

**PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM****Finance Committee Conference Call Minutes**

August 25, 2011

Attendees

Mike Purcell, Chair – State of Wyoming
Jerry Kenny – ED
Chad Smith – ED Office
Jason Farnsworth – ED Office
Justin Brei – ED Office
Suzanne Sellers – Colorado Water Conservation Board
Alan Berryman – Northern Colorado Water Conservancy District
Jim Schneider – State of Nebraska
Jennifer Schellpeper – State of Nebraska
John Lawson – Bureau of Reclamation
Kevin Urie – Denver Water
Don Kraus – CNPPID

Welcome and Administrative

Finance Committee Chair Purcell called the meeting to order at 10:02 a.m. Central time. No agenda modifications offered. Schneider moved to approve the July 21, 2011 FC minutes as amended; Lawson seconded. **July 21, 2011 minutes approved.**

Whooping Crane Monitoring

Smith provided an update on the selection of a contractor to conduct whooping crane monitoring and the contract development process. Lawson asked why the estimated budget is so much higher than in past years. Smith discussed the estimates for field work and data analysis and how estimates increased from the 2008 AIM proposal. Lawson said contractor and technician salaries show increases of 20-30%. This seems like high inflation and it is leading to dramatic increases. Purcell asked if historical hourly rates were used to calculate these estimates. Smith said yes. Lawson asked about the differences between the spring and fall estimates. Purcell said if you use historical hours, you could show fall costs less than spring and result in overall cost savings. Kraus asked if the data analysis piece of the budget was high and was carrying over 2011 analysis costs into each monitoring year. Smith said that 2011 analysis will be done in 2011 and possibly some in 2012, but those costs are not built into any budgets beyond spring 2012. Kenny said we will modify the budget estimate numbers in the contract.

Purcell moved to approve, with the understanding that the total overall budget will be revised to \$877,422; Kraus seconded. Kraus said by approving this, we will be authorizing only this year's activity and not future budget or activity without going through the annual GC budget-approval process. Kenny said that is definitely the case. Lawson asked if re-negotiation is allowed each year through this process. Kenny said that is the case, and Smith pointed to language in the draft agreement that says annual budgets must be approved each year by the GC. Purcell asked if based on this discussion, should the contract still show reduced estimates for each year (fall field work less than spring field work). Lawson said he prefers the agreement still show those modified numbers. Kraus agreed. Purcell said you could also reduce the fall data analysis and project management budget along with the fall field work budget to save even more each year. The new fall data analysis number would be \$21,470. Kenny said that would be cutting things



pretty fine and we have protections built into the contract to ensure that we can lower annual budget estimates and not pay for more than we are billed. **Agreement approved, as amended.**

LiDAR/Aerial Photography RFP

Kenny and Brei discussed the LiDAR/aerial photography RFP. Urie asked if the EDO thinks LiDAR costs will continue to drop. Brei said that is not the expectation. Lawson asked about last year's costs. Brei said aerial photography last year cost about \$21,000 and LiDAR cost \$72,000. Lawson asked if this is just for aerial photography. Brei said the RFP asks for both aerial photography and LiDAR (G-1 and G-2 from the FY 2011 Program budget). Schneider asked about any discussion in the TAC about this. Brei said this was discussed at the TAC meeting in August and there was not a full RFP presented at this time. But, since the specs for the imagery had not changed, the TAC said they supported moving forward.

Schneider said Nebraska DNR folks still had comments on the RFP and want a chance to provide guidance on how to further improve the RFP. Kenny said the EDO did receive comments on the RFP from Doug Hallum and have developed a preliminary response to those comments. The primary idea posed in those comments was to include an additional dataset not previously collected by the Program and could lead to significant increases in the annual costs under this RFP. Some buy-up language has now been included in the RFP based on comments received and additional investigation on the ideas will continue, but we need to move ahead to make sure we can acquire imagery this fall. Brei said he contacted a vendor yesterday to investigate the additional dataset. The vendor said accuracy would be in the 5-10 foot range, which is much lower than the resolution than we get with LiDAR now. Resolution can be improved, but only with additional flight lines and data processing which will lead to significant jumps in cost. Schneider said his concern is that we will be locked in for several years. Farnsworth said we can consider keeping things flexible in the contract to allow additional techniques or ideas in the future but only if costs are negotiated and ultimately approved by the GC. Purcell said we also have to make sure we continue to acquire similar data sets so we can compare apples to apples over time. Kenny agreed that was an important point.

