Wyoming Water Development Commission/
Select Water Committee
Joint Meeting
Casper, Wyoming

November 6th and 7th, 2014

1. Chair Jeanette Sekan called the meeting to order at 8:35 a.m.

2. Secretary Sheridan Little called the roll of commissioners:

Commission Attendance:
Jeanette Sekan, Chair
Floyd Canfield, Vice-Chair
Sheridan Little, Secretary
Bill Resor
Nick Bettas
Karen Budd-Falen
Travis Brockie
Rodney Wagner
Margo Sabec – via phone
Todd Werbelow

Advisors in Attendance:
Greg Kerr, University of Wyoming
Abigail Boudewyns, Attorney General's Office

Select Water Committee Attendance:
Senator Gerald Geis
Senator Stan Cooper
Senator Ogden Driskill
Senator Curt Meier
Senator John Hines
Representative Mark Semlek
Representative John Eklund
Representative Michael Madden
Representative David Northrup
Representative Stan Blake

3. **Approval of Agenda.** The agenda was approved, no revisions made. A motion to approve the agenda was made by Bill Resor, seconded by Rod Wagner. The motion carried unanimously.

4. **Approval of Minutes**. A motion to approve the August 20, 2014 WWDC Workshop minutes, August 20, 2014 WWDC Executive Session minutes and the August 22, 2014 WWDC meeting minutes was made by Karen Budd-Falen, seconded by Floyd Canfield. The motion carried unanimously.

   In a separate action the Select Water Committee approved the August 22, 2014 minutes of the Committee. Senator Geis made a motion to approve the August 22, 2014 minutes, seconded by Representative Northrup. The motion carried unanimously.

5. **Audience Introductions**

6. **Planning Amendments**
   - *Bear River Hydrology Model Study, Level I, Amendment No. 2*
     An interim amendment to the engineering contract with Parsons Water Consulting, LLC was presented. The amendment serves to extend the Contract expiration date from December 31, 2014 to December 31, 2016.

   - *Pavillion East Water Supply Project, LIII, Amendment No. 5*
     An interim amendment to the engineering contract with James Gores and Associates, P.C. was presented. The amendment serves to increase the total Contract amount by $100,000.00 to cover increased costs for the Task 6 construction for the Phase II cisterns (13 cisterns) from $883,000.00 to $983,000.00. It serves to also extend the contract expiration date to December 31, 2015. Discussion followed.

   Bill Resor made a motion to approve the Bear River Hydrology Model Study, Level I, Amendment No. 2 as presented and to table the Pavillion East Water Supply Project, LIII, Amendment No. 5 pending a memo from the staff for the Commission and Select Water Committee explaining the changes in cost on a per cistern basis from the original estimate as well as the estimate presented in June. The motion was seconded by Nick Bettas. The motion carried unanimously.

7. **UW Water Research Proposals**

UW Office of Water Programs, Non-Technical Statement for FY15 Proposals Water Research Program – List of Proposals for informational purposes only. No action was required of the commission.

- P1 – "Groundwater Modeling of the Casper Aquifer, Belvoir Ranch, Cheyenne", Ye Zhang, 3 year duration, amount requested: $196,718.
- P2 – "A new Multifunctional Sorbent for the Treatment of Coproduced Waters (CWS) from the Energy Industry", Maohong Fan, 3 year duration, amount requested: $200,620.
- P3 – "Beneficial Reuse of Saline Brines Using Solar Enhanced Subsurface Pervaporation Irrigation", Jonathan Brant, 3 year duration, amount requested: $165,057.

Full proposals are available at http://wwdc.state.wy.us/WRP.WRP.html . The WRP advisory committee will be meeting to review and rank the proposals. The results will be presented to WWDC and SWC at their December meeting for consideration of funding in the WRP block funding request in the 2015 Omnibus Water Planning Bill.

8. **North Fork Shoshone Water Supply Study**

Director LaBonde outlined the questionnaire/data collection process regarding the questionnaire sent to the residents of Wapiti, WY and surrounding North Fork community. Questionnaire results and maps were presented to the Commission and SWC.

