

**Minutes of Fourth 2009 Regular Quarterly Meeting of the  
Republican River Water Conservation District**

**October 8, 2009  
Wray, 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 United Methodist Church, Wray, Colorado.

Present were:

Board Members:

Dennis Coryell, President  
Kim Killin, Vice President  
Tim Pautler, Secretary  
Rick Seedorf, Treasurer  
Eugene Bauerle  
Grant Bledsoe  
Jack Dowell  
Raymond Enderson  
Garry Kramer  
Steve Kramer  
Greg Larson  
Bruce Latoski  
Wayne Skold  
Larry Zion

Stan Murphy, RRWCD General Manager  
Dana Barnett, RRWCD Administrative Assistant  
Dennis Montgomery, General Counsel, Hill & Robbins, P.C.  
John Willard, RRWCD Accountant, Premier Accounting

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. and welcomed the public. Secretary Tim Pautler conducted a roll call of Board members. Fourteen directors were in attendance; therefore, a quorum was declared. Director Stan Laybourn was absent; President Coryell stated that he was excused. President Coryell noted that terms of office of six members of the Board of Directors were set to expire at this Board meeting and that all six Board members had been re-appointed for three-year terms of office. The following Board members were re-

appointed: Jack Dowell by the board of the W-Y Ground Water Management District (GWMD); Steve Kramer by the board of the Plains GWMD; Bruce Latoski by the board of the Central Yuma GWMD; Ray Enderson by the board of county commissioners of Lincoln County; Stan Laybourn by the board of county commissioners of Washington County; and Wayne Skold by the board of county commissioners of Sedgwick County.

## **AGENDA AND APPROVAL OF MINUTES**

President Coryell requested any changes to the agenda for the meeting. President Coryell requested that approval of the Andrews agreement be removed from the action items and that Lobbyist Christine Arbogast's report be moved to the first item before the General Manager's report. Dennis Montgomery said that a resolution to revise the Bank Corporate Authorization Resolution should be added to the action items if new officers are elected. A motion to approve the agenda with these changes was made, seconded, and passed unanimously.

Prior to this meeting, the directors were able to access the Board packets on the District's website, including a draft of the minutes of the July 9, 2009 regular quarterly board meeting and the minutes of the executive session held on that same date. There, they could retrieve all documents that were pertinent to this meeting; hard copies were also provided at the meeting. President Coryell asked if there were any changes or corrections to the July Board minutes. There were none, and a motion to approve the minutes of the July 9, 2009 Board meeting, as well as the minutes of the executive session held on July 9, 2009, was made, seconded, and approved unanimously.

President Coryell recognized Mac McGraw from Senator Bennet's office in the audience and thanked him for attending.

## **LOBBYIST REPORT**

At 10:15 a.m., Christine Arbogast of Kogovsek & Associates, the District's federal lobbyist, updated the Board on a meeting that was held with Jim Isgar, Colorado's Rural Development director for the Farm Service Agency (FSA), and Trudy Kareus, Colorado's director for FSA. Both of these meetings were also attended by Dennis Coryell, Stan Murphy and Tim Davis, the District's Program Consultant. Ms. Arbogast said there were various opportunities to explore with both agencies. She also updated the Board on the status of the CREP addendum, which is still pending, Farm Bill appropriations, and the Clean Water Restoration Act.

## **GENERAL MANAGER'S REPORT**

At 10:30 a.m., General Manager Stan Murphy presented the financial report and the disbursements for the third quarter of 2009, ending September 30, 2009, which were previously available to the directors on the website as well as being included in the Board packet. A motion to approve the financial report and the disbursements for the third quarter of 2009 was made, seconded, and approved unanimously.

## **PROGRAM UPDATES AND REPORTS**

The report on the Conservation Reserve Enhancement Program (CREP), the addendum, and the Supplemental Environmental Impact Statement (SEIS) for the Conservation Reserve Program (CRP) was in the form of a written report from Tim Davis who was unable to attend the Board meeting, so he had submitted a report in writing. The directors had received a copy of the report electronically as well as in their Board packet. President Coryell reported on the meetings that were held in Washington, D.C., to address concerns about the CREP addendum and said that we were still waiting to hear on a decision. President Coryell also reminded the Board that certain provisions of the CREP addendum are part of issues being discussed with the SEIS for CRP and may not be completed until next summer; therefore, there will be no applications taken until after the approval.

