

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

October 11, 2018

Wray, 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 Cobblestone Inn and Suites in Wray, Colorado.

Present Were:

Board Members:

Rod Lenz, President
Greg Larson, Vice President
Tim Pautler, Secretary
Aaron Sprague, Treasurer
Gilbert Anderson
Wil Bledsoe
Kevin Penny
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.
Randy Hendrix, RRWCD Engineer, WAE Engineering, LLC
Tim Davis, RRWCD Program Consultant, TJD LL

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 10:00 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 all Directors attending the meeting, Secretary Pautler declared that a quorum of the Board was present.

President Lenz then recognized Dusty Johnson of Congressman's Ken Buck's office and Darlene Carpio of Senator Cory Gardner's office for attending the meeting.

President Lenz then announced the re-appointments of Wil Bledsoe for Lincoln County, Wayne Skold for Sedgwick County, Stan Laybourn for Washington County, Brent Deterding for Central Yuma GWMD, and Roger Seedorf for WY GWMD. President Lenz then swore in new director Kevin Penny who was appointed by the Plains GWMD. President Lenz thanked Dennis Coryell for his years of service on the RRWCD board and asked Mr. Coryell to attend the RRWCD quarterly meeting on January 11th, in Burlington, to allow the Board to honor him for all his efforts for the RRWCD.

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 Board meeting held on July 12, 2018. These documents were also included in the Board packet today. President Lenz asked if there were any changes or corrections to the minutes. A motion to approve the minutes of the Board meeting held July 12, 2018, was made, seconded, and approved unanimously. President Lenz then asked if the Board had any changes or corrections to the executive session minutes of the Board meeting held July 12, 2018. With no changes a motion to approve the executive session minutes was made, seconded, and approved unanimously.

PRESIDENT'S REPORT

At 10:14 AM, President Rod Lenz started his report by stating that there is a lot happening with the RRWCD. Lenz listed various events the RRWCD is involved with including the keeping up with the negotiations over a farm bill, CREP, real estate offers, master irrigator meetings, GWMDs pilot programs, how to handle the potential \$2 million that might come from the State due to the State's settlement with Kansas, and surface water rights. He said that in keeping up with all of those issues means that our committees are always active and busy. Mr. Lenz thanked the committees for all their work and asked them to be ready to refocus at the retreat. He continued to express the need to be ready at every moment to educate anyone with questions or concerns. Since the CREP Revised Agreement signing, the 3 states have started being more transparent. He reported that while attending a meeting in Dumas Texas, we even saw 11 states that have started working together more on water use and water conservation. Mr. Lenz then stated that the RRWCD is a big part of these multi-state efforts, and Deb Daniel has been asked to attend more and more meetings outside of the state as an expert participant in water management.

GENERAL MANAGER'S REPORT

At 10:30 AM General Manager, Deb Daniel gave her report. She started by emphasizing the importance of the CREP signing. She stated having Under Secretary Bill Northey participate made this an exceptional event and she presented several photos of those who attended the CREP Amendment signing. Ms. Daniel then reported further on the Master Irrigator program meeting she, Rod Lenz and Steven Meakins attended in Texas. She stated that it was a great opportunity to learn about the program and is excited to see it get started in the RRWCD Basin. Ms. Daniel then reported on the RRWCD Basin tour she gave to Representative Jeni

Arndt, the Chairman of the Interim Water Committee. Representative Arndt ended the day having a much better understanding of the RRWCD and the needs of the producers in the basin. She then reported on an irrigator in the basin who took advantage of the OAI funds for soil moisture monitors. Ms. Daniel reported the RRCA will meet on November 6th to discuss amending the resolution which requires Colorado try to get 25,000 acres retired by 2027. She then introduced Randy Hendrix, owner of Hendrix Wai Engineering, who will now be serving as the primary water engineer for the district. Daniels reported on the Kansas Dept of Natural Resources meeting she attended in St. Francis, Kansas. The Kansas water officials waere asking for public opinion on where to use the two million (\$2,000,000) which they were going to receive from the State of Colorado, as payment for past depletions. A survey was handed out by the Kansas officials and the public was asked to submit the completed surveys in the next few weeks.

