

Minutes of the Third 2020 Quarterly Board Meeting of the
Board of Directors of the
Republican River Water Conservation District
August 18, 2020

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. Because of the coronavirus pandemic the meeting occurred with participants following recommended protocols and with others participating through the Zoom platform

Present were:

Board Members:

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

Deb Daniel, RRWCD General Manager
Suzanna Baker, RRWCD Administrative Assistant
Payton Liming, assisting with meeting minutes
David Robbins and Pete Ampe, RRWCD General Counsel, Hill & Robbins, P.C.
Randy Hendrix, RRWCD Engineer, Hendrix WAI, LLC

STATEMENT OF QUORUM

President Rod Lenz called the meeting to order at 10:01 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. Brent Deterding was absent but excused and Stan Laybourn arrived later in the meeting.

Tim Pautler will not officially be a board member for one meeting as the Colorado Groundwater Commission must select the representative from their group on Friday, August 21, 2020. Greg Larson and Tim Pautler serve on the CGC and are the only eligible candidates due to the requirement that a RRWCD Board member must live in the Basin to be eligible to serve on the Board. Steve Kramer is the Kit Carson County representative.

AGENDA AND APPROVAL OF MINUTES

At 10:09 President Lenz asked for any amendments to the agenda for the meeting. There was a motion to approve the agenda with no changes, which was seconded and approved unanimously.

Prior to this meeting, the Directors had received, electronically, a draft of the minutes of May 19, 2020. There was one correction to the minutes, Greg Larson was added to the board members present. With changes there was a motion to approve the May 19, 2020 minutes, the motion was seconded and approved unanimously.

With no changes, a motion to approve the minutes of the executive minutes held on May 19, 2020 was made, seconded, and approved unanimously.

PRESIDENT'S REPORT

At 10:15 AM, President Rod Lenz gave his report, he thanked everyone for being here. He said that he is thankful we can have members attend in person today.

Stan Laybourn entered the meeting at 10:12.

Mr. Lenz stated: I want to focus on 3 different topics. 1. Momentum. 2. Our recent big rain around Wray and its effect on our current thinking. 3. The urgency of pushing conservation forward.

Mr. Lenz started with momentum. After the February meeting, we began our conservation presentation tour. It was sidelined, in a major way, when the pandemic changed our lives. We went two months without any action. Since that time, we have been presenting to various groups and organizations in a modified format. I will let Steve Kramer fill in the details as to whom and where these presentations have occurred in his conservation report. However, it is very nice to report that the enthusiasm remains very high. Deb is going to report on some content changes that we made to the presentation along the way. I can also tell you that we have the names of 7 individuals that have been assigned to the proposed Conservation Task Force. So, all GWMD's are on board except East Cheyenne. We still have not been able to present to that District although we continue to reach out and are trying to find a time that will work for them.

If you have a chance to attend an upcoming presentation, it would be highly recommended. We have been able to get a number of board members in front of a group to help present. Three things that I would like to share from the presentations: 1. We talk about the resolve of this board when it comes to taking on meaningful conservation. 2. We are finding that the banks are very interested in the specifics of program payouts. 3. We spend the last part of the presentation enlisting support for conservation. We are asking all of these entities to defend the intent, even if they disagree with the method. When they hear about proposed conservation planning while on Main Street, they will be informed and can give an accurate response. So far, everyone has been receptive. This conservation process will work best if we involve as many businesses as possible.

The recent 6 inch rain in the Wray area and actually the heavier rains east of there have given us a revelation as to some observations that Jim Slattery and Randy Hendrix have made over the past decade concerning compact accounting. Example: At the state line gauge on the South Fork, on the morning of July 23, the gauge registered 0 CFS, and the gauge at Benkelman also registered, 0 CFS. On the evening of July 24, the state line gauge on the South Fork remained 0 CFS, but the gauge at Benkelman showed 5,100 CFS. I believe Randy will share a little about the impact that will have on our CCP pumping requirements this fall. While we want to see the direct effect of our conservation efforts, such as the SFRRRC project, by having compact gauges at the state lines, if we lobby to move them, we may be hurting our long term compact compliance possibilities in the process. We may have to be satisfied with an indirect benefit that will have an impact on the gauge at Benkelman.

