# Payette River Basin, State of Idaho
# Water District No. 65

Chairman: George McClelland
Vice Chairman: Dan Surmeier
Secretary: Jim Standley
Watermaster: Ron Shurtleff

102 North Main Street
Payette, Idaho 83661

Phone: 208-624-4465
Fax: 208-642-1042
E-Mail: waterdist65@srvinet.com

## 2008 Annual Meeting, Water District No. 65

**Date:** January 10, 2008
**Time:** 1:00 p.m.
**Location:** USDA Service Center, Emmett, Idaho

**Attending:** Joy Sisler, Marcia Herr, Holly Hoff, Bob Henggeler, Marc Shigeta, Jim Standley, Dennis Heaps, Ron Mio, Dick Hamilton, Dan Surmeier, Doyle Fackler, Dennis Lammey, C. Eugene Parks, Ed Klinker, Bill Rieser, Chuck Pollock, Maynard Potter, Norman Collinsworth, Roy Maxwell, George McClelland, Jim Hutchins, Ricky York, Kris Maxwell, Roy Barnes, Claude Bruce, Ken Mineard, Mike McEvoy, Jamie White, Recording Secretary and Watermaster Ron Shurtleff

**Guests:** Brian Sauer, Water Conservation Engineer P.E., USBR; Liz Cresto, Technical Hydrologist, Idaho Department of Water Resources; Jerrold Gregg, Area Manager, US Bureau of Reclamation, Tim Folke, CPA, CMA, PC; Norman Semanko, Executive Director, Idaho Water Users Association.

Chairman George McClelland welcomed all members present and introduced the guests in attendance. As the members were reviewing the minutes, Chairman McClelland read the description of exactly what a Watermaster is and what his duties consist of.

**Minutes:** The 2007 Annual Meeting minutes were presented in written form to all persons in attendance by Watermaster, Ron Shurtleff. Chairman McClelland asked if there were any additions or corrections to be made to the minutes. **Dennis Lammey moved, Joy Sisler, seconded to approve the minutes as presented. Motion Carried.**

**Financial:** Chairman McClelland introduced Mr. Timothy Folke, CPA to present the Audited Financial Statements for Water District #65. Mr. Folke reported that he had audited the basic financial statements of the Water District No. 65 as of the year ending December 31, 2007. And that he had conducted the audit in accordance with the standards generally accepted by the United States Government auditing Standards. Mr. Folke reported that no instances of noncompliance material to the basic financial statement were disclosed during the audit. Reviewing the statement of net assets, Mr. Folke pointing out the bulk of the $900,440 total assets, are held in the State Investment Pool. He then reviewed the Statement of Activities and pointed out that the District had reduced their net assets in the 2007 year by $18,749. Mr. Folke also pointed out that the budget that had been approved for 2007 had specified in it to reduce the net assets and that Ron is very diligent in staying within the original budgeted restraints. Mr. Folke concluded by stating that the financial reporting requirements of the District involve accounting for numerous transactions, contracts and agreements. And that no significant audit adjustments were required of the accounting records. The District is to be commended for such

performance and it is fortunate to have a Watermaster who is competent in accounting skills as well as having modern office facilities that allow it to conduct its affairs in a professional and businesslike manner. Mr. Folke then asked if there were any questions about this audit report. **Hearing none, Michael McEvoy moved and Dennis Lammey seconded, to accept the audited report presented by Mr. Tim Folke. The Motion Carried.**

**Issues Update:**

Chairman McClelland introduced Mr. Norman Semanko, Executive Director of the Idaho Water Users Association to update the members on the status of the issues that will be confronting the water users during this upcoming season. Norm gave a brief explanation of how the Idaho Water Users Association appoints its directors and how the different areas of the state are represented. He also reported that he has been working with Mark Limbaugh, who is now a private lobbyist, and is currently helping to represent Idaho with congressional legislation that may be needed to thwart Judge Reddens threats to take control of the river systems.

