Director Tim Pautler, PTAC Committee Chairman, asked legal to report on the Y-W tower negotiations. Legal is waiting on responses from the legal teams of Cure Land and Y-W Electric.

### **REPORT BY THE STATE ENGINEER'S OFFICE**

- Kevin Rein-State Engineer and Mike Sullivan-Deputy State Engineer reported that a little less than a year ago they met with CAPA to fully explore the issues regarding the change in the District's boundary and the Compact Rules. Mr. Rein believed the boundary change needed to have Basin wide support in order to pass the necessary legislation. They did set a deadline of July 1, 2018, to hear from the East Cheyenne GWMD,

but again there is no answer yet. Rein said his office will be acting as if the boundary will not change and rule making process will resume. This does not preclude the introduction of legislation to change the boundary this year. Even if the boundary does change that doesn't mean that the rule changes will not continue and won't still be beneficial. There were several questions on the rule making, and if the rules will be pursued, whether the boundary changes or not. Surface water diversions will be included in the rules.

- Scott Steinbrecher, Colorado Attorney General Assistant reported on the Compact Rules in the Republican River Basin and negotiations with Kansas to settle past overuse by Colorado from 2003-2013. The state has been working with Nebraska and Kansas to resolve issues regarding Colorado's past overuse. The Nebraska concerns have been settled. The settlement with Kansas will look different from the settlement with Nebraska. There is a settlement that has been sent to both governors for final approval. It does not change negotiations currently in place with Kansas. They cannot share the terms until the settlement is signed. Based on past signing processes there will be a press release available immediately.
- Kevin Rein was asked to explain the current status of the Hutton Ditch #2 and what occurred that led them to believe they could begin diverting surface water for irrigation. Mike Sullivan answered that it was probably because we are projecting that the State will be in Compact compliance at the end of 2018. However, that is merely a projection and we will not know if the State is in compliance until 2019. Hutton cannot divert based solely on the forecast, the State must be in compliance, and so at this point the State cannot allow diversions because the risk is too great that the State would be out of compliance.
- Steven Meakins asked why the State does not make the Compact Rules state that if the CCP is pumping that there is a call on the river. Sullivan replied that the CCP cannot put a call on the river.
- Deb Daniel asked if the State is in Compact compliance on Dec. 31<sup>st</sup>, would the State then be out of compliance on January 1<sup>st</sup>. Legal counsel reported no, Colorado must be in compliance with the 5-year rolling average and at the start of each year, the State has a certain amount of water it is able to consume that year and remain in compliance. This is the fifth year of operating the pipeline for compact compliance.
- Sullivan reported that Nebraska didn't have to pump their pipelines because Kansas couldn't store additional water. It was then asked if Colorado would ever be in a situation where they didn't have to pump. Sullivan replied that in the agreement with Nebraska to approve the use of the compact compliance pipeline, Colorado must pump a minimum of 4,000 acre feet per year. Nebraska required the 4,000 acre-feet because they need water in the spring every year and it is before the major phreatophytes begin consuming water. The minimum deliveries are also included in the RRCA Resolution that approved the use of the CCP.
- At a 11:45 a.m., Dave Keeler, Lead Water Commissioner of the Republican River Basin, explained several graphs that showed the total acre-feet flowing past Colorado's state line. His presentation included several

pictures of river flow of the North Fork, Arikaree, and South Fork. The Arikaree gage was moved upstream to allow easier access and to create less obstruction to the flow of the river. Dave continued his report on the Hutton diversion, including pictures.

### **LOBBYISTS REPORTS**

- At 12:02 p.m. Christine Arbogast gave the federal lobbyist report. Arbogast reported that the House and the Senate have very different drafts of the Farm Bill. The conservation titles were treated very well, Senate Bill would increase CRP by 1,000,000 acres and the House would increase it by 4,000,000 acres, but set aside 3,000,000 acres for grasslands programs. Both branches of Congress are discussing how to finance water infrastructure using loans from the federal government. There is a big diverse push on hemp and the ability to grow hemp. McConnell has a lot of producers that have pushed him very hard to support hemp. Arbogast then gave a summary of the recent Washington DC trip. She stated it is always good to get to discuss issues face to face. Sprague also thought the trip was good but thought they were too late for the House and wants the Board to continue to make trips to Washington D.C. Farm bill was on the House floor twice and was barely passed the second time.

At 12:13 p.m. the Board took a break for lunch.

At 12:59 p.m. the meeting was reconvened.

