



1 **PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM (PRRIP or Program)**
2 **Governance Committee Special Session Meeting Minutes**
3 DIA Country Inn and Suites – Denver, CO
4 November 17, 2015

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6 **Meeting Attendees**

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8 **Governance Committee (GC) Table**

9 **State of Wyoming**

10 Harry LaBonde – Member

11 Philip Stuckert – Alternate (conference line)

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13 **State of Colorado**

14 Don Ament – Member

15 Suzanne Sellers – Alternate

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17 **State of Nebraska**

18 Jesse Bradley – Alternate (conference line)

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

21 Tom Econopouly – Service

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23 **Bureau of Reclamation (Reclamation)**

24 Brock Merrill – Alternate

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26 **Environmental Entities**

27 Bill Taddicken – Member

28 Rich Walters – Member (conference line)

29
30 **Upper Platte Water Users**

31 Dennis Strauch – Member (conference line)

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33 **Colorado Water Users**

34 Alan Berryman – Member

35 Kevin Urie – Member

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37 **Downstream Water Users**

38 Don Kraus – Member

39 Mark Czaplewski – Member (conference line)

40 Kent Miller – Member (conference line)

8 **Executive Director’s Office (EDO) Staff**

Jerry Kenny, Executive Director (ED)

Bridget Barron

Jason Farnsworth

Bruce Sackett

Chad Smith

8 **Audience Members:**

Cory Steinke – CNPPID

Mike Drain – CNPPID

Ed Toms – AECOM (Special Advisor)

Tom MacDougall – RJH

Bob Huzjak – RJH



Welcome & Administrative

Kenny called the meeting to order at 9:01 a.m. Mountain Time. Bradley filled in for Fassett (Chair) and led the meeting. The group proceeded with introductions. No agenda modifications.

Ament moved to approve the September 2015 GC minutes; Kraus seconded. Minutes approved.

FY16 PRRIP Budget and Work Plan

Kenny discussed the latest draft of the PRRIP FY16 budget and work plan, as well as the 2016 EDO contract and staffing plan. Specific items of discussion included:

- Kenny discussed estimated expenditures for the year versus approved budget amounts for FY15. Final expenditures for FY15 will likely be about \$8 million once bills come in after the beginning of the year.
- Econopouly asked about the FTE numbers in the work plan versus the staffing plan. Kenny said that line is wrong in the work plan and that will be deleted from the work plan text.
- LaBonde asked about the pulse flow line item and if we are still planning to do one. Kenny said that is generally a place holder for potential SDHF. There is not one planned for 2016 but the prospect for a flow release factors into the rates the Program is charged for insurance. LaBonde asked if there is a specific rider for the pulse flow. Kenny said he believes it is general liability.
- LaBonde asked if Kenny preferred to have the LP-3 number larger in case Sackett comes across a parcel that is necessary for the Program (like a palustrine wetland). Kenny said that does give you a stronger hand in negotiations and his preference is to have a larger number. LaBonde said we have met our goal, we scoured the valley for wetlands, but have come up empty. What are the prospects for finding one? Sackett said there is nothing on the horizon but there are a couple river properties totaling about 250 acres that might be a possibility. A good estimate for those is somewhere around \$4,000/acre. His preference is also to have a larger budget number in this line item to improve negotiation flexibility. Sellers asked about saying someone has been insulted. Sackett said it is not about insults, it is just that we did not meet our goal in this line item so this one just looks like we didn't spend the right amount of money. Berryman said we could earmark this line item or make it into a reserve account. LaBonde said the properties you are talking about seem like complex land and we have met that goal. If there are no palustrine wetlands on the horizon, then he is comfortable with the estimated budget number the way it is. Kenny said he is comfortable with the number too knowing the GC can act relatively fast if a new property opened up. Urie said that makes sense and if a palustrine wetland came available we could definitely act on that. He and other GC members are really looking at funding availability for the J2 project.
- LaBonde said his concept is that he would like to consider making as much funding available as possible for construction of a storage project like J2 that has permanent benefits as opposed to leases that are not as long-term. Kenny said that a reduced-scale J2 project might mean fewer benefits for CNPPID so their contribution to the project might be reduced. Econopouly asked if Nebraska is still interested in contributing a quarter of the cost for associated benefits. Kenny said he has made that assumption and has not yet heard otherwise from Nebraska.
- Econopouly asked where groundwater is delivered under the proposed water market. Kenny said in proximity to where the land is taken out of production. The Program would be bidding for land west of Overton close to the head of the Associated Habitat Reach. The landowner would not pump groundwater for one year.
- Econopouly pointed out an addition error in the AMP Equipment text in the work plan. Kenny said there is a typo in the column but the column total is correct. We will fix that in the work plan.
- Kenny asked for any edits or comments on the budget and work plan to come in by Friday of this week so final changes can be made in the documents for distribution to the GC on Monday, November 23 for the December 1 GC meeting.