We need to continue our quest for conservation and it needs to have a sense of urgency. In your Board packet, you will find a copy of the State Engineer's letter to the Rio Grande water conservation district. It is an ultimatum as to what the state will do if RGWCD fails to live up to its obligations to create a sustainable aquifer situation. We do not want to be the recipient of that type of letter. We simply must decrease our pumping if we want to avoid that fate. The job of the Task Force cannot be overemphasized.

On a side note, Rex Buck approached the RRWCD, asking if he could use our outfall structure damage escrow money to repair damage on his property due to the flood waters that came through last month. Our

executive committee met and looked at the easement agreement and since the CCP pipeline was not running, we couldn't see any way that we could justify releasing the escrow damage money. Rex was not pleased. I went to his place to get his view of the story last week. The storm changed the track of the river and gave it more sinuosity or river winding. Rex is concerned that when we turn our CCP pipeline on, the increased flow, as it stands now will be directed towards his improvements and will erode away from the culvert and the weir. He is correct. While the executive committee acknowledges that we are not responsible for a river changing course, we also realize that working with the state, the Buck family, USGS to keep the weir efficient is a better route than being obstinate and so reconsidered the earlier decision and will allow him to use the damage funds to correct the problem. The cost will be shared between State of Co., USGS, the Buck Family and RRWCD. Our share of the cost will come in around \$1000. These dollars are already budgeted so no board action is required. We will have to replenish that line item over the next two years.

Thank you for staying on task though all these CREP and EQIP contracts, and presentations, and the pandemic.

GENERAL MANAGER'S REPORT

At 10:10 AM, General Manager Deb Daniel began her report. We have been busy with applications to participate in conservation programs. Since the last Board meeting we have not had any committee meetings. We have several new CREP applications, but none of them are located inside the South Fork Focus Zone (SFFZ). There were several applications that had to be denied because they did not meet all the requirements to be eligible. Total number of acres going into the CREP and EQIP programs for 2020 should be about 2000 acres retired. This should bring our SFFZ total to just under 3,000 acres. When evaluating acres in each conservation program, we look at the number of certified irrigated acres as listed in the FSA 578 forms and corresponding maps for the past 6 years for CREP and the past 5 years for EQIP.

As we have moved from meeting with county commissioners and the ground water management districts to financial businesses and various agribusinesses, we have made small changes in the conservation presentation, Steve Kramer will give the modified presentation during his report for the Conservation Committee. Governor Polis selected Tim Pautler to serve on the Colorado Groundwater Commission. Tim will be taking the position on the Commission formerly held by Steve Kramer. The Colorado Groundwater Commission will meet on Friday, August 21, 2020, to vote on who will represent the Commission on the RRWCD Board. Tim Pautler and Greg Larson are the only commissioners eligible due to the requirement that Board members must live in the RRWCD.

Deb has had a couple of interviews since our last meeting. She was interviewed by Hailey Groo, from CSU Water Resources Archive's groundwater oral history project. She was also interviewed by Emily Zmak, from Mediate Inc. on Demand Management. Emily is working with a couple different entities trying to start a new conservation program. She wanted to discuss the challenges and the triumphs the RRWCD has had with the conservation programs that are currently being offered.

Deb reported that the RRWCD did not apply for relief funds through the CARES Act because the District did not incur additional expense. However, if we want to continue with Zoom video conference meetings, the RRWCD could use the funds to help cover the cost of equipment for the Board members, staff and public to be able to participate in the Zoom meetings. Cleave Simpson, General Manager of the Rio Grande Water Conservation District, has offered their IT professional to help us determine what equipment would be necessary to provide the best video conference to anyone interested in attending.

