



**PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM (PRRIP or Program)
Governance Committee (GC) Quarterly Meeting Minutes**

Tuesday, December 6, 2016 – 2:00 PM – 5:30 PM
Wednesday, December 7, 2016 – 8:00 AM – 9:50 AM

Note: All times are in Mountain Time.

Meeting Location:

Warwick Denver
1776 Grant Street
Denver, CO 80203
(303) 861-2000

Governance Committee (GC)

State of Wyoming

Harry LaBonde – Member

State of Colorado

Don Ament – Member (2016 GC Chair)

Suzanne Sellers – Alternate

Carlee Brown – Alternate

State of Nebraska

Jeff Fassett – Member

Upper Platte Water Users

Dennis Strauch – Member

Bob Mehling – Alternate

Downstream Water Users

Mark Czaplewski – Member

Don Kraus – Member

Brian Barels – Member

Kent Miller – Member

Executive Director’s Office (EDO)

Jerry Kenny, ED

Bridget Barron

Jason Farnsworth

Bruce Sackett

Chad Smith

Seth Turner

Bureau of Reclamation (Reclamation)

Brock Merrill – Alternate

U.S. Fish and Wildlife Service (Service)

Michael Thabault – Member

Environmental Entities

Rich Walters – Member

Bill Taddicken – Member

Colorado Water Users

Alan Berryman – Member

Kevin Urie – Alternate

Deb Freeman – Alternate

Audience Members

Mike Drain – CNPPID

Tracy Zayac – NPNRD

Lyndon Vogt – CPNRD

Tim Martin – Riverside Technologies

Tom Econopouly – USFWS

Matt Rabbe – USFWS

Dmitry Smirnov – Dewberry

**TUESDAY, DECEMBER 6, 2016****Welcome & Administrative**

Ament called the meeting to order at 2:06 PM Mountain Time. The group proceeded with introductions.

GC Decision – *LaBonde moved to approve the November 2, 2016 GC Special Session minutes; Czaplewski seconded. Minutes approved.*

Program Committee Updates*Land Advisory Committee (LAC)*

Czaplewski provided an update on the latest LAC activities. The LAC has not met since the last GC Quarterly Meeting. A LAC subcommittee did three land evaluations last week that will soon be brought to the full LAC for discussion.

Water Advisory Committee (WAC)

Turner provided an update on the latest WAC activities. The WAC met on October 11, 2016 at Lake McConaughy. Discussion topics included several project updates; CPNRD water leasing; NPPD water leasing; CNPPID water leasing; COHYST; project scoring; broad-scale recharge; slurry wall gravel pits; and the 2017 PRRIP budget and work plan.

Technical Advisory Committee (TAC)

Sellers provided an update on the latest TAC activities. The TAC has not had a formal meeting since the last GC meeting but met with the ISAC during the 2016 AMP Reporting Session. The TAC did electronically review the 2017 PRRIP budget and work plan, the 2015 State of the Platte report, and a manuscript for publication.

Finance Committee (FC)

LaBonde provided an update on the latest FC activities. The FC has not met since the last GC meeting. The FC will be meeting tomorrow after the GC meeting to discuss the Extension budget.

Program Outreach Update***PRESENTATIONS***

- Patrick Farrell presented at the Nebraska Natural Legacy Conference in Broken Bow, Nebraska on September 21, 2016. The title of his presentation was *Riverine habitat selection of Whooping Cranes during migration: Implications for managing habitat along the central Platte River.*
- Jerry Kenny, Dave Baasch and Tim Tunnell gave a tour of Program projects to the Upper Niobrara White Natural Resources District Board of Directors on September 24, 2016.
- The Platte River Basin Timelapse project presented on their work on September 26, 2016 to the Natural Resources District annual conference in Kearney, Nebraska.
- The proposed extension of the Program was the subject of a panel at the Nebraska Water Resources Association/Nebraska State Irrigators Association joint convention on November 22, 2016 in Kearney, Nebraska. Brian Barels of the Nebraska Public Power District presided over the panel. Speakers were Jerry Kenny, Jeff Fassett (Nebraska Department of Natural Resources), Mike Thabault (U.S. Fish & Wildlife Service), Dennis Strauch (Pathfinder Irrigation District) and Rich Walters (Nature Conservancy).
- Jerry Kenny was part of a panel discussing water management in Nebraska at the Nebraska Water Center's annual water symposium on October 20, 2016. Additional speakers on the Lower Platte panel



