

Payette River Basin, State of Idaho

Water District No. 65

Chairman: Ron Mio
Vice Chairman: Darlene Maxwell
Secretary: Roy Maxwell
Watermaster: Ron Shurtleff

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2016 Annual Meeting

Date: January 12, 2016
Time: 1:00 p.m.
Location: USDA Service Center, 1805 Highway 16, Emmett, Idaho

Attending: Fred Coburn, Marcia Herr, Steve Spencer, Ron Mio, John Hartman, Burl Haines, Dyke Nagasaka, Norm Collinsworth, Rick York, Dan Surmeier, Chris, Kelsey, Susan Vogel, Roy Maxwell, De Burr, Ken Mineard, Doyle Fackler, Chad Henggeler, Joe Walker, Gail Springer, Angela Saner, Jay Saner, William Walker, Megan Wells, Jim Standley, Marc Shigeta, Marc Haws, Betty Knox, Recording Secretary, and Watermaster, Ron Shurtleff

Guests: Dan Stanaway, Idaho Department of Water Resources, Kurt Folke, Quest CPA. P.C., Brian Sauer, US Bureau of Reclamation, Lanie Paquin, US Bureau of Reclamation, Jim Taylor, US Bureau of Reclamation and Roland Springer, Snake River Area Manager, US Bureau of Reclamation

Welcome: Chairman Ron Mio called the meeting to order and thanked everyone for attending. Ron then suggested that we go around the room and state our name and what entity each person is representing.

Minutes: Chairman Mio then directed everyone to the minutes of the previous Annual Meeting which started on page 1 of the meeting packet. Ron asked everyone to read through those minutes of the previous meeting in preparation for their approval. A few misspellings and typographical errors were identified, but no errors of material significance were pointed out. **Mr. Dan Surmeier then moved to approve the Annual Minutes of January 12, 2015. Mr. Chad Henggeler seconded the motion, and the motion carried.**

Audit Report: Chairman Mio introduced Mr. Kurt Folke, from the Quest Accounting Firm who had performed the Annual Audit for the water district. Mr. Folke stated that the audit is for the recently completed water year 2015.

Mr. Folke directed everyone to page 15 of the handout which contained a portion of his report titled, Budgetary Comparison Schedule- General Fund. Mr. Folke reported the district entered 2015 with Fund Balances of \$372,259, and ended the year with a balance of \$421,764. This was caused by bringing in more administration fees than expected and having expenses at a lower level than expected. He said this is a good thing and pointed out the water district had experienced a net gain in funds of \$49,505. The expenditures from last year did not include the need for an auto purchase, and the funding for IWUA Flow

Coalition was not requested in 2015. Mr. Folke noted the Water District had funded several Cost Share improvement projects during 2015 and had reimbursed 50% of the cost to all qualifying projects.

Kurt said he had been asked if it is legal for an entity like the Water District to set aside monies from one year to the next in order to accumulate sufficient funds to complete large projects. He stated that it is legal, and other state entities use this type of procedure to accomplish projects that are too large to fit in one year's budget.

Mr. Folke reported this years audited had been performed in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General. Mr. Folke further reported the district appears to be functioning as it should, and is serving the water users well. The district is operating in accordance with its resolutions, as well as the directions from the Advisory Board. The financial accounting is being performed in accordance with generally accepted financial accounting methods. Mr. Folke thanked everyone for their attention and asked if anyone had any questions pertaining to the audit. Seeing no questions Chairman Mio asked if the members were ready to approve the financial statements of the district. **Doyle Fackler moved and Marc Haws seconded, to accept the 2015 Audited Financial Report as presented by Mr. Kurt Folke, the motion carried.**

B.O.R

Update:

Chairman Mio introduced Roland Springer the new Snake River Area Manager from the Bureau of Reclamation. Mr. Springer noted that his predecessor, Mr. Jerrold Gregg has retired after 43 years of service to the Bureau of Reclamation, and now he, has been chosen to fill Mr. Gregg's position.

Mr. Springer shared a little of his background in regard to farming, his work with canals and water systems, and his degree in civil engineering. He made reference to his time spent in Washington D.C working for the Bureau. Mr. Springer Introduced his Staff members that were in attendance: Lanie Paguin, Deputy Area Manager, Jim Taylor, the Environmental Director, and Brian Sauer, Conservation and Operations Specialist, Mr. Springer also reported on others serving the Bureau, Salina Moore, serving as Project Manager Group Manager, Jennifer Gimbal, serving as Principal Deputy, David Palumbo, serving as the Reginal Director for the Bureau.

Mr. Springer went over the 2016 Budget for the Bureau set at \$318 million dollars; the first item on the list is the Power Plants, item two, Endangered Species Act, and item three, Fish and Wildlife with the Bull Trout Monitoring Program and the Yellow Bill Cuckoo, Snake River Habitat as current wildlife concerns. Mr. Springer went on to report, at Black Canyon Dam, the heating and ventilation system has been upgraded. Also at Black Canyon Dam, the Bureau is in the process of conducting a switch yard replacement and a new trash rack

installation with a mechanical cleaning system. The addition of a third generation turbine continues to be to part of their upgrade plans as well. Mr. Springer reported a project to increase the height of Anderson Ranch Dam on the Boise River, is also being considered.