Deb stated that masks and hand sanitizer had been made available prior to the meeting for everyone to use.

Deb asked Kevin Penny and Aaron Sprague to report on the current status of concern between Tri-State Generation & Transmission (TSG&T) and the local power associations, KC Electric, Highline Electric and YW Electric. There are coop members like United Power that want out of TSG&T. Electrical co-ops went to PUC,

requesting a buyout amount be set. The number is way too low of what it should be. The state of Wyoming will be suing because the Colorado PUC will be making a decision that effects multiple states. Some associations will be able to exit at a much lower amount than what it should be, which will make it extremely expensive for the few members remaining in the co-op. The local electrical associations are trying to prevent a mass exodus. United is 19% of the total power load for Tri-State. Kevin and Aaron encouraged everyone to submit a copy of the letters in the back of the board packet that asks for a seat at the table and forward them to Tri-state. It was recommended that the RRWCD and all board members send a letter. This will be brought back up in New Business.

FINANCIAL AND AUDIT REPORT

10:35AM, next, Administrative Assistant, Suzanna Baker, presented the financial report for the quarter ending June 30, 2020, which was previously sent to the entire Board electronically in the Board packet. A motion to approve the financial report for the first quarter of 2020 was made, seconded, and approved unanimously.

Baker then reported on the Audit. The Audit was completed by Lauer, Szabo and Associates over two days. Being the first year to audit the RRWCD they had many questions, but Deb Daniel or Suzanna Baker were able to answer or find the answers easily. Each Board member had access to a printed Audit report.

TRACY TRAVIS: PIPELINE REPORT

Travis reported, he has finished exercising valves on the pipeline and everything going well with no problems.

COMMITTEE REPORTS

- Director Aaron Sprague, Budget Committee Chairman, need to schedule a meeting to determine the budget.
- Director Steve Kramer, Conservation Committee Chairman, went through the conservation presentation and the changes. They have had 28 presentations to date and think they will get up to 40 presentations. Aaron Sprague suggested that we present to the Highline, Y-W Electric, and KC Electric. Roger Seedorf suggested getting in front of some larger producers to make sure they know the information as well.
- Director Steven Meakins, Chairman of the Innovation & Technology Committee, presented on the TAPS program. He went through the website and explained how the program works. He thought they could go through it as a committee, but many decisions have to be made quickly so Mr. Meakins has been making the irrigation decisions.
- Director Wil Bledsoe, Chairman of the Legislative Committee, had nothing to report.
- Director Greg Larson, member of the Negotiating Committee. Larson reported on status of negotiations with Colorado Parks and Wildlife for the purchase of their portion of the Hale Ditch surface water rights. He thanked Roger, Wil and Rod for their assistance on this project. The environmental assessment has been completed. The survey and appraisal is being completed as soon as possible.
- Director Steven Meakins, Chairman of the Nominating Committee reported that he will be sending out an email in October asking if anyone is interested in running for an office on the executive committee.
- Director Roger Seedorf, Chairman of the Personnel Committee, reported that the personnel committee will be setting a meeting with staff to do the personnel review. Suzanna is back on flextime working at least 40 hours per week. The flextime expires at the end of the year. At that time, the District will need to renew the flex-time agreement or to no longer offer it to staff members.

- Director Tim Pautler, Chairman of the PTAC Committee, nothing to report.

ORGANIZATION REPORTS

- Directors Greg Larson reported that the Colorado Water Congress is offering a virtual classes and workshops over the next several weeks instead of having a conference in-person. Greg is considering whether he will participate in the workshops/presentations. The cost of participating in this annual event is greatly reduced compared to having an in-person conference.
- General Manager Deb Daniel reported on the South Platte Basin Round Table. She has not been able to participate in the last two SPBRT monthly meetings due to attending conservation presentations to several organizations/entities. Bruce Gerck added that the SPBRT virtual meeting is difficult to participate in. In his opinion, the meetings are difficult to participate in. Meetings are full of long reports and do not allow for much participation. We are looking forward to having face-to-face meetings.