92 included Don Kraus of The Central Nebraska Public Power and Irrigation District and Mace Hack of
93 The Nature Conservancy.

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95 ***EXHIBITS/SPONSORSHIPS***

- 96 • The river model purchased in part by the Program was utilized by Rowe Sanctuary at the Nebraska
97 State Fair in Grand Island, Nebraska in August 2016. The interactive river model allows children to
98 move the sand and direct the flow of the river. Over 700 children and adults used the model.
- 99 • The Program exhibited at Husker Harvest Days in Grand Island on September 13th through 17th, 2016
100 in the Natural Resources District's building. We made 2,080 contacts over the course of the three days.
- 101 • The Program exhibited at the Natural Resources Districts annual conference at the Younes Conference
102 Center in Kearney, Nebraska on September 26 & 27, 2016. We made 224 contacts at the event.
- 103 • The river model was also exhibited at Prairie Loft's Harvestfest on October 2, 2016 in Hastings,
104 Nebraska. This year's Harvestfest also set a record for attendance with 1,325 visitors.
- 105 • The Program exhibited at the South Platte Forum on October 26 & 27, 2016 in Loveland, Colorado.
106 We made 192 contacts at the event.
- 107 • The Program exhibited at the Booseum at the Kearney Children's Museum on October 27, 2016.
108 Attendance was 573 children and adults. Children attending the event were given candy and crane fact
109 coloring sheets.
- 110 • The Program exhibited at the joint convention of the Nebraska Water Resources Association and the
111 Nebraska State Irrigators Association on November 20 -22, 2016 in Kearney, Nebraska. We made 60
112 contacts at the conference. The Program was also a break sponsor of the event.

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114 ***UPCOMING PRESENTATIONS/EXHIBITS/SPONSORSHIPS***

- 115 • The Program will be exhibiting at the annual meeting of the Four States Irrigation Council in Fort
116 Collins, Colorado on January 11-13, 2017.
- 117 • Jerry Kenny will be presenting on the Program to the Grand Island Rotary Club on January 17, 2017 in
118 Grand Island, Nebraska.
- 119 • The Program will be exhibiting at Colorado Water Congress in Denver, Colorado on January 25 – 27,
120 2017.
- 121 • Jerry Kenny will be a lecturer for the Robert B. Daugherty Water for Food Institute at the University
122 of Nebraska annual Water Seminar Series on March 1, 2017. The lecture topic is the Platte Program
123 overview, status, and path forward.

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125 ***MEDIA/OTHER***

- 126 • After the September 2016 Governance Committee meeting the Kearney Hub published an article on
127 the proposed extension of the Program.
- 128 • After the November 2016 Nebraska Water Resources Association and Nebraska State Irrigators
129 Association joint convention, the Kearney Hub published two articles in their Weekend Natural
130 Resources section on the proposed extension of the Program and the emphasis on water projects.

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132 Barron distributed Christmas gifts to GC members from Headwaters Corporation.

