

Platte Basin Habitat Enhancement Project

Meeting Minutes

North Platte, NE – Twin Platte NRD

January 31, 2012

Call to Order and Attendance – With a quorum present, Chairman Kent Miller called the meeting to order at 10:37a.m. Sponsors and Partners in attendance were: Kent Miller and Ann Dimmitt (Twin Platte NRD), Ron Bishop, Duane Woodward, Jesse Mintkin and Mark Czaplewski (Central Platte NRD), Rod Horn (South Platte NRD), John Thorburn (Tri-Basin NRD), Ron Cacek and Tina Kurtz (North Platte NRD), Jennifer Schellpeper, Doug Hallum, Heather Hurst and Mahesh Pun (Nebraska Department of Natural Resources) and John Heaston (The Nature Conservancy). A guest in attendance was Jerry Kenny (Platte River Recovery Implementation Program). Chairman Miller noted that the PBHEP abides by the Open Meetings Act in conducting business and that a copy of the Act was provided in the meeting room. Introductions were made.

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

Agenda Modifications – No changes were made to the agenda.

Approval of Minutes – Motion by Ron Bishop, second by Ron Cacek to approve the minutes of the October 3, 2011, meeting as distributed in advance of the meeting. Motion passed by unanimous roll call vote.

Committee Reports –

Education and Outreach Committee – No report.

Habitat Management and Monitoring Committee – No report.

Water Tracking and Accounting Committee – No report.

Financial Report – Czaplewski provided the financial report including a discussion of the PBHEP water acquisition budget spreadsheet (dated November 15, 2011) and the PBHEP Funding Summary spreadsheet (dated January 9, 2012) distributed in advance of the meeting. Czaplewski additionally reviewed a version of the Funding Summary (dated January 30, 2012) which included proposed funding of new items included on the meeting agenda including spring 2012 implementation of the DNR's Groundwater Recharge Demonstration Project, a spring 2012 implementation of the TPNRD/SPNRD's Re-Use Pits Recharge Demonstration Project, the NPNRD Gueck conservation easement, the SPNRD Terman and Frerichs conservation easements and the CPNRD conservation easement package #6. Should all of these projects and easements receive administrator approval, the total PBHEP funds either expended or committed would be \$14,635,378.77 (not including \$69,477 in funds related to the TBNRD implementation of fall 2011 DNR Groundwater Recharge Demonstration Project associated with the Central NPP&ID canal). A math error was also pointed out in the SPNRD values for proposed conservation easements. If new projects and easements are funded as proposed (and with corrections) the total PBHEP funds remaining would be approximately \$295,144. Given that a few large items previously approved for funding are estimates and not firm values, Czaplewski recommended that after actions to be decided later at this meeting, subsequent funding of projects and easements be deferred "until some of the dust settles" on PBHEP budgets. The consensus of the group was to slow the flow of new projects and easements for funding, particularly in light of a potential new source of funding in the Platte Basin Water Management Action Initiative now being

considered by the NET. The NET is set to announce 2012 grant recommendations at their board meeting on February 2 and award grants on April 5. The administrators emphasized the goal of eventually, fully utilizing available PBHEP funds from all sources.

NET Update –

Grant Extension – Czaplewski reviewed the October 21, 2011, request of NET for a one-year extension of the PBHEP grant and the NET's November 8, 2011, approval of that request. The revised expiration date of the grant is now June 30, 2013. Current plans are to request an additional one-year grant extension this fall to facilitate funding of such longer term projects as CPNRD's canal rehabilitation projects.

Request for Amendment of Conservation Easement – Czaplewski reported on the recent request of CPNRD for amendment of an existing PBHEP conservation easement which seeks to allow irrigation on a tract of land under easement in trade for retiring irrigation from a neighboring tract. CPNRD legal counsel is reviewing the matter in order to establish all necessary steps to be taken if such amendment is allowed by the NRD, DNR and NET. Such a trade may require compensation for administrative costs incurred by CPNRD and possible "incentives" required by NET in addition to water savings associated with the trade.

