

**Minutes of the Second 2017 Quarterly Board Meeting of the
Board of Directors of the
Republican River Water Conservation District**

April 13, 2017

Yuma, 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 Quintech LLC., Yuma, Colorado.

Present were:

Board Members:

Rod Lenz, President
Greg Larson, Vice President
Tim Pautler, Secretary
Aaron Sprague, Treasurer
Eugene Bauerle
Wil Bledsoe
Dennis Coryell
Brent Deterding
Kenny Helling
Steve Kramer
Stan Laybourn
Rod Mason
Steven Meakins
Roger Seedorf
Wayne Skold

Deb Daniel, RRWCD General Manager
Dawn Webster, RRWCD Administrative Assistant
Pete Ampe, RRWCD General Counsel, Hill & Robbins, P.C.
David Robbins, RRWCD General Counsel, Hill & Robbins, P.C.
Jim Slattery, RRWCD Engineer, Slattery Water Engineering, LLC
Tim Davis, RRWCD Program Consultant, TJD LLC
Christine Arbogast, RRWCD Federal Lobbyist, Kogovsek & Assoc.
Scott Meiklejohn, RRWCD State Lobbyist, Meiklejohn & Associates

Darlene Carpio representing Senator Cory Gardner's Office
Jack Dowell, former founding RRWCD Board member and his wife Carol
Dusty Johnson, representing Congressman Buck

A sign in sheet listing the members of the public attending the meeting is attached as Exhibit 1.

STATEMENT OF QUORUM

President Rod Lenz called the meeting to order at 10:03am., welcomed the public and started the meeting with the Pledge of Allegiance and a prayer. Secretary Tim Pautler conducted a roll call of the Board members, all were present. Secretary Pautler declared that a quorum of the Board was present. President Lenz acknowledged Senator Gardner's representatives Dalene Carpio with Jack and Carol Dowell.

AGENDA AND APPROVAL OF MINUTES

President Lenz asked for any amendments to the agenda for the meeting. Roger Seedorf asked to add Personnel Matters under Board Action Items. It was asked to discuss Board compensation under New Business, to add President's report under Administrative reports and to move 'Approve Duties for Aaron Sprague' to under Administration reports. A motion to approve the agenda with the changes was made, seconded and approved unanimously.

Minutes of the meeting on January 12, 2017 and the executive session during that meeting; March 8th & 17th Special Teleconference Meeting minutes were approved unanimously with no changes.

Resolutions 17-2

At 10:09 am Rod Lenz read Resolution 17-02 'Thanking Jack Dowell for his service to the RRWCD Board of Directors and presented him with the resolution. Jack was a founding Board member represented the RRWCD on the Personnel Committee and with the Yuma County Pest District. Jack recently retired from the RRWCD Board. The W-Y GWMD selected Roger Seedorf as their representative. There was a motion to pass Resolution 17-02. It passed unanimously.

PRESIDENT'S REPORT

At 10:14 am President Rod Lenz recognized the dedication of the Board Members and thanked them. Lenz mentioned that committees are active and are very balanced. He also noted that the Washington D.C. trip was successful and felt there were some positive results that came from the trip. Mr. Lenz also reported on the Earl Property saying that the RRWCD wants to retire water in the best locations for the best value, but the RRWCD is not in the business of owning property. Lenz also noted the conservations committee's work with the Ground Water Management Districts and their willingness to cooperate with them and help them in whatever way we can. Lenz attended a listening session from Senator Bennett, discussing current legislation and had an opportunity to discuss future goals.

GENERAL MANAGER'S REPORT

At 10:20 am General Manager Deb Daniel reported on district activity, thanking the board members who participated in the Washington D.C. trip; Rod Lenz, Greg Larson, Tim Pautler, Aaron Sprague and Wil Bledsoe. She thanked Christine Arbogast Tim Davis and Pete Ampe for sharing their expertise during the trip.

Deb reported Tim and Mariane Ortner, of Holyoke, CO, were awarded the lease on the Dryden Property. Greg Larson and Rod Lenz attended the closing on the Earl Property on March 24, 2017. The RRWCD has published taking bids to lease the Earl property pasture for 2017. Bids must be submitted to the First Pioneer National Bank and will be opened by bank president Keith Waggoner along with Ms. Daniel and a Board member on Tuesday, April 18, 2017.

Ms. Daniel attended a meeting in Denver with the State Engineer's office staff, Board members of ground water management districts and others. The purpose of the meeting was to discuss jurisdiction of the ground water management districts and the State Engineer's Office.