**J2 Regulating Reservoir Update**

89 Huzjak and MacDougal from RJH gave a presentation on updated options for the J2 project. Sellers asked
90 about land prices. Drain said all the owners in the proposed footprint of the new reservoir design are
91 represented by a single attorney and are seeking the same per acre price for land. Sellers asked about
92 seepage with the geosynthetic liner. Huzjak said it would be at least similar to a clay liner. Sellers asked
93 if a barrier wall is the same thing that is used to line gravel pits. Huzjak said yes. Sellers asked if this
94 would allow you to go deeper with the reservoir. Huzjak said yes but it would be more economical to go
95 bigger in area instead of deeper. Urie asked if the added risk of the barrier wall is the potential for a high
96 seepage rate. Huzjak said the uncertainty of geology could result in substantial “surprise” construction
97 costs. Increased seepage is also a risk. Kenny said as long as it is structurally safe we might get credit for
98 some of the seepage in terms of the Program. Also, gravel pits in the area are largely pumped down to the
99 bedrock so there is opportunity to investigate those to provide information for geology in the area of the
100 potential reservoir.
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102
103 LaBonde asked about considering the largest reservoir we could afford but build it in phases with a
104 temporary dike. Huzjak said you could design that in any way you want. You might want to do a design
105 with a base project but make a decision at the time of bidding as to how large you want to go. LaBonde
106 said his concept would be in four years we will be looking at a Second Increment and at that point in time
107 additional financial resources might become available. Kenny said the score we have been talking about
108 was based on a 14,000-acre-foot reservoir. The design concept expanded up to 18,000 acre-feet which
109 would have raised the score higher. A cell of 14,700 acre-feet we could be looking at the original score of
110 a little above 40,000 acre-feet in yield. Bradley asked what the acreage difference is in terms of surface
111 acres. Huzjak said you are about half of the original acres in terms of land you would need to acquire.
112 Bradley asked what our understanding is of land values in the area now. Kenny said the owners are not
113 asking for fair market value. Kraus said appraisal is \$9,500/acre and we should be able to get the land for
114 about \$15,000/acre.
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116 Berryman said he is concerned about meeting the 130,000-150,000 water objective and we need to look at
117 what our end goal is. Given the costs, we may need to look at an extension to make sure time and money
118 line up. Kraus said the earliest construction could start is 2019 so we need to look at that. Berryman said
119 it appears we may be able to get to 14,700 acre feet of storage if we have more time and money. LaBonde
120 asked if we could do geotechnical work without land acquisition. Steinke said not at this point. We need
121 to acquire land to do further work. LaBonde then said his concept is design the whole thing, acquire all the
122 land, permit the whole thing, and consider a phased approach. Drain said we do have an issue with the
123 Oregon-California Trails Association related to the social benefits of people feeling like they are
124 experiencing what people using the trails experienced. This includes visual impacts on the cemetery.
125

126 Kraus asked if whatever we go public with in December do we have to stick with the available budget at
127 hand. LaBonde said the GC could give direction to pursue the J2 concept presented today (14,700 acre-
128 feet) and do that without a budget question. Sellers said it seems like before we buy land there needs to be
129 some renegotiation of the contract. We still have not seen Jerry’s re-valuation of other projects. Since
130 things have changed, we need a presentation on score, cost per acre-foot, comparison to other project, etc.
131 before we authorize spending money on hundreds of acres. Drain said he agrees there will need to be a
132 contract amendment. He is hoping the GC can give guidance in December to allow re-negotiation with
133 Central. Kenny said the trade land is in the order of per acre cost similar to this land. Sellers said having
134 this information documented in a memo would be helpful. LaBonde said if there is a motion to move
135 forward with this project in December we would not need to get involved in any land discussions because
136 Central is under contract to do that. Sellers said she is not comfortable going ahead with this until
137 information is laid out that shows how this new options compares to other water options for the Program.



138 Kenny said we have taken a look at this but have not yet put a memo together. The problems with the Elm
139 Creek project have not changed. For the December GC meeting, we will put together information in this
140 regard. If we were to update costs on Elm Creek based on what we have learned through advancing the J2
141 concept, there is strong belief that the Elm Creek project would still not bear out. Sellers said she got the
142 impression that Kenny was going to look at all water projects and not just Elm Creek. She wants something
143 on paper that shows how all these water projects options compare to this revised J2 option. Kenny said
144 now that J2 is a viable option then it is important to document the comparison between Elm Creek and other
145 water project options. A version of this will be presented to the GC in December.

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147 Huzjak said one consideration is if you want for land acquisition we would have to wait until after planting
148 season which will slow down the schedule. Econopouly asked how many acres are in the footprint of the
149 14,700-acre-foot option. Steinke said about 860 acres.

150
151 Kenny said while RJH has been looking at options he asked Ed Toms to continue looking into these options
152 from a Special Advisor standpoint and he asked Toms to continue working with MacDougal and Huzjak to
153 make sure information is shared and everyone is on the same page.

154
155 **Additional Business**
156 Kenny discussed the recent inter-local agreement between the Tri-Basin NRD and the Republican NRD
157 that would transfer water out of the Platte basin to the Republican basin. He just wanted to make the GC
158 aware of that and wanted to see if they want a presentation on this in December. Taddicken and Berryman
159 said they would like to know more. Kraus said they have talked to Central about a structure on their E65
160 canal. The Central Board has not taken a position on it yet. Bradley said he could send the statutes that
161 govern inter-basin transfers. Kenny said he would distribute that but it sounds like DNR or the downstream
162 waters users should speak to that on the agenda in December.

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164 **Public Comment**
165 Kenny asked for public comment. None offered.

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167 **Future Meetings**
168 Upcoming 2015 GC meetings:
169 • December 1-2, 2015 @ Denver, CO; Warwick Denver Hotel; begin meeting at 1:00 p.m. Mountain
170 Time on December 1, all day SDM session with GC on December 2

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172 Upcoming ISAC meetings:
173 • ISAC meeting in conjunction with the March 2016 GC meeting in Kearney, NE
174 • 2016 AMP Reporting Session – October 18-20, 2016 @ Omaha, NE

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176 **Meeting adjourned at 2:58 p.m. Mountain Time.**

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178 **Summary of Action Items/Decisions from November 2015 GC meeting**
179 1) Approved the September 2015 GC minutes.
180 2) Provided guidance for Kenny on items to discuss at the December 2015 GC meeting related to the J2
181 project and the proposed inter-basin transfer to the Republican basin.