



**PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM (PRRIP or Program)
Finance Committee (FC) Meeting Minutes**

Wednesday, December 7, 2016 – 8:45 AM – 12:00 PM

Note: All times are in Mountain Time.

Meeting Location:

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

Finance Committee (FC)

State of Wyoming

Harry LaBonde – Member (2016 FC Chair)

State of Colorado

Don Ament – Alternate

Suzanne Sellers – Member

Carlee Brown – Alternate

State of Nebraska

Jeff Fassett – Member

Upper Platte Water Users

Dennis Strauch – Member

Bob Mehling – Alternate

Downstream Water Users

Mark Czaplewski – Alternate

Don Kraus – Member

Brian Barels – Alternate

Kent Miller – Alternate

Executive Director's Office (EDO)

Jerry Kenny, ED

Bridget Barron

Jason Farnsworth

Bruce Sackett

Chad Smith

Kevin Werbylo

Bureau of Reclamation (Reclamation)

Brock Merrill – Alternate

U.S. Fish and Wildlife Service (Service)

Michael Thabault – Member

Matt Rabbe – Alternate

Tom Econopouly – Alternate

Environmental Entities

Rich Walters – Member

Bill Taddicken – Alternate

Colorado Water Users

Alan Berryman – Member

Kevin Urie – Alternate

Deb Freeman – Alternate

Audience Members

Lyndon Vogt – CPNRD



Welcome & Administrative

LaBonde called the meeting to order at 8:56 AM Mountain Time. Kenny said the FC needs to discuss the contract amendment for 2017 PRRIP database work.

FC Decision – *Kraus moved to approve the September 6, 2016 FC minutes; Fassett seconded. Minutes approved.*

PRRIP Database/Web Site Contract Amendment

Kenny discussed the 2017 contract amendment for Riverside Technologies to continue work on the PRRIP database and web site.

FC Decision – *Merrill motion to approve the 2017 PRRIP database contract amendment; Kraus seconded. Contract amendment approved.*

PRRIP First Increment Extension Budget

Kenny and Farnsworth discussed the details of the draft budget for the First Increment Extension.

Barels – what does the time-lapse project do for our Adaptive Management Plan? Kenny – it is in the Public Outreach budget, it is focused more on capturing imagery and telling stories about the Platte and the work of the Program. Barels asked if we get any input into those stories. Kenny said yes, some input is utilized and some is not. In 2017, we will set up a camera array at the broad-scale recharge site to capture that process. This project has captured national attention in a good way for the Program.

Kraus – we did studies on SDHF regarding benefits and it raises the questions about whether we would continue to do this management action. Thabault asked what the difference is between the GFC-4 line item and the insurance. It seems like flow-related damage could be covered under the insurance policy. Kenny said the reserve is specified in the Program document but we could go back to the insurance agent to try to make sure all liability is covered. *Sellers proposed that we take the SDHF reserve out of the Extension budget and only put it in during years when we know we are going to release a SDHF or other flow. FC agreed.*

LaBonde said he is concerned about cutting back on LAC meeting expenses because we are likely to have new members that need to take part in land tours, etc. Thabault asked if we will really need all that money. *Farnsworth said we can drop annual LAC meeting expenses to \$700 a year and that should be enough. FC agreed.*

Sellers said it appears the TAC-1 line item is more than double what it has ever been. *Farnsworth and Smith talked about the increased work of the TAC over the next several years, but the current budget estimate, even for that higher amount of work, may be a little high so we can cut annual TAC meeting expenses back to something closer to \$3,000-\$4,000 per year for the next several years. FC agreed.*

Thabault asked if we have built incremental property income into this budget. Kenny said no, it is allocated based on the Signatory splits and is a wash because it pays for taxes and for assistance from the Land Plan Special Advisors.

Ament asked if we are done with high-priced fencing. Farnsworth said yes unless we buy new land that needs fencing fixed. If we buy or develop new tern and plover off-channel habitat, we will have to install small sections of relatively high-priced predator fencing.



92 Barels said he believes the costs for the choke point may end being 2-3 times as high. Kenny said that may
93 be likely, we will continue to refine these estimates. Sellers asked if Kenny would be changing those
94 numbers. Kenny said possibly during the next round of discussions on this budget. Sellers said we have
95 estimates from our consultant, but Kenny said that estimate does not include groundwater impacts.

