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DEPT. OF WATER RESOURCES
SOUTHERN REGION

ANNUAL WATER USERS MEETING

January 11, 2005

WATER DISTRICT 37, BIG WOOD RIVER

WATER DISTRICT 37M, LITTLE WOOD RIVER AND SILVER CREEK

ITEM #1 CALL TO ORDER

Watermaster Kevin Lakey called the Annual Water Users meeting, held at the Old Hailey Courthouse, for Water District 37, Big Wood River and Water District 37M, Little Wood River and Silver Creek, to order at 1:38 p.m. on January 11, 2005. After thanking everyone in attendance for coming, he asked for nominations for a chairman.

ITEM #2 SELECTION OF CHAIRMAN

Fred Brossy made the motion that Rob Struthers chair the meeting for the January 11, 2005 annual waters users meeting. Bud Purdy seconded the motion. The motion passed unanimously.

ITEM #3 SELECTION OF SECRETARY

Chairman Struthers asked for nominations for secretary. Lynn Harmon nominated Cyndi McCowan as the Secretary of the January 11, 2005 Annual Water Users meeting. Dave Cropper seconded the motion. The motion passed unanimously.

ITEM #4 APPOINTMENT OF CREDENTIALS COMMITTEE

ITEM \$5 REPORT OF CREDENTIALS COMMITTEE

Chairman Struthers asked for comments on Items #4 and 5. Bud Purdy moved to dispense of the credentials committee and the report of the credentials committee for the January 11, 2005 annual water users meeting. Brett Bashaw seconded the motion. Chairman Struthers asked for discussion concerning the credentials committee and report. There was no discussion. The motion passed unanimously.

ITEM #6 APPROVAL OF THE MINUTES FROM THE 2004 ANNUAL MEETING

After everyone in attendance had a chance to read the 2004 minutes, Chairman Struthers asked for additions or corrections. Gary Osborne made the motion to accept the minutes from the 2004 annual meeting held on December 2, 2003, as presented. Greg Lierman seconded the motion. Chairman Struthers asked for discussion of the 2004 minutes. There was no discussion. The motion passed unanimously.

ITEM #7 ADOPTION OF THE 2005 DISTRICT 37 BUDGET

Chairman Struthers asked for comments concerning the 2005 District 37 Budget. Gary Osborne asked if Watermaster Kevin Lakey would tell the group about any changes in the 2005 budget over the 2004 budget? Watermaster, Kevin Lakey discussed with the group the idea of the IDWR helping to fund ½ of the Above Magic rider's salary. Kevin stated that David Tuthill, Bureau Chief for the ESPA (Eastern Snake Plain Adjudication) had given verbal commitment for \$12,500 as contract labor for the states portion of the deputy's wages. His duties for the state would include GPS Research for Diversions and Tributaries. The contract labor portion of the position would be paid through the Soil Conservation Service of Blaine County.

Since that portion of the position is contract labor there would be no Social Security, Retirement or Insurance benefits. Kevin explained that the advisory board felt that could be a conflict of interest in the job required by the district and the job required by the IDWR. Kevin went on to explain that District 37 would be funding a full time year round Above Magic rider, the pay the first year to be \$25,000 plus benefits, of that, the Big Wood Canal Co had committed to pay ½ of the salary and benefits up to \$17,000. The increases in health insurance costs, employer PERSI contributions and higher fuel expenses were also major contributors to the increase in the 2005 budget. Kevin also stated that some additional monies had been budgeted for both Districts to fund a GPS system and a new computer, if need be. Dave Cropper moved to accept the 2005 District 37 Budget. Joe Pavko seconded the motion. Chairman Struthers asked if there were any other comments. There were none. The motion passed unanimously.

