PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM
Finance Committee Conference Call Minutes
May 5, 2011

Attendees
Mike Purcell, Chair – State of Wyoming
Jerry Kenny – ED
Chad Smith – ED Office
Jason Farnsworth – ED Office
Beorn Courtney – ED Office
Steve Smith – ED Office
Larry Schulz – ED Office Consultant
Don Kraus – CNPPID
John Lawson – Bureau of Reclamation
Suzanne Sellers – Colorado Water Conservation Board
Jim Schneider – State of Nebraska
Jennifer Schellpeper – State of Nebraska

Welcome and Administrative
Finance Committee Chair Purcell called the meeting to order at 10:09 a.m. Central time. No agenda modifications offered. Lawson moved to approve the March 2011 FC minutes; Schneider seconded. **March 2011 minutes approved.**

Groundwater Recharge
Courtney discussed the contract amendment. The WAC work group identified several pieces of information they think will be helpful in evaluating this project. Courtney said the consultant is able to keep this work within the existing contract budget. Schneider moved to approve the contract amendment; Lawson seconded. **Contract amendment approved.**

FSM "Proof of Concept" Management Actions @ Elm Creek Complex
Steve Smith discussed the contract. Tetra Tech was selected to perform the work through a competitive selection process. The contract is for a three-year term. Purcell said sooner or later won't we have to do some cost estimates to compare various implementation methods? Farnsworth said this phase is focused on looking at specific results in the channel (particularly scour) and developing an effectiveness dataset that can be related to cost metrics down the road. Kraus asked about the timeline and activity on the river. Smith said we are hoping to implement one or more SDHF during the course of this contract. Methods will be in place to evaluate the results of SDHF or natural high flows. Kraus asked how you measure anything if flows are high all summer. Smith said that is a good question but we will likely wait to have specific in-channel measurements taken after flows come down. Farnsworth said we will get data about scour, velocity, and inundation even if water is high. Kraus moved to approve the contract; Schneider seconded. **Contract approved.**

Habitat Availability Analysis
Farnsworth discussed the contract. This effort is important to evaluate habitat availability so it can be paired with species response over time. Kraus asked who would do the work. Farnsworth said Andy Bishop would oversee it and he would assign one of his GIS technicians to do the work in the coming year. Just Brei in the ED Office would be the main point of contact in the EDO. Kraus asked if we are

comfortable with the RBJV folks. Farnsworth said we are comfortable and Brei has a relationship with the RBJV that should make the work go smoothly. Purcell asked if we are sole-sourcing this. Kenny said not exactly. We talked to the USGS about doing this work first because it tied into the other work they are doing for us. That route did not work out and there are very few people with the capability and software to do the work. Under the Procurement Policy, for activities like the single-year analysis we do not have to advertise, we just need to evaluate options. There is a limited pool of people that can do the work, so we conducted an abbreviated form of procurement but not sole-source. Kraus asked if we have to do this every year. Farnsworth said yes. This is a single-year contract just to see how well it goes, how quickly the work can be done, and what the final cost is. Kenny said they will analyze four years of data, not analyze data for four years. Purcell asked what form and format the reporting will be. Farnsworth said we will get a large dataset that will show areas of available habitat. That will also include a short-form memo. This first year, we will get a step-by-step protocol for how to conduct the analysis.

Schneider said he is confused about how it fits in the Procurement Policy. Kenny said it was not advertised on the web site. The single year cost is under the amount requiring advertisement on the web site. Two options emerged to conduct the work (USGS and RBJV) and we are actually doing a lot of the work through this process to develop a protocol for analysis which might make this a good candidate down the road for competitive selection. Schneider said the policy said items from $10,000-$25,000 needs to be posted on the web site for five days. Kenny said that is correct but that we don't have the knowledge at this time to write this up as something that could be advertised. Kraus asked if the RBJV has the experience to write the protocol. Purcell asked if they are actually developing the protocol. Farnsworth said the RBJV will develop a protocol that will mirror the process the RBJV goes through to analyze the data. This is really the data crunching necessary to give the Program baseline information. Kraus asked if protocol review is laid out as a step in the process. Farnsworth said that is not part of the RBJV contract. At the end of this year, we can decide based on the results whether the protocol worked and then can consider peer review.

Schneider said it seems that we need to follow the Procurement Policy process and this does not appear to do that. Kenny asked if the wish of the FC is to do a sole-source justification and take it to the GC for approval in June. Lawson asked if that hurts the projects. Farnsworth said it will just push the schedule back into next year about six more weeks. Schneider asked if there has ever been GC e-mail approval of a project like this. Kenny said he is not aware anything precludes that.