Ms. Daniels reported that the RRWCD Conservation committee had met to discuss their recommendation for the best use of the additional two million (\$2,000,000) of funds appropriated by the General Assembly to be used in the settlement with Kansas, which Kansas had asked to be committed to conservation efforts in the South Fork basin within Colorado. The committee recommended that Colorado allow the RRWCD to use the funds to create incentives such as for a signing bonus that would be available to those who sign up for a conservation program in the South Fork Focus Zone.

Ms. Daniels closed her report by describing an all-day workshop that the Colorado Agriculture Water Alliance is offering to sponsor in the RR basin focusing on water conservation.

FINANCIAL REPORT

Administrative Assistant Suzanna Cure gave the financial report for the quarter ending September 30th, stating that a payment on the CWCB pipeline loan had been made as well as CREP payments were sent during the past quarter. The financial report was previously sent to the entire Board electronically as well as being included in the Board packet.

John Willard, from Premier Accounting, then spoke on the audit. The audit went very well and smoothly and there were no exceptions requiring Board action.

John updated the board on the PERA audit. They now allow auditors to use the previous year's audit of PERA. In Mr. Willard's opinion the auditors the District has in place are very good; Jerry County is in the process of retiring but is leaving the District in good hands with Sarah Bailey.

The financial report was accepted with a motion which was seconded and approved unanimously. The audit was also approved through a motion, seconded and approved unanimously.

CCP OPERATIONS REPORT

Tracy Travis, CCP operations manager, gave his report on the operations of the Compact Compliance Pipeline. Start up went well on September 18th and they are currently pumping 61-acre feet a day. Tracy also stated he has received two proposals from John Deere and Kubota for a new tractor. Both proposals are in the range of \$47,000. The new tractor would help with pipeline maintenance and daily operations. Tracy Travis will get bids and talk to Tim Pautler, Chairman of the PTAC committee, about finalizing purchase of

a tractor. There was some discussion about a question if 50 HP will be enough. Tracy will take that into account. David Robbins advised the board to update Tracy Travis's contract to reflect how the tractor operation and maintenance will be handled under his contract. Tracy was asked to provide a report on how each well is pumping compared to the past.

BUDGET HEARING

At 10:38 AM, Aaron Sprague chairman of the Budget Committee, started his report on the potential for changing the RRWCD Fee Structure. The Committee meetings started out with information given from all sides. At the August 29th meeting the GWMDs were tasked with deciding on a fee structure to recommend, whether it be one that the Budget Committee has presented or a new one. Aaron explained there will be a sub-committee working to discuss rate fee structure options in order to narrow them down through the Board Retreat and January meetings with a goal of approving a replacement fee structure at the April Quarterly meeting. He pointed out that it is important to maintain the timeline to implement the new rate fee for the next year. He also spoke on the Budget meetings and the fact that funds have been left to continue trips to Washington D.C. The pipeline O&M has also been increased and may need to be increased more for a new tractor. Additional funds have been added to meeting expense to help advertise and educate the public on the new CREP Revised agreement.

At 10:44 AM the Board opened a Public Hearing on the proposed 2019 budget for the RRWCD and the RRWCD WAE. Notice of the hearing had been published in accordance with law. Aaron Sprague, Budget Committee chairman opened the Public Budget Hearing. John Willard RRWCD Accountant, began by informing the Board that the Budget Committee had met previously to prepare the 2019 Proposed Budget. Mr. Willard reviewed the 2019 Proposed Budget Notes and each additional item through the budget and discussed how various elements went into each total. Mr. Willard went into detail on the funds coming in and out of RRWCD's account over the next two years from TNC and CWCB for the SFRRRC project. Mr. Willard answered questions regarding the budget and continued to clarify the Budget for the Board. For the tractor expense Mr. Willard updated the Pipeline O&M expense to \$650,000 and decreased the water purchase/lease by \$50,000. This does not affect our final number but will affect cash flow for future years. Mr. Willard asked the Board members if they had any more questions. Mr. Sprague asked if there were comments or questions from the public. A comment from Cindy Buell was directed to her concern around, 'why aren't more people signing up for conservation programs?' Tim Pautler answered her question, pointing out that the District does have producers waiting to sign up for CREP under the revised agreement, but we are unfortunately waiting for a farm bill to be passed or an extension of the existing farm bill to be approved. There is no funding available for the OAI program under the current situation. Dennis Coryell added that if the RRWCD district boundary changes then the District will have additional funds coming in starting in 2020. Coryell asked if that was on the Board's radar. Rod Lenz responded that it is on our radar but not a part of our 2019 budget because it hasn't happened yet. Deb Daniel added that if anyone is interested in any conservation program, they need to go to the FSA office or the NRCS office and tell them that you are interested. They keep track and gauge interest for the future of the program. Aaron Sprague then asked for any additional public testimony, questions, or comments. There being none the Public Budget Hearing then was closed at 11:25 AM.