Sellers moved to approve the RFP; Kraus seconded. Kraus asked if the Nebraska DNR was comfortable with the RFP as presented, based on the discussion during the FC meeting. Purcell said the record should reflect that concerns from Nebraska DNR were adequately discussed during the FC meeting and by the EDO in preparing the RFP. Purcell said each RFP should say address the proposal as written, but also provide an alternative scope or additional ideas that might result in cost savings. **RFP approved.**

Other Business

Purcell asked if Kraus had an update on the agreement in principle related to the J-2 reregulation reservoir. Kraus said Kenny and Schellpeper were coming to the Central board meeting tomorrow. Kraus said he had talked to a few board members about this and so far there were no major questions or concerns, but there would be an ongoing discussion about the topic. Purcell asked if Brian Barels had any concerns. Kenny said the draft agreement had not been distributed beyond the GC-appointed working group. Purcell said it should be distributed to Barels for comment; Kraus agreed to do that.

Prescribed Burning Services

Farnsworth provided background on the Program need for prescribed fire for land management (up to 2,000 acres a year to burn) and attempts to find local partners to conduct this burning for the Program. The recommended strategy for the next year is to offer a RFP this fall for 2012 prescribed burning



services. We would advertise for a contractor to bring a crew to the central Platte for three weeks and stay at the Dyer Lodge to make sure the crew could take advantage of weather patterns. Some things to consider:

- 1) Want to put a RFP out this fall to be able to budget for 2012; cost expectations are highly speculative at this point.
- 2) Could be risky due to potential for weather conflicts (if it rains the whole three weeks, would have to pay the crew for now fire; if the burn happens in the first three days, do we pay them for the full three weeks and send them home or try to find additional work?)

Sellers said it seems common in contracting circles that if you bring a crew here and they complete their work early, they will only be paid for their work and then they can be sent home. Purcell said on wells in Wyoming they had a proposal price for a work day and an idle day so you have a price differential you can review and negotiate. Lawson asked about NRDs or the State of Nebraska doing prescribed burning. Farnsworth said the Central Platte NRD has a great crew but their interest in private land and they are too busy to provide consistent help to the Program. Lawson asked if it would be a one-year RFP. Farnsworth said yes. The EDO has talked to the Platte River Trust about a cooperative fire crew but that has not been pulled together at this point. Schneider asked if this has been discussed with the LAC. Farnsworth said it will be a topic of discussion at the LAC meeting tomorrow.

Closing Business

Lawson asked about the status of the FY 2012 budget. Kenny said there would be a rough-cut discussion at the September GC meeting and a special GC conference call about the budget in late October. Kenny said he was thinking of a FC call about the draft budget in September. Purcell said it might be better to discuss this with the FC in early November. **The FC set November 9 to discuss the FY 2012 budget from 9:00 a.m. to 12:00 p.m. Central time.**

The FC also set a regular conference call on October 18 from 10:00 a.m. to 12:00 p.m. Central time.

FC meeting adjourned at 11:17 a.m. Central time.

Summary of Action Items/Decisions from August 25, 2011 FC meeting

- 1) Approved July 21, 2011 FC minutes.
- 2) Approved whooping crane monitoring agreement, as amended.
- 3) Approved LiDAR/aerial photograph RFP.
- 4) Set November 9 from 9:00 a.m. to 12:00 p.m. Central time to discuss the FY 2012 budget.
- 5) Set the next regular FC meeting on October 18 from 10:00 a.m. to 12:00 p.m. Central time.