Norm reported that Idaho Water Users are supporting several bills before the legislature this year. One bill would alter the requirement of reporting the results of an election and make it easier to comply in the event that the Monday following an election might land on a holiday. Another topic is the use of surface water instead of ground water for urban irrigation, this bill would require in accordance to the Planning and zoning code, surface water should be used first, before tapping into ground water sources. This bill would make it easier for subdivisions to qualify as a Local Improvement District in order to get retrofitted into a water district. Norm also addressed the subject of additional water storage space. This is a long standing topic and Idaho Water Users Association support efforts to study and consider new water storage. Norm stated he is working in conjunction with Dave Tuthill and the Farm Bureau, and that several projects are being talked about to include the possibility of rebuilding the Teton Dam. There are many hurdles to regard to when it comes to dam construction such as feasibility and impact studies, flood control and water supply. IWUA will continue to work the Governors Office, IDWR, other State Agencies; the Idaho Farm Bureau Federation and others that may be interested in keeping the dialog moving forward.

Norm reported the status of the Biological Opinion Remand Order by Judge Redden. Norm reminded us that Judge Redden had struck down the 2006 BiOp saying that it did not go far enough to protect the salmon. The judge said in his remand order that it might take an additional one million acre-feet of water from the Snake River system to save the salmon. Norm reported that the Idaho Water Users Association is working in conjunction with the Coalition of Idaho Water to produce evidence that the BiOp does protect the fish and that there is no scientific evidence to support the claims of the environmental groups that are prodding the judge towards his actions. Norm stated that right now it has been pretty quiet. The final draft biological opinion is due by March 18, 2008. The Federal Instream Coalition submitted their comments earlier this month, they stated that sending additional water downstream, like the environmentalist are wanting, would not be of any beneficial use in supporting fish survival. Norm pointed out that the Nez Perce Tribe is separated from the other tribes that may support the environmental actions. They stand to

loose everything that was promised in the Nez Perce Agreement if the judge throws it all out, as he has threatened. NOAA Fisheries, US Fish and Wildlife, USBR, The Nez Perce Tribe and the State of Idaho are talking and seeking to come to an agreement. If a deal can be reached the environmentalists will have the wind knocked out of their sails, but if we can't, we may be in for a big fight. Norm also said the Federal Services have requested an extension of 45 past the March 18th deadline to respond to comments received and to respond back to those who commented.

**USRB Water Report**

Chairman, McClelland then introduced Mr. Brian Sauer, U.S. Bureau of Reclamation. Mr. Sauer started off with a Power Point presentation of the Payette Basin Runoff at Horseshoe Bend; it showed that for 2007, we were 62% of the 1971-2000 average at 1,123,000 AF from March thru July. Cascade inflows were 63% of the average and Deadwood at 71%. He used the teacup diagram to display the reservoir capacities, showing Cascade at 64% full and Deadwood at 42% full. He also used a chart to show that even in 2002, when Cascade started out far below normal we still managed to get it full, and feels with this good start to 2008 we should have no problem filling this year. As of January 8, 2008, Cascade might expect runoff at 113% of the 30-year average. Brian informed the members that there was a new sediment study conducted on the Deadwood Reservoir, which indicates a reduction in total capacity from 161,900 AF to 154,000 AF. Brain concluded with a current snowpack report, as of January 8, 2008, we were at 86% of the 30-year average. Several SNOTEL charts were shown including Sesech Summit, Big Creek Summit, Deadwood Summit and Jackson Peak, all of which are looking pretty good so far. Brian provided a three month outlook temperature and precipitation probability chart. It shows for the first time in quite awhile, we are forecast to have below normal temperatures and above normal precipitation for the next three months.