COMMITTEE REPORTS

- Director Steve Kramer, chairman of the Conservation Committee, stated the conservation committee is in support of educating the public about water conservation and appreciated the Colorado Ag Water Alliance workshop that is scheduled on December 12th, in Burlington, CO. We need to make sure the public knows that these programs are available. Another topic after being in a community meeting pertaining to school finances, he became aware that people aren't aware of what could happen if more irrigation retirement happened in the area. He believes land values could increase. With some wells being retired other wells will have increased longevity. The conservation committee needs to consider meeting with the public to help educate and answer questions.

Federal Lobbyist Report

- Christine Arbogast, RRWCD Federal Lobbyist, stated it is frustrating that Congress didn't come to an agreement on the Farm Bill before the end of the fiscal year. Congress also didn't want to file an extension of the existing Farm Bill because they wanted to address the issues at hand. Congressional leadership is working very hard at solving disagreements between the House and Senate versions of the Farm Bill. Their goal is to have a farm bill agreed to before the election and present it for approval once the election cycle is over. The biggest issues holding up the Farm Bill are SNAP and nutrition. Ms. Arbogast was confident that Congressional leadership is pushing to get a farm bill passed. She believes they want to get it approved during the lame duck session. She continued reporting that an opioid bill had just passed Congress along the bipartisan lines. Another bill, the water resource development act was also expected to pass before Congress adjourned, which is another good sign of bipartisanship. She said there was talk about bringing back designated congressional spending (earmarks) because many in Congress feel that they have lost their role in directing where federal program money goes. The RRWCD may be able to work with the delegation to help with projects like those at Bonny. Of course, there would be regulations on how to spend that money and it would have to be disclosed. Between Bennet, Gardner and Buck, there are no expected changes. David commented that the Board has only existed in an era with no earmarks. In an earmark era the Board will have to make sure they make trips to Washington DC to ask for earmarks. Being face to face in DC will be significantly more important. If some compromise doesn't happen soon the House and the Senate may have to go to a Farm Bill Extension.

COMMITTEE REPORTS (CONT)

- Director Steven Meakins, chairman of the Innovative & Technology Committee, gave his report on his trip to Dumas TX to learn about the master irrigator program. The Northern Plains GWMD in Texas has developed this program and have used it for the past 3 years. The classes go over 4 days and a fee is required to attend. They cover everything from soil science, timing of irrigation, and farm profitability. He stated that irrigators in the northern TX are required to graduate from the class in order to receive funds from the EQIP program. Meakins is hoping this is something that can be implemented in the Basin. There is a lot to figure out but seems very promising.

- Director Wil Bledsoe, chairman of the Legislative Committee reported that he had been in contact with Rep. Jenni Arndt and Sen. Jerry Sonnenberg before the interim Water Committee. Bledsoe gave credit to Sonnenberg for not strong arming the boundary adjustment bill and not vocally opposing it. One part of the bill includes changing the RRWCD meetings. The required meeting dates will be changed to the 3rd Tuesday of the month and of course the boundary will change. He also brought up the question that the Board may want to consider opening up the qualifications to be on the Board to those who own land in a county instead of just those who actually live in a county. Legal counsel stated that it may be possible to offer an amendment to the current bill when it is introduced in January because the title is so broad. A broad title gives more opportunity to amend a bill.
- Greg Larson, chairman of the Negotiating Committee, told the Board that in the Board packet there is a copy of the Y-W contract for the communications tower to be constructed on the collection tank site of the CCP pipeline. He also reported that the Dryden property lessee is up to date on all bills, and the sub-lessor has made all payments to date.
- Roger Seedorf, chairman of the Personnel Committee, reported that personnel evaluations have been completed and salary discussion will be completed at a later date to include all committee members. Salary recommendations will be given at the Board Retreat.
- Steven Meakins, chairman of the Nominating Committee, stated that elections will be held later in the day and they will entertain nominations from the floor at the time of the election.
- Tim Pautler, chairman of the PTAC Committee, reported that the tower project agreement is close to completion and he will begin looking for a tractor with Tracy Travis.