SUMMARY OF QUESTIONNAIRE
PARCEL AND LETTER INFORMATION

TAB RESULTS PER PARCEL

Total Parcels With No Response	270	24.3%
Total Parcels That Have a Response	839	75.7%
Total Parcels With a Response of **YES**	198	23.6%
Total Parcels With a Response of **NO**	641	76.4%

TAB RESULTS PER UNIQUE LANDOWNER

Total Unique Landowners	614	
Total Unique Landowners Who Did Not Respond	176	28.7%
Total Unique Landowners With a Response of **YES**	119	27.2%
Total Unique Landowners With a Response of **NO**	319	72.8%

Director LaBonde presented several options going forward as the project is currently on hold:

- Proceed with the project
- Reduce the scope of the project based on the results of the questionnaire
- Recommend to the legislature to cancel the funding and revert the funds in the Omnibus Water Planning Bill 2015, citing cancellation based on statutory public interest.

Karen Budd-Falen made a motion to suspend the project, seconded by Rod Wagner. Karen Budd-Falen amended her motion to indicate the funding be reverted to WWDC Account I. Motion carried unanimously.

9. 2015 Funding Recommendations – New Development Program

New Development Program – Account I

Level III Projects – Existing – Account I

- *Arapahoe Pipeline and Tank*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $1,926,920. The remaining funding of $949,080 will be provided by the sponsor, the Northern Arapaho Indian Tribe. Travis Brockie recused from the vote, but indicated the tribe would be pursuing federal funding for the balance of the project costs.

- *Cambria Tank*
  The Director revised his original recommendation to not fund based on recent developments, including a letter from Cambria which the Director read at the meeting. The Director's revised recommendation was to provide funding as a 67% grant only in the amount of $627,000, conditional on a Water Service Agreement between Cambria and Sweetwater. It's recommended the sponsor apply to the DWSRF for remaining funding of $310,000. Discussion followed.

- *Sweetwater Water Supply*
  The Director revised his original recommendation to not fund, based on recent developments. The Director's revised recommendation was to provide funding as a 67% grant only in the amount of $562,800, conditional on a Water Service Agreement between Sweetwater and Cambria. It's recommended the sponsor apply to the DWSRF for the remaining funding of $277,200.

- *Casper Zone II - 2015*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $1,728,600. The remaining funding of $851,400 will be provided by the sponsor, the City of Casper.

- *Ethete Water Supply*
  The Director's recommendation was to grant the 3 year time extension thus extending the reversion date from July 1, 2015 to July 1, 2018. Travis Brockie recused from the vote.

- *Gillette Madison Pipeline*
  The Director's recommendation was to grant the 2 year time extension thus extending the reversion date from July 1, 2015 to July 2, 2017. Discussion followed.

- *Indian Paintbrush Water Supply*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $616,400. It's recommended the sponsor, Indian Paintbrush Water District, apply to the DWSRF for the remaining funding of $303,600.

- *Jamestown / Rio-Vista Water Supply*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $4,288,000. The remaining funding of $2,112,000 will potentially be provided by RUS. Discussion followed.

- *Lovell Tank / Zone 2 Improvements*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $2,401,950. The remaining funding of $1,183,050 will be pursued by the sponsor, Town of Lovell, from the DWSRF as indicated on the application submitted.

- *Lower Nowood Rural Water Supply*
  The Director's initial recommendation was to table the funding pending a water service agreement with South Circle I&S District and the Town of Ten Sleep. The commission encouraged the Director to revise his recommendation and approve the 67% grant request of $1,423,750 pending the water service agreement with aforementioned entities. Discussion followed.

- *Pine Haven Well and Tank*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $2,077,000. It's recommended the sponsor, Town of Pine Haven, apply to the DWSRF for the remaining funding of $1,023,000.

- *Riverton Water Supply*
  The Director's recommendation was to increase the project grant funding by $2,412,000 to a total of $8,576,000 and additional loan amount of $360,000 for a total loan amount of $1,280,000. The Director also recommended approving the 2 year time extension from July 1, 2015 to July 1, 2017.

- *South Thermopolis Water Supply*
  The Director's recommendation was to increase the project grant funding by $201,000 to a total of $2,318,200. The Director also recommended approving the 2 year time extension from July 1, 2015 to July 1, 2017.

- *Squaw Creek Water Supply*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $308,200. It's recommended the sponsor, Squaw Creek Water District, apply to the DWSRF for the remaining funding of $151,800.

- *Upton Well*
  The Director's recommendation was to grant the 1 year time extension, thus extending the reversion date from July 1, 2015 to July 1, 2016.

