

**Minutes of the First 2011 Quarterly Board Meeting of the
Board of Directors of the
Republican River Water Conservation District**

January 13, 2011

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, at the Burlington Community & Education Center, Burlington, Colorado.

Present were:

Board Members:

Dennis Coryell, President
Byron Weathers, Treasurer
Tim Pautler, Secretary
Eugene Bauerle
Raymond Enderson
Garry Kramer
Steve Kramer
Stan Layborn
Rod Lenz
Rod Mason
Wayne Skold

Stan Murphy, RRWCD General Manager
Dawn Webster, RRWCD Administrative Assistant
Dennis Montgomery, RRWCD General Counsel, Hill & Robbins, P.C.
Jim Slattery, RRWCD Engineer, Slattery & Hendrix Engineering LLC
Tim Davis, RRWCD Program Consultant, TJD LLC
John Willard, RRWCD Accountant, Premier Accounting
Steve Townsley, GEI Consulting, Inc., Project Manager
Ken Hardesty, GEI Consulting, Inc., Project Manager

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 10:05 a.m. and welcomed the public. Secretary Tim Pautler conducted a roll call of Board members, noting that Directors Jack Dowell, Bruce Latoski, Kim Killin, and Greg Larson were absent, but excused. With 11 Directors attending the meeting, Secretary Pautler declared that a quorum of the Board was present.

AGENDA AND APPROVAL OF MINUTES

President Coryell asked for any amendments to the agenda for the meeting. There were none, and 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 special Board meeting held on November 17 and 18, 2010, and the special Board meeting held on December 16, 2010, and the executive sessions held during the November 17 and December 16, 2010 Board meetings. 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 special Board meeting held on November 17 and 18, 2010, and the special Board meeting held on December 16, 2010, and the minutes of the executive sessions held during the November 17 and December 16, 2010 Board meetings was made, seconded, and approved unanimously.

GENERAL MANAGER'S REPORT

At 10:09 a.m., General Manager Stan Murphy presented the financial report and the disbursements for the quarter ending December 31, 2010, which were previously sent to the entire Board electronically as well as being included in the Board packet. General Manager Murphy answered questions from the directors about the financial report and the disbursements. A motion to approve the financial report and the disbursements for the fourth quarter of 2010 was made, seconded, and approved unanimously.

PROGRAM UPDATES AND REPORTS

At 10:19 a.m., Tim Davis, RRWCD Program Consultant, gave the Board an update on the Republican River CREP Annual Report. He stated that the Supplemental Environmental Assessment and the Finding of No Significant Impact (FONSI) for the CREP amendment have been posted on the State's website. Mr. Davis explained that the amendment is still in Washington, D.C., being edited for the changes and adjustments that the Board had approved at its November meeting. Mr. Davis then informed the Board that there will be an AWEPP program available January 18, 2011, and that the application process is now on an interactive Excel spreadsheet.

Jim Slattery, RRWCD Engineer, provided an update on the status of the efforts to obtain the Republican River Compact Administration's (RRCA) approval of the Compact Compliance Pipeline. Mr. Slattery informed the Board that a meeting with Kansas to discuss the RRCA approval of the Compact Compliance Pipeline had been postponed to January 21, 2011. He also informed the Board that State Engineer Dick Wolfe had been able to obtain information on whether there is a dead pool in Bonny Reservoir and that there is no dead pool left in the bottom of the reservoir, which had been a concern if Bonny Reservoir is drained.

Director Byron Weathers did not have anything to report on the Colorado Water Congress (CWC).

Director Gene Bauerle reported that the Colorado Water Conservation Board (CWCB) held a South Platte Roundtable meeting January 11, 2011. He stated that it was decided to give a grant to the Division of Water Resources for software, etc.

Director Jack Dowell, who was not present, sent an email prior to the meeting to Stan Murphy, General Manager, reporting that the Republican River Weed Control project had received money from different entities and it had asked the RRWCD to consider giving funds to the project to work on cleaning up the South Fork. That item was added to the agenda under New Business.

Director Bruce Latoski was not present to report on Yuma County Water Authority (YCWA).

Christine Arbogast, RRWCD federal lobbyist, suggested the District consider planning a Washington, D.C. trip in February or early March. She informed the Board that Congressman Gardner is on the Energy and Commerce Committee and that Mike King had been re-appointed as Executive Director of the Department of Natural Resources.

Jim Slattery, RRWCD Engineer, updated the Board on negotiations with water rights owners on the South Fork and stated that he is continuing to assist the State with negotiating with Kansas. Mr. Slattery also noted that he has been working with GEI Consultants on the schedule for the Compact Compliance Pipeline.

Dennis Montgomery, RRWCD legal counsel, informed the Board that he had notified David Rodenberg of the State Land Board that the Board had approved the higher consideration for the Right-of-Way contract and was waiting for the adjusted amount so the District can pay the difference owed. Mr. Montgomery also said the lease with Bledsoe Cattle Company had been signed for the Dryden Property and the first payment had been received. He also advised the Board that the public places for posting notice of Board meetings needed to be designated later in the meeting. Finally, he noted that the lease with Soehner Cattle Company for a portion of the Laird Ditch water right had been extended through 2012 and has been assigned to YCWA and suggested that it might be appropriate to discuss an extension of the lease agreement with YCWA.

At 11:09 a.m., President Coryell recessed the meeting for a ten minute break.

At 11:19 a.m., the meeting was re-convened.