Bruce reported that there are plenty of open positions and that it is important that this area be represented on the SPBRT. Deb agreed with Bruce's comments and encouraged anyone who is interested to contact her for more information on how to become a member.

- Director Kenny Helling reported that the South Fork Republican Restoration Coalition has had virtual meetings and has received the final report from the technical team. Due to the COVID-19 pandemic, The Nature Conservancy is no longer participating as a partner, but is very supportive of the project and available for offering advice on funding and the final engineering analysis. The SFRRC Board will be meeting on Thursday, August 20th to discuss the project and to meet Stuart Dykstra, who has been suggested as a project manager by William Burnidge.
- Director Steve Kramer reported that the Water Preservation Partnership (WPP), Partnership has not been active, but he would like to call for a meeting to decide future plans for the organization and what to do with the funds held by the WPP.
- Director Roger Seedorf, representative of Yuma County Pest District, Mike Foor is the general manager and will be invited to the next meeting to present on the funds the RRWCD donated to him.
- Director Kenny Helling, representative for Yuma County Water Authority, invited everyone to attend the Yuma County Water Authority meeting tomorrow, August 19th, evening in the Eckley community center. Rod Lenz, Kenny Helling and Deb Daniel will be giving the conservation presentation to the group during their meeting.

PROFESSIONALS REPORTS

- Tim Davis, RRWCD Program Consultant reported, some applications were delayed because NRCS could not give an answer because of 3-year vs 5-year period. People were waiting to see what they would get from NRCS. Deb Daniel, Suzanna Baker, and Tim worked on a RCPP application and submitted it back in May. We still have not heard back whether we have been chosen for funding or not. The funds we are asking for focus on the area west of Highway 385.

CREP—Virgil Ireland, is sending the categorical exclusion up the ladder so that all the acres added to the district would be considered for CREP. The local FSA is supporting our request, but the USDA and environmental folks will also need to approve the additional acres.

- Christine Arbogast, RRWCD Federal Lobbyist, could not be at the meeting but submitted a written report was included in the board packet.
- Scott Meiklejohn, RRWCD State Lobbyist, submitted a written report that was in the board packet and Mr. Meiklejohn was able to join by zoom. He described the weird legislative schedule due to Covid-19. He went over the status of the Water conservation fund and reported that currently the legislature is shut down. He said the capital looked like a capital of a 3rd world country. Only a few chairs for witnesses allowed were in the committee rooms and windows were boarded up because of demonstrations downtown.
- Randy Hendrix, RRWCD water engineer, included a written report in the board packet. Recent rains in Kansas provided a huge benefit to Colorado. They increased Colorado's compact allocation from last year by 3,000 acre-feet, which lowered what we must pump through the pipeline. He reported on the pipeline and that we have pumped 5,800 ac-ft, about how much we have exceeded the compact entitlement this year. So, we are at about breakeven. However, we have about 2,500 credit and we have been trying to make sure we continue to have a credit. Right now, we are expecting to start pumping again around January 1st, maybe a week or two earlier. Hendrix is hoping we will have more credits to be forwarded but that won't be final until the model runs are done in September.

In two years, a 2,500 acre-foot credit falls out of the accounting, and if we don't stay proactive we could again be considered out of compliance. This is especially important if we have an incredibly dry year.

In a discussion on the Benkelman gauge, Randy explained that the large rain that fell east of Wray, even though a lot of it fell east of the border, Colorado was credited 44% of the gaged flow.

There were several questions for Randy Hendrix to clarify the calculations that go into the compact compliance and determining how much the Compact Compliance pipeline needs to operate.

- Pete Ampe RRWCD Legal Counsel, submitted a written report. He briefly spoke about the Rio Grande Subdistrict 1 issue and explained that it is not related to compact compliance. It deals with rules and regulations that control the amount of groundwater that can be pumped.