At 12:02 PM the meeting was adjourned for lunch.

At 12:40 PM President Lenz reconvened the meeting.

ORGANIZATION REPORTS

- Colorado Groundwater Commission — Director Steve Kramer started his report saying that there are a lot of big issues regarding water in the state, from city water to illegal use of water. The CGC tries to meet somewhere in the state to visit a water project. They would like to know more about the CREP program and they would like to visit when the pipeline is running.
- Colorado Water Congress – Director Greg Larson reported on Colorado Water Congress, and said that he had a good conversation with Bob Randall, executive director of DNR, about the \$2 million and reminded him that the pipeline was ok'd by all three states if we focused on additional conservation measures in the South Fork.
- South Platte Basin Round Table – General Manager Deb Daniel reported that the South Platte Basin Round table is still considering water storage facilities along the South Platte. Daniel went on to say that funding is limited but she would be willing to help anyone who is considering applying for funding, .

- South Fork Republican Restoration, Kenny Helling reported on past meeting the SFRRC has held and presented pictures to give the board a better visual representation of what has been accomplished. He stated that the coalition plans to have more public meetings in November, one in Burlington and one in Idalia. There will also be meetings with the technical team so that the public will be able to put a face to those working on there property and the public property that neighbors them.

PUBLIC COMMENT

At 1:04 PM President Lenz invited comment from the public.

- Dave Keeler had been asked by President Lenz to give an analysis of his career and his position as the lead Republican River Water Commissioner for 12 years. He will be retiring at the end of the year. He grew up by the Laird Ditch and has worked on a ranch where he ran a 3,000 head cow calf operation. He spoke about learning about sprinklers, pumps, efficiencies and started with DWR. He became water commissioner in 2004. He started monitoring and maintaining the compact gauges. He has worked with BOR for many years and has maintained a healthy relationship. He tried to treat all water users the same and fairly. He also worked closely with GWMDs and the RRWCD. The early compact meetings were always a challenge. Draining Bonny was also very tough, nobody wanted to see it done and the process of draining the reservoir was a lot of work. Keeler always tried to listen and consider all to find the solution. He encourages the board to listen and to continue to strive to solve problems. The board thanked Keeler for his years of service.
- Dusty Johnson, with Representative Ken Buck's office, spoke about the opioid package which was recently passed so that all first responders can coordinate on the crisis. The US, Mexico and Canada trade agreement has also been passed and we are starting to see the benefits of that.
- Darlene Carpio, Senator Gardner's office, stated they do not think we will see anything done with the Farm Bill anytime soon. However, the EPA will begin rule making for sales of E15. Water infrastructure act of 2018 passed yesterday, something she suggests the Board looks at.
- Derek Glosser, from City of Akron, wants to know how the boundary expansion will affect the town of Akron. He reported they have wells outside of the RRWCD boundary and they are thinking they may already have returns flows from what they use to off-set the town's depletions to the Republican basin. He asked if the board would be willing to review a report that the town of Akron's water resources engineer would generate considering their wells that are outside the boundary. David Robbins replied that the board could consider each Akron Well as a special situation. However, the State and USGS determined the boundary and the board could not change that. President Lenz advised Derek to stay in contact with the Board.
- Chelsea Erikson, Kansas Division of Water Resources, stated that the South Fork Forum survey is now on their website. She then expressed interest in the South Fork Republican Restoration Coalition activities and would like to attend public meetings in hopes to take ideas back to Kansas and hopefully build collaboration.

- Water Preservation Partnership – Director Steve Kramer, working with Jordan Sutter out of CSU and getting producers to report usage back to CSU and Jordan wants to expand across the basin. The WPP is also very interested in the master irrigator program. He would like to help out and see what the WPP can add to the program. Brandi Baquera, she has been pushing everyone to get involved. She wants to get something set up in our area and spread out throughout the basin. She believes the master irrigator program could possibly be the answer for everyone in the area.
- Yuma County Water Authority – Kenny Helling stated the Yuma County Water Authority, continues to work on the Hutton lawsuit. He pushed YCWA to get a resolution to the Interim Water Committee to show support for correcting the RRWCD Boundary.
- Yuma County Pest District – Roger Seedorf reported, work on the Lengal project is only about a third done and needs more funds to continue. Lengal has talked with SFRRRC and has provided maps for the coalition. He has also asked Mike Foor for scientific projects that shows how streamflow is affected when trees are removed. Kenny stated that Mark Lengal would like to give a report on how his tree shredder works. Deb added that the piles of trees would become hazardous should a massive rainfall event occur. Daniels stated that Cheyenne County Pest District in Kansas is working on similar projects and encouraged us to keep in contact with them. Tim Davis stated that USGS has many reports on tree projects