- *Weather Modification – Wind River Mountains - 2016*
  The Director's recommendation was to approve the 25% funding contribution in the amount of $170,000 toward the total winter 2014-15 Operations Budget of $621,360 with the balance of funding coming from cooperative agreements with various state and federal agencies totaling the remaining 75%. Discussion followed.

Bill Resor made a motion to approve the Director's recommendations on Casper Zone II – 2015, Gillette Madison Pipeline, Indian Paintbrush Water Supply, Jamestown/Rio-Vista Water Supply, Lovell Tank/Zone 2 Improvements, Pine Haven Well & Tank, Riverton Water Supply, South Thermopolis Water Supply, Squaw Creek Water Supply, Upton Well and the Weather Modification – Wind River Mountains - 2016. Karen Budd-Falen seconded the motion, the motion carried unanimously.

Bill Resor made a motion to approve the Director's recommendations on the Arapahoe Pipeline and Tank, and Ethete Water Supply. Seconded by Todd Werbelow, the motion carried with Travis Brockie recused.

Bill Resor made a motion to approve the Cambria Tank and Sweetwater Water Supply with the Director's modified recommendations regarding water service agreements. Seconded by Floyd Canfield, the motion carried unanimously.

Bill Resor made a motion to approve the Director's revised recommendation for Lower Nowood Rural Water Supply regarding a water service agreement with the Town of Ten Sleep. Floyd Canfield seconded, the motion carried unanimously.

Level III Projects – New – Account I

- *Kaycee Replacement Tank*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $435,500. It's recommended the sponsor, Town of Kaycee, apply to the DWSRF for the remaining funding of $214,500.

- *Kemmerer-Diamondville Water System*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $1,587,900 for construction of the tank only. Director LaBonde indicated historically funds have not been used in the development of business parks and the Sponsor's original funding request included a transmission pipeline to a new business park.

- *Newcastle 2015*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $616,400. It's recommended the sponsor, City of Newcastle, apply to the DWSRF for the remaining funding of $303,600.
- *Sheridan Leopard Street Pipeline*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $2,211,000 with the balance of funding from the sponsor's, City of Sheridan, application to the DWSRF in the amount of $1,089,000.

- *Wheatland No. 7 Well*
  The Director's recommendation was to provide funding as a 67% grant only in the amount of $502,500. It's recommended that the sponsor, Town of Wheatland, apply to the DWSRF for the remaining funding of $247,500.

Rod Wagner made a motion to approve the Director's recommendations on Level III New Projects, Account I as presented. Bill Resor seconded, the motion carried unanimously.

Level II Projects – Account I

- *Clearmont Test Well*
  The Director's recommendation was to provide funding in the amount of $750,000 to determine the feasibility of the recommended test/production well construction program from the Level I Study and develop Level III cost estimates.

- *Green River, Rock Springs, Sweetwater County Joint Powers Board Pipeline*
  The Director's recommendation was to provide funding in the amount of $125,000 to investigate the replacement of the existing 20-inch asbestos-cement pipeline running from the water treatment plant to the Purple Sage area.

- *High Meadow Ranch Level II*
  The Director's recommendation was to provide funding in the amount of $500,000 to investigate a redundant supply and develop Level II cost estimates to connect the larger upper system and the smaller lower system.

- *Newcastle Madison Well*
  The Director's recommendation was to provide funding in the amount of $1,450,000 for the City of Newcastle to drill a new Madison aquifer production well.

Bill Resor made a motion to approve the Director's recommendations on all Level II Projects – Account I as presented. Rod Wagner seconded, the motion passed unanimously.

Level I Projects – Account I

- *Bear River Watershed Study*
  The Director's recommendation was to provide funding in the amount of $375,000 to conduct a watershed study. Discussion followed.

- *Broken Wheel Ranch Master Plan*
  The Director's recommendation was to provide funding in the amount of $100,000 to proceed with a master plan to evaluate the current condition of the subdivision's water system and to determine the ability of the POA's water system to allow them to continue to operate and to determine options for increasing the system efficiency. This sponsor is not a public entity but has 20 taps with 39 lots

- *Byron Master Plan*
  The Director's recommendation was to provide funding in the amount of $130,000 to formulate a master plan to review and address its water distribution system to provide for better planning, rehabilitation, upgrading and management of the system.

