

**Minutes of the Third 2014 Regular Quarterly Meeting of the
Republican River Water Conservation District**

October 9, 2014

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
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.
Peter Ampe, RRWCD General Counsel, Hill & Robbins, P.C.
Tim Davis, RRWCD Program Consultant, TJD LLC
Justin Dodsworth, 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 10:02 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 Directors Steven Meakins and Byron Weathers were absent, but excused. Director Byron Weathers arrived later in the meeting as noted in the minutes. With 13 Directors attending the meeting, President Coryell 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. General Manager Deb Daniel stated that discussion of the MOU for the Water Preservation Partnership, discussion of title searches for surface water purchases, discussion of the District's investment with Southwest Securities, as well as Dick Wolfe speaking about the amended measurement rules, all needed to be discussed under new business. There being no other changes, a motion to approve the agenda with those additions 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 10, 2014, and the special telephonic board meeting held on August 21, 2014, and the executive sessions held during those 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 regular Board meeting held on July 10 and August 21 and the executive sessions held during the July 10 and August 21 Board meetings was made, seconded, and approved unanimously.

RECOGNITION OF APPOINTMENTS

President Coryell noted the reappointment of the reappointment of Tim Pautler as a director by the board of county commissioners of Kit Carson County, the reappointment of Aaron Sprague as a director by the board of county commissioners of Philips County, the reappointment of Eugene Bauerle a director by the board of the Marks Butte Ground Water Management District, and the appointment of Rod Mason as a director by the board of the Arikaree Ground Water Management District.

FINANCIAL REPORT

At 10:14 a.m., Administrative Assistant Dawn Webster presented the financial report and the disbursement for the quarter ending September 30, 2014, which were previously sent to the entire Board electronically as well as being included in the Board packet. A motion that requires board members to submit board compensation and reimbursement expenses no longer than 60 days after a meeting or after an expense was incurred, was made, seconded, and approved unanimously. After more discussion, a motion to approve the financial report and the disbursements for the third quarter of 2014 was made, seconded, and approved unanimously.

At 10:24 a.m., Director Byron Weathers joined the meeting.

GENERAL MANAGER'S REPORT

General Manager Deb Daniel notified the Board that a picture of Director Rod Lenz and his son-in-law was chosen to be on the front cover of the upcoming Headwaters magazine, which showcases the eastern plains. Mrs. Daniel then stated that she had been working with RRWCD program consultant, Tim Davis, regarding the Regional Conservation Partnership Program (RCPP), and that the Colorado Water Conservation Board has agreed to add \$500,000.00 over five years to the districts funds. Finally, Mrs. Daniel briefed the Board on several meetings that had taken place, including a Y-W Electric

meeting where she did a presentation on the Compact Compliance Pipeline, and the Republican River Compact Administration's annual meeting in Lincoln, NE.

At 10:33 a.m., Compact Compliance Pipeline (CCP) Operations Manager Tracy Travis gave a brief report on the Annual Inspection and Maintenance of the Pipeline and answered questions from the Board of Directors regarding weed control.

BUDGET HEARING

At 10:54 a.m., the Board held a hearing on the proposed 2015 budgets for the RRWCD and the RRWCD WAE. Notice of the hearing was published in accordance with law. Budget Committee chairman Rod Lenz opened the Budget Hearing. Justin Dodsworth, RRWCD Accountant, began by informing the Board that the Budget Committee had met to prepare the proposed 2015 Budgets. Mr. Dodsworth reviewed each item in the budgets and discussed the various elements that went into the totals. Possible revisions to the Budgets were discussed. President Coryell asked the Board members if they had any questions; there were none. President Coryell then asked for any public testimony, questions or comments; there were none. At 11:38 a.m., the Budget Hearing was closed.

After discussion of having the Personnel Committee discuss the health insurance provisions in their next meeting, a motion to approve the 2014 Proposed Budget was made, seconded, and approved unanimously.

PROGRAM UPDATES AND REPORTS

At 11:39 a.m., Tim Davis, RRWCD Program Consultant, reported that he has been working the RCPP final proposal for the District, which was submitted on October 2, 2014, noting that the primary objective is to create a program that uses less money. Mr. Davis also stated that he felt that the Washington D.C. trip that had been taken by several board members a couple years ago was important in getting the RCPP started. Finally, Mr. Davis introduced Greg Stoebner with US Fish and Wildlife Service, who notified the Board that the wildlife program, who the US Fish and Wildlife Service partners with, works primarily on private property and cost share funds. After answering questions from the Board, Mr. Stoebner left handouts regarding the program.

Director Greg Larson reported on the Colorado Water Congress annual convention, where he, President Coryell, and General Manager Daniel met with Ken Buck to discuss past, present and future actions taken by the RRWCD.

Director Gene Bauerle gave a brief report on the South Platte Roundtable, stating that the Roundtable is still working on the state wide water plan, which is currently being drafted for the public's input.

Jordan Davison, representing Yuma County Pest Control District, gave an update regarding the Republican Restoration Project.

Director Byron Weathers had not been able to attend the Yuma County Water Authority meeting.

Director Steve Kramer gave a brief report on the Water Preservation Partnership, stating that the Partnership had not been very active because of the farm's busy season, but encouraged the Board to weigh in on the MOU which would be discussed later in the meeting.