Pete went on to discuss the Hill and Robbins report:

1. Jones property purchase and exchange

The acquisition of the Jones property was a principle area of work this period. We worked closely with Deb and Rod and the Negotiation Subcommittee (Greg, Roger and Wil) to draft and finalize a contract with Kristie Jones to acquire a significant portion of his ranch property south of Wray. In addition to drafting the contract we worked out arrangements to have the property surveyed, to have a Phase 1 environmental assessment completed, to have the chain of title run and to have an appraisal commenced that met the standard required for a property exchange. We also have been working with the Colorado Attorney General's office and the CPW on the details of an exchange of the Jones property for the remaining 1/3rd of the Hale Ditch owned by CPW. The draft exchange contract was drafted and has been given to the CPW for review and comment

2. Seward Proposal

We have been involved in describing and presenting a proposal from George Seward to provide additional water in the Arikaree above the Haigler gauge from a well on Seward's land in Nebraska. The proposal was included in a lengthy letter to the State Engineer seeking his support and approval. We have not received a response to date.

3. Water Rights Change Case

The steps required to change the numerous surface water rights purchased by the District from the historical irrigation to instream and compact uses are well underway. Randy has done some of the preliminary engineering and we have drafted a preliminary application for the change. We have met with staff of the CWCB to obtain its cooperation. The application should be filed in first quarter 2021.

4. CCP Supply

The need to describe the appropriate area for the acquisition of additional wells to add to the water supply for the CCP has taken some time in order to come up with a proposal that the Board could consider in order to give the GWMD's involved certainty about the District's plans.

5. Change of point of diversion for Orphan well

We have continued to work on the process of taking the well that is located in the Central Yuma GMD and transfer its historic CU to the CCP well field as well as transferring the Larson/Harsh well to the CCP well field. This has included meeting with the GWMD's attorney and manager and discussion with Staff of the CGWC and is somewhat dependent on the Board's adoption of a policy regarding the appropriate area for the acquisition of additional wells to add to the water supply for the CCP.

6. Flood Flows

There have been questions that we have been working on arising from the high water experienced on the Arikaree and North Fork within the last month. Including impacts to Rex Buck's lands and the process of insuring that the final official gauge records include all of the water where the actual gauges were submerged or by-passed.

Republican Basin rules, status conference was on Monday. Ampe wasn't sure what the status was with East Cheyenne GWMD. The trial is still set for 2022.

At 12:21 PM, President Lenz recessed the meeting for lunch.

At 1:08 PM, President Lenz reconvened the meeting.

PUBLIC COMMENT

At 12:09 PM, President Lenz invited comment from the public.

- Darlene Carpio from Senator Gardiner's office spoke to the board. She was able to share the Yuma office with Senator Gardner for 6 weeks. The CARES act has provided a number of opportunities. This act has been adjusted to meet the needs of people based on their input. Senate is in recess, but Gardner is still very busy. She was able to sit in on the conservation presentation last week. She described the Great American Outdoors Act which has fully funded the land and water conservation fund. It is now in the law that it will be fully funded every year. Bonny Reservoir got two payments in the past to purchase water rights. The investment will secure public access and improve recreation opportunities.
- Dusty Johnson, from Congressman Buck's office. She described the Swamp documentary on HBO, that also featured Buck, Gates and Massey, behind the scenes in the senate. She then highlighted the Capital of Freedom book by Buck and a Resolution he introduced supporting brave men and women in blue, that will have to wait until they are in session, and emphasized that Buck rejects defunding the police. O

REPORT FROM STATE ENGINEERS OFFICE

- At 1:19 PM Colorado State Water Engineer, Kevin Rein, Mike Sullivan, Asst. Engineer, gave their report. The budget of the State Water Engineer is through the general fund. They have about 14 positions open in their office. They are holding them open because they simply don't have the funds to fill them. Many People are working out of their homes, but everyone is staying very busy.

