

Minutes of 2nd 2006 Special Meeting of the
Republican River Water Conservation District

March 09, 2006

Wray, Colorado

Present were:

Board Members:

Dennis Coryell, President
Tim Pautler, Secretary
Rick Seedorf, Treasurer
Eugene Baurele
Grant Bledsoe
Kelly Burr
Jack Dowell
Raymond Enderson
Garry Kramer
Bruce Latoski
Stan Laybourn
Jerry Sonnenberg
Wayne Skold

Stan Murphy, General Manager
Monica Newton, Administrative Assistant
Dennis Montgomery, General Counsel, Hill & Robbins, P.C.
Scott Richrath, State Engineer's Office
Tim Davis, Colorado Division of Wildlife
Deb Carlstrom, Office of United States Representative Marilyn Musgrave
Danyel Brenner, Office of United States Senator Wayne Allard
Dennis Kaan, John Deering, and Joel Schneekloth, Colorado State University
Cooperative Extension

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

MINUTES

President Dennis Coryell called the meeting to order at 9:13 a.m. President Coryell welcomed the public and introduced Mike Whitmore who will be running the sound system for the Republican River Water Conservation District (RRWCD) Board meetings. The agenda was amended to include The Nature Conservancy (TNC) under program updates and reports. A motion to approve the agenda was made, seconded, and adopted unanimously. A motion to accept the 2-9-06 regular and executive session meeting minutes was made, seconded, and approved unanimously. Secretary Tim Pautler

conducted a roll call of Board members, noting Vice President Kim Killin and Director Steve Kramer were excused and that a quorum of the Board was present.

At 9:22 a.m., General Manager Stan Murphy reviewed the financial report and noted revenue was collected in the month of February from the water use fees. He also noted that the RRWCD had received four proposed bids for website design. It was agreed that Mr. Murphy will review the proposals with a limitation not to exceed \$5,000 for the project, and to avoid monthly fees for uploading and posting if that is something that can be done in-house.

At 9:25 a.m., President Coryell introduced Deb Carlstrom from Representative Marilyn Musgrave's office and Danyel Brenner from Senator Allard's office.

Mr. Murphy noted a concern with the officer's election policy as it pertains to the District's by-laws. President Coryell tabled the item to address it as new business prior to adjournment of the meeting, allowing time for legal counsel Dennis Montgomery to review the officer election policy.

At 9:35 a.m., President Coryell asked Director Jerry Sonnenberg, the RRWCD's representative to the Colorado Water Congress (CWC), to give an overview of CWC activities. Mr. Sonnenberg reported the rotational fallowing bill is now in the Senate. Director Sonnenberg noted that there are no other new bills that might be a concern to the District.

President Coryell asked Secretary Pautler to report on the Environmental Quality Incentive Program (EQIP). Mr. Pautler noted per the State Technical Committee Meeting in Denver, the process is taking longer than expected due to the fact that the Rio Grande basin is undergoing a second sign-up process. It was noted that the Natural Resource Conservation Service (NRCS) has committed \$1.5-1.6 million funding to EQIP for the RRWCD program. Secretary Pautler reported that Dennis Alexander, assistant State Conservationist for the State of Colorado, was pleased with the District's campaign for the EQIP program and that Mr. Alexander has been appointed New Mexico State Conservationist.

At 9:50 a.m., President Coryell asked Division of Water Resources representative Scott Richrath to report on the Conservation Reserve Enhancement Program (CREP). Mr. Richrath and Tim Davis of the Colorado Division of Wildlife reported that the legal agreements are in the hands of the Farm Service Agency (FSA) attorneys and no commitment has been given on the 2-CRP handbook completion date. It was stated that FSA committees in Kit Carson and Logan Counties did designate 1% of their cropped acres specifically for the Republican River CREP program under the Conservation Reserve Program (CRP) cap. Mr. Richrath noted that FSA announced a June target sign-up date. Mr. Davis reported that the environmental assessment is available for review and is on schedule. Mr. Davis reported that the signing ceremony would most likely occur prior to the CREP sign-up date at a location within the Republican River basin.

Mr. Davis noted that FSA training for CREP would likely occur in May. He stated that the window of opportunity to suggest or make changes to agreements is closing quickly.

President Coryell asked Mr. William Burnidge to report on TNC interests in the Republican River Basin. Mr. Burnidge noted that if TNC could offer additional funding to identified producers along the Arikaree in coordination with CREP, everyone would benefit. He indicated that TNC is still working on its budget and source of funding.