Ms. Daniel reported the RRWCD co-sponsored 2 listening sessions for Senator Bennett's office. Aaron Sprague represented the RRWCD Board at the Byron Weathers Farm east of Yuma, CO, on March 23, 2017. Tim Pautler organized the listening session in Burlington on March 28, 2017. Several RRWCD Board members participated in the Burlington meeting. Tim Davis, RRWCD Program specialist attended both meetings. Deb Daniel stated the District has received several inquiries on the CREP and OAI programs.

Dawn Webster read her resignation as the RRWCD Administrative Assistant effective April 28, 2017.

FINANCIAL REPORT

Dawn Webster reported on the 1st quarter financial report for 2017. The financial report was accepted and motion was made and approved unanimously.

CCP OPERATIONS REPORT

Dawn Webster read the report from Tracy Travis, operations manager of the compact compliance pipeline. As requested by Jim Slattery, RRWCD water engineer, the pipeline was shut down on March 31, 2017. Tracy plans to start the annual maintenance program soon.

Board President Lenz asked the Board to review the duties of the Board Treasurer. A motion was approved unanimously for the Board Treasurer's duties. Dawn read minutes taken during the motion and approval. The minutes were approved accepting the motion.

COMMITTEES REPORTS

Director Aaron Sprague, Budget Committee Chairman, reported Tim and Mariane Ortner submitted the awarding bid of \$191,000.00, - \$317.00/acre on the Dryden property. Aaron reported the RRWCD purchased the Gary and Nancy Earl Property for \$2.34 million, which is well with-in budget. Aaron stated one of the conditions for the Pipeline loan from the Colorado Water Conservation Board is that a percentage of the amount still owed on the loan be held by the RRWCD in a cash reserve. The RRWCD continues to meet this requirement

Director Steve Kramer, Conservation Committee Chairman, thanked everyone who helped with the Washington D.C. trip. Kramer reported on the special RRWCD Board teleconference held March 8, 2017, to discuss funding of the 2017 Ogallala Aquifer Initiative and to use the funds to get as many acres as we can.

He then presented a resolution from the Water Preservation Partnership (WPP) and it was decided the Board would vote on WPP Resolution 17-02 during the Board action items. Steve expressed the appreciation from the WPP of the support from RRWCD

Director Steven Meakins, Chairman of the Innovation & Technology Committee, discussed possible Dryden Property conservation including pivot controls and soil probe monitoring. Meakins reported

the approximate cost of each option and suggested the Board could possibly use the funding available in the 2017 Conservation budget line item to cover these costs.

President Rod Lenz reported that the Ortner's are receptive to looking at different conservation options on the Dryden property but were looking to the RRWCD to propose ideas. The board discussed different conservation proposals. Steven will contract the Ortner's to further discuss these options.

Steven Meakins thanked the RRWCD for the support and phone calls he and his family received regarding the fire which devastated his farm this spring. Meakins stated he wants to vote yes on the WPP Resolution 17-02.

At 11:20 a.m. Steven Meakins left the meeting

Director Wil Bledsoe, Legislative Committee Chairman, reported on the Washington D.C. trip; February 27th to March 1st. Wil thanked Christine for directing the group. He explained how in each meeting with the various organizations or congressional staff members 20 minutes was scheduled for the RRWCD to quickly paint the picture for who we are, the conservation programs and the reasons we asked to meet with them. Tim Davis had the District very well prepared. Wil felt that the district was efficient and hopes they were effective. Bledsoe reported he felt that some of the issues discussed during the trip to Washington D.C. are already resolved or working on getting resolved. The Advisory Committee for the Republican River Compact Rules met March 21, 2017, in Burlington. Wil had asked Deb to try to schedule a meeting with the East Cheyenne Ground Water Management District to discuss the Rules and to try to get everyone on the same page, but Deb was unable to set up the meeting. Wil had asked Scott Meiklejohn to testify on a legislative Bill for the district.

Director Greg Larson, Negotiating Committee Chairman, reported on the Earl Property purchase. He reported this purchase included one of the senior rights (9.33 cfs) on the Arikaree River which dates back to 1893. Due to purchasing this property the historical consumptive use of 588 acre-feet will not be pumped again on this property which is located next to the Arikaree River along the Colorado – Kansas state line. Taking off this consumptive use is seen in the groundwater model. Colorado is allocated 78% of the Virgin Water Supply of the Arikaree and reducing that pumping will help maintain compliance with the Arikaree sub-basin test. The pasture lease bids for the Earl Property are due Monday, April 17, 2017 at the First Pioneer National Bank by 4:00 PM and will be opened by Keith Waggoner, FPNB Bank Manager on Tuesday, April 18, 2017.

Director Gene Bauerle, Nominating Committee Chairman, reported no new happenings in the committee.

