

**Minutes of the Second 2016 Quarterly Board Meeting of the
Board of Directors of the
Republican River Water Conservation District**

July 14, 2016

Holyoke, 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 Phillips County Events Center in Holyoke, Colorado.

Present were:

Board Members:

Rod Lenz, President
Greg Larson, Vice President
Tim Pautler, Secretary
Eugene Bauerle
Brent Deterding
Jack Dowell
Steve Kramer
Stan Laybourn
Rod Mason
Steven Meakins
Wayne Skold
Aaron Sprague

Deb Daniel, RRWCD General Manager
Dawn Webster, RRWCD Administrative Assistant
David Robbins, RRWCD General Counsel, Hill & Robbins, P.C.
Peter Ampe, RRWCD General Counsel, Hill & Robbins, P.C.
Jim Slattery, RRWCD Engineer, Slattery Water Engineering, LLC
Tim Davis, RRWCD Program Consultant, TJD LLC

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 10:04 a.m., welcomed the public and started the meeting with the Pledge of Allegiance and a prayer. Secretary Tim Pautler conducted a roll call of Board members, noting that Directors Wil Bledsoe, Byron Weathers, Dennis Coryell, and Steven Meakins were absent but excused. Director Meakins joined the meeting, which is reflected later in the minutes. With 11 Directors attending the meeting, Secretary Pautler declared that a quorum of the Board was present.

AGENDA AND APPROVAL OF MINUTES

President Lenz asked for any amendments to the agenda for the meeting. A motion to approve the agenda with no changes was made, seconded, and approved unanimously.

Prior to this meeting, the Directors had received, electronically, a draft of the minutes of the regular Board meeting held on April 14, 2016, and the special telephonic Board meeting held on June 28, 2016 and the executive sessions held during those meetings. These documents were also included in the Board packet today. President Lenz asked if there were any changes or corrections to the minutes. Director Bauerle noted that Director Wayne Skold was absent but excused from the June 28, 2016 special telephonic Board meeting. Director Bauerle also asked to have the wording changed on page three of the April 14, 2016 minutes to read that Colorado State University will administer a 30 million dollar grant to do a study on the Ogallala Aquifer. It was also noted that Ted Tietjen's, who spoke in public comment, last name was spelled incorrectly. A motion to add the above changes and approve the minutes of the regular Board meeting held on April 14, 2016, and the special telephonic Board meeting held on June 28, 2016 and the minutes of the executive sessions held during those meetings was made, seconded, and approved unanimously.

PRESIDENT'S REPORT

At 10:09 a.m., President Rod Lenz gave a slideshow presentation on what is ahead for the RRWCD Board regarding purpose and support.

GENERAL MANAGER'S REPORT

At 10:15 a.m., General Manager Deb Daniel gave a slideshow presentation regarding the Compact Compliance Pipeline (CCP), Ogallala Aquifer Initiative (OAI) ranking, an analysis of water use fee options, and also showed the Board the presentation that she would be giving in San Diego to Netafirm.

FINANCIAL REPORT

At 10:35 a.m., Administrative Assistant Dawn Webster presented the financial report and the disbursement for the quarter ending June 30, 2016, which were previously sent to the entire Board electronically as well as being included in the Board packet. A motion to approve the financial report and the disbursements for the second quarter of 2016 was made, seconded, and approved unanimously. Mrs. Webster also gave a brief report on the Audit that was done in May, but noted that the final Audit report from Winfrey and County was not completed by the Board meeting because of new PERA reports that needed to be finalized. Mrs. Webster stated that the report and presentation will be done at the October Board meeting.

CCP OPERATIONS REPORT

At 10:40 a.m., CCP Operations Manager Tracy Travis informed the Board that he had begun maintenance of the CCP, noting that all valves had been exercised with the exception of one because of some erosion that had occurred. Mr. Travis was asked about any concerns he had, and possible options such as a propane backup generator or space heaters were discussed as fixes to potentially losing power for an extended amount of time.

COMMITTEES, ORGANIZATIONS, & PROFESSIONALS REPORTS

At 10:45 a.m., Director Aaron Sprague, chairman of the RRWCD Budget Committee, stated that there will be a committee meeting held on Wednesday, August 31, 2016 at 9:00 a.m. at the RRWCD District office, to discuss the 2017 budget, and a notice will be emailed to the Committee closer to the meeting date.

Director Steve Kramer, chairman of the Conservation Committee, reported that he would like for the committee to have a meeting shortly after harvest time, so they can all sit down together and go through different information that eventually needs input from the Water Preservation Partnership (WPP) and the Groundwater Management District's (GWMD). Mr. Kramer also stated that there had been some discussion about hosting another conservation symposium this winter.

Since Director Wil Bledsoe, chairman of the Legislative Committee, was absent, President Lenz reported that there was a proposed amendment that the Board would be voting on later in the meeting regarding a change to the RRWCD boundaries. Mr. Lenz also stated that the next rule making committee meeting regarding the boundaries was to be held on July 19, 2016 in Burlington, CO.

Director Greg Larson, chairman of the RRWCD Negotiating Committee, reported that there was not much happening in regards to water purchases or negotiations. Mr. Larson stated that the Dryden property lease needed to be discussed by the committee in the near future.

Director Gene Bauerle, chairman of the RRWCD Nominating Committee, stated that the same format that was used last October was going to be used again this year in regards to Executive Committee nominations, and the committee will be meeting the first part of September.

Director Wayne Skold, chairman of the Personnel Committee, read out loud the Personnel Policy Addendum which states that Administrative Assistant Dawn Webster will take a 25% pay cut in allowance for flexible hours at the RRWCD office. Mr. Skold noted that the addendum was to be voted on later in the meeting, and a Personnel review meeting will be scheduled for September.