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134 **PRRIP FY16 Budget Update**

135 Kenny gave an update on the status of the 2016 PRRIP budget and associated land income and taxes.

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137 **PRRIP FY17 Budget and Work Plan**

138 Kenny gave an update on the latest drafts of the PRRIP FY17 budget and work plan.



139 **GC Decision** – *Thabault moved to approve the PRRIP FY17 Budget and Work Plan; Berryman seconded.*
140 **FY17 Budget and Work Plan approved.**

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142 **GC Decision** – *LaBonde moved to approve the 2017 ED Contract; Merrill seconded.* **2017 ED Contract**
143 **approved.**

144 **PRRIP First Increment Extension Proposal**

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146 Kenny said the version of the Extension Proposal contained in the GC meeting packet is a clean version of
147 what was agreed to at the November 2, 2016 GC Special Session in Denver, CO. Ament mentioned the FC
148 would be meeting tomorrow to discuss the Extension budget in detail. Brown said Colorado had reviewed
149 the Extension Proposal again and thanked the GC and EDO for developing such a strong document.
150 Regarding financing, Colorado is pleased that the FC agreed to discuss the Extension budget tomorrow
151 because of very serious funding pressures, changes of administration, and other challenges.

152 **J2 Reservoir Project**

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154 Kraus gave a quarterly update on the status of the J2 Reservoir Project. The “project hold amendment” has
155 been signed and is a done deal.

156 **2017 Environmental Account (EA) Annual Operating Plan (AOP)**

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158 Econopouly introduced the document and Rabbe gave an update on the 2017 EA AOP. The EA will be at
159 about 170,000 acre-feet next October if no water is released so the AOP calls for several releases to lower
160 that amount. March 23-May 10 whooping crane release is an especially high priority for the Service in
161 2017. Czaplewski asked about the 3,000 cfs release in the May 20 to June 20 time frame which is conducted,
162 in part, to provide benefits to pallid sturgeon. He said he struggles with understanding the timeframe, the
163 purpose, and the quantity of discharge for supposed pallid sturgeon benefits. Econopouly said that is what
164 the Service came up when the target flows were set.

165 **Long-Range Streamflow Forecasts from Hydroclimatic Indices**

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167 Smirnov gave a presentation on long-range streamflow forecasts. Kenny said a report related to this work
168 will be distributed to the GC soon.

169 **Broad-Scale Recharge**

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171 Farnsworth discussed the broad-scale recharge engineering design services RFP. Thabault said the Service
172 would like to be on the selection panel for this RFP. Rabbe added. Czaplewski asked if this consultant
173 would handle water rights. Kenny said that would be handled in-house.

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175 **GC Decision** – *Merrill moved to approve the RFP; Berryman seconded.* **RFP approved.**

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177 **RFP Selection Panel** – *Rabbe, Sellers, Merrill, Jeff Shafer (NPPD), and Berryman added; spots saved for*
178 *representatives of WY and NE.*

179 **CPNRD Water Use Lease Agreement (WULA) Amendment**

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181 Kenny discussed the CPNRD WULA amendment proposal. Ament asked about the process of going from
182 one price in the original agreement to a much higher price now. Kenny said surface water has increased
183 greatly in value and CPNRD wants to be compensated for that water. We had a great deal, but CPNRD is
184 concerned about equity and the financial interests of the canal companies considering more recent values
185 established for water. Berryman asked if we have the budget for this. Kenny said we will in 2017 when
186 these prices take effect. LaBonde asked what has been the history for the transferred water. Kenny said this
187 year we got something like 13,000 acre-feet, about 10-11,000 acre-feet in surface water back to the river.



188 Brown said Colorado acknowledges the NRD has given us a good deal, but wonders to what extent the
189 market has been set by previous Program water acquisition and how this fits into larger discussions in the
190 Program about funding challenges. Merrill says Reclamation has the same concerns. Kenny said we are not
191 the only buyer in this market, in another we are, but this reflects market value in a competitive market.
192 Miller talked about the value of water in Nebraska and N-CORPE project water ended up costing about
193 \$350 acre-foot (compared to the \$150 per acre-foot in the WULA). LaBonde asked if this was a cost per
194 year. Miller said yes. The Program is now competing with entities like the NRD and other agricultural
195 interests. Sellers asked if we should wait a week to see what happens with water values through the
196 currently-open CNPPID market. Vogt said water values are increasing in Nebraska. The competition for
197 water has become substantial even with low corn prices. Brown said she appreciates this information but
198 the percentage cost increase from the previous agreement is enormous. Ament said there is concern among
199 the Signatories about having only what we can pay for. Suddenly, we are looking at 13 more years of the
200 Program but we don't know if we have enough money to do that. Brown said in the future a printed
201 justification for this type of increase would be useful, this was a surprise given the context of other financial
202 conversations.

