

**MINUTES
of the
EXECUTIVE COMMITTEE MEETING
of the
WESTERN STATES WATER COUNCIL
Radisson Hotel
Bismarck, North Dakota
July 14, 2016**

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MEMBERS AND ALTERNATES PRESENT

ALASKA	David Schade
ARIZONA	Einav Henenson
CALIFORNIA	Betty Olson
COLORADO	John Stulp
IDAHO	Jerry Rigby
KANSAS	Tracy Streeter
MONTANA	Tim Davis
NEBRASKA	Jeff Fassett
NEVADA	--
NEW MEXICO	John Longworth
NORTH DAKOTA	Jen Verleger
OKLAHOMA	J.D. Strong
OREGON	Tom Byler
SOUTH DAKOTA	Kent Woodmansey
TEXAS	Jon Niermann
UTAH	Walt Baker
WASHINGTON	--

WYOMING

Pat Tyrrell

STAFF

Tony Willardson
Michelle Bushman
Sara Larsen
Cheryl Redding

WELCOME AND INTRODUCTIONS

WSWC Chair Pat Tyrrell welcomed Executive Committee members. Garland Erbele welcomed everyone to Bismarck. As many Council members know, Garland was formerly in South Dakota and was a Council member for many years in that capacity. Garland's roots are in North Dakota, and he returned to Bismarck six weeks ago to serve as North Dakota's State Engineer. Introductions were made around the room.

APPROVAL OF MINUTES

The minutes of the meeting held March 22, 2016 in Washington, D.C. were moved for approval by Tim Davis. The motion was seconded by Kent Woodmansey. With no further discussion, the minutes were unanimously approved.

REPORT ON BUDGET AND FINANCES

A. FY2015-2016 Budget Status Report

Jerry Rigby reported that Alaska intends to join as a full dues paying member! Thus with Alaska's payment the total amount of revenues derived from dues will increase the WSWC budget income from \$510,000 to \$540,000. The dues are 70% of the overall revenues. Grants and contracts make up the bulk of the remaining income, together with sponsorships. These additional funds are helping to "stem the tide."

The WSWC budget is in the black by about \$8,000, and is on par with what is intended. A slightly revised FY 2016/2017 budget sheet was passed around to the Committee.

The annual sick leave accounts are fully funded, so no additional money has been included in this line item for the coming fiscal year. We have gone to a biennial audit. That expense was \$8500, and will not be in next year's budget. An increase has been included in the

proposed FY2017 budget for contract services. We have a couple of interns assisting us and one extern. Their salaries will be paid from this line item. The extern working with Michelle out of Brigham Young University is not being paid, but will receive college credit for his time.

The WSWC offices were relocated in May. We ended up with one month rent free. Tony recapped that the WSWC was approached by our landlord in February of 2016. After researching rental rates, we found we were paying for some common space that we realized. We could use a little more space, particularly for interns, and for space for any potential additional hire at some point in the future. We now have office space available in the event another individual is hired. The move went relatively well and our moving expenses were minimal. The new space does not include janitorial services, and we are working at determining just what is needed in this regard.

In summary, the FY2015-2016 budget is in the black. The difference in the new proposed budget and the previous one approved in July is that we have added utilities. In our former office location, utilities were included in the rental rate. Overall, our rent has been decreased even with utilities included.

B. WaDE/EN Grants Status Report

Sara and Tony demonstrated the Water Data Exchange (WaDE) project at the Western Governors' Association Staff Advisory Council meeting held in April. Sara described that the WSWC is using the first grant from the Exchange Network to fund WaDE related activities. Under that grant, a certain amount of money had been set aside for a contractor. Those funds have been reallocated to salaries. We were allowed an extension to use the available funds through September of 2017. The WSWC received a second EN grant to work with grant partners in California, Nevada, and South Dakota. The second grant will fund the project through the spring or summer of 2018.

C. CDWR Contracts Status Report

As reported previously, the WSWC has received two contract agreements with the California Department of Water Resources (CDWR) to continue work on improving seasonal to sub-seasonal precipitation forecasting and evaluating weather monitoring systems for irrigation management. Jeanine came to the WSWC with proposals for agreements from CDWR to pay the WSWC work. These funds are on a reimburseable basis. We are able to charge an hourly salary rate that covers our overhead. The biggest problem with these agreements is there is more work than what the WSWC staff can get done. The question is just how much time staff can spend and how much they can do. This is one of the items to be addressed by the Strategic Planning Subcommittee.

The WSWC anticipated receiving about \$29,000 as income in this fiscal year. We have received \$13,000. We have sent invoices to CDWR for another \$27,000 and that does not

include the second quarter of this calendar year. Thus, the estimated \$34,000 for the coming fiscal year is probably very conservative.

D. 2016-2017 Proposed Budget / Dues Increase

Tony previously prepared a graph and chart projecting our income and expenses for five years. Given our current levels of staffing, we will have to anticipate that when the EN contracts come to an end, we may have to consider an increase in dues to ensure our ability to fund current staff salaries. At the previous meeting held in Washington, D.C., the Executive Committee discussed a 20% increase in dues from \$30,000 to \$36,000. The decision regarding the raising of dues was deferred, but left the potential for raising dues next year for planning purposes, and opted to revisit that issue at this meeting. The chart presented the contemplated increase in dues for FY2018-2019, which is when the EN grants would terminate. There may be another opportunity to seek another EN grant, with another four states participating. Those grants have provided assistance for the WSWC for administration through Sara.