- *Centennial Well and Master Plan*
  The Director's recommendation was to provide funding in the amount of $175,000 for evaluation of an existing WWDC exploration well and development of a master plan for the Centennial Water & Sewer District. Discussion followed regarding ownership of the existing well site.

- *Cowley Master Plan*
  The Director's recommendation was to provide funding in the amount of $135,000 to develop a master plan for the Town of Cowley to inventory, map and evaluate the system infrastructure.

- *Middle North Platte – Glendo Watershed Study*
  The Director's recommendation was to provide funding in the amount of $375,000 to conduct a watershed study.

- *Opal Master Plan*
  The Director's recommendation was to provide funding in the amount of $100,000 to develop a master plan and comprehensive assessment of the existing conditions and future needs of the Town's water system. Discussion followed.

- *Powder/Tongue Northeast Groundwater Analysis*
  The Director's recommendation was to provide funding in the amount of $275,000 to conduct a full groundwater inventory to define the groundwater resources in the basin and their potential for development.

- *Powder/Tongue Northeast River Basin Plan Update*
  The Director's recommendation was to provide funding in the amount of $375,000 to update the Powder/Tongue and Northeast River Basin Plans in keeping with the legislative intent to update basin plans every 5-10 years.

- *Upper Laramie River Watershed Study*
  The Director's recommendation was to provide funding in the amount of $375,000 to conduct a watershed study.

- *Upper Snake River Watershed Study*
  The Director's recommendation was to provide funding in the amount of $375,000 to conduct a watershed study. Discussion followed regarding watershed studies in general.

Bill Resor made a motion to approve the Director's recommendations including waiving the requirements of minimum 20 taps and public entity status for Broken Wheel Ranch Master Plan, while excluding the Centennial Well and Master Plan project from the motion. Seconded by Rod Wagner, motion passes, with Nick Bettas opposed.

Karen Budd-Falen made a motion to table the Centennial Well and Master Plan project until December when additional information and permission from the landowner can be obtained. Rod Wagner seconded, the motion passed unanimously.

General – Account I

- *Small Water Project Program*
  The Director's recommendation was to approve funding in the amount of $500,000 in order to keep the programs active and increase the funds in the New Development Program.

- *UW Water Research Program*
  This serves as a place holder for funding depending on project approval at the December 2014 meeting.

- *Sponsor's Inflation Fund*
  The Director's recommendation was to extend the reversion date by 2 years, from July 1, 2015 to July 1, 2017.

Karen Budd-Falen made a motion to approve the Director's recommendations, including language to include UW WRP in funding bill if projects are approved. Bill Resor seconded, the motion passed unanimously.

Moved ahead to item #12 on the Agenda

12. **Review of Buffalo Bill Reservoir Winter Release Agreement**
    Director LaBonde presented the Agreement to the Commission as signed by various state entities including the WG&FD and the WSEO. The Director recommends signing the Agreement for presentation to the Governor and the Bureau of Reclamation. This agreement will be in effect until December 31, 2019.

Nick Bettas made a motion for the WWDC to sign the agreement. Bill Resor seconded, the motion carried unanimously.

14. **Partial Assignment of State Grazing Lease #3-7503 (High Savery Reservoir)**
    Director LaBonde outlined the process of the Jons Trust's intent to sell their private ranch property and their desire to include that portion of State Grazing Lease #3-7503 that is now sub-leased from the WWDC to the Jons' Trust. Director LaBonde noted that paragraph 4 of the sub-lease allows the assignment of the lease if the property is no longer needed by the WWDC for dam, reservoir, or mitigation purposes. Director LaBonde noted that the portion of the sub-lease identified as Pasture 1 meets this condition of "no longer needed," with the exception of the access road to the dam and a small weather modification generator site.

Bill Resor made a motion to authorize the Director to proceed with assignment of the lease as discussed. Todd Werbelow seconded, the motion passed unanimously.

13. **WWDC Operating Criteria**
    Director LaBonde reviewed the proposed changes to the Operating Criteria for the WWDP. No action was taken at this time, but will be revised and brought back to the WWDC at the December 2014 meeting.

Meeting recessed for the day at 5:18 p.m., due to resume 8:30 a.m. on November 7, 2014.

Chair Jeanette Sekan called the meeting back to order at 8:31 a.m. November 7, 2014.