PRESENTATION

At 11:19 a.m., Ken Hardesty and Steve Townsley, Project Managers from GEI Consulting, Inc. (GEI), gave a slide presentation on the construction schedule for the Republican River Compact Compliance Pipeline Project and answered questions regarding the schedule. The presentation also showed proposed adjustments and amendments to the current contract with GEI for engineering services for project management, final design, bidding, and construction of the Pipeline.

At 12:15 p.m., President Coryell recessed the meeting for lunch.

At 1:04 p.m., the meeting was re-convened.

President Coryell asked Mr. Hardesty and Mr. Townsley to clarify the proposed contract amendments. President Coryell noted the Board had received electronically and in the Board packets handed out today, a letter from GEI showing what the exact changes and modifications would be to the current contract. Mr. Hardesty and Mr. Townsley then explained in detail the proposed contract amendments and answered questions from the Board.

PUBLIC COMMENT

At 1:21 p.m., President Coryell invited comment from the public.

Nate Midcap, representing the Frenchman, Marks Butte, Central Yuma, and Sandhills Ground Water Management Districts, had been notified by someone in the District that there is a producer who is in a CREP contract with the RRWCD that has three wells that are not capped. The Board advised Mr. Midcap that he should talk to Water Commissioner Dave Keeler because the District does not have authority to require the producer to cap the wells.

Alan Welp, representing the Colorado Agriculture Preservation Association (CAPA), informed the Board that CAPA will be holding its annual meeting on February 3rd at 6:30 p.m. at the Burlington Scout Center in Burlington, Colorado, and said that Dick Wolfe, Alex Davis, and Peter Ampe will be guest presenters and asked President Coryell if he could provide an update from the RRWCD's perspective. President Coryell stated that he thought that could be done.

There being no further comments, public comment ended.

BOARD ACTION ITEMS

At 1:28 p.m., the Board considered the proposed amendments to the contract with GEI for engineering services for project management, final design, bidding, and construction of the Compact Compliance Pipeline. A motion to approve the amendments to the contract requested by GEI and to instruct legal to prepare an amendment to the contract with GEI and to authorize President Coryell to sign the amendment was made, seconded, and passed unanimously. Legal counsel was instructed to prepare an amendment to the contract consistent with the Board's action.

The Board then discussed the public places for posting notice of the Board of Directors meetings in accordance with the Open Meetings Law. A motion to leave the designated public places for posting such notice at the Yuma County Courthouse and the RRWCD website was made, seconded, and passed unanimously.

Next, the Board discussed scheduling a Washington, D.C. legislative trip in the near future. It was noted that money had been allocated in the 2011 budget for a trip to Washington D.C. Christine Arbogast gave the Board dates that she felt would be a good time to go, and also suggested the Board take no more than six people. The Board agreed that Stan Murphy, General Manager, would go on the trip. A motion to allow up to four Board members to go, with that decision to be made in the next week, was made, seconded, and passed unanimously. Christine Arbogast was asked to work with Stan Murphy and Dawn Webster, Administrative Assistant, to get all the details arranged.

Next, the Board reviewed and discussed the newspaper notice for the General Manager position. General Manager Murphy explained the draft notice and the timetable for hiring the new General Manager. A motion to approve the General Manager position notice with a change to the date of the deadline for submitting applications from March 4th to April 1st was made, seconded, and passed unanimously. President Coryell appointed Wayne Skold to the Personnel Review Committee to replace Larry Zion.

The Board then reviewed the Professional Associates rates for 2011. After discussion, a motion to approve the Professional Associates rates for 2011 was made, seconded, and approved unanimously.

Finally, the Board reviewed committee assignments in light of the appointment of Rod Mason as a director to replace Larry Zion. Rod Mason was added to the Conservation Committee. The Directors also discussed allowing someone from YCWA to participate in the Pipeline Technical Advisory Committee to take Byron Weathers' place from YCWA.

EXECUTIVE SESSION

At 2:44 p.m., a motion was made pursuant to section 24-6-402(4), C.R.S., to enter into executive session to discuss the status of water supply agreements and agreements to acquire easements for the Compact Compliance Pipeline, determine positions and instruct negotiators, and receive legal advice on legal questions related to such agreements, compact compliance, the Compact compliance pipeline, the abandonment of water rights, and payments-in-lieu of taxes for the Dryden property. 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.

At 3:14 p.m., Stan Layborn left the meeting.

At 3:47 p.m., the executive session ended.

CONTINUATION OF BOARD ACTION ITEMS

At 3:47 p.m., a motion to authorize sending a letter to Jerry Gross, Chairman of the Hutton Educational Foundation, and John Cure, advising them that the District believes their South Fork water rights for the Tip Jack Ditch, the Hutton Ditch No. 1, and the Hutton Ditch No. 2 have been abandoned and that the Board will take action to seek an injunction if they attempt to divert water under the abandoned surface water rights was made, seconded, and passed unanimously.

A motion to make a payment-in-lieu of taxes to the Yuma County Treasurer in the amount equal to what the taxes would be for the Dryden Property that the District owns was made, seconded, and passed unanimously.

OLD BUSINESS

There was no old business.

NEW BUSINESS

At 4:00 p.m., the Board considered a request for funding by the Yuma County Weed and Pest Control District for removal of phreatophytes on the South Fork. After discussion, a motion to contribute \$10,000.00 from the RRWCD Water Activity Enterprise to the Yuma County Weed and Pest Control District was made, seconded, and passed unanimously.

Next, the Board discussed replacing the District vehicle. It was decided to keep the current vehicle until the new general manager takes over. A motion to table the issue until the April Board meeting was made, seconded, and passed unanimously.

At 4:12 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