

**MINUTES OF THIRD 2008 REGULAR QUARTERLY MEETING OF THE  
REPUBLICAN RIVER WATER CONSERVATION DISTRICT**

**July 10, 2008**

**Haxtun, 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 Haxtun Community Center, Haxton, Colorado.

Present were:

Board Members:

Dennis Coryell, President  
Tim Pautler, Secretary  
Rick Seedorf, Treasurer  
Grant Bledsoe  
Eugene Bauerle  
Jack Dowell  
Garry Kramer  
Bruce Latoski  
Stan Laybourn  
Wayne Skold  
Greg Terrell

Stan Murphy, RRWCD General Manager

David Robbins, General Counsel, Hill & Robbins, P.C.

Dennis Montgomery, General Counsel, Hill & Robbins, P.C.

James Slattery, District Engineer

Tim Davis, District CREP Consultant

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 10:15 a.m. President Coryell welcomed the public and noted that Deb Carlstrom of Representative Musgraves' office was present. Secretary Tim Pautler conducted a roll call of Board members, noting that Directors Kim Killin, Raymond Enderson, Steve Kramer, and Greg Larson were absent. With eleven 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. There were two amendments, and a motion to approve the agenda as amended was made, seconded, and approved unanimously.

Prior to this meeting, the directors had received drafts of the minutes of the continued regular Board meeting held on April 18, 2008, and special meetings held on May 5, 2008, May 13, 2008, and June 5, 2008. President Coryell requested any changes or corrections to the minutes. Director Gene Bauerle recommended a change to the minutes of the April 18, 2008 meeting regarding his report on the South Platte Roundtable. A motion to approve the minutes of the continued regular Board meeting held on April 18, 2008, with the change recommended by Director Bauerle, and the special meetings held on May 5, 2008, May 13, 2008, and June 5, 2008, was made, seconded, and approved unanimously.

President Coryell then read a proposed resolution acknowledging and expressing gratitude and appreciation to Ken Knox, who was leaving his position as Deputy State Engineer of the State of Colorado. A motion to adopt the resolution was made, seconded, and passed unanimously. Since Mr. Knox could not be present at the meeting, a member of his staff, Katie Radke, read a message from Mr. Knox also expressing gratitude and appreciation to the RRWCD Board for the past four years of working together. President Coryell said that the Board had a plaque to present to Mr. Knox and would try to do so later in the year at a time when he could be present.

## **GENERAL MANAGER'S REPORT**

At 10:30 a.m., General Manager Stan Murphy presented the financial report and the disbursements for the quarter ending June 30, 2008, which had been previously sent to the entire Board electronically as well as being included in the Board packet. Mr. Murphy reported that the remaining certificates of deposits that were pledged as collateral for the loan from Farm Credit of Southern Colorado will come due in September and when those moneys are used to repay the loan from Farm Credit of Southern Colorado, it will leave about \$1 million to repay on the loan at the end of the year. A motion to approve the financial report and the disbursements for the quarter ending June 30, 2008, was made, seconded, and approved unanimously.

Mr. Murphy then reported on the 2007 audit report by Winfrey & Country, which had been sent to the Board electronically and was included in the Board packet. He noted that the only adjusting entry required by the auditor was for the emergency reserve required by TABOR. The auditor also pointed out that a supplemental budget and appropriation needed to be made for unanticipated revenues from the Farm Credit and the Colorado Water Conservation Board (CWCB) loan proceeds and that a resolution that there is a decrease in the fund balance at the end of the year was also required. A motion to accept the 2007 audit report was made, seconded, and approved unanimously.

Next, Mr. Murphy reported that applications for the Pipeline Coordinator position had been received, that the Pipeline Coordinator will work directly with Jim Slattery, and that in the interim this person will be used to do investigations to make sure that lands that are supposed to

be retired are not being irrigated and to check to make sure that all lands that should be assessed a use fee are being assessed. Mr. Murphy reported that there were three potential candidates for the Pipeline Coordinator position and that two had been interviewed on July 1st and one was being interviewed today in Haxtun, after the Board meeting.

Next, Mr. Murphy said the District's website had been in place for over two years and had been designed on a minimum budget. He said the District gets requests to post items on the website, but there are only a few places where he and Administrative Assistant Dana Barnett can add items. Mr. Murphy requested approval from the Board to upgrade the District's website. He felt that it could be updated and improved significantly and wanted to explore some options. After a short discussion of the importance of a professional and current website, the Board directed Mr. Murphy to get information on the type of improvements and the cost of such improvements and to report back at the next quarterly Board meeting.

The Board then took a short recess due to electronic recording problems.