ITEM #8 ADOPTION OF THE 2005 DISTRICT 37M BUDGET

Chairman Struthers asked for comments concerning the 2005 District 37M Budget. Watermaster Kevin Lakey told the group that the same increases in health insurance costs; employer PERSI contributions and higher fuel expenses were also major contributors to the increase in the 2005 budget that applied to the District 37 budget. Watermaster Kevin Lakey told the group that this (2005) year would be the final payment to the Canal Companies for the Silver Creek Loan. Other funds added to the budget included \$2500 for additional Silver Creek Expenses for 2005. Fred Brossy asked Kevin to explain to the group about the \$5000 shown in the budget for the Savings Reimbursement. Kevin explained that the 2004 Silver Creek Expenses had not been budgeted high enough to cover those expenses therefore running the district out of its recommended carryover by the auditors. The Auditors recommend that District 37M have a carryover of approximately \$10,000. The Savings Reimbursement was added to bring the budget up to this amount. It was noted that it might take several years to get the carryover up to a number they thought appropriate. Bud Purdy asked if the \$2500 would be enough money to pay the 37M restoration costs for 2005? Watermaster, Kevin Lakey explained that Trent Stumph of Sawtooth Environmental is working for the District on the restoration portion of the project for the EPA. The discussion continued concerning the permits needed for the maintenance of Silver Creek. Kevin explained that Water District 37M is acting only as an accounting agency and not as a canal company and cannot do its own maintenance work on Silver Creek. Bud Purdy told the group that he has been in contact with Guy Boniver concerning the permits for the maintenance. Bud told the group that Mr. Boniver had done work for him in the past. Discussion followed. It was felt that the \$2500 should be a satisfactory amount for this year. It is going to take some time to develop a suitable plan for the permit. It would be difficult to budget an amount until that time when the plan would be set in place and that would probably not be until 2006. If need be and the budgeted \$2500 was not enough to cover the Silver Creek Expenses, District 37M would need to borrow the additional funds from District 37. Bud Purdy told the group that the Advisory Board had taken upon itself to make the decisions concerning the continued progress on Silver Creek. Chairman Struthers asked if there were additional comments? There were none. Gary Osborne made the motion to accept the 2005 District 37M Budget. Fred Brossy seconded the motion. There were no more comments. The motion passed unanimously.

ITEM #9 ADOPTION OF THE RESOLUTIONS FOR DISTRICTS 37 AND 37M

Chairman Struthers asked for comments concerning the resolutions. Watermaster Kevin Lakey, commented that Resolution #6 needed to be changed to extend the service of the Above Magic rider for a full year term. Gerald Bashaw moved to accept the resolutions with the exception that Resolution #6 be held out for discussion. Dave Cropper seconded the motion. The motion passed unanimously. Watermaster Kevin Lakey, told about the anticipated changes to the Above Magic ride, stating that the duties would need to be expanded to include more time on the job and research, do to the state adjudication. Chairman Struthers stated that the fieldwork could be done during the irrigation season and research could be done during the off-season. Fred Brossy remarked that the position needed to be on a one-year trial basis. Greg Lierman made the motion that Resolution #6 be changed to read: BE IT RESOLVED that the Deputy Watermaster for the Big Wood River, Water District 37, Above Magic Reservoir, shall remain in service for 12 months from the date of hire. Fred Brossy seconded the motion. There was no more discussion. The motion passed unanimously. Bud Purdy voiced his concern about the rehiring of the Watermaster and Secretary annually and would like to see if these positions can be handled in a different manner. Fred Brossy remarked that the minutes of the 2004 annual meeting show that the hiring is done annually by state statute. Gerald Bashaw asked that the Watermaster and/or Secretary pursue this information to find out how it is officially written. Fred Brossy moved that Watermaster, Kevin Lakey and/or Secretary Cyndi McCowan find out how the statue is officially written for the rehiring annually of these positions and report it to the annual water users at the 2006 meeting for review. Bud Purdy seconded the motion. The motion carried unanimously.

