

State Water District No. 65

Payette River Basin, State of Idaho

Chairman: George McClelland
Vice Chairman: Dan Surmeier
Secretary: Jim Standley

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Watermaster: Ron Shurtleff

Regular Board Meeting

Date: December 10, 2007

Time: 8:00 p.m.

Location: Payette River Irrigation Office, 102 N. Main, Payette, Idaho

Attending: George McClelland, Joy Sisler, Dennis Lamme, Jim Standley, Chuck Pollock, Bob Henggeler, Jim Robertson, Doyle Fackler, Dennis Heaps, Mike McEvoy and Watermaster, Ron Shurtleff

Guest: Jerrold Gregg, Snake River Area Manager and Liz Cresto, IDWR, Water Accounting and Reconciliation.

Chairman McClelland called the meeting to order at 8:00 pm.

Minutes: The minutes of the November 12, 2007, meeting had been mailed to the board members with their meeting notice. Chairman McClelland asked the members to review the minutes for their approval. **Jim Standley moved, Dennis Lamme seconded to approve the November 12, 2007 minutes as presented. The motion carried.**

Financial Report:

Chairman McClelland asked Ron Shurtleff to review the financial statement for the district. Ron reported a checking account balance of \$520.78 and a balance in the State Treasury Fund of \$864,981.27 resulting in a total balance of \$865,502.05. Total accounts receivable remained at \$1,901.05 for a total current assets balance of \$867,403.10. Other current liabilities equaled \$598,112.20 for a total liabilities and equity of \$922,783.77. Ron then presented a Profit & Loss Statement for January 1st through December 10, 2007, which showed a negative income net income of \$1,610.55. **Dennis Lamme moved, Doyle Fackler seconded, to approve the Financial Statement as reported. The motion carried.**

IDWR:

Chairman McClelland asked Liz Cresto, IDWR, to give the Water Accounting Reconciliation report. She provided a handout of the Payette River stored water supply. As of October 31, 2007, the total storage accounted for remained at 841,711.0 acre feet which include Cascade at 646,461.0 AF; Deadwood, 161,000 AF; Payette, 27,750.0 AF; and the Upper Lakes at 6,500 AF. Unaccounted Storage is 40,469.5 AF, late season fill which ended on October 31st, of 27,486.2 for a total storage available of 909,666.7. The water supply use included canals and pumps at 254,212.9; stored water passing Letha: Endangered Species, 141,000 AF; Power Flow (USBR), 5,214 AF; Operational Loss, 4,105 AF; USBR, 4,105 AF; Deadwood Contents Change as of the September 30, 2007 sediment study, 3,039 AF. This study was done at the end of the water year instead of the beginning. A Rain Event, 2,236 AF; Idaho Power, 1,163 AF; Black Canyon Release, 1,172 AF; Deadwood Flow, 1,318 AF for a total stored passing Letha of 163,286.5,

evaporation loss of 31,242.3. Total storage used 448,741.7 and an averaging error of 3,467.2. Liz then reported on the preliminary power flows on the Payette. She stated that storage passing Letha is charged to the Bureau of Reclamation for the period after salmon flow has ended through the end of Labor Day weekend. The flows are considered power flow for a total of 5,214 AF.

Bob Henggeler questioned Jerry Gregg regarding the accounting for Farmers Co-op carryover water and the procedure of placing this water in the space that was acquired with the company's first storage contract in Cascade Reservoir. Bob stated that he would like to see a letter of document produced to substantiate this procedure.

Watermaster's

Report:

Chairman McClelland asked Ron to give his monthly Watermaster's report. Ron provided a slide show presentation as well as the teacup chart. Cascade is currently at 60% full and Deadwood at 40%. Total space available in the Payette River system is 347,818 AF, total storage capacity is 800,452 AF and Natural Flow is at 1,123 CFS. Ron also provided several Snotel charts for the 2008 water year and stated that the Payette Basin is actually doing better than the Boise Basin. We are above average on precipitation but below average on snowpack. Ron also showed the preliminary, nearly final accounting run for the 2007 season. He stated that he is working with Liz Cresto to get the water accounting closed for 2007 by next week but is continuing to receive water use reporting cards from the small diverters in the basin. Ron showed the list of Rental Pool users to date and reported that of the 8,500 acre-feet of water acquired for in-basin rentals 8031 acre-feet has been required so far by the small rental pool users. Ron said that he expects this figure to get a little larger with the final run of the accounting.