A news release was also in the Board packet regarding the signing of the Agriculture Water Enhancement Program (AWEP) contract between the NRCS and the RRWCD Water Activity Enterprise (WAE). General Manager Murphy reported that the 2008 AWEP program funds were all obligated. He said there were also three EQIP contracts signed with the RRWCD WAE for 2009.

Dennis Montgomery, the District's legal counsel, updated the Board on recent activities of the Republican River Compact Administration (RRCA). The RRCA annual meeting was held in August in Lincoln, Nebraska, where Colorado's resolution to approve an augmentation plan and accounting procedures for the Compact Compliance Pipeline was submitted for vote. Kansas and Nebraska again voted no. Therefore, Colorado has invoked non-binding fast track arbitration, which it hopes to conclude in a six-month period. A mediator was hired to interview four candidates as potential arbitrators. Nebraska has also invoked non-binding fast track arbitration regarding the "crediting" issue that the arbitrator ruled had not been properly raised in the previous non-binding arbitration.

At 10:52 a.m., Treasurer Seedorf reported on the Colorado Water Congress summer conference that he and President Coryell had attended. He said topics at the conference included the financial environment and climate change and how to respond to these issues.

Director Gene Bauerle reported on the July meeting of the South Platte Round Table (SPRT), which was a joint meeting held in Denver that focused on future water needs projected in the year 2050. The August meeting was a bus tour of the proposed Blade Reservoir site, and at the September meeting two issues were passed regarding SPRT assessments.

Director Jack Dowell reported on the status of the Yuma County Weed Control District (YCWD) projects. He said that, so far, the District has removed trees from 235 acres on the North Fork, with about 50 acres left that could be completed in another two months. He also reported that they are starting tree removal on the South Fork and have commitments of approximately 150 acres in the South Fork and 70 acres on the Arikaree.

Director Bruce Latoski reported that the Yuma County Water Authority meetings focused on YCWD projects and the proposed amendments to the Ground Water Management Act to prevent altering the boundaries of a designated ground water basin to exclude wells for which

conditional or final permits have been issued within the boundaries of an existing designated basin. Language for the amendments has been drafted by Mike Shimmin. Discussions of potential lobbyists and sponsors of the amendments are ongoing.

Director Dowell also reported on the Special Districts Association conference that he had attended, which focused on Senate Bill 09-87, which increased the legal requirements for special districts, and a code of ethics. A classroom program for water education is seeking sponsorship, and Director Dowell asked if that was something the Board would be interested in. The Board asked Director Dowell to get more information on the program and cost and report back at the special Board meeting in November.

At 11:14 a.m., Scott Meiklejohn, the District's state lobbyist, reported on various issues at the state level. He also requested that the Board give him its position on the proposed ground water legislation. Mr. Meiklejohn offered to speak to Senator Hodge if appropriate. President Coryell said the Board would make a decision during Board action items. Mr. Meiklejohn also informed the Board that he would like to put a bid in as lobbyist for the Colorado Water Congress and asked the Board if it saw a conflict in doing so.

At 11:23 a.m., Ken Hardesty and Steve Townsley of GEI Consultants, the District's engineering firm for the Compact Compliance Pipeline, gave a presentation on the current status of the Pipeline project, the next steps to be taken, and the timeline to complete those steps.

At 12:00 noon, President Coryell recessed the meeting for a one hour lunch break.

### **PUBLIC COMMENT**

At 1:03 p.m., President Coryell re-convened the meeting and opened the floor for public comment.

Nate Midcap, General Manager of the Marks Butte, Frenchman, Central Yuma, and Sandhills GWMDs, informed the Board that he was asked to address the concerns of these GWMD boards regarding the amount of credit that Colorado would receive for water that was pumped from the Compact Compliance Pipeline wells and delivered to the North Fork of the Republican River. He said the State Engineer had reported that negotiations between Colorado, Kansas, and Nebraska are ongoing as to the amount of credit Colorado would get, and the State Engineer has discussed options of somewhere between 80% and 100%. Mr. Midcap cited language in the Ground Water Management Act regarding "maximum beneficial use" of the water, which he said could be interpreted to mean 100% credit. Mr. Midcap said the Sandhills GWMD will have to have a hearing on the export of this water. He reported that it would be difficult for the board of the Sandhills GWMD to approve the export of the water with anything less than 100% credit. The Board concurred with Mr. Midcap and the GWMD boards he was representing that 100% credit was the appropriate amount of credit and assured Mr. Midcap that they had voiced that same concern to the State Engineer. Mr. Midcap also stated that all of the boards of the four GWMDs support the proposed ground water legislation.

