

**Minutes of the First 2013 Quarterly Board Meeting of the
Board of Directors of the
Republican River Water Conservation District**

January 10, 2013

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 the Burlington Community & Education Center, Burlington, Colorado.

Present were:

Board Members:

Dennis Coryell, President
Greg Larson, Vice President
Byron Weathers, Treasurer
Tim Pautler, Secretary
Eugene Bauerle
Wil Bledsoe
Brent Deterding
Jack Dowell
Steve Kramer
Stan Layborne
Rod Lenz
Wayne Skold
Aaron Sprague

Deb Daniel, RRWCD General Manager
Dawn Webster, RRWCD Administrative Assistant
David Robbins, RRWCD General Counsel, Hill & Robbins, P.C.
Pete Ampe, RRWCD General Counsel, Hill & Robbins, P.C.
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 Dennis Coryell 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, noting that Directors Garry Kramer and Rod Mason were absent, but excused. With 13 Directors attending the meeting, Secretary Pautler declared that a quorum of the Board was present.

AGENDA AND APPROVAL OF MINUTES

President Coryell asked for any amendments to the agenda for the meeting. David Robbins, RRWCD General Council, requested to add the following to the matters for discussion in the executive session: receiving legal advice from the RRWCD's attorneys on legal questions concerning the report of the Special Master report in Kansas v. Nebraska. There being no other changes, a motion to approve the agenda with that addition 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 November 28 and 29, 2012, and the executive sessions held during that meeting. These documents were also included in the Board packet today. President Coryell asked if there were any changes or corrections to the minutes. Director Gene Bauerle noted that he was not in attendance at the November 29, 2012 special meeting. Also, Director Wil Bledsoe stated that there was a discrepancy in the times at the November 29, 2012 special meeting. A motion to approve the minutes of the special Board meeting held on November 28 and 29, 2012, with those corrections, and the minutes of the executive sessions held during that meeting was made, seconded, and approved unanimously.

GENERAL MANAGER'S REPORT

At 10:12 a.m., General Manager Deb Daniel thanked everyone for coming to the meeting, and gave a brief report on the Conservation Survey responses that the Conservation Committee had sent out to the Groundwater Management Districts and County Commissioners, noting that most of the feedback was positive and they felt a survey needed to be distributed throughout the Basin to all well owners. Next, General Manager Daniel informed the Board that she and President Coryell had met with the Board of Directors of the Sandhills Groundwater Management District (GWMD) to request approval to export up to 500 acre feet of groundwater until December 31, 2013, to complete testing of the Compact Compliance Pipeline (Pipeline). Next, Mrs. Daniel reported that she will be meeting with employees of the Colorado Division of Water Resources regarding the permits for the Pipeline. Finally, General Manager Daniel presented the financial report and the disbursements for the quarter ending December 31, 2012, which were previously sent to the entire Board electronically as well as being included in the Board packet. General Manager Daniel answered questions from the Directors about the financial report and the disbursements. A motion to approve the financial report and the disbursements for the fourth quarter of 2012 was made, seconded, and approved unanimously. General Manger Daniel also noted that a mileage rate change of .56 per mile took effect January 1, 2013.

PROGRAM UPDATES AND REPORTS

At 10:30 a.m., Tracy Travis, Compact Compliance Pipeline Operations Manager, gave a brief report on the Pipeline and answered questions from the Board regarding draining the water out of the Pipeline to prevent freezing. The Board of Directors also suggested that Mr. Travis put together a list of equipment that he would need for maintenance of the Pipeline.

At 10:59 a.m., Tim Davis, RRWCD Program Consultant, provided an update on the Conservation Reserve Enhancement Program (CREP) and the Agriculture Water Enhancement Program (AWEP). Mr. Davis stated that the RRWCD is currently operating under the original CREP agreement, having 10,000 acres to fill. Next, Mr. Davis gave a brief report and answered

questions from the Board regarding the preliminary Conservation Surveys, which had been sent to Groundwater Management Districts and County Commissioners within the Republican River Basin, noting that the overall response was positive.

Director Greg Larson reported that the Colorado Water Congress (CWC) will have its annual winter meeting January 30 through February 1, 2012, which he planned to attend.

Director Gene Bauerle reported that General Manager Deb Daniel will be doing a presentation about the RRWCD at a meeting of the South Platte Roundtable in April. He also said Wayne Skold is the new representative for Sedgwick County.