ASSOCIATED ORGANIZATIONS REPORTS

Director Greg Larson reported that he will be attending the Colorado Water Congress (CWC) annual summer meeting the last part of August in Steamboat Springs, CO.

General Manager Deb Daniel reported that she had not been able to attend the South Platte Roundtable meeting that month since it was held in Central City, CO and had conflicted with the Board meeting. Mrs. Daniel did report that at the previous month's meeting held in Sterling, CO, the roundtable was notified that it would not be receiving anymore funding from the Colorado Water Conservation Board due to refunds issued to oil and gas companies.

Next, Director Steve Kramer reported that the Water Preservation Partnership (WPP) met in June but it was not very well attended. Mr. Kramer noted that CSU had done a lot of work and gave an extensive power point presentation regarding water conservation. He noted that CSU will be sending out a survey and holding public meeting throughout the Basin to get support in regards to conservation.

General Manager Deb Daniel reported that she spoke with Robin Wiley from the Yuma County Water Authority (YCWA), in which he stated there was not much opposition in regards to the water rights change of use to compact compliance.

Director Jack Dowell reported that Jordan Davison will give a report at the October Board meeting in regards to the Yuma County Weed Control issues.

PROFESSIONAL REPORTS

Tim Davis, RRWCD Program Consultant, reported to the Board on the various programs updates. Mr. Davis stated that he will be attending the State Technical Committee meeting on July 27, 2016, where the intent will be to ensure everything is in place for the CREP rental rate increase that will take place October 1, 2016. Mr. Davis also stated that he will encourage NRCS to open the OAI sign-up period earlier to give producers more time to decide if they would like to participate in the program.

Christine Arbogast, RRWCD federal lobbyist, was not in attendance.

Scott Meiklejohn, RRWCD state lobbyist, was not in attendance, but gave the Board a report which was included in the Board packet.

Jim Slattery, RRWCD water engineer, reported that he and Willem Schroder had been working with CSU in regards to the Republican River Compact model. Mr. Slattery reported on the North Fork water rights change and the orphan well that is in the Central Yuma GWMD. Mr. Slattery stated that the next CCP projection is due September 1, 2016 and that approximately 10,000 acre-feet will need to be pumped as of now. He also recommended to the Budget Committee to think about setting aside some funds for purchasing more wells for the CCP so the Board doesn't have to go to the Colorado Water Conservation Board for more funding.

Pete Ampe, RRWCD legal counsel, updated the Board on the North Fork change case with Yuma County Water Authority, noting that it was currently in a 30 day period where it could be objected but rarely does that happen. Mr. Ampe updated the Board on the Hutton Foundation vs the State of Colorado lawsuit, stating that the briefs are on Dropbox and also on the Board's website. Finally, Mr. Ampe reported that the Republican River Compact Administration meeting will be held in August in Burlington, CO and the Board should consider sponsoring a reception the evening of August 24th for the three states.

At 12:09 p.m., President Lenz recessed the meeting for lunch.

At 12:45 p.m., Director Steven Meakins joined the meeting. Director Jack Dowell left the meeting.

At 1:04 p.m., the meeting was re-convened.

PUBLIC COMMENT

At 1:04 p.m., President Lenz invited comment from the public.

At 1:05 p.m., having no comments from the public, public comment was closed.

REPORTS

At 1:06 p.m., State Engineer Dick Wolfe and Deputy State Engineer Mike Sullivan updated the Board on the negotiations with Kansas and Nebraska regarding the Compact Compliance Pipeline (CCP) and the Bonny Arbitrations. Mr. Wolfe stated that the negotiations are ongoing and there is a proposed resolution before the RRCA in regards to accounting for Harlan Reservoir. Mr. Wolfe reported on the CCP, stating that currently Colorado has a year to year approval but the goal is to try to put some finality to a long term agreement, which is currently in the works. Finally, Mr. Wolfe stated that the RRCA will be holding its annual meeting in Burlington, CO on August 24, 2016.

PRESENTATIONS

At 1:24 p.m., Chad Godsey, Ph.D., from Godsey Precision Ag, LLC gave a updated presentation to the Board regarding the Variable Rate Irrigation project in which the Board is donating towards.

BOARD DISCUSSION & ACTION ITEMS

At 1:52 p.m., the Board discussed an amendment to change the RRWCD boundaries to include wells outside of the District boundaries that are in fact included in the RRCA Groundwater Model Domain. After discussion, a motion to approve the amendment as presented by legal counsel and instruct the Legislative Committee to move forward pursuing the changes, was made, seconded, and approved unanimously.

Next, the Board discussed an addendum to the Personnel Policy and Procedures Manual modifying Dawn Webster's job description. Director Wayne Skold read the addendum to the Board. A motion to approve the addendum was made, seconded, and approved unanimously.

EXECUTIVE SESSION

At 2:00 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 on legal questions and litigation concerning South Fork water rights; to discuss and determine positions, develop strategies, and instruct negotiators concerning the purchase or lease of water rights; determine positions and instruct negotiators concerning water supply acquisition, receive legal advice on legal questions related to such agreements, contracts and easements, discuss program applications; Compact Compliance and discussions with Kansas (to the extent subject to privilege), and the Compact Compliance Pipeline and Bonny Reservoir. The motion was seconded and passed unanimously. President Lenz 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 Lenz thanked the public for attending the meeting. Mr. Lenz asked Dick Wolfe and his staff to stay for executive session.

At 3:12 p.m., Director Stan Laybourn left executive session.

The Executive Session ended at 3:41 p.m. and the Board returned to open public session. President Lenz confirmed that no formal action had occurred during the executive session.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

At 3:42 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