At 10:55 a.m., the meeting re-convened. President Coryell introduced Scott Meiklejohn, the District's State-level lobbyist who was hired this year and was attending his first Board meeting. Legal counsel David Robbins gave a brief summary of Mr. Meiklejohn's background. Mr. Meiklejohn then addressed the Board and gave an update on the effort to get H.B. 1346 passed to approve the CWCB loan for the Republican River Compact Compliance Pipeline and recognized the efforts of Senator Isgar and Representative Curry, as well as Senator Brophy and Representative Gardner. He also said the efforts of the Colorado Department of Natural Resources and the Colorado Corn Growers Association were helpful. He also reviewed S.B. 28 regarding draining Bonny Reservoir and reported that there will be many new faces in the State Legislature, so there will be a lot of education to be done in the next session.

## **PROGRAM UPDATES AND REPORTS**

At 11:05 a.m., Mr. Robbins gave an update regarding the status of the approval by the Republican River Compact Administration (RRCA) of the augmentation plan and accounting procedures for the Republican River Compact Compliance Pipeline. He reported that he and President Coryell had gone to Topeka, Kansas, to meet with David Barfield, the Kansas Chief Engineer, and his counsel. At that meeting, Mr. Barfield informed Mr. Robbins and Mr. Coryell that in addition to a statewide obligation to comply with the Compact, Kansas also believes there is a sub-basin nonimpairment obligation. This meant that even if Colorado was in compliance on a statewide basis by delivering water to the North Fork of the Republican River, there would still be an issue in the South Fork sub-basin. Mr. Robbins reported that, subsequently, the Executive Committee and legal counsel had met with the Harris Sherman, the executive director of the Department of Natural Resources, Alex Davis, Peter Ampe, Ken Knox, and Dick Wolfe, as well as representatives from the Division of Wildlife, to ask what the State was going to do to address Kansas' sub-basin nonimpairment issue with regard to the South Fork sub-basin and asked them to meet with Kansas promptly to try to resolve the issue. Mr. Robbins said he felt the issue could be resolved and that the State of Colorado and the State of Kansas needed to figure out how to do that. He said Harris Sherman had directed his staff to work toward a resolution as soon as possible. Mr. Robbins said Kansas also has issues with Nebraska and there are negotiations going on between the States. Mr. Robbins said that he and Mr. Montgomery could participate in

these negotiations, under a confidentiality agreement, if the Board directed them to do so. Mr. Robbins explained that under the confidentiality agreement he could not disclose all of the details of the negotiations, even to the Board, but he felt it was important to have some participation in the discussions. Secretary Pautler asked Mr. Robbins if it was his desire to participate in the meetings. Mr. Robbins answered yes. President Coryell reminded the Board that both Mr. Robbins and Mr. Montgomery were highly respected by state officials and representatives. A motion to direct Mr. Robbins and Mr. Montgomery to participate in the negotiations between Kansas, Nebraska, and Colorado and to sign the confidentiality agreement was made and seconded. At that time, Director Terrell had some questions for Mr. Robbins concerning his previous contacts with the State of Kansas. The motion was then voted on and passed, with ten Directors voting for the motion and one nay vote by Director Terrell.

Mr. Montgomery then reported on the status of the 2008 lease of surface water rights in the North Fork drainage between the RRWCD Water Activity Enterprise (WAE) and the surface owners.

Mr. Tim Davis, District CREP Consultant, reported on the status of the addendum to the Agreement for the 2006 Republican River Conservation Reserve Enhancement Program (CREP). He said a new issue had been brought up regarding the acres of land that could be enrolled into CREP where the pipeline will be excavated. Because excavation for the pipeline was not part of the original environmental assessment (EA), the U.S. Department of Agriculture (USDA) in Washington, D.C., has requested that a supplemental EA be prepared. Mr. Davis said he had many conversations with USDA personnel to discuss the need for the supplemental EA, but in the end, the recommendation was to proceed with the supplemental EA to get it done. Therefore, to keep the pipeline project as close to the time schedule as possible, Mr. Davis has been working with Katie Radke of the Department of Natural Resources to begin the process. Ms. Radke reported that she had submitted a Statement of Work to be approved and then will get the cost estimates. She assured the Board that it was a top priority to complete the supplemental EA in as short a time as possible. She said she was also going to pursue funding sources, like the CWCB, on behalf of the RRWCD WAE. Director Bauerle suggested the South Platte Roundtable as a possible source for funding, as well.

President Coryell then informed the Board of the upcoming Summer Convention of the Colorado Water Congress and said Treasurer Seedorf was the District's representative.

Next, President Coryell reported on the Interim Water Committee's visit to the area. He said most of the Committee members attended, and they toured the Compact Compliance Pipeline site and the Wray fish hatchery. He said there were also representatives from the Division of Wildlife and the Colorado Corn Growers Association at the meeting. President Coryell said he felt they had a good discussion of issues in the basin and there was both interest and support by the state officials.

Director Bauerle reported on the South Platte Roundtable (SPR) meeting that he had attended. He stressed that each county needs to send a representative to these meetings. He felt there is a concern that the SPR is not getting the facts regarding water issues important to the Republican River basin.

Next, Director Dowell reported on the Republican River Weed Control meetings. They had toured three different sites where trees had been removed using three different procedures. The next meeting will be at the Fox Ranch.

