

# **Platte Basin Habitat Enhancement Project**

Meeting Minutes

North Platte, NE – Twin Platte NRD Office

November 13, 2009

**Call to Order and Attendance** – With a quorum present, Chairman Kent Miller called the meeting to order at 10:30 a.m. CST. Those in attendance were: Jennifer Schellpeper (Nebraska Department of Natural Resources), Ron Bishop and Mark Czaplewski (Central Platte NRD), Kent Miller and Ann Dimmitt (Twin Platte NRD), Rod Horn and Kyle Liebig (South Platte NRD), John Thorburn (Tri-Basin NRD), Ron Cacek and Tina Kurtz (North Platte NRD), and Emily Munter (Nebraska Game and Parks Commission). Miller reported that the PBHEP abides by the Open Meetings Act in conducting business and noted that a copy of the Act was displayed in the meeting room.

**Meeting Notices** – Chairman Miller reported that notice of the meeting had been published in the Grand Island, North Platte and Scottsbluff newspapers as required by law.

**Agenda Modifications** – Jennifer Schellpeper requested that an item be added to the agenda to address the matter of charges for water.

**Approval of Minutes** – Motion by Ron Bishop, second by Ron Cacek to approve the amended minutes of the September 14, 2009, meeting and minutes of the October 5, 2009 meeting as distributed prior to the meeting. Motion passed unanimously by roll call vote.

**Water Charges** – The group discussed rates to be charged for water, previously set at \$2500/acre-foot of depletions to the river. Given anticipated purchase rates of \$2500 and the need to cover additional associated legal and administrative fees, a 10% adder was discussed. Motion by Bishop, second by John Thorburn to set charges for water depletions to the river (e.g. for Department of Roads, others) be set at \$2750 per acre-foot saved to the river. Motion passed unanimously by roll call vote.

**Committee Reports** – Czaplewski reported on the activities of the Education and Outreach Committee, noting their work on the brochure and logo. They last met on October 9<sup>th</sup> and next meet on November 17<sup>th</sup>. Thorburn reported for the Habitat Management and Monitoring Committee, including their work drafting a general habitat management plan for conservation easements dealing with the conversion of irrigated cropland to grassland. They last met on September 18<sup>th</sup> and likely will next meet on November 24<sup>th</sup>. The Water Tracking and Accounting Committee report was provided by Kyle Liebig. They last met on October 1<sup>st</sup> and next meet on November 18<sup>th</sup>. He passed along a question from a Committee member regarding the development of a methodology of standardizing the frequency of irrigation use in the calculation of historic use and noted the Committee's general support for adoption of the 2 out of 5 year standard for irrigation use as used by the FSA. The administrators requested the committee bring a recommendation to them on the matter as well as a description of the pros and cons of the various options available.

**Legislative Special Session on State Budget Shortfall**- Schellpeper reported that the Governor's budget recommendation for the DNR includes a 2.5% cut for this year and a 5% cut for next year. DNR funds for PBHEP water acquisition of \$2 million remain intact. Czaplewski noted that Mark Brohman, NET Director, mentioned to him that the NET will also have reductions in operating funds. Brohman also noted that his guess was that this year's PBHEP funding will remain intact. Second year funding may be more tentative, and third year funding is questionable and might involve re-application. Apparently, other recipients of lottery funding are facing possibly significant reductions in funding. Chair Miller requested that this item remain on future agendas.

**Selection of Logo and Approval of Brochure-** Czaplewski reviewed the candidate logos provided by the Education and Outreach Committee. After discussing the alternatives, the group asked the Committee to develop and present another logo that incorporates components of various of the candidates including a version that does not include a circle or whooping crane, and includes an outline of the state of Nebraska with the PBHEP project area shown in blue against a white (rather than green) background, for the administrators to consider at the January meeting.

The draft general brochure was discussed. Tina Kurtz noted she will pass along a few minor editorial comments to Kay Grote, Chair of the Committee. Motion by Thorburn, second by Rod Horn, to approve the brochure (with Kurtz comments) as distributed, with the inclusion of the new logo to be selected at the next meeting. Motion passed unanimously by roll call vote.

**Tri-Basin NRD Request for Funding Assistance for Water Lease-** John Thorburn reviewed the Tri-Basin NRD proposal and responded to questions regarding the comparison of standard irrigation rates and rates negotiated for their lease, noting such differences as the permanent nature of irrigation rates versus an annual lease, and the lack of an effect of a water lease on local tax revenues. Thorburn emphasized the fact that the annual lease of surface water is not the only approach Tri-Basin NRD proposed to use to attain PBHEP goals and the goals of their Integrated Management Plan (IMP) and that this is but the first step in a series of anticipated longer term steps to address water issues. Thorburn explained that water they would lease from Central would come from cancelled water rights that Central NPP&ID can reassign as transfer water to be delivered at the J2 Return. Schellpeper noted the DNR does not have a problem with the concept of Tri-Basin NRD's approach, but did have concerns with regard to the fair market value of the water. She noted the DNR would likely run the matter passed an economist in their office for further review. The DNR will obviously, also need to address the matter of transfer of water rights. Schellpeper noted these additional reviews would be needed before they would be ready to cast a formal vote on the proposal. Thorburn explained that, if the entire 2500 acre-feet of water is delivered, they proposed the NRD and DNR would each contribute 40% of the cost of the water (i.e., \$70,000.00) and the NET would contribute 20% or \$35,000.00 of the \$175,000.00 total. General support for the proposal was expressed, but Thorburn was asked to develop a formal proposal package to be distributed in advance of the next meeting detailing the funding amounts, schedule and other associated procedures for funding. This detailed proposal package would act as the documentation to formally request DNR and NET funding, if advanced by the PBHEP administrators.

