



**PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM**  
**Finance Committee Conference Call Minutes**  
 May 1, 2012

**Meeting Attendees**

**Finance Committee (FC)**

**State of Wyoming**

Mike Purcell – Member (Chair)

**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)**

Mike George – Member

**Environmental Entities**

No participants

**Colorado Water Users**

Alan Berryman – Member

Kevin Urie – Alternate

**Downstream Water Users**

Don Kraus – Member

Brian Barels

**Welcome and Administrative**

Finance Committee Chair Purcell called the meeting to order at 10:00 a.m. Central time. Purcell said the State of Colorado submitted a couple proposals pertaining to the J-2 Reservoir. Kenny said we would tackle those at the end of the meeting.

*Urie moved to approve the March 2, 2012 and April 11, 2012 FC minutes; Schneider seconded. Minutes approved.*

**Shoemaker Island FSM RFP**

Farnsworth discussed the RFP. Schneider asked if out-year budgets would be similar. Farnsworth said yes, but possibly smaller.



47 *Schneider moved to approve the Shoemaker Island FSM RFP subject to GC approval of the multi-year*  
48 *RFP; Campbell seconded. RFP approved.*

#### 50 **Independent Science Review Services**

51 Chad Smith discussed the contract amendment. Urie asked what the total budget would be for this  
52 contract. Smith said the total would now be \$44,000. Urie asked why this was more than the usual  
53 \$5,000 Atkins spends on searches. Smith said because it costs around \$5,000 to find members for peer  
54 review panels but that it takes more time and effort to find replacement ISAC members. Campbell asked  
55 if the original estimate was for just \$5,000 for this task. Smith said yes but that estimate was made in  
56 2011 without knowing how many ISAC members would need to be replaced and what kind of effort it  
57 would take to fill two ISAC slots.

58  
59 *Urie moved to approve the Independent Science Review Services contract amendment; Kraus seconded.*  
60 **Contract amendment approved.**

#### 62 **Geomorphology/In-Channel Vegetation Monitoring and Data Analysis**

63 Steve Smith discussed the contract with Tetra Tech for geomorphology/in-channel vegetation monitoring  
64 and data analysis. Purcell asked if split invoicing will cause problems with what was originally  
65 anticipated to be done under IMRP-2. Smith said no, these activities are related plus we will likely have  
66 extra money left in IMRP-2. Chad Smith agreed and said the bird cognition white paper listed in that line  
67 item will likely not get done in 2012. Campbell asked if out-year budgets will be similar. Steve Smith  
68 said yes, annual budgets will probably be somewhere in the \$400,000 range. Urie asked if the FC is  
69 being asked to approve the four-year contract and the 2012 budget and then will be asked to approve  
70 annual budgets under the contract. Smith said yes.

71  
72 *Berryman moved to approve the geomorphology/in-channel vegetation monitoring contract; Kraus*  
73 *seconded. Contract approved.*

#### 75 **J-2 Reservoir RFP**

76 Courtney discussed the RFP for review of feasibility engineering for the J-2 reservoir project. Courtney  
77 said Sellers brought up some questions last week that she addressed via e-mail. Sellers said it would be  
78 good to discuss them with the FC. Courtney and Sellers discussed:

- 80 1) How many bridges and siphons would need to be replaced? – One bridge replaced, siphon and outlet  
81 modified.
- 82 2) Project kick-off meeting in the scope; Sellers thought it would be good if consultant could come to J-  
83 2 subcommittee meeting before committing funds. Sellers said her thought was if different J-2  
84 members have questions that would be a good forum to address them with the contractor. Kenny  
85 asked if that adds a meeting or this would occur at a scheduled subcommittee meeting. Purcell said  
86 rather than a J-2 subcommittee, we want the GC to give the FC an additional task of doing what is  
87 envisioned for the J-2 subcommittee. Courtney said the kick-off meeting was intended to be a small  
88 group to make sure the contractor understands what the Program wants then there were additional  
89 meetings scheduled with the WAC. Sellers said we could invite interested FC parties to that WAC  
90 meeting. Purcell said the draft report needs to be reviewed by the FC. Kraus said the idea of  
91 attending the WAC meeting should cover the base. Sellers agreed. *Courtney said the FC would be*  
92 *invited to this WAC meeting.*