### **PUBLIC COMMENT**

- At 1:00 p.m. the meeting was open to public comment.
- Derek Glosson, a trustee for the town of Akron, reported the town has 12 municipal wells that set just outside the current RRWCD boundary. With a boundary change most of their wells will be in the RRWCD boundary. He asked the District to keep the town of Akron well informed. He would appreciate the opportunity to look at a contract for municipalities and believes the town of Akron would be interested. He asked about are the benefits of being within the district's boundary. The municipalities' advantage of being in the boundary is that they would have a guarantee of being protected. If the town of Akron had a contract with the RRWCD to protect their wells from the Compact Rules, the contract would have to be continually renewed, and the terms would be subject to change.
- Alan Welp, a producer in the basin, asked the board a few questions: What is the timeline to change the boundary? The irrigators in the Plains GWMD want in. Why is the RRWCD making them wait on the East Cheyenne GWMD irrigators? Lenz responded that we are giving East Cheyenne a chance to say yes to changing the boundary, if the boundary is changed and East Cheyenne wants in, then we need to make sure they are included. Legal suggested that the RRWCD board move forward one way or another this legislative session. Welp asked the Board to get solidified on the effects of reaching compact compliance and how that would result in lifting the compact call on the rivers.

Welp would like the board to do some creative thinking on getting the 25,000 acres of irrigated acres retired in the South Fork Focus Zone. He believes the board has several options to look at and should do so in the future.

- At 1:14 p.m. public comment closed with no other comments.

### **LOBBYISTS REPORTS (continued)**

- Scott Meiklejohn gave the state lobbyist report. The deadline for drafting bills to the Interim Water Committee is about 3 weeks away. On June 19<sup>th</sup>, Kevin Rein gave a presentation to the Interim Water Committee on the Republican River, giving a history of the problems, solutions to date and other concerns. Meiklejohn reported the Senate Bill 218 Water Projects Bill provided 8 million dollars for Republican River issues.

### **ASSOCIATED ORGANIZATIONS REPORTS**

- At 1:17 p.m., Director Greg Larson and Director Steven Kramer reported for the Colorado Groundwater Commission. Director Steve Kramer stated he always likes when the Commission comes out to the basin to receive updates from the District on what is happening in this area. They also love when Deb Daniel attends Commission meetings to provide updates. The commission has expressed interest to visiting our basin again, possibly in 2019. Director Greg Larson added that the commission talks about water quality as much as water quantity.
- Director Greg Larson reported that Colorado Water Congress will be held on August 22-24, 2018, in Vail.
- General Manager Deb Daniel reported on the South Platte Basin Roundtable meeting held on July 10<sup>th</sup>, 2018. Daniel presented a map to the Board of possible storage locations in Colorado that are being considered in a South Platte Basin Roundtable storage project. Daniel reported that the Roundtable approved two applications and denied one. The South Platte Roundtable will be meeting in Holyoke, in September. Daniel will be sending out reminders to the board.
- Director Kenny Helling reported on the South Fork Republican Restoration Coalition (SFRRC) Helling stated that the tour with the technical team of the focus area went very well and he thought the contractors were willing to listen to what the people in our area are wanting to see in the restoration process. The Coalition will be meeting with all landowners who have land on the river or in very close proximity on August 13<sup>th</sup> in Idalia, CO.
- Director Steve Kramer reported on the Water Preservation Partnership (WPP). Kramer would like to meet with everyone on August 1<sup>st</sup>. Kramer is very excited to hear everyone's ideas on conservation. If August 1<sup>st</sup>, doesn't work for everyone please let him know what would work. Kramer stated he wants the WPP to establish a conservation plan in the near future.
- Director Roger Seedorf reported Yuma County Pest District does not have much to report at this time but Mike Foor will be back in October to discuss the summer's work.

- Director Kenny Helling reported the Yuma County Water Authority is still concerned with the Hutton Educational Foundation issues and the SFRC. They are interested to know the legal status of the Hutton issues and how the SFRC is moving forward.

### **PROFESSIONAL REPORTS**

- At 1:34 p.m. Tim Davis, RRWCD Program Consultant reported on the OAI and recommended anyone interested in signing a new contract to go to NRCS and apply for a contract for 2019. Davis hopes they will start next year's program the first of October, which is the beginning of the USDA fiscal year.

Davis reported that the terminology for the CREP Amendment has changed. It is now referred to as the Revised CREP Agreement. The FSA wanted to require a new environmental assessment but RRWCD argued that the 2012 EA is still current. FSA disagreed and expedited a Supplemental Environmental Assessment (SEA) that has been completed. FSA requested public comment on the Revised CREP Agreement and the SEA. The deadline for submitting public comments is July 20, 2018. Mike Sullivan and Don Brown have participated in the process, pushing the agreement forward. Davis has been in contact with Cindy Valskum to start creating a manual that reflects what the revised CREP agreement will entail.

- Jim Slattery, RRWCD water engineer, reported that he participated in the June 8<sup>th</sup> tour with the SFRC. Slattery stated it was good to have the contract organizations experience the conditions of Bonny Reservoir.