Cost Share

Report:

Ron reported on the Cost Share Projects. He stated that five of the seven projects are completed and funded, two remain; the Last Chance Ditch Acoustic Doppler Argonaut SW for approximately \$3000 and the Woods and Rosebury Ditch Flumes. To this date, \$87,553.03 has been paid out of cost share funds. Ron said it is intended to have all seven projects on line for water turn in this next spring and the entire cost share budget will be applied to the projects by the time they are completed.

IWUA Dues:

Chairman McClelland asked Ron to explain the item pertaining to the Idaho Water Users Association Dues. Ron stated that over the past year the Water District 65 has discussed the idea of paying the annual dues to the Idaho Water Users Association (IWUA) for every water user that is included in the accounting system of the District 65. Ron explained that the motive is to increase the membership within the basin to not only help fortify the IWUA but also in an attempt to gain additional representation for the Payette Basin within IWUA. Throughout this past year members of this advisory board were asked to check with the company or entity that they represent to confirm that the idea has merit. Ron reported that so far all of the feedback that has come from the member entities has been positive. Ron also stated at the November meeting the decision on the annual budget that would send a proposed budget to the annual meeting had been postponed to this meeting. The reason is that if the district decides to pay the IWUA dues for the entity members, the budget will need to reflect this expense in order to allow the

endeavor to be accomplished. **After some discussion Bob Henggeler moved to initiate the policy for the Water District 65 to pay the annual dues for each entity that is included in the accounting system of the water district. The motion was seconded by Dan Surmeier. The motion carried.**

**Budget
Committee
Report:**

Chairman McClelland opened the discussion on the annual budget which had been postponed to this meeting. Mr. McClelland asked Ron to demonstrate how the budget will be affected now that the district has decided to fund the IWUA dues with district monies. Ron referred the members to a proposed budget on page 17 of the packed that did not reflect the addition of the IWUA dues. This budget indicated that if all expense items were funded at the full budget amount the District will have expenditures of \$31,455 more than the incoming revenues. On page 19 is a budget that does reflect the IWUA dues expense and the projected expenditures exceed revenue by \$55,455. Ron said the district will be capable of absorbing this expense in excess of revenue for a short time but will need to make an adjustment that may include an increase to the district annual assessment. Some discussion over an increase in the annual assessment took place, but it was noted that it would not be possible since most paying entities have already set their budgets for the 2008 season. **Bob Henggeler moved to instruct the budget committee to send the proposed budget as presented and with the IWUA dues item included to the annual meeting and recommend that it be approved with the resolutions. The motion was seconded by Michael McEvoy. The motion carried.**

**Nominations
Committee
Report:**

Nominations Committee Chairman, George McClelland said that the Nominating Committee has met and is ready to present the following names for the officer's positions of the district, for the position of Chairman/Treasure, Dan Surmeier, for the position of Vice-chairman, Jim Standley and for the position of Secretary Chad Henggeler. Chairman McClelland asked if there were any other nominations from the Advisory Board. Hearing none he said the Nominations Committee will submit this list of nominees at the annual meeting in January.

**Annual
Meeting:**

Ron reported the Annual Meeting date has been set and confirmed for January 10, 2008 at 1:00 pm, in the USDA Service Center 1805 Highway 16 Emmett, Idaho. He reported the Payette River Water Users Association Annual Meeting will also be conducted immediately following the district's meeting.