Director Roger Seedorf, Personnel Committee Chairman, reported on the resignation of Administrative Assistant Dawn Webster. Dawn had been with the RRWCD for 7 years. Roger Seedorf then gave a timeline for hiring an Administrative Assistant replacement:

- Week 1&2 – Publish notification of position opening for 2 weeks
- Week 3 – RRWCD General Manager will narrow down to interviewees
- Week 4 – Personnel Committee will start interviewing applicants
- Week 5 – Fill Position

Possibly not hire anyone for 7 weeks depending on 2-week notice, etc. Seedorf requested the Personnel Committee meet during lunch to discuss hiring process.

ASSOCIATED ORGANIZATIONS REPORTS

Director Greg Larson reported on his attendance to the Colorado Water Congress (CWC) with Rod Lenz and Wil Bledsoe on January 25-27, 2017. Director Bledsoe noted that people throughout the State share the same concerns as the residents of the Republican River Basin.

General Manager Deb Daniel reported on the South Platte Roundtable meeting held in January. She was unable to attend the February and April meetings. She reported Sean Conway is the new chairman. Joe Frank gave a report on the South Platte supply project during the last SPBRT meeting.

Director Steve Kramer reported on Water Preservation Partnership saying they are looking for different ways for the RRWCD & GWMDs to support the WPP in regard to their efforts to promote groundwater conservation. Steve told the Board that the WPP has created a resolution. Recently the WPP met to discuss the resolution. The RRWCD Board has a copy of the WPP Resolution 17-02 which has changes that were discussed during the last WPP meeting but the WPP did not have time to approve the modifications. Steve has asked that the RRWCD review the modified resolution and vote on it later in the meeting.

Director Roger Seedorf, reported on the Yuma County Pest District (YCPD). Roger stated he felt YCPD general manager, Jordan Davison, will be reporting to the district new project plans.

Director Kenny Helling reported on the Yuma County Water Authority. He attended a meeting in January; no water activity was discussed. The YCWA touched on the Hutton Lawsuit and the 25,000 acres to be voluntarily retired from irrigation on the South Fork.

Tim Davis, RRWCD Program Consultant, reported to the board on the current status of the CREP and OAI conservation programs. Tim gave a slideshow reporting on RR CREP Amendment including: current annual contributions, FSA & RRWCD Annual Payment under current agreement, four options to accommodate 10% cash match, and the total annual cost estimate for options based on 25,000 acres enrolled. There was a lengthy discussion regarding the Amendment and how it would affect the 2017 budget.

It was decided the Conservation Committee will meet at lunch to recommend trying to reach the 10% minimum cash match.

Christine Arbogast gave the Federal lobbyist report. She felt the board was well prepared in Washington D.C. The board was very genuine, she recalled a lot of laughter and felt the time and resources were well spent. She stated that the follow-up will be very important. She continued that the Farm Bill issue will be going on for a long time. Secretary Pruettt will go to nomination floor for the position as Secretary of Agriculture after Easter recess. The EPA doesn't have anyone nominated. Budget & Appropriations resolution runs out soon, and there are talks about cuts for the rest of FY 2017. President Trump has released his version of a skinny budget, which refers to the depth of the budget. With the possibility of a 21% cut, USDA is considering combining FSA and NRCS offices. Arbogast stated that regarding the Waters of the United States rule, the administration can put out a new rule but the rule will constantly be challenged in court. Arbogast feels there will be more listening sessions on the Farm Bill.

Scott Meiklejohn gave the state lobbyist report. Meiklejohn reported on the Bills the legislature needs to consider and act upon. He is following 15 bills for the RRWCD.

At 12:20 PM the board took a break for lunch

The board reconvened the meeting at 1:10 pm.

PUBLIC COMMENT

Nate Midcap, general manager of the Big Four GWMDs, stated the CREP payments should be equal throughout the Basin, no matter where you are located. Midcap continued that applications received by the RRWCD should be prioritized if you're concerned about the South Fork issue.

At 1:13 pm public comment period ended.

Chelsea Erickson from Department of Natural Resources of Kansas and Dusty Johnson from Congressman Buck's staff was acknowledged.

PROFESSIONALS REPORTS CONTINUED

Jim Slattery, RRWCD water engineer, reported on his work regarding the Earl property purchase and also working on water rights on the South Fork. There were several questions discussed regarding importing water from the South Platte in the Republican River Basin.

Pete Ampe, RRWCD legal counsel, reported on the Washington D.C. trip. He felt everyone did a good job. Ampe helped with the Earl Property purchase, acknowledging Nathan Flynn's help. Ampe also helped with the Dryden lease and CREP agreement. Ampe responded to questions of who will be enforcing the Republican River Compact Rules in Colorado. Ampe reported on the Hutton vs. Wolfe Supreme Court Case. He is trying to put together a single response brief, which is due May 1st. Next Ampe reported on the Tip Jack change case and explained the Water Court process.

