

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

July 13, 2017

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 Phillips County Event Center, Holyoke, 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

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

Darlene Carpio representing Senator Cory Gardner's Office

Dusty Johnson representing Congressman Buck

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 10:06 a.m., welcomed the public and opened the meeting with the Pledge of Allegiance and a prayer. Administrative Assistant Suzanna Cure conducted a roll call of the Board members, Tim Pautler and Stan Laybourn were absent at the time of roll call. Suzanna Cure 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.

Stan Laybourn and Secretary Tim Pautler entered the meeting at 10:10am

Minutes of the quarterly Board meeting on April 13, 2017 and the executive session during that meeting along with the minutes from the May 3, 2017, and June 21, 2017, special teleconference Board meetings were approved unanimously with no changes.

PRESIDENT'S REPORT

10:14 AM Chairman Rod Lenz gave the President's Report and discussed the CREP Amendment. He thanked everyone for their dedication and hard work on this project. The House Appropriations committee approved a 5% reduction to conservation programs. Lenz also reported on a Ken Buck listening session he attended where Ken Buck shared his vision and concerns. Buck wants to see water importation into the Northern High Plains Basin in Colorado. President Lenz would like to discuss possibilities and concerns about this concept at the end of the meeting. Lenz also mentioned a letter from the Central Yuma Groundwater Management District and their concerns.

President Lenz then asked new Administrative Assistant Suzanna Cure to introduce herself to the Board.

GENERAL MANAGER'S REPORT

10:20 AM General Manager Deb Daniel talked about the bittersweet moment with Dawn Webster leaving. Daniel knows that Dawn is happy with her new position. Deb Daniel then welcomed Suzanna Cure into her new position with the RRWCD. Daniel continued her report informing the board that Dick Wolfe has retired, effective June 30th. James Eklund resigned and Becky Mitchell has been appointed as the new manager of CWCB. The RRWCD Board retreat has been scheduled for Nov. 30th and Dec. 1. Manager Deb Daniel also reported on the renewing of CDs with a higher interest rate. We have been working hard on the CREP amendment, Daniel thanked to everyone for their hard work. The RRCA Annual Meeting will be held in Burlington, August 22nd, workshop will be in the morning and the meeting will be held in the afternoon. Because of the change in scheduling of the RRCA The RRWCD will not be offering the reception this year. Daniel informed the board that there has been some interest in CREP contracts, while others are waiting for the amendment. We will have an OAI in 2017. Deb has asked NRCS to let her know of any submitted applications.

FINANCIAL REPORT

Suzanna Cure reported on the 2nd quarter financial report for 2017. A motion was made to accept the financial report and approved unanimously.

CCP OPERATIONS REPORT

At 10:30 AM Tracy Travis operations manager of the compact compliance pipeline gave his report. Travis reported that under 11,000 acre-feet was pumped. He anticipates the upcoming pumping season to start in October 2017 and go through March 2018. Tracy has some maintenance items to complete and sees no issues with valve fatigue. Travis will change oil at wells before the next pumping season starts. Travis does not see any issues for next pumping season.

10:36 AM Committees, Organizations, and Professional reports

COMMITTEE'S REPORTS

Director Aaron Sprague, Budget Committee Chairman, reported on the renewal and the increased interest rate of CDs. The district had a significantly higher rate offered but was able to keep money spread out throughout the basin by requesting higher rates at already established CDs throughout the basin. Sprague expressed the need to schedule a budget committee meeting. The committee needs to set a budget while remembering that we need to add the equivalent of one circle per year to the pipeline. Sprague continued another goal was to work with other committees more, which was successful with the trip to Washington D.C. Sprague stated, moving forward we need to be able to budget money for more activities. Including future trips Washington D.C. and to have the ability to take action.

Director Steve Kramer, Conservation Committee Chairman reported that the committee has great group of guys to work with. We have kept busy on CREP amendment. The committee has been looking at the whole basin and not just one's individual area. We decided at last year's retreat to support the WPP and ground water management district's as much as possible. RRWCD wants the WPP and the GWMDs to take the lead with RRWCDs support and help progress as much as possible. Symposium was a goal but want to make sure we have good material, working with WPP to do so.

Director Steven Meakins, Chairman of the Innovation & Technology Committee – The goal was to get something put together for the Dryden Property, has not worked out yet.

