

**Minutes of the Third 2015 Regular Quarterly Meeting of the
Republican River Water Conservation District**

October 8, 2015

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 the Cobblestone Inn & Suites meeting room, Wray, 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
Rod Lenz
Rod Mason
Steven Meakins
Stan Laybourn
Wayne Skold
Aaron Sprague

Deb Daniel, RRWCD General Manager
Dawn Webster, RRWCD Administrative Assistant
David Robbins, RRWCD General Counsel, Hill & Robbins, P.C.
Tim Davis, RRWCD Program Consultant, TJD LLC
John Willard, RRWCD Accountant, Premier Accounting

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 10:07 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 Director Steven Meakins was absent, but arrived later in the meeting as noted in the minutes. With 14 Directors attending the meeting, President Coryell declared that a quorum of the Board was present.

RECOGNITION OF APPOINTMENTS

President Coryell noted the reappointment of Wil Bledsoe as a director by the board of county commissioners of Lincoln County, the reappointment of Stan Laybourn as a director by the board of county commissioners of Washington County, the reappointment of Dennis Coryell as a director by the board of the Plains Ground Water Management District, the appointment of Brent Deterding as a director by the board of the Central Yuma Ground Water Management District, the reappointment of Wayne Skold as a director by the board of the Sedgwick County Commissioners, and Jack Dowell as a director by the board of the WY Ground Water Management District.

AGENDA AND APPROVAL OF MINUTES

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

Prior to this meeting, the directors had received, electronically, a draft of the minutes of the regular Board meeting held on July 9, 2015, and the special telephonic board meeting held on August 17, 2015. These documents were also included in the Board packet today. President Coryell asked if there were any changes or corrections to the minutes. There were none. A motion to approve the minutes of the regular Board meeting held on July 9 and August 17 was made, seconded, and approved unanimously.

GENERAL MANAGER'S REPORT

General Manager Deb Daniel reported that five producers had applied and been approved for the Ogallala Aquifer Initiative (OAI) Conservation Program, with a payout from the Republican River Water Conservation District of \$510,000.000 over three years. Mrs. Daniel also reported that she has been working with Senator Gardner's office in regards to the CREP rental rate increase.

FINANCIAL REPORT

At 10:16 a.m., Administrative Assistant Dawn Webster presented the financial report and the disbursement for the quarter ending September 30, 2015, which were previously sent to the entire Board electronically as well as being included in the Board packet. A motion to approve the financial report and the disbursements for the third quarter of 2015 was made, seconded, and approved unanimously.

COMPACT COMPLIANCE PIPELINE REPORT

At 10:17 a.m., Compact Compliance Pipeline (CCP) Operations Manager Tracy Travis reported to the Board that a total of 10,500 acre-feet will be pumped in 2015, therefore an additional 3,500 acre-feet will be pumped starting November 1, 2015 to complete the additional amount. Mr. Travis included a handout in the Board packet of graphs showing what the saturated thickness and well level decrease of the wells in the CCP well field.

BUDGET HEARING

At 10:36 a.m., the Board held a hearing on the proposed 2016 budget for the RRWCD and the RRWCD WAE. Notice of the hearing was published in accordance with law. Budget Committee chairman Aaron Sprague opened the Budget Hearing. John Willard, RRWCD Accountant, began by informing the Board that the Budget Committee had met to prepare the proposed 2016 Budget. Mr. Willard reviewed each item in the budget and discussed the various elements that went into the totals. Possible revisions to the Budget were discussed. President Coryell asked the Board members if they had any questions; Director Rod Mason, who represents the Arikaree Ground Water Management District, stated that his Board does not approve of the \$750.00/month salary for the Executive Committee. Director Brent Deterding, who represents the Central Yuma Ground Water Management District, stated that his Board also does not agree with the salary for the Executive Committee. President Coryell then asked for any public testimony, questions or comments; there were none. At 11:09 a.m., the Budget Hearing was closed.

PROGRAM UPDATES AND REPORTS

At 11:10 a.m., Tim Davis, RRWCD Program Consultant, reported that he attended the State Technical Committee meeting along with General Manager Deb Daniel. Mr. Davis stated that the Conservation Innovative Grant that was applied for was denied, and therefore he will be working with The Nature's Conservancy to possibly meet the funding requirement. Mr. Davis reported that he had been working with the District's Conservation Committee regarding the 2016 Ogallala Aquifer Initiative (OAI) to establish priorities.