Slattery also participated in the SWSI meeting held in Wray. Slattery gave the history of the Basin and helped reflect what the future holds for the RRWCD Basin.

Slattery reported this is the 5<sup>th</sup> year of operating the pipeline and therefore the first time we will be calculating the 5 year-rolling average. Right now, they are finalizing the 2017 water pumping data.

Slattery continued that the State Engineer's acre report and the assessor's report of irrigated acres doesn't necessarily match. Slattery and Randy Hendrix are working on making sure all irrigated acres are accounted for within every County.

Slattery has also been assisting the RRWCD looking for additional water rights for the pipeline. Slattery stated it can be hard to access all records necessary to determine historical use if the current well owner hasn't owned the wells for the past 10 years. Discussion continued as to why additional water rights are needed.

- Pete Ampe, RRWCD legal counsel, reported working with everyone on the CREP agreement revisions. Ampe stated the Hutton Trust was denied their change to the point of diversion for the Tip Jack to further downstream on the South Fork Republican River. Ampe also reported on the Hutton Trust Designated Basin case claim against state engineer will continue on the remaining claims including the administration and management of Bonny Reservoir and a claim that the Groundwater Management Act is unconstitutional. The Hutton Trust trial is set for June 3-14, 2019. Ampe reported that it remains likely that some portion of this case will go to trial. The Board had questions for clarification on the two cases.

### **BOARD DISCUSSION AND ACTION ITEMS**

- The Board discussed the Engagement Letter for 2018 audit with Winfrey, County and Hayes. Deb Daniel reported the audit occurred May 26<sup>th</sup> and it went very well but is not complete because the PERA GASB reports will not be available until July 20, 2018. There was a motion to approve the signing of the Winfrey, County and Hayes engagement letter. The motion was seconded and approved.
- The Board reviewed a limit on financial assistance available to each ground water management district for conservation efforts and RRWCD professional services. Steven Meakins presented the application to the board. A copy of the application was included in the board packet. Steven reported the IT Committee is recommending the board approve a maximum of \$6,000/year to each GWMD. A motion was made to provide up to \$6,000 per GWMD in 2019. The motion was seconded and approved unanimously. Applications will be presented to, reviewed by and approved by the RRWCD board during quarterly meetings throughout the year. A motion was made to approve the application as presented was made, seconded and approved unanimously.

### **OLD BUSINESS**

- The Board then reviewed the agreement between Y-W Electric Assoc., the RRWCD and Cures to install a communication tower inside fenced area of the CCP collection tank/control building. Deb Daniel gave an update on the agreement. A motion was made, seconded and approved unanimously to approve the contract and submit to YWEA.
- The Board then reviewed the contract to provide protection to well owners outside the RRWCD boundary. This review also brought up the pursuit of moving RRWCD boundary to Kit Carson/Cheyenne county line. Rod Lenz asked each board member to voice their opinions on when and if the contract should be made available. Opinions varied as to when the contract should be offered and other various limitations on the contract. Some board members are concerned how it will affect their well owners who are not close to the boundary issue. Most board members want to make the contract available now but in a different form. A motion was made to assign making recommendations on the contract to the Legislative Committee. The motion was seconded and approved unanimously.

### **NEW BUSINESS**

- The board discussed the 5-year review report on the Compact Compliance Pipeline to the Sandhills GWMD. Lenz stated the board should be aware that the 5-year review by the SGWMD is at the discretion of SGWMD and it has not yet been requested.
- The board discussed the various county assessors' policies regarding refunds and abatements of property tax and whether or not they will correct a past assessment that was in error to the tax payer's benefit. Deb Daniel updated the board on recent discrepancies in Lincoln County for RRWCD water use fees, as well as other discrepancies in other counties of irrigated lands that were not assessed. Daniel also reported that a grower in Lincoln County was assessed a significant amount - more than he should have been because of a report pulling the wrong number in the county office. After much discussion the Board decided to not change the RRWCD policy on refunds and abatements.

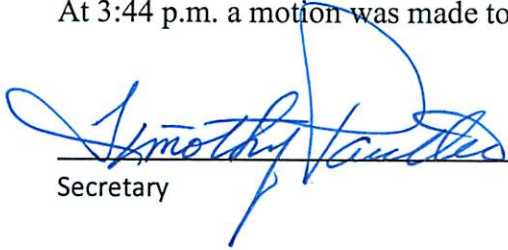
The board took a short break before entering Executive Session.

**EXECUTIVE SESSION**

At 3:11 p.m. the board entered executive session.

At 3:43 p.m. the Board exited executive session.

At 3:44 p.m. a motion was made to adjourn the meeting. The motion was seconded and passed unanimously

  
\_\_\_\_\_  
Secretary

10-11-18  
\_\_\_\_\_  
Date