

JUN 09 2023

WATER RESOURCES
WESTERN REGION

Payette River Water Supply Bank Water District No. 65

Chairman: Marc Haws
Vice Chairman: John Hartman
Secretary: Kevin Border
Treasurer: Ron Mio

102 North Main Street
Payette, Idaho 83661-2522

Phone: 208-624-4465
Fax: 208-642-1042
E-Mail: neil.waterdistrict65@gmail.com
Watermaster: Neil Shippy

2023 Annual Meeting

Date: January 11, 2023
Time: 1:30 p.m.
Location: Emmett Church of the Nazarene, Aubrey Hall

Attending: Lucas Budell, Montour Farmer's Ditch, Warren Budell, Montour Farmer's Ditch, Ron Mio, Noble Ditch, Lanie Paquin, USBR, Ryan Hedrick, USBR, Bryan Horsburgh, USBR, Andrew Griggs, EID, Marc Haws, Letha, Will Caldwell, Davis Cattle Co., Steve Visosky, IDWR, Sue Metcalf, Letha, Rob Whitney, IDWR, Dan Tilson, Enterprise & FCI, John Pattee, JR Allen Ranches, Paul Blomberg, Blomberg Ranch Cascade, Mathew Housley, Bilbrey Ditch Co., Fred Coburn, Letha, Kath Kleint Whitney, Gold Fork, Rod Higgins, Gold Fork, Jim Standley, EID, Ron Shurtleff, LPDC, Ed Parsons, LPDC, Casey Odette, LPDC, Michael Shippy, Reed, Chad Henggeler, FCI, Brady Hicks, Reed Ditch Co., Eva Tice, Laura Bettis, Mud Creek, Dennis Ujjiye, FCI, Kevin Border, FCI, Dyke Nagasaka, LPDC, Steward Russell, EID, Scott Nicholson, Gold Fork, Dan Surmeier, BCID, Michelle Potter, Enterprise & Reed Ditch, Kevin Potter, Enterprise, Doyle Fackler, LCDC, Ken Roberts, Gold Fork, Carl Hayes, BCID, Ron Platt, WD65K, Kara Ferguson, IDWR, Harry Bettis, Lake Irrigation, Roy Maxwell, John Hartman, BCID/WD65, Dan Conner, ITD- AERO, Nick Miller, IDWR, Norm Collinsworth, F&N, Peggy Murphy, PRIO, Crystal Russell, PRIO, Neil Shippy, Watermaster, Water District 65

Attending via
Phone: Tim Hoyt, Quest CPAs PLLC

Welcome: Watermaster Shippy welcomed everyone and then announced the first order of business is to elect a meeting chairman and a recording secretary to conduct this meeting.

Elect Meeting
Officers: Ron Mio nominated Marc Haws as the meeting Chairman. **Ron Mio moved the nominations be closed and that a unanimous ballot be cast for Mr. Marc Haws. The motion was seconded by John Hartman, and the motion carried.**

Ron Mio nominated Crystal Russell as the meeting recording secretary. **Ron Mio then moved that the nominations cease and that a unanimous ballot be cast for Crystal Russell as recording secretary, the motion was seconded by Doyle Fackler, and the motion carried.**

Review
Minutes: Meeting Chairman Marc Haws called the 2023 Annual Meeting of the Water District No. 65 to order. He directed attention to the minutes of the previous

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JUN 09 2023

WATER RESOURCES
WESTERN REGION

year's Annual Meeting starting on the second page of the meeting packet. Mr. Haws asked everyone to review the minutes of the 2022 Annual meeting in preparation for their approval. A minor correction was noted. **Matt Housley moved to approve the minutes as corrected of the January 12, 2022, Annual Meeting. Carl Hayes seconded the motion and the motion carried.**

**Audit
Report:**

Chairman Haws turned the floor over to Treasurer Ron Mio. Mr. Mio stated the Water District had recently completed its usual annual audit. He introduced Mr. Tim Hoyt via phone, from the Quest Accounting Firm and stated Mr. Hoyt is attending via phone due to a scheduling conflict, to report the results of the financial audit and the current financial status of the district.

Mr. Hoyt began by saying he has been with the Quest Accounting Firm for 7 years and that he will be taking over going forward. He stated the Water District presented a complete and clean set of financial records in preparation for the audit. Mr. Hoyt reported the audit had been conducted in accordance with the auditing standards generally accepted in the United States and to standards applicable to Government auditing. He reported he had audited the financial statements of the major funds of the Water District as of December 31, 2022, and believed them to be correct and accurate. Mr. Hoyt explained the values on the Statement of Revenues, Expenses and Changes in Net Position page of the report. He noted the District entered 2022 with a net position of \$503,187 and ended with a profit of \$20,835 resulting in an ending position of \$524,022. Mr. Hoyt reported the carryover funding of \$524,022 represents approximately a 23-month operating budget which is acceptable and is at a level the advisory board attempts to maintain. Mr. Hoyt asked if there were any questions about the District's finances.