PROFESSIONAL AND LOBBYEST REPORTS

- Tim Davis, RRWCD Program Consultant, shared that we will have a farm bill eventually. He thought that it would be premature to talk to groups about our programs before the farm bill is approved. He has been asked to discuss an amendment put together by Kansas Senator Roberts. It would amend portions of CREP to allow farmland added into the program to be dryland farmed for a reduction in the irrigated rental rate. Mr. Davis stated he feels this does not have enough support and is not a good idea. The dryland farming issue is solved with EQIP programs without going into CREP. Mr. Davis also feels the amendment doesn't address habitat, drainage, and soil erosion. Mr. Davis continued with reasons against the Amendment that would allow producers to be able to dryland farm on CREP acres with new contract sign-ups. Tim Davis then answered several questions presented by the Board. The greatest concern being the South Fork Focus Zone. Steven Meakins asked if we had taken the time to sit down and figure out what the rate needs to be to get acres signed up. Mr. Davis stated we haven't figured it out for a number of years. President Lenz stated it is probably less about the money and more about the ability to be able to farm it. Steven Meakins agreed but insisted that we need to get a number that would get us the needed number of acres. Tim Davis explained that the FSA works from a formula to determine rental rates. Steven Meakins responded that it isn't working and we need to figure out what will work. Tim Pautler alluded to the fact that we need to work with other agencies because the RRWCD can't fund it by ourselves.
- Scott Meiklejohn, RRWCD state lobbyist – reported the Interim Water Committee completed their activities and came out with their report that included 4 Bills. First of all, the Republican River Bill, severance tax operational fund distribution bill that changes how they transfer money in the

treasurer's department, and then two memorials: memorial A is asking Congress to provide funds for the Arkansas valley cottonwood project and Memorial B to dredge Lower Arkansas River.

Regarding the RRWCD bill, the Interim Water Committee bill meeting is scheduled at 9:30 am. It is not typical that there is an issue with the bill. The next step is that the bill will be introduced, read across the table (3 times), the Speaker of the House will most likely assign it to the Natural Resources Committee. He said that David Robbins did a fantastic job testifying before the Interim Water Committee and finally brought clarity to the issue. They have to verify that the bills won't have an impact on the State budget. The process is repeated in the House and the Senate. This process could be done in the first part of February but of course that could change.

One thing we know will happen is that we will have a new governor and a new cabinet. We don't know what will happen. We believe the state house will stay democratic, but the Senate is open. Nobody knows how that will fall. Senator Jerry Sonnenberg has a chance of becoming president of the Senate. His greatest concern is that the Republican boundary bill's title is so broad that there is a chance of adding in some other broad issues. We know we will have some opposition because we already have opposition from East Cheyenne. They have a chance at trying to make an amendment both in Committee and during the 2nd reading.

- At 2:00 PM Randy Hendrix gave the Engineer's Report — He has worked on the pumping estimate for the compact compliance pipeline and getting numbers to Willem Schreuder. He has identified a conflict in irrigation acres. He will also start working with Pete Ampe on a Water use Policy. Other work has included, the possibility of adding in the Harsh property to the pipeline. He has also done a lot of work with the SFRRC and work on wells that are outside the current boundary and that will be brought in with a boundary change.
- Pete Ampe and David Robbins, RRWCD Legal Counsel, Attorney's Report – The State Engineer's office has pretty much finalized basin rules and will be accepting comments until the end of the month. The Board reported that the Board should expect those to be filed in water court by the end of the year. Pete reported that he has been working on the Tip Jack case and is feeling good about the position.

Pete then discussed the orphan well that was originally included in the change of water rights package but needs to resolve conflicts with CGWC and then the Board will need to go to Sandhills GWMD to get the export approved, the water will not be pumped out of Central Yuma GWMD but the historical use to be applied to Sandhills GWMD and exported using the pipeline.

