

**Governance Committee Draft Minutes
Platte River Recovery Implementation Program
Wyoming Water Development Commission
Cheyenne, Wyoming
June 12 and 13, 2007**

Agenda Modifications - None

Minutes – Corrections were made to the individuals that testified at the House hearing. Minutes were approved as amended.

Updates

Program Legislation

Ted Kowalski reported that the next step is for the legislation to move through the committees, which can be a fairly slow process.

Executive Director Negotiations

Dale Strickland and Mike Purcell briefed the GC on the negotiations with Jerry Kenny. Dale, Mike and Jerry meet at Mike's office on May 16. Dale and Jerry have continued discussions by phone and have exchanged drafts of proposed agreement. Dale and Mike agreed that negotiations are going well.

LIHE Contract Negotiations

The current draft contract is being reviewed by the NCF and LIHE subgroup. NCF has stated that there may be costs NCF incurs in setting up a second organization (the LIHE) that the Program would be asked to cover those costs. Dave Smith will provide a modified contract back to NCF soon with LIHE subgroup comments.

Finance Committee

Chair elected was Mike Purcell. Mike reported that the FC discussed how payments to contractors are handled – currently two types, WEST invoices and others. If non-WEST, Dale reviews the invoice, approves, sends to Larry Schulz and Larry approves, and then authorization is given to NCF for payment. If the invoice is from WEST, Larry sends copies to the signatories requesting that any comments/concerns be sent to him. Larry also reviews the invoice and works out any issues he has with WEST. If within 5 business days Larry does not hear from signatories, and upon being satisfied that the invoices are valid, true and correct, Larry approves the invoices for payment and so notifies NCF. Dale will review process and make any recommendations on streamlining or improving by July 1.

The Governance Committee discussed the database management system. The FC asked Dale to work with the USGS to update the scope and budget a review at the July FC meeting. Dale noted that the data management group is no longer with the USGS and that they have been moved back to the USFWS. Colorado and Nebraska noted that they have the expertise to assist in reviewing proposals and determining if cost estimates are appropriate.

The FC also discussed the FME and this will be addressed later in the Governance Committee agenda.

The FC discussed the unsteady flow model contract with the BOR. Contracts with the federal government need to be paid up front. For this small contract, the Program will pay the entire balance and not ask for interim reports. For larger contracts with federal agencies, the Program could make installments, have interim reports and accounting, etc. to insure checks and balances. The total signed contract amount is for \$24,371.

EA Bypass and Insurance

Brian Barels provided the report. The subgroup worked through the draft EA Bypass Agreement and provided comments. The BOR had to check on proposed language and agreed with the points they were to review. The Nebraska DNR needed to review water rights issues for using EA water to payback water used from the Districts for a pulse flow. Ann reported that there is not a problem with a release from the J2 (for power) that subsequently makes a pulse flow. If you want the pulse flow protected downstream, then it either has to be storage water for irrigation or stored EA water.

If the water is released, and the Districts are to be paid back with EA water, need to transfer EA water to an irrigation/power permit or get approval to store EA water in Johnson. This would require a change in the irrigation/power permit. The Districts could transfer EA water in Lake McConaughy to irrigation water, but this can only be done on a temporary basis as a permanent change is not allowed under current state water law. The Districts and EA could also get a temporary change in irrigation water to EA water in Johnson. All of this will need to be done quickly for a pulse flow, so the parties will need to have the tool in place that can be utilized without having to go through a public hearing process. The DNR will get a list of options and pros/cons of the options for the subgroup. The current version of the EA Bypass Agreement will be sent to the GC for review/approval at next meeting.

Don Kraus reported that he had received notice that a company will provide a quote for \$1M per event and \$3M aggregate liability insurance but that he has not yet seen the quote. The GC is considering self insurance for the initial pulse flow agreement. This would provide an opportunity for insurance companies to see how a pulse flow would work. There are private adjusters that could view the initial pulses for this purpose. There was considerable discussion regarding who would be listed as the insured. It was agreed that it is likely will need to have input from a large insurance company and/or legal assistance.

Long-term Program FME

Larry Schulz and John Lawson provided a draft proposal for review. Ted Kowalski noted that Colorado will need a complete restatement of the contract, starting with the original 1999 contract and all amendments made over time. Larry said that they have started this and it will be available soon. For Colorado the contract will need to be routed starting in mid-July to allow time for Colorado's procedures. There was discussion on how the parties will deal with the 2005 dollar language and how the states can invest money and have it draw interest for the states. Larry noted that this is how it happens now and that each party's interest is credited to that entity. Wyoming and Colorado requested to receive the full monthly statement from NCF.

There was discussion of how and who will track the details of contracts and modifications during the Program. During the Cooperative Agreement, the BOR had Larry Schulz that worked with

Dale Strickland to track this carefully not only for the BOR but also for the other parties. The GC asked Jerry Kenny and Dale Strickland to come up with a process for tracking the finances.

The GC agreed to send the draft amendment to the NCF, without the fee scale identified, and have them respond with a proposed fee structure. Larry Schulz contacted NCF via phone and they indicated they will provide a fee structure for review at the meeting on June 13, 2007.

Comments on the draft modification are due by June 22, 2007. Larry Schulz will take the lead in negotiating with the NCF. GC agreed on proceeding with the above efforts.

