PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM
Governance Committee Meeting – Special Session on Draft FY14 PRRIP Budget

DIA Country Inn & Suites – Denver, CO
November 12, 2014

Meeting Attendees

Governance Committee (GC) Table

State of Wyoming
Harry LaBonde – GC Chair
Philip Stuckert – Alternate

State of Colorado
Suzanne Sellers – Alternate

State of Nebraska
Jim Schneider – Member

U.S. Fish and Wildlife Service (Service)
No Attendees

Bureau of Reclamation (BOR)
Gary Campbell – Member
Brock Merrill – Alternate

Environmental Entities
Bill Taddicken – Member

Upper Platte Water Users
Dennis Strauch – Member

Colorado Water Users
Alan Berryman – Member
Kevin Urie – Alternate

Downstream Water Users
No In-Person Attendees (see conference call list)

Executive Director's Office (EDO) Staff
Jerry Kenny, Executive Director (ED)
Bridget Barron
Jason Farnsworth
Bruce Sackett
Sira Sartori
Chad Smith

Via Conference Call
Don Kraus – Member (CNPPID)
Mark Czaplewski – Member (CPNRD)
Kent Miller – Member (TPNRD)

Welcome & Administrative

LaBonde called the meeting to order at 9:30 a.m. Mountain Time and the group proceeded with introductions.

Regarding additions to the agenda, Kenny raised the topic of a letter sent to CNPPID from Sen. Deb Fischer asking some questions about the J2 project. He thought it would be good to get some insight on the coordination with CNPPID by the Program and the Nebraska Department of Natural Resources of the response to that letter. Kraus said CNPPID will be getting something back to Sen. Fischer by the beginning of next week. One question regards the use of Executive Session and the Central Board. The letter references landowner contacts and questions but does not list landowner names. As the specific response to letters questions were straightforward, the group discussion focused then on the broader topics of the importance of NDNR communicating with Nebraska's new Governor and new Senator about the Program, and an increased effort of outreach about the Program including the J2 Project. It was agreed to take this topic up again after the budget review was completed.

PRRIP FY15 Budget and Work Plan

Kenny provided an introduction to the budget development process that involved extensive input, discussion, and vetting by the Advisory Committees and the Finance Committee leading up to the Work Plan and Budget before the GC now. He reviewed in broad terms the draft 2015 Budget in comparison to the 2014 Budget to provide perspective, emphasizing similarities and differences of particular relevance. He then outlined the process of review for this session with respect to which sections would be covered by specific Executive Director's Office (EDO) staff:

- ED and Committee items – Kenny
- Land Plan – Sackett and Farnsworth
- Water Plan – Kenny and Sartori
- Adaptive Management Plan – Smith and Farnsworth

Kenny initiated discussion of latest draft of the FY15 budget and work plan and the current status of several line items in the budget. The notes from this point forward reflect primarily only those items for which there were questions or discussions.

With respect to ED-3, LaBonde asked if our public messaging success continues to grow or if we have saturated the market. Barron said there are still many audiences we don't yet reach in the area that we will continue to work on. We are also broadening the message by reaching out to school-age kids and other audiences. Kenny said it is also important to continue talking to the audiences that we have always talked to for message reinforcement while also reaching out to new segments. Strauch asked if the Program should be working on outreach related to the J2 project. Barron said we assisted in development of a J2 brochure with Central that has been distributed. Kenny said he had been thinking about this issue in light of recent media coverage of J2 meetings. The outreach doesn't necessarily have to be strictly J2 but a broader message on the Program and what we are doing (including J2) might be helpful. Strauch said information about how difficult it is to find projects and how well J2 fits with our needs. Schneider said that would be a good idea to help explain how the project came into being. Kenny said it would be good to focus on the retimed water aspect and that it does not have a negative impact on irrigated agriculture in developing the yield. Alternatives that include drying up farm ground would definitely cause problems for the local economy. There has been some recent media coverage of Central's public

meetings on local TV stations and the Kearney Hub which was not anti-Program, but demonstrated the need for us to tell our story better.

