

Minutes of 3rd 2007 Regular Quarterly Meeting of the
Republican River Water Conservation District

July 12, 2007

Haxtun, Colorado

Present were:

Board Members:

Dennis Coryell, President
Kim Killin, Vice President
Tim Pautler, Secretary
Rick Seedorf, Treasurer
Grant Bledsoe
Eugene Bauerle
Kelly Burr
Jack Dowell
Garry Kramer
Steve Kramer
Bruce Latoski
Stan Laybourn
Wayne Skold

Stan Murphy, RRWCD General Manager
Dana Barnett, RRWCD Administrative Assistant
David Robbins, General Counsel, Hill & Robbins, P.C.
Tim Davis, District Consultant
Ken Knox, State Engineer's Office
Katie Radke, State Engineer's Office

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 10:08 a.m. President Coryell welcomed the public and Deb Carlstrom from Senator Musgrave's office. Secretary Tim Pautler conducted a roll call of Board members, noting that Directors Kelly Burr and Stan Laybourn would be late. President Coryell noted that Director Jay Harris was excused and that a quorum of the Board was present.

AGENDA AND APPROVAL OF MINUTES

President Coryell asked for any amendments to the agenda. There were none; and a motion to approve the agenda was made, seconded and passed unanimously.

The directors had received drafts of the minutes of July 7, 2007 Board meeting and the executive session minutes of February 23, 2007, April 12, 2007, and July 7, 2007, prior to the meeting. President Coryell requested to know if there were any changes or corrections to the minutes. A correction to a name of a meeting attendee at the July 7, 2007 meeting was noted. A motion to approve the minutes with that correction was then made, seconded, and passed unanimously.

GENERAL MANAGER'S REPORT

At 10:15 a.m., General Manager Stan Murphy presented the financial report and the disbursements for the quarter ending June 30, 2007, which were included in the packet for the Board members. A motion to accept the financial report and the disbursements for the 2nd quarter of 2007 was made, seconded, and approved unanimously. Along with the financials, General Manager Murphy reminded the Board that in previous minutes it was decided to send the entire Board monthly financials electronically and a hard copy to the Executive Committee. He asked if that was still the desire of the Board or if the Board wished to modify that procedure. The Executive Committee said it was not necessary to send a hard copy to the Executive Committee as well, the electronic transmission was sufficient.

The next item of the General Manager's Report was the District's 2006 Audit, a copy of which was in each Board member's packet. There was a discussion regarding some items in the Audit and the internal control measures commented on by the Auditors. A motion to accept the 2006 Audit was made, seconded, and passed unanimously.

General Manager Murphy then informed the Board members that in their Board packets was the final revision to the District's Informational Packet that could be distributed and used in meetings or presentations that the Board was involved in. Also, a schedule of the Public Informational Meetings that had been set for late July and late August was distributed.

At 10:25 a.m., Directors Kelly Burr and Stan Laybourn arrived.

President Coryell asked Andrea Anderson of the Yuma County Economic Development (YCED) to explain the YCED's request to film Jim Slattery's presentation concerning Compact accounting and the effects of Bonny Reservoir. Mrs. Anderson reported that, after review and approval by the District and the District's legal counsel, it was YCED's intention to have the DVDs available for distribution to the public.

PROGRAM UPDATES AND REPORTS

At 10:25 a.m., a report was given by Kim Killin regarding the meeting that the Executive Committee had with The Nature Conservancy (TNC). William Burnidge from the TNC also

reported that he thought the meeting was very constructive in bringing each side up to date on current programs and projects.

The next report was on the meeting that the Executive Committee attended with the Rio Grande Water Conservation District Subdistrict #1. This meeting was to discuss similarities between the two districts as they move forward with their Conservation Reserve Enhancement Programs (CREP).

Secretary Pautler gave a report regarding the meeting that the Executive Committee had with Farmer's Union insurance.

District Consultant Tim Davis gave a report on the State Technical Meeting for the Environmental Quality Improvement Program (EQIP). He also reported that on the CREP amendment. He said the FSA office in Washington, D.C., had requested additional information concerning the cap placed on Lincoln and Washington counties,; therefore, there was no decision yet.

At 11:00 a.m., the District's Engineer Jim Slattery gave his presentation regarding Compact Accounting and Bonny Reservoir.

