

Wyoming Water Development Commission/
Select Water Committee
Cheyenne, WY

August 19, 2011

1. Vice-Chair Kent Shurtleff called the meeting to order at 8:30 a.m.
2. Secretary Bill Resor called the roll of Commissioners:

Commission Attendance:

Kent Shurtleff, Vice-Chair
Bill Resor, Secretary
Nick Bettas
Floyd Canfield
Mitch Cottenoir
Shawn Hall
Margo Sabec
Jeanette Sekan

Absent:

Phil Habeck
Jim Wilson

Advisors Attendance:

Greg Kerr, University of Wyoming
Andrew Kuhlmann, Attorney General's Office
Harry LaBonde, State Engineer's Office

Select Water Committee Attendance:

Senator Stan Cooper
Senator Ogden Driskill
Senator Gerald Geis
Senator John Hines
Senator Marty Martin
Senator Curt Meier
Representative Mark Semlek
Representative Stan Blake
Representative John Eklund
Representative Owen Petersen
Representative Lorraine Quarberg
Representative Jim Roscoe

3. Approval of Minutes. Jeanette Sekan made a motion to approve the June 2, 2011 minutes, seconded by Floyd Canfield. The motion carried.

In a separate action, the Select Water Committee approved the minutes from the June 2, 2011 Committee meeting, as amended.

4. Audience introductions

5. Planning

➤ Amendments

- *East Fork Wind River Instream Flows Study*
An interim amendment to the contract with Arrow Land and Water, LLC was presented. The amendment serves to expand Task 5, Hydrology Analysis and Check Measurements of the contract. The budget was increased by \$3,000.
- *Sheridan Supplemental Storage, Level II*
A final amendment to the engineering contract with DOWL HKM was presented. The amendment serves to document WWDC acceptance of the final report and to document the final contract budget of \$272,666.63.
- *Sierra Madre Water & Sewer District*
The final amendment to the groundwater grant contract with the Sierra Madre Water and Sewer District Joint Powers Board was presented. The amendment serves to document WWDC acceptance of the final report and to document the final contract budget of \$124,416.69.
- *Viva Naughton Enlargement Study, Level II, Phase II*
An interim amendment to the engineering contract with States West Water Resources Corporation was presented. The amendment serves to extend the contract expiration date to June 30, 2012.
- *Wheatland Master Plan, Level I*
A final amendment to the engineering contract with Wester-Wetstein & Associates, Inc. was presented. The amendment serves to document WWDC acceptance of the final report and to document the final contract budget of \$140,484.61.

Discussion followed. A motion to approve all amendments as presented was made by Bill Resor, seconded by Mitch Cottenoir. The motion carried.

No action was taken by the Select Water Committee.

➤ Agreements

- *Gooseberry Rehabilitation*
Since the original appropriation of \$1,190,000 was approved, three additional improvements were identified. These improvements include three additional head gates and associated appurtenances. The sponsor received bids for the original project and alternate bids for the three additional improvements. There are sufficient funds to complete the original project and apply \$105,068 to the three additional projects, but project funding is short \$66,235 to complete the entire project. The Director noted that the sponsor is requesting \$70,000 be provided by sponsors' inflation fund to complete the entire project. If the fund could be utilized, savings would be realized by using current pipe and fuel prices as

well as avoiding additional mobilization costs. However, the request is also an expansion of services. Discussion followed. Shawn Hall made a motion to approve the use of \$70,000 from the sponsors' inflation fund for the Rehabilitation Program, seconded by Jeanette Sekan. The motion carried.

In a separate action, the Select Water Committee approved a similar action with Representatives Lorraine Quarberg, Mark Semlek and John Eklund opposed.

- *Snake-Salt Groundwater Update Agreement*
An interagency agreement with the Wyoming State Geological Survey was presented. The budget is \$250,000. Discussion followed. Bill Resor made a motion to approve the agreement as presented, seconded by Floyd Canfield. The motion carried.

In a separate action, the Select Water Committee approved a similar motion.

