

WATER DISTRICT NO. 02

SNAKE RIVER FROM MILNER DAM TO MURPHY GAGE

2013 RESOLUTIONS

The water users of Water District No. 02, as part of the annual district meeting held on January 15, 2013, at the Elks Lodge in Mountain Home, Idaho, HEREBY ADOPT THE FOLLOWING RESOLUTIONS:

1. DISTRICT CREATION AND BOUNDARIES

Water District 02 consists of the area and water rights as defined by the *Preliminary Order Creating Water District No. 2, Snake River from Milner Dam to the Murphy Gage below Swan Falls Dam*, dated May 1, 2012. The district includes all surface water rights from the Snake River from Milner Dam to the Murphy gage, except rights used for in-stream watering of livestock as defined by Idaho Code § 42-113.

2. ADVISORY COMMITTEE

It is herewith resolved that an advisory committee shall be selected to provide input to the watermaster and the Director of IDWR. The advisory committee will meet as often as needed to address the structure, governance and operation of the district. Nine water users shall comprise the advisory committee. The advisory committee members for the ensuing year shall be the following (members selected at the meeting):

Member #1: Mark Frost, Grand View Irrigation District
Member #2: Merrill Brown, independent irrigator, Hammett area
Member #3: Steve Tarbet, Flying H Farms
Member #4: Mark Henslee, Salmon Falls Land and Livestock
Member #5: Mark Noble, Grindstone Butte Mutual/ATN Holdings & Man Farms (Sailor Creek)
Member #6: Vic Conrad, J R Simplot Co.
Member #7: Jon Bowling, Idaho Power Co.
Member #8: Chris Bryant, Black Mesa Farms
Member #9: Bill Wolfe, Upper Grand View Canal Co.

3. ANNUAL MEETING DATE

It is herewith resolved that the Annual Meeting for Water District 02 shall be held on the third Tuesday of January of each year at a time and place to be determined each successive year unless the Director of IDWR should find it necessary to change the meeting date or unless changed by resolution of the district at any annual meeting. The next Annual Meeting will be held on January 21, 2014.

4. ANNUAL MEETING MINUTES

Copies of the minutes of the annual meeting and all approved resolutions shall be filed with the Director of IDWR immediately after the annual meeting in accordance with Idaho Code § 42-605(5).

5. ELECTION OF WATERMASTER

It is herewith resolved that the Idaho Department of Water Resources (IDWR) be elected to provide the watermaster services for Water District 02 and that the Director of IDWR appoint Corbin Knowles, an employee of IDWR, or other employees of IDWR as may be necessary, to serve as the watermaster for the ensuing year.

6. WATERMASTER DUTIES

The Watermaster shall perform his or her duties as required by Chapter 6, Title 42, Idaho Code and in accordance with:

- a. Direction and guidance provided by the Director of IDWR;
- b. The annual water district resolution adopted herein.

7. WATERMASTER TERM OF SERVICE

As provided in Idaho Code § 42-608(4), watermaster's term of service shall begin upon appointment by the Director of IDWR immediately following the annual meeting election and continue until the next annual meeting, or until a successor is appointed and qualified under the provision of Section 42-604, Idaho Code.

8. WATER DISTRICT BUDGET

The water users of Water District 02 hereby empower the elected advisory committee to enter into a Memorandum of Understanding between the Water District and the Director of IDWR that will provide for the following:

- 1) Compensation of the watermaster and all related water district expenses for 2013 shall be provided by IDWR if the district elects IDWR to provide the watermaster services and allow the Director of IDWR to appoint an employee of IDWR as watermaster.
- 2) There shall be no budget or collection of a budget for Water District 02 for the ensuing year, and it shall not be necessary for the election and appointment of a district treasurer for the ensuing year.
- 3) If IDWR is elected to provide watermaster services for 2013, the watermaster shall maintain an office for the ensuing year within the IDWR State or Western Regional Office, located in Boise, Idaho. IDWR will provide office space, vehicles and the use of all necessary office and field equipment, and other necessary watermaster expenses. This arrangement shall not give Water District 02 any ownership interest in any IDWR office space and equipment.

9. WATERMASTER ACCESS TO CONTROL STRUCTURES AND MEASURING DEVICES

Whereas watermaster access to control structures and measuring devices is essential for providing watermaster services and limiting expenses, it is herewith resolved that all users shall provide for watermaster access where access to control structures and measuring devices is through a locked gate and other reasonable means of access are not available. The user shall, upon request by the watermaster, provide to the watermaster a key or combination to any such locks.

10. ENTRY OF LANDS BY WATERMASTER

It is herewith resolved that the watermaster and any watermaster assistants are authorized as employees of IDWR under Idaho Code § 42-1701(5) to make reasonable entry on lands within the district, in accordance with IDWR policy, to carry out the duties of the watermaster as instructed by IDWR. These duties include but are not limited to:

1. Inventory of diversions in the district, including inspection of conveyance infrastructure and place of use of water.
2. Measuring and recording rates of diversions, and regulating diversions as necessary from the surface water sources within the district.
3. Monitoring the place, period, and nature of use of water to identify unauthorized diversion and use and/or to determine compliance required by any agreement or order of IDWR.