Kenny said the budget on ED-3 is a little higher than in previous years because of this need to tell our story, and one aspect of this was increasing the budget on the time-lapse project. Our contributions on that project to date have been on equipment. Next year, our funds will go toward interviews, capturing additional video imagery, and developing a PBS-quality documentary to tell the story of the Platte with a strong emphasis on the conservation lands of the Platte and the Program's role. Kenny suggested GC members visit the time-lapse project's web site to see examples of what they are doing with imagery thus far. Here is the project web site link: http://plattebasintimelapse.com/.

Urie asked if the proposed $150,000 in the LP-3 budget covers taxes for all Program lands. Sackett said yes. Campbell asked if the value of selling land is factored into the budget anywhere. Sackett said no. Kenny said this is entirely expenditures, that is why we have added to the GC agenda a discussion of any income that comes back to the Program.

With respect to WP-4 (f) i, J2 Regulating Reservoir. The question was asked by Kenny as to what was the preference with regard to showing the funds from the budget stand point, as they would not actually be expended until 2017 or early 2018. Options being the current presentation of the remaining balance shown as equal increments over three years starting in 2015, one big lump sum in 2017, or some other way. This is largely a matter of preference for Federal funds coming through the Bureau of Reclamation. Campbell said it works for the BOR to show the J2 expenditures as-is (spread out over three payments in 2015, 2016, and 2017).

With regard to water leasing potentials, Sellers asked if any the water leases will be coming before the GC in December for approval. Kenny said no, none of them are far enough along at this point and price negotiation in particular still needs to occur.

With respect to the Adaptive Management Plan, Campbell asked in regard to line item PD-22 (Sediment Augmentation Implementation) if the GC would have a discussion in December about sediment issues, sediment augmentation, and ways forward for the Program. Smith said that would be a good time to at least start the discussion. Schneider said in regard to line item PD-11 (AMP Reporting) he has had conflicts with the AMP Reporting Session the past couple of years and really wants to attend in the future. The GC should be more involved with this, so getting the date on the calendar soon would help ensure better GC attendance. Smith agreed and said he would try to propose dates during the December 2-3, 2014 GC meeting in Denver. Czaplewski asked in regard to line item PD-3 (AMP & IMRP Peer Review) why we would invest money in pallid sturgeon experts for review of possible life-history conceptual ecological models given where we are at in the Program. Smith said they were included in the proposal to develop species conceptual models because the pallid sturgeon is a Program target species but it will be up to the GC to decide whether to include it.

Public Comment

No public comments were made

Future Meetings & Closing Business

Schneider said NDNR had recently talked with Sen. Fischer about the Program, what was happening, and the J2 project. There was positive discussion about the tax issue and the fact that the Program will be

paying taxes for lands that are part of the project. In meeting with a landowner, issues related to how Program money is sent through the NCF, the quality of the report to FERC, and other issues were raised. There also doesn't seem to be an understanding generally that the J2 project is the result of a lengthy evaluation of many alternatives. LaBonde asked if it would be valuable to put together the planning history that went into selecting the J2 project and providing that to Sen. Fischer. Schneider said yes and it wouldn't necessarily have to be targeted to Sen. Fischer but also for anyone interested in the Program generally and the project specifically. Kenny said he could have a draft informational letter ready for GC review at the December GC meeting. Campbell said that information would be helpful, but also discuss the larger benefits of the Program including for water users in the three states.

Next GC meeting:

- December 2-3, 2014 @ Denver, CO at the Warwick Hotel

Meeting adjourned at 12:16 p.m. Mountain time.

<u>Summary of Action Items/Decisions from November 2014 GC meeting</u>

1) Directed the EDO to edit the draft FY15 PRRIP work plan and budget as described above for discussion and approval at the December 2-3, 2014 GC meeting.
2) Kenny agreed to put together a draft letter for the GC detailing the history of Program water projects and how the J2 project came to be.