Director Wil Bledsoe, Legislative Committee Chairman reported that have not been meetings lately. The congressional interim Water Committee will be meeting August 2nd and 3rd. Hopefully will agree on the amendments to basin rules and get statutory changes into legislative session in January. Wil is also working with issues on Bonny, Three Rivers, The Nature Conservancy.

Director Greg Larson, Negotiating Committee Chairman – He reported on the closing on the Earl property on May 23, 2017. Dryden property has new tenant. We did have to replace the pump, motor and casing which

totaled to about \$29,000 on Dryden #5 well. Also re-nozzled two other sprinklers. Manager Deb Daniel also added that a Dryden well recently got hit by lightning will be reporting to insurance.

Director Gene Bauerle, Nominating Committee Chairman, reported no new happenings in the committee but will have report in October. Bauerle asked that if you aspire to be on an office to email him.

Personnel Committee – Roger Seedorf - reported on resignation of Dawn Webster and the hiring process of Suzanna Cure. Please see Exhibit A for Roger Seedorf's notes.

ASSOCIATED ORGANIZATIONS REPORTS

Director Greg Larson reported that Water Congress will be August 22nd-24th in Steamboat Springs, CO.

General Manager Deb Daniel reported on the South Platte Roundtable meeting held on July 11th. Chris Goemans, a professor at CSU in the Department Agriculture and Resource Economics (DARE) reported on the analysis and survey they did for the Water Preservation Partnership. He gave more information than anticipated. Chris's team really dug in and got a lot of information. They went through economics and dealing with farmers. Our decisions will influence our next generation. The Northern High Plains Basin is a big part of the South Platte RoundTable, who will meet again in August.

Bruce Gerk also attended the South Platte Roundtable meeting and reported that Deb did an excellent job representing the RRWCD. She thanked them for the funds in the process of the study. Bruce Gerk continued that the RRWCD should play a more active role in the South Platte Roundtable. We could have a big voice in conservation if we can get more people in the same room. The RRWCD needs to express the needs of Colorado. Every county could have the same representation whether it is Weld County or Sedgewick County. Gerk continued that participation from counties has dwindled over the years. We need more representatives.

Director Steve Kramer reported on the Water Preservation Partnership (WPP). The WPP has done a lot of work on Res. 17-01 will go back and look at in action items. Steve Kramer asked the Board to consider approving WPP's Resolution 17-01. WPP would like to know we have support from RRWCD and GWMDs so the WPP has a direction. Steve would like to see more representation at WPP meetings as well. The WPP would like to make headway and organize community meetings.

Director Roger Seedorf reported that Yuma County Pest District has hired Mike Foor as the general manager of the YCPD. Mike Foor will be presenting after lunch.

Director Kenny Helling for the Yuma County Water Authority had nothing new to report. The chairman of YCWA is also a Yuma County Commissioner.

Special Programs

Conservation program updates – Tim Davis reported on 2006 CREP Amendment. The Amendment started back in 2008-2009, it has had changes that have the needs of farmer and producers well thought out. The Amendment is currently at Colorado Department of Natural Resources (CDNR) where Bob Randall will approve and forward to USDA/FSA in Washington, D.C. Tim Davis would like to know that we have the

support of Colorado FSA before Bob Randall sends the proposed CREP Amendment to Washington D.C. Bob Randall or his staff will notify Pete Ampe so the RRWCD is informed of progress.

Tim Davis, RRWCD Program Consultant – would like to meet with Jenny Peterson, interim head of Colorado FSA, and Cindy Vukasin. We do expect issues in DC, regarding the proposed CREP amendment.

Deb Daniel- The RRWCD needs to be prepared for those issues in D.C.

Tim Davis described the Ogallala Aquifer Initiative (OAI) which is a conservation program permanently converting irrigation to dryland. This year the 2017 OAI is going to be paid out over 5 years instead of 3 years. The 5-year rate will be \$83/acre/year. Dawn Jackson recently received approval for \$83/acre/year over a 5-year period to convert irrigation to dryland. We need to demonstrate there is a large interest out here for practices under the OAI. Deb Daniel noted that the RRWCD still pays out over 3 years on the OAI.

Tim Davis stated that Dawn Jackson has not received approval for funding of the fiscal year 2018 OAI.

