

Sterling, Colorado, April 7, 2009

MINUTES of a meeting of the Board of Directors of The North Sterling Irrigation District held at their office in Sterling at 12:30 P.M., April 7<sup>th</sup>, 2009.

Directors David Hernandez, David Breidenbach, James Aranci, Secretary James Yahn, and Leon Rose were present.

The group immediately left for lunch at the River City Grill and arrived back at the District's Office at 1:30 p.m.

Minutes of Board meeting held March 6, 2009, April 3, 2009, and landowner's meeting held March 19, 2009 were approved as received.

Expense for the month of March was allowed in the total amount of \$61,152.36 and ordered paid as shown on sheets attached to and made a part of these minutes by due action of the Board, all Directors present voting aye.

Secretary Yahn updated the board on the progress of the spillway. Mr. Yahn stated that our engineer had sent a draft response to the State's comments on the design and are awaiting any questions from the State prior to providing them with all the final documents. Mr. Yahn stated that he had also contacted Logan County to get language for an invitation to bid advertisement. Mr. Yahn also stated that he had contacted our insurance company to determine what kind of insurance we would need to perform the work ourselves. Mr. Yahn presented the directors with the response from our underwriter, which stated that they would not insure us for the construction of the spillway and if we preformed the work, would revoke our current insurance.

At 2 p.m. the board and secretary had a conference call with our attorney, Ronni Sperling. The legal work the District needed done was discussed. The status of water court applications in which the District had filed statements of opposition were reviewed. Also reviewed were cases that the District would be substituted for Director Aranci as the opposition. It was the consensus of the board to not to substitute in the Union Ditch filing Case No. 03CW404. The board, secretary, and Ms. Sperling discussed the current water resume, current legislation, and the expectations of the North Sterling with regard to the legal assistance. At 2:45 p.m. the conference call ended. The board and secretary discussed the current water resume further. After some discussion it was moved by Director Aranci and seconded by Director Breidenbach to file a statement of opposition to the Brighton amended filing, Case No. 03CW320. Upon being put to a vote the motion passed.

Secretary Yahn updated the board on the river headgate project, stating that the gates were currently being fabricated by Concrete Specialties.

The feasibility of hydropower at the North Sterling Dam was discussed. Secretary Yahn stated that he had contacted Mark Farnsworth with Highline Electric to determine if their board was willing to split the cost of the first two tasks of the feasibility study. Mr. Farnsworth stated that Highline would pay 50%, provided there was some assurance made by the North Sterling board that if the project did go forward that water would not be leased from the reservoir thereby decreasing the power generation potential, unless Highline was compensated for their investment in the project. The board discussed the request and it was the consensus that it was too early in the process to make such a guarantee. Secretary Yahn also stated that he had been in contact with the Governor's Energy office concerning financial assistance with the study. Mr. Yahn stated that the GEO submitted a request for \$1,700 to assist with the feasibility study, however Mr. Yahn did not know when a decision would be made. It was also the consensus of the board to proceed with the feasibility study with or without assistance.

Secretary Yahn updated the directors on the status of the water co-op meeting that he attended. Mr. Yahn stated that the work of the co-op may be assisted by the grant received by the Colorado Corn Growers Association for evaluating different methods for agricultural transfers.

It was moved by Director Aranci and seconded by Director Breidenbach to once again give Secretary Yahn the authority to handle the District's motor vehicle registrations. Upon being put a vote the motion passed. President Hernandez signed the authorization.

Mr. Yahn informed the directors that the storage in the reservoir is 73,440 acre feet and currently 130 cfs is being diverted for recharge.

There being no further business to come before the Board the meeting was adjourned at 3:35 P.M.

Respectfully Submitted,

James T. Yahn, Secretary