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204 Kenny said this may be the best deal we can get; other water is going to be much more expensive. Merrill
205 said we also should keep our year-to-year cash flow in mind. What happens if we have another bountiful
206 year and we have to take it? Kenny said we will have to come back and ask the GC for more money. Merrill
207 said we may need language to help us avoid termination if we are cash short but still be able to work with
208 CPNRD in the future when and if the Program has more money. Merrill asked what the score associated
209 with this project would be. Kenny said it has not been scored yet. Merrill said it would be our second largest
210 water score in our portfolio. Kenny agreed. We could put a cap in the contract of something like an amount
211 of water or a budget (20,000 acre-feet or \$3M). Current commodity conditions suggest \$150/acre-foot is a
212 reasonable price for water in Nebraska for the Program.

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214 **GC Decision** – *LaBonde moved to approved the amendment; Berryman seconded. Czaplewski abstained.*
215 **Amendment passes.**

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217 **Meeting adjourned at 5:28 PM Mountain Time.**

**WEDNESDAY, DECEMBER 7, 2016**

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Welcome & Administrative

LaBonde called the meeting to order at 8:00 AM Mountain Time. The vote for GC chair will be later in the morning.

Public Comment

LaBonde asked for public comment. None offered.

Executive Session

Merrill moved to enter Executive Session; Fassett seconded. GC entered Executive Session at 8:02 AM Mountain Time.

Strauch moved to end Executive Session; Czaplewski seconded. GC ended Executive Session at 8:27 AM Mountain Time.

PRRIP Executive Session Motions

GC Decision – *Fassett moved to approve a payment in lieu of taxes to CNPPID for two parcels related to the J2 Regulating Reservoir project; Merrill seconded. Tax payment approved.*

Future Meetings & Closing Business

Upcoming GC meetings:

- GC Quarterly Meeting – **March 7-8, 2017** @ Kearney, NE
- GC Quarterly Meeting – **June 6-7, 2017** @ Cheyenne, WY
- GC Quarterly Meeting – **September 12-13, 2017** @ Kearney, NE
- GC Special Session (FY18 Budget) – **November 14, 2017** @ Denver, CO
- GC Quarterly Meeting – **December 5-6, 2017** @ Denver, CO

To Be Determined:

- GC Pallid Sturgeon Workshop – **July 2017** @ Denver, CO or Omaha, NE
- 2017 AMP Reporting Session – **October 17-19, 2017** @ Omaha, NE

GC Decision – *Fassett nominated Chris Beardsley as 2017 GC Chair and Fassett as 2017 GC Vice Chair; Berryman seconded. Beardsley and Fassett appointed.*

Meeting adjourned at 8:39 AM Mountain Time.

Summary of Action Items/Decisions from December 6-7, 2016 GC Quarterly Meeting

- 1) Approved the November 2, 2016 PRRIP GC Special Session Minutes.
- 2) Approved the FY17 PRRIP budget and work plan.
- 3) Approved the FY17 ED Contract.
- 4) Approved the Broad-Scale Recharge RFP and appointed Rabbe, Sellers, Berryman, Merrill, and Jeff Shafer (NPPD) to the Proposal Selection Panel with spots on the panel saved for representatives from Wyoming and Nebraska.
- 5) Approved the CPNRD WULA amendment.
- 6) Approved a payment in lieu of taxes to CNPPID for two parcels related to the J2 Regulating Reservoir project.
- 7) Appointed Chris Beardsley as 2017 GC Chair and Jeff Fassett as 2017 GC Vice Chair.