Mr. Springer thanked everyone for their attention and asked if there were any questions.

Chairman Mio thanked Mr. Springer, for his report and congratulated him on his new position as Snake River Area Manager.

Brian Sauer

USBR:

Chairman Mio introduced Mr. Brian Sauer, Conservation and Operations Specialist, for the Bureau of Reclamation.

Mr. Sauer started his presentation with a runoff comparison between the 2014 and 2015 years January through July. He reported in 2014 the Payette Basin produced 2,025,000 acre-feet which is 109% of normal. Then in 2015, 1,390,000 acre-feet was produced which is equal to only 75% of normal. Currently in 2016 we are expected to see 1,849,000 acre-feet of production through the period if conditions remain close to normal. Mr. Sauer displayed a comparison of the Snotel sites for the years from 2013 to the present.

Mr. Sauer noted that in 2015 runoff at the Horseshoe Bend gage hit its seasonal peak flow during the month of February, and by June had dropped well below the usual average. He demonstrated this with line charts. He moved on to Cascade Reservoir. Mr. Sauer stated that Cascade reached a full condition in May and drafting of the reservoir began a month earlier than normal. Brian displayed a chart from a weather station in McCall and noted that last year's temperatures were well above normal from February onward causing a lack of low elevation snowpack. He also noted the total precipitation at that station was actually above normal for the season but the warm temperatures did not allow it to stay on the mountains. Mr. Sauer devoted several slides depicting how the snow water equivalent reached its season high of 87% of normal, then how we lost the snow in March and ended the month with only 50% of the usual snowpack.

Mr. Sauer shifted to the current year and reported, today we have 58% of a full condition in the Payette Reservoirs and the Boise is sitting at 39% of normal. Projected runoff, January through July is forecast at 117%, with inflows to Cascade at 113% of Normal and to Deadwood 117%. Brian reported most Snotel sites are above normal for this time of year. He also noted that there is still a lot of time for conditions to change so it remains a little too early to tell what kind of a water year 2016 might bring.

Mr. Sauer mentioned the Bureau of Reclamation's WaterSMART Water & Energy Efficiency Grants program and encouraged everyone to look into the opportunities they offer.

He also reported on the Pacific Northwest Region Water Conservation Field Services Program which offer 50% cost sharing grants for smaller projects with a maximum award of \$25,000. He invited interested persons to visit www.grants.gov and reported that applications must be submitted by February 18, 2016.

Daniel
Stanaway
IDWR :

Chairman Mio introduced Mr. Dan Stanaway, Technical Hydrologist, from the Department of Water Resources.

Mr. Stanaway handed out packets titled, "2015 Payette Irrigation Year in Review". Mr. Stanaway summarized the year by stating; we did get our reservoirs filled, even though the snowpack was well below normal. The early season melt reduced the amount of natural flow available for irrigation. The Day of Allocation came very early in 2015, on June the 15th. And as a result, storage use was well above normal, and the year ended with less than average carryover storage. Mr. Stanaway displayed charts of the snow water equivalent for 2015 in comparison to the 30 year median and the two preceding years. He also displayed natural flow and annual flow charts to demonstrate how 2015 turned out to be a very short water year.

Mr. Stanaway talked about the evaporation effect on the reservoirs and because the day of allocation was so much earlier in 2015, the exposure to evaporation loss was greatly extended. This consequently caused above average evaporation losses for the year.

Mr. Stanaway explained the Storage Reconciliation is a comparison between the results of the Computer Model, vs the Actual amount of water remaining in the Reservoir system. The difference between the model and the physical content should range between 0 and 10,000 acre-feet for a system the size of the Payette. Mr. Stanaway pointed out that according to our models the maximum amount of fill during the 2015 season was 879,498 acre-feet, this includes the reservoir fill which occurred late in the irrigation season. The total storage passing Letha was 187,256 acre-feet and total storage used was 472,717 acre-feet. The Accounting Model indicates there is a current storage volume of 406,782 acre feet, whereas the actual reservoir content is 1,230 feet less, reading 405,552 acre feet. Dan commented this is a very small error and well within the allowable averaging error range.

Mr. Stanaway continued by saying as of January 11th the Snotel sites range between 111% and 171% of normal for the Payette. He stated the 6-10 day forecast prediction indicates wet conditions are likely, which is a positive indication for the Basin. Dan concluded and asked if there were any questions.

Water Master

Report:

Chairman Mio asked Water Master Ron Shurtleff to give his 2015 Water Master Report.

Watermaster Shurtleff started by pointing out the differences in the last few years. He reported, that in a span of only four years the Payette System has experienced the latest day of allocation, July 31, 2011 and the earliest day of allocation, which occurred on June 15th of this year. These are the latest and earliest extremes since water accounting has been conducted to the Payette Basin.