June 13, 2007

North Platte Channel Restoration and Enhancement Project

Rocky Keehn, SEH, provided a report on activities to date, including landowner concerns identified, changes in the design, and the issue of having the NWS review the flood elevation. SEH will contact the NWS after the HEC-RES modeling is completed. Rocky noted that SEH will draft easements but that the GC should have legal assistance to make certain that all issues are covered, particularly if there are any difficult property issues. Dale Strickland was asked to add this task to David Smith's contract with WEST. Need to send a letter with the map to the affected landowners once there is agreement on the route.

Purcell asked if the GC is comfortable with the new direction. Brian Barels asked that some of his technical folks review the changes and confirm that this is appropriate. There will be a meeting on site in North Platte with NPPD, Jim Hawks (city of North Platte), and other GC representatives if they so choose. Mike Purcell noted that the rest of the GC is comfortable with the project. Brian will schedule a trip directly with Rocky.

There was a discussion regarding the individual to sign permits and easements. Ted Kowalski will chair a legal subgroup to review the issue.

NCF Proposal

The NCF proposed a sliding scale based on the annual amount expended, as more is spent the lower the fee (%) charged. The first \$1M is 2.5%, 2nd is 2.25%, etc. The lower fee is only charged on the amount in excess of the original/previous spending threshold. For example, if there are \$1.5M in expenditures the fee would be 2.5% on the first \$1M and 2.25% on the \$.5M. The Governance Committee agreed with the proposed approach and fees.

Mike Purcell reminded the group that comments, if any, on the proposed contract modifications are due by June 22. Comments should be sent to Dale Strickland with a cc to Clayton Derby. Larry Schulz will be available for assistance as needed.

Colorado Depletions Plan

Ted Kowalski reported that at the April and May meetings it was discussed water users would not need to sign Recovery Plans, as currently identified in the Depletions Plan. This issue was first identified in the Wyoming Plan and subsequently removed, with Governance Committee agreement, from that Plan. Colorado had distributed a redline version of the plan before the meeting and asked for agreement on the proposed changes. The Governance Committee agreed with the modified plan.

The Governance Committee asked that as Program Documents are modified that they be distributed to each Governance Committee member and alternate with the new date in the footer. An errata sheet will also be started to track all of the changes.

Budget Related Items

Task WP-1: Water Management Study, Phase I – Dale provided the report. Boyle Engineering was the contractor selected by the committee. One issue that was identified in reviewing the proposals was that the period of record was 1947-1994. The subgroup wanted the period of record updated through 2006 and asked Boyle for two options; a proposed budget to update the period of record throughout the basin and also a proposed budget for just updating the lower portion of the basin. The subgroup agreed with the entire basin update proposal. This modification resulted in an increased scope and estimated budget of \$49,000. Dale asked for approval to modify the scope and budget to include these changes. Adjustments to the budget would be to increase WP-2 by \$49,000, reduce WC-1 to actual contract amount and \$19,000 out of WP-1. GC approved.

Task WMV-1: Vegetation mapping - This was originally presented at the April meeting by Felipe Chavez-Ramirez and the GC had asked for TAC review and comments. The TAC reviewed the proposal and recommended modifications and approval with the modifications. The TAC requested three items be included in the final contract: definition of training data, definition of heads up digitizing, and identification of deliverables. Dale recommended GC approval with the condition that Felipe adequately respond to the TAC's suggested changes. GC approved.

PS-2: Lower Platte River Stage Change Study (Year 1 of 3) – A draft RFP is currently being developed in a subgroup. Once the subgroup has finalized the RFP it will be provided to the Governance Committee for funding.

The Governance Committee asked for a 1-page summary of the current contracts, status, budget, amount spent, completion date and other appropriate items so they can better track Program activities.

Public Comment Period

Ted Kowalski noted that the Whooping Crane Recovery Plan was updated and asked for an update from USFWS. Jay noted that updates are scheduled for every 5-10 years. Mark Butler explained that the recovery plan was a joint effort between Canada and US. Mark provided update on the plan.

Web site – Dale noted that the web site is not as up-to-date as it needs to be. The ED office is working with BOR to get updates as quickly as possible but a different process is needed for the Program in the long-term. Dale recommended that this function be apart of the database management system and the GC agreed.

PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM

GOVERNANCE COMMITTEE MEETING

DATE: June 13, 2007
 LOCATION: WWDC, Cheyenne

Name	Organization
Dale Strickland	Executive Director
Wick Russell	WY
Jay Slack	USFWS
Mark Butler	USFWS
John Heaston	TNC/Environmental
Ann Bieed	NDNR-Ne
Don Kraus	OWU
BRIAN BARDS	DWA
Ron Bishop	D.W.U.
Kent O. Miller	D.W.U.
Harry LaBonde	Wyo. State Engineer's Office
George P. Williams	Upper Platte Water User
HEIZMAN STRAND	" " " " CAID
Norm K. Mott	" " " "
Janis Strach	Upper Platte Water Users
JOHN LAWSON	Bureau of RECLAMATION
Becky Fulkerson	" "
John Kolanz	Colorado Water Users
Ted Kowalski	Colorado
Don Ament	Colorado Rep.
ALAN BERRYMAN	CO WATER USERS
Clayton Doby	EDA

