

**Teleconference Meeting of the Board of Directors of the
Republican River Water Conservation District**

October 26, 2020 Teleconference/Zoom

The Board of Directors of the Republican River Water Conservation District convened a special meeting, pursuant to notice required by statute and the District's By-Laws, by Zoom technology and teleconference.

Present were:

Board Members:

Rod Lenz, President
Greg Larson, 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
Tim Pautler
Roger Seedorf
Wayne Skold

Deb Daniel, RRWCD General Manager
Suzanna Baker RRWCD Administrative Assistant
David Robbins, RRWCD General Counsel, Hill & Robbins, P.C.
Pete Ampe, RRWCD General Counsel, Hill & Robbins, P.C.
Tim Davis, TJD, Inc.
Mike Sullivan, Deputy State Engineer

A telephone was provided at the District office for interested members of the public to participate but no public attended.

STATEMENT OF QUORUM

President Rod Lenz called the meeting to order at 9:00 am. Board Secretary Gil Anderson conducted a roll call of the Board members and declared that a quorum of the Board was present. Steven Meakins was not able to join and was excused.

AGENDA

- CREP-
- President Lenz provided an update on the board's decision to push forward in getting the new acres into a CREP program. Mike Sullivan reviewed the board's proposed course of action from

the last meeting. The board had previously asked for the options for the newly added acres so there would not be a reduction in annual rental payments for new CREP contracts in the rest of the basin. Mike Sullivan reported that Virgil Ireland was concerned about having the same type of CREP but with different rates right next door to each other. Ireland is looking at it as a programmatic problem. They do not want to have different rental rates for the same type of CREP program.

Sullivan went on to explain that the categorical exclusion approved by USDA is only for existing programs so they would not be applicable to the new acres under a new CREP. There would be an environmental assessment (EA) required if the District went for a new CREP.

An amendment to the current CREP would not require the EA but would result in a 10% reduction in the payment rates for future contracts within the entire District area.

He was asked why we would have to take a 10% reduction? Sullivan explained that existing programs (CREP) are exempt from the reduction. If the board were to amend the current CREP, then the change would result in the 10% reduction. Any existing contract would remain at its current rate, any new contracts would result in that 10% reduction.

Current options for the board to consider.

1. Do nothing
2. The wells in the new area are eligible for EQIP now
3. 10% cut across the Basin
4. Take 10% cut and back fill the wells in the original boundary with RRWCD funds
5. Use the 10% cut as incentive to get producers to sign-up

Tim Pautler believes the Amendment is the best way to go even with the 10% reduction. The RRWCD may need to backfill the payments.

David Robbins stated that the 10% cut is on top of an unknown. FSA will be reviewing their rental rates every year. So, if they choose \$100 within an area the CREP FSA payment rate would be based on \$90 per acre.

Aaron Sprague mentioned we could take the 10% cut and use it as a negotiating piece to leverage for dryland farmable CREP acres in the future.

Kevin Penny asked what the timeline was for the Amendment. It would simply be a process for Mike Sullivan and Virgil Ireland to put the pieces in place. It would depend on how busy Virgil Ireland and Mike Sullivan were to get it done. Penny asked if we should hold off and use the time to encourage producers to sign-up who are on the fence.

Mike Sullivan does not want the problem to sit for too long. Rod Lenz asked if we could set a date in the future for the Amended CREP to become active? Mike Sullivan thought that was possible.

The Board continued discussion on the pros and cons of the options available today.

As a result of the discussions the Board arrived at a consensus that the current CREP should be amended to include the new acres and wells with the 10% cut being applied to the entire District is currently the best option. Understanding that rental rates are looked at every year, and therefore could fluctuate annually.

Brooke and Jim thought that a meeting would be necessary in the Cheyenne County area to explain the situation and to start building trust again.

The Board continued discussion on the pros and cons of the options available today.

Roger would like the board to consider an effective date for the board to look at for 2021 or 2022. The next federal fiscal year.

A motion was made to direct Mike Sullivan to engage with Virgil Ireland, the RRWCD would accept the categorical exclusion and amend the existing CREP to include the newly added acres to the Republican River District,, accepting the 10% reduction in CREP rates to be effective in the next federal fiscal year (2022). The motion was seconded and approved unanimously.

The board then discussed how to make sure the word got out to producers.

There was a motion to adjourn the meeting at 9:04 am. Motion was seconded and approved unanimously.


Secretary

1/19/2021
Date