



PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM (PRRIP or Program) Governance Committee (GC) Quarterly Meeting Minutes

Tuesday, December 6, 2016 – 2:00 PM – 5:30 PM
Wednesday, December 7, 2016 – 8:00 AM – 9:50 AM
Note: All times are in Mountain Time.

Meeting Location:

Warwick Denver
1776 Grant Street
Denver, CO 80203
(303) 861-2000

Governance Committee (GC)

State of Wyoming

Harry LaBonde – Member

State of Colorado

Don Ament – Member (2016 GC Chair)

Suzanne Sellers – Alternate

Carlee Brown – Alternate

State of Nebraska

Jeff Fassett – Member

Upper Platte Water Users

Dennis Strauch – Member

Bob Mehling – Alternate

Downstream Water Users

Mark Czaplewski – Member

Don Kraus – Member

Brian Barels – Member

Kent Miller – Member

Executive Director's Office (EDO)

Jerry Kenny, ED

Bridget Barron

Jason Farnsworth

Bruce Sackett

Chad Smith

Seth Turner

Bureau of Reclamation (Reclamation)

Brock Merrill – Alternate

U.S. Fish and Wildlife Service (Service)

Michael Thabault – Member

Environmental Entities

Rich Walters – Member

Bill Taddicken – Member

Colorado Water Users

Alan Berryman – Member

Kevin Urie – Alternate

Deb Freeman – Alternate

Audience Members

Mike Drain – CNPPID

Tracy Zayac – NPNRD

Lyndon Vogt – CPNRD

Tim Martin – Riverside Technologies

Tom Econopouly – USFWS

Matt Rabbe – USFWS

Dmitry Smirnov – Dewberry

**TUESDAY, DECEMBER 6, 2016****Welcome & Administrative**

Ament called the meeting to order at 2:06 PM Mountain Time. The group proceeded with introductions.

GC Decision – *LaBonde moved to approve the November 2, 2016 GC Special Session minutes; Czaplewski seconded. Minutes approved.*

Program Committee Updates***Land Advisory Committee (LAC)***

Czaplewski provided an update on the latest LAC activities. The LAC has not met since the last GC Quarterly Meeting. A LAC subcommittee did three land evaluations last week that will soon be brought to the full LAC for discussion.

Water Advisory Committee (WAC)

Turner provided an update on the latest WAC activities. The WAC met on October 11, 2016 at Lake McConaughy. Discussion topics included several project updates; CPNRD water leasing; NPPD water leasing; CNPPID water leasing; COHYST; project scoring; broad-scale recharge; slurry wall gravel pits; and the 2017 PRRIP budget and work plan.

Technical Advisory Committee (TAC)

Sellers provided an update on the latest TAC activities. The TAC has not had a formal meeting since the last GC meeting but met with the ISAC during the 2016 AMP Reporting Session. The TAC did electronically review the 2017 PRRIP budget and work plan, the 2015 State of the Platte report, and a manuscript for publication.

Finance Committee (FC)

LaBonde provided an update on the latest FC activities. The FC has not met since the last GC meeting. The FC will be meeting tomorrow after the GC meeting to discuss the Extension budget.

Program Outreach Update**PRESENTATIONS**

- Patrick Farrell presented at the Nebraska Natural Legacy Conference in Broken Bow, Nebraska on September 21, 2016. The title of his presentation was *Riverine habitat selection of Whooping Cranes during migration: Implications for managing habitat along the central Platte River*.
- Jerry Kenny, Dave Baasch and Tim Tunnell gave a tour of Program projects to the Upper Niobrara White Natural Resources District Board of Directors on September 24, 2016.
- The Platte River Basin Timelapse project presented on their work on September 26, 2016 to the Natural Resources District annual conference in Kearney, Nebraska.
- The proposed extension of the Program was the subject of a panel at the Nebraska Water Resources Association/Nebraska State Irrigators Association joint convention on November 22, 2016 in Kearney, Nebraska. Brian Barels of the Nebraska Public Power District presided over the panel. Speakers were Jerry Kenny, Jeff Fassett (Nebraska Department of Natural Resources), Mike Thabault (U.S. Fish & Wildlife Service), Dennis Strauch (Pathfinder Irrigation District) and Rich Walters (Nature Conservancy).
- Jerry Kenny was part of a panel discussing water management in Nebraska at the Nebraska Water Center's annual water symposium on October 20, 2016. Additional speakers on the Lower Platte



panel included Don Kraus of The Central Nebraska Public Power and Irrigation District and Mace Hack of The Nature Conservancy.

