



# PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM

## Finance Committee Conference Call Minutes

August 18, 2014

### Meeting Attendees

#### Finance Committee (FC)

##### **State of Wyoming**

Harry LaBonde – Member

##### **State of Colorado**

Suzanne Sellers – Member

##### **State of Nebraska**

Jim Schneider – Member

#### **Bureau of Reclamation (BOR)**

Gary Campbell – Member

Brock Merrill

#### **U.S. Fish and Wildlife Service (Service)**

Eliza Hines – Alternate

#### **Environmental Entities**

None

#### **Colorado Water Users**

None

#### **Downstream Water Users**

Don Kraus – Member

Brian Barels

#### Welcome and Administrative

FC Chair Campbell officially called the meeting to order at 1:05 p.m. Central time. The group proceeded with introductions. Kenny suggested the following agenda changes: discussion regarding the Nebraska Environmental Trust grant application (Farnsworth) after the Permitting topic, and move the regional conservation partnership discussion (Sackett) after the J2 Reservoir Project Invoice discussion.

*LaBonde moved to approve the June 3, 2014 FC minutes; Schneider seconded. Minutes approved.*

#### FC Items Update

Kenny discussed the Action Item Table. Smith gave an update on the July 30 approval of the RFQ for in-channel disking activities that was approved by electronic vote of the FC. Smith also gave an update on the status of the peer review process for the tern/plover synthesis chapters developed by the EDO. Campbell said to move forward with peer review contracts according to the Program's Procurement



Policy without further FC review. There was no objection from the FC so Kenny said the EDO will follow that direction.

### **Permitting**

Smith discussed the permitting RFP and its three-year term that will require GC approval. *Kraus moved to approve moving the RFP on the GC for review and approval; Sellers seconded. FC approved moving the RFP on to the GC for review and approval.*

### **Nebraska Environmental Trust (NET) Grant Application**

Farnsworth discussed the development of a grant application to the NET to continue on vegetation management in the channel that has been done of late in coordination with TNC and local weed management agencies. The general intent and content of the grant application is consistent with the GC discussion in Cheyenne in June. The cost of \$200,000/year for three years is the same, but the biggest thrust of this work (spraying, mechanical work in the channel) will be on private land so \$50,000 per year of that funding will be used for outreach and education to make connections with private landowners. Some of the funding will also go toward cooperative funding of a position to lead this work – that position is now hosted by TNC but this new position will be hosted by the Central Plate NRD. The grant application is substantially complete at this point, but there are a couple NRDs that are considering adding funding or in-kind contributions to the pot.

Campbell asked if the new position would be doing the public outreach. Farnsworth said yes. Kenny said the nature of the outreach will be heavily oriented toward landowner meetings to explain the program and get landowners signed up for cooperation in the program.

*Sellers moved to allow this grant application to move forward for consideration; LaBonde seconded. Grant application approved.* Kenny said the final application will be sent to the GC for information purposes.

### **J2 Reservoir Project Invoice**

Kenny introduced the topic of whether or not CNPPID needs to submit another J2 invoice this year. Kraus said the issue is whether the BOR will have additional dollars to contribute to the project and if so CNPPID would issue another invoice for those funds. Kenny asked if there is a need on the part of the BOR to move funds or if those funds could be held back until a future time. Merrill said under the Terms and Conditions of the agreement between the BOR and the NCF funds can only be moved if there is a need. If CNPPID cannot show an actual need for funds, then payments would not be made in accordance with the agreement. Merrill said he does not see any need for the funds and those funds can remain available for the future when there is an actual need. Kraus said funding now would help avoid delays later. Schneider said at this point if things are on track for the money we need, then Nebraska can hold onto their funds and show it as obligated for now. The money is never totally secure but Nebraska is doing more with water funding so things look to be in good shape. Campbell said this is getting high profile in the Department of the Interior. Merrill said he has been discussing with the Grants Officer the possibility that any J2 funding can be obligated under a separate item and tell the NCF to let it sit until there is a need to draw down on it for a construction invoice.



### Regional Conservation Partnership Program (RCPP)

Sackett discussed the possibility of securing Program funding through a new NRCS program announced in May 2014. The new project would have \$2.4 billion to spend over four years and asked for pre-proposals to get an idea of what projects would be available to fund. The EDO wrote a pre-proposal and there was a quick turn-around saying the Program passed the first cut and would need to submit a full proposal by September 26-27. That full proposal is now being drafted and includes a request of \$8.5 million to add to planned Program work. The projects include water leasing, possibly help with the J2 project, and management of existing Program lands. Sellers asked what the percentage of matching funds is for the states. Sackett said there was no requirement from the NRCS so the plan is to request one-third (\$8.5 million) back from a planned expenditure of \$22 million on Program land and water activities. Kenny asked Campbell if we should leave J2 out of this application and focus on other water projects. Campbell said keep it in the mix. Merrill asked who is named as the recipient of the funds. Kenny said the NCF and Diane Wilson remains in the loop as this progresses. Kenny said he will report on this to the GC in September.

### CNPPID Storage Water Offer

Kenny discussed the work Oamek has been doing on water value and his economics model. Oamek provided a Power Point presentation and discussed the model he developed to value water for both CNPPID and NPPD.

Sellers asked about the status of the negotiations are and if this is a final offer from CNPPID and NPPD. Kenny said nobody has drawn a line in the sand. NPPD is willing to negotiate but they have been pretty firm in saying irrigated versus dryland defines the value. Kenny said this is just the first offer from CNPPID and they are waiting to discuss any and all of the terms. Neither party has set a timeline. Schneider said from his standpoint he is not sure how the Program does a counter-offer. Kenny suggested that based upon the J2 experience the Program form a smaller subcommittee or Working Group to assist with strategizing how to move forward. It would be important to have Nebraska (Schneider) on that group as well as another state (LaBonde). Alan Berryman would be a good addition as well. Sellers added herself to the group as well.

LaBonde moved to appoint a subcommittee to investigate this issue; Schneider seconded. **Subcommittee formed including Schneider, LaBonde, Sellers, Berryman, and Merrill. Campbell asked Schneider to serve as chair.** Kenny agreed to distribute Oamek's model, presentation, and the supporting documentation to everyone on the call except for Kraus and Barels, for now.

### Closing Business

The next FC meeting is a conference call set for Tuesday, November 4, 2014 from 2:00-4:00 p.m. Central time.

**FC meeting adjourned at 2:49 p.m. Central time.**

### Summary of Action Items/Decisions from August 18, 2014 FC meeting

- 1) Approved the June 3, 2014 FC minutes.
- 2) Approved moving the Permitting RFP on to the GC for review and approval.
- 3) Approved allowing the NET grant application to be submitted for consideration.
- 4) Appointed a subcommittee to strategize options for storage water offers – Schneider, LaBonde, Sellers, Berryman, Merrill

This document is a draft based on one person's notes of the meeting. The official meeting minutes may be different if corrections are made by the Finance Committee before approval.