96
97 Freeman asked if there is a game plan for dealing with phragmites in the long term that involves other
98 partners. Walters said yes and no. He is very nervous about dropping the Program contribution down to
99 \$200,000 because that is not enough to keep on top of the problem. In the long term, a big question is
100 whether CNPPID, NPPD, and CPNRD are going to contribute more than \$25,000/year. We won't get high
101 dollars from individual landowners and there is no guarantee of other grants or Department of Agriculture
102 funding sources. Kraus said this is a major issue that we have to deal with but it is more of a community
103 problem. Sellers said Colorado has several programs to deal with invasive species and the state deals with
104 the problem. It seems like this might be a state issue to deal with. Walters said there is work being done to
105 try to get stable state funding but it is not there yet. It is very hard to force 600 landowners along the river
106 to do the control. Farnsworth said they physically can't do it either, it requires major equipment and efforts.
107 Sellers said even cutting back, Colorado would still be paying for a portion of it which is hard to swallow
108 when there is a budget problem. The Program cannot take on this burden fully. Thabault asked if the power
109 districts' contributions toward this could be counted against Nebraska's cost share. If all the districts came
110 up with \$300,000 to match the Program contribution, then you would have \$600,000 annually to deal with
111 phragmites. Ament said this is important because we are losing channel capacity quickly and it needs to be
112 maintained. Farnsworth said the \$75,000 in the \$375,000 was to staff a coordinator for this. If we take that
113 out, we would be down to \$300,000 which would still be a cost savings. Sellers said we are most worried
114 about saving money, so the better approach would be to save money elsewhere in the budget to keep this
115 money in place. LaBonde said if the Districts want to work a deal with Nebraska to fund phragmites control
116 then maybe Nebraska could get credit for that. Thabault said this is an opportunity for the Districts to put
117 skin in the game and help to develop a solution to this problem. *LaBonde suggested taking the \$75,000 out*
118 *for the coordinator and leaving the annual Program contribution for phragmites control at \$300,000.*
119 *Thabault said the Program should also help facilitate getting a coordinator on board somewhere. Kenny*
120 *said we are involved with the weed management organizations. FC agreed.*

121
122 For Water Plan Special Advisors, Kenny and Farnsworth said we want to bump that up to \$150,000 annually
123 until about 2024 and then we will drop that estimate down for the out years. Sellers asked why the original
124 estimate was only \$50,000 and what we plan to spend in 2016. Kenny said so far, we have spent \$240,000.
125 LaBonde said that is indicative of this new approach to water. *Kenny and Farnsworth said we will raise*
126 *Water Plan Special Advisors to \$150,000/year through 2025 and then drop it down, that will result in a*
127 *budget increase of about \$750,000. FC agreed.*

128
129 Kenny agreed to talk with LaBonde about the Pathfinder water price. Merrill said also talk about the option
130 of pre-paying to get a better deal. LaBonde said he used \$65/acre-foot for the estimate for the Extension.
131 Wyoming should have an escalation clause like Nebraska has. Plan on 4,800 acre-feet per year and use a
132 price of \$65/acre-foot that is pre-paid. There would be a higher value for additional water.

133
134 Barels said he likes having a broad portfolio of water options because it will help the Program deal with
135 different realities of hydrology. It will be variable going forward in terms of which projects contribute water
136 at different times. Sellers said one of the reasons she brought this up is the acquire and retire water is
137 \$530/acre-foot and the slurry walls gravel pits are about half that. One of the cost components that is not
138 being considered is the equity we will have in the slurry wall gravel pit. Maybe we should more weight on
139 slurry walls and similar projects and less weight on leasing and buy/dry because of the higher costs and the
140 component of equity in slurry wall gravel pits. Kenny said when we lease, we get the water annually during



the term of the lease. If you build a facility, then you have that asset as well as associated cost. We are reasonably confident our proposed water portfolio will give the Program the greatest chance to have scorable wet water. LaBonde asked if we would have significant pumping costs to put slurry wall pit water into the river. Kenny said yes and that is factored into out-year cost estimates. Farnsworth said you also still have to pay for the water. Kenny said that is subject to negotiation.

Kraus said we need to look at North Platte NRD leasing. If you are leasing in that NRD, it is over appropriated and we are trying to get it back to fully appropriated. We are looking at inflows into McConaughy that are lower than expected because of impacts upstream. Now we have a proposal that would move water through McConaughy. That raises conflicts and concerns.