Christine Arbogast gave the Federal Lobbyist report. She started with D.C. updates, still waiting on a number of appointments at USDA, haven't got below secretary level. Nothing has been forthcoming. She stated that Brenda Burman is a nominee for Commissioner of the Bureau of Reclamation. She will be helpful on Bonny and resolving issue with Colorado Division of Parks and Wildlife. Christine also reported that the house ok'd a bill to cut agriculture programs by 5%. This amounts to 8.6 billion less spending than 2017. Areas that the RRWCD are concerned with are not affected. Arbogast does not think they will close local FSA and NRCS offices.

Scott Meiklejohn gave the state lobbyist report. The new state Engineer is Kevin Rein. He continued that not much going on at the capital, but a lot is being stirred up with people running for different positions. Meiklejohn continued by listing several bills that passed or failed. All bills and their current status can be found on republicanriver.com.

At 12:05 PM the Board took a break for lunch.

At 12:45 PM the meeting was reconvened.

Jim Slattery, RRWCD water engineer reported on his work regarding the Tip Jack application for a simple change of water right. Hutton Trust has not used the Tip-Jack in over 80 years. When you move a surface water right you have to make sure you use the historical consumptive use analysis. Hutton Trust is pursuing a simple change to move the Tip Jack water right diversion point without performing a historical consumptive use analysis. Dave Keeler, CDWR water commissioner, and Jim Slattery have been unable to locate the ditch for the Tip Jack water right.

The board briefly discussed the Tip Jack case.

Jim Slattery Reported the pipeline is scheduled to start operating in October but could be earlier or later based on river flow and rainfall.

Board member Kenny Helling asked about water flowing below Bonny Reservoir that was not being metered.

Dave Keeler stated that he opened the Sand Trap valve to control the amount of water being delivered through the Hale ditch to the Hutton Trust based on inflows into Bonny Reservoir.

Pete Ampe, RRWCD legal counsel also reported on the Hutton Trust lawsuit. Hutton Trust is trying to a simple change of point of diversion. Hutton Trust is trying to reduce the legal and engineering language to move a headgate up or down the stream. Where the Hutton trust wants to move the headgate is inappropriate because of additional water in the stream between the two points, allowing for an increase in use. State filed a motion of determination of law in the Tip Jack Change. Pete Ampe recommends that the board joins the motion. To be added to new business

Becky Mitchel is the lead on state water plan, new head of CWCB. Ampe continued his report stating the new state engineer is Kevin Rein, he will be good to work with.

David Robbins from Hill & Robbins, LLC. Robbins explained to the board that before new Administrative Assistant Suzanna Cure was hired her family has had business dealings with RRWCD. This is not a disqualifying condition for her position. However, if there is a matter in which her family is involved, she will leave the room during that discussion to avoid any implications.

Gene Baurele asked if there was there a reversal on Gallegos case. Pete Ampe replied there was no reversal, but that the Supreme Court once again upheld the denial of the de-designation of a designated basin. Gallegos family is trying to be de-designated out of the Crow Creek designated basin. Under the statue there is no reason to de-designate.

PUBLIC COMMENT

At 1:11PM the meeting was open to public comment.

Nate Midcap from the Central Yuma Ground Water District submitted engineering and other reports from the 70s for importing water from South Platte. Plenty of water that leaves the state in the winter time. Colorado and Nebraska has a compact on the South Platte which has other hurdles involving endangered species. Suzanna Cure will scan documents so Jim Slattery can review.

Darlene Carpio representing Senator Cory Gardner's Office, discussed a letter sent to ag sub-committee, letter outlining his priorities for spending. The USDA Research Station in Akron and Agricultural Research, Development and Education Center (ARDEC) in Fort Collins will stay open.

Dusty Johnson representing Congressman Ken Buck's Office, gave a report on Northern Integrated Supply Project (NISP).

1:19 public comment closed with no other comments

1:20 Mike Foor reported for the Yuma County Pest District, he has been with the district for several years and recently promoted. Mike Foor discussed goals and methods. He reported on the removal of 182 and 215 acres

of Russian olive in 2015-2016 respectively. RRWCD provided \$15,000 in 2015 with the total project budget being over \$90,000. In 2016 RRWCD provided \$20,000 with the total project budget being over \$150,000. Also used Basel Bark, the tree will die after time. Foor continued that they are concerned about trees falling creating natural dam. They have burned some wood piles using a clean burning company from Boulder. They have also re-seeded with grass and have had enough moisture for it come up. Some landowners are helping clear out trees themselves. Will continue projects and the YCPD is looking for funding.