Director Greg Larson asked that Director Dennis Coryell report on the Colorado Water Congress annual convention in August, since he was unable to attend. Mr. Coryell reported that the Colorado State Water Plan was discussed, as well as the Great Divide film, and The Waters of the US issue with the EPA. Mr. Coryell also reported that he and David Robbins, RRWCD legal counsel, met with Senator Gardner and Senator Bennett's staff regarding federal help on issues such as the CREP rental rate increase.

General Manager Deb Daniel reported that the South Platte Roundtable is still working on the Colorado State Water Plan, and the next meeting will be held on October 13th.

Jack Dowell, representing Yuma County Pest Control District, gave an update regarding the Republican River Restoration Project, noting that the main project for the Pest Control District is watershed restoration.

David Robbins, RRWCD legal counsel, reported on the Yuma County Water Authority, stating that the Hutton Educational Foundation was ordered to send a mailed notice to everyone on the State Engineer's list of the wells within the Basin whose address is complete, as well as publish a notice in the papers within the Basin for five weeks to all potential well owners.

Director Steve Kramer reported on the Water Preservation Partnership, stating that the Partnership had not been very active but they plan on having a meeting in November.

Christine Arbogast, RRWCD Federal Lobbyist, was not able to attend the meeting.

Alan Foutz, representative for Senator Gardner, reported that he has been making calls and trying to get answers regarding the status of the CREP rental rate increase.

Scott Meiklejohn, RRWCD State Lobbyist, updated the Board on draft bills, including the rain water bill.

Randy Hendrix, Slattery and Hendrix Engineering, reported on the Compact Compliance Pipeline (CCP) and the need to pump a total of 10,500 acre-feet for 2015, and the numbers were finalized for the 2014 pumping for the CCP. Mr. Hendrix also reported that he, along with Jim Slattery, had been working on information regarding water rights on the Arikaree River.

David Robbins, RRWCD legal counsel, reported on the Hutton Trust Tip Jack abandonment case, stating that the Judge made findings necessary that there was no intent to abandon the Tip Jack, and he feels that there is no reason for the District to proceed further since the Tip Jack has zero diversions. Mr. Robbins stated that Aaron Thompson from Bureau of Reclamation will be submitting a draft memorandum of understanding in regards to removing and replacing the outlet at Bonny Reservoir. Mr. Robbins also reported that a new confidentiality agreement will be signed between the three states, Nebraska, Kansas, and Colorado, and the RRWCD, that way all three states can be included in the negotiations. He also noted that the revised CCP delivery schedule needs to be sent to the State.

At 12:35 p.m., President Coryell recessed the meeting for lunch and asked to start the public comment period at 1:15 p.m.

At 1:15 p.m., the meeting was re-convened.

PUBLIC COMMENT

At 1:18 p.m., President Coryell invited comment from the public.

Steve Sackett, a resident of Cope, CO and a Director of the Arikaree Groundwater Management District (GWMD), expressed his belief that if individuals are ready then changes need to happen on Boards officer team and that he is a firm believer in fresh perspectives.

Jim Mitchell, a Director of the Arikaree GWMD, asked the Board of Directors to consider a change in leadership in regards to the officer elections that were to take place later in the meeting. Mr. Mitchell expressed his concern that the Board has been heavily represented by members of the Plains Groundwater Management District.

Alex Rock, a Director of the Central Yuma GWMD, expressed that the Central Yuma GWMD is against the RRWCD Executive Committee's salary of \$750.00/month and agreed that a change of leadership on the Board is needed.

Chris Blecha, Financial Advisor for Edward Jones, approached the Board about public funds investing with Edward Jones and left his business card to discuss further options.

Bud Mekelburg, a resident of the District, expressed his concern in regards to the Executive Committee salary, Cure Land applying for CREP, conservation within the Basin, and the Hutton Foundation lawsuit needing to be resolved.

At 1:32 p.m., Steven Meakins joined the meeting.

At 1:50 p.m., Public Comment period ended.

REPORTS

At 1:50 p.m., Dick Wolfe, State Water Engineer, and Mike Sullivan, Colorado Deputy State Engineer, discussed the amended rules and regulations governing the measurement of ground water diversion affecting the Republican River Compact, stating that the rules will be put into effect November 15, 2015 and all meters/PCCs will be required to be installed /calculated by April 1, 2016. Mr. Wolfe also stated that additional approval for the CPP 2016 operations is being negotiated.

