

Platte Basin Habitat Enhancement Project

Meeting Minutes

North Platte, NE – Twin Platte NRD Office

April 7, 2010

Call to Order and Attendance – With a quorum present, Chairman Kent Miller called the meeting to order at 10:37 a.m. CDST. Sponsors and Partners in attendance were: Jim Schneider and Jennifer Schellpeper (Nebraska Department of Natural Resources), Ron Bishop, Duane Woodward, Matt Bohnenkamp 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), Thad Kuntz (North Platte and South Platte NRD's), Tim McCoy (Nebraska Game and Parks Commission), and John Heaston (The Nature Conservancy). A guest in attendance was: Don Kraus (Central Nebraska Public Power & Irrigation District). Miller noted that the PBHEP abides by the Open Meetings Act in conducting business and 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 – No changes were made to the agenda.

Approval of Minutes – Motion by Ron Bishop, second by John Thorburn to approve the minutes of the February 2, 2010, meeting as distributed in advance of the meeting. Motion passed unanimously by roll call vote.

Nebraska Environmental Trust Update – Mark Czaplewski reminded Sponsors and Partners that documentation of cash and in-kind contributions for the January-March quarter are to be submitted to him by April 15, 2010, for transmittal to the NET. Czaplewski noted that the NET approved 2nd year funding of \$725, 000 for PBHEP at their meeting on April 1, bringing total NET funds available to \$2,000,000.

John Heaston attended the recent NET meeting and reported on discussions they had regarding the use of conservation easements, noting that several counties voiced strong opposition to their use. Heaston provided a brief review of various legal and technical aspects of easements as laid out in Nebraska statutes. The group discussed the need to reach out to county officials to clarify the utility and need for conservation easements and potential unwanted consequences should their use be restricted or eliminated. A committee comprised of John Thorburn (chair), Kent Miller and John Heaston was formed and directed to work with county officials and such organizations as the Nebraska Association of County Officials to relate our support for the ongoing use of conservation easements. The committee will contact the NARD for possible assistance as appropriate.

Financial Report – Miller and Czaplewski provided a financial report, including a roll-up of in-kind and cash contributions through the previous NET quarterly report, and 3-Year overall budget status. A format for tracking budgets and expenditures was discussed. Financial reports will be distributed in advance of meetings as appropriate.

Committee Reports –

Education and Outreach Committee - Czaplewski reported on the activities of the Education and Outreach Committee, noting their most recent meeting on February 10, 2010, including development of a PBHEP website, at least initially to be hosted on the Central Platte NRD website. Once the website is up and running, Czaplewski will distribute link information.

Habitat Management and Monitoring Committee - Thorburn reported the Committee hasn't met since the last meeting of the administrators.

Water Tracking and Accounting Committee - Kyle Liebig reported the Committee last met on March 10, noting their focus was work related to the draft DNR "straw dog" and CALMIT remote sensing data correction and 2010 acquisition. Liebig requested administrator direction regarding moving forward with fixing a data shift on the 1997 land use product and addressing a issues related to classification of vegetation type and practice. The administrators discussed which entity or group is most appropriate to address such matters and concluded that, even though the matter related to PBHEP, basin and individual NRD IMP's, and the Platte River Recovery Implementation Program (PRRIP), it is most appropriate to coordinate the work through the PBHEP, and fund such work separately by the 5 basin NRDs and the DNR and not from PBHEP funds. Matt Bohnenkamp will lead the effort working with Duane Woodward and Rich Holloway and coordinating the effort with the Water Tracking and Accounting Committee. Bohnenkamp anticipated developing a scope of work and associated RFP being sent out in May to at least two capable companies, and requesting proposals back in June, 2010. This work may also need to be coordinated with the PRRIP Water Advisory Committee.

