

Minutes of the First 2021 Quarterly Board Meeting of the
Board of Directors of the
Republican River Water Conservation District
February 16, 2021 – 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, Burlington Event Center, Burlington, Colorado

Present were:

Board Members:

Rod Lenz, President
Greg, Vice President
Gil Anderson, Secretary
Aaron Sprague, Treasurer
Wil Bledsoe
Brooke Campbell
Kevin Penny
Brent Deterding
Jim Hadachek
Kenny Helling
Steve Kramer
Stan Laybourn
Rod Mason
Steven Meakins
Tim Pautler
Roger Seedorf
Wayne Skold

Deb Daniel, RRWCD General Manager

Suzanna Baker, RRWCD Administrative Assistant

David Robbins (via Zoom) and Pete Ampe, RRWCD General Counsel, Hill & Robbins, P.C.

Randy Hendrix, RRWCD Engineer, Hendrix WAI, LLC

A sign in sheet listing the members of the public attending the meeting is attached as Exhibit 1, several board members and guests chose to attend by zoom rather than in person because of Covid-19.

STATEMENT OF QUORUM

President Rod Lenz called the meeting to order at 10:12 am, welcomed the public and started the meeting with the Pledge of Allegiance and a prayer. Secretary Gil Anderson conducted a roll call of Board members, Anderson declared a quorum with all board members present.

Guests joining the meeting in person and welcomed by President Lenz were Bruce Gerck and Jeff Mangus.

AGENDA AND APPROVAL OF MINUTES

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

President Lenz then asked for changes to the minutes from the quarterly meeting on November 17, 2020. Suzanna Baker explained the following edits. The page numbers throughout the document have been corrected, budget reference years changed to 2021 and corrected section nominating Gil Anderson for Secretary. There was a motion to approve the minutes with said changes, seconded and approved unanimously.

President Lenz asked for changes to the November 17, 2020 executive session minutes, with no changes there was a motion to approve the minutes, seconded and approved unanimously.

President Lenz asked for changes January 21, 2021 special board meeting minutes. Noted that Wayne Skold needed to be added for attendance at the meeting. With noted changes there was a motion to approve the minutes, , seconded and approved unanimously.

PRESIDENT'S REPORT

At 10:17 AM, President Rod Lenz gave his report. He thankful for everyone's efforts to close the Hale Ditch transactions. It definitely was not easy and I am so thankful we have the right people in place to get it done. Thanks to Greg, Roger, David, and Pete for all your efforts.

We have given the conservation presentation 33 times! The special task is full steam ahead. Rod Lenz believes the task force meetings are incredibly important and the meetings have been incredibly selfless and objective. We are reaching out to East Cheyenne GWMD and trying to get their involvement.

He then stated that the RRWCD staff has had a number of 2020 obstacles that they pushed through and we are grateful for that through the 2020 pandemic. Rod Lenz then stated a number of extra activities that RRWCD staff participates in. The board then presented Deb with flowers for her birthday.

Lenz continued, we will not have a board retreat, this year. As all of you know, our prescribed job is to assist the state in compact compliance. The board have done a respectable job in that regard, considering the limitations of virgin water and over appropriation. A couple of years ago, we, as a board decided that our long term view must include conservation. Meaningful conservation. We knew that this would not be easy but we are moving forward.

GENERAL MANAGER'S REPORT

At 10:27 AM, General Manager Deb Daniel, gave her report. Daniel gave an overview of the past year. The year 2020 gave everyone a lot of obstacles to get through. Our office was not different, having to close and work from home for some time. . We navigated virtual meetings and conferences to keep moving forward. Deb Daniel continued giving a timeline of 2020 and discussing all of the achievements of the board.

FINANCIAL REPORT

Administrative Assistant, Suzanna Baker, presented the financial report for the quarter ending December 31, 2020, which was previously sent to the entire Board electronically as well as being included in the Board packet. A motion to approve the financial report for the fourth quarter of 2020 was made, seconded, and approved unanimously.

