

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

102 North Main Street
Payette, Idaho 83661

Chairman; Dan Surmeier
Vice Chairman; Jim Standley
Secretary; Doyle Fackler

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Watermaster; Ron Shurtleff

January 6, 2010

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WATER RESOURCES
WESTERN REGION

NOTICE 2010 ANNUAL MEETING

1:00 PM

Friday, January 15, 2010

USDA Service Center, Emmett, Idaho

Dear, Mr. Westra

The Water District No. 65 will hold its Annual Meeting on **Friday, January 15, 2010**. The meeting will be held at **1:00 P.M.** in the Meeting Room of the **USDA Service Center** located at **1805 Hwy 16 Emmett, Idaho**.

The meeting will include the following tentative agenda items.

- Norm Semanko, Idaho Water Users Association, Issues Update
- Jerry Gregg, US Bureau of Reclamation, Update
- 2009 Water Year in Review, Liz Cresto, IDWR
- 2010 Water Year Outlook, Brian Sauer, USBR
- Rental Pool Report.
- Cost Share Project Report.
- Nomination Committee Report.
- Budget Committee Report.
- 2010 Resolutions Review for Adoption.

The Payette River Water Users Association will also conduct its Annual Reorganization Meeting directly following the Water District meeting.

I am looking forward to seeing you at the USDA Service Center, Conference Room, located at 1805 Hwy. 16 Emmett, Idaho, 1:00 PM Tuesday, **January 15, 2010**.

Sincerely,

Ron Shurtleff

Payette River Basin, State of Idaho

Water District No. 65

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Vice Chairman: Jim Standley
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Watermaster: Ron Shurtleff

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2010 Annual Meeting, Water District No. 65

Date: January 15, 2010
Time: 1:00 p.m.
Location: USDA Service Center, Emmett, Idaho

Attending: Marcia Herr, Doyle Fackler, Rick York, Ken Mineard, Jim Hutchins, Kris Maxwell, Dan Surmeier, Dennis Heaps, Joy Sisler, Roy Maxwell, Dennis Lammey, Jim Standley, Ron Mio, Chad Henggeler, Chuck Pollock, 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, Chris Beardsley, US Bureau of Reclamation, Matt Howard, US Bureau of Reclamation, Tim Folke, CPA, CMA, PC; Norman Semanko, Executive Director, Idaho Water Users Association.

Chairman Dan Surmeier called the meeting to order, welcomed all members present and introduced the guests in attendance.

Minutes: The 2009 Annual Meeting minutes were presented in written form to all persons in attendance by Watermaster, Ron Shurtleff. Chairman Surmeier 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. The Motion Carried.**

Financial: Chairman Surmeier introduced Mr. Timothy Folke, CPA to present the 2009 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, 2009, and that he had conducted the audit in accordance with the standards generally accepted by the United States Government auditing Standards. Mr. Folke reviewed the financial statement and said that they accurately represent the financial position of Water District #65. Mr. Folke supplied a Statement of Net Assets as of December 31, 2009, showing the total liabilities and net assets as \$1,238,436. He also supplied a statement of activities and noted the total net asset for the end of the year was \$263,698. Mr. Folke then reviewed the balance sheet and a statement of revenues, expenditures and changes in fund balances. Mr. Folke then opened the floor for questions. **Dennis Lammey moved and Joy Sisler seconded, to accept the 2009 Audited Report presented by Mr. Tim Folke. The Motion Carried.**

USRB Update Chairman Surmeier then introduced Mr. Jerrold Gregg, Area Manager for the US Bureau of Reclamation. Mr. Gregg stated that Bill McDonald, Commissioner at the USBR, will be retiring in April of 2010 and two key positions will be re-filled at that time. A complete update will be given at the IWUA Convention next week. Mr. Gregg also

commended the Water District #65 for being the leader in this valley for water conservation programs and leadership.

Mr. Gregg reported on the Black Canyon Dam Project and stated the Bonneville Power Administration Director has given the go ahead for an additional 12-megawatt generator to be added at the Dam. The project would involve placing another intake structure through the dam with an additional penstock routed to a new Power House to be built just below the existing Power House. He said the cost is estimated at \$32 million dollars and expected to be a 4-year project. This should help reduce wheeling charges for Emmett and Black Canyon. The process for installation will begin this year.

