



**PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM**  
**Finance Committee Meeting Minutes**  
 July 7, 2015

**Meeting Attendees**

**Finance Committee (FC)**

**State of Wyoming**

Harry LaBonde – Chair

Andrea O’Dell – Alternate

**State of Colorado**

Suzanne Sellers – Member

**State of Nebraska**

Jennifer Schellpeper – Alternate

**Bureau of Reclamation (BOR)**

Brock Merrill – Member

Chris Beardsley – Member

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

Eliza Hines – Member

**Environmental Entities**

None

**Colorado Water Users**

Kevin Urie – Member

**Downstream Water Users**

Don Kraus – Member

**Welcome and Administrative**

Kenny listed everyone on the call. FC Chair LaBonde called the meeting to order at 10:02 a.m. Central time. Kenny said one agenda addition is the contract amendment for Independent Science Review services and that can be discussed after the COHYST item.

*Sellers moved to approve the May 28, 2015 FC minutes; Beardsley seconded. Minutes approved.*

**COHYST**

Kenny discussed the contract for defining and funding activities for the COHYST team relative to the modeling tool. LaBonde asked about previous concerns from Jim Schneider in the past and wondered if we would get to an end point at the completion of this contract. Kenny said that the concerns raised by Schneider is why none of the Program money will go to Item #2 in the contract. The intent is that by the end of 2015 there should be a completed model in a condition that any COHYST members can run the model and be proficient in operating it (including Program staff). The need for recalibration is probably a discussion that will occur in 2016.



Urie moved to approve the agreement; Schellpeper seconded. Kraus abstained. **Agreement approved.**

### **Independent Science Review**

Smith discussed the contract amendment for Independent Science Review services. Urie asked how much of the 2014 budget was spent. Smith said roughly \$40,000 out of the approved \$93,000 and also said it is not likely the full number of peer reviews specified in the FY15 Program work plan will be completed. Urie asked if it would be better to approve the amendment as written or simply continue using remaining funding from the FY14 budget. Kenny said the best approach would be to approve the amendment and work from FY15 dollars.

Urie moved to approve the contract amendment; Kraus seconded. **Contract amendment approved.**

### **J2 Reservoir Project**

Kenny discussed the memo regarding county tax payments and the J2 reservoir project. One parcel was acquired in 2014 and tax compensation is due on that. That property was largely tax-exempt until last year so the tax payment is a small number but it represents a good case with which to start the process. The Program is not paying taxes to the counties but instead is paying compensation to mitigate against lost tax revenue under the auspices of the Good Neighbor Policy. One question is, do we make the counties whole or do we make payments proportionate to Program benefit? LaBonde said a good starting point is what property taxes were paid on the property last year. Beardsley asked if our payment is already overdue if the property was purchased in October 2014. Sackett said our payment could be as late as December 2015 because we are not the owner, we are paying in lieu of taxes. Beardsley asked if the entire tax year of 2014 would fall under the Program. Sackett said yes.

LaBonde asked about the issue of whole versus proportionate payments. Schellpeper said the preferred option is to make the counties whole. Kraus said there needs to be some clarification about what the Program meant when it said “make the counties whole”. Sellers said on principle Colorado would be more comfortable paying 75% because that is the Program’s share. If the total dollars are minimal, then a higher percentage or a whole amount might open for discussion. But, it does not seem to be the best idea to make up taxes for project benefits that are going to the state of Nebraska. Kenny said the time period is also an issue for discussion. Sellers said we should go for the First Increment and when that deadline is upon us we can discuss next steps. LaBonde said he agreed with Sellers on the issue of only looking through the First Increment (2019). He is comfortable with one-year arrangements. Sellers agreed with that. Kenny asked about annual payments run through the request for disbursement. LaBonde said he is comfortable with that process.

Kenny said we know what the base amount is but a decision needs to be made about the annual payment and whether that changes by some percentage each year. Beardsley said under the concept of making the counties whole maybe we should just revisit the issue every year instead of locking in a number at this point. LaBonde said he prefers to stay with the base amount and then adjustments can be made on a case-by-case basis in the future as necessary but make no commitment to that at this time. LaBonde said going back to the payment scheme, his suggestion is as of January 1 we know what properties were acquired the previous year, calculate the taxes, and then present to the FC and GC a full payment request for the April deadline instead of making two payments each year.

LaBonde asked Nebraska is there is any vehicle the state can use to pay its proportionate share. Schellpeper said she would have to get back to the FC on that question. Sellers said since Nebraska signed the agreement they may have committed on some level to paying its share. Kenny said his interpretation is this policy



needs to be approved by the GC and it will be discussed at the September GC meeting. LaBonde agreed that was the right approach and hopefully the issue of Nebraska's share can be addressed by then. Merrill said once we get to the point of invoices for these payments it would be good for Kenny to send drafts to him to review. LaBonde asked if a draft of the policy can be discussed at another FC meeting prior to the September GC meeting. Kenny said yes.

Kraus pointed out language in the agreement that says the NCF will get funds from the Program, pay Central, and then Central will send payments to the counties. LaBonde asked if the policy will be consistent with that language. Kenny said yes.

#### **Closing Business**

The next FC meeting is set for 10:00 a.m. to noon Central time on Tuesday, August 25, 2015.

**FC meeting adjourned at 11:00 a.m. Central time.**

#### **Summary of Action Items/Decisions from July 7, 2015 FC meeting**

- 1) Approved May 28, 2015 FC minutes.
- 2) Approved the COHYST agreement.
- 3) Approved the Independent Science Review Services contract amendment.