Woodward reported on plans for 2010 CALMIT data gathering an analysis similar to work done in 1997 and 2005, including the need for ground truthing this coming growing season. The Water Tracking and Accounting Committee has been working with a CALMIT-UNL consortium to provide the data, given that CALMIT working alone doesn't have sufficient manpower to accomplish the task. Preliminary estimates are the task would take 18 months and approximately \$295,000 to complete (not including ground truthing to be accomplished by the individual NRD's). In order to accomplish the task by this summer, a ground truthing protocol needs to be developed and approved as soon as possible. The need for this data and analysis has been discussed in COHYST meetings. Given the timeframe and expertise involved, the Committee has not sought other proposals and requested administrator guidance with how to proceed. The group discussed the utility of low-level color infrared (LLCIR) imagery some NRD's are already pursuing and noted the need for consistency and comparability with past and future efforts as dictated in the IMP's. Don Kraus (COHYST chair) noted a case could be made for this work to be undertaken as part of the COHYST effort, but a framework would need to be developed to deal with both groups needs. The North Platte and South Platte NRD's may not need such a work product given their water monitoring via metering. The Central Platte and Twin Platte NRD's are moving forward with LLCIR efforts. The Committee was directed to deal with the matter, trying to accommodate the needs of the various NRD's, PRRIP needs, and making sure that work products are compatible with 1997 and 2005 work. The Committee was directed to investigate the least expensive and best option and to move forward with getting it done for 2010. It was recommended to get a quote from another capable company. The Committee is to coordinate associated protocol development, field work and ground truthing with DNR and the individual NRD's. The Committee was also asked to bring back a recommendation on how best to accomplish and fund this work in the long-term.

Ad Hoc Workgroup for Review of DNR "Straw Dog" – Jim Schneider discussed Workgroup's two meetings to develop the draft "DNR Proposed Protocol for PBHEP Funds" that is being recommended for approval (April 6th draft distributed in advance of the meeting). The Protocol lays out overall guidelines for payments associated with PBHEP-related irrigation retirements dividing them into two types (Type 1-permanent reductions in consumptive use, and Type 2-non-permanent reductions in consumptive use). Schneider explained his hope that such a procedure for payment could act as an overall PBHEP Protocol for projects providing both long-term and short-term benefits, including water leases and funding for such practices as replacing surface water irrigation with groundwater irrigation (Type 2A). The Protocol lays out DNR payment levels based on regional values developed and regularly updated by UNL (with 10% adder)(Tables 1 and 2). Schneider emphasized the need to "catch up" on depletions to the river which have occurred. Payments for Type 2 applications would be capped at 50% of the overall PBHEP

budgeted amounts for the NRD's. Table 3 of the Protocol is a guide for definition of depletion zones and associated Type 2 discount factors. Schneider noted these zones are a starting point to work from, with each NRD working through the Water Tracking and Accounting Committee and the DNR to incorporate local knowledge and particulars into finalizing the mapping of the zones. The Protocol is not intended to preclude other types of projects which may need to be addressed individually by the administrators, but expedite projects that fall into the Protocol's guidelines and criteria. If projects fall into Protocol guidelines, only funding levels would need to be individually addressed by the administrators. The Protocol does not address what hydrologic offset or savings is involved, but gives guidance on what the DNR is willing to pay. It may also provide the NET with payment guidance, although its levels of compensation are based on regions rather than counties. Type 1 projects in over-appropriated areas would be funded at 100% and discount factors would not apply. A few minor editorial changes were made to the April 6 draft Protocol. The Water Tracking and Accounting Committee was directed to finalize zone maps working with DNR. Motion by Bishop, second by Thorburn to approve for trial purposes the April 6, 2010 "Protocol for PBHEP Funds" with edits provided at the meeting and subject to finalization of the zone maps by the Water Tracking and Accounting Committee and DNR. The Protocol will be adjusted in the future as needed by the administrators. Motion passed by unanimous roll call vote. Jennifer Schellpeper was asked to incorporate editorial changes and distribute a final version of the trial Protocol.

Tri-Basin NRD Request for Funding Assistance for Water Lease – Thorburn discussed this project which was detailed in earlier meetings and requested its approval. The proposal is for funding assistance for leasing surface water irrigation rights from Central NPP&ID on an "as available" basis for a one year period commencing in 2010. The funding agreement proposes funding levels of Tri-Basin NRD \$78,000 (40%), DNR \$78,000 (40%) and NET \$39,000 (20%) for a total of \$195,000 (actual reimbursements needed may be less and would be "not to exceed amounts" depending availability of water and DNR decisions regarding the transfer of water rights). Application to DNR for the associated water rights transfer is in the works. It is understood that, given the non-permanent nature of the project and given some of the surface water irrigation involved will be replaced with groundwater irrigation, this is considered a Protocol Type 2A project. Motion by Bishop, second by Schneider to approve funding for the project as presented, subject to finalization of the Protocol zone maps. Motion passed by unanimous roll call vote.