3) Land – Sellers’ question is whether to add something to review the location and see if land upstream or downstream needs to be evaluated for addition to the project for possibly a more cost-effective approach. Courtney said this has been addressed by Olsson as well as by additional work with the Program and the consultant, to the extent possible without additional geotech data. If something comes out in the review with the reservoir size or other items, that might be the time to look at evaluating something like this. It could be discussed with the consultant once on board. Sellers asked what the qualities of the site are that led to its selection. Courtney said if you move east, you get more distance between the river and the canal. Sellers asked what about going west and using a more oblong shape, or siting the reservoir closer to the Tri-County Canal. Courtney said this was addressed in the pre-feasibility study and that work led to choosing a preferred site at this point. Sellers said to justify the location she wants to be able to tell her superiors why the current site is being looked at as the preferred location. Kenny said the further west you move, you run into Plum Creek which brings up many issues with permitting for water rights and environmental purposes. Courtney said she could gather this previous information together in a memo for Sellers. Sellers said that could be forwarded to her and kept confidential. She wants to put together the case for why Colorado will go along with this. Purcell asked how much of this work would need to be done before the new consultant could look at site selection. Courtney said this will happen in the first month of the project. Purcell said he wants the scope to reflect that the consultant will get back to the Program as quickly as possible on the suitability of the site so we can proceed with land acquisition. *Courtney said could be added as “C” under Task #3.*

Purcell said under costs (Line 273) he wants it to be clear that the new consultant is not looking at the cost of land. *Courtney said this could be added.*

Kraus asked about the terminology of the reservoir and whether J-2 was ever identified as a project. *Courtney said J-2 was not specifically identified, just regulating reservoirs, and “J-2” will be taken out of the Water Management Study history section.*

Campbell asked if we need to add something in about confidentiality. Purcell said we could not do that with the other ones. To the best we can, preliminary documents should be marked as “Preliminary Work Products”. Kenny asked if we are talking about the report this consultant will be writing, or the information we are providing to the consultant. Purcell said let’s have a discussion about finalizing the Olsson report. Kenny said all contracts have a confidentiality clause.

*Campbell moved to approve the J-2 Reservoir RFP, with changes; Schneider seconded. Kraus abstained. RFP approved.*

### **Cottonwood Ranch Flow Consolidation**

Farnsworth discussed the contract amendment. Purcell asked what the original contract amount is. Farnsworth said \$199,000. Purcell asked if this work was envisioned in the original contract. Farnsworth said yes we would move forward with this unless there was a fatal flaw. Purcell asked what the expiration date is on the original contract. Farnsworth said May of 2011, but it took longer than anticipated to get the original work done. Purcell said as a matter of form on the amendments, consider including the original contract amount, the new total, the original expiration date, the new expiration date, etc. Kraus asked under the scope of work what it means that the investigation will “seek to ensure” what consolidation will do. On the one hand we are developing a model and evaluating the ability of consolidation to establish bars, but are we really saying consolidation “will establish”? Farnsworth said



the current wording is probably too strong. It would be better to state it as “the degree to which consolidation will establish”. *Farnsworth said that change will be made.*

*Kraus moved to approve the Cottonwood Ranch flow consolidation contract amendment with a change; Urie seconded. **Contract amendment approved.***

### **J-2 Reservoir Items**

Purcell said let’s talk about the proposed motions. They seem to be a GC matter and not a FC matter. Sellers said the motions are broken into two subjects. Section 1 deals with how we apply the BOR index. This ultimately belongs to the GC but on Item B, it may need to be a FC recommendation to the GC. Colorado did not want to skip any proper procedures. Purcell asked for an explanation of 1B. Sellers said it states that BOR will cover the indexing differential if that happens and if they don’t have enough money to do that they can seek additional appropriations if necessary. Once you pay, that money stops being indexed. Purcell asked why the DOI would do this. Sellers said the other option is Colorado would not pay early and the Program would be under-funded. This would help DOI cover their potential under-funding. Kraus said he does not understand any of this. Sellers said the BOR applies the index based on total Program expenditures for each year. If that index is applied evenly when somebody pre-pays (for a project like J-2) that entity won’t get full credit under indexing and will lose out on interest. If Colorado gets ahead of the DOI, they don’t want to get dinged on the interest. Kraus said he is not sure there is an indexing impact if all money is put in up front.

