



April 19, 2012

Meeting Minutes of the Board of Directors

Directors Present: Wayland Anderson, Alan Berryman, Lisa Darling, Greg Dewey, Jim Hall, Dennis Harmon, Kim Hutton, Randy Rhodes and Kevin Urie

Directors Absent: None

Others Present: Jon Altenhofen, Ed Burke, Pete Conovitz, Joe Frank, Austin Hamre, Greg Kernohan, Suzanne Sellers and Richard Vail; (Alan Curtis, Deb Freeman and Swithin Dick by telephone)

1. CALL TO ORDER / INTRODUCTIONS

Lisa Darling, President of SPWRAP, called the SPWRAP Board of Directors Meeting to order at 9:10 am at Northern Water. There was a quorum of Directors.

2. ADDITIONS/CHANGES TO THE AGENDA

There were no additions/changes to the agenda.

3. MINUTES FROM THE JANUARY 19, 2012 BOARD MEETING

MOTION: Dennis Harmon moved that the board approve minutes of the January 19, 2012 board meeting. Kevin Urie seconded the motion. The motion was approved unanimously by the directors present.

4. FINANCIAL REPORT

Dennis Harmon presented the 2011 annual financials as well as the independent auditor's report. Dennis Harmon and Joe Frank reported on the transition of bookkeeping to Lower South Platte Water Conservancy District (Lower). Joe Frank reviewed a new form that Lower has used with other entities. Joe Frank said the following bills needed to be paid:

- Duncan, Ostrander and Dingess for legal services – \$294.20
- Brock and Company, independent audit – \$3,500.00
- Trout, Raley, Freeman, et al. for legal services – \$7,406.81

MOTION: Alan Berryman moved that the board approve payment of the bills listed in the financial report. Dennis Harmon seconded the motion. The motion was approved unanimously by the directors present.

5. UPDATE ON PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM (PRRIP) ACTIVITIES

- Alan Berryman gave a brief report on PRRIP activities. This included discussing the status of the proposed 2013 Federal Budget for PRRIP, status of J-2 reservoir negotiations, and an update on the annual adaptive management plan reporting session.
- Beorn Courtney of the Executive Director's Office (ED Office) provided the following update by email regarding the PRRIP Water Plan:

J-2 Reregulation Reservoir

- The feasibility study is completed, final report reviewed by ED Office and Central and consultant putting the final ink on now.
- The feasibility-level project scoring toward the milestone was accepted by FWS at 40,800 AF for the entire project. Nebraska DNR is reserving 25% of the project (yield and cost), so the PRRIP score is 30,600 AF.
- The PRRIP and Nebraska DNR project sponsorship agreement with CNPPID (outlining terms including cost distribution) expected to be complete in June.
- The 2012 PRRIP budget includes funding to advance the PRRIP's portion of the land acquisition and begin design engineering/permitting, RFP for engineering review of feasibility costs being prepared now.

Nebraska Groundwater Recharge

- The final pilot project report expected mid-May 2012.
- ED Office working with Hahn and CNPPID to develop project scoring estimates which will then go to a WAC workgroup, eventually GC to negotiate a canal recharge agreement w/ CNPPID.
- ED Office discussing other recharge opportunities with Central Platt NRD.

Nebraska Water Leasing

- The ED Office is working with Nebraska DNR, Central Platte NRD, and NPPD to explore two water leasing opportunities. Input on permitting/policy questions related to alternatives to ag dry-up have been requested from DNR and CPNRD.
- The ED Office is working with the Land Advisory Committee and Water Advisory Committee to develop a decision tree process on how to look at water associated with land that the LAC is disposing of or comes across that has water associated with it.

Choke Point

- ED Office is working with City of North Platte to explore opportunities to open/restore channels versus hard engineering solutions such as dredging and jetties.

COLORADO ISSUES

6. UPDATE ON FINALIZE TAMARACK DECREE RECHARGE PROJECT LITIGATION

Austin Hamre gave a brief report on the Tamarack Recharge Project litigation. A trial date has been set in July 2012. Four objectors remain in the case: City of Boulder, Centennial Water and Sanitation District, Harmony Ditch and Bill Condon. The board took no further action.

7. PAWNEE CREEK RESERVOIR FILING IN DISTRICT 64

Joe Frank and Jon Altenhofen briefed the board on a filing for a conditional water right to build a 386,000 acre-foot reservoir primarily for flood control, but also for other uses. The board took no further action.

SPWRAP ADMINISTRATIVE AND CORPORATE ISSUES

8. REVIEW AND RENEWAL OF AGREEMENT WITH LOWER SOUTH PLATTE WATER CONSERVANCY DISTRICT

Joe Frank, Kevin Urie, and Dennis Harmon reviewed the transition of administrative services from SPWRAP to Lower, according to the agreement approved by the SPWRAP board at the January 19, 2012 meeting. No issue or concerns were cited.

9. UPDATE ON USFWS PERMITTING / STREAMLINED PROCESS

Deb Freeman and Kevin Urie gave a brief report on their meeting with Tom Econopouly and Sandy Vana-Miller, both with the USFWS. Some individual consultations are taking longer than the typical timeframe of 45-60 days for streamlined consultations. The reasons include additional interaction with federal agencies and information requests. Deb Freeman and Kevin Urie offered to continue to be available to help expedite the submittal and approval process and help alleviate the bottleneck.

10. OFFSETS FOR DEPLETIONS FROM FRACKING (HYDRAULIC FRACTURING)

Alan Berryman reported that Carl Chambers, a hydrologist with the USFS mentioned there are oil and gas wells being contemplated in the Pawnee National Grassland. He asked how the depletions associated with water used there may be dealt with. Alan Berryman mentioned that depletions from hydraulic fracturing is a much broader concern for several water users.

ACTION: The board appointed a subcommittee to look into the issue and report back to the board. Those on the subcommittee are: Alan Berryman, Jim Hall, Greg Dewey, Jon Altenhofen, Deb Freeman and Kevin Urie.

11. POLICY FOR MEMBERS PULLING OUT AND REJOINING

This item was postponed for discussion, and the board took no action.

12. DISCUSSION REGARDING EXECUTIVE DIRECTOR POSITION

This item was postponed for discussion, and the board took no action.

13. OTHER

Greg Kernohan of Ducks Unlimited briefly mentioned the Winterhaven Recharge Project and the need to finalize a contract between SPWRAP and DU.

14. ADJOURN

The meeting adjourned at 11:15 pm.

Next Meeting of the Board of Directors
July 19, 2012, 9 am
Northern Water

Respectfully submitted,

A handwritten signature in cursive script that reads "Greg Dewey".

Greg Dewey
Secretary, SPWRAP, Inc.