Mike Sullivan then reported and addressed Deb's question on how the abandonment process works. Every decade they go through water rights that have not been diverted over the previous 10 years. It takes about two years to go through the process of people asking the court to reconsider and the court gets to decide if the water right should be abandoned or not. They have the initial list out now, there will be a final list out in 2021. There are no rights in the RRWCD basin on the current abandonment list. The division engineer did not consider partial water right abandonments because they just do not have the manpower. Some people do not divert because the water isn't physically or legally available to divert, so the state does not get to count those years toward abandonment. He has gone through water rights that the district owns. Many of the water rights have not had flow several years because of drought or center pivots in the area. He believes they will have trouble proving that there has been water available for their water right.

Steven Meakins asked if they abandon groundwater rights. Mike said they look at them, but they don't have the authority to require abandonment of designated basin groundwater rights.

Brooke Campbell asked about HB1172, which provides for no abandonment of water rights for efficiencies, and if it affects the abandonment list. Mike Sullivan answered if one of the water rights was put into a valid conservation program, they toll the years. They would not consider the years they were in the conservation program as a part of the abandonment list.

Kenny Helling, asked why there were no water rights on the North Fork because there is a water right on the North Fork that has not been used but the division engineer did not put partial abandonments on the list due to manpower.

Kevin Rein, the 3 state meetings continue on a monthly basis. The last few months all three states are suffering budget restraints and Kansas and Nebraska don't have their State Water Engineers hired. They are standing by to see what they do with their leadership. States are not allowed to travel at this time.

Mike Sullivan said he agrees with Randy Hendrix that we need to be proactive and try to do some 'smoothing' of the 5-year average when considered how much the district needs to pump through the CCP pipeline.

Kevin Rein, clarified that Chris Grimes will be considered for the position of hearing officer in the Division. Jody Grantham, who has been the hearing officer for many years, will retire and Chris Grimes has been shadowing him. Chris has not been selected for the position because it will first be open to the public to apply.

Rein talked about the George Seward proposal and said they will be submitting a formal response to the District's letter soon. He also reported that they have had conversations with East Cheyenne to address the concerns. They know that East Cheyenne has done their own modeling, but they are in discussion with East Cheyenne to have it match the stipulations of the compact model.

Management Districts

- Nate Midcap, General Manager of the Big 4 GWMDs, received grant money from the RRWCD to be used for the Master Irrigator program. 12 people who were in the class were from one of the Big 4 GWMDs. Frenchman and Marks Butte Voted on de-brucing, Central Yuma will vote tonight.
- Roger reported for Kyle Sprouse of WY GWMD, that the \$6000 which WY received was spent on attorney's fees to draft rules. They have a first draft of their first set of rules done. Had plans to present

to the public and see how they react to it. He believes they are about 9 to 12 months out, depending on when they can meet publicly.

BOARD DISCUSSION AND ACTION ITEMS

- Ratify 2020 EQIP rates. For the 2020 EQIP program NRCS increased their payments from \$239/acre to \$600/acre. Due to this increase in payment by NRCS, the Conservation Committee recommended decreasing the RRWCD Supplemental EQIP payments from \$1,500/acre to \$1,140/acre retired inside the South Fork Focus Zone and decreasing the payment for wells outside the SFFZ from \$600/acre to \$240/acre. By NRCS increasing their payments for the 2020 EQIP program and the RRWCD decreasing the 2020 EQIP supplemental contract payments, well owners entering into a 2020 EQIP contract will receive the same total amount of payments as well owners who were approved for a 2019 EQIP contract. An email poll was taken last week to approve the recommendation from the Conservation Committee. There was motion to ratify the 2020 EQIP rates, seconded and passed unanimously.

OLD BUSINESS

- Update on Seward Project, basically \$200/ac-ft, everyone signed the letter to the State to consider the offer from George Seward who proposes to deliver water to the Arikaree above the compact gauge.