At 12:00 noon, program updates and reports ended. President Coryell informed the Board and the public that the presentation by Jim Slattery would be moved to after lunch; he then recessed the meeting for one hour for lunch.

### **PUBLIC COMMENT**

At 1:05 p.m., the meeting was re-convened, and President Coryell opened the meeting for public comment.

Al Renzelman, a retired teacher and rancher, encouraged the Board to look at all ideas that came their way regardless of the source. He mentioned an idea from people in Nebraska to bring canal water down from the Platte River. Mr. Robbins explained that the Board had considered a proposal to import water from the South Platte River, but had rejected it as too expensive.

At 1:10 p.m., public comment ended.

### **ENGINEERING REPORT**

District Engineer Jim Slattery then gave an update on the Compact Compliance Pipeline construction schedule, which included an update on compact accounting and a computer-generated “fly over” of the pipeline alignment. At 1:50 p.m., Mr. Slattery’s presentation ended.

### **BOARD ACTION ITEMS**

At 1:55 p.m., President Coryell recessed the Board Meeting and convened a Budget and Appropriation Hearing. Mr. Montgomery explained the need for a supplemental budget and appropriation to account for the Farm Credit of Southern Colorado and the CWCB loans and the Compact Compliance Pipeline expenses. He said the 2008 Budget that had been approved by the Board in October, 2007, did not have the Farm Credit and the CWCB loans in it, as they were not anticipated at the time. District Accountant John Willard had prepared the supplemental budget. Mr. Montgomery said that he had prepared a draft resolution to adopt the supplemental budget, appropriate the funds, and acknowledge the decrease in the fund balance at the end of the year.

After an opportunity for comments from the public and clarification of the timing of the CWCB loan, a motion to adopt the Supplemental Budget and Appropriation of Additional Funds Resolution as drafted was made, seconded, and passed unanimously.

At 2:10 p.m., Katie Radke reported on the process of preparing a supplemental EA. She said that the supplemental EA would be handled by the State, but the cost would have to be paid by the RRWCD WAE unless another source of funds was obtained, and the cost would be approximately \$25,000 to \$35,000. She reiterated that she is pursuing various funding sources. A motion to authorize Ms. Radke to proceed with the supplemental EA and to authorize the

RRWCD WAE to pay for the supplemental EA, not to exceed \$35,000, was made, seconded, and passed unanimously.

At 2:15 p.m., Mr. Montgomery reported on the status of the CWCB Loan Contract. The draft contract had been sent to the Board previously by electronic mail and was also in the Board packet. Mr. Montgomery said that he and Mr. Willard had sent comments to Vaughn McWilliams of the CWCB, who was implementing the changes that had been requested. Mr. Montgomery said the contract is still in the review process.

At 2:20 p.m., a discussion regarding the increase in the IRS mileage rate began. After the discussion, a motion to increase the rate that the RRWCD WAE pays for reimbursement for mileage to the IRS rate of \$.585 cents per mile was made and was seconded. With the consent of the directors who made and seconded the motion, the motion was amended to state that the RRWCD WAE would follow the IRS mileage rate in the future for reimbursement of mileage. The amended motion was seconded and passed unanimously.

At 2:22 p.m., the need for a RRWCD WAE travel expense policy was discussed. President Coryell said the Executive Committee felt the matter should be brought to the attention of the Board because more travel was occurring due to the RRCA meetings in Kansas and Nebraska, as well as program meetings with federal government officials in Washington, D.C., and said the attitude of respecting public funds should be in the forefront. Treasurer Seedorf reported that he had done research by contacting other conservation districts in the State and asking about any policies they have in place. He said other conservation districts had various written and unwritten policies regarding hotel rates, airline rates, meal limits, cell phone expenses, etc. After discussion, President Coryell directed Treasurer Seedorf to review the travel expense policy with General Manager Murphy and draft a policy for the Board to review at its next regular Board meeting.

At 2:32 p.m., Mr. Murphy discussed the RRWCD Meeting Notification Requirements table that had been sent to the Board previously by electronic mail and was also in the Board packet. He said the purpose of the table was to clarify the notice requirements under the By-Laws and the Open Meeting Law for various meetings. There was discussion to clarify how and when Board and Committee meeting notices are sent out by the District staff electronically and/or posted. One correction was noted that should be made to the table. Mr. Robbins reminded the Board and staff to “err on the side of notice.”

### **EXECUTIVE SESSION**

At 2:55 p.m., a motion was made pursuant to section 24-6-402(4), C.R.S., to enter into executive session to develop a strategy for negotiations to acquire water rights and property for Compact Compliance Pipeline and to develop a strategy for negotiations for the purchase, acquisition, or lease of water rights and to receive legal advice from District’s legal counsel related to such issues. The motion was seconded and approved 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 5:00 p.m., the executive session ended.

**OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

There was no new business.

There being no further business, at 5:05 p.m., p.m., President Coryell adjourned the meeting.

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Timothy Pautler  
Secretary

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Date