Treasurer Ron Mio thanked Mr. Hoyt for his thorough report and turned the meeting back to Chairman Haws. Mr. Haws asked everyone if they were ready to accept the financial report. Jim Standley questioned the amount in payroll which was explained by Treasurer Ron Mio. **John Hartman moved to approve the financial report as presented by Mr. Hoyt. The motion was seconded by Doyle Fackler and motion carried.**

**USBR
Update:**

Chairman Haws introduced Ms. Lanie Paquin, Snake River Area Manager, Bureau of Reclamation, for an update on Bureau affairs.

Ms. Paquin thanked the Water District for the opportunity to address the meeting. She stated that she wants to recognize Bryan Horsburgh, Snake River Area Deputy Manager who also leads Reclamation's Middle Snake Field Office, Ryan Hedrick the Water Operations Specialist.

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JUN 09 2023

WATER RESOURCES
WESTERN REGION

Ms. Paquin talked about the new Regional Director Jennifer Carrington who took over in May of 2022 and said she is looking forward to getting out and meeting the water users.

She also spoke on infrastructure money funding and how it can work with the water users. She said there are 2 forms, 1. Aging infrastructure account- which allows for low-cost loans. 2. Water Smart Grants- which are for water efficiency, energy efficiency, future planning, and drought planning. She said there are 300k in grants in the Payette system.

She then gave the floor to Nick Miller, Nick stated he has been with the department for 17 years and that he works with districts all over the state. He stated he is impressed with Water District #65 and its professionalism.

Ms. Paquin gave the floor to Bryan Horsburgh; he first gave a staffing update. He said that the Black Canyon Dam maintenance supervisor has retired, and they are looking to fill that position. The Cascade field station manager retired as well and Jason DAVIS was hired as his replacement. Jason DAVIS has previously specialized in fire management and has a broad land management background as well. Mr. Horsburgh then gave an update on last year. He spoke on the water operation pilot study at Cascade Reservoir; it is a paper study to look at ways to improve environmental water studies concerning blue algae bloom. He said they are looking to try to prevent the blue algae blooms using the existing water operations model and using a water quality model that might better water quality. He stated the study will conclude in late 2024. They are currently developing the model for the study and that it will not hurt water delivery or endangered species obligations. Marc Haws had a question on whether the study will include a sediment study.

Mr. Horsburgh then switched topics to report on Refill 1 and 2. He said the application has been submitted and has been accepted as complete. He said he is waiting on IDWR to move forward and advertise.

Ryan Hedrick was next up, and he spoke on the water levels as of January 1st. Cascade is at 104%, Deadwood is at 108% and Payette Basin is at 105%.

IDWR:

Kara Ferguson:

Chairman Haws introduced Kara Ferguson, Technical Hydrologist with the Idaho Department of Water Resources. Ms. Ferguson gave a 2022 Year in Review summary.

- Dry conditions January thru April
- 67% of average precipitation
- Wet conditions April- June
- 136% of average precipitation
- Day of allocation July 13, past average of July 9
- Reservoir accrual paper fill 834,703af (100%)
- Total space holder allocation of 803,294 AF
- Carryover on Oct 31 was 468,535 AF

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JUN 09 2023
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- Below average for the spring natural flow
- Volume- April – September was 1.4 million AF which is below the average of 1.6 million.
- 10th lowest out of the last 31 years.
- Above Letha Storage Use
- 179,000 AF which was lower than last year- Basin did not fill on paper
- Cascade and Deadwood Evaporation
- 26,000 AF right on par with the rest of the years, minus 2021
- 5600 AF operational loss
- Payette Basin Carryover
- Cascade and Deadwood -439,000 AF
- Dead 49%
- 363,000 AF 56% filled Cascade.
- Like what we had in 2019 and 2020.

Ms. Ferguson introduced Ryan Hedrick from the Middle Snake Field Office. He is the Water Operations Lead and that he determines when to move water for flood control. He stated that both Cascade and Deadwood were normal in 2022. He then moved on to 2023 and said that Cascade is at 59% full, Deadwood is at 50% full, and Payette is at 118% of average which is good. He said we are in good shape right now. He stated that Cascade and Deadwood will likely fill.

Watermaster
Report:

Chairman Haws called on the Watermaster, Neil Shippy for his 2022 Watermaster report: Mr. Shippy started with an Irrigators Storage Carryover report. He said there was 117,244.6 AF remaining in storage after assignments which is an improvement over the 2021 year when there was around 72,000 AF left after assignments.

-Rental Pool Report/Rental Pool Prices Update

The Nez Pearce agreement for out of basin is changing this year – the price is going up to \$23.00 per acre foot. .

The Nez Pearce agreement ends in 2034, Watermaster Shippy said that he will look at the fee schedule again during the year before changing prices for next year years rentals.

-Cost Share Incentive Program; projects report- the following projects have not been completed and are due to be paid out in 2023. Reed Ditch Company, Letha Irrigation/Rasmussen Ditch, and the Maxfield Ditch Company. Watermaster Shippy stated that there has already been 88k requested for Cost Share projects and the limit per year is 100k. John Hartman asked Watermaster Shippy to explain the Cost Share program for those new to a Water District #65 meeting. Watermaster Shippy explained that the rental pool allows for extra money that is put back into the basin to help Water Users out with improvement projects. He stated that the program pays out 50% of a project but that there is a maximum of 50K per year. The Cost Share program is used for new structures, new headgates, and other approved projects.