Chairman McClelland then introduced Mr. Jerrold Gregg from the Bureau of Reclamation. Mr. Gregg reported that the Bureau is wrapping up the "Managing for Excellence" program, this plan outlines 41 objectives where that Bureau of Reclamation might respond to directives designed to improve Bureau operations. The intended result is to reduce the timeframe for identifying and addressing the specific 21st Century challenges Reclamation must meet to fulfill its mission of managing, developing, and protecting water and related resources in an environmentally and economically sound manner to the best interest of the American public. He stated that the plan is to be better in the future, then when this program was first initialized. Mr. Gregg reported that Regional Manager Bill McDonald is working directly with Commissioner Robert Johnson to implement the program as well as several others members of the regional staff which are on decision making teams. A final report will be completed within the next couple of months. He also reiterated that if there is any interest in applying for the Bureau's Water Conservation Cost Share incentive assistance that applications should be submitted as early as possible since once again the budgets are tight.

**2007 Year in Review:**

Chairman McClelland introduced Mrs. Liz Cresto, Technical Hydrologist for the IDWR. Liz gave a summary the 2007 water season. She stated that despite the fact we had a below average snowpack and runoff occurred a month early, we were still able to fill the reservoirs. She provided the Brundage Reservoir SNOTEL chart with the snow water equivalent; it showed we were right on track with the average water content. She then reviewed the definition of natural flow, which is the flow expected in the river if there were no reservoirs, she showed that in 2007 the Horseshoe Bend flow was below average. Liz reported that once a month a reconciliation report is conducted which double checks the computer mode to the actual content in the reservoirs. She took the total storage for 2007 of 909,602 acre feet subtracted from the total storage used of 448,663 acre feet for a model current storage of 460,393 acre feet. The actual reservoir contents of 457,458 acre feet are then subtracted for an averaging error of 3,481 acre feet. The averaging error is the difference between the model results and the physical content of the reservoirs. It should range between 0-7,000 acre feet in a system of this size. She then reported Deadwood carryover for the year is 76,684 acre feet and Cascade carryover is 239,052 acre feet.

**Watermaster Report:**

Chairman McClelland asked Ron Shurtleff to give the Watermaster Report for the 2007 water season. Ron gave presentation showing the effects of the short water season and how the reduction in natural flow was compensated for with the consumption of additional storage water beyond the normal. Ron reported that irrigators had consumed 254,213 acre feet of stored water. Black Canyon Irrigation District consumed 180,542 AF, Emmett Irrigation 50,846 AF, Farmers Co-op 11,517 AF, Letha Irrigation 2,387 AF, Rental Pool Users at 7,116 AF, and other users had consumed 1,805 AF, The storage water carried over however turned out to be better than could have been predicted earlier, during the hot part of the summer. The irrigation companies and district managed to hold 75,742 AF of their own water to help with the next season fill. Black Canyon Irrigation District shut their system down a few days earlier than normal to help preserve a better carryover amount and the late season fill that resulted from a wetter than normal October helped obtain a better position for next year. Ron pointed out that 93% of the storage water managed by the Lake Reservoir Company was placed to a beneficial use this past season. Total operational losses were kept minimal at 8,210 AF and shared equally by the Bureau of Reclamation and the Irrigators at 4,105 AF each. Ron then reviewed the rental pool leases, out-of-basin rentals were as follows; Farmers Co-op, 25,000; Noble Ditch, 9,947; Lower Payette, 9,947; Lake Irrigation District, 1,106 for a total of 46,000. Emmett Irrigation leased 8,500 acre-feet of in basin water. Flow Augmentation contributions consisted of USBR Un-contracted, 95,000 and Irrigators leased 46,000 for a total of 141,000 acre feet.

Ron reported on the Cost Share Incentive Program. He stated the Water District approved $100,000 budget for water management projects and when all projects are complete the entire budgeted amount will be applied to the projects. The Water Quality improvement incentive budget was set at $10,000. There were seven water management

projects, three water quality projects and one mapping project. He then showed several pictures of the projects which had been completed and two that are still in progress.