CCP OPERATIONS REPORT

Deb reported for Tracy Travis the new computer upgrade was installed prior to startup and seems to be working fine. The pipeline started pumping on December 15, 2020 and ramped up to all 8 wells by January 1, 2021. We're currently pumping approximation 60-acre ft per day. We did have a radio power supply go bad but no other problems so far. The new radio channel Timberline installed last year seems to have solved the problem with the interference we were having last year. The target for total acre feet is 8,000 to 10,000 for 2021 pending

final projections. The temperature dropped to -27 at the outfall early morning Monday February 16, 2021. The heaters at the well houses got a workout but everything held up fine.

COMMITTEE REPORTS

- Director Aaron Sprague, Budget Committee Chairman, reported the district moved some money from Bank of Colorado to First Pioneer National Bank, a Money Market account, they had the best interest. We may need more office supplies, Suzanna Baker's computer crashed, and printer is starting to have some issues. Had a meeting at Wray State Bank with Aaron, Rod and Deb. Pete Wilson, WSB President asked the RRWCD to consider switching checking accounts to Wray State Bank. They left the meeting with the thought that Wray State Bank is a valid option for the Districts checking account.
- Director Steve Kramer, Conservation Committee Chairman, reported, highlight of the last quarter has been the conservation task force. Their willingness to participate is wonderful and the ideas coming out of the meeting are diverse but you know everyone is putting their first foot forward. They have created a spreadsheet to help keep all ideas on the table. Steve Kramer stated that we are trying to meet with East Cheyenne GWMD and get them on board with the task force as well.

Tim Pautler brought up from the last quarter's minutes that the final motion directed Tim Pautler, Tim Davis and Deb Daniel to send a letter to all producers in the Basin. The board discussed the article that was submitted to all district newspapers in order to get the word out.

Steve Kramer would like to get together with Kenny Helling to make a list of producers that they would like to contact in the South Fork Focus Zone and Yuma County. The article was a great start. Now we should try to contact producers directly to get the community talking.

Conservation committee to work with RRWCD staff to make contact with producers as needed.

- Director Steven Meakins, Chairman of the Innovation & Technology Committee, spoke on the TAPs competition which he participated in last year and placed 2nd overall. Meakins stated data from last year will be available in March. Steven Meakins will participate again this year.
- Director Wil Bledsoe, Chairman of the Legislative Committee, spoke about Scott Meiklejohn's written report. Legislature is reading over 200 bills today. Hopefully will know more tomorrow about specific bills.
- Director Greg Larson, member of the Negotiating Committee, gave an update on the 3-way trade between RRWCD, CPW and Kris Jones. A big thank you to David Robbins for all his work fighting through the obstacles that popped up. We are thankful for Kris Jones for staying at the table through all the obstacles and delays. This is a huge win for the South Fork Republican River Coalition's project and for the RRWCD. This will also take out about 100 irrigated acres from the SFFZ and add to the river flow. The negotiating committee is working on more water rights which we will need to talk about in executive session. Larson continued to update the board, we received 3 bids for leasing the Dryden property. The 1-year lease deterred some interest. Deb Daniel will notify all bidders of their bids status after the board approves the winning lessee, later in the meeting.
- Director Steven Meakins, Chairman of the Nominating Committee had nothing to report at this time.
- Director Roger Seedorf, Chairman of the Personnel Committee, reported on the recent Personnel reviews and all details will be discussed in executive session. The Committee will be reviewing the

personnel forms and consider having all board members participate in the review of the General Manager.

- Director Tim Pautler, Chairman of the PTAC Committee, reported that the fencing on Rex Buck's property has been removed. The revegetation is now complete and cattle will be able to graze the entire pasture without going around the fence. A list of fencing supplies was emailed out to the board previously. An article will be sent out to all the papers asking for bids to purchase all of the fencing supplies left at the pipeline outfall structure.

Tim then reported on the December 3rd meeting which included the PTAC committee and Paul Eggers from GEI. It was a very in depth meeting and gave the board a couple options on expanding the pipeline.