Commission Attendance:

Jeanette Sekan, Chair
Sheridan Little, Secretary
Bill Resor
Rod Wagner
Todd Werbelow
Margo Sabec
Nick Bettas
Travis Brockie
Karen Budd-Falen

Absent: Floyd Canfield, Vice-Chair

Advisors in attendance:

Abigail Boudewyns, Attorney General's Office

Select Water Committee Attendance:

Senator Geis
Senator Cooper
Senator Hines
Senator Meier
Senator Driskill (partial)
Representative Blake
Representative Northrup
Representative Madden
Representative Eklund

Audience Introductions

Jeanette Sekan as Chair granted permission to Anne McKinnon, a former WWDC commissioner, to address the Commission regarding the UW WRP.

Rehabilitation Program – Account II

Level III Projects – Existing

- *Austin Wall Canal Rehabilitation*
  The Director's recommendation was to increase the project funding by $600,000 from $1,000,000 to $1,600,000. A portion of the increase, $500,000 will be a grant, the balance, $100,000 will be a loan. *Funding will be provided for the project in part by the Salinity Control Program.* Discussion followed.

- *Big Horn Canal Underway*
  The Director's recommendation was to provide funding in the amount of $175,000 on a 67% grant, 33% loan basis.

- *Deaver Rehabilitation 2009*
  The Director's recommendation was to grant the 2 year time extension from July 1, 2015 to July 1, 2017.

- *Eden Valley Farson Lateral – Phase II*
  The Director's recommendation was to provide grant only funding in the amount of $2,132,500. This is 50% of project costs with the balance provided by the Bureau of Reclamation *through the Salinity Control Program.*

- *Gillette Madison Pipeline Joint Bonding*
  The Director's recommendation was to grant the 1 year time extension from July 1, 2015 to July 1, 2016.

- *Midvale Rehabilitation 2015*
  The Director's recommendation was to provide funding in the amount of $770,000 for a 100% invoiced materials grant with balance provided by the sponsor. Karen Budd-Falen announced her recusal, and explained that she represents clients involved in litigation with the Sponsor. She recommended placing the project on hold until the litigation is resolved or until the complaint can be amended to remove any reference to Midvale trying to recoup grant money given by the State Of Wyoming to the Midvale Irrigations District. Discussion followed.

- *Midvale Rehabilitation 2013*
  The Director's recommendation was to increase grant funding by $63,600 for a failing drop structure identified in 2003. Initial project materials appropriation from July 2013 will not cover all materials expenses. Karen Budd-Falen recused citing same concerns as previous project. Discussion followed.

- *Riverton Valley Rehabilitation 2013*
  The Director's recommendation was to approve the use of existing Level III funds to repair the Wind River head gate by amending the project description to include the head gate.

- *Shoshone Irrigation District Rehabilitation 2015*
  The Director's recommendation was to provide funding in the amount of $290,000 for a 100% invoiced materials grant. The project includes replacing deteriorating structures with new concrete structures, replace open ditches with buried pipe, and replace check boards with an automated gate.

- *Wheatland Irrigation District Rehabilitation 2015*
  The Director's recommendation was to provide funding in the amount of $874,000 as a 67% grant only with the balance of $430,650 to be provided by the Sponsor's resources.

- *Wind River Irrigation Rehabilitation 2015*
  The Director's recommendations was to provide funding in the amount of $1,482,121 as a 67% grant only with the balance of funds, $730,000, to be provided by the sponsor, Eastern Shoshone and Northern Arapaho Indian Tribes through the Office of the Tribal Engineer. Travis Brockie recused from the vote. Discussion followed.

Bill Resor made a motion to approve the Director's recommendations on all Level III Existing, Account II Projects as presented with the exception of Austin Wall Canal Rehabilitation and Midvale Rehabilitation 2015.

Margo Sabec sought an amendment to the motion to include the Midvale Rehabilitation 2013 in the exceptions. Bill Resor indicated his belief the Midvale 2013 project was a drop structure for relatively little money and could be detrimental to place on hold. Discussion followed.

Bill Resor made an amended motion to approve the Director's recommendations on the Big Horn Canal Underway, Eden Valley Farson Lateral – Phase II, Riverton Valley Rehabilitation 2013, Shoshone Irrigation District Rehabilitation 2015 and Wheatland Irrigation District Rehabilitation 2015 projects. Margo Sabec seconded, the motion carried unanimously.

