

**Minutes of the Fourth 2012 Regular Quarterly Meeting of the
Republican River Water Conservation District**

October 11, 2012

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 Wray Ambulance Facility, Wray, Colorado.

Present were:

Board Members:

Dennis Coryell, President
Eugene Bauerle
Will Bledsoe
Brent Deterding
Jack Dowell
Garry Kramer
Rod Lenz
Stan Layborne
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.
Tim Davis, RRWCD Program Consultant, TJD LLC
John Willard, RRWCD Accountant
Paul Eggers, GEI Consultants, Inc., Project Engineer

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 10:05 a.m. and welcomed the public. President Coryell noted the reappointment of Wayne Skold as a director by the board of county commissioners of Sedgwick County, the appointment of Will Bledsoe as a director by the board of county commissioners of Lincoln County, the appointment of Brent Deterding as a director by the board of the Central Yuma Ground Water Management District, the reappointment of Stan Laybourn as a director by the board of county commissioners of Washington County, and the reappointment of Jack

Dowell as a director by the board of the W-Y Ground Water Management District. General Manager Deb Daniel conducted a roll call of Board members. Directors Tim Pautler and Rod Mason were absent, but excused. Directors Byron Weathers and Greg Larson arrived later in the meeting as noted in the minutes. With 10 Directors attending the meeting, President Coryell 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 none, 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 regular Board meeting held on July 12, 2012, and the special telephonic Board meeting held on September 27, 2012 and the executive session held during the July 12, 2012 Board meeting. These documents were also included in the Board packet today. President Coryell asked if there were any changes or corrections to the minutes. There were none. A motion to approve the minutes of the regular Board meeting held on July 12, and the special telephonic Board meeting held on September 27 and the executive session held during the July 12 Board meeting was made, seconded, and approved unanimously.

GENERAL MANAGER'S REPORT

At 10:13 a.m., General Manager Deb Daniel welcomed the two new Board members, Will Bledsoe and Brent Deterding. She reported that Administrative Assistant Dawn Webster, Program Consultant Tim Davis, and herself had met with individuals from the Rio Grande Water Conservation District and explained how the RRWCD office handled the Conservation Reserve Enhancement Program (CREP). She also gave a brief update on the Compact Compliance Pipeline Dedication, stating that approximately 170 people had attended the event.

At 10:15 a.m., Byron Weather joined the meeting.

Ms. Daniel then presented the financial report and the disbursements for the quarter ending September 30, 2012, which were previously sent to the entire Board electronically as well as being included in the Board packet. After some discussion, a motion to approve the financial report and the disbursements for the third quarter of 2012 was made, seconded, and approved unanimously.

BUDGET HEARING

At 10:25 a.m., the Board held a hearing on the proposed 2013 budgets for the RRWCD and the RRWCD WAE. Notice of the hearing was published in accordance with law. Rod Lenz, Budget Committee chairman, opened the Budget Hearing by informing the Board that the Budget Committee had met to prepare the proposed 2013 Budgets. Mr. Lenz asked John Willard, RRWCD Accountant, to explain the proposed 2013 Budgets. Mr. Willard reviewed each item in the budgets and discussed the various elements that went into the totals. Possible revisions to the Budgets were discussed and highlighted. President Coryell asked the Board members if they had any questions; there were none.

President Coryell then asked the public if there were any questions or comments. Tony Rayl representing the Yuma Pioneer asked if the amount that was noted as Surface Water Lease was for the Yuma County Water Authority lease; President Coryell said it was. At 10:47 a.m., the Budget Hearing was closed.

PROGRAM UPDATES AND REPORTS.

At 10:50 a.m., Tim Davis, RRWCD Program Consultant, reported on the Farm Bill, stating that it has not been authorized by Congress and there is still limited authorization within the current Bill. Mr. Davis stated that as of September 30, 2012, FSA did not have the money to fund any CREP contract; however, EQIP will be funded through 2014. Mr. Davis answered questions from the Board pertaining to the Farm Bill, as well as the other programs.

David Robbins, RRWCD Attorney, reported that the Colorado Water Congress annual summer conference was held in August and was well attended. He said the next meeting is in January at the Marriot in the Denver Tech Center. He also said there will possibly be a total of 6 or 7 bills coming out of the interim water committee at the legislature.

Director Gene Bauerle reported that a meeting of the South Platte Roundtable had been held on October 9, 2012, and noted that there is possibility of a \$10 million loan with 0 percent interest from the Colorado Water Conservation Board (CWCB).

Director Jack Dowell reported that the Republican River Riparian Restoration Project is finishing up in Nebraska and should be in Colorado in December and January. Fred Raish then spoke to the Board of Directors on behalf of the Republican River Restoration Project, noting that 85% of the North Fork project is completed. He also informed the Board that \$626,000.00 has been spent on the project, with half of that being grant money and \$50,000.00 coming from the RRWCD.

RRWCD Accountant John Willard informed the Board that nothing was new with the budget as far as the Yuma County Water Authority (YCWA) is concerned, and it wants to lease the Laird Ditch water right from the Soehner lease back to the District.

Director Jack Dowell reported that he had attended the Special District Association (SDA) annual conference in Keystone, Colorado, in September, where President Coryell, General Manger Deb Daniel, along with himself, did a presentation on the RRWCD.