Merrill said it seems the intent is that if money is paid up front by Colorado, indexing would not be applied to that funding. The same would be true for Wyoming as well. Campbell said DOI cannot pre-pay. Merrill said from an indexing perspective, there is the potential to spend \$35 million in 2012 (if Colorado pre-pays \$10 million) which would have a significant effect on future indexing. Kraus asked if Merrill could put together an example to better explain this to the GC. Merrill said he could do that. Purcell asked if the obligation for Wyoming is \$6 million plus inflation. Merrill said what has been spent to date does have an influence on indexing. Purcell said it seems like DOI is pre-paying this year because they are picking up the bills in 2012. Campbell said no because that funding is appropriations for this year plus available funds for previous years. Sellers said we did discuss the indexing issue when the decision was made to go with only federal funds in 2012. Merrill said total cash funding to be expended by the Program is indexed. Barels said if you no longer index Colorado’s funds after it is spent there may be less available to the Program by year 2019. So, why does anything have to change? Merrill said it seems like the question is what happens with indexing if Colorado pre-pays for the J-2 project. He will develop an example along these lines to help with this discussion. Sellers said calculate it based on how you do it now as well as Colorado’s new proposal.

Purcell said he is nervous about having a J-2 committee. He asked if a J-2 committee is referenced in the draft agreement being developed with Central. Sellers said no. The Program needs some ability to respond to Central, so the proposal is Colorado’s attempt to provide a structure for that response. Purcell asked how the proposal links the Program to the Nebraska Community Foundation (NCF). There needs to be a link that tells the NCF how we will interplay with them. Kenny said we work with the NCF to make sure they are happy with contract documents, so before we bring them to the FC or GC for approval the NCF is happy with them. Program staff interacts with working groups, various committees, and the contract parties to get contract documents developed. Sellers said her thought is that this committee would be like any other committee that is part of the discussion about a contract. Kenny said he sees it as



like a workgroup that we have in the TAC or WAC. Purcell said he does not see the J-2 committee would not be talking directly to Central; that would go through the EDO.

Purcell asked if the J-2 committee would be any different than the FC. Sellers said the proposal makes it clear what the committee is supposed to do so it might be easier to respond to issues than using the full FC. Colorado would want to know the GC decision on the first proposal before they decide to pre-pay for the J-2 project. The J-2 committee needs to be decided before the first decision is made relative to the J-2 agreement. Purcell asked if these two items should be discussed at the June GC meeting. Kenny said yes.

#### **Closing Business**

The next FC meeting is Thursday, May 31 from 2:00 p.m.-4:00 p.m. Central time.

**FC meeting adjourned at 11:46 a.m. Central time.**

#### **Summary of Action Items/Decisions from May 1, 2012 FC meeting**

- 1) Approved March 2, 2012 FC minutes.
- 2) Approved the April 11, 2012 FC minutes.
- 3) Approved the Shoemaker Island FSM RFP, subject to GC approval of the multi-year RFP.
- 4) Approved the Independent Science Review Services contract amendment.
- 5) Approved the geomorphology/in-channel vegetation monitoring contract.
- 6) Approved the J-2 Reservoir RFP, with the following changes:
  - Add “C” under Task 3 to have the consultant get back to the Program as quickly as possible with an evaluation of site suitability.
  - Make it clear this consultant is not looking at the cost of land.
  - Remove the specific reference to “J-2” in the history section of the RFP.
- 7) The FC will be invited to the WAC meeting where the work under the J-2 RFP will be discussed.
- 8) Approved the Cottonwood Ranch Flow Consolidation RFP with the following change:
  - Remove “ensure” and replace with “the degree to which”.
- 9) Agreed to future discussion of indexing examples from BOR.
- 10) Agreed to bring the two J-2 related proposals from Colorado to the GC in June for discussion.