

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

January 14, 2016

Burlington, 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 Farm Credit of Southern Colorado in Burlington, Colorado.

Present were:

Board Members:

Dennis Coryell, President
Greg Larson, Vice President
Tim Pautler, Secretary
Byron Weathers, Treasurer
Eugene Bauerle
Wil Bledsoe
Brent Deterding
Jack Dowell
Steve Kramer
Stan Laybourn
Rod Lenz
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.

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 10:08 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 Director Stan Laybourn was absent but arrived later in the meeting as noted in the minutes. With 14 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. General Manager Deb Daniel noted that Jordan Davison, Manager of Yuma County Pest Control District, would be doing a presentation on the Republican Restoration project after the Southplatte Roundtable report. A motion to approve the agenda with the presentation added was made, seconded, and approved unanimously.

Prior to this meeting, the Directors had received, electronically, a draft of the minutes of the special Board meeting held on December 3rd & 4th, 2015, and the executive sessions held during that meeting. These documents were also included in the Board packet today. President Lenz asked if there were any changes or corrections to the minutes. Having no changes, a motion to approve the minutes of the special Board meetings held on December 3rd & 4th, 2015, and the minutes of the executive sessions held during that meeting was made, seconded, and approved unanimously.

GENERAL MANAGER'S REPORT

At 10:12 a.m., General Manager Deb Daniel discussed the upcoming 2016 Ogallala Aquifer Initiative (OAI) program and moisture monitoring funding. Next, Mrs. Daniel reported that the District office had received several phone calls inquiring about the Hutton Trust lawsuit. Finally, Mrs. Daniel informed the Board that the Yuma County Water Authority water lease is up and the Board needs to discuss possibly extending it to 2028.

FINANCIAL REPORT

At 10:15 a.m., Administrative Assistant Dawn Webster presented the financial report and the disbursement for the quarter ending December 31, 2015, 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 fourth quarter of 2015 was made, seconded, and approved unanimously.

At 10:15 a.m., Director Stan Laybourn joined the meeting.

CCP OPERATIONS REPORT

At 10:15a.m., as CCP Operations Manager Tracy Travis was not able to attend, Manager Deb Daniel briefed the Board on the operations of the Pipeline, stating that the Pipeline has been operating flawlessly and will have pumped a total of 10,760 acre-feet by the end of 2015. Mrs. Daniel stated that the goal is to reach an additional 4,000 acre-feet by the end of February, but it might be necessary to continue operations into the month of March.

COMMITTEES, ORANGIZATIONS, & PROFESSIONALS REPORTS

At 10:23 a.m., Director Greg Larson, chairman of the RRWCD Negotiating Committee, reported on the Hutton Foundation negotiations, stating that after several small meetings between a couple RRWCD Board members and a couple Hutton Foundation Board members, he felt that the RRWCD Negotiating Committee and the Hutton Foundation Board members would need to have a meeting to discuss negotiations. After some discussion, a motion to allow the Negotiating Committee to meet with the Hutton Foundation to discuss negotiations was made, seconded, and approved unanimously. Director Larson also reported that 2016 is the last year for the Dryden property lease agreement with Bledsoe's so the Negotiating Committee needs to discuss the future of the property in the near future.

Director Steve Kramer reported that the Conservation Committee has established a priority list for the OAI program, in which the RRWCD Board approved \$500,000 to use towards the program. Director Kramer noted that the program is open to everyone in the Basin; however priority is the wells along the Arikaree River.

Director Wil Bledsoe, Chairman of the Legislative Committee, reported that the Committees main focus will be the boundary line of the District and getting the wells that need to be included in the boundary inside the District. After a lengthy discussion, it was decided to have the District's Counsel work with the District's engineers to use the basin model to evaluate the issues involved and report back to the Legislative Committee.

Director Greg Larson reported that the Colorado Water Congress (CWC) will have its annual winter meeting January 26 through January 28, 2016, which he planned to attend with General Manager Deb Daniel, as well as with Director Lenz.

General Manager Deb Daniel reported that she had just attended a meeting in Longmont for the Southplatte Roundtable and reported on the projects that were applying for funding.

Next, Jordan Davison, Manager of the Yuma County Pest Control District, gave a slideshow presentation on the Republican Restoration project. After Mr. Davison answered questions from the Board of Directors, he asked that the Board consider donating to the project like they have in the past.

Director Steve Kramer reported that the Water Preservation Partnership (WPP) met in December and stated that Colorado State University ran different scenarios regarding their economic study, along with comparison of doing nothing vs cutback using percentages of total amount of water pumped. Director Kramer stated that an extensive survey needed to be done, and that the WPP will be meeting again in February 2016.