Scott Meiklejohn, RRWCD State Lobbyist, was unable to attend the meeting, however he had prepared a report which was included in the Board of Directors packets.

Christine Arbogast, RRWCD Federal Lobbyist, briefed the Board on the proposed rules under the Clean Water Act and also stated that Jennifer Gimbel had been named the Principal Assistant Secretary of Water to the Reclamation of Interior.

Peter Ampe, RRWCD legal counsel, briefed the Board on the Republican River Compact Administration's annual meeting in Lincoln, NE, stating that not much had been accomplished during the two day meeting. Mr. Ampe then reported on the Hutton Trust Hale Ditch and Tip Jack abandonment case, stating that an appeal was made by the State of Colorado and a decision would most likely be made in early spring. Next, Mr. Ampe stated that Andy Rottman and Nate Flynn, both with Hill & Robbins, had been working on title research in regards to water rights on the south fork, which would be discussed in executive session. Mr. Ampe reported that he had been working on the MOU for the Water Preservation Partnership, which now will be set up as a non-profit unincorporated association. Finally, Mr. Ampe notified that Board that he had had a discussion with Bureau of Reclamation's Aaron Thompson regarding Bonny Reservoir's outlet, in which the District would assist the Bureau in getting grants to redo the outlet, which would cost approximately \$750,000.00 to do.

David Robbins, RRWCD legal counsel, stated that he feels the District should assist the Bureau in the process of receiving grants to redo the outlet at Bonny Reservoir. Mr. Robbins also reported that an issue arising on the title research on the South Fork is that information was recorded in two different counties.

At 12:50 p.m., President Coryell recessed the meeting for lunch and asked to start the public comment period at 1:30 p.m.

At 1:38 p.m., the meeting was re-convened.

PUBLIC COMMENT

At 1:38 p.m., President Coryell invited comment from the public.

At 1:38 p.m., there being no requests from the public to comment, public comment ended.

REPORTS

At 1:11 p.m., Mike Sullivan, Colorado Deputy State Engineer, discussed the rules and regulations governing the measurement of ground water diversion affecting the Republican River Compact. The Board of Directors asked Mr. Sullivan many questions regarding the proposed changes of the rules and regulations. Next, Colorado State Engineer Dick Wolfe and Scott Steinbrecher of the

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Colorado Attorney General's office gave a report on the ongoing negotiations with Kansas regarding the Compact Compliance Pipeline and Bonny Reservoir Arbitrations. Mr. Wolfe was asked if he had any communication regarding a letter which was submitted to the State regarding the Hutton Foundation's water rights. Mr. Wolfe stated that there was a response written addressing all of the issues that were brought up in the letter. President Coryell stated that at the conclusion of a news article that ran the letter, Jerry Gross, President of the Hutton Education Foundation, stated that there have been no attempts made on behalf of the RRWCD to purchase the Foundation's water rights. Mr. Coryell stated that that was not true, that the District and the Foundation had been moving towards negotiations to come to a price for the water rights and that a meeting was to be held on September 3, 2014, but the Foundation had backed out of the meeting.

EXECUTIVE SESSION

At 2:45 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, Scott Steinbrecher, Mike Sullivan, and Dave Keeler to stay for a portion of the executive session.

At 3:34 p.m., Dick Wolfe, Scott Steinbrecher, Mike Sullivan, and Dave Keeler left the meeting.

At 4:58 p.m., a motion to exit out of executive session was made, seconded, and passed unanimously.

BOARD ACTION ITEMS

A motion to approve the 2015 budget was made, seconded, and approved unanimously.

Next, a motion to approve resolutions to adopt the proposed 2015 Budget and to approve appropriations in the amounts of the Budget 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 November 20 and 21, 2014, in Greeley, Colorado. A motion to approve the resolution waiving the location requirement for a special Board meeting to be held on November 20 and 21, 2014, in Greeley, Colorado, was made, seconded, and passed unanimously.

The election of officers then began. Dennis Coryell was nominated for President. Greg Larson was also nominated for President. The Board then conducted a vote which resulted in a tie, therefore it was a non-action vote and leadership did not change. A motion to table all of the officer elections until the November 20th and 21st special board meeting when the full board is present was made, seconded, and passed unanimously.

Next, the Board then considered committee assignments. The following changes were made to committee assignments: Deb Daniel was asked to represent the District at the South Platte Roundtable, Eugene Bauerle was added to the Budget Committee and Rod Lenz was removed, and Aaron Sprague was moved to chairman of the Budget Committee.

NEW BUSINESS

Next, after discussion, a motion to enter into the Water Preservation Partnership MOU with the Groundwater Management Districts and CAPA was made, seconded, and approved unanimously.

Next, there was discussion regarding the investments put into Peak Investments. A motion to ask David Carter with Peak Investments to do a presentation at the November Special Board meeting was made, seconded, and passed unanimously.

Next, after discussion, a motion recommending the Negotiating Committee to have a title search done on future potential water right purchases was made, seconded, and passed unanimously.

Next, a motion to donate \$15,000.00 to Yuma County Pest District for live tree removal was made, seconded, and approved unanimously.

Finally, the Board agreed to discuss the outlet on Bonny Reservoir with the Bureau of Reclamation.

OLD BUSINESS

There was no old business.

At 5:47 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