Minutes of the Second 2012 Quarterly Board Meeting of the Board of Directors of the Republican River Water Conservation District

April 12, 2012

Yuma, 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 Quintech Center, Yuma, Colorado.

Present were:

Board Members:
Dennis Coryell, President
Greg Larson, Vice President
Byron Weathers, Treasurer
Tim Pautler, Secretary
Eugene Bauerle
Jack Dowell
Raymond Enderson
Garry Kramer
Steve Kramer
Bruce Latoski
Rod Lenz
Stan Laybourn
Rod Mason
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.
John Willard, RRWCD Accountant, Premier Accounting, LLC

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 10:14 a.m. and welcomed the public. Secretary Tim Pautler conducted a roll call of Board members, noting that Director Rod Lenz was absent, but excused. He arrived later in the meeting as noted in the minutes. With 14 Directors in attendance, Secretary Pautler declared that a quorum of the Board was present.

AGENDA AND APPROVAL OF MINUTES

President Coryell asked that the budget status report by John Willard, RRWCD Accountant, be moved to the end of the program updates and reports on the agenda for the meeting. President Coryell also asked that a report on Bonny Reservoir by Dave Keeler be added to the program updates and reports. There being no other changes, a motion to approve the agenda with those changes was made, seconded, and approved unanimously.

Prior to this meeting, the Directors had received, electronically, drafts of the minutes of the regular Board meeting held on January 12, 2012, and the special Board meeting held on March 6, 2012, and the executive sessions held during the regular Board meeting on January 12, 2012, and the special Board meeting on March 6, 2012. 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 January 12, 2012, the special Board meeting held on March 6, 2012, and the minutes of the executive sessions held during those meetings was made, seconded, and approved unanimously.

GENERAL MANAGER'S REPORT

At 10:19 a.m., General Manager Deb Daniel gave a brief progress report on the Compact Compliance Pipeline (Pipeline), noting that the District has several contracts with different companies in the Basin to complete work that was not included in the bid from Garney Construction. Next, General Manager Daniel briefed the Board on the public Pipeline tours that had been given, and thanked the Wray School District for the use of the buses, the editors from the local newspapers who took pictures and wrote articles, and President Coryell for attending all of the tours. General Manager Daniel then gave a brief update on the purchase of the Rush Creek water rights.

Director Rod Lenz joined the meeting at 10:27 a.m.

Finally, General Manager Daniel presented the financial report and the disbursements for the quarter ending March 31, 2012, which were previously sent to the entire Board electronically as well as being included in the Board packet. President Coryell noted that he had asked John Willard, RRWCD Accountant, to update the Board on the Pipeline budget status, which he would be presenting later in the meeting. A motion to approve the financial report and the disbursements for the first quarter of 2012 was made, seconded, and approved unanimously.

PROGRAM UPDATES AND REPORTS

At 10:36 a.m., General Manager Daniel read a report by Tim Davis, RRWCD Program Consultant, which was sent via email, on the Conservation Reserve Enhancement Program (CREP) and the Agriculture Water Enhancement Program (AWEP).

Director Gene Bauerle reported that the South Platte Roundtable held a meeting on April 10, 2012. He said that Governor Hickenlooper had appointed Diane Hoppe to the Board to replace Eric Wilkinson. He also said there was a presentation by the Greenway Foundation.

Director Jack Dowell reported that he had spoken to Fred Rausch with the Yuma County Pest Control District, stating that there will be a meeting to assess the damage done by the fire near Bonny Reservoir. Director Dowell also stated that the Pest Control District is in need of donations. A motion to donate $15,000.00 to the Yuma County Pest Control District was made and seconded. After discussion, the motion was amended to donate the previous year's donation of $10,000.00 for the removal of invasive species. The amended motion was seconded and approved unanimously.

There was no report on the Yuma County Water Authority (YCWA).

General Manager Deb Daniel read a report from RRWCD state lobbyist Scott Meiklejohn.

David Robbins, RRWCD legal counsel, reported on the Colorado Water Congress, noting that not many water issues had come before the legislature this year. Mr. Robbins then read a report from RRWCD federal lobbyist Christine Arbogast, noting that she has been setting up meetings for the CREP Amendment. He then gave an update on RRWCD Engineer Jim Slattery's health. Finally, Mr. Robbins reported that on March 12, 2012, the Sandhills Ground Water Management District had approved the RRWCD's application to export 500 acre-feet of ground water in 2012 for the testing the Pipeline and had also approved the export of ground water for delivery to the North Fork of the Republican River to offset stream depletions to assist the State with Compact compliance on the condition that Colorado receives 100% credit for such deliveries from the Republican River Compact Administration (RRCA).

