



PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM (PRRIP or Program)
Governance Committee Conference Call Minutes
April 12, 2016

Conference Call Participants

Governance Committee (GC)

State of Wyoming

Harry LaBonde – Member

State of Colorado

Don Ament – Member (Chair)

Suzanne Sellers – Alternate

State of Nebraska

Jeff Fassett – Member

U.S. Fish and Wildlife Service (Service)

Tom Econopouly – Alternate

Eliza Hines

Matt Rabbe

Bureau of Reclamation (Reclamation)

Chris Beardsley – Member

Brock Merrill – Alternate

Environmental Entities

Bill Taddicken – Member

Rich Walters – Member

Upper Platte Water Users

Dennis Strauch – Member

Bob Mehling – Member

Colorado Water Users

Alan Berryman – Member

Kevin Urie – Member

Deb Freeman – Alternate

Downstream Water Users

Don Kraus – Member

Mark Czaplewski – Member

Kent Miller – Member

Brian Barels – Member

Mike Drain

Cory Steinke

Executive Director's Office (EDO) Staff

Jerry Kenny, Executive Director (ED)

George Oamek

Bruce Sackett

Chad Smith

Seth Turner

**Welcome & Administrative**

Ament called the meeting to order at 10:03 a.m. Central Time and Kenny verified the list of participants on the phone.

J2 Water Service Agreement

Ament and Kenny opened the meeting with a discussion of the latest version of the J2 Water Service Agreement and issues regarding the revised reservoir design and related changes to reservoir benefits, costs, and cost allocation. Kenny said he worked with Central and legal counsel on the agreement and a decision was made to generate an amended and restated agreement for GC consideration as opposed to just offering an amendment to the original agreement. Ament said Kenny outlined the situation this is an important issue to resolve but we have to resolve the cost issues – how are we going to keep the Program going and pay for it? If the J2 project as configured now is the lowest cost option and we cannot afford it, how will we afford an even more expensive alternative? Fassett said he wanted to hear from Kraus as to whether Kenny captured Central's position accurately. Kraus said the principles are accurate related to the hydrocycling mitigation issues. It is a new concept to Central to consider an option that would have no hydrocycling benefit to Central. Central's interest in this project is to deal with the hydrocycling issue.

LaBonde asked if the canal is not enlarged, is there still an opportunity for hydrocycling benefits of some degree? Kenny said that option has not been looked at in any detail because that situation is very complicated and the models being used include a daily time-step so to delve into that we would need a sub-daily model. That was created back in the feasibility level days to assess hydrocycling impact and it would be a labor-intensive effort to tease that out now. It would be a reduced benefit from the already-reduced estimate of \$400,000 in hydrocycling benefits. LaBonde said you are proposing the Program spend an additional \$12 million so maybe it is worth looking at that alternative to potentially save that \$12 million. Kenny said given the response from Central to the no hydrocycling benefits-no deal option he is not sure it would be worth it but we need hear from Central. Kraus and Steinke said it might help some but it will not solve the problem and there will still be hydrocycling bumps. Kraus said Central has not spent much time parsing these new situations at this point. Labonde said he is struggling with the concept of the Program paying all costs for canal improvements at whatever size and Central getting the hydrocycling benefits.

Beardsley asked if the \$7-\$12 million is within the \$75 million budget. Kenny said those are within the range of alternatives presented by RJH at the December GC meeting so the overall cost of the project is still in flux. Beardsley asked if he is going to have to find this additional money on top of the reservoir project cost. Kenny said all alternatives have included canal improvement costs. Beardsley said then it appears to be less of a cost issue and more of whether the cost is a wise expenditure given the changing circumstances. Kenny said yes. Sellers asked Steinke about operations relative to hydrocycling benefits. Steinke said Sellers has the general principle correct based on the hydrocycling agreement with the Service but the reservoir as currently being discussed would be a change from the agreement and would not solve the hydrocycling problem. Sellers said it seems like there is still some hydrocycling capability even though it would not completely solve the problem. Drain said the Service has indicated this would only partially solve their concerns and their long-term goal is to smooth out hydrocycling as much as possible. Hines said the Service said they thought the benefit of J2 was to reduce or eliminate hydrocycling issues, as well as the ability to do a short-duration high flow event. Sellers said it seems like because it is not formalized, it is a "nice to have" instead of a "need to have." Rabbe said that is not how he would characterize it because this is a priority for the Service. Hines said it would take a more detailed discussion between Central and the Service to determine what kind of benefits would result from alternative reservoir designs and operations.



Kraus said he is disappointed as to where this conversation is drifting. He is to the point where we are getting into areas that bother him. Hines said she wasn't prepared to have this discussion either. Kraus said in December after the GC meeting he went to the Central Board with the recommendation to reduce the reservoir size from two cells to one and make appropriate changes to the agreement. This is now going in a direction beyond the authority provided Kraus by Central's Board. If there is a different direction, Central would like to know what it is. If so, maybe Central should not be on the call.

Ament said let's bring it back to the issue at hand. That issue is how to put this project together given the Program cannot afford the two-cell system. We need to put a plan together that is workable so the Program can keep going and we can extend the Program for at least another 10 years. Kraus said Central totally supports those big picture comments, but the change in direction that came up today is new and we need to think about it some more. Steinke said he has been working on this question with his engineers related to increased capacity. The Plum Creek siphon is approximately \$3 million. That is the main thing that does not have to be changed if we don't increase size. Kenny said the memo has a \$5-\$10 million range but he is glad Central is working with RJH to further nail down required costs.

Fassett said part of the frustration is the overall cost of the entire project and the pressure we feel about it being a critical requirement to the Program. This new twist is may allow us or not allow us to go forward. When the issue of not a lot of benefit for this cost arose, it raised questions that we are now looking into.

Ament said he would like to see us take a look at these various scenarios with cost and hydrocycling, expand on the details, and see where we are with potential total costs of various alternatives. We need to know soon if we can make this fly. Kenny said the EDO memo from the March 2016 GC meeting provides some good background in this regard. Ament asked Kraus what the Program can do to help provide Central with the information they need. Kraus said he is not sure what the direction is at this point. Ament said it sounds like we need another call. Kenny said we would need some time to do new analysis, that could be ready around the second or third week of May. Kraus said Central will not be talking to landowners until this agreement is sorted out. Drain said in the agreement (current or new) there are other opportunities to talk with the GC if costs get refined.

Ament said everyone will go back and discuss what they've heard today and what their thoughts are. The EDO will send out a Doodle poll for the second week of May to have another GC conference call. Kenny said the EDO will get that poll out for May 9-13.

Urie asked Kraus if he understood correctly that any option without a hydrocycling benefit would not be presented or recommended to the Central Board. Kraus said that is correct.

Meeting adjourned at 11:22 a.m. Central Time.

Summary of Action Items/Decisions from April 2016 GC meeting

- 1) The EDO will send out a Doodle poll to schedule another GC conference call on this matter for the week of May 9-13.