**Review of DNR "Straw Dog" Criteria Regarding Calculations of Water Savings-** Schellpeper reported the DNR continues to discuss the concepts of calculating water savings and noted four different approaches for assessing accretions to the river: 1) calculation of the economic value of water (to be initially calculated next year), 2) IMP annual evaluations of progress, 3) IMP calculations out to the 50-year marker, and 4) a more robust review conducted after the COHYST review (to be conducted in 2010). Schellpeper noted the process would generally involve the Crop Irrigation Requirement (CIR) values and try to be as similar as possible to COHYST values, although she noted that some possible COHYST limitations are a concern (e.g., SDF calculations on some perennial streams are not represented in COHYST). The group recommended a map be created by the Water Tracking and Accounting Committee showing these areas of known limitations that have an effect on SDF values. The DNR is still discussing their approach to addressing the economic value of water and consumptive use calculations, particularly on conversions of grasslands. A workgroup consisting of Ron Bishop, Kent Miller and DNR representatives was appointed and assigned the task of writing up a summary of the matter for review by the administrators. Schellpeper was assigned the task of scheduling the meeting of the workgroup.

**Review of PBHEP Checklist and DNR Comments-** Schellpeper reviewed comments DNR provided on the PBHEP General Checklist. The group agreed the Checklist would act as an administrative protocol in keeping with plans laid out in Section 6 of the PBHEP Interlocal Cooperation Agreement. Czaplewski

will redraft the Protocol incorporating the comments as reviewed and work with Central Platte NRD legal counsel to attempt to resolve outstanding questions. Chair Miller asked the Protocol review be included on the January agenda.

**Report on NET Reaction to Land Valuation Proposals-** Czaplewski reported on the October 23<sup>rd</sup> meeting with NET management related to the valuation of land covered under PBHEP conservation easements. The NET Board met on November 12<sup>th</sup> and addressed the matter. Brohman reported to Czaplewski that, after considerable discussion, their Board charged staff with addressing the issue. Brohman related that they support the dual valuation approach proposed by the PBHEP project which includes a combination of 1) use of summarized county assessor data and 2) the use of two appraisals per county. Brohman will be sending Czaplewski documentation of their decision.

**Central Platte NRD Request for Funding for Conservation Easements-** Bishop handed out materials to the group including examples of a Central Platte NRD conservation easement, a computed CIR offset worksheet, closing statement, city resolution, water bank aerial map, and water banking transaction worksheet related to one of the parcels Central Platte NRD has banked to date. Bishop also explained the associated spreadsheet provided in advance of the meeting, noting water banked from parcels prior to February, 2009 (for which he was seeking 50/50 DNR joint funding) and water acquired from parcels since February 1, 2009 (for which he was seeking 40% DNR and 20% NET joint funding). Bishop noted a recent discussion with Mark Brohman in which it was established that NET funding was eligible for PBHEP activities since February. Bishop emphasized that even though some of the individual parcels noted values over and some under the prices per acre established by the county assessor data developed, the important fact was that the averages of the parcels was well within the ranges of county assessor values calculated. General support for the proposal was expressed and, as was done with regards to the Tri-Basin NRD proposal, Bishop was asked to provide the administrators with a formal proposal detailing the values and documentation for the two sets of joint funding proposals in advance of the next meeting for action at that time. The group asked that the Water Tracking and Accounting Committee review the CIR offset worksheet for the example parcel presented by Central Platte NRD (i.e., Ruzicka parcel) and advise the administrators if any limitations exist that affect the amounts of accretions claimed to the river. This information would need to be provided to the Committee by December 3<sup>rd</sup> for the Committee's evaluation and response prior to the next administrators meeting scheduled for January 5<sup>th</sup>. The Committee was also asked to see if any areas of known limitations that have an effect on SDF values existed in the affected areas, which were not considered by COHYST. Chair Miller asked Czaplewski to develop a spreadsheet documenting for one and three years, the funds available, the requested funding for each of the NRD's involved, and the balance of funds available for each of the NRD's involved.

**Schedule Next Meetings-** The next two meetings have already been scheduled for January 5 and February 2, 2010. The meeting previously scheduled for March 2, was moved to March 1. Additional meetings were scheduled for April 7, May 5 and June 1, 2010, all meetings starting at 10:30 a.m. CST at the offices of Twin Platte NRD in North Platte.

**Adjourn** – The meeting was adjourned at 2:12 p.m.