Collaboration with Platte River Recovery Implementation Program (PRRIP) – Jerry Kenny reported on the desire of PRRIP officials to collaborate with the PBHEP and the Platte Basin Water Management Action Initiative sponsors. Kenny requested PBHEP and PRRIP explore means to work together on both conservation easements and projects, particularly those located adjacent to the lower North Platte River and the central Platte River (PRRIP focus areas). PRRIP can bring funding resources that could be used to help incentivize our Programs and share our goals of saving water to the river. Kenny anticipates any cooperatively funded conservation easements or projects would be held by the local NRD involved. After some discussion, Chair Miller appointed a Workgroup consisting of John Heaston (chair), Czaplewski, Kenny, a NPNRD representative, and a DNR representative to be named to explore the possibilities and methods of collaboration with PRRIP. The Workgroup was asked to work to better define such a relationship, look for opportunities and processes to benefit river flow, document vehicles of institutionalizing such collaboration and provide a status report at the next administrators meeting.

DNR Ground Water Recharge Demonstration Projects –

Update on Fall 2011 Implementation – Schellpeper reported on the fall 2011 implementation of the Project referencing the table of Project diversions made and projected funds expended that was distributed in advance of the meeting. John Thorburn noted the table needs to be amended to include Project funding related to the Central NPP&ID supply canal valued at \$69,477.00. Including these TBNRD additions, Project dollars total \$238,587.00. Schellpeper will update and re-distribute the table documenting funding for the Project. Schellpeper will provide details on the measurement of associated recharge at the Platte Over-Appropriated Committee meeting to be held later in the day. All the canals involved except the Kearney Canal diverted for a full 30 days. Czaplewski requested copies of associated contracts and proof of payment for submittal to NET for reimbursement at the end of the current quarter.

Spring 2012 Implementation – Schellpeper reported on plans to repeat the Groundwater Recharge Demonstration Project this spring. DNR and the NRD's have again been working on finalizing new contracts with irrigation districts throughout the basin. DNR may pursue five-year agreements rather than the single-season agreements used in the past. DNR anticipates funding levels similar to spring 2011 levels. DNR has water rights in place for spring diversions and they will coordinate execution of related contracts. Motion by Cacek, second by Bishop to support the spring 2012 continuation of the Ground Water Recharge Demonstration Project as described by DNR with associated release of funds to SPNRD

and CPNRD from the other NRD's proportionate to their respective PBHEP water acquisition budget shares. Motion passed unanimously by roll call vote.

TPNRD/SPNRD Re-Use Pits Recharge Demonstration Project - Spring 2012 Implementation – Ann Dimmit briefed the group on the actions taken during the fall 2011 implementation of the Project and plans for repeating the demonstration this spring. A repeat of the Project this spring is estimated to cost approximately the same as last spring (i.e., \$6,500.00) with the likely addition of a few more pits at the cost of \$500.00/pit. Motion by Bishop, second by Thorburn to support funding of the spring 2012 implementation of the TPNRD/SPNRD Re-use Pits Recharge Demonstration Project estimated to cost \$7,500.00 with associated release of funds to SPNRD from the other NRD's proportionate to their respective PBHEP water acquisition budget shares. Motion passed by unanimous roll call vote.

North Platte NRD Funding Proposal - Gueck Conservation Easement – Cacek and Kurtz reviewed the NPNRD funding proposal distributed at the meeting for the Gueck conservation easement and requested its approval. The proposal includes funding levels of NPNRD \$80,400.00 (40%), DNR \$80,400.00 (40%) and NET \$40,200.00 (20%). The proposal includes an AWEP contract and Protocol Type 1 permanent groundwater irrigation retirement involving 167.5 acres of certified acres in Scotts Bluff County. Motion by Horn, second by Thorburn to approve the Gueck conservation easement proposal for submittal for reimbursement. Motion passed by unanimous roll call vote.