Mr. Gregg reported on additional security measures which have been studied at the Palisades Dam, the Dear Flat or Lake Lowell project and also at Anderson Ranch Dam. Mr. Gregg stated that each of these facilities is entering a public comment period after which the Bureau will then need to decide what measures need to be applied to upgrade security at the three sites.

Mr. Gregg reported the bureau has recognized a need to standardize the definitions and terminology of Rental Pool rules within the different basins. He said he did not expect a decision to be made today, however since the bureau enters in rental contracts with several basins it becomes confusing when terms within contracts have different meanings. The bureau is requesting copies of rental pool rules from each committee so that Mr. Matt Howard, a contract specialist with the bureau could study and then develop a set of standard terms and definitions. The object would not be to make any rule changes, only to standardize the usage of definitions and terms within each basins rules.

A question was raised regarding the Cost Share application paperwork and the possibility of combining projects. Mr. Gregg suggested setting up a meeting with Lisa Strong, Grants and Agreement Specialist, USBR to see if that is an option.

Mr. Gregg then introduced Matt Howard, USBR; Mr. Howard reported on the reorganization of the rental pool rules. He stated that the language is being updated to all read the same to each district. No other changes are being made and no decisions need to be made at today's meeting. After Mr. Howard has prepared a draft copy, it would be sent to each basin's Watermaster and the Rental Pool committees would be given the opportunity to proofread the product and make sure it represents the intent equal to the original set of rules.

Chairman Surmeier then introduced Brian Sauer, Water conservation Engineer P.E., USBR. Mr. Sauer started off his report with a Power Point presentation of some pictures of the Deadwood Dam, still frozen in April and the massive water releases in June of the Cascade Dam. A chart of the Payette Basin Runoff at Horseshoe Bend showed that for 2009, we were 87% of the 1971-2000 average at 1,760,000 AF from January thru July. Cascade Reservoir inflows were 89% of the average and Deadwood 88%. Mr. Sauer used the teacup diagram to display the reservoir capacities, showing Cascade at 60% full and Deadwood at 61% full. As of January 12, 2010, Cascade Reservoir Storage had an expected runoff of 96% of the 30-year average. Deadwood Reservoir is at 111% of the

30-year average at 93,000 AF and the Payette Basin Runoff from January thru July at Horseshoe Bend is 83% of average at 1,666,000 AF. He also provided charts of several Snotel Sites and provided a three-month outlook on temperature probability, which shows an above average forecast as well as an equal chance of precipitation.

**2009 Year
in Review:**

Chairman Surmeier introduced Mrs. Liz Cresto, Technical Hydrologist for the IDWR. Liz gave a summary the 2009 water season and stated that we had a below average snowpack but were still able to fill the reservoirs, thanks to a wet spring. She then showed a chart of the Horseshoe Bend Natural Flow from 1971-2009 and stated that we are just over 2000 acre foot. The canals and pumps storage use is around 160,000 acre-feet. Liz reported then reported that the total available storage for 2009 according to their models was 891,316 acre feet, this includes reservoir fill that occurred late in the irrigation season. She also discussed how to reach the averaging error; she stated the total storage available of 891,316 is subtracted from the total storage used of 379,052; this figure is then subtracted from the actual reservoir contents of 510,803 acre-feet for an averaging error for 2009 of 1,460 acre-feet.

**Issues
Update:**

Vice-Chairman Standley 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. Norman reported that the Idaho Water Users Association has had a very good year and is looking forward to another productive irrigation season in 2010.

Mr. Semanko once again updated the members on the 2005 Biological Opinion currently under remand order by Judge Redden. Norm reported the new administration had reviewed the challenged Biological opinion in regard to the science that had been applied to it. The finding of the reviewing committee was that appropriate science had been applied and the reviewing board recommended supporting the BiOp with the addition of recommendations that would add more surety to the action in the opinion. This was to be known as the Adaptive Management Implementation Plan. (AMIP) Mr. Semanko pointed out there was a no legal way to include additional recommendations since the reviewing committee had acted after the close of the comment period for the BiOp. On the other hand Judge Redden was intimating that he might be able to support the opinion if the new stipulations could be included. Norm reported the State of Oregon has supported the idea of more water from Idaho to help the salmon but the AMIP only called for this type of action if after a period of time under the BiOp the species declined. Norm said he would keep us updated as this recent development unfolds.