ORGANIZATION REPORTS

- Director Greg Larson reported on the latest Colorado Groundwater Commission meeting, those in conservation programs their pumping will not count against their HCU. Still meeting on zoom and hoping to move away from that in the near future.
- Director Steve Kramer reported that the Colorado Water Congress (CWC) held a zoom conference, he did not participate in the virtual CWC but asked Christine Arbogast to update the board. CWC priorities were with infrastructure and wildfires management. Everyone is hoping that the August Meeting will be able to be held in-person.
- General Manager Deb Daniel reported on the South Platte Basin Round Table, it has been almost a year that the SPBRT has been having zoom meetings. Jim Yahn was our representative, but his term was up and was replaced by Bob Sakata. Mr. Sakata is from the front range and a produce farmer. She also encouraged more involvement of representatives from our area to the SPBRT.
- Director Kenny Helling reported on the South Fork Republican Restoration Coalition, we have 3 grant applications out currently trying to get some funding to keep the project moving forward. Especially now that we have the Hale Ditch water rights. We have many landowners willing to work with us and support the project.
- Director Steve Kramer reported on the Water Preservation Partnership hoping for an opportunity to move forward with the conservation task force.
- Director Kenny Helling, representative for Yuma County Water Authority, had nothing to report.
- Director Roger Seedorf, representative of Yuma County Pest District, reported for Mike Foor, they have an attack plan for the South Fork. He does have the Dryden prairie dog town on his list to clean up.

PROFESSIONALS REPORTS

- Tim Davis, RRWCD Program Consultant, unable to attend today, Deb Daniel gave his report. We continue to wait for NRCS to give us an answer for the targeted conservation project in the Republican River Basin. If NRCS offers EQIP CIC program at the \$121/acre, the payments from NRCS will be the same as last year and the payment for new contracts will be not changing year to year. As for CREP we are continuing to work with Bill Meier, as Tim Pautler stated, to help Kit Carson County annual rates go up. Well owners in Cheyenne County and the southern portion of Kit Carson County and parts of Sedgewick County that came into the boundary of the RRWCD in 2019, will be eligible to apply for the CREP program beginning after October 1, 2021, due to the RRWCD requesting a change in the 2018

Amended CREP agreement between the State of Colorado and USDA to amend the boundary of the program to include the additional irrigated acres. All new CREP applications submitted after October 1st will have a 10% reduction. This is due to the stipulation in the 2018 Farm Bill that allows USDA to reduce annual payments to any new CREP agreements or any amended current CREP agreements between a state and the USDA.

Pete Ampe added that the CREP amendment to add the additional acres in south Kit Carson and north Cheyenne County and north Sedgewick County is out for signatures. Effective date would be October 1, 2021 with a 10% reduction.

Tim Pautler thought it would be a good idea to meet with Bill Meier with NASS to keep the conversation open on making the data more accurate and reliable. With reliable data the FSA payment rates would more accurately reflect rental rates in the county. President Lenz tasked Tim Pautler with getting in contact with Bill Meier and others necessary and set up the appropriate meetings. Pautler to work with the conservation committee and RRWCD staff to send out a letter.

- Christine Arbogast, RRWCD Federal Lobbyist, previously sent a written report that was included in the board packet. Senator Hickenlooper is now on the Energy and Natural Resources committee. He will be a strong voice for Western Water on the Committee. He and Mark Kelley will also be serving on the Energy and Natural Resources committee. Kari Linker was hoping to join us today from Hickenlooper's office but had another zoom she was required to attend.

Congresswoman Boebert got appointed to the House Natural Resources Committee. Senator Bennet is now the chair of the Senate sub-committee for Forestry, Nutrition, and Conservation. Secretary designee Haaland for Department of Interior, she will be very controversial, for the move to renewable energy. She seems to be a sponge and soaks up all information.

Once the COVID "rescue" package deliberations have reached conclusion, it is expected that Congress and the Administration will turn their attention to an infrastructure package. That package will differ from the COVID package which is also often referred to as a "stimulus" package. The COVID package seeks to stimulate the economy with enhanced unemployment benefits and direct payments to Americans, both of which have economic multiplier benefits. The infrastructure or "recovery" legislative effort will seek to make federal investment in transportation and water infrastructure, and in all likelihood "green" infrastructure, including forest management initiatives.

Christine commented on the Water Resources Development act, which was thrown into the COVID bill. Two things to bring to our attention. First, it contains \$15 million annually for 5 years for fisheries, aquatics and eco system restoration. Ms. Arbogast believes there may be grant opportunities coming through this. The second thing, it will allow the Corps of Engineers to carry out dam rehabilitation and modifications to restore and protect surrounding ecosystems. This does not have to be a Corps of Engineer's project. Would like to set up a call with Stuart Dykstra to discuss possibilities.