At 11:45 a.m., Acting State Engineer Ken Knox reported that the first draft of the Compact Rules had been given to the Attorney General's office for review. The draft will also be distributed to various attorneys, including attorneys for ground water management districts and cities in the Republican River Basin, for input and comments. Then, a draft of the Rules will be available for public input at the information meetings that RRWCD has scheduled on July 30 and 31. Mr. Knox said he hoped to file the final draft of Rules in September or October, 2007.

At 12:15 p.m., President Coryell recessed the meeting for lunch.

PUBLIC COMMENT

At 1:20 p.m., the meeting resumed, and President Coryell opened the floor for public comment.

Nate Midcap, Manager for four groundwater management districts, introduced himself and asked the Board what persons in his capacity could be doing to assist the District. The main response from the Board was keeping lines of communication open between producers in his districts and giving input to the Board.

Bud Mekelburg, Yuma Conservation District, voiced his concern about Russian Olive & Salt Cedar along the river. He requested that the Board participate in initiating a study with Fred Raisch, Yuma County Pest Control District, for investigating the process and benefit of removing such vegetation.

Sue Jarrett, Wray Rancher, wanted to let the Board know that the Farm Bill was going to have a component to it regarding using less water intensive crops.

Ken McArthur, South Fork farmer, reported that he has meters on his wells and pumps about one-half of his allotted water. He knew the Board was looking at draining Bonny Reservoir and wanted the Board to know, "Don't pick on us, we didn't create the problem."

At 1:45 p.m., public comment ended.

Rich Mullaney of NRCS then gave a presentation on the Republican River Riparian Project.

BOARD ACTION ITEMS

At 2:05 p.m., President Coryell directed the Board's attention to the CSU Economic Impact Study. Dennis Kaan from CSU reported that the Board had two options in obtaining such a report. The first option was a short analysis that would cover the two main counties, Yuma and Kit Carson. This study would cost approximately \$10,000. The second option was a longer analysis to include the cities of Wray, Yuma, and Burlington. Mr. Kaan was unsure what that type of study would cost. Mr. Kaan suggested that if the Board partnered with cities and counties they could share the expense. After discussion, a motion was made to authorize CSU to do the short study for \$10,000 for some quick answers that could be used at the August Public Information meetings. The motion was seconded and passed unanimously.

The next action item concerned the interviews of engineers for the Compact Compliance Pipeline feasibility study that the Executive Committee, along with the District's legal counsel and engineer and State representatives, held on June 27, 2007. It was recommended to the Board to choose GEI Consultants as the engineering firm to conduct the feasibility study for the Compact Compliance Pipeline. A motion was made to direct the State and DWR to enter into a contract with GEI Consultants to perform the feasibility study. The motion was seconded and passed unanimously.

Next, General Manager Murphy explained to the Board the proposed Dental and Vision Plan for the District employees. A motion to accept the plan was made, seconded, and passed unanimously.

President Coryell noted a couple of meeting dates for the Board - Burlington Field Day on July 27 and the Republican River Compact Administration meeting in Junction City, Kansas, on August 14 and 15. As more information is obtained regarding these meetings, it will be passed on along to the Board.

At 2:45 p.m., the Board took a short recess.

EXECUTIVE SESSION

At 3:05 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 from District's legal counsel, as required, and to discuss strategies for acquiring land and water for a compact compliance pipeline and to develop a strategy for negotiations for the purchase, acquisition, or lease of water rights. 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 4:45 p.m., the executive session ended.

Under New Business, the Board directed that information be put on the District's website as to where copies of the DVD that was filmed today of Jim Slattery's presentation could be obtained.

General Manager Murphy reported that the Division of Wildlife (DOW) had requested a list of all CREP participants. DOW was informed that that was not possible. Therefore, DOW asked if the District staff would enclosed a letter from DOW regarding its Walk-In Program with a mailing that the District was doing to all CREP participants. After a brief discussion the Board took no action.

The next item was the issue of the District's Lobbyist, who had resigned and needs to be replaced. A motion to direct the Executive Committee to interview candidates was made, seconded, and passed unanimously.

The Special District Association of Colorado meeting is being held in Steamboat Springs this year. Last year Director Jack Dowell attended that meeting; it was determined that he could go again this year should it fit his schedule.

The last item under New Business was Bud Mekelburg's request to partner with Fred Raisch on a study to determine feasibility of removing noxious plants along the river. A motion to direct the Executive Committee to meet with Mr. Raisch to ascertain the cost for such a study was made, seconded and passed unanimously.

At 5:05 p.m., there being no further business, a motion to adjourn the meeting was made, seconded, and approved unanimously.

Secretary

Date