The board held a discussion on impact of YCPD projects including discussion on benefits for wildlife, wood piles provide a small habitat. The Bonny Reservoir dry bed has a mixture grass and trees. All YCPD projects on currently down south.

BOARD DISCUSSION AND ACTION ITEMS

Steve Kramer presented on WPP's Resolution 17-01 no major differences from before other than minor wording. This will help when meeting with the WPP. Good to know there is support for groundwater districts. Difference between 1st and 2nd version is minor wording changes.

Board held a discussion concerning the WPP's Resolution 17-01.

Motion to accept WPP's Resolution 17-01 as it is written, was seconded, and passed with three Nays. Rod Mason, Brent Deterding and Gene Baurele all voted Nay.

Deb Daniel then discussed the engagement letter from Auditors Winfrey, County, and Hays. During the exit meeting with the auditors they recommend more employees for internal security. It is the same recommendation as last year. Audit was finished by noon and all went well. The RRWCD needs to decide on who we want to do the audit next year. Deb expressed that she and John Willard from Premier Accounting feel comfortable continuing with Winfrey County and Hays.

Motion was made for Winfrey, County and Hays to conduct the audit next year, motion was seconded and passes unanimously.

The board then discussed donation to YCPD. RRWCD has \$25,000 budgeted to give to YCPD. YCPD stated is also applies for grants, receives some funds from Colorado Parks and Wildlife. Past YCPD manager Fred Reisch is also helping to find more funding.

A motion was made to donate \$20,000 to YCPD, motion seconded, and passed unanimously.

President Rod Lenz proposed that the board clarify board compensation deadlines. It should be the next board meeting or 60 days whichever is longer.

The board has some clarification discussion on board compensation.

A motion was made that board compensation reports be due at the next board meeting or 60 days after the date of occurrence whichever is longer. Motion was seconded and passed unanimously.

President Rod Lenz then brought up the potential for water importation from the South Platte. He stated this isn't for a vote but wanted to start the discussion. The Board had a lengthy discussion related to compact, sustainability, and pipeline from South Platte into Republican River basin.

Christine Arbogast added to the conversation that finding a federal financial partner will be very tough. What would be the federal interest in such a proposal? A pipeline in the Arkansas River is struggling for federal funding.

Steve Kramer made a motion to direct Jim Slattery to summarize existing studies that was received from the Big 4 GWMD office which Nate Midcap had presented to board. The motion was seconded and passed unanimously.

At 2:00 pm, Mike Sullivan reported that Kevin Rein will replace Dick Wolfe as State Engineer. Kevin couldn't attend today's meeting due to another obligation. Mike Sullivan stated that 2017 is not a water short year in the compact. Sullivan reported Colorado, Nebraska and Kansas have met recently to talk about water issues. All 3 states acknowledge there is a water shortage. A question that has arose from these conversations is, would Colorado be interested in allowing water to be stored in Bonny Reservoir again? Sullivan stated, yes – but only with no cost to Colorado for evaporation. Colorado will need to consider how the evaporative loss will affect the calculations at the Benkelman gage.

Sullivan reported that Colorado has received the Republican River CREP Amendment and will meet with the Attorney General's office for their review prior to forwarding it to the USDA-FSA for approval. The Board held a discussion on the next steps of the CREP Amendment.

Jim Slattery asked if the SEO's office has considered fixing the outlets at Bonny Reservoir. Sullivan responded that they have not discussed fixing the valves at Bonny Reservoir.

EXECUTIVE SESSION

No executive session was held.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was a motion to authorize legal counsel to join the State of Colorado's motion of determination of law in the Tip Jack Point of Diversion change. Motion seconded and approved unanimously

At 2:05 PM Motion was made to adjourn the meeting. Seconded and passed unanimously

Secretary

Date

Exhibit A

Report—Personnel Committee 7/13/17

At the request of President Lenz, I am providing a detailed report regarding our search for a new employee for the District.

I. Background of Events

-On April 10th, Dawn Webster resigned from her position of Administrative Assistant for the RRWCD. It was effective April 28th. This resignation immediately triggered the search process for the Personnel Committee.

