

**Town of Twisp
Special Council Minutes 12/15/09
5:00 PM**

Meeting called to order at 5:00 pm by Mayor Boosman.

Council Members Present: Clint Estes
 Tom Gehring
 Vicki Hallowell
 Tom Mulgrew

Council members absent: Tina di Rienzo

Guest: Town Attorney Scott DeTro and Tim Flynn of Aspect Consulting.

Clerk/Treasurer Colleen Storms introduced Tim Flynn with Aspect Consulting and gave the Council a brief history of his work in the Methow Valley.

Town Attorney Scott DeTro was present to provide the Mayor and Council with history regarding the 1991 water rights loss issue and current MVID lease.

Storms provided the Council with notebooks containing the following information: Definitions/Acronyms; Water Connections Available (ERU's); Water Pumping Well History; Department of Ecology Background Presentation; Methow Valley Irrigation District 2001 Lease; and Methow Valley Irrigation District 2006 Proposed Lease.

Mr. Flynn provided Council with a matrix breaking down possible solutions, estimated cost, years to complete, weaknesses/obstacles/threats and other important considerations. Very rough estimates of initial costs were also presented. The following is a summary:

Appropriation from Early Winters Reservation

Estimated Cost: Processing cost \$25,000

Years to Complete: 3 – 5

Weaknesses/Obstacles/Threats: Requires WAC 173-548 revision which is subject to Ecology resource constraints – Potential for appeal

Important Other Considerations: Identified as a high priority in the WRIA 48 Watershed Management Plan(WMP) and Detailed Implementation Plan(DIP) – Provides year round water right

Purchase/Transfer Existing Water Right

Estimated Cost: Average \$1.5k/AF

Years to Complete: 2 – 3

Weaknesses/Obstacles/Threats: Availability of existing right to purchase, likely seasonal Need to offset increased winter use

Important Other Considerations: Eliminates uncertainty associated with lease

Mitigation via Upstream Storage

Estimated Cost: Processing cost \$25k, Cost for mitigation if an opportunity is found,

undeterminable at this time.

Years to Complete: At least 5

Weaknesses/Obstacles/Threats: Limited options for storage, Lack of public funds to implement storage project

Important Other Considerations: Storage identified as priority in WMP and DIP

Mitigation Water Bank

Estimated Cost: Similar to purchase/lease but able to utilize smaller quantities and group

Years to Complete: 2 – 3

Weaknesses/Obstacles/Threats: Availability of existing right to purchase – likely seasonal, Need to offset increased winter use

Important Other Considerations: Will be based on consumptive use, so possibly lower cost when use irrigation right to offset new municipal right. (For example: if the Town uses 50% of the water it pumps (and the other 50% is returned to the river), they would only need to mitigate 50% of the amount of water rights they need by banking.)

MVID Lease

Estimated Cost: 268 AF = \$300,000 down for 40 yrs, member rate after

Years to Complete: 2

Weaknesses/Obstacles/Threats: Cost of mitigation for OCPI (still need to offset increased winter use per DOE), Financing challenges, Increase rates for payment of debt service on loan, 3rd party challenge – cost to litigate/time

Important Other Considerations: Still a lease, does cost and effect justify a purchase instead? Difficult to finance water rights – especially a lease, could Pass cost through to developers.

Developer Offset

Use of Reclaimed Water

Estimated Cost: G&O 2004 estimate \$20M capital cost - \$50k O&M

Years to Complete: 10

Weaknesses/Obstacles/Threats: Lack of public funds, Downstream impacts to minimum instream flow make it not a trouble-free option

Important Other Considerations: None

Background Information

- Twisp water rights today - 224 acre feet (AF) per year using wells 1, 2, 3 and up to 1600 gallons per minute - Town has a lease with Methow Valley Irrigation District transfer approved from surface to ground water - 200 acre feet April 15 - Oct 1, \$10,000 per year for 1st 200 AF, if used or not. Domestic and seasonal use both come out of the wells. Irrigation seasonal water only; not fully approved because of DOE question re: permanency.
- Reduction in total annual use from 2001 – 2006, Mr. Flynn commended the Town on conservation, rate structure and leak control which has conserved and reduced unaccountable water. Total pumping as follows: 2007 -323 af; 2008- 271 af; and 2009 up through November -226.
- Present demand is 769 Equivalent Residential Units (ERU's) - 182 gallons per day

average for indoor use/non-irrigation. Average system loss in 2008 - 30%.

- Number of ERU's that could be supported are 1,043, based on conservation - 71 vested properties from short plats and other planned development. These numbers were determined using demand shifting.
- DeTro – water situation is a work in progress, new source meters, WWTP changes, well recirculation etc. Town is better off than when the MVID lease was proposed in 2006.
- Flynn – The Methow River is unique in that the peak usage and instream flow is a problem in the summer and winter. Mitigation can take a portion of your irrigation rights away to convert seasonal water to year-round water.
- Storms - USDA only loans for water rights in conjunction with a project; the town's most current window of opportunity closed with the Hilltop Project.
- DeTro - The town had a committee working on purchasing water rights, but general experience was the validity of the rights was challenged by DOE and the sales fell thru.
- DeTro – The old MVID lease could be terminated if MVID was unable to provide water to their current customers. A more permanent lease was suggested with the addition of a transfer to year-round domestic use; MVID needed the money and the town needed the water, it was the best option at the time.
- DeTro - Original lease was planned to be a bridge to a future plan, Town needed to get into compliance. Second lease would be a more permanent option.