NEW BUSINESS

- Dryden Property, Rod Lenz provided a quick report in the Board packet for the Board to consider options for the Dryden Property. The board then held discussion on the following set of options presented by President Lenz:

As RRWCD considers the best single option concerning the future use of the so called "Dryden Property", here are some options to be considered. It is not meant to be exhaustive, but rather to provide options that have been mentioned over past years. Feel free to add to this list.

- 1) Continue to bid out for lease as RRWCD has done since 2010.
 - a) Pros: This has been a good investment, returning between \$295 and \$427 per acre per year. It will continue to give us options as we go forward.
 - b) Cons: RRWCD was never meant to be a landowner. The property was purchased with intent to trade for additional well field water.
- 2) Sell farm as one unit
 - a) Pros: simple and clean
 - b) Cons: Eliminates smaller special interest buyers.
- 3) Auction the farm off in parcels.
 - a) Pros: This allows multiple interested parties to bid on a portion of the asset. There has been interest over the years for some part of the property, even the yard and improvements
 - b) Cons: More complicated
- 4) Implement demonstration plot, such as the Nebraska TAPS program on 1 or 2 circles and sell or trade the remainder of the property.
 - a) Pros: Great location and gives us a chance to promote latest ideas and technology
 - b) Cons: It will take considerable administration effort. It ties up assets that are useful elsewhere.
- 5) Trade some or all of property for water rights near the well field
 - a) Pros: Matches our original intent
 - b) Cons: Eliminates other buyers. Is it really legal, not to put up for public offering?

- 6) Trade some of all of the property for land and water near the well field, retire the water and resell the property.
 - a) Pros: Trading like assets
 - b) Cons: Very much more involved

After some discussion President Lenz went around the table and asked each Board member to provide input and ideas on the list after which each member made individual comments.

It was asked of Randy to quantify the water in the North Fork and Arikaree and the benefits of it. Rosankrans has two wells that could be considered.

Discussion continued on the options of the Dryden property, best value, and cost optimization options.

At 2:37PM Stan Laybourn left the meeting.

- RRWCD purchase of inactive wells. Deb Daniel was approached by an individual in the basin that has a water right that has not been pumped for a number of years. He asked if the board would purchase the water right, if the Board does not buy it then he would put the well to use.

The executive committee discussed the issue prior and it was a consensus to consider each well as it is brought to the Board. They also discussed creating a framework to handle the inactive wells. Producers would be able to see what the board sees as valuable in inactive wells so that the Board could handle each well individually and by the same parameters. It was brought up to ask the producer to put in a test pump to prove the well viability. It was assigned to the negotiating committee to come up with a framework on considering inactive wells on a case by case basis as they are presented by producers.

- The board then discussed the export application for the CCP and possible adoption of policy on geographic limit for acquiring groundwater permits for CCP, it was brought up at the last meeting and for the Board to consider. This policy gives Sandhills a better feeling that the Board will not add wells outside of a given area of the pipeline. The draft policy was included in the board packet with a map. The Board continued to discuss the possibilities and constraints of having a boundary around the pipeline. The biggest concern for Sandhills is that they do not want the allowable rate of groundwater withdrawal to become greater than the pipeline can handle over a long time period.

The Board continued discussion on why a boundary or geographic limit would or would not be beneficial for the District and the Sandhills district.

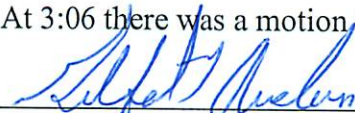
No action was taken as board members did not feel comfortable voting on the policy yet. They will wait for feedback from the GWMDs.

- Next the Board directed that there to be a letter sent from the board on behalf of the REAs in the basin. The motion was made, seconded and approved unanimously.
- The Board then discussed the board retreat. After some discussion, Suzanna Baker will consider options outside the basin and inside the basin and as we get closer to the retreat we can decide where based on COVID-19 cases.

EXECUTIVE SESSION

There was no executive session.

At 3:06 there was a motion to adjourn the meeting, seconded and approved unanimously.



Secretary

1/18/2021

Date