Director Jack Dowell did not give a report on the Republican Weed Control projects; however, Director Greg Larson showed the Board recent newsletters of the Colorado Corn Growers, which had articles by Fred Raish on the restoration projects.

Director Byron Weathers had nothing to report on the Yuma County Water Authority (YCWA).

Scott Meiklejohn, RRWCD state lobbyist, discussed the prospects for various bills that are currently being looked at in the state legislature. He said he would be keeping an eye on any bills that pertain to the RRWCD.

Christine Arbogast, RRWCD federal lobbyist, discussed the prospects for federal legislation and funding for conservation programs in 2013 and suggested the Board consider meeting with the congressional delegation in March or April to discuss the importance of conservation programs.

Pam Shaddock, Regional Director for Senator Udall, informed the Board that Jimmy Hague, Senator Udall's Legislative Assistant in charge of water and agriculture, would be at the Colorado Water Congress Convention and a meeting could possibly be set up between Mr. Hague and the RRWCD at that time.

David Robbins, RRWCD legal counsel, briefed the Board on the Draft Report of the Special Master in Kansas vs. Nebraska. Peter Ampe, RRWCD legal counsel, said the States would be filing comments and proposed revisions to the Special Master's Draft Report on January 22, 2013. Mr. Robbins also informed the Board of other matters that legal counsel had been working on, including working with State Engineer Dick Wolfe to draft resolutions to be submitted to the Republican River Compact Administration (RRCA) to approve the Pipeline and revising the representation of Bonny Reservoir in the RRCA groundwater model and filing an engineering report in the Hutton Educational Foundation's lawsuit regarding the Hale Ditch water right in Case No. 11CW186.

At 12:20 p.m., President Coryell recessed the meeting for lunch.

At 1:06 p.m., the meeting was re-convened.

PUBLIC COMMENT

At 1:06 p.m., President Coryell invited comment from the public. There were no comments from the public.

BOARD DISCUSSION AND ACTION ITEMS

At 1:17 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 notice 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 2013. After discussion, a motion to discuss the rates in Executive Session was made, seconded, and approved unanimously.

Finally, General Manager Deb Daniel and Director Brent Deterding, representing Central Yuma Groundwater Manage District, briefed the Board on an application submitted to the Colorado Ground Water Commission to change the point of diversion of Permit #23205-FP located within the Central Yuma Groundwater Management District. David Robbins, RRWCD legal counsel, discussed the impact the change of diversion could have on the RRWCD's water rights. After discussion, a motion was made allow the Central Yuma Groundwater Management District to proceed with the application without the filing an objection or other participation by the RRWCD. Having no second, the motion failed.

EXECUTIVE SESSION

At 1:36 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 from the RRWCD's attorneys on legal questions concerning compact compliance, the Pipeline construction contract and use of water to test the Pipeline in 2013 & 2014; discuss & determine positions, develop strategies, and instruct negotiators concerning the use of water to test the Pipeline in 2013 & 2014; discuss the sale of property & the purchase of surface water rights, and receive legal advice on legal questions related to the sale of property & the purchase of surface water rights, litigation concerning surface water rights, and the report of the Special Master report in Kansas v. Nebraska, and to discuss the proposed rates for Professional Associates. The motion was seconded and passed unanimously. President Coryell stated that no adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall occur in executive session. Before entering into executive session, President Coryell thanked the public for attending the meeting and asked the District's Professional Associates to exit the room while the Board discussed the proposed rates for 2013.

At 2:15 p.m. the Professional Associates were asked to join the meeting.

At 3:39 p.m., the executive session ended.

A motion was then made to approve the proposed rates for Professional Associates for 2013, with the exception of Premier Accounting, Inc., and to direct the President and General Manager to speak with John Willard of Premier Accounting, Inc., concerning its proposed rates. The motion was seconded and passed unanimously.

A motion was made to re-nozzle a sprinkler with new regulators on the property owned by RRWCD, which is leased to Bledsoe Cattle Company, and, if re-nozzling did not fix the problem

with the well, then a new well would be drilled. After discussion, the motion was seconded and passed unanimously.

OLD BUSINESS

There was no old business.

NEW BUSINESS

The Board then discussed conservation and also heard from CAPA member Tony Mangus regarding conservation and the RRWCD.

At 4:53 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