
July 17, 2014

Meeting Minutes of the Board of Directors

Directors Present: Greg Dewey, Dennis Harmon, Jim Hall, Rich Belt, Kevin Urie, Daniel Gallen & Kim Hutton

Directors Absent: Alan Berryman & Wayland Anderson

Others Present: Jon Altenhofen, Joe Frank, Deb Freeman, Suzanne Sellers & Austin Hamre (By phone: Richard Vail & Pete Conovitz)

1. CALL TO ORDER / INTRODUCTIONS

Greg Dewey called the SPWRAP Board of Directors Meeting to order at 9:15 am. The meeting was held at Northern Water, in Berthoud CO. There was a quorum of Directors present, introductions ensued.

2. ADDITIONS/CHANGES TO THE AGENDA

The following additions were made to the Agenda:

- Financial Report- 3 checks were presented for approval
- SPWRAP Administrative & Corporate Issues- Update Operations Committee Discussions

3. COPIES OF THE FOLLOWING DOCUMENTS WERE HANDED OUT

- Meeting Agenda
- Draft Minutes from the April 17, 2014 Board meeting, for approval
- SPWRAP's Balance Sheet & General Fund Report (as of July 15, 2014)
- Tamarack SWA Recharge Project Update (as of July 17, 2014)
- Heyborne Recharge & Wildlife Project Update (as of July 17, 2014)

ACTION ITEMS

4. MINUTES FROM THE April 17, 2014 BOARD MEETING

The following amendments were made to the April 17, 2014 draft minutes from the Board of Directors Meeting.

- Section 7- UPDATES ON PRRIP

The term *potentially* was added & the acronym EPA was removed from third sentence, it now reads: Highlights include the Interior Least Tern *potentially* being delisted from the endangered species list, in Nebraska.

MOTION: Kim Hutton moved to approve the meeting minutes from April 17, 2014 Board of Directors meeting, with the suggested amendments. Jim Hall seconded the motion. The motion was approved unanimously by the directors present.

5. SPWRAP'S FINANCIAL REPORT

Balance Sheet & General Fund Report

Joe Frank presented SPWRAP's Balance Sheet & General Fund Report, as of July 15, 2014, as well as providing handouts. Joe summarized the revenues and expenses, as presented in the Balance Sheet and General Fund Report. Currently, operating expenses are below SPWRAP's 2013 projections. This is a result of the 2013 flood, rendering the Heyborne Recharge site inoperable until repairs are completed. For more detailed information please reference the "Heyborne Update- July 2014" & "SPWRAP- Financial Update- July 2014" handouts.

Regarding the General Fund and anticipated future expenses: the Operating Committee will meet to review the current operating expenses, budget & capital expenses. They will prepare a proposal, to be presented at the SPWRAP annual meeting, for 2015 SPWRAP assessment fees.

MOTION: Rich Belt moved to approve the Financial Report. Dennis Harmon seconded the motion. The motion was approved unanimously by the directors present.

The following checks were presented for approval;

- Check # 1250- Duncan, Ostrander & Dingess – legal expenses
- Check # 1251- Trout, Raley, Montano- legal expenses
- Check # 1252- Parks & Wildlife- operating expenses

MOTION: Kevin Urie moved to approve the checks listed above. Jim Hall seconded the motion. The motion was approved unanimously by the directors present.

6. COLORADO FOUNDATION FOR WATER EDUCATION (CFWE)

Kevin Urie presented on a request by the CFWE for a donation, to support water education. The CFWE is a 501(c) 3, non-profit organization, with the mission statement to "promote better understanding of Colorado's water resources and issues by providing balanced and accurate information and education." SPWRAP has previously supported CFWE, most recently in 2013 by sponsoring a water tour. The SPWRAP Board is in support of CFWE goals and encourages their efforts, a \$1,000 donation was proposed.

MOTION: Kevin Urie moved to donate \$1,000 to the CFWE. Dennis Harmon seconded the motion. The motion was approved unanimously by the directors present.