ITEM #10 SELECTION OF ADVISORY BOARD MEMBERS

- A) Chairman Struthers asked for nominations for the advisory board position of the Big Wood Hydropower left vacated by the death of Vernon Ravenscroft. Bud Purdy told the group that Mr. Ravenscroft was a great man that had foresight for the issues of the State of Idaho. Reminding everyone present that Mr. Ravenscroft, at one point, had run for governor of the state and he was a very prominent man that had served on many boards and committees in his lifetime and that his knowledge, sense of humor and friendship would be greatly missed. Gary Osborne nominated Allen Koyle of Koyle Hydro for advisory board member for the Big Wood Hydropower position. Greg Lierman seconded the motion. There were no other comments. The motions passed unanimously.

- B) Chairman Struthers asked if there were any questions or comments on the currently serving members of the advisory board? Gary Osborne made the motion to confirm the currently serving board members as follows:

<u>Bill Arkoosh</u>	<u>Little Wood Hydropower</u>
<u>Fred Brossy</u>	<u>Lower Silver Creek/Little Wood River</u>
<u>Bob Esterbrook</u>	<u>American Falls Reservoir District #2</u>
<u>Jerry Nance</u>	<u>Big Wood Canal Company</u>
<u>Bud Purdy</u>	<u>Upper Silver Creek</u>
<u>Gordon Sorenson</u>	<u>Big Wood Below Magic Reservoir</u>
<u>Robert Struthers</u>	<u>Big Wood Above Magic Reservoir</u>

Greg Lierman seconded the motion. The motion passed unanimously.

Fred Brossy told the group that the advisory board had been meeting quarterly, he felt that there was a better handle on issues concerning the districts and better service of the board for the patrons making it a more meaningful position.

ITEM #11 DISTRICT NEWS AND UPDATES

Watermaster Kevin Lakey told those present, that Ware & Associates had previously completed the Audits every other year. Mr. Raymond Ware of Ware & Associates made the audit presentation March 2004 advisory board meeting. Mr. Ware advised the board that he felt it was important to the Districts for the audit to be completed annually for them to have a better understanding of the Districts Financial positions. Mr. Ware also stated that his advice was that the Districts needed to have an approximate carryover of \$40,000 of operating capital in case of an emergency. (\$30,000 for District 37 and \$10,000 for District 37M)

Watermaster Kevin Lakey went on to explain that land owners in the Croy Creek area had petitioned the IDWR to have their water put under the jurisdiction of Water District 37. He explained that the creek would have measurable headgates that will be regulated. The creek falls under an 1880 right shared by all the water owners of the creek. The water owners felt that these changes were imperative to them in the case that they would make a futile call for the water. It was explained that there had been one water owner near the top of the creek who had managed to divert nearly all the water so other water owners on the creek were unable to receive their water.

Briefly, Watermaster Kevin Lakey explained that before the adjudication is completed there could be a possibility of conjunctive management in District 37 to investigate domestic well use also. This could be some of the investigation work that the New Above Magic rider would be doing along with the Surface water investigations.

ITEM #12 SPECIAL PRESENTATION BY THE WATERMASTER

Watermaster Kevin Lakey made a presentation to Otis "Tinker" Disbennett for his 27 years of dedication and service as a ditch rider for Water District 37 and congratulated him on his retirement!

Gary Osborn made the motion to adjourn the meeting. Fred Brossy seconded the motion. The motion passed unanimously. The meeting was adjourned at 2:30 PM.



State of Idaho

DEPARTMENT OF WATER RESOURCES

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SOUTHERN REGION

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

April 4, 2006

Kevin Lakey
107 W 1st St
Shoshone, ID 83352

RE: Water District 37 & 37-M, Big Wood River & Lower Little Wood River & Silver Creek

Dear Kevin;

We have received the minutes of this year's water meeting, your 2006 Adopted Budgets, and the oaths of office for you and Cyndi. Although you were not specifically re-elected as watermaster and treasurer, it appears as though this was the intention. Therefore, certificates of appointment are enclosed.

We also received the minutes of the 2005 water meeting, the Adopted Budgets and Watermaster's Reports for both districts. Copies of the signed approval page of the Reports are enclosed for your records.

Regards,

James E. Stanton
Sr. Water Resource Agent