Mr. Ampe also touched on having conversations with State Engineer's office and CWCB on the possibility of RRWCD acting as the pass thorough entity or agent for the \$2 million allocated from the Kansas settlement appropriation for the South Fork Focus Zone.

Peter then discussed the potential to have funds collected from irrigated acres that have not been properly assessed, but stated that can only occur if it has been completely left off the tax roll. Only then can the District go back and get funds. If it was just undervalued, they County cannot go back

and get funds. Discussion occurred if the landowner is required to self-report to the County Assessor. Pete Ampe agreed to research and clarify that for the Board.

David Robbins, reported that the Sedgwick County Commissioners would like to receive more information before drafting a letter of support for the RRWCD boundary bill. He also said that we need a letter of support from Logan County. Representative Jeni Arndt will be carrying the Bill in the House. He confirmed that Senator Sonnenberg was also a big help at the Interim Committee. He commented that no one currently in the District was able to vote to be in the District and there was no reason to suggest that newly included land should have that right either. Mr. Robbins is proposing that the \$2 million appropriated by the Legislature should be transferred into the RRWCD-WAE, so the funds can be spent on the South Fork and so it can be the responsible party. He still needs to get the wording and structure completed. It may be necessary to create a new water activity enterprise to manage the funds. He then commented on Amendment 74 that is on the ballot and provides for compensation if any government action “reduces the value” of property. He suggested that as a government entity it contains significant risk to the District and the Board, because anyone could claim that land value is decreased because of a government entity they should be compensated. Litigation is possible if the Amendment passes.

The State engineer’s office will be accepting comments on the proposed basin rules until October 19th. The basin rules will apply to the whole basin and not just to those wells currently in the RRWCD boundary.

Reports from GWMDs on Recommendations for RRWCD Water Use Fee

The first option is the current fee of \$14.50/irrigated acre, the second option is a split rate based on the a set rate per irrigated acre coupled with an annual pumping charge and the board is open to additional concepts brought forward by GWMDs.

- Arikaree GWMD – Rod Mason reports that his board is still discussing. They want to make sure the fee structure has a positive impact on the Arikaree. Arikaree does not have a decision at this time.
- Central Yuma GMWD – Brent Deterding stated that his board is still trying to get their head around the split rate but would go for a decision today staying with \$14.50/acre but adding something based on depletions.
- Frenchman GWMD – Steven Meakins everyone is in favor of looking at a split scenario and a depletion system for accountability.
- Marks Butte – Gil Anderson stated the Marks Butte wants to look at the options on table
- Plains GWMD – Kevin Penny, gave a PowerPoint presentation, he gave some background on the Plains District, the fee structure and the boundary issue. Changing the boundary will add about 242 wells or 35,000 acres to the RRWCD, the Plains District adopted a resolution to support the boundary change. The Plains District proposes and supports a split fee structure. The proposed split fee would be based on water usage, as much as 70% but not to be less than 50%.

- Sandhills GWMD – Rod Lenz stated that Sandhills believes the \$14.50 holds precedence as being the most equitable but would support a split rate if it included depletions.
- W-Y GWMD – Roger Seedorf also like the \$14.50 but may support split rate if it included depletions.
- Aaron Sprague introduced the idea of a Budget sub-committee to report back to RRWCD on November 29-30, 2018 at the Board Retreat. Aaron would like to see the sub-committee include members from around the basin. The sub-committee would need to narrow down the list of options and keep moving forward with the proposed timeline. They could start comparing numbers to concepts and report pros and cons at the Board Retreat, report on final rate fee structures in January and have a Board vote in April.
 - Aaron Sprague then introduced a proposed Budget sub-committee to go over the rate fee structures, to include: Rod Lenz, Aaron Sprague, Kevin Penny, Wil Bledsoe, Roger Seedorf, Steven Meakins, and Grant Bledsoe. Brent Deterding suggested Nate Midcap and Alan Welp to be on the Budget sub-committee. Kevin Penny also recommended Barry Hinkhouse and would check to see if he was interested. There were no oppositions to the nominations. Dennis Coryell suggested Tim Pautler to include Kit Carson representation because that area is so heavily affected by the decision. With no opposition Tim Pautler was accepted to the sub-committee. Director Sprague did clarify that the decision on the rate fee structure is going to affect everyone in the basin.
 - The sub-committee will meet before the 29th of the November for the Board Retreat.