EXHIBITS/SPONSORSHIPS

- The river model purchased in part by the Program was utilized by Rowe Sanctuary at the Nebraska State Fair in Grand Island, Nebraska in August 2016. The interactive river model allows children to move the sand and direct the flow of the river. Over 700 children and adults used the model.
- The Program exhibited at Husker Harvest Days in Grand Island on September 13th through 17th, 2016 in the Natural Resources District's building. We made 2,080 contacts over the course of the three days.
- The Program exhibited at the Natural Resources Districts annual conference at the Younes Conference Center in Kearney, Nebraska on September 26 & 27, 2016. We made 224 contacts at the event.
- The river model was also exhibited at Prairie Loft's Harvestfest on October 2, 2016 in Hastings, Nebraska. This year's Harvestfest also set a record for attendance with 1,325 visitors.
- The Program exhibited at the South Platte Forum on October 26 & 27, 2016 in Loveland, Colorado. We made 192 contacts at the event.
- The Program exhibited at the Booseum at the Kearney Children's Museum on October 27, 2016. Attendance was 573 children and adults. Children attending the event were given candy and crane fact coloring sheets.
- The Program exhibited at the joint convention of the Nebraska Water Resources Association and the Nebraska State Irrigators Association on November 20 -22, 2016 in Kearney, Nebraska. We made 60 contacts at the conference. The Program was also a break sponsor of the event.

UPCOMING PRESENTATIONS/EXHIBITS/SPONSORSHIPS

- The Program will be exhibiting at the annual meeting of the Four States Irrigation Council in Fort Collins, Colorado on January 11-13, 2017.
- Jerry Kenny will be presenting on the Program to the Grand Island Rotary Club on January 17, 2017 in Grand Island, Nebraska.
- The Program will be exhibiting at Colorado Water Congress in Denver, Colorado on January 25 – 27, 2017.
- Jerry Kenny will be a lecturer for the Robert B. Daugherty Water for Food Institute at the University of Nebraska annual Water Seminar Series on March 1, 2017. The lecture topic is the Platte Program overview, status, and path forward.

MEDIA/OTHER

- After the September 2016 Governance Committee meeting the Kearney Hub published an article on the proposed extension of the Program.
- After the November 2016 Nebraska Water Resources Association and Nebraska State Irrigators Association joint convention, the Kearney Hub published two articles in their Weekend Natural Resources section on the proposed extension of the Program and the emphasis on water projects.

Barron distributed Christmas gifts to GC members from Headwaters Corporation.

PRRIP FY16 Budget Update

Kenny gave an update on the status of the 2016 PRRIP budget and associated land income and taxes.

**PRRIP FY17 Budget and Work Plan**

Kenny gave an update on the latest drafts of the PRRIP FY17 budget and work plan.

GC Decision – *Thabault moved to approve the PRRIP FY17 Budget and Work Plan; Berryman seconded.*
FY17 Budget and Work Plan approved.

GC Decision – *LaBonde moved to approve the 2017 ED Contract; Merrill seconded.* **2017 ED Contract approved.**

PRRIP First Increment Extension Proposal

Kenny said the version of the Extension Proposal contained in the GC meeting packet is a clean version of what was agreed to at the November 2, 2016 GC Special Session in Denver, CO. Ament mentioned the FC would be meeting tomorrow to discuss the Extension budget in detail. Brown said Colorado had reviewed the Extension Proposal again and thanked the GC and EDO for developing such a strong document. Regarding financing, Colorado is pleased that the FC agreed to discuss the Extension budget tomorrow because of very serious funding pressures, changes of administration, and other challenges.

J2 Reservoir Project

Kraus gave a quarterly update on the status of the J2 Reservoir Project. The “project hold amendment” has been signed and is a done deal.

2017 Environmental Account (EA) Annual Operating Plan (AOP)

Econopouly introduced the document and Rabbe gave an update on the 2017 EA AOP. The EA will be at about 170,000 acre-feet next October if no water is released so the AOP calls for several releases to lower that amount. March 23-May 10 whooping crane release is an especially high priority for the Service in 2017. Czaplewski asked what about the 3,000 cfs release in the May 20 to June 20 time frame is thought to be beneficial to pallid sturgeon. He said he struggles with the timeframe, the purpose, and the discharge. Econopouly said that is what the Service came up with when the target flows were set.

Long-Range Streamflow Forecasts from Hydroclimatic Indices

Smirnov gave a presentation on long-range streamflow forecasts. Kenny said a report related to this work will be distributed to the GC soon.

Broad-Scale Recharge

Farnsworth discussed the broad-scale recharge engineering design services RFP. Thabault said the Service would like to be on the selection panel for this RFP. Rabbe added. Czaplewski asked if this consultant would handle water rights. Kenny said that would be handled in-house.