The Tom Vilsack confirmation to Secretary of Agriculture will most likely occur next week. New EPA leader made it clear that any changes with water will not be made without consulting farmers and making sure no harm comes to them.

- Scott Meiklejohn, RRWCD State Lobbyist, included a written report in the board packet. There was hope to allow public in to the Capitol Building for the session but it looks like it will only be legislators and staff. They are at 104 bills being read so far today (almost 12:00 pm). Water projects eligibility list will be read on Thursday. New water project financing enterprise looks like it is linked to drinking

water but he will send more information later. Senate Bill 23, regarding Non-disclosure agreements, this concerns Meiklejohn because he does not want private negotiations of the district to be public. Meiklejohn speculated that the Legislature will be in session until mid-June unless there is another recess and it is extended again.

- Randy Hendrix, RRWCD water engineer gave his report and also included a written report for the board packet. Randy prepared an expert report for the State's rules and regulations case, for the RRWCD district. The report was filed last week. The report was mostly a history of the district and pipeline and county procedures. Also completed a preliminary report on the South Fork Water Rights. He will complete the Hale Ditch Water Rights now that the transaction is complete.

CCP update, in the next calculation of the rolling average it will be dropping off a small 200 acre feet credit from the rolling average. They are estimating a need for pumping 8-9 thousand acre feet this year to make sure we have some credit 2 years from now and so we don't have wild swings in necessary pumping to maintain the average.

Hendrix also prepared an updated HCU analysis of the Bledsoe Property and Dryden Property for the negotiations.

Created a map for the SFFRC to coordinate who has given permission for phreatophyte removal and who has not given permission.

Also working on a report for Deb making a list of addresses for the South Fork and working with Suzanna on Access.

- Pete Ampe, RRWCD Legal Counsel, reported that the Jones property exchange is finally done. Dryden lease is being worked through. With the purchase of the Hale ditch, the District finally has a whole package to change to instream flow and compact compliance. Later we will talk about a policy limiting acquisition of wells for the CCP. Still supporting conservation efforts and Water Smart efforts. Not much has been going on for the State rules and regulations case except for the submission of the expert reports. Still on track for trial in January 2022.

David Robbins added, the Jones-CPW deal was frustrating and time consuming because CPW did not have a clear path through its various legal requirements. He thanked RRWCD staff and the Negotiating Committee's willingness to meet at the drop of a hat to keep the deal moving forward. Les Gelvin, Jones' real estate broker, was an incredible ally to have. Leona Olson, Yuma County Abstract, was also amazing through the process.

Robbins then spoke about the Kit Carson County tax roll issue. After the new tax statement was sent out by Kit Carson County it was brought to the District's attention that there was an erroneous line item which purported to represent a general tax levy of one mil on behalf of the District. The posting of this tax was in error, no tax can be levied by the District in the absence of an election, which has not occurred. David worked with Deb Daniel and Kevin Penny to agree on a proper response. Then, he worked with the County's attorney, Jeff Cure, to ensure that none of the funds would be transmitted to the District and that appropriate public notices were sent to the local news media explaining the error.

President Lenz also thanked David Robbins and Pete Ampe for all of their efforts on the Jones-CPW exchange.

12:13 pm the board took a break for lunch.

1:03 pm the board reconvened.

PUBLIC COMMENT

At 1:03 pm, President Lenz invited comment from the public,

Bruce Gerk left a comment to be read by Rod Lenz. Flex time promotes ownership by employees on the District's behalf. It is in the District's best interests to have a flex time policy for its employees.

Public comment closed at 1:04 PM, with there being no other comments from the public.

We then heard from Mike Sullivan, Colorado deputy State Engineer. The rainstorm in July 2020 in St Francis, Kansas really helped Colorado with compact compliance pumping projections. The pipeline only pumped 6,218 acre-feet pumped last year. Projections for this year will depend on what the water year looks like. Sullivan continued, it will not be a water short year, there is a full supply in the Harlan County Reservoir.