Bill Resor made a motion to approve the Director's recommendation on the Wind River Irrigation District Rehabilitation 2015. Seconded by Margo Sabec, the motion carried with Travis Brockie recused.

Bill Resor made a motion to approve the Director's recommendation on the Austin Wall Canal Rehabilitation project with the following condition, that when reviewing future funding requests the Director shall review and consider the assessment by the district from 2015 forward and compare them to assessments by similar districts. Todd Werbelow seconded, the motion carried unanimously.

Nick Bettas made a motion to approve the Director's recommendations for the Deaver Rehabilitation 2009 and Gillette Madison Pipeline Joint Bonding projects stipulating they don't return and ask for more money contingent upon this request for time extension. Margo Sabec seconded, the motion carried unanimously.

Margo Sabec made a motion to hold and delay action on the Midvale Rehabilitation 2015 and Midvale Rehabilitation 2013 until the December 2014 meeting; and request the Sponsor attend the December meeting to discuss the recovering of WWDC grant funds from district assessments. Rod Wagner seconded. Discussion followed.

Representative Northrup requested the Midvale sponsors attend the December meeting to answer questions. Bill Resor requested the Director get the opinion of the Attorney General regarding how the current lawsuits relate to our current projects and our past funding. The motion carried unanimously.

Level III Projects – New

- *Casper Alcova Rehabilitation 2015*
  The Director's recommendation was to approve funding in the amount of $187,600 as a 67% grant only with the balance of funds, $92,400, to be provided by the sponsor, Casper Alcova Irrigation District.

- *Dull Knife Reservoir Spillway Rehabilitation*
  The Director's recommendation was to approve funding in the amount of $1,715,000 as a 35% grant only with the balance of funds, $3,185,000 provided by NRCS grant funds.

- *Goshen Irrigation District – Guernsey Spillway Rehabilitation*
  The Director's recommendation was to approve funding in the amount of $449,570 as a 67% grant only with the balance of funds, $221,430, provided by Bureau of Reclamation loan funds. Rod Wagner recused.

- *Hill Irrigation District – Guernsey Spillway Rehabilitation*
  The Director's recommendation was to approve funding in the amount of $36,850 as a 67% grant only with the balance of funds, $18,150, provided by Bureau of Reclamation loan funds. Rod Wagner recused.

- *Midvale Bull Lake Rehabilitation 2015*
  The Director's recommendation was to approve funding in the amount of $2,653,200 as a 67% grant only with the balance of funds, $1,306,800 provided by Bureau of Reclamation loan funds. Karen Budd-Falen recused citing same reasons as previous Midvale projects. Discussion followed. Nick Bettas considered whether or not assessments are increased in light of project funds being needed. He also inquired as to whether the Water Development staff substantiates the financials of the applicants.

- *Savery-Little Snake – Battle Creek Diversions*
  The Director's recommendation was to approve funding in the amount of $871,000 as a 67% grant only with the balance of funds, $429,000 provided by the sponsor, Savery-Little Snake River Water Conservancy District, and other funding sources. Jeanette Sekan asked the sponsor describe what other funding sources the sponsor plans to use and if those funds are in place. The sponsor indicated NRCS, FWS, and Trout Unlimited as potential funding sources.

- *Sheridan 4MG Tank Rehabilitation*
  The Director's recommendation was to approve funding in the amount of $2,144,000 as a 67% grant only with the balance of funds, $1,056,000, provided by the sponsor, City of Sheridan, which intends to apply to the DWSRF.

Margo Sabec made a motion to approve the Director's recommendations for Casper Alcova Rehabilitation 2015, Dull Knife Reservoir Spillway Rehabilitation and Sheridan 4MG Tank Rehabilitation projects. Bill Resor seconded, the motion carried unanimously.

Margo Sabec made a motion to hold the Midvale Bull Lake Rehabilitation 2015 and delay action until the December meeting with the explanation to the sponsor that we would like the litigation resolved as to claims for recovering grant funding. Rod Wagner seconded, the motion carried unanimously.

Margo Sabec made a motion to approve the Director's recommendations for Goshen Irrigation District – Guernsey Spillway Rehabilitation and Hill Irrigation District – Guernsey Spillway Rehabilitation. Bill Resor seconded the motion. Rod Wagner recused, the motion carried.

Margo Sabec made a motion to table the decision on Savery-Little Snake-Battle Creek Diversions until the December meeting so we know at the time whether they have their funding pieces in place. Sheridan Little seconded, the motion carried unanimously.