Separately, Water-Use Data and Research (WUDR) grant funds would not provide support to the WSWC, but rather would allow the states to use these U.S. Geological Survey (USGS) grant funds for expenses related to connecting to WaDE. Roger Pulwarty, with the National Oceanic and Atmospheric Administration's National Integrated Drought Information System (NIDIS) has suggested a proposal for a project and grant funds to help the WSWC to look at data gaps, which benefits the WaDE project. The WSWC dues structure has been static for a decade. We were looking in the neighborhood of a \$100,000 shortfall in the future with the current level of dues and staffing without additional revenues. Given Alaska's expected dues payment, that would fall to \$70,000 in the future.

Pat Tyrrell mentioned that Wyoming and some other states wince at the thought of a dues increase, given the current economic climate due to energy declines. It is compelling to note the WSWC dues have not been increased in ten years. He is in favor of deferring the increase in dues to FY2018-19. The Western States Water Council is very important to Wyoming, and he hopes to all member states. The WSWC has become the go to organization to support western water issues. We have had a great deal of success that the states collectively benefit from. Pat wants the WSWC to remain healthy, so he will take the risk of seeking an increase in dues. We don't know about the grant funding future. To the extent grants are available over the next few years, the situation to increase dues is less urgent. Not knowing the probability of receiving another grant, Pat said he is okay with the 20% increase in the out year potential budget.

Discussion

Jerry Rigby: Mr. Chairman, clearly recognizing that unless something substantially changes, it is a "no brainer," eventually a due increase will be needed. If you look at how much we would lose of our accumulated equity in a short period, that is unacceptable. As you likely all know, it is difficult for me to convince Idaho's Department of Water Resources Director to pay the annual dues assessment, and an increase could be a bit more of a struggle. I would appreciate at least a

year to work towards the dues increase. I wonder if there may be a different mechanism or means by which dues could be paid? Jeanine has offered for California to pay more in dues since they are a larger state (in population). I'm not proposing that, but I understand it is a way of thinking outside the box to address some of these issues.

Pat Tyrrell: The Upper Colorado River Commission is based on the amount of water you get out of the compact. So, Colorado pays half. Thank you very much.

Jerry Rigby: So, that Commission's dues are based on water, the other proposal was to pay based on population. Again, I'm not suggesting we go this route. I just think we all ought to be thinking about whether we continue with our dues straight across the board. I presume that is what we would do. We would have a year to talk about it.

Walt Baker: Mr. Chair, I know that at the Association of Clean Water Administrators (ACWA) we went through this same exercise. There is a tiered structure there -- three tiers, largely based on population. There may be some equity there, as long as the vote is no greater. They bring more to the table simply due to the amount of people using water.

John Longworth: In New Mexico, our economy is experiencing a decline, not just due to energy revenues, but we are facing declines in many areas. We appreciate advance notice of any dues increase and having a year to plan.

Chairman Pat Tyrrell suggested each state take the projections and start talking to people a year ahead of time, particularly the Governor's office. Knowing a dues increase is inevitable, this allows each state to generate a game plan for how to pay for an increase a year from now. There are ways to deal with the increase in dues perhaps as has been done in the past to spread it out proportionally over two years, although that is not being proposed at this time. Think outside the box. We are open to suggestions.

There was a motion to approve the proposed FY2016-2017 budget. The motion was seconded and approved.

Tony Willardson commented that the Western Governors' Association is getting away from federal funding as they don't like asking the federal government to spend money when they are also asking the federal government to balance their budget. Some governors have strong opinions that the federal government is broke. The WSWC has accepted federal grant funding when we felt it was in line with our other priorities, such as WaDE and the work with California on improving seasonal precipitation forecasting prediction skill. Obviously that would be a benefit to every WSWC member state. There will be two more meetings in which we can talk about the budget for FY2018 before we have to act on it. This allows a little more time to see what is going on with our economies and our budgets and our directors.

Jeff Fassett commented that Nebraska is on a biennium budget. They are already starting with their 2018-2019 budgetary process. He noted they are out of sequence with Wyoming's biennium. Jeff will use the budget projection as a basis for a request to increase dues.

Pat Tyrrell then stated that he has taken proposed budgets and used them as support for a budget submittal.

Thinking along the lines of the federal budget process, Tony noted that the WSWC staff would be happy to put together a briefing paper describing our activities and explaining how the WSWC benefits your state, if so desired in order to support budget increase requests.

SUNSETTING POSITIONS

Chairman Pat Tyrrell remarked that the sunseting positions were all handled in the Water Resources Committee meeting.

EXECUTIVE DIRECTOR'S REPORT

Tony Willardson briefly went through the Summary of WSWC Activities and Events and highlighted specific meetings and events since the meetings held in Washington, D.C. last March (see Tab M in the briefing materials for details).

Jerry Rigby pointed out that this listing emphasizes that