

January 17, 2008
Meeting Minutes of the Board of Directors

Directors Present: Dennis Bode, Lisa Darling, Greg Dewey, Kim Elkins,
Dennis Harmon, John Kolanz and Randy Rhodes

Directors Absent: Alan Berryman and Kevin Urie

1. Call to Order. Lisa Darling called the SPWRAP Meeting to order at 10:00 am at the headquarters of the Northern Colorado Water Conservancy District. There was a quorum of Directors.
2. There were no additions or changes to the agenda. The agenda was approved.
3. Minutes of the November 15, 2007 Board Meeting were approved with a clarification that the \$40,000 was only enough for power charges for pumping during December and January. (There was no board meeting in December.)
4. Dennis Harmon presented the SPWRAP financial report. The balance in the money market account is large enough to warrant placing a portion of the funds into another secure investment option.

ACTION REQUESTED: The finance committee (Dennis Harmon and Greg Dewey) would like to research options and report back at the next board meeting.

5. Lisa Darling discussed the need for SPWRAP to have a Work Plan with clear objectives for 2008. This would communicate to all SPWRAP members and water users that the organization is moving in an appropriate direction. Four areas of focus within a work plan were identified:

1. Finance
2. Administration / Membership
3. Operating Committee
4. Policy / Political

Lisa passed out three draft memorandums that would form the basis of the work plan.

ACTION REQUESTED: Board members were encouraged to review the memorandums and provide comments at the February board meeting.

6. Operating Committee Update. The Operating Committee is made up of representatives from State of Colorado and representatives from water users, or SPWRAP. The Operating Committee is tasked with developing recommendations for various Program implementation issues, including developing a Water Projects Plan to meet Colorado's

water commitments, assuring that Colorado's financial commitments are met, and showing both with proper reporting.

Existing members of the Operating Committee are:

- 2 from Dept. of Natural Resources: Ted Kowalski and Jim Hall
- 2 from Division of Wildlife: Mary Halstead and Grady O'Neill
- 2 from SPWRAP: Alan Berryman and Kevin Urie

Additional technical assistance is provided by Joe Frank, Jon Altenhoffen and Caren Aguilar. Jon Altenhoffen invited any other Colorado water users to attend if they wanted to help provide technical assistance.

SPWRAP is primarily responsible for meeting Colorado's water commitment. Jon Altenhoffen passed out a flow chart for a water accounting spreadsheet which determines the amount of net recharge credits available, in parallel, for Tamarack 1 as well as for other augmentation plans. SPWRAP's obligation for the credits produced by Tamarack 1 is to pay for the operating and maintenance costs for the Tamarack recharge wells. SPWRAP's obligation for the credits produced by the other augmentation plans is to pay lease fees.

Colorado also has an interim milestone to develop capacity to produce 5,000 acre-feet per year of recharge credits (with Tamarack 1) by December 31, 2008. Accounting / reporting is also due by December 31, 2008. Tamarack 1 needs to be fully capable of producing 10,000 acre-feet per year of recharge credits by December 31, 2010.

ACTION REQUESTED: Lisa Darling asked Jon Altenhoffen to communicate to the Operating Committee that she would like to see them produce a timeline of expected activities for 2008.

7. Jon Altenhoffen passed out a list of excess recharge credits produced during 2007 that are available for SPWRAP to lease. The total produced during March, April, May and June was 6,459 acre-feet. Of this amount, 528 acre-feet were produced by Tamarack 1, where SPWRAP is responsible for the operating and maintenance costs for the Tamarack recharge wells. The remaining 5,931 acre-feet were produced by other augmentation plans, and SPWRAP could lease the water for \$40 per acre-foot, or a total cost of \$237,251. If the credits are leased by SPWRAP, then Colorado can claim that they are available to meet Colorado's water obligation. John Kolanz moved to authorize SPWRAP, Inc. to enter into leases to secure interest to the excess recharge credits and to approve payments up to a total of \$237,251. Dennis Harmon seconded the motion. The motion was approved unanimously.

Jon Altenhoffen discussed the estimated operating and maintenance costs for the 9 wells at Tamarack 1. Power costs to operate each well for February and March are estimated at \$2,300 per well. Maintenance costs to rehabilitate each well's electric motor are estimated at \$1,500 per well. Dennis Harmon moved to approve up to \$40,000 for the operating and maintenance costs during February and March. Kim Elkins seconded the motion. The motion was approved unanimously.

8. Need for Executive Director. Discussion ensued about the possible need for an executive director or other staff.

ACTION REQUESTED: A smaller group was appointed to determine tasks that need to be done and report back to the Board in February. This group consists of: Alan Berryman, Kevin Urie, Greg Dewey, Dennis Harmon and Jon Altenhoffen.

9. Assessment notices.

ACTION REQUESTED: In February, the Board will discuss the need to send out reminder notices for the 2008 assessments.

10. Next Meeting of the Board of Directors:

February 21, 2008 - 10 a.m.
Denver Water