Policy Reports from Legal and Engineering

- At 2:45 Pete Ampe reported on a draft written policy addressing non-groundwater irrigation use fees within the RRWCD. He and Randy Hendricks have been looking at what percentage of groundwater pumping effects the compact, that came out to about 3-4%. Surface water is charged by the Compact Accounting at 60% of diversions are treated as depletions. As a result to be fair the surface water fee should be approximately 20 times the groundwater to match the impact for 100% of pumping. Under the rules for the compact, wells that have an augmentation plan would not be subject to the fees. The idea is to limit further expansion or new water uses that could adversely impact the compact compliance efforts of the District. The draft policy states that the Board would not protect new water uses using the CCP. Mr. Ampe suggested the Board read the draft policy carefully and bring up any problems or concerns with the policy. David Robbins emphasized that before it could be adopted the Policy needs to be discussed during a meeting that is held inside the basin so that water users have an opportunity to comment before a voter is taken. He suggested that the District put the policy on our website and put out notices that the policy is on the website and would be available at the RRWCD office. Effective date would have to be at a future date to give time to producers to have input.

The question was asked “Why wouldn’t we want to put this issue into the Basin Rules instead of creating an RRWCD policy?” Mr. Ampe answered that it is possible to make a rule for this. We could ask the state to do this, but we cannot guarantee they would adopt it. Rod Lenz recommended that the Board continue with the policy discussion and try adding it into the State’s rules.

The Legislative Committee will take the lead on the policy and steps needed to add it to the rules.

- David Robbins gave a report on a proposed RRWCD policy providing that no new appropriation of surface water or groundwater will be entitled to rely on compact compliance operations of RRWCD. The Board briefly discussed the draft policy. President Lenz stated the Board will discuss the policy further during the retreat and the quarterly Board meeting in January

BOARD ACTION ITEMS

- The Board was presented Resolution 18-01 to adopt a budget for the Republican River Water Conservation District and the Republican River Water Conservation District Water Activity Enterprise for fiscal year 2019. With some discussion a motion to approve the resolution was made, seconded and approved unanimously.
- The Board was presented Resolution 18-02 to appropriate sums of money for the Republican River Water Conservation District and the Republican River Water Conservation District Water Activity Enterprise for fiscal year 2019. A motion to approve the resolution was made, seconded and approved unanimously.
- The Board was presented Resolution 18-03, for approval of the certification of Special Water Use Fee Assessment for Yuma County. A motion to approve the resolution was made, seconded and approved unanimously.
- The Board was presented Resolution 18-04 to allow for location of a special meeting of the board to be outside the District Boundary. The meeting will be held in Denver, CO, on November 29th – 30th, 2018. A motion to approve the resolution was made, seconded and approved unanimously.
- Then the board discussed the contract with the YWEA & Cure Land for installation of a communication tower in the CCP collection tank yard. RRWCD and Cures have agreed to split a \$5,000 one-time fee from Y-W Electric Association. A motion to approve the contract was made, seconded and approved unanimously.

Election of Officers

At 3:09 the election of officers began for 2019.

Director Steven Meakins stated that Rod Lenz had submitted his name for the position as President. There were no nominations from the floor. A motion to cease nominations and cast a unanimous ballot for Rod Lenz as President was made, seconded, and passed unanimously.

Greg Larson had submitted his name for Vice President. There were no nominations from the floor. A motion to cease nominations and cast a unanimous ballot to declare Greg Larson as Vice President was made, seconded, and passed unanimously.

Aaron Sprague had submitted his name for Treasurer. There were no nominations from the floor. A motion to cease nominations and cast a unanimous ballot to declare Aaron Sprague as Treasurer was made, seconded, and passed unanimously.

Timothy Pautler had submitted his name for Secretary. There were no nominations from the floor. A motion to cease nominations and cast a unanimous ballot to declare Timothy Pautler as Secretary was made, seconded, and passed unanimously.

No Executive session was held.

Old Business— There was no old business

New Business—Tim Pautler stated that he appreciated Tim Davis’s comment that we need to be ready to advertise the revised CREP agreement. The executive committee will talk about the best way to promote the revised CREP agreement.

3:16 PM Motion was made to adjourn the meeting, seconded and passed unanimously

Secretary

Date