The State did have the CREP Amendment signed, by Dan Gibbs, to include the lands from the boundary change. The documents are in Washington D.C. to be signed but with all the changes, it is not clear when we will have all signatures. We have a discrepancy in rental rates for Yuma County and Kit Carson County. Yuma is high and we need to get people retiring asap so they won't be subject to the 10% reduction rate. If the amendment is signed today the 10% reduction rate will not be in effect until October 1, 2021. If you sign up before October 1 then you are under the current CREP and if you sign up on or after October 1, 2021 then you will have a 10% reduction. Mike Sullivan will look into an irrigation rental rate for Cheyenne County.

Statewide we are still in drought, from extreme to exceptional drought. Hoping this snow gives some relief but it's not near enough.

Covid-19 is keeping state employees at home, hoping to see some relief March 1st.

Experts filed their reports for the rules and regulations case. Mike is looking forward to the experts meeting. Trial is looking like it will occur starting on February 1, 2022.

PRESENTATIONS

- Presentation by David Churchwell, General Manager KCEA on CO AGEE program. Spoke on two programs Colorado Agricultural Energy Efficiency Program (AGEE) and Tri-State Generation and Transmission Beneficial Electrification and Efficiency Program. Shared presentation screen with those on Zoom. David Churchwell asked, if the board would consider helping fund the program and asked the board to help advertise the program. David then spoke on the energy shortages because of the frigid temperatures and everyone trying to stay warm. Low temperatures in parts of the country were -30 below. Windfarms are having to shut down because of icing.
- Presentation by Greg Peterson from CAWA. Their goal is support Ag throughout the state by talking with those in the Ag industry and outside of the industry. He has been discussing when to have a seminar that would showcase the master irrigator program, the electric companies, TAPS program and others that would help educate producers in the RRWCD basin. He is looking for the RRWCD to help advertise and looking for a good time to meet with the Ag community. Possibly between planting and wheat harvest. Peterson does an ag water summit every other year, this year they will be trying to meet in Grand county and inviting water users from every basin to discuss issues that are affecting everyone state-wide. How we can communicate our value to the rest of the state.

BOARD DISCUSSION AND ACTION ITEMS

- The Negotiating Committee then reported on the Dryden property lease bids and their recommendation of the winning bid. The committee received 3 bids, Greg Larson went through the details of each bid and announced that Bledsoe Cattle Company had the highest bid. It will be a one-year lease and sub-leasing some of the circles to Cornerstone production company. In order to get the land suitable for next year's crop, if RRWCD will supply the straw, Bledsoe's offered to stitch the straw into the areas of blowing sand. Bledsoe's bid of \$228,000, is based on 649 acres. There was a motion to approve Bledsoe's bid as the lessee on the Dryden property. The motion was seconded and approved unanimously.
- Review CAPA letter and discussion from November 17, 2020, Board meeting – Deb Daniel, General Manager, explained the board discussed this letter in August but it was at the end of the meeting and didn't provoke any discussion. The Board revisited the letter from CAPA. Brent Deterding brought up that when you start taking acres off, isn't that part of conservation and asked if we could consider sitting down with CAPA to discuss the matter further. Rod Lenz hoped that the letter left that door open for further discussion.

Discussion continued on CAPA letter and the intent of the letter and intent of the RRWCD's response. Kenny Helling described CAPA's frustrations. CAPA did not feel like it was all of RRWCD's burden to come up with the additional funding. Brad Grasmick has other ideas for funding. It was asked to keep considering CAPA's ideas and to bring them to the table for discussion on future ideas. Deb Daniel explained that the letter in response left the door open to both discussion and future ideas.

- Review and vote on the Conflict-of-Interest Resolution – David Robbins, presented the resolution to the Board. It had occurred to him that members of the Board may have interest in various Board negotiations. When it comes to occurrences of conflict of interest the District did not have a policy in place explaining for board members and staff how to conduct themselves when they have a personal interest in dealing or negotiating with the District. If that occurs the interested party would simply recuse themselves. This is something required by Colorado Statutes and something the District should have had all along.

It was asked if we need to provide a list of personal transactions to the District to identify conflicts of interest. David Robbins didn't think a list was necessary but that we could trust that whoever had a conflict of interest would come forward and recuse themselves in a public forum.

