PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM
Water Advisory Committee Meeting Minutes
USFWS – Lakewood, CO
July 16, 2008

Attendance

Frank Kwapnioski – WAC Chairman, NPPD
Jerry Kenny – Executive Director, Headwaters Corp
Becky Mitchell – Headwaters Corp
Beorn Courtney – Headwaters Corp
Blaine Dwyer – Boyle Engineering Corp
Cory Steinke, CNPPID
Dennis Strauch – Upper Platte Water Users
Don Anderson – US Fish & Wildlife Service
Duane Hovorka – Environmental Groups/National Wildlife Federation (conf call)
Duane Woodward – Downstream Water Users/Central Platte NRD
Jennifer Schellpeper – Nebraska DNR
Jeff Bandy – Boyle Engineering Corp
Jim Hall – State of Colorado
Joe Frank – Colorado Water Users/Lower South Platte Water Conservancy Dist.
Jon Altenhofen – Colorado Water Users/NCWCD
Kent Miller – Downstream Water Users/Twin Platte NRD
Mahonri Williams – Bureau of Reclamation
Matt Hoobler – Wyoming State Engineer's Office (conf call; WMS Phase II Workshop only)
Mike Besson – Wyoming Water Development Commission
Mike Drain – CNPPID
Ted Kowalski – State of Colorado

Welcome and Administrative

Introductions; no agenda modifications.

LAC-Related Program Updates

Jerry Kenny presented information contained in a memorandum to the Governance Committee (GC) entitled "Tract 0811 Evaluation Summary". The owner of a tract of land has requested that the Platte River Recovery Implementation Program (Program) purchase and retire irrigation water rights on a 65 acre tract through acquisition of a conservation easement. The Land Advisory Committee (LAC) determined that this tract would not provide land-related habitat value under guidelines of the Land Plan and acreage would not be considered toward the habitat acquisition target. However, the LAC recommends the Water Advisory Committee (WAC) and GC evaluate potential benefits as pertaining to water-related goals and objectives of the Program. This option does not need to go back to the LAC for approval but because it there would be a conservation easement, this still involves a land activity, just not habitat related. It would not count toward the 10,000 acre target acquisition, therefore it would be entirely a water transaction.

The water right being offered includes a well that is located close to the river, with a high depletion factor. There would be a conservation easement eliminating future use of the well, restricting the future land use, thus providing credit to the river. A preliminary estimate of accretions to the river is 38 to 40 acre-feet (average annual), according to the Central Platte NRD (based on COHYST model information). There is another well located approximately 200 yards from this well, across the county line, that has been purchased by Central Platte NRD. However, the well in question for the Program could not be acquired by Central Platte NRD due to its location. Central Platte NRD has an established water bank program, which is potentially available to the Program. The fair market value is about $2,500 per acre-foot of net water to the river, based on recent similar transactions.

Jerry Kenny requested consensus from the WAC to present this opportunity to the GC, continue negotiations with the land owner and work out the details with Central Platte NRD with respect to the water bank.

Ted Kowalski expressed that it may be good to move forward, but did bring up the question related to cost. Duane Woodward indicated the price is probably not negotiable because this seller has already been paid a similar amount for the other well. Kent Miller indicated this is probably as cheap as this kind of water will ever get. Twin Platte NRD is looking at establishing a water bank and with prices of corn, expects that these water rights purchase costs will continue to increase.

Mike Besson suggested the LAC should possibly revisit the question of whether or not this should count toward the 10,000 acre land acquisition target in consideration of its potential value as a buffer.

Mike Drain expressed issues to be resolved with respect to the water banking. This land is not inside Central Platte NRD's boundaries, and although Tri-Basin may not be concerned at this time, it is a fairly new water bank. There could also be issues related to using COHYST for this purpose in that the model may be updated and is subject to change in the future so the yield projections could change. Kent Miller recommended the Program get an agreement from Tri-Basin to allow use of the water bank for this specific purpose.

Frank Kwapnioski asked whether there is a critical timeline. Jerry explained that assuming the Program could get an agreement from Tri-Basin, the transaction could probably be completed quickly because seller has already agreed to terms of the transactions from the other well.

Jon Altenhoffen asked about the 40 acre-foot estimate and if it occurs when there is a shortage to target flows. Duane Woodward explained how the COHYST model has been developed and how it could be used to address that question. Jon asked if this was in an area where the water table is high. Jerry said yes, but the conservation easement would restrict what could be grown on this land in the future and consequently control the consumptive use.

Frank Kwapnioski asked if anyone was opposed to Jerry making a recommendation to the GC to proceed with this acquisition. Mike Drain said he would like to continue to work on the details with respect to the water bank. Jerry said the moving forward means to continue discussion with the land owner, make sure WAC and LAC are comfortable, and work out the numbers. Jennifer Schellpeper said the details on the water banking also need to be worked out. The WAC discussed how this could be a case study for this type of acquisition and how the Program would use water banks. Mike Drain indicated the case study opportunity is a good reason to move forward and maybe the Program should go ahead and purchase and then take the time to figure out the details. Mike explained that the LAC has recognized that land owners will likely continue coming forward with land opportunities and that the LAC should have a process in place to evaluate, versus taking everything that comes through the door; the WAC may need to create a similar evaluation process for the water aspects of land acquisitions and this is could be a good example.

Frank Kwapnioski asked the WAC if there were further questions. Ted Kowalski made a motion to proceed with negotiations to purchase, using this as a case study. Kent Miller seconded the motion. The recommendation will be presented to the GC.