Level II Projects

- *Dry Creek Irrigation District Master Plan*
  The Director's recommendation to approve funding in the amount of $150,000 to assess the system, investigate conveyance losses, and make recommendations relative to the prioritization of pipe sections to be replaced, along with other system upgrades as needed.

- *Heart Mountain Canal Rehabilitation*
  The Director's recommendation was to approve funding in the amount of $110,000 to conduct a site-specific study along a section of canal that would involve geotechnical explorations, engineering, design and cost estimates to identify rehabilitation and replacement solutions.

- *Mountain View Cemetery District*
  The Director's recommendation is to not provide funding as seepage is a low priority for the WWDC and the referenced section of canal is not owned by the Mountain View Cemetery District. A more appropriate sponsor would be the LeClair irrigation district, owner of the canal.

Bill Resor made a motion to approve the Director's recommendations as presented on all Level II Projects as presented. Margo Sabec seconded, the motion carried unanimously.

Level I Projects

- *Deaver Irrigation District Master Plan Update*
  The Director's recommendation was to provide funding in the amount of $162,000 to update the master plan conducted in 2002. Discussion followed.

- *LeClair Irrigation District Master Plan*
  The Director's recommendation was to provide funding in the amount of $175,000, a $10,000 increase from the original $165,000 funding recommendation. Director LaBonde recommended increasing the funding to include a seepage assessment of the entire canal system including the Mountain View Cemetery District portion of the canal.

Bill Resor made a motion to approve the Director's recommendation for the Deaver Irrigation District Master Plan Update as well as the revised/amended recommendation for LeClair Irrigation District Master Plan to increase the funding by $10,000 to include the portion of canal through the Mountain View Cemetery. Margo Sabec seconded, the motion carried unanimously.

General

- *Small Water Project Program (SWPP)*
  The Director's recommendation was to increase the funds in the Rehabilitation Program by $200,000 to keep the programs active and increase available funding in the Rehabilitation account to provide funding for approximately 30 new projects over the next biennium.

- *Sponsor's Inflation Fund (SIF)*
  The Director's recommendation was to increase funding by $500,000 and extend the reversion date from July 1, 2015 to July 1, 2017. Discussion followed regarding SWPP and SIF. Senator Meier requested Director LaBonde to develop suggestions to modify the statute to make it a little more cost effective as far as the entry level for small water developments and decrease the cost of watershed studies and bring it back to the WWDC/SWC in December 2014.

Bill Resor made a motion to change the proposed budget increase from $200,000 to $400,000 for the Small Water Project Program. Karen Budd-Falen seconded, the motion carried unanimously.

Margo Sabec made a motion to approve the Director's recommendation regarding the Sponsor's Inflation Fund. Seconded by Rod Wagner, the motion carried unanimously.

Discussion followed regarding the supplemental budget request and what would happen to the projects earmarked for supplemental funding. Director LaBonde indicated those projects would not be funded if the supplemental budget request was to be denied.

Dams and Reservoirs Program – Account III

Level III Projects

- *Sheridan Supplemental Storage*
  The Director's recommendation was to provide funding in the amount of $5,628,000 as a 67% grant only with the balance of project funds, $2,772,000, to be provided by the sponsor, Sheridan Area Water Supply Joint Powers Board/City of Sheridan. The funding request is to ensure the ability to purchase up to 2,000 acre feet of storage within Park Reservoir should it become available. Discussion followed. Nick Bettas requested a review by the Attorney General's office regarding the use of public funds for this project. Curt Meier expressed concerns regarding the injury analysis to agricultural users.

Bill Resor made a motion to approve the Director's recommendation on Sheridan Supplemental Storage. Margo Sabec requested an amendment to hold and table until December to determine if they are eligible for DWSRF funds. Bill Resor preferred passing the funding request now rather than waiting until December and offered to add to the motion to approve it on the condition the sponsor investigates DWSRF funding. Director LaBonde expressed his doubts regarding the possibility of exploring the DWSRF program in time for the December meeting. More discussion followed.

Bill Resor withdrew his motion.

Nick Bettas made a motion to table the Sheridan Supplemental Storage project until December 2014 to make sure we're on legal ground with regard to using public money for this and it also gives us time for the sponsor to modify this request since they do have a sinking fund and that would get them at least half of what they're requesting from their Joint Powers Board. Margo Sabec seconded, the motion carried.