COLORADO ISSUES

7. UPDATE ON THE BLM OIL & GAS MEMBERSHIPS

Deb Freeman provided an update to the ongoing discussion of water depletions resulting from oil & gas operations on federal lands. Specifically, the BLM's current approach to structuring ESA compliance issues, ideally culminating in a streamlined Section 7 consultation process. The BLM will perform outreach to oil & gas operators regarding said compliance issues. Next the BLM plans to prepare a programmatic biological assessment to enter the consultation process, which will cover a block amount of depletions (currently estimated to be 2,700 af over the 20-year planning period). This approach will target oil & gas operators who express interest in gaining the BLM's

approval, as identified during the outreach period. Annually the BLM intends to report on the remaining balance of the block allocation. This balance will dictate the availability of additional oil & gas operations on federal lands.

NOTE: Discussions remain ongoing; any & all steps in this process or established volumetric limits are subject to change.

8. SPWRAP PAST DUE ASSESSMENTS

Dan Gallen provided updates on the SPWRAP Past Due Assessments, specifically on the progress made since the April 17, 2014 Board of Directors meeting. Dan summarized the four groups of members which were identified at the previous Board meeting. Highlights include 52 outstanding assessments in April 2014, reduced to 26 outstanding assessments by July 2014. Discussion ensued, the Board decided on both follow up letters and phone call to address the remaining 26 assessments.

9. TAMARACK PROJECT

Richard Vail & Jon Altenhofen provided an update on the Tamarack project, as well as providing a handout. Specifically, the status of repairs needed from the 2013 flood impacts. There is a field visit scheduled for 7/18/2014 and more detailed information will be available at that time. Currently repairs are ongoing for both the pipeline and power line, which were washed out during the flood. Additionally, the riverbank will need to be stabilized to prevent future occurrences. Funding still remains in the Species Conservations Trust Fund for repairs. However, at this time it is unknown if said funding will cover all of the expenses or if additional revenues will be required. For more information please refer to the "Tamarack SWA Recharge Project" handout.

10. PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM (PRRIP)

Kevin Urie & Deb Freeman provided an update on the PRRIP. Kevin summarized the progress of the Program to date. Regarding the first increment of the PRRIP, highlights include; approximately \$80 million of the \$157 million has been spent to date (below anticipated costs for this point in time), J-2 Reservoir's anticipated storage has increased from 12,000 af to 15,000 af and the estimated annual yield may be 45,000 af (of which 30,000 af will go to the PRRIP).

11. SOUTH PLATTE LOWER RIVER GROUP DISSOLUTION (SPLRG)

Austin Hamre provided updates on the SPLRG dissolution. Signatures and approval, from SPLRG's 4 directors, of the draft resolution for dissolution have been obtained. The next step is to file the Articles of Dissolution with the state, at which point there is a 90-day period to address remaining financial assets.

SPWRAP ADMINISTRATIVE AND CORPORATE ISSUES

12. OPERATIONS COMMITTEE DISCUSSION

Heyborne Recharge & Wildlife Project

Joe Frank presented updates on the Heyborne Recharge and Wildlife Project, as well as providing handouts. Highlights include flood damage updates and designs for rehabilitation of the Heyborne site. To resume operations the current restoration design efforts include; stream bank repair and stabilization, slotted infiltration piping, pond and slough embankments, headgate installation, infiltration manhole and piping from lift pump to manifold system. For more information please refer to the "Heyborne Recharge & Wildlife Project" handout.

Water Advisory Committee (WAC) - 5-year Update

Jon Altenhofen provided an update on WAC. April of 2014 the Colorado 5-year report was due. Highlights include; a current population projection of 3.62 million people in the South Platte basin, PRRIP's offsets for depletions are sufficient to cover both the current population and projected growth rates through the first increment of the Program.

13. MEMBER UPDATES

- The drought in the Arkansas basin is easing with recent rain events (8"- 9" in the past few days in certain areas)
- Development of a new Windy Gap carriage agreement is moving forward
- Alternative transfer methods, to historic "buy and dry", continue along the front range

14. ADJOURN

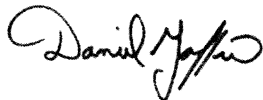
The meeting adjourned at 12:08 p.m.

Next Meeting- September 18 – conference call at 9:00

SPWRAP Annual Meeting:
October 23, 2014 1:30 pm

The meeting will be held at:
The Plaza Event Center at the Best Western Plus Plaza Hotel- Following the South Platte Forum
1850 Industrial Circle, Room; Summit Ballroom
Longmont, Colorado 80501

Respectfully submitted,



Daniel Gallen
Secretary, SPWRAP Inc.