**Nominations Committee:** Chairman McClelland is also the Chairman of the Nominations Committee. He stated that the Nominations Committee had conducted a meeting in December and had agreed to present the following names as candidates for the officers of the Water District; for Chairman / Treasurer, Dan Surmeier; for Vice Chairman, Jim Standley. For the position of Secretary the committee had submitted Chad Henggeler as the single nominee, however the committee has since been approached with additional suggestions and the result is that there are now two candidates running for the position of Secretary. Mr. McClelland asked if there were any further nominations to come form the floor. **Maynard Potter moved that the nominations cease, and that the names for Chairman and Vice-Chairman submitted by the nominations committee be accepted and presented in Resolution No. 6. Dennis Lammey seconded the motion and the motion carried.**

**C. Eugene Parks moved that the nominations cease for Secretary and to conduct a secret ballot vote to determine the person that will be presented in Resolution No. 6 for secretary of the District, Holly Hoff seconded the motion and the motion carried.**

Chairman McClelland explained that it is necessary to conduct a vote by ballot for the two secretarial candidates. He instructed the members to tear the prepared ballot sheet from their packets, circle the name of the candidate of their choice and to hand the ballot to one of the committee members. **The votes were counted and Mr. Doyle Fackler was chosen to be presented in Resolution No. 6 for the position of secretary.**

**Budget Committee:** Chairman McClelland introduced Mr. Michael McEvoy, Chairman of the Budget Committee. Michael reported that the committee had conducted a meeting and prepared a proposed budget. The budget was then presented to the advisory board during the December meeting. The entire Advisory Board also worked with the budget and agreed to present the proposed budget as included on page 46 of the packets to be submitted as attachment A to the Resolution No. 2. Mr. McEvoy read through each item in the proposed budget and pointed out any significant change and the reasons justifying the changes. Chairman McClelland then asked if there were any questions or suggested alterations to the budget. Ron Shurtleff pointed out that the budget as proposed indicates that the district will have expenses in excess of revenues to the amount of $55,455. This is an increase above the amount proposed in the 2007 budget mainly because the District is proposing to pay the Idaho Water Users Association dues for all entities in the Payette Basin water accounting system as described in the new Resolution No. 15. After some discussion, **Dan Surmeier moved to accept the budget as presented by the Budget Committee and to submit this budget as Attachment A to Resolution No. 2. Bob Henggeler seconded the motion and the motion Carried.**

**Resolutions:** Chairman McClelland directed everyone's attention to the Resolutions portion of the meeting packets. He then asked Watermaster, Ron Shurtleff to read the resolutions and point out any additions or changes to the resolutions as they were accepted at the last

Annual Meeting. Ron reported the one change is the addition of Resolution No. 15 which authorizes the use of District funds to pay Idaho Water Users Association Dues for all entities that are included in the Payette Basin water accounting system. He further reported that there are no other material changes to the resolutions aside from the new proposed budget that was presented in the Budget Report and submitted as Attachment A to Resolution No. 2 and the new officers list as proposed by the nominating committee and presented as Attachment B to Resolution No. 6. Ron also pointed out a few changes in the list of Advisory Board Members to include the resignation of Duane Pancheri, and the addition of Dennis Heaps as an alternate to represent Black Canyon Irrigation District. Ron also pointed out that his name appears in Resolution No. 3, to be re-elected to serve as Watermaster for Water District No. 65 during 2008. Ron asked if there were any questions or suggested alterations to the Resolutions. Dennis Heaps suggested that in Resolution #11, the mileage rate for necessary travel to and from District meetings should be adjusted from $.30 to .$45 per mile to better reflect current transportation expenses.

**Chuck Pollock moved and Mike McEvoy seconded to accept all Resolutions No. 1 through No. 15 as amended and added with their adjoining attachments for the upcoming 2008 season and the Motion Carried.**

**Adjournment:** Chairman George McClelland asked if there was any further business that should be considered at this annual meeting. Chairman McClelland thanked everyone for attending and invited everyone to stay for the Payette River Water Users Association meeting that will convene after a short break. Chairman McClelland declared the meeting adjourned.

Respectfully Submitted

Ron Shurtleff, Watermaster

Jamie White, Recording Secretary