- *Palisades Reservoir*
In 1990, the State of Wyoming contracted with the Bureau of Reclamation for 33,000 acre feet of space in Palisades Reservoir on the Snake River on the Wyoming-Idaho stateline. The Idaho Ground Water Appropriators, Inc. (IGWA) is a group of groundwater users who are subject to water right calls by senior surface water right holders in Idaho. An option agreement for lease of storage water with IGWA was presented. Annual options payment of \$10,000 per year for ten years will be made regardless if the leased water is needed for the IGWA or not. No more than 5,000 acre-feet of water will be leased in any one year. If Wyoming's storage account contains less than 15,000 AF then no water will be delivered to IGWA. Discussion followed. A motion to approve the agreement as presented was made by Bill Resor, seconded by Shawn Hall. The motion carried.

In a separate action, the Select Water Committee approved a similar motion.

6. Policies and Procedures

- **Operating Criteria for the Wyoming Water Development Program**
Mike Purcell outlined the criteria as approved on June 5, 2008 with the proposed revisions. The following amendments were proposed and approved:
 1. Based on suggestions from Senator Curt Meir, subsection D.1.e of Chapter III, pertaining to the requirements for certifications relating to the sale of outside of the sponsors' service areas, was deleted.
 2. Margo Sabec provided an amended version of Section B. of Chapter IV, which reads as follows:

"B. Scheduling

Cash flow considerations are imperative in scheduling the commitment of water development funds for the New Development and Rehabilitation Programs. The annual requests for WWDC funding typically exceed the funding available.

1. Phasing

The WWDC may need to phase construction funding requests to the legislature for projects. Under these circumstances, the total project budget must be included in the phased funding requests to the legislature to document that it is the WWDC's intention to seek additional funding in subsequent sessions.

2. Sponsor's Financing Plan

Sponsors may seek alternative funding to replace all or a portion of the WWDC loan to make the project more affordable. In addition, the sponsors may need to secure alternative funding for project components not eligible for WWDC funding. There are often uncertainties and delays in acquiring loans and, particularly, grants from other funding agencies. The sponsor's ability to complete their financing plans in a timely manner is a consideration in the WWDC's funding decisions. The WWDC may give priority in its Level III funding deliberations to the projects in which the sponsor has a finalized financing plan or there is documented evidence that the financing will be in place within the calendar year in which the Level III project funding is approved by the Legislature.”

A motion to approve the Operating Criteria of the Wyoming Water Development Program, as amended, for purposes of the public review process was made by Margo Sabec. The motion was seconded by Bill Resor. The motion carried.

In a separate action, the Select Water Committee approved a similar motion.

➤ Consultant Selection Procedures

Director Mike Purcell presented the Consultant Selection Procedures, which were revised to address recent changes to the Professional Services Procurement Act. Discussion followed. A motion to approve the document as presented was made by Margo Sabec, seconded by Bill Resor. The motion carried.

In a separate action, the Select Water Committee approved a similar motion.

7. Discussion

- **Financial Status.** Mike Purcell indicated that the 2012 projections for water development account I, II and III would be \$72,429,053, \$14,803,927, and \$126,103,053, respectively. These numbers reflect tax and interest income as well as reversions.

- Agency Budget. The 2013-2014 budget was presented by Mike Purcell. The total budget would be \$8,113,535. This budget does not include funding for the State Climatologist. Discussion followed. Floyd Canfield made a motion to endorse the preliminary budget as presented, seconded by Margo Sabec. The motion carried.
- 2012 Session. A preliminary review of potential non-project and project funding requests was presented. It was noted that all of the funding requests from the New Development Program (WDA I) and Rehabilitation Program (WDA II) cannot be approved due to insufficient funds. Discussion followed.
- W.S. 16-6-1001 relating to Wyoming contract and engineer preference laws were presented and discussed.
- Probable Maximum Precipitation Study. Mike Purcell presented a status report on the \$70,000 provided by the Natural Resources Conservation Service for peer review.
- Miscellaneous
 - Colorado River Salinity Control Program. The Water Development Office will be the distribution agency for the State of Wyoming.
 - According to the North Platte Modified Decree, Wyoming's entitlement to irrigate 226,000 acres above Guernsey Reservoir must be split into two entitlements for the areas above Pathfinder Reservoir and Pathfinder Reservoir to Guernsey Reservoir. An acreage split has been proposed and presented by the State Engineer during two public meetings. Comments received were positive.

The next meeting will be November 3 and 4, 2011 in Casper.

There being no further business, the meeting adjourned at 11:07 a.m.

Respectfully submitted,

William B. Resor
Secretary