GC Decision – *Merrill moved to approve the RFP; Berryman seconded.* **RFP approved.**

RFP Selection Panel – *Rabbe, Sellers, Merrill, Jeff Shafer (NPPD), and Berryman added; spots saved for representatives of WY and NE.*

CPNRD Water Use Lease Agreement (WULA) Amendment

Kenny discussed the CPNRD WULA amendment proposal. Ament asked about the process of going from one price in the original agreement to a much higher price now. Kenny said surface water has increased greatly in value and CPNRD wants to be compensated for that water. We had a great deal, but CPNRD is concerned about equity and the financial interests of the canal companies in light of more recent values established for water. Berryman asked if we have the budget for this. Kenny said we will in 2017 when



these prices take effect. LaBonde asked what has been the history for the transferred water. Kenny said this year we got something like 13,000 acre-feet, about 10-11,000 acre-feet in surface water back to the river. Brown said Colorado acknowledges the NRD has given us a good deal, but wonders to what extent the market has been sent by previous Program water acquisition and how this fits into larger discussions in the Program about funding challenges. Merrill says Reclamation has the same concerns. Kenny said we are not the only buyer in this market, in another we are, but this reflects market value in a competitive market. Miller talked about the value of water in Nebraska and N-CORP project water ended up costing about \$350 acre-foot (compared to the \$150 per acre-foot in the WULA). LaBonde asked if this was a cost per year. Miller said yes. The Program is now competing with entities like the NRD and other agricultural interests. Sellers asked if we should wait a week to see what happens with water values through the currently-open CNPPID market. Vogt said water values are increasing in Nebraska. The competition for water has become substantial even with low corn prices. Brown said she appreciates this information but the percentage cost increase from the previous agreement is enormous. Ament said there is concern among the Signatories about having only what we can pay for. All of a sudden, we are looking at 13 more years of the Program but we don't know if we have enough money to do that. Brown said in the future a printed justification for this type of increase would be useful, this was a surprise given the context of other financial conversations.

Kenny said this may be the best deal we can get, other water is going to be much more expensive. Merrill said we also have to keep our year-to-year cash flow in mind. What happens if we have another bountiful year and we have to take it? Kenny said we will have to come back and ask the GC for more money. Merrill said we may need language to help us avoid termination if we are cash short but still be able to work with CPNRD in the future when and if the Program has more money. Merrill asked what the score associated with this project would be. Kenny said it has not been scored yet. Merrill said it would be our second largest water score in our portfolio. Kenny agreed. We could put a cap in the contract of something like an amount of water or a budget (20,000 acre-feet or \$3M). Current commodity conditions suggest \$150/acre-foot is a reasonable price for water in Nebraska for the Program.

GC Decision – *LaBonde moved to approved the amendment; Berryman seconded. Czaplewski abstained. Amendment passes.*

Meeting adjourned at 5:28 PM Mountain Time.

**WEDNESDAY, DECEMBER 7, 2016****Welcome & Administrative**

LaBonde called the meeting to order at 8:00 AM Mountain Time. The vote for GC chair will be later in the morning.

Public Comment

LaBonde asked for public comment. None offered.

Executive Session

Merrill moved to enter Executive Session; Fassett seconded. GC entered Executive Session at 8:02 AM Mountain Time.

Strauch moved to end Executive Session; Czaplewski seconded. GC ended Executive Session at 8:27 AM Mountain Time.

PRRIP Executive Session Motions

GC Decision – *Fassett moved to approve a payment in lieu of taxes to CNPPID for two parcels related to the J2 Regulating Reservoir project; Merrill seconded. Tax payment approved.*

Future Meetings & Closing Business

Upcoming GC meetings:

- GC Quarterly Meeting – **March 7-8, 2017** @ Kearney, NE
- GC Quarterly Meeting – **June 6-7, 2017** @ Cheyenne, WY
- GC Quarterly Meeting – **September 12-13, 2017** @ Kearney, NE
- GC Special Session (FY18 Budget) – **November 14, 2017** @ Denver, CO
- GC Quarterly Meeting – **December 5-6, 2017** @ Denver, CO

To Be Determined:

- GC Pallid Sturgeon Workshop – **July 2017** @ Denver, CO or Omaha, NE
- 2017 AMP Reporting Session – **October 17-19, 2017** @ Omaha, NE

GC Decision – *Fassett nominated Chris Beardsley as 2017 GC Chair and Fassett as 2017 GC Vice Chair; Berryman seconded. Beardsley and Fassett appointed.*

Meeting adjourned at 8:39 AM Mountain Time.

Summary of Action Items/Decisions from December 6-7, 2016 GC Quarterly Meeting

- 1) Approved the November 2, 2016 PRRIP GC Special Session Minutes.
- 2) Approved the FY17 PRRIP budget and work plan.
- 3) Approved the FY17 ED Contract.
- 4) Approved the Broad-Scale Recharge RFP and appointed Rabbe, Sellers, Berryman, Merrill, and Jeff Shafer (NPPD) to the Proposal Selection Panel with spots on the panel saved for representatives from Wyoming and Nebraska.
- 5) Approved the CPNRD WULA amendment.
- 6) Approved a payment in lieu of taxes to CNPPID for two parcels related to the J2 Regulating Reservoir project.
- 7) Appointed Chris Beardsley as 2017 GC Chair and Jeff Fassett as 2017 GC Vice Chair.