

Water District 27
Advisory Board Meeting
January 6, 2010 – 9:00 a.m.
IDWR – Idaho Falls Conference Room

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Department of Water Resources
Eastern Region

Larry Hinderager called the meeting to order @ 9:05 am. Those Board members in attendance were: Larry Hinderager, Gary Pratt, Bob Reid, and Dan Harelson (BIA). Others in attendance were: Harvey Coffman, Lyle Swank, James Cefalo, Wendy Murphy, Don Hale, and Alan Kelsch.

Larry asked Lyle to review the resolutions making sure to note changes from the previous year.

- Resolution 1 sets the date of the meeting; changes are only the date of the 2011 meeting.
- Resolution 2 outlines the responsibilities of BIA and the Watermaster of Water District 27. This resolution also elects the watermaster, treasurer, and sets the budget for 2010. The budget recommendations are to reduce the mileage allowance to \$4,000, adding costs for measurement equipment of \$7,000 for 10 data loggers, and Hydromet O & M of \$1,000. The equipment purchase would be a one-time expense either in 2010 or 2011, and the Hydromet Operations & Maintenance is expected to be an annual expense. It is also recommended to use some of the reserve funds (\$3,500) to cover the equipment expenses.
 - Wendy then asked for the boards' consideration of retaining the net income of \$2,628.82 instead of adjusting assessments to reduce the net income amount. She felt this could be utilized toward the equipment expenses needed in the near future. This would be set aside for that purchase and keep from raising assessments for the one time purchase. If the measurement and reporting is not spent in 2010, those funds would also be retained for future year expenditures.
- Resolution 3 sets the minimum charge.
 - After discussion regarding the increase to accommodate the management plan and regarding billing based on the water right points of diversion, Gary Pratt moved to raise the minimum to \$42; this was seconded by Bob Reid and passed.
- Resolution 4 outlines using the budget as the basis for the billing, the 40/60 split between the Blackfoot water users, and BIA. James researched the water use and felt this split was proportionate to the water usage.
- Resolution 5 provides direction and authority of the advisory committee.
- Resolution 6 provides the voting guidelines and the criteria for advisory members.
- Resolution 7 provides acceptance by BIA and Water District 27.

James asked for clarification regarding the determination of using the water right points of diversions as the basis for the billing. Larry Hinderager felt the billing was appropriate

where water users have the ability to correct their water rights and reduce the points of diversion by amending their rights.

Larry Hinderager moved to retain the 2009 income of \$2,587 for savings for the increased costs of the management plan that is expected in 2010 or 2011; Gary Pratt seconded the motion and the motion passed.

Lyle indicated the draft budget before them will be amended for the annual meeting to reflect the increase in the minimum charge. A balance sheet was provided which reflected checking and savings totaling \$11,697 with a credit in the accounts receivable of \$238. The profit and loss was also presented with indicated a collection of assessments of \$39,565, interest of \$76, and finance charges of \$50. Expenses included the Water District 1 contract of \$33,862 and mileage costs of \$3,200. This left a net income of \$2,629.

Dan Harelson motioned to present the resolutions as amended and budget to the water users. Bob Reid seconded the motion, and the motion carried.

Larry inquired about delinquencies at this time. Wendy indicated all water users are paid current.

Other business: James asked how to standardize the Eastern Idaho Water Company assessment. The Eastern Idaho Water Company has two rights and they are not billed consistently. Example is the Central Ditch; a bill is sent to the Central Ditch based off their total diversion. The bill for water usage on the Blackfoot Slough is divided up between several water users (who have their own water rights) and then the balance of the water usage is sent to the Eastern Idaho Water Company. Eastern Idaho Water Company then assesses their shareholders. So the people on the Central Ditch are subsidizing the shareholders on the Blackfoot Slough. He felt the simple way would be to bill the Blackfoot Slough and let them determine how to break the assessment up. Larry Hinderager recommended having an answer from the Blackfoot Slough by Monday morning regarding the ability to combine the Blackfoot Slough water usage into one bill.

The advisory committee business portion of the meeting adjourned at 10:15 am.

Don Hale and Alan Kelsch from the Water District 1 Committee of Nine joined the advisory committee meeting to discuss a proposal that was presented to the Committee of Nine on January 5, 2010. Don identified the problem as follows:

- Water District 27's water rights have been protested in the SRBA by the tribe requesting a volume limitation, and then by the state because no other water rights have this requirement other than ground water rights.
- Water District 27 has 45,000 acre-feet limitation identified in the Fort Hall agreement.
- Estimates indicate that on some years the overage of this limitation can be up to 5,000 acre-feet of water.

- Tribe doesn't have a problem if usage remains under 45,000 acre-feet. If water is used in excess of this there are two options available. 1) Shut off water users; 2) find an alternate source of water for irrigation.
- Tribes are interested in water for mitigation for usage over 45,000 acre-feet.

Don continued identifying options for alternate water sources.

- Annexation into an irrigation district. Requires some money for annexation laws.
- Committee of Nine would be willing to adjust the WD1 Rental Pool Rules allow up to 5,000 acre-feet of rental water for the Blackfoot Users for ag purposes, and to be used above Milner. This would be available at the ag rate identified in the rules.
- Purchase 5,000 acre-feet storage water. Senator Crapo would be willing to present draft legislation to assist for the purpose to purchase storage water with federal funding or for system improvements.

The USBR has cost share money available to assist with system improvements. The Committee of Nine agreed to provide a credit (loan) for rental water. He felt an organized water user group with basin 27 would be advisable in order to establish funds in order to rent water. He indicated all water users would be shut off once the 45,000 acre-feet of usage is met.

Larry Hinderager reads the 1990 agreement different than the Committee of Nine. He said it is estimated to be 45,000 acre-feet and if it is more there will be an equitable adjustment. Larry agrees the best solution would be to settle before this goes to court.

Additional questions were asked regarding storage water ownership. It was stated that Snake River water could be run through Idaho, Corbett, Blackfoot, or Reservation Canal into the Blackfoot River if storage is owned, and it would be subject to fill every year. There are O & M charges every year established by the USBR that would need to be paid annually. James Cefalo also indicated that storage space holders within the WD1 delivery system have the ability to participate in the WD1 Rental Pool. Don felt the going rate for Palisades's storage water was running about \$300 per acre-foot and that 5000 acre-feet of water could be found.

Alan Kelsch indicated a plus through the rental program you don't need to purchase up front at the beginning of the season, but the Committee of Nine is willing to let you purchase just the amount that was needed at the end of the season. Alan also indicated that Idaho Irrigation asked to be an option to be the supplier of that storage, with the water being carried through their delivery system to the Blackfoot River. Idaho Irrigation District was willing to not charge carrying fees as many canals charge for this service.

Lyle indicated there are certain conditions that may also need to be adjusted against water usage when that usage does not affect any other water user especially when water is being spilled past Milner. Other volume limitations exist for the tribes when their water right was moved to an 1867 priority date. This volume limitation was put into effect to avoid expansion. Mitigation, Inc. was formed to provide mitigation for upper valley

water usage that impact the changes outlined in the 1990 Fort Hall Agreement. Sometimes Mitigation, Inc. does not have enough storage water available for their impact and have to purchase storage water for mitigation purposes.

The meeting adjourned at 11:10 a.m.


Wendy Murphy, Secretary