Central Platte NRD Request for Funding for Conservation Easements – Bishop reviewed the proposal for funding which was detailed in earlier meetings and requested its approval. The proposal includes funding levels of Central Platte NRD \$304,452 (40%), DNR \$304,452 (40%) and NET \$152,226 (20%). The proposal includes both Protocol Type 1 permanent groundwater irrigation retirements and Type 2A projects involving permanent retirement of surface water irrigation with the replacement by groundwater irrigation. Motion by Thorburn, second by Cacek to approve funding for the project as presented, subject to finalization of the Protocol zone maps. Motion passed by unanimous roll call vote. Tim McCoy noted that it would be worth explaining to the NET the science behind the direct live stream water saving in such Type 2A conversions.

Central Platte NRD Water Acquisition Proposal – Bishop reviewed two new projects Central Platte NRD is considering for enhancing flows to the river in an effort to receive an initial reaction from the administrators. One type of project would either involve the use of drain tiled cropland or low capacity groundwater pumping from cropland with consistently high water levels to enhance cropping and provide stream flow. The areas primarily involved are in the Lexington to Elm Creek area and generally north of the Platte River, but additional areas in Hall County may institute dewatering projects. Some of these areas are being looked at by the PRRIP as part of the Water Action Plan projects for the same general purpose. McCoy and Heaston noted possible concerns if wetland or wet meadow areas would be

drained, but it was explained these projects would involve existing croplands. Thorburn noted that pending Nebraska legislation would provide that Water Cash Funds could be used for such projects.

A second type of project would be a retiming project involving purchase of part of the surface water rights from an irrigation district and converting irrigation to groundwater, similar in many ways to tri-Basin NRD's current annual lease project, but done on a permanent basis. Possible funding for both types of projects were generally supported, but additional site-specific details would need to be evaluated..

South Platte NRD Funding Proposal – Horn reviewed the South Platte NRD proposal for a reimbursement request in the amount of \$22,990.85 from PBHEP for 62.6 acres concerning decertified irrigated acres under the Adamson parcel involving a conservation easement acquired west of Bushnell in Kimball County. The information was distributed in advance of the meeting (detailed handouts were also provided). The conservation easement was filed with the Kimball County Clerk on September 22, 2009. In this case, surface water rights were relinquished and ground water irrigated acres were permanently retired. The proposal includes funding levels of South Platte NRD \$15,327.24 (40%), DNR \$15,327.24 (40%) and NET \$7,663.61 (20%) and EQIP funding is also involved. The proposal is a permanent, Protocol Type I project. The funding per acre of land was calculated to be approximately \$612/acre, well under the value denoted in the Protocol. Motion by Bishop, second by Cacek to approve funding for the project as presented, subject to finalization of the Protocol zone maps. Motion passed by unanimous roll call vote.

Other – The group discussed the questions that continue to arise regarding PBHEP involvement in issues that cross over between other efforts (e.g., IMP's, New Depletions, PRRIP, COHYST) and the possible need for another group to work as go-betweens. The consensus of the group was that another entity dealing with these cross-over issues would only further complicate these matters and that our Interlocal Cooperation Agreement provided for such coordination and cross-over by PBHEP.

Miller and Czaplewski briefly discussed a recent Federal Register notice and request for proposal for AWEF. DNR will be working with NRCS representative to finalize the Nebraska proposal and submit it in advance of the May 17th deadline. Approximately \$20.1 million are contained in the national budget for projects. NRD's were encouraged to submit letters of support and the administrators will consider formal action to support the proposal at next month's meeting.

Next Meetings- Future meetings have already been scheduled for May 5 and June 1, 2010 (starting at 10:30 a.m. CDST) and July 6 (1:00 p.m. CDST start), August 3 (10:30 a.m. CDST start) and September 7, 2010 (1:00 p.m. CDST start) with all meetings being held at the offices of Twin Platte NRD in North Platte.

Adjourn – The meeting was adjourned at 1: 54 p.m. CDST.