Peter Ampe, RRWCD legal counsel, briefed the Board on the Hutton Educational Foundation's lawsuit against the Colorado State Engineer, noting that Judge Hartmann had issued an order on March 26, 2012, denying the Hutton Educational Foundation's and the State and Division Engineers' motions for summary judgment and that a trial has been set for April 23rd & 24th, 2012. Mr. Ampe also said that six weeks of depositions have been scheduled in *Kansas v. Nebraska*.

At 11:30 a.m., Water Commissioner Dave Keeler gave a slide presentation on Bonny Reservoir.

At 11:43 a.m., John Willard, RRWCD Accountant, gave a financial status report on the Pipeline.

PRESENTATION

At 12:00 p.m., Steve Townsley and Paul Eggers of GEI Consulting, Inc. (GEI), gave an update on the Pipeline project. They concluded their presentation with photos of the construction progress. Mr. Townsley also answered a question about the progress of the Pipeline Operations and Maintenance Manual.

At 12:37 p.m., President Coryell recessed the meeting for lunch.

At 1:36 p.m., the meeting was re-convened.

PUBLIC COMMENT

At 1:37 p.m., President Coryell invited comment from the public. There were no comments from the public.

BOARD DISCUSSION AND ACTION ITEMS

At 1:38 p.m., the Board discussed the objection to the application to change the description of acres permitted to be irrigated by Permit Nos. 19476-FP and 20809-FP submitted by Benny Cantrall to include lands currently enrolled in CREP and discussed the pros and cons of taking retired acres out of the program. A motion to approve the objection to the application was made and seconded. After discussion, the motion was passed unanimously. A motion was then made that the RRWCD would not object to the change of the description of the acres to be irrigated to include the CREP acres for the limited purpose of applying up to 3 inches of ground water per acre in 2012 as necessary to establish grass, if the FSA approves the irrigation of those acres for that purpose. The motion was seconded and passed unanimously. General Manger Deb Daniel was asked to inform the State Engineer's office of the Board's position.

Next, the Board discussed a proposed stipulation in Case No. 11CW255, Water Division No. 1, with Dennis and Laura Lengel for the change of their Scherrer Ditch water right that had been changed to Ebeler Well No. 1 and Ebeler Well No. 2 as alternate points of diversion. The proposed stipulation would consent to the change of the legal description of Ebeler Well No. 1 and Ebeler Well No. 2 to the actual location of the wells, subject to terms and conditions that the Lengels' Scherrer Ditch water right is permanently changed to Ebeler Well No. 1 and Ebeler Well No. 2 and that there shall be no further change of the water right to a location closer to the South Fork of the Republican River than the actual location of Ebeler Well No. 1 and Ebeler Well No 2. After discussion, a motion to approve the proposed stipulation was made, seconded, and passed unanimously.

Next, a motion to authorize the Negotiating Committee to negotiate an easement agreement for the repeater station antenna tower, not exceed $20,000.00, was made and seconded. After discussion, the motion failed. A motion to instruct the Negotiating Committee to work with an individual on an easement agreement for the repeater station antenna tower was then made, seconded, and approved unanimously.

Next, the Board discussed a proposed resolution, which was included in the Board packet, to urge the State of Colorado to submit a resolution to the RRCA for approval of an augmentation plan for the Pipeline no later than its annual meeting in August 2012. David Robbins recommended that the resolution be amended to read "no later than its annual meeting in 2012." A motion to adopt the resolution with the amendment recommended by Mr. Robbins was made, seconded, and approved unanimously.

General Manager Deb Daniel then briefed the Board on possible dates for the Pipeline Dedication Ceremony. A motion to approve August 16, 2012 as the date for the Pipeline Dedication Ceremony was made, seconded, and approved unanimously.

Finally, the Board discussed hiring a Pipeline Operations and Maintenance Manager. President Coryell asked Board Members on the Pipeline Technical Advisory Committee and Steve Townsly and Paul Eggers of GEI, Inc., to prepare a job description and a salary by the end of next week.

EXECUTIVE SESSION

At 3:20 p.m., having nothing to discuss in Executive Session, it was removed from the agenda.

OLD BUSINESS

There was no old business.

NEW BUSINESS

David Robbins asked the Board of Directors if Peter Ampe, legal counsel, had permission to work with the State regarding *Kansas v. Nebraska and Colorado*. President Coryell said it would be fine.

At 3:25 p.m., having no further business to be brought before the Board, a motion to adjourn the meeting was made, seconded, and passed unanimously.

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Secretary Date