Barels said the knowledge to move budget around in different water categories will come in future years when we know more about how these projects. We need to be careful we don't box ourselves in at this point. Thabault said if we slice the budget too thin we won't have enough money to operate. We should move to get the cheapest water per acre foot first and always but we don't want to leave ourselves short. Sellers said there were a couple places where the score wasn't correct, so does that mean we will get more credit from cheaper methods so that we could reduce more expensive methods. Why don't we do the best scoring and budget assumptions we can to achieve just 120,000 acre-feet instead of something like 122,000 acre-feet. LaBonde said he agrees with Barels and Thabault and since we have an Extension for water we do not want to sell ourselves short on the water side. *LaBonde said it appeared the consensus is to leave the budget as-is regarding the portfolio of Water Action Plan items. FC agreed.*

Sellers said the private land disking is important but it is a matter of who is going to pay for it. If other entities are dropping off their contribution and the Program picks it up, then Colorado and the other funding entities are paying for it. Farnsworth said this work is done for endangered species and other entities are not getting grants to do this work because there is an endangered species program doing the work. Rabbe asked how many acres we are talking about. Farnsworth said about 30 miles of river. Thabault said he would check with the Partners program about this. *Walters said you could maybe drop in-channel disking to \$100,000/year. FC agreed.*

Sellers asked if bathymetric LiDAR costs will go down over time. Farnsworth said it is hard to know. We are dealing with a commodity price between a small number of entities so it would be hard to bank on it going down at this point.

Kraus said if we leave the pallid sturgeon research money in, it needs to be noted as a place-holder. Barels said that doesn't make sense to him. LaBonde agreed.

Farnsworth said the wet meadows hydrology research money could end after 2019, or take it down to zero after 2025. *Thabault said you could keep \$30,000 through 2020 and then include a smaller amount each year to do some basic data collection. Farnsworth said he would drop it to \$5,000/year after that. FC agreed.*

Kraus asked about the money for the SDHF research. Farnsworth said if the GC decides to do a SDHF we need to do monitoring to see what happens. Kraus agreed.

Additional State of Colorado questions on specific budget items discussed during the FC meeting and EDO resolutions for these items:

WP-4(f)vi, CPNRD Groundwater Market – The score and cost don't line up with 2017 work plan or score. Also, why does cost go down every year when score doesn't? Farnsworth – The score has been



reduced to 1,326 AF to match the 2017 WAP score spreadsheet dated 10/10/2016. The annual cost was erroneously discounted for inflation. That error was corrected.

LP-2, MCM Islands – Should be no more than \$26,000/3 years per SDM notes from June GC. Farnsworth – we rounded up to \$10,000 annually. Reduced to \$8,667.

PD-22, Sediment Augmentation Implementation – Why is year 2032 sand augmentation more expensive? Farnsworth – This was an error that has been corrected.

H-2, Program Water Gages – Why jump from \$25K to 38K per year? Farnsworth – The budget was not updated to reflect NDNR's notification that they no longer need Program funding support for two stream gages. The amount was reduced to \$25K.

PD-8, Database Management System – Do we expect cost to come down again in later out years after new systems are in place, similar to this year? Farnsworth – Reduced to \$80K in 2021.

TP-1, Tern and Plover Monitoring – Why is the cost so much higher than current budget of \$60K? Farnsworth – This budget was developed prior to the GC's decision to terminate the USGS contract. 2017-2019 costs have been changed to reflect the new course. However, predator trapping costs were inadvertently omitted from the Extension budget. The net change is an increase in line item cost post-2019 for trapping.

PD-21, PRRIP Publications – Do we think we are going to publish 3 papers a year for 16 years? That is 48 articles. Farnsworth – The annual budget has been reduced to \$6K.

LaBonde said EDO staff should provide an updated detailed budget based on the discussions today and then the discussion can move to the funding partners for further discussion. Kenny said that revised budget would be distributed within a week. Merrill asked about continued discussions with the Signatories. LaBonde said he would distribute the revised budget to the Signatories and then discussions would continue starting in early January.

LaBonde asked the EDO to distribute a draft Extension Roadmap in January and then the group can decide if they want to set additional meetings or discussions prior to the March 2017 GC meeting.

Meeting adjourned at 11:51 AM Mountain Time.

Summary of Action Items/Decisions from December 7, 2016 FC Meeting

- 1) Approved the September 6, 2016 FC minutes.
- 2) Approved the 2017 contract amendment for PRRIP database/web site work.
- 3) Discussed the draft Extension budget and proposed edits.