-Legal implications we need to start with language that can guide us, which we find in statutes, regulations and policies.

-RRWCD was created pursuant to Senate Bill 04-235. Section 37-50-106, C.R.S. provides some language as to employees (mainly Board Secretary and Board Treasurer). General powers and special powers do not provide guidance in this matter.

-The RRWCD adopted by-laws on August 31, 2004. Article V regards Officers and Employees, but does not address the position of Administrative Assistant. Section 6 addresses the position of General Manager, but excludes any language regarding assistants.

-On July 14, 2005 the RRWCD adopted a Personnel Policy and Procedure Manual. Section 5.30 gives us significant guidance as to vacancies. (1) there is no language authorizing the General Manager to fill this position; and, (2) the provision states vacant positions shall be awarded to applicants who are best suited to meet the needs of the District.

-Job description of gen manager does not contain authority and procedures for employing subordinates.

-Colorado Open Meetings Act contains interesting language that assists us in this process. Section 24-6-402 (3.5), C.R.S. addresses search committees of a local public body that are authorized to employ or appoint a chief executive officer (assistant is not a Ch. Exec.). The provision provides the Committee shall establish job search goals, create a job description, set deadlines for applications, set requirements for applicants, establish selection procedures, and setting time frame for employing an individual.

II. Committee Actions

-Created a task sheet w/ deadlines and established to whom the task was assigned.

-The Personnel Committee met April 13, 2017 to review the task sheet.

A. Discussed whether the position should be flex time, full time or part time. The committee chose to recommend the position be filled as a full time position

B. Reviewed the job description and found it sufficient and chose to make no recommendations for amendment at that time.

C. Reviewed a salary range and chose to make a recommendation that a salary committee be appointed to establish the amount for the finalist.

D. Approved an advertisement to be published 2 consecutive weeks in 9 local newspapers.

E. Discussed who we felt should interview the candidates.

F. Established a preliminary timeline for events, including:

- deadline for applications to be submitted,
- dates of publication
- review applications
- finalist list adopted
- contact finalists to set interview schedule
- set interview dates
- set interview questions
- set dates to contact reference
- provide offer of employment and acceptance date
- contact unsuccessful candidates

III. RRWCD Actions

A. 4 motions at our regularly schedule quarterly meeting on April 13, 2017 as follows:

1. move to authorize the personnel committee to advertise the opening of the position of administrative assistant, review applicants, and tender an offer of employment.
2. Move to authorize the appointment of an interview committee consisting of the members of the personnel committee, the District Board President, the general Manager, and a member the District Accounting firm, Premier Accounting.
3. Move to authorize a special committee consisting of the District Board President, Budget Committee Chairman, members of the personnel committee, and with recommendation from the General Manager to establish a salary to be tendered.
4. Move to authorize the general Mgr to offer a position of temporary employment to Dawn Webster for the purpose of training a newly hired Administrative Assistant.

B. All motions passed

IV. Committee Interviews and Follow-up

A. We received 15 applications by the deadline.

B. On may 10th I met with Deb Daniels to review the 5 finalist applications

C. Deb and I contacted the refences of the finalists, and provided reports to the interview committee.

D. I provided a preliminary list of questions to be asked during the interview.

E. I provided to members articles discussing legal limitation of questions that may not be asked during an interview.

**F. We met by special meeting on May 15 and May 16 to interview the finalists.
First we finalized the questions to be asked.**

**-We attempted to design a list of questions that help us extract information on the finalists
to determine their ability to conduct.**

**office duties,
accounting skills,
to work with others and board.
to publicly represent the Board,
to expand role beyond that of an Administrative Assistant.**

-We reviewed the applications and then conducted the interviews.

-Concluding the interviews, the salary committee met and set a salary to be provided.

**-Next the members of the interview committee contacted the members of the Board to update
them on the interview process.**

**-Thereafter, pursuant to motion, the personnel committee then chose to offer employment to
candidate Suzanna Cure at the salary of _____. We asked that she respond within 2
days. She accepted the offer. She provided her 2 weeks notice to her current employer and
began work on June 5, 2017.**

**-Suzanna begins a 180 day introductory period of employment. Thereafter an evaluation is
provided concerning her employment to date.**