Sue Jarrett, resident of the basin, addressed several issues: the Compact Compliance Pipeline; a conservation task force; cap & trade legislation; and the proposed ground water legislation.

Robin Wiley, Yuma County Commissioner and Yuma County Water Authority Board member, appealed to the Board that now is the time to move forward on the proposed ground water legislation. He said CAPA has voted to become a part of this and has instructed its lobbyist to speak with Senator Hodge. He also reported that Senator Brophy and Representative Gardner have been approached on the subject.

Denny Salvador, W-Y GWMD board member, asked the Board for an explanation of the lease agreement between the RRWCD WAE and Cure Land, LLC, of the water rights for the Pipeline prior to the construction of the Pipeline and how the lease monies will be used. President Coryell gave Mr. Salvador a thorough explanation of the negotiations with Cure Land, LLC, and the details of the lease agreement. He said that the lease payments would be included in the RRWCD WAE's other revenues.

There being no other members of the public who wanted to speak, at 1:45 p.m., public comment ended.

### **BUDGET HEARING**

At 1:45 p.m., the Board held a hearing on the proposed 2010 budgets for the RRWCD and the RRWCD WAE. Notice of the hearing was published in accordance with law. Director Kim Killin, Chairperson of the Budget Committee, opened the Budget Hearing by informing the Board that the Budget Committee had met on August 25 to construct the proposed 2010 Budgets. Ms. Killin asked John Willard, the District's Accountant, to review the proposed 2010 budgets. Mr. Willard reviewed each line item and discussed the various elements that went into the proposed totals. Ms. Killin asked the Board members if they had any questions; there were none. President Coryell asked the public if there were any questions or comments; there were none. At 2:04 p.m., the Budget Hearing was closed.

Based on the discussions and adjustments made to the proposed 2010 budget during the hearing, Mr. Willard stated that the amended amount of the 2010 RRWCD WAE budget is \$24,939,379. A motion to approve resolutions included in the Board's packet and to adopt the proposed amended 2010 budgets for the RRWCD and RRWCD WAE and to appropriate funds for RRWCD and the RRWCD WAE was made, seconded, and passed unanimously.

### **BOARD ACTION ITEMS**

The first item for Board action was the election of officers. President Coryell said that under the District's by-laws, election of the Secretary and Treasurer was not required, although the Board has done so in the past. Director Kim Killin informed the Board that due to her increasing responsibilities with CDOT and her newly acquired responsibilities with the school board, she was not seeking to continue in her position as Vice-President. She then nominated Greg Larson for Vice President. Ms. Killin made a motion to elect Dennis Coryell as President, Greg Larson as Vice-President, and appoint Tim Pautler as Secretary and Rick Seedorf as

Treasurer. The motion was seconded and passed unanimously. President Coryell reminisced that Ms. Killin has been on the Executive Committee from the beginning and said that her integrity had been a valuable resource to the Executive Committee and thanked her for her service. Director Pautler thanked Ms. Killin as well.

Due to the changes in the Executive Committee, a motion to revise the Bank of Colorado Corporate Authorization Resolution to substitute Greg Larson for Kim Killin as Vice-President for exercise of banking powers. The motion to adopt the new Corporation Authorization Resolution with that change was seconded and passed unanimously.

The next issue for action concerned the 2008 water use fees for Jerry Brant. Mr. Brant had requested that his fees be waived after the July 1st deadline in light of the fact that Mr. Brant is a part-time resident of Yuma and did not review his tax notice until September of 2009. Mr. Brant had not been previously charged for water use fees; however, due to a unique "code" used by the Yuma County Assessor, he was charged in 2008 for the first time. Mr. Brant was present to clarify and answer any questions for the Board's consideration of this waiver. After discussion, a motion to waive the 2008 water use fee for Mr. Brant, was made, seconded, and passed unanimously. Mr. Brant was informed that since he had paid his 2008 fees through the county treasurer, a refund check would be issued by RRWCD WAE in the upcoming week. Mr. Brant thanked the Board.

Next, Mr. Montgomery explained that there were two resolutions for the Board's consideration concerning the Bank of Colorado bank accounts and on-line and internet banking. He explained that it was necessary for the Board to adopt security procedures in order to comply with the Bank requirements regarding on-line banking and internet banking. A motion to adopt Resolution 09-02 authorizing the General Manager to sign the annual Automated Clearing House (ACH) Customer Responsibility and Security Review and for other purposes was made, seconded, and passed unanimously. A motion to adopt Resolution 09-03 authorizing the General Manager to execute the internet banking agreement with the Bank of Colorado was then made, seconded, and passed unanimously.

