



PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM
Finance Committee Conference Call Minutes
 July 21, 2011

Attendees

Mike Purcell, Chair – State of Wyoming
 Jerry Kenny – ED
 Chad Smith – ED Office
 Beorn Courtney – ED Office
 Steve Smith – ED Office
 Bruce Sackett – ED Office
 Larry Schulz – ED Office Consultant
 Mike George – U.S. Fish and Wildlife Service
 Don Ament – State of Colorado
 Jim Schneider – State of Nebraska
 Jennifer Schellpeper – State of Nebraska
 Don Kraus – CNPPID
 John Heaston – The Nature Conservancy
 John Lawson – Bureau of Reclamation

Welcome and Administrative

Finance Committee Chair Purcell called the meeting to order at 9:12 a.m. Central time. No agenda modifications offered.

Schneider asked about the J-2 reservoir update and the specifics related to the negotiations. He noted the potential for concerns and sensitivities. Kenny said there is concern about that and some information could be edited to make the minutes ready for public distribution. Purcell asked for a motion to amend the minutes to delete the specifics related to potential acquisition of project lands (Lines 46-103). That will be substituted by: “The FC was briefed on the status of negotiations with landowners on or near the potential reservoir sites”. Schneider so moved; Lawson seconded. Schellpeper offered an editorial change on Page 1, Line 33 – should be \$50,000 to \$25,000. Kraus moved to approve the July 8, 2011 FC minutes as amended; Heaston seconded. **July 8, 2011 minutes approved as amended.**

Groundwater Recharge Project

Courtney provided an update on the status of the groundwater recharge project and the items before the FC for discussion and approval. The project is moving into Phase II since Phase I indicated there are no fatal flaws with moving ahead. Courtney reviewed the contract amendment for technical services. Ament asked if Courtney received an e-mail from Suzanne Sellers with requested changes. Courtney said the version sent to the FC yesterday included some language changes as a result of the WAC meeting earlier this week. The WAC suggested adding scoping and budget refinement to certain step in Tasks 11 and 12. Any scope and associated budget refinement would require authorization to proceed from the ED Office after consultation with the WAC technical workgroup, and would not exceed what the FC is considering today. Ament asked about adding Section 11.5 to the list. Courtney noted that the scoping/budget refinement should occur to tasks 11.3, 11.4, and 11.5 and that contract language will be edited accordingly. Kraus asked what section this is in. Courtney said in Sections 11 and 12 in the contract amendment for technical services. Kraus asked about the consultation language. Courtney said there have been a couple of places in this contract in the past where there was specific language stating the

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contractor could not proceed without authorization. But, those involved the expenditures of large amounts of money. In this area, consent may be a little more difficult because the topic is how far to analyze the data and whether the consultant should analyze the data or whether analysis should be done by the ED Office and the ED Office Special Advisor, Bill Hahn. Considering the WAC discussion and internal review, the ED Office ended up pointing to “consultation” as being the preferred language. Kenny said one issue could be that using “consent” language transfers authority given in the Program Document to the Finance Committee or Governance Committee to a workgroup reporting to an Advisory Committee, and in effect may give one person in the work group a large amount of power and might require a substantial amount of time and resources to work through issues at the work group level. Purcell said he is uncomfortable giving an advisory committee that much authority. Kraus said we need a way to resolve these issues because it means certain things under the contract might not get done. Kenny said the “consultation” language will help keep things moving and not stop work if there is consensus, but not necessarily unanimous consent, at the work group or WAC level. Kraus said if there is not consensus, it should move to the FC and/or GC to resolve the matter. Purcell noted that those processes are in place in the Program Document, and are the appropriate avenues for those decisions. Kenny agreed.

Courtney noted a change on Page 4, second sentence to add “and associated budget” to ensure both the scope of work and budget will be refined by the ED Office and the technical work group. Ament moved for approval of the contract amendment, as amended; George seconded. **Contract amendment approved.**

Courtney discussed the earthwork contractor bid documents. Schneider moved to approve the bid documents; Heaston seconded. **Bid documents approved.**

Courtney discussed the water delivery system bid documents that will be provided to Central to get a cost estimate for the work. At this point, the ED Office believes the cost estimate is relatively accurate. Heaston moved to approve the water delivery system bid documents; Schneider seconded. Kraus abstained. **Water delivery system bid documents approved.**

Courtney discussed the water service agreements for the groundwater recharge project. Both agreements are between CNPPID and the Program. Once source of water is excess flows, and the other source of water is EA water from Lake McConaughy. The ED Office is asking the FC to approve a maximum of \$125,000 for both agreements combined. Purcell asked if we have a cost estimate for getting water to the site. Courtney said that is the cost estimate just approved in the water delivery system bid documents. Purcell asked if the \$25/acre-foot cost is the same for both water sources. Courtney said yes. Kraus said the monitoring and day-to-day labor is part of the per acre-foot costs; there will be no additional charges. Ament asked how much water is being discussed. Kraus said no more than 5,000 acre-feet. Ament asked how Central arrived at the \$25/acre-foot cost. Kraus said it is comparable to other agreements for similar projects. Ament said we will get into real money if substantially more water is moved in the future. Kraus said this is a one-year pilot project and we will know a lot more when it is over. Heaston moved to approve the water service agreements; George seconded. Kraus abstained. **Water service agreements approved.**

Courtney discussed the landowner agreement for the groundwater recharge project. Schellpeper asked what the lease is for. Sackett said the lease is to take one acre out of production in the corner of the property, dig it up, and put water in that corner for the project. It will result in a recharge pit. Sackett said two outside costs related to the Good Neighbor Policy will be electric fence around the pipe and the



outside area of the project, and if we destroy corn we will have to compensate the landowner up to a maximum of \$1,400 for the one acre. Kraus moved to approve; Lawson seconded. **Landowner agreement approved.**

Closing Business

The next FC meeting will be a conference call on August 25, 2011 from 10:00 a.m. to 12:00 p.m. Central time.

FC meeting adjourned at 10:04 a.m. Central time.

Summary of Action Items/Decisions from July 21, 2011 FC meeting

- 1) Approved July 8, 2011 FC minutes, as amended.
- 2) Approved the groundwater recharge project contract amendment, as amended.
- 3) Approved groundwater recharge project earthwork bid documents.
- 4) Approved groundwater recharge project water delivery system documents.
- 5) Approved CNPPID/Program water service agreements.
- 6) Approved groundwater recharge landowner agreement.