Adjournment:

Chairman McClelland asked if there was any further business to come before the meeting. Ron Shurtleff said that there was one additional item that should be addressed. At the November meeting of the Payette River Water Users Association Norm Semanko, Executive Director of the Idaho Water Users Association reported that the Water District No. 65 (Payette Basin) has been a member of the Federal Instream Flow / ESA Coalition. He further reported that the coalition has functioned for several years on previous contributions from its members without the need to ask for additional funding. Unfortunately the consulting needs of the coalition continue and the time has come for a contribution request to the membership. During most recent engagements the

consulting demands have been for issues pertaining to re-introduction of salmon above the Hells Canyon Complex, in this case the split formula provides that the upper valley stand 60% of the cost and the lower valley handle the remaining 40%. Ron stated that the District has always carried a budget item for this coalition expense in an amount \$7,500. Ron suggested that the advisory board should consider making their contribution before the end of the current budget year. **Bob Henggeler moved and Jim Standley seconded to send \$5,000 for Instream Flow / ESA Coalition dues during the 2007 budget year. The motion carried.**

Chairman, McClelland asked again if there was any further business that should come before the meeting. Hearing none he declared the meeting adjourned at 9:35 PM.

Respectfully submitted

Jamie White, Recording Secretary

George McClelland, Chairman

Water District No. 65
Balance Sheet
As of February 4, 2008

Feb 4, 08

ASSETS	
Current Assets	
Checking/Savings	
Checking - Water District	14,204.16
State Treasurer	858,045.98
Total Checking/Savings	872,250.14
Accounts Receivable	
A/R - Assessments	1,444.40
Acct. Rec. - Rental Pool	451.85
Total Accounts Receivable	1,896.25
Total Current Assets	874,146.39
Fixed Assets	
Office Equipment	18,267.72
Field Equipment	13,210.33
Vehicles	25,916.00
Total Fixed Assets	57,394.05
TOTAL ASSETS	931,540.44
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Cost - Share Funds Payable	12,446.97
Payroll Liabilities	
FUTA	34.75
SUI	26.93
Total Payroll Liabilities	61.68
Printing Expense Payable	1,238.72
Payable to Lessor - In Basin	16,538.60
Payable - Lessor-Out of Basin	542,800.00
Payable to IDWRB - Fees	56,853.86
Total Other Current Liabilities	629,939.83
Total Current Liabilities	629,939.83
Total Liabilities	629,939.83
Equity	
Equity - Equipment	57,394.05
Retained Earnings	252,196.81
Net Income	-7,990.25
Total Equity	301,600.61
TOTAL LIABILITIES & EQUITY	931,540.44

10:33 AM
02/04/08
Accrual Basis

Water District No. 65
Profit & Loss
January 1 through February 4, 2008

	<u>Jan 1 - Feb 4, 08</u>
Ordinary Income/Expense	
Income	
Interest Income	3,564.71
Total Income	<u>3,564.71</u>
Expense	
Payroll Expenses	
Salary - Watermaster	4,343.17
Payroll Taxes	
Company FICA Expense	269.28
Company Medicare Expense	62.98
Company Fed Unemployment Tax	34.75
Company State Unemployment Ta	26.93
Total Payroll Taxes	<u>393.94</u>
Benefits - Retirement	<u>434.32</u>
Total Payroll Expenses	5,171.43
Office Rent	575.00
Office Assistance	400.00
Postage and Delivery	44.83
Postage Reimbursasal Account	0.00
Office Supplies	299.48
Telephone	116.92
Professional Fees	
Accountant Fees	2,480.00
Professional Fees - Other	<u>30.00</u>
Total Professional Fees	2,510.00
Automobile and Mileage	940.08
Dues and Subscriptions	500.00
Internet Services	51.90
Travel and Entertainment	
IWUA Convention Expense	<u>210.00</u>
Total Travel and Entertainment	210.00
Workman's Comp Insurance	207.00
Insurance	500.00
Meeting Expenses	28.32
Total Expense	<u>11,554.96</u>
Net Ordinary Income	<u>-7,990.25</u>
Net Income	<u><u>-7,990.25</u></u>