Water District 02 Annual Meeting Minutes
1/15/2013

Called to order 2:05 PM - Tim Luke- IDWR

Tim introduced IDWR staff to the water users group and recognized Director Gary Spackman in attendance. Other IDWR staff included John Weistra, Steve Lester, and Corbin Knowles. Tim gave a brief overview of why the meeting was being held and that the district will have annual meetings in the future. Tim also explained the primary reason for the annual meeting was to elect a watermaster, form an advisory committee and in future meetings vote on an adopted budget to operate the district.

Tim then gave some background information including the dates of meetings held to help with the creation process of the new district. This included time lines associated with the final order issued in July, 2012 and time associated with answering petitions filed to stop proceedings to create the district. Tim also followed up discussion about the two meetings held in August and December 2012 with a steering committee to discuss the first annual meeting business along with the time frames associated with a measuring device order. Tim identified the members of that committee and acknowledged that IDWR was appreciative of the help provided by the group. This committee included Mark Henslee (Salmon Land and Livestock), Mark Frost (Grandview Irrigation District), Vic Conrad (JR Simplot Company), Merrill Brown (farmer from the Hammett area), Steve Tarbott (Flying H Farms), Jon Bowling (IPCO), and John Marshall (Grindstone Butte Representative).

Tim then discussed the need for a meeting chairman to conduct the meeting. Tim asked for nominations for a meeting chairman. No nominations were offered and Quey Johns, a water user in the group, asked if Tim could run the first meeting. Tim agreed but said he would prefer a user in the group run the meeting and would expect a water user to conduct the next annual meeting. Additionally the meeting needed a person to take meeting minutes for public record and Tim took nominations for a meeting secretary. Jon Bowling nominated Corbin Knowles of IDWR to take meeting minutes and Mark Henslee seconded the motion. Voice vote carried.

Tim explained the function of a water district and why a district was needed in this area. This included reference to Idaho Statue and that as an adjudication of water rights was completed the next step was to form water districts. Some discussion was added about the Snake River Basin Adjudication and the magnitude of the SRBA process. The SRBA is the largest and most successful general adjudication completed to date in the western US. Tim then covered some statistics about how many water districts currently are functioning in the state of Idaho. Currently there are some 70 functioning districts that elect a watermaster and a budget annually and oversee distribution of water, including ground water sources in some areas. Further discussion included some general description of watermaster duties, and more specific duties for Water District 02. Tim also discussed the Swan Falls Agreement (SFA) and how that agreement resulted in avoiding curtailment of many rights in the Milner-Swan Falls reach of the Snake River, and other areas. Tim also provided some review of the water rights in the water district and noted that IDWR has found some discrepancies between water right places of use and actual irrigation locations that would need to be addressed by the new watermaster. Other questions that stemmed from the SFA discussion included a question related to minimum in-stream flow rights in the upper Snake River and if any existed in WD 01. Gary Spackman addressed this question by telling the group that minimum stream flow rights exist in the upper Snake but are typically for uses other than

negotiated agreements between users and also indicated that most of these rights would be junior in priority to other uses like irrigation.

Mark Frost with Grandview Irrigation District asked a question related to the cost of functioning a district in anticipation of budgeting at future GID meetings. Tim answered by comparing two other districts in the area that were of similar size (WD 63 and 65 Boise and Payette) in which the annual water district assessments are generally less and \$1.00/acre within the district and that WD 02 would likely be looking at a budget of about 60 to 120 thousand dollars annually to operate the water district. This included some discussion about the length of employment and that primarily the watermaster position would be more seasonal. Other comments related to budgetary items included how assessments are based on water diverted and that using telemetry on a number of diversions in the district could perhaps lower the district's operational expenses. Comments from Tim also included how voting in water districts is usually conducted by "one man one vote" and some discussion on the different types of voting processes that included voting on shares or by dollar amount spent by individual water users in the district.

Tim then introduced Jon Bowling of Idaho Power Company (IPCO) for his presentation on the history of the SFA and how we move forward with water district functions in this section of the river. This included discussion about the Technical Working Group (TWG) formed after the State and IPCO reaffirmed the SFA. The TWG includes representatives from IPCO, IDWR, USGS, City of Pocatello, Water District 02 water users and Eastern Snake Plain Aquifer ground water users. Jon mentioned that the TWG is developing methods and procedures to remove affects of IPCO hydropower operations at the Murphy gage station and accurately determine Murphy gage natural and minimum stream flows, as well as account for augmented flows delivered through the Milner-Murphy reach. Jon said the TWG (and IPCO) want to be transparent through this process and that TWG meetings are open to the public. Jon spent a fair amount of time discussing what IPCO has done and will continue to do to help with the process of determining how flows in WD 02 would be calculated. New gauging stations are proposed on the Bruneau Arm of CJ Strike Reservoir, on the Snake River above CJ Strike, and on the Snake River above Swan Fall Reservoir. Jon also discussed the relicensing process with the Federal Energy Regulatory Commission (FERC) on the four dams in the Milner-Murphy reach.