EXECUTIVE SESSION

At 2:08 p.m., a motion was made pursuant to section 24-6-402(4), C.R.S. to enter into Executive session to receive legal advice on legal questions and litigation concerning South Fork water rights; to discuss and determine positions, develop strategies, and instruct negotiators concerning the purchase or lease of water rights; determine positions and instruct negotiators concerning water supply acquisition, receive legal advice on legal questions related to such agreements, contracts and easements, discuss program applications; Compact Compliance and discussions with Kansas (to the extent subject to privilege), and the Compact Compliance Pipeline and Bonny Reservoir. The motion was seconded and passed unanimously. President 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 Dick Wolfe and Mike Sullivan to stay for a portion of the executive session.

At 2:40 p.m., Dick Wolfe and Mike Sullivan left the meeting.

At 3:28 p.m., a motion to exit out of executive session was made, seconded, and passed unanimously.

BOARD ACTION ITEMS

A motion to approve resolutions to adopt the proposed 2016 Budget and to approve appropriations in the amounts of the Budget was made, seconded, and approved. Director Wil Bledsoe voted not to approve the 2016 Budget.

Next, a motion to approve Resolution 15-1 to certify the Special Water Use Fee Assessment for Yuma County was made, seconded, and approved unanimously.

Next, after discussion, a motion to approve the application to Central Yuma Ground Water Management District for export of water from well permit number 12567-FP into Compact Compliance Pipeline was made, seconded, and approved unanimously.

Next, after discussion, a motion to approve the recommendation from the Conservation Committee for the priority list and supplemental funding for the 2016 Ogallala Aquifer Initiative conservation program was made, seconded, and approved unanimously.

Next, the Board considered a proposed resolution to waive the provisions of section 37-50-108, C.R.S., for a special Board meeting to be held on December 3 and 4, 2015, in Greeley, Colorado. A motion to approve the resolution waiving the location requirement for a special Board meeting to be held on December 3 and 4, 2015, in Greeley, Colorado, was made, seconded, and passed unanimously.

Next, a motion to authorize Hill & Robbins, RRWCD legal counsel, to file the necessary paperwork to answer for the RRWCD in the Hutton litigation challenging the designated basin and authorize a notice to be sent to the well owners within the Basin notifying them of the Hutton litigation actions was made, seconded, and passed unanimously.

Next, a motion to authorize the President and legal counsel for the four party confidentiality agreement for compact negotiations was made, seconded, and passed unanimously.

Next, a motion to authorize the Negotiating Committee to meet in regards to the purchase of Gary and Nancy Earl's wells and investigate the wells downstream on the Arikaree River and report back to the Board was made, seconded, and approved unanimously.

At 3:50 p.m., the election of officers began. Director Gene Bauerle, Chairman of the Nominating Committee, stated that the Nominating Committee met on September 8, 2015. Mr. Bauerle reported that if any of the Directors were interested in a position on the Executive Committee, they were to send an email to him and the District office stating their interest in a position.

The Nominating Committee recommended Dennis Coryell and Rod Lenz for President. There were no nominations from the floor. Blank ballots were handed out to the full Board. Director Dennis Coryell received six votes. Director Rod Lenz received nine votes, and therefore was elected President.

The Nominating Committee recommended Greg Larson and Brent Deterding for Vice President. Brent Deterding asked that he be removed from the ballot. Nominations ceased and a unanimous ballot was cast for Greg Larson as Vice President.

The Nominating Committee recommended Tim Pautler and Rod Mason for Secretary. There were no nominations from the floor. Blank ballots were handed out to the full Board. Director Rod Mason received six votes. Director Tim Pautler received nine votes, and therefore was elected Secretary.

The Nominating Committee recommended Byron Weathers for Treasurer. Wil Bledsoe was nominated from the floor. Blank ballots were handed out to the full Board and Wil Bledsoe was added to the ballot. Wil Bledsoe received six votes and Byron Weathers received nine votes, and therefore was elected Treasurer.

A motion to support the Executive Committee and unite as one Board was made, seconded, and approved unanimously.

Next, the Board then considered committee assignments. The following changes were made to committee assignments: Steve Kramer was removed from the Negotiating Committee, and Wil Bledsoe was added in his place. Stan Laybourn was removed from the Nominating Committee, and Dennis Coryell was added in his place.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

At 4:24 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