If this project does go forward in December Margo will make a recommendation that the Sheridan group go through with pursuing DWSRF funding.

Level II Projects

- *Big Sandy Enlargement*
  The Director's recommendation was to provide additional funding in the amount of $2,000,000 to add task orders for Reclamation to continue analysis of the spillway raise on their facility.

- *Clear Creek Storage*
  The Director's recommendation was to provide additional funding in the amount of $700,000 to continue the Level II, Phase II Storage Feasibility Study to further consider the Bull Creek Reservoir site and alternatives to said site analyzed in the Clear Creek Storage, Level II Study.

- *Greybull Valley Irrigation District Storage Enlargement*
  The Director's recommendation was to provide funding in the amount of $300,000 to explore the possibility of increasing storage capacity to provide additional late season water supply for agricultural irrigation operations. Todd Werbelow recused.

- *Meeks Cabin Dam Enlargement*
  The Director's recommendation was to provide funding in the amount of $600,000 to determine the feasibility associated with an enlargement of Meeks Cabin Dam.

- *Middle Piney Reservoir*
  The Director's recommendation was to provide funding in the amount of $150,000 to proceed with a NEPA analysis should the environmental review become more rigorous than originally understood. Karen Budd-Falen recused.

- *New Fork Lake Dam Enlargement*
  The Director's recommendation was to provide funding in the amount of $300,000 to determine the feasibility of increasing the dam elevation as well as providing enhanced outlet works. Several other analyses, mapping and engineering tasks are proposed as well. Todd Werbelow recused.

- *Nowood River Storage – Alkali Creek*
  The Director's recommendation was to provide funding in the amount of $4,000,000 to begin the final design and permitting of the Alkali Creek Reservoir alternative, on the condition that no funds be disbursed until a legal public entity has been formed.

- *Nowood River Storage – Meadowlark Lake*
  The Director's recommendation was to provide funding in the amount of $300,000 to continue a study to further analyze the Meadowlark Lake enlargement alternative. Discussion followed.

- *Shell Valley Storage Leavitt Reservoir*
  The Director's recommendation was to provide funding in the amount of $4,500,000 to begin the final design and permitting of the Upper Leavitt Reservoir alternative. Discussion followed.

Margo Sabec made a motion to approve the Director's recommendations on all Level II Projects with the exception of Greybull Valley Irrigation District Storage Enlargement, Middle Piney Reservoir, and New Fork Lake Dam Enlargement. Todd Werbelow seconded, the motion carried unanimously.

Margo Sabec made a motion to approve the Director's recommendations on the Greybull Valley Irrigation District Storage Enlargement. Nick Bettas seconded, the motion carried unanimously, with Todd Werbelow recused.

Margo Sabec made a motion to approve the Director's recommendation on the Middle Piney Reservoir. Todd Werbelow seconded, the motion carried with Karen Budd-Falen recused.

Margo Sabec made a motion to approve the Director's recommendation on the New Fork Lake Dam Enlargement. Rod Wagner seconded, the motion carried with Todd Werbelow recused.

15. Director's Comments

Comment letter to the EPA on proposed rule redefining "Water of the U.S.", letters are due November 14, 2014.

Margo Sabec made a motion to approve the Director's letter regarding WOTUS. Bill Resor seconded, the motion carried unanimously.

Director LaBonde discussed the Project Hearings schedule and distributed a copy to the Commission and Select Water Committee.

16. Future Meeting Schedule:

- December 10-11, 2014 – WWDC Workshop/Meeting (final funding recommendations) – Cheyenne

  December 10-11, 2014 - Typically the workshop begins at 1:30pm the first day, however due to the presentation of final results on the Weather Modification study, requesting to begin at 1:00 pm. There may also be a SEO/GW advisory meeting following the workshop as well. Bill Resor will be attending by phone and requested a copy of the presentation.

- December 12, 2014 – SWC (review draft Omnibus Water Bills) – Cheyenne
- March 5-6, 2015 – WWDC Workshop/Meeting – Review Scopes and Short List - Cheyenne

  Karen Budd-Falen suggested moving the tour in August to either the first day of the meetings or to the last day of the meetings.

There being no further business, the meeting adjourned at 12:28 p.m.

Respectfully submitted,

Sheridan Little
Secretary

Amended December 11, 2014