The next items for consideration were easement agreements with Glenn D. and Phyllis J. Adamson and Lynn D. and Dorothy L. Adamson for the Compact Compliance Pipeline. Mr. Montgomery reviewed the easement agreements with the Board. A motion to approve both agreements and to authorize Dennis Coryell to sign the agreements on behalf of the RRWCD WAE was made, seconded, and passed unanimously.

President Coryell reviewed a resolution that was proposed to the Colorado Ground Water Commission by the State of Colorado at the Commission's last meeting regarding the establishment of a Task Force to pursue conservation projects within the Republican River Basin. The Commission tabled the resolution to seek more information. The Commission asked that the local GWMD managers consult their respective boards and then inform the RRWCD Board of their opinions on the issue. First, Nate Midcap, Manager of the Marks Butte, Frenchman, Central Yuma, and Sandhills GWMDs, reported that his boards recommend a regional task force, but not sponsored or affiliated with any State agency. It was also suggested that the RRWCD Board appoint the persons to serve on the task force. Dave Keeler, Water

Commissioner for the State of Colorado, assured the Board that the State was not interested in becoming involved.

Deb Daniel, Manager of the Plains GWMD, stated that her board agreed that the task force should be kept locally; in fact, the Plains GWMD Board had sent a letter to the State requesting that such a project be kept at the local level.

Jack Dowell, Manager of W-Y GWMD, stated that his board had talked about a meeting that was held sometime ago about forming a conservation group. The W-Y GWMD board assigned Denny Salvador from its board to participate with the group; however, they never heard that there was another meeting.

Dave Keeler, speaking as a resident of the area not as an employee of the State of Colorado, said there was a tremendous amount of information concerning conservation practices and that such a collection of knowledge would be a very valuable tool if the task force could compile the data.

Director Steve Kramer reported that he had also attended a meeting with Stan Murphy and Tim Davis to see if a conservation group could be formed, and Director Steve Kramer had been appointed by the RRWCD Board to participate with the conservation entity. He felt that when the State brought up the Task Force, it seemed to be as a parallel group to what we were already doing. A lengthy discussion ensued regarding potential formation of a conservation group, who the group would be accountable to, interaction with the Republican River Watershed Committee, and what the RRWCD Board's position should be regarding the formation of such an entity and what the Board should report back to the Colorado Ground Water Commission on the tabled resolution. A motion was made to thank the State for bringing the resolution to the Commission; however, the RRWCD Board does not support the formation of such a Task Force with the State's involvement. The motion was seconded and passed unanimously.

The next item for consideration was the purchase of nametags for Board members and staff to be used when Board members and staff attend meetings where they represent the Board or the RRWCD. A motion to approve the purchase of nametags was made, seconded, and passed unanimously.

Next, the Board considered proposed Resolution 09-01 to waive the provisions of section 37-50-108, C.R.S., for a special board meeting to be held on November 18 and 19, 2009, in Greeley, Colorado. Mr. Montgomery explained that section 37-50-108 requires the Board to adopt such a resolution to waive the provisions that meetings be held at locations within the boundaries of the District or in a county in which the District is located. A motion to approve Resolution 09-01 waiving the location requirement for a special board meeting on November 18 and 19, 2009 in Greeley, Colorado, was made, seconded, and passed unanimously.

The final action item concerned the proposed legislation to amend section 37-90-106 of the Colorado Ground Water Management Act to limit the authority of the Commission to alter the boundaries of existing designated ground water basins if it would exclude wells for which conditional or final permits have been issued. Many Board members expressed their support for the legislation and that Scott Meiklejohn should be instructed to lobby for the legislation on

behalf of the District. A motion to support the proposed legislation was made, seconded, and passed unanimously. President Coryell asked Mr. Montgomery to draft a letter of support.

**EXECUTIVE SESSION**

At 3:32 p.m., a motion was made pursuant to section 24-6-402(4), C.R.S., to enter into executive session to discuss negotiations and develop a strategy for negotiations for the purchase, acquisition, or lease of water rights, easements, and property, and to receive legal advice from the 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 4:41 p.m., the executive session ended.

At 4:43 p.m., there being no further business, a motion to adjourn the meeting was made, seconded, and passed unanimously.

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Secretary

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Date