Cozad and Thirty-Mile Canal Rehabilitation Projects Update – Bishop provided a status report on the two canal rehabilitation projects. CPNRD has executed a lease agreement with the Cozad Canal Ditch Company. Phase 1 of the Cozad Canal rehab is underway on approximately 10 miles of the lower end of the system and includes tree and brush removal and reshaping of the canal. Contract work is being done by Ho Chunk Builders for a cost of \$551,801 and is scheduled to be completed by April of this year.

The CPNRD board approved an agreement to acquire 50 percent interest in the Thirty-Mile Canal. CPNRD is getting ready to send out a request for proposals for Phase 1 of the rehab which will consist of work on the lower 12 miles of the canal, primarily including tree clearing and grading. Contracts are to be awarded on February 23. Ideally, construction start-up will take place between March 1 and April 1 but, depending on biological survey results, construction may start in October 2012.

Schellpeper distributed a draft of the DNR's North Dry Creek Augmentation Project Agreement with TBNRD noting the document represents something of a template (similar in purpose to the PBHEP conservation easement templates) anticipated for execution in association with PBHEP projects. Such agreements would provide the State with a clear understanding of their relationship with the Project NRD. The agreement would be used to document project ownership, operations, funding, maintenance, and streamflow calculations. DNR's legal counsel are developing a similar agreement related to the Cozad and Thirty-Mile Canal Rehab Projects. The agreements are a component required to be in place prior to DNR reimbursements for projects under PBHEP.

South Platte NRD Funding Proposal – Terman and Frerichs Conservation Easements – Horn reviewed the SPNRD funding proposal distributed in advance of the meeting (and corrected at the meeting) for the Terman (AWEP qualified) and Frerichs conservation easements and requested its approval. The proposal includes funding levels of SPNRD \$40,720.00 (40%), DNR \$40,720.00 (40%) and NET \$20,360.00 (20%) for a total of \$101,800.00. The proposal includes Protocol Type 1 permanent groundwater irrigation retirements involving two parcels totaling 159.93 acres of land in Cheyenne County. Motion by Bishop, second by Schellpeper to approve the proposal for submittal for reimbursement with

associated release of funds to SPNRD from the other NRD's proportionate to their respective PBHEP water acquisition budget shares. Motion passed by unanimous roll call vote.

Central Platte NRD Funding Proposal – Conservation Easement Package 6 – Bishop and Czaplewski reviewed the Central Platte NRD funding proposal #6 distributed in advance of the meeting and requested its approval. The proposal includes funding levels of Central Platte NRD \$152,006.00 (40%), DNR \$152,006.00 (40%) and NET \$76,003.00 (20%) for a total of \$380,015.00. The proposal includes both Protocol Type 1 permanent groundwater irrigation retirements (4 tracts) and a single Type 2b project involving permanent retirement of surface water irrigation with the replacement by groundwater irrigation. The five conservation easements involved are calculated to result in the annual retirement of 142.7 acre-feet to the river. Motion by Schellpeper, second by Thorburn to approve the proposal for submittal for reimbursement, with associated funds to be released by the other NRD's proportionate to their respective PBHEP water acquisition budget shares. Motion passed by unanimous roll call vote.

Other – Czaplewski shared information recently provided by James Huntwork (NRCS-Grand Island) regarding the Ogallala Aquifer/Platte River Recovery AWEPP Project. Discussions included FY 2012 funding allocations, contracts, ranking systems, sign up dates, and practice payment schedules.

Next Meetings - Future meetings are scheduled for March 6, May 1, July 11, September 5 and November 14, 2012, all to start at 10:30 a.m. Central time and all planned to run coincidentally with Platte Over Appropriated Committee meetings scheduled on those same days.

Adjourn – The meeting was adjourned at 11:56 a.m.