Water Quality Protocol Update

Beorn Courtney provided an update on the Water Quality RFP process; the Program interviewed three potential contractors and selected EA Engineering, Science, and Technologies, Inc., teamed with Brown and Caldwell. The interview committee recognized that the Program is asking the contractor to begin with protocol development prior to the AMWG having an opportunity to provide full direction on how the water quality data will be incorporated into the hypotheses testing. The ED's Office is helping identify a focus committee to participate in the Water Quality Protocol Development process; a kickoff meeting is being planned and Pat O'Brien from Nebraska Department of Environmental Quality has agreed to participate. Don Anderson expressed interest in participating. Anyone else interested should contact Beorn Courtney.

Additional Business

Beorn presented a draft document which summarizes Program water-related activities as identified in the Program Document, which will require WAC involvement. Recently the WAC has been focused on the Water Management Study and there is a need to not lose focus on other water-related activities we are required to lead. The purpose of this document is to provide a Program Document "cheat sheet". The draft will continue to be updated (with actual dates for due dates versus Program Year) and circulated. The current WAC members list was included as an attachment. WAC members and alternates need to be reviewed/identified as decisions of the committee, including those regarding recommendations to the GC, must be by consensus of the WAC members (per the Charter). Comments should be provided to Beorn.

The ED's Office is beginning to draft the FY09 budget, the first draft will be provided to the GC at the October meeting. This Draft WAC planning document will also help focus that effort.

As identified in the Draft WAC planning document, by end of 2009, the Water Action Plan

needs to be updated to identify alternatives to meet 25,000 acre-feet of reduction in shortages to target flows. To date, Program water activities have primarily been focused on the pulse flow. Some of the alternatives identified in Phase II of the Water Management Study could contribute to either a pulse and/or deficit to target flows. Jerry Kenny suggested that the Program could achieve efficiency by amending Boyle's contract to move forward with the Water Action Plan update, incorporating information gained during Phase II of the Water Management Study (WMS). Jerry is not asking for approval to amend the contract now, but would like the WAC to think about it and advise Jerry how to proceed with getting the Water Action Plan updates completed by the end of next year. Jerry will be make a specific proposal and request to the WAC in the upcoming months.

Jon Altenhofen noted that there is risk in focusing too much on the pulse flow when development of the Program and milestones (measures of success) was focused on the target flows and the milestones. Mike Besson indicated that he thought the GC had said the pulse flows could be credited toward meeting target flows. Mike Drain recalled that during development of the Cooperative Agreement, it was determined that credit would be given toward the purpose for which the project was designed. However, he questioned how that would apply to a new project designed primarily to meet pulse flows and not other target flows. Frank Kwapnioski asked Boyle to consider how the WMS Phase II alternatives could be credited toward both objectives. Blaine Dwyer indicated that this will be forthcoming in the workshop following this meeting.

The WAC discussed election of a Chairperson for the upcoming period of August 2008 through July 2009. **Kent Miller nominated Frank Kwapnioski and Jon Altenhofen seconded the motion.** Frank agreed and the committee thanked him for his continued dedication.

The future WAC meeting schedule was discussed. To date, a recurring meeting schedule has not been established, however water-related activities are ramping up and need for WAC involvement is increasing. The ED's Office recommends establishing a standing WAC meeting schedule (meetings could be canceled in advance if not needed). The committee agreed to schedule a recurring meeting for months offset from the GC meetings and far enough in advance of the GC meetings to provide input to the GC, with interim conference calls determined on an as-needed basis. The ED's Office will circulate an email with suggested schedule and locations.

The WAC meeting adjourned at 9:05 a.m. for the WMS Phase II Alternatives Screening Workshop.

Water Management Study Phase II Alternatives Screening Workshop (WAC Reconvened)

The previous WMS Phase II Workshop in May, 2008 identified 23 major alternatives that could be used to contribute to the Program's flow objectives of a Pulse Flow, Summer Flow, and reduction to the Average Annual Shortages to Target Flows. The goal of the workshop today is to select three alternatives to carry forward in a more detailed, reconnaissance-level evaluation. The focus of Phase II is the Pulse Flow, but contributions to other target flows were also identified.

Boyle presented the screening process, criteria, and scoring. Projects were discussed on an individual basis and scoring was evaluated. Potential issues and opportunities with combining alternatives were explored.

The spreadsheet modeling tools that Boyle prepared in Phase I were discussed. Under the Phase II scoping, Boyle was not to apply those tools to evaluate alternatives until the reconnaissance level evaluation of 3 alternatives.

Mike Drain commented that alternatives with ID 6 through 12 are similar storage projects off of CNPPID's system; ID 7, 8a, and 8b return flows to the river via the existing J-2 Return whereas the others would require new return structures. Should these be evaluated together? Elwood is unique because it is an existing structure.

The WAC acknowledged potential benefits of studying some of the identified alternatives for other purposes (e.g. Robb Lake should be considered for hydraulics/geomorphology opportunities; the Summer Pulse via Exchange of EA will probably be tested by other Program activities and results will likely be more influenced by GC discussions rather than technical feasibility studies; Choke Point Improvement may be further evaluated once the 3,000 cfs improvement is achieved).

The WAC agreed that downstream reservoirs give opportunity to add more water out of Lake McConaughy and supplement natural flows from the South Platte to provide ability to meet frequency of objectives used to create the 5,000 cfs pulse target number. Cost analyses should consider power interference.

Kent Miller made a motion to further investigate the following 3 alternatives, Mike Besson seconded, and there was consensus from the WAC.

- Elwood Reservoir – ground water issues with respect to seepage losses should be considered, including dewatering wells or method of taking credit for seepage/recharge

- Plum Creek Sites

- Off-Channel Central Platte Reregulating Reservoirs generally associated with CNPPID facilities that release directly to the River