Director Byron Weathers reported that the Yuma County Water Authority (YCWA) is currently in the process of working on a permit to improve stream flow into Bonny Reservoir and allow work to be done without having the Army Corp of Engineers approval.

Tim Davis, RRWCD Program Consultant, reported to the Board on the completion of the CREP annual report that was requested and sent to USDA, and explained what was involved in the annual report. Mr. Davis updated the Board on the CREP amendment and increased rental rate, noting that both issues were still at a standstill. Finally, Mr. Davis reported on the OAI program and answered questions from the Board.

Dr. Alan Foutz, representative for Senator Gardner, thanked the Board members and staff for all the work done in the Republican River Basin, and updated the Board on his efforts to receive a decision for the CREP rental rate increase.

Christine Arbogast, RRWCD federal lobbyist, reported on the Water of the US rule, the water smart grant, the increased budget for fiscal year 2016, as well as the drought bill and the farm bill.

Scott Meiklejohn, RRWCD state lobbyist, was not able to attend the meeting.

Jim Slattery, RRWCD water engineer, was not able to attend the meeting.

David Robbins, RRWCD legal counsel, reported to Board regarding Bonny Reservoir negotiations between Colorado Parks & Wildlife and the Bureau of Reclamation. Mr. Robbins updated the Board on the Hutton Foundation lawsuit, stating that the trial will most likely start in 2017. Finally, Mr. Robbins reported on the boundary line issue, noting that it may be an uphill battle to get a bill passed changing the boundary this session but that he would work with Scott Meiklejohn and with the State Engineer's office on the issue.

At 12:40 p.m., President Lenz recessed the meeting for lunch.

At 1:33 p.m., the meeting was re-convened.

PUBLIC COMMENT

At 1:33 p.m., President Lenz invited comment from the public.

Alan Welp, an irrigator in the Republican River Basin & CAPA Board member, thanked the Board of Directors for what they have done in the Basin, noting that their efforts are appreciated. Mr. Welp stated that he is pleased that approximately 1400 wells joined together to fight the Hutton Foundation lawsuit, and that it is CAPA's desire that the attorney's work together to decrease the cost of litigating. Mr. Welp also stated that he could like to see the RRWCD incentivize the producers in the Basin. President Lenz thanked Mr. Welp & CAPA for giving a united front to all the well owners who didn't know where to turn in regards to the Hutton Foundation lawsuit.

At 1:40 p.m., having no other comments from the public, public comment was closed.

BOARD DISCUSSION AND ACTION ITEMS

At 1:40 p.m., the Board discussed the renewal and extension of the lease agreement with Yuma County Water Authority (YCWA) for the Soehner water rights. After discussion, a motion to approve the renewal and extension until 2028 was made, seconded, and approved unanimously.

Next, the Board discussed the public place or places for posting notice of meetings in accordance with the Colorado Open Meetings Law. A motion to continue posting such notice at the Yuma County Courthouse and the RRWCD website was made, seconded, and passed unanimously.

Next, the Board reviewed the rates for Professional Associates for 2016. After discussion, a motion to approve the proposed rates for Professional Associates for 2016 was made, seconded, and passed unanimously.

Next, the Board discussed Resolution 16-01 'Time Limitation to Request and Abatement or Refund of Fees Paid'. After President Lenz read the Resolution in its entirety to the Board of Directors, a motion to approve Resolution 16-01 was made, seconded, and approved unanimously.

Next, after discussion, a motion to refund Gary and Nancy Earl in the amount of \$12,795.12 for assessment fees paid in the past in error of the RRWCD was made, seconded, and approved unanimously.

Finally, after discussion, a motion to hold a special Board meeting on December 1 and 2, 2016 at the Embassy Suites in Loveland, CO was made, seconded, and approved unanimously.

EXECUTIVE SESSION

At 2:05 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 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.

At 3:22 p.m., Director Gene Bauerle left the meeting.

At 3:27 p.m., Director Jack Dowell left the meeting.

At 3:29 p.m., Director Stan Laybourn left the meeting.

The Executive Session ended at 3:31p.m. and the Board returned to open public session. President Lenz confirmed that no formal action had occurred during the executive session.

OLD BUSINESS

The Board of Directors discussed the Trustology training they were given at the December 4th, 2015 special board meeting.

NEW BUSINESS

A motion to donate \$2,500.00 to the Water Preservation Partnership (WPP) was made, seconded, and approved unanimously.

A motion to donate \$20,000.00 to the Yuma County Pest Control District was made, seconded, and approved unanimously. The payment will be divided into two payments, with \$10,000.00 being paid now and the remaining \$10,000.00 being paid later in the year.

At 3:46 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