David Robbins reported that the Hill & Robbins, LLC, invoice for March will be significantly larger than normal due to work done the Rosenkrans Ditch and Earl Property purchase. Robbins discussed the authority of GWMD vs. RRWCD on how to exercise their powers regarding conservation. To change the authority of the RRWCD would require changing statutes that created the district as to what the district can do.

BOARD DISCUSSION AND ACTION ITEMS

At 1:45 pm the Board discussed and approved the \$1,000.00 membership to Colorado Foundation for Water Education. Stan Laybourn voted against the membership and feels that money could be spent elsewhere.

At 1:49 pm the board discussed donation to the WPP for 2017. Steve Kramer recommended that the Board donate \$2,500.00. A motion was made based on Kramer's recommendation, passed unanimously.

Next the board discussed WPP Resolution 17-2 regarding the depletions to the Ogallala Aquifer. Steve Kramer recommends on behalf of the WPP to vote for the Resolution. There was discussion regarding Resolution 17-1 & 17-2. After a lengthy discussion, there was a motion to approve the Minutes of the Quarterly Board Meeting – April 13, 2017

WPP's Resolution 17-2. Opposed were Brent Deterding, Rod Mason and Dennis Coryell. Motion passed 11-3.

Then the board discussed payment-in-lieu of taxes for 2016 for the Dryden Property. After discussion, a motion was made to pay the taxes. The motion was seconded, and approved unanimously.

Receiving bids for leasing the pasture land of the Earl Property was discussed. Keith Wagoneer from First Pioneer National Bank in Wray, CO, will collect the bids prior to 4:00 p.m. on Monday, April 17, 2017. Wagoneer will open the bids in the presence of general manager Deb Daniel and an RRWCD Board member.

A motion was made to authorize the Negotiating Committee to put together a dryland acre lease on the Earl property farm land & sealed bid notice for the 2017/2018 season. The motion was seconded and approved unanimously.

Dick Wolfe State Engineer and Mike Sullivan, Deputy State Engineer reported on negotiations with Kansas regarding Bonny. Dave Keeler reported a total of 380 acre-foot has crossed the state line at the South Fork this year. Keeler reported there were only 3 producers who pumped more than their appropriation in 2016. The State will no longer tolerate over-pumping and will file a court injunction on anyone found to be pumping more than they are allowed to on their final permit.

Dick Wolfe then reported on the groundwater rules. He has some concerns about who has the authority to enforce the rules and actions against people. The next meeting will be on April 24, 2017, in Burlington. The official map of the 25,000-acre water conservation map on the South Fork will be provided to the RRWCD. Wolfe and staff continue to meet with Kansas and Nebraska officials.

At 2:47 p.m. Rod Lenz read Resolution 17-03 thanking Dick Wolfe for his efforts on behalf of the RRWCD and the State of Colorado. A motion was made, to approve Resolution 17-03. The motion was seconded and approved unanimously. Dick Wolfe thanked the board, and accepted the Resolution on behalf of his staff and the AG's office. Dick expressed he wishes for the best for the RRWCD as they work forward preserving and protecting the water.

Roger Seedorf, chairman of the Personnel Committee made a motion to authorize the Personnel Committee to advertise the position of Administration Assistant, to review applicants and to tender an offer of employment. The motion was seconded, and passed unanimously. A motion to establish an Interview Committee comprised of the Personnel Committee, Board president general manager and a member of Premier Accounting was made, seconded, and passed unanimously. A motion was made to authorize a special committee made up of the Board president, Chairman of the Budget Committee and members of the Personnel Committee to establish the salary to be offered for the position of Administrative Assistant, with the recommendation from the general manager. The salary offered to the finalist is to be between \$24,000 to \$40,000/year, not including the health insurance reimbursement, which falls within the scope for our current fiscal budget, seconded, and passed unanimously. A motion was made to have the general manager offer a position of temporary employment to Dawn Webster for the purpose of training the newly hired administrative assistant with the scope of duties and term of employment, to be determined by the general manager, with a comparable hourly rate to her current salary, was seconded and passed unanimously.

EXECUTIVE SESSION

3:03 pm, a motion was made pursuant to section 24-6-402(4). to enter executive session. Rod Lenz asked Dick Wolfe, Mike Sullivan and Dave Keeler to stay for executive session.

At 4:01 pm the board exited executive session.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Dennis Coryell would like the board to consider a change in the 60-day limit for board member compensation. A motion was made to make the change the time frame from 60 days to from one quarterly board meeting to the next quarterly Board meeting. The motion passed unanimously.

At 4:07 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