Norm also reported on the progress of the Hells Canyon Re-license. He stated that the topic of reintroductions is not being included in this license due to water quality up stream the Hells Canyon Complex that is not conducive to survival of the salmon. In light of this condition it appears the power company may be asked to invest in habitat restoration over this next license period to improve the water quality in hopes of obtaining the goal for the next re-license in 30 to 50 years. Norm stated water temperature is a big concern down stream of the complex and the construction of a

temperature control devise in Brownlee Reservoir has been considered. The Army Corps of engineers has conducted studies however that indicate the cost could not be justified since the benefit to the species would be so minimal in respect to the cost. Also there would be a detrimental effect to the resident species of fish in the reservoir. Norm stated the State of Oregon and the Nez Perce Tribe are in support of the Temperature Control Devise but it appears to be off the table at this time and replaced with the habitat improvement plan.

After his presentation Mr. Semanko stayed in attendance and answered many questions that were asked of him.

**Watermaster
Report:**

Chairman Surmeier then asked Ron Shurtleff to give the Watermaster Report for the 2009 water season. Ron presented several slides on the history and development of the Payette Basin and how each function of the Water District is of equal importance to sufficient water delivery. Ron then reported on the storage used by the irrigators in each company. Black Canyon Irrigation District, 140,335af; Emmett Irrigation District, 21,132af; Farmers Co-op Irrigation, 58af; Letha Irrigation Co., 620af; Enterprise Ditch, 31; Bilbrey Ditch, 54; Reed Ditch Co., 3af; and Individuals, 5,185af for a total usage of 167,418af. Also reported was the Rental Pool Leases, total out of basin was 77,800af and in-basin was 7,726af. Flow Augmentation contributions totaled 180,188af, Out-of-basin power generation was 10,000af and in-basin rentals totaled 7,725.5.

Ron then reported on the 2009 Cost Share Incentive Program. He stated the Water District approved \$100,000 budget for water management projects and will be paid when each project is completed. The Water Quality improvement incentive budget was set at \$5,000. There were six water management projects, two water quality projects and one mapping project continuation. He then showed several pictures of the projects which had been completed and the ones that are still in progress.

**Nomination
Committee:**

Chairman Surmeier stated that the Nominations Committee had conducted a meeting on October 28, 2009, and had agreed to present the following names for the 2010 officers: Chairman / Treasurer, Jim Standley with the Emmett Irrigation District; Vice Chairman, Doyle Fackler with Last Chance Ditch Co., and Secretary, Ron Mio with Noble Ditch Co. The committee reviewed the list of advisory board members that were elected at the 2009 annual meeting, removed names of individuals that had become inactive and added new members that had been recommended by some of the companies. Chairman Surmeier asked if there were any further nominations to come from the floor. **Dennis Lammey moved that the nominations cease, and that the names for Chairman, Vice-Chairman and Secretary submitted by the nominations committee be accepted and presented in Resolution No. 6. Jim Hutchins seconded the motion and the motion carried.**

**Budget
Committee:**

Chairman Surmeier also reported that the budget 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 33 of the packets to be submitted as attachment A to the Resolution No. 2. Chairman Surmeier read through each item in the proposed budget and pointed out any significant change and the reasons justifying the changes. He 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 \$71,283.07. **Dennis Lammey moved to accept the budget as presented by the Budget Committee and to submit this budget as Attachment A to Resolution No. 2., Joy Sisler seconded the motion and the motion Carried.**

Resolutions:

Chairman Surmeier 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. He reported that the only change proposed was to Resolution #4, increasing the assessment by \$0.10 cents per acre irrigated. 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 that his name appears in Resolution No. 3, to be re-elected to serve as Watermaster for Water District No. 65 during 2010. Ron asked if there were any questions or suggested alterations to the Resolutions. **Ron Mio moved and Chad Henggeler seconded to accept the \$0.10 assessment increase to Resolution #4 and all other Resolutions No. 1 through No. 15 as presented and added with their adjoining attachments for the upcoming 2010 season and the Motion Carried.**

Adjournment:

Chairman Dan Surmeier asked if there was any further business that should be considered at this annual meeting. He 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 Surmeier declared the meeting adjourned.

Respectfully Submitted

Ron Shurtleff, Watermaster

Jamie White, Recording Secretary