No report was given on the South Platte Roundtable as the District's representative, Vice President Killin, was absent from the Board meeting.

At 10:13 a.m., the Board recessed.

At 10:30 a.m., the Board returned from break. A motion was made to enter into executive session to discuss interruptible water supply agreements, determining positions and instructing negotiators, and receiving legal advice on legal questions related to such agreements. The motion was seconded and approved unanimously. President Coryell stated that no motions are to be made or approved in executive session. President Coryell asked Mr. Davis to stay for executive session.

At 12:28 p.m., the executive session ended. No policy, position, resolution, rule or other formal action was taken during the executive session.

The meeting was opened for public comment. No public comment was made.

At 12:32 p.m., Mr. Rex Buck from Laird, Colorado reported on behalf of the Pioneer Irrigation District of Colorado (Pioneer) and the owners of the Laird Ditch water right (Laird). Mr. Buck stated that the attorney for the Pioneer and Laird had sent a letter to the Board rejecting the water lease agreement offered by the RRWCD Water Activity Enterprise and that they were asking \$1,500 per acre per year as the annual rental rate. He noted that the proposed dollar amount would account for taxes and the debt owed for equipment purchased to maintain the ditches. He concluded that the District cannot reach compact compliance by 2007 without getting Pioneer and Laird surface water rights. Mr. Buck commented that the Pioneer and Laird and RRWCD Board members need to keep open communications and continue to work on an agreement to solve the problem. President Coryell noted that the bottom line is negotiations must be without a "take-it or leave-it" attitude.

At 12:55 p.m., Mr. Richrath noted that because CREP will not be available to retire irrigated acres prior to October, 2006, the Executive Committee has proposed a 1-year water lease agreement that would begin April 1, 2006, and run until March 1, 2007. The outlined proposal would keep producers CREP-eligible and rebate the RRWCD Water Activity Enterprise's water use fee for 2006, payable in 2007. Leases would be offered to producers with wells located within three miles of the North Fork or South Fork of the Republican River. President Coryell reiterated that the 1-year water lease program would be a lead into the CREP program and should be available only in 2006.

A motion to adopt the 1-year water lease agreement for 2006 as proposed was made, seconded, and approved unanimously. Mr. Murphy noted that postcards introducing the 1-year water lease program would be mailed the next day to well owners within three miles of the North and South Forks, and that the program would be publicized in local newspapers.

At 1:10 p.m., Mr. Murphy distributed a proposal outlining the Gary Earl ground water pumping project to lease water from three of Mr. Earl's irrigation wells with the option to use them for augmentation pumping into the Arikaree River. Mr. Murphy noted that the pumping project would have to occur in the off-irrigation season, which would likely be this fall to allow time for RRWCD to acquire pipe for the project. A motion to allow the Executive Committee to approve a lease between the RRWCD Water Activity Enterprise and Gary Earl as outlined in the proposal was made, seconded, and approved unanimously with the stipulation that augmentation pumping shall be subject to verification that Kansas diversions will not negate the District's efforts.

No old business was discussed.

At 1:25 p.m., new business was discussed. Mr. Montgomery explained that the District's by-laws mandate that the election of officers take place at the January Board meetings and the District's statute specifies that terms of office for Board members expire on the date of October quarterly Board meetings. His recommendation was that the Board amend the District's by-laws so that the election of officers would be at the October quarterly Board meetings to coincide with the appointment of new Board members. It was agreed to make the proposed amendment an agenda item for the April Board meeting and that proper notification of the proposed by-law amendment be made in accordance with the District's by-laws.

President Coryell noted that the Board must conduct a performance review for the district manager. He stated that the executive committee will head up the review and will rely on Board members to give input for the performance review, which will be retroactive as of January 1, 2006. Mr. Coryell stated that once the review is completed for Mr. Murphy, the Board along with Mr. Murphy will evaluate Administrative Assistant Monica Newton.

At 1:30 p.m., Secretary Pautler noted the need to review the budget at the next Board meeting and consider possible line item changes to allocate funding for the 1-year lease program.

President Coryell noted that the next meeting is being held on April 13, 2006, at the Nazarene Church in Yuma, Colorado.

Mr. Richrath noted that Colorado Division of Water Resources is in the process of hiring a candidate to become the new Republican River Water Commissioner, who will assist the District with investigating reports of illegally irrigated acres.

Mr. Coryell asked the Board to review the Board member directory and get all corrections or additions to Ms. Newton so an updated directory would be available for the April meeting.

At 1:36 p.m., a motion to adjourn the meeting was made, seconded, and approved unanimously.

Secretary

Date