It was asked how the board should act on CREP and EQIP programs. When voting on something that effects everyone equally it is not a conflict of interest.

There was a motion to approve Resolution 02-21, seconded and approved unanimously.

It was then asked who should police the policy. It would be self-policed, if someone acted outside of this policy then the issue would come to the board.

- Discuss and vote on sponsoring Water Education Colorado's Citizen's Guide to Interstate Compacts – Deb Daniel, General Manager explained they are asking for a \$1,000 sponsorship for the printing of the magazine. There was a motion to approve the sponsorship of \$1,000 to WECO citizen's guide, seconded and approved unanimously.
- Discuss going digital instead of printed documents for meetings – Suzanna Baker explained the issues happening with technology in the office. She asked the board if they would rather go digital or replace the Sharp printer in the office. There was a motion to offer \$400 stipend to each board member who

requests it to purchase their own tablet to access the board packet online. The motion included purchasing a new computer and printer for the office as the best solution to resolve the ongoing technology issues. The motion was seconded and approved unanimously.

- Discuss Board Retreat – Rod Lenz, Board President explained that RRWCD will not be holding a Board retreat this year due to the delay caused by COVID-19 and pushing us into planting season.
- Discuss and vote on offering flextime for District employees – Roger Seedorf, Personnel Committee Chairman, will be continuing the flex time policy for all RRWCD staff. The District employees will still be required to a 40-hour work week and the office will be staying open from 8:00am to 4:30pm.

Flextime option proposed by RRWCD Staff included in a memo in the board packet.

Pete Ampe suggested the policy be a ‘Flex location policy’, RRWCD’s hour are still 8:00am – 4:30pm, what changes is where the work is being completed. Would be in the RRWCD office in the morning and from home in the afternoon.

More discussion occurred on the flextime and the pros and cons of such a policy. David and Pete were given direction to write up such a policy to be considered at the next Board meeting.

- Review and approve Hearing application to Central Yuma Ground Water Management District and 2 applications to Sandhills Ground Water Management District for the export of water through the Compact Compliance Pipeline and discuss policy on adding wells to CCP presented by Pete Ampe, RRWCD legal counsel.

Ampe reported the Sandhills GWMD has hinted they are concerned about the RRWCD buying wells outside of their district and then requesting to move the appropriation from that well into the Sandhills District and to request that the appropriation be added to the CCP deliveries. Ampe drafted a policy that is looking for approval of the application exporting water from the Central Yuma GWMD into Sandhills Ground Water Management District. Ampe stated that the District does not have to approve the policy today. By mentioning it today, Ampe is keeping the policy in the front of the Board’s mind.

A motion was made to proceed with the request for hearings was seconded and approved unanimously.

Discussion continued on the limit of water that can be added to the pipeline. The CCP is capable of delivering 25,000 acre-feet annually.

OLD BUSINESS

No old business

NEW BUSINESS

No new business

EXECUTIVE SESSION

At 3:00 PM there was a motion to enter the executive session, seconded and approved unanimously.

At 4:41 PM there was a motion to exit the executive session, seconded and approved unanimously.

- Coming out of executive session the following motions were made

- There was a motion to increase Suzanna Baker's Salary to \$51,500 for 2021. The motion was seconded and approved unanimously.
- There was a motion to award Deb Daniel a \$1,000 bonus and Suzanna Baker a \$500 bonus. Seconded and approved unanimously.
- There was a motion to reduce Deb Daniel's vehicle reimbursement from \$7,200 to \$6,000. To be reimbursed in arrears for 2020. A \$6,000 vehicle reimbursement rate for 2021 going forward. The motion was seconded and approved unanimously.
- The board discussed creating a personnel review form for all Board members to complete. Roger Seedorf wanted to get more information from all of the Board to be discussed further at the next board meeting. Roger Seedorf asked the board to send any forms they have used in the past.
- There was a motion that the Negotiating Committee be allowed to continue negotiations on the Dryden property. Wil Bledsoe abstained from the vote. Motion was seconded and approved unanimously.

A motion was made to adjourn the meeting at 4:49 PM, seconded and passed unanimously.



Secretary



Date