David Robbins, RRWCD legal counsel, updated the Board on the Hutton Educational Foundation law suit, stating that a trial is scheduled for April 2013 if it cannot be settled before then. He stated that Mike Shimmin is representing Dennis and Laura Lengel and that there is an agreement that has been reached with them concerning the change of their Scherrer Ditch water right that had been changed to wells. RRWCD legal counsel Peter Ampe reported that he had traveled to Maine to represent the RRWCD in the hearing in the litigation between Kansas and Nebraska. Mr. Ampe reported that the Colorado Attorney General's office thanked the Board for allowing him to attend the hearing. He said the hearing was finished in two weeks and that he expected the Special Master's decision would be announced in November.

PRESENTATIONS

At 11:44 a.m., Paul Eggers of GEI Consultants, Inc. (GEI), provided an update on the Pipeline project and answered questions from the Board regarding the Pipeline.

At 11:50 a.m., President Coryell recessed the meeting for lunch.

At 1:00 p.m., the meeting was re-convened.

PUBLIC COMMENT

At 1:03 p.m., President Coryell invited comment from the public.

Bud Mekelburg, a resident of the District, started off by asking the Board of Directors if the District was going to try to reverse the decision made by the USDA on the CREP Amendment. President Coryell stated that the District has had no contact with the USDA and that the District is pursuing different options. Mr. Mekelburg then expressed concern about the price paid by the Cure Land for leasing the water rights from the District that were purchased for the Compact Compliance Pipeline. He also spoke about the Yuma County Conservation District.

Matt Vincent, a resident of the District, also expressed his concerns about the lease to Cure Land. He submitted two reports to the Board about water rights and land values.

At 1:15 p.m., Greg Larson joined the meeting.

There being no further comments, public comment ended.

At 1:20 p.m., Paul Eggers asked the Board to add to the agenda under New Business approval of up to \$60,000.00 for change Order #9 for the Compact Compliance Pipeline. After discussion, the Board added the approval under New Business.

BOARD ACTION ITEMS

A motion to approve resolutions to adopt the proposed 2013 Budgets, including all changes discussed during the Budget Hearing, and to approve appropriations in the amounts of the Budgets with those changes was made, seconded, and approved unanimously.

Next, the Board considered proposed resolutions to thank Bruce Latoski and Raymond Enderson for their service on the Board. President Coryell read the proposed resolutions. A motion to adopt the resolutions to thank Bruce Latoski and Raymond Enderson for their service on the Board was made, seconded, and passed unanimously.

The election of officers then began. Dennis Coryell was nominated as President. A motion to cease nominations and to elect Dennis Coryell as President by acclamation was made, seconded, and passed unanimously. Greg Larson was then nominated as Vice President. A motion to cease

nominations and to elect Greg Larson as Vice President by acclamation was made, seconded, and passed unanimously. Next, Tim Pautler was nominated as Secretary. A motion to cease nominations and to elect Tim Pautler as Vice President by acclamation was made, seconded, and passed unanimously. Lastly, Byron Weathers was nominated as Treasurer. A motion to cease nominations and to elect Byron Weathers as Treasurer by acclamation was made, seconded, and passed unanimously.

The Board then considered committee assignments in light of the appointments of Will Bledsoe as a director to replace Raymond Enderson and Brent Deterding as a director to replace Bruce Latoski. The following changes were made: Brent Deterding and Aaron Sprague were added to the Budget Committee, and Jack Dowell replaced Rod Lenz on the Engineering Committee. Dennis Coryell stayed on the Personnel Committee, but Wayne Skold took his place as Chairman, Greg Larson took Jack Dowell's place on the Personnel Committee. Brent Deterding was added to the Negotiating Committee, and Will Bledsoe and Rod Lenz were both added to the Conservation Committee.

Next, Byron Weathers was designated as the RRWCD representative to the Yuma County Water Authority to replace Bruce Latoski. Greg Larson was designated as the RRWCD representative to the Colorado Water Congress, and Steve Kramer was designated as the alternate.

Next, the Board considered a proposed stipulation between Dennis and Laura Lengel and the RRWCD in Case No. 11CW255. A motion to approve the stipulation was made, seconded, and passed unanimously.

Next, the Board discussed a proposed resolution authorizing the President and the Vice President to open a brokerage account and to purchase securities permitted by Colorado statute. A motion was made to approve the resolution, but was not seconded. After some discussion, the Board concluded that a Budget Committee meeting was needed to discuss the resolution in further detail and the motion was withdrawn.

Finally, the Board considered a proposed resolution to waive the provisions of section 37-50-108, C.R.S., for a special Board meeting to be held on November 28 and 29, 2012, in Greeley, Colorado. A motion to approve the resolution waiving the location requirement for a special Board meeting to be held on November 28 and 19, 2012, in Greeley, Colorado, was made, seconded, and passed unanimously.

EXECUTIVE SESSION

At 3:00 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; and to receive advice on legal questions related to the purchase or lease of water rights; and to discuss personnel matters. 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 3:30 p.m., the executive session ended.

OLD BUSINESS

There was no old business.

NEW BUSINESS

At 3:32 p.m., a motion to approve Change Order #9 in the amount of up to \$60,000.00 was made, seconded, and passed unanimously.

Next, a motion to authorize legal counsel to submit a request to the Sandhills Ground Water Management District to change the consumptive use of certain wells that were included in the export order to be consistent with revisions made by the Ground Water Commission staff was made, seconded, and passed unanimously.

Next, a motion to ratify the actions of President Dennis Coryell after he was appointed as an RRWCD director by the Plains Ground Water Management District was made, seconded, and passed unanimously.

At 4:00 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