Discussion

- Flynn - Discussed the Detailed Implementation Plan (DIP) that he helped the Methow Watershed Council (MWC) prepare. Flynn stated that providing the municipalities with additional water is a key issue for the MWC.
- Flynn – Department of Ecology (DOE) has not given clear direction on how to satisfy them about changing the season of use of the water; the Instream Flow Rule prevents expanding the use in the off season without an OCPI or mitigation.
- Flynn - Mark Schuppe replaced Tom Tebb at the DOE. Our best information at this time is that the legal issues the MVID is going through will not affect the town's lease.
- The Town has been showing an annual decrease in total usage. If town takes more measures to conserve and control water usage, the total usage including irrigation in the summer would be right at our water right allowance. Short term the town is in good shape; for future usage the town should consider converting seasonal water rights to year-round use.
- Flynn – Other ideas like use of reclaimed water from the WWTP to irrigate the park has to be approved by the DOE and they have to determine that by diverting that water the town would not be impacting downstream users. It doesn't seem better than the current lease.

- Flynn - Develop Offset – Developers must bring enough water rights to the table for their specific project to offset the additional units. DeTro - developer would have to find an upstream source to buy domestic rights, not irrigation. Municipalities and other group A users can retain water rights for future growth without losing them. Other private communities are building ponds and other storage projects to address instream flow. Flynn – The Town could develop a mechanism for developers to pay into a fund for acquiring water rights.
- Appropriations from Early Winters Reservation - 2 cfs. With a change in instream flow rule, water could be transferred to Twisp and Winthrop.
- Mitigation Water Bank - creating a paper mechanism by which you are documenting specific mitigation for consumptive use. State Water Rights Trust Program - hold a water right for 5 years in a trust it cannot be lost. Washington Rivers - group encourages people to bank their rights rather than land applying in large amounts in an effort not to lose the rights. A municipality would get more credit because of consumptive use than agricultural uses. By using a water bank a municipality would get credit for their WWTP because credit offsets consumptive use.
- Flynn - not aware of any substantial year-round water rights up river from Twisp.
- Flynn - State has temporary water banking donations and they can be taken out and sold. If you are paid for banking your water you do not own the rights anymore.
- Mitigation via Upstream Storage - At peak flows and high waters find a way to store and release water at a later time – must account for lag time i.e. the time it takes for the water to flow between the storage and back to the river. Flynn - Storage very costly. Aquifer storage is not a good option in the valley because of the make up of the geology in the valley. Possibly only one month of lag time. Discussed the Twin Lakes Aquifer.
- Flynn - suggested working on a short term strategy out 5 years and a longer term plan; more than one plan may be needed.
- DeTro – Discussed Overriding Concern for the Public Interest (OCPI), mitigation was not a part of the OPCI when the Town started looking at the process, but it is now.
- DeTro – Conversation with DOE keeps changing. DeTro wrote a letter to the new director outlining specific questions; the letter was never answered.
- Purchase water rights, then bank the rights and use them for mitigation. Purchase property, bank rights and use for mitigation.
- Washington Water Trust and Washington River are good groups to work with.
- Flynn - May potentially have a chance to buy water rights from other Group B users if some proposed legislation were to pass. Legislation proposes allowing new rights to be processed by the first person on the list who is willing to pay for the processing.
- Current ERU's timeframe depending on town growth the town could be okay until 2020.

- Discussed re-leasing our leased MVID rights. For instream flow or irrigation.
- Town needs to address the most current MVID lease. DeTro- received a letter from local developers. Town collecting data, trying to form base line, to determine usage and what is left.
- Misconception that the town has not been doing anything over the past years. DeTro - MVID is waiting for the town to take action. Main objective: Is the Town going to keep the first lease or go forward with second lease? Actively pursue DOE with agreed upon deadlines.
- Short Term: Clarifying with DOH that the Town can obtain additional approved hook-ups based on the numbers Town has calculated for inside use along with the current MVID lease. Find out what the limiting number is. Long term – water rights purchase or MVID lease, mitigation, OCPI.
- Flynn questioned if the acre feet that the town is leasing could be reduced and payment possibly reduced. If legislation to expedite processing passes, the Town could take MVID leased water and bank it and mitigate a new water right. A brand new water right instead of having the lease tied back to MVID.

Action Items for Councils consideration:

Council assist MWC in contacting legislators for assistance
 Decide what to pursue: purchase additional rights or contract with MVID
 Consider activating a committee to investigate purchasing new water rights.

Action Items for Staff

Need to get DOH to support increasing our EDU's
 Accurate reading of WWTP discharge
 Inquire as to whether the Town can sublet additional leased water
 Work to reduce the Town's 30% system loss.

Adjournment

There being no further business to come before the Council, Council Member Hallowell moved to adjourn the meeting. The motion was seconded by Council Member Gehring and passed unanimously. Meeting adjourned at 8:25 p.m.

APPROVED:


 Mayor William A. Boosman

ATTEST:


 Clerk/Treasurer Colleen G. Storms