Tim then gave a brief overview of IDWR's efforts to apply for a Bureau of Reclamation (BOR) Water Smart grant to assist with installation of measuring devices and telemetry equipment at a number of diversions in Water District 02. The grant deadline is January 17, 2013. The Idaho Water Resource Board is the grant applicant contingent on receiving letters of commitment from interested irrigation entities whose diversions were identified in the grant. A total of 22 diversions were included, involving 15 irrigation entities or users. IDWR had only about a month to visit these diversions, determine measurement methods, budget costs and write the grant. The grant application was supported by the steering committee. Given the short grant application deadline, additional diversions could not be included in this application but could be identified in one or more subsequent applications. IDWR views this initial grant application more as a demonstration type project. IDWR should know about the status of the grant in early March, 2013. Tim also included some discussion regarding issuance of a water measurement order for the district. Staff will work with the advisory committee on the order and a timeline for implementation. Tim suggested that there may be some phased approach to measuring device installation and compliance, with full compliance slated potentially by the 201 or 2016 irrigation season.

Tim introduced Corbin Knowles of IDWR who gave a presentation on water measurement devices. The use of ultrasonic and magnetic flow meters was presented with examples of installations on large pipelines that IDWR is currently monitoring in the Hagerman area. Also discussed was a general breakdown of the costs associated with the installation of these meters along with items related to the BOR grant. Corbin presented a few slides on the number of diversions and costs associated with the BOR grant. Corbin also provided a handout outlining the pros/cons of both the magnetic and ultrasonic flow metering technology. This handout was put together as a request by a water user in the district to help answer some questions that water users were asking related to measuring device requirements and options for their systems.

Tim then presented the water users with a copy of draft resolutions that included the election of a watermaster, an advisory committee, and standard operating procedures of the district. One of the resolutions proposed that IDWR be elected to provide watermaster services for one year (2013) and appoint an employee as watermaster at no charge to the water users or the water district. Mark Frost made a motion to retain the members of the steering committee as advisory committee members for the district. This motion was seconded by Mark Henslee. Additional discussion of the size of the advisory committee included an amended motion to expand the number from 7 to 9 members; this motion was seconded by Mark Henslee and voice vote passed. The advisory members are as follows for 2013 (until the next annual meeting in January, 2014):

Member 1- Mark Henslee- Salmon Land and Livestock
Member 2- Steve Tarbott- Flying H Farms
Member 3- Merrill Brown- Small farmer, Hammett
Member 4- Vic Conrad- JR Simplot Company
Member 5- Mark Noble- Grindstone Mutual Canal
Member 6- Jon Bowling- IPCO
Member 7- Mark Frost- Grandview Irrigation District
Member 8- Chris Byrant- Black Mesa Farms
Member 9- Bill Wolfe- Upper Grandview Canal Co.

The watermaster election resolution was discussed next. Mark Frost made a motion to accept the proposed resolution to elect IDWR as the watermaster for 2013. This motion was seconded by Mark Henslee and the voice vote carried. Corbin Knowles was identified as the IDWR staff person to be the watermaster for the 2013 season.

Motion to accept the remaining resolutions presented was made by Mark Henslee. Quey Johns seconded and the motion carried on a voice vote.

Additional time was spent to discuss when the advisory committee might meet to discuss the measuring device order and the timing of that order. Tim suggested meeting in March, 2013 after receiving the results of any BOR Water Smart grant award.

Tim turned the time over to Gary Spackman, IDWR Director. Gary thanked the water users for their participation in the process. He opened up the meeting for questions or comments and was asked about the water supply for this coming irrigation season. Gary told the group that the water supply in most basins was fairly close to normal but would likely see a drop in Snow Water Equivalences in the coming days due to a predicted dry pattern across much of the state. Additionally questions were asked about how water from WD 01 could be brought down into WD 02. Tim told the group that no water

from the upper pool in the Snake was being used consumptively below Milner dam and that any rumors of moving water from above Milner for irrigation use below Milner in Water District 02 were not correct. Tim did describe some rentals of water by the BOR from the Upper Snake through Water District 02 and the lower Snake to meet their flow augmentation goals for endangered anadromous fish species. Jon Bowling also described some rentals of water from the Upper Snake by IPCO for non-consumptive hydro power purposes. Questions related to water bank leases followed and Gary spent some time discussing to what extent the water bank was being used in WD 02 and other parts of the state. Gary did mention to the group that the water bank lease option was an area he hoped the advisory committee would keep a close eye on due to all the water that is delivered through this section including the flow augmentation water rented by the BOR from the upper Snake and the Bell Rapids water rights.

Additional questions were asked related to when a measuring device order might be issued in the District. Tim addressed this question and provided some timeline including as early as the first quarter of 2013 with a possible phased in approach to be completed by 2016. Tim did not wish to commit to specific timeframes until IDWR has an opportunity to work with the new advisory committee. No other questions were asked.

Mark Frost motioned to adjourn the meeting and Charlie Bryant seconded that motion and the meeting ended at approximately 3:56 PM.

Minute prepared by Corbin Knowles- IDWR
January 29, 2013

A handwritten signature in dark ink, appearing to read 'CRK', is written over the date 'January 29, 2013'.