

**Minutes of the First 2015 Quarterly Board Meeting of the
Board of Directors of the
Republican River Water Conservation District**

January 8, 2015

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 the Burlington Community & Education Center, 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
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.
Pete Ampe, RRWCD General Counsel, Hill & Robbins, P.C.
Jim Slattery, RRWCD Engineer, Slattery & Hendrix Engineering

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 10:00 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 Brent Deterding and Jack Dowell were absent, but excused. Administrative Assistant Dawn Webster was also absent. Secretary Tim Pautler recorded the minutes for the meeting. Director Brent Deterding and Administrative Assistant Dawn Webster arrived later in the meeting as noted in the minutes. With 13 Directors attending the meeting, Secretary Pautler declared that a quorum of the Board was present.

AGENDA AND APPROVAL OF MINUTES

President Coryell asked for any amendments to the agenda for the meeting. There being no changes, a motion to approve the agenda 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 November 20 and 21, 2014, and the executive sessions held during that meeting. These documents were also included in the Board packet today. President Coryell asked if there were any changes or corrections to the minutes. Stan Laybourn was at the retreat, and needed to be added to the roll of that meeting. A motion to approve the minutes of the special Board meetings held on November 20 and 21, 2014, and the minutes of the executive sessions held during that meeting was made, seconded, and approved unanimously.

GENERAL MANAGER'S REPORT

At 10:19 a.m., General Manager Deb Daniel informed the Board that the District office had ordered 1,000 copies of the Headwater magazine, which showcased the eastern plains of Colorado. Next, General Manager Daniel reported on the Conservation Meeting and Water Preservation Partnership meeting. Finally, General Manager Daniel presented the financial report and the disbursements for the quarter ending December 31, 2014, which were previously sent to the entire Board electronically as well as being included in the Board packet. General Manager Daniel answered questions from the Directors about the financial report and the disbursements. A motion to approve the financial report and the disbursements for the fourth quarter of 2014 was made, seconded, and approved unanimously.

CCP OPERATIONS REPORT

At 10:30 a.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 since the start up on November 10, 2014, and will complete the 2014 obligation, which was a total of 7,460 acre-feet. Mrs. Daniel stated that the goal is to reach 4,000 acre-feet by the end of March, but it might be necessary to continue operations into the month of April.

PROGRAM UPDATES AND REPORTS

At 10:45 a.m., Tim Davis, RRWCD Program Consultant, updated the Board on the RRCP application process. Next, Mr. Davis noted that he has been continuing to work with the Water Preservation Partnership, and also that he is working to move forward with the Republican River CREP amendment.

Director Greg Larson reported that the Colorado Water Congress (CWC) will have its annual winter meeting January 28 through January 30, 2015, which he planned to attend with General Manager Deb Daniel, as well as with Director Coryell.

General Manager Deb Daniel reported that the South Platte Roundtable will have its next meeting on January 13, 2015.

Director Byron Weathers reported that the Yuma County Water Authority (YCWA) is currently in the process of submitting an application to change the surface water rights that had been purchased to compact compliance status.

At 10:55 a.m., Director Brent Deterding and Administrative Assistant Dawn Webster joined the meeting.

Director Steve Kramer reported that the Conservation Committee has decided to not hold a Conservation Symposium this year. Mr. Kramer reported that the next Water Preservation Partnership meeting will be on January 12, 2015 and Colorado State University professors will be talking to producers within the Basin.

Director Greg Larson, chairman of the RRWCD Negotiating Committee, reported progress on the surface water rights on the South Fork.

Scott Meiklejohn, RRWCD state lobbyist, discussed the eight bills that he will be watching on the District's behalf.

Christine Arbogast, RRWCD federal lobbyist, was unable to attend the meeting.

At 11:12 a.m., Jim Slattery, RRWCD water engineer, discussed that he is currently working with the Negotiating Committee regarding surface water right negotiations, and also reported on the Compact Compliance Pipeline.

Pete Ampe, RRWCD legal counsel, gave a report for State Engineer Dick Wolfe, stating that there have been no direct meetings with Kansas and Nebraska since November, but there is a commitment from both states that a meeting was to be scheduled for next week in Lincoln, NE.

Mr. Ampe then gave the attorneys' report, stating that he had been working with YCWA to change the water rights for compact compliance purposes. Next, Mr. Ampe briefed the Board of Directors on the surface water right negotiations on the South Fork. Finally, Mr. Ampe reported that he had been working with the Water Preservation Partnership also with Tim Davis regarding the amended CREP application.

Next, President Coryell reported to the Board of Directors and the public in regards to the Hutton Educational Foundation (Foundation) water rights on the South Fork. He stated that the RRWCD had made an offer in fall 2014 for the purchase of the Foundation's interest in the Hale Ditch for \$2,017,355.91, which was declined by the Foundation and no counter offer was made. Several people from the public voiced their concern regarding the negotiations.

Barry Hinkhouse, Burlington resident and irrigation farmer, expressed his concern that the issue needs to be resolved and feels that the District and the Foundation are both at fault.

Kevin Penny, who is a Burlington resident, an irrigation farmer, President of KC Electric, and Director at the Bank of Burlington, had been a mediator between the RRWCD and the

Foundation. Mr. Penny suggested meeting with Jerry Gross, President of the Foundation, one on one, and feels that the negotiations need to be two sided.

Rol Hudler, editor of the Burlington Record, asked if the entire Foundation board even know what's going on.

Kenny Helling, who owns a farm closest to the Foundation's water rights, expressed that he is very frustrated, and feels that the District has to stick by the potential purchase amount that they use for everyone else that has surface water rights. Mr. Helling feels that as an irrigator and assessment fee payer, the Board of Directors need to put a lot of thought and consideration when going to the table to negotiate with the Foundation.

Tony Mangus, Burlington resident and farmer, stated that he does not feel like the District can offer the Foundation more money for wells that are junior to most wells within the Basin. He asked that the Board be very diligent as to how they spend the irrigator's money.

After discussion, a motion to have the RRWVD Board instruct the Negotiating Committee to come to the table and negotiate with the Hutton Educational Foundation in good faith, including a face to face start to the negotiations, was made, seconded, and approved unanimously.

At 12:32 p.m., President Coryell recessed the meeting for lunch.

At 1:23 p.m., the meeting was re-convened.

PUBLIC COMMENT

At 1:24 p.m., President Coryell invited comment from the public.

Galan Travis, an irrigator in the Republican River Basin, spoke regarding the structure of the assessment fee. Director Rod Lenz stated that once the compact compliance pipeline is paid for, the ability of changing the assessment fee rate is possible.

At 1:47 p.m., having no other comments from the public, public comment was closed.

BOARD DISCUSSION AND ACTION ITEMS

At 1:39 p.m., 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 2015. After discussion, a motion to approve the proposed rates for Professional Associates for 2015 was made, seconded, and passed unanimously.

At 2:00 p.m., Director Greg Larson left the meeting.

EXECUTIVE SESSION

At 2:08 p.m., a motion was made pursuant to section 24-6-402(4), C.R.S., to enter into executive session to develop a strategy for negotiations for the purchase, acquisition, or lease of water rights, easements, and property and to receive advice on legal questions. The motion was seconded and passed 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 3:15 p.m., the executive session ended.

A motion to authorize Negotiating Committee Chairman Greg Larson to approve the increased amount from \$20,000.00 to \$35,000.00 on the repair and maintenance of the Dryden property wells was made, seconded, and approved unanimously.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no old business.

At 3:18 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