

Minutes of the 3rd Special (3rd) Meeting of the
Republican River Water Conservation District

August 31, 2004

Yuma, Colorado

Present were:

Board Members:

Eugene Bauerle
Grant Bledsoe
Kelly Burr
Dennis Coryell
Jack Dowell
Raymond Enderson
Kim Killin
Garry Kramer
Steve Kramer
Bruce Latoski
Stan Laybourn
Tim Pautler
Wayne Skold
Jerry Sonnenberg
Ted Tuell

Ken Knox, Deputy State Engineer
Scott Richrath, State Engineer's Office
Peter Ampe, Assistant Attorney General

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

MINUTES

President Coryell convened the meeting at approximately 10:10 a.m..

The Board approved the Agenda with two additions. The Board approved the Minutes of the August 17, 2004 meeting.

The Board then debated the proposed By-Laws. Topics of discussion included proxy voting, minimum notice of board meetings and number necessary to achieve quorum. After discussion the Board voted unanimously to adopt the proposed By-Laws as originally proposed, with minor proofreading edits.

At 10:35 a.m., Mr. Knox presented information to the Board regarding Intermittent Water Supply Programs. The Board asked various questions concerning

actual consumptive use and compact compliance, monetary and compliance values of various wells, and various short-term and long-term compliance options. The Board did not take any formal action regarding Intermittent Water Supply Programs.

At 11:25 a.m., Mr. Knox explained the availability of a grant from the Colorado Water Conservation Board and presented a proposed hypothetical budget that would be submitted together with any application for a grant. The Board discussed some of the details of the hypothetical budget and the accuracy of some of the proposals. The Board requested several changes to the hypothetical budget. The Board then voted unanimously not to seek to place any type of ballot issue on the November, 2004 ballot, but instead to concentrate on funding mechanisms that would not have to go before the voters this calendar year. The Board then voted unanimously to direct Mr. Knox, on behalf of the Board to complete and file the application for a grant with the CWCB. The board discussed other potential funding sources, including a possible loan from Highline Electric Associate, but took no other formal action.

The Board broke for lunch from approximately 12:05 p.m. until 12:50 p.m.

The Board then interviewed prospective legal counsel including: Michael D. Shimmin of Vranesh & Raisch, LLP; Lee Miller of Burns, Figa & Will, P.C.; Kent Holsinger of Hale Friesen, LLP; William A. Paddock of Carlson, Hammond & Paddock, LLC; David W. Robbins of Hill & Robbins, P.C.; James S. Lochhead of Brownstein Hyatt & Farber, P.C.; and David L. Harrison of Moses, Wittemyer, Harrison and Woodruff, P.C. Brian M. Nazareus of Friedlob Sanderson Ruskin Paulson & Tourtillot, LLC was unable to appear, however Mr. Nazareus did wish to remain in consideration by the Board. President Coryell appointed a five-member subcommittee to narrow the field of attorneys to four, conduct additional interviews and return to the full board with a recommendation of one or two attorneys. The members of the subcommittee are: Eugene Bauerle, Dennis Coryell, Kim Killin, Tim Pautler and Jerry Sonnenberg. Director Tuell moved that the subcommittee keep track of time and expenses incurred for future reimbursement by the District. The Motion passed unanimously.

At 2:25 p.m., the Board next resumed discussions of its proposed hypothetical budget. President Coryell appointed a five-member subcommittee to investigate various budgeting and funding options. The members of the subcommittee are Kim Killin, Ted Tuell, Bruce Latoski, Jack Dowell and Kelly Burr.

The Board broke from approximately 2:45 to 3:05.

Upon reconvening the Board took comments from the public in attendance. Issues included amending permits, the impact of consumptive use on the model, certification by and notification to county assessors and treasurers, sale of water outside the basin, public concerns regarding Nebraska compliance, state wells, commercial wells, oil drilling, and equity in retirement. Public comment closed at 3:58 p.m. when no remaining members of the public asked to be heard.

After public comment, the Board discussed the concept of voluntary acreage retirement, costs and funding of such a program, including TABOR issues, CREP proposals, EQIP funding, and fee assessments based on well classification.

Vice-President Killin presented a proposal to the Board that she seek a short-term low-interest loan from the Highline Electric Association. A motion was made to have Vice-President Killin approach the Company to see what, if any, monies would be available and what the terms of any such loans would be. Vice-President Killin would then return to the Board with this information and the Board would take it under consideration at that time. The Motion passed 14-0 with Vice-President Killin abstaining from the vote.

The Board then discussed the date and location of the next Special Meeting. Said meeting will take place on September 24, 2004 in Yuma, Colorado. Exact location to be determined.

The Board voted to adjourn.

The meeting adjourned at approximately 5:05 p.m.

Secretary

Date