Ron continued his report with the actual Storage use numbers by entity and the reduction in carryover caused by the short water year. He also displayed the reduction in flow augmentation assignments from the irrigators. Ron summarized the season by stating the irrigators protected themselves with reduced flow augmentation commitments. The irrigators experienced increased storage usage which in turn caused reduced carryover volumes for next year. Also the basin is facing a bigger challenge to get the reservoir system filled for this 2016 season.

Ron continued by reporting on the District's Cost Share Program at the usual budget amount of \$100,000. The budget also offered an additional \$3,000 for water quality projects. He displayed the list of projects and then showed photos of each project and gave a brief explanation of what each project is intended to accomplish.

Budget

Committee:

Chairman Mio turned the floor to Dan Surmeier, Budget Committee Chairman.

Mr. Surmeier reported, the committee had met and prepared the budget which is displayed on page 38 of the meeting packets. He said there were very few changes to this year's budget from the previous year. He noted they did give the Watermaster an increase in pay of 2.4% and the resulting payroll cost that accompany the change. He then asked Watermaster Shurtleff to point out any changes that he may be overlooking. Ron noted a reduction to the Professional Fees item budget which was reduced by \$2,000, and the Idaho Water Users Coalition Dues Budget that was reduced by \$2,500. Ron further explained the budget committee had raised the Cost Share Infrastructure budget item to \$125,000, an increase of \$25,000. Then when the Budget Committee presented the proposal to the Advisory Board, the Board suggested an additional increasing to the Infrastructure item, raising it to \$134,000 this was to accommodate all the applications that have been received to date. After some discussion, **Jim Standley moved to accept the budget as presented on page 38 and attachment it to the Resolutions as Exhibit A, with a recommendation for approval as the 2016 budget. Doyle Falkner seconded the motion, and the motion carried.**

Nomination

Committee:

Chairman Mio asked Dan Surmeier for the Nominations Committee Report.

Committee Chairman Surmeier had everyone turn to page 39 of the packets to view the prepared list of Advisory Board Members, Advisory Board Officers, and

Nominations and Budget Committee Members for the 2016 season. Mr. Surmeier pointed out the change in officers for this year and reported Darlene Maxwell is nominated for Chairman/Treasure, Roy Maxwell for Vice Chairman, and Wayne Martin is nominated for Secretary. He stated the Advisory Board member list has been updated and nominated as presented on page 39. Dan also stated the Budget and Nomination Committee, is listed unchanged from the previous year. He then asked if there were any other nominations. Roy Maxwell then stated that Black Canyon Irrigation District would like to nominate John Hartman as an alternate to the members that represent their district on the Advisory Board. **Chad Henggeler moved to add Mr. John Hartman to Black Canyon Irrigation District's members as an alternate and to accept the amended nominations list to be attached to the Resolutions as Attachment B. and to do this with a recommendation for approval as the Water District Advisory Board and Officers. Jim Standley seconded the motion and the motion carried.**

**Adoption
Resolutions:**

Chairman Mio suggested approving all resolutions, 1 through 15 with one motions but asked Ron Shurtleff to read through each one so everyone would understand the Resolutions. After discussing the list of resolutions it was decided that Resolution 11 which sets the mileage compensation allowance at \$0.45 per mile, should be updated to reflect the current government allowable rate of \$0.575 per mile. **John Hartman moved to approve an increase from \$0.45 per mile to the suggested \$0.575 per mile. De Burr seconded the motion, and the motion carried.**

Dan Surmeier moved to approve all Resolutions 1 through 15 as amended. Marc Haws seconded the motion, and the motion carried

**PCSWCD
Request:**

Chairman Mio introduced Ms. Jo Anne Smith, Chairman of the Payette Soil and Water Conservation District. Ms. Smith explained the purpose of the Soil and Water Conservation District and stated that she is asking for financial support to the district and their programs. She mentioned the Water District No. 65 has supported their programs in the past and she is again asking for continued financial support. Ms. Smith stated the Conservation District is holding their 7th Annual Soil Health Symposium on Thursday, February 18, 2016 and invited everyone to attend. **Chad Henggeler moved to approve financial support for the Soil and Water Conservation District in the amount of \$500 for the 2016 year. Marc Haws seconded the motion, and the motion carried with one opposing vote.**

**Set 2017 Annual
Meeting Date:**

Chairman Mio stated it is time to set the date and time of next year's Annual Meeting. He further stated it has been suggested to set it for Tuesday, January 17, 2017 at 1:00 PM at this same location. **Marc Haws moved, and Dan Surmeier seconded to set the meeting for January 17, 2017 at 1:00 PM in the USDA Service Center, 1805 Highway 16 Emmett, ID. The motion carried.**

Adjournment:

Chairman Mio welcomed the new officers into their positions and thanked everyone for their support during his years in office. He then asked if there is any other business that should come before this annual meeting. Hearing none, he declared the meeting adjourned.

Respectfully Submitted

Ron Mio, Chairman

Betty Knox, Recording Secretary