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JUN 09 2023
WATER RESOURCES
WESTERN REGION

-Administration of Tributaries- Watermaster Shippy stated that a few months ago the Department of Water Resources sent him a list of surface water rights in the Basin. He said that he flagged every one that was being administered and that out of 4000 water rights, there was approximately 350 that are currently being administered. He stated that this has the potential to hurt senior water rights. He said that First in Time / First in Right is how water rights are administered in Idaho, and that he had been approached by some of the senior water right holders. The senior water holders which were being harmed by this, wanted Watermaster Shippy to do something about this. Watermaster Shippy stated that the Advisory Board's decision was to start with three tributaries which including Mud Creek, Gold Fork and Clear Creek. He said he will start going up this summer to measure as time allows.

Chairman Haws asked Watermaster Shippy what his plan is with the new Water Users? Watermaster Shippy said he will be sending out assessments shortly with a \$50 minimum to those that hold water rights that are sourced from the three tributaries. He said he will be attending meetings, getting to know the Water Users, and learning where all the diversions are at. That they will be billed by diverted amount in the future.

Chairman of the Idaho Water Users Resource Committee, Ron Platt said he is working on domestic wells exemption that are using water coming from the head of the Payette and other parts of the state.

Laura Bettis, from Valley County, asked if Water District 65D and Water District 65K are different from Water District #65. Watermaster Shippy said that yes, they are separately administered districts.

Ken Roberts, Gold Fork, asked if they are billed by Water District 65K will they still be billed by Water District #65. Watermaster Shippy stated that only for water rights that are outside of the 65K administration.

Ken Roberts, Gold Fork, stated that there are 5600 acres under Gold Fork and based on the volume of water the rental fee will be expensive as junior right holders.

Budget

Committee:

Chairman Marc Haws asked Treasurer Ron Mio to go over the 2022 budget. Ron Mio went over some highlights from 2022. Then brought up the 2023 budget, the Annual Assessments are at \$90,700 which includes the \$50 for the new users. Ron then turned it over to Watermaster Shippy who went over the rest of the budget. The bottom line is a (\$16,881) loss of funds.

Nomination

Committee:

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JUN 09 2023
WATER RESOURCES
WESTERN REGION

Chairman Marc Haws directed attention to page 25 of the information packets and asked Watermaster Shippy to read the list of names nominated for the Advisory Board, the Advisory Board Officers, and the names nominated for the Nominating and Budget committee. Mr. Shippy stated this list of Board Members and officers is recommended by the Nominating committee and is recommended to be attached to Resolution No. 6 to serve for the upcoming 2023 season.

Chairman Haws asked if there were any questions or suggestions to the list of nominees. Carl Hayes, BCID, was changed from Alternate to Member, Dan Surmeier, BCID, was changed from Member to Alternate, and Todd Shigeta, NDC, was changed from Alternate to Member as well. Jason Brown nominated Jim Standley as an Alternate for Butler/Banes Ditch. Laura Bettis also stated that she would like to see the At-Large members increased. Watermaster Shippy stated that there is no limitation on how many members can be on the Board at this time. It was also asked when the meetings are held. Watermaster Shippy said that they are the 2nd Tuesday of every other month starting in March.

Resolutions:

Chairman Marc Haws stated now is the time to act on the District's Resolutions. He asked the water users if they wished to vote on each resolution individually, or if they would be willing to adopt Resolution #1 and then Resolutions #2-16. Watermaster Shippy stated he would read through each resolution as this will allow everyone to be informed of their content. After Watermaster Shippy completed reading the list of Resolutions Chairman Haws asked if there were any questions or changes to the resolutions. Doyle Fackler asked Watermaster Shippy is \$1 dollar equaled 1 vote now. Watermaster Shippy confirmed this and stated that any entity can move for a vote by money assessed by Water District #65. At this time **Doyle Fackler moved to adopt Resolution No.1 as presented in the information packets. The motion was seconded by Dan Surmeier and the motion carried by acclamation.**

Next Chairman Haws brought up resolutions No. 2-16 and asked if anyone had questions. **Doyle Fackler moved to accept resolutions 2-16 with attachment A and B as presented in the information packets. The motion was seconded by Carl Hayes and the motion carried by acclamation.**

**Next Annual
Meeting Date:**

Chairman Marc Haws announced it is now necessary to set the date and time for the next annual meeting, and to select a location for that meeting. After some discussion about which date would suit the most people, **John Hartman moved to set next year's Annual Meeting date for January 10, 2024, at 1:30 PM at the same location, The Emmett church of the Nazarene, Aubrey Hall. This motion was seconded by Doyle Fackler, and the motion carried.**

Adjournment:

Chairman Marc Haws asked if there is any other business that should be brought before this 2022 Annual Meeting of the Water District No. 65. Hearing none, Mr. Haws thanked everyone for their participation and declared the meeting adjourned at 3:48 PM.

Respectfully Submitted

Neil Shippy, Watermaster

Crystal Russell, Recording Secretary

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