Schneider moved to approve the contract subject to a sole-source approval from the GC that will be conducted by e-mail poll; Kraus seconded. **Motion approved.**

<u>Program Vehicle Acquisition</u>

Farnsworth discussed the status of the current Program truck and the analysis comparing keeping that truck versus acquiring a new truck. Purcell asked who owns the truck. Kenny said the current lease payments have been made by the Program. Lawson asked who will hold the title if we buy a new truck. Kenny said he thinks the title would be made out in the name of the Program, but he will check. Farnsworth said it could be the Platte River Recovery Implementation Foundation. Lawson asked why wouldn't another option have been to turn in the existing truck and lease a new one? Farnsworth said we looked at that but wear and tear on Program trucks is heavy and leasing is not set up for that kind of hard daily field use. Lawson said he did not see a comparative analysis for that option. Farnsworth said we also put a lot of miles on the truck and it becomes an issue when you have to watch mileage totals. That is another reason that option was not included in the comparative analysis. Purcell asked if the Program

has purchased a truck before. Kenny said yes, the second Program truck was purchased. Lawson asked how that truck is titled and licensed. Kenny said to the Program. Lawson asked how that is done. Kenny said the registration says PRRIP. Taxes come to the EDO and taxes, licensing, and registration are pay by the Program; this is similar to the airboat. Schulz said under grants, equipment can be purchased for the grantee. In this case, the Foundation is the recipient of the grant funds. Kenny asked if the suggestion is to make the title link to the PRRIF. Schulz said that is his recommendation. Kenny said PRRIF is focused on land, so instead it would have to be the NCF. That means most equipment would have to go that route. Lawson said he is interested in where big-ticket items are titled and licensed. It makes sense that things like the truck and airboat should be titled to the PRRIF or NCF. Kenny said he will talk to Diane Wilson at the NCF about making this change on appropriate titles for large capital assets.

Purcell said he is inclined to acquire the vehicle and then title like the other truck the Program owns. Then, we need to determine how to manage these items in the long term. The GC needs to look at the bigger issue of who owns what and what is the line (cost) where we need to start worrying about this. What happens if the Program goes away? Lawson he does not know how it could be titled to the Program. Kenny said this does need to be discussed at the GC.

Kraus moved to purchase the truck, with the following caveats:

1) Explore with the NCF if they are comfortable having items like vehicles titled to them. If so, title the new truck to them. If not, do not acquire the truck.
2) If the NCF does not want title to the truck, discuss with the GC during the June 2011 meeting how the Program should handle large assets of value and the correct legal approach.
3) Discuss with the GC during the June 2011 meeting the rules for the life cycle of Program equipment like vehicles.

Sellers seconded. **Motion approved.**

<u>Sediment Augmentation Pilot Management Action</u>

Chad Smith discussed the contract amendment. Sellers asked about the reference on Page 9 to an April 2011 AMWG meeting. Smith said that meeting was held with the contractor team and the AMWG to discuss the scope and make appropriate changes. Sellers asked about the upcoming ISAC meeting in July and its focus. Smith described the workshop and said it would be an experimental design workshop focused on AMP activities at the Elm Creek Complex and would include the ISAC, AMWG, contractors, EDO staff, and EDO Special Advisors.

Purcell asked how to understand the overall budget for the project. Smith discussed the HDR budget spreadsheets and the breakdown for tasks and costs in FY 2011, FY 2012, and FY 2013. Purcell asked about the contract total and the budget obligation for 2011. Smith said that $350,000 would be applied to this project from PD-13, and that the remaining $9,981 would be handled by applying FY 2010 UO. The FC discussed the complexity of the contract and the lack of clarity in the contract amendment about what has been spent thus far under the original contract and subsequent amendments. The FC requested additional information showing task-by-task expenditures from the original contract and subsequent amendments to make it clear what has been spent so far. Suzanne moved to table this until the next FC meeting; Kraus seconded. **Motion approved.** Kraus said we need to have a discussion on this complex contract and that it needs to be discussed during the next FC meeting instead of trying to approve it via e-mail.

Closing Business

The next FC meetings will be a conference call on May 26, 2011 from 10:00 a.m. to noon Central time.

FC meeting adjourned at 11:42 a.m. Central time.

Summary of Action Items/Decisions from May 5, 2011 FC meeting

1) Approved March 2011 FC minutes.
2) Approved the groundwater recharge contract amendment.
3) Approved the Elm Creek Complex FSM "Proof of Concept" contract.
4) Approved the habitat availability analysis contract subject to a sole-source approval from the GC that will be conducted by e-mail poll.
5) Approved purchase of a new Program truck, with the following caveats:
    a) Explore with the NCF if they are comfortable having items like vehicles titled to them. If so, title the new truck to them. If not, do not acquire the truck.
    b) If the NCF does not want title to the truck, discuss with the GC during the June 2011 meeting how the Program should handle large assets of value and the correct legal approach.
    c) Discuss with the GC during the June 2011 meeting the rules for the life cycle of Program equipment like vehicles.
6) Tabled consideration of the sediment augmentation third amendment until the May 26, 2011 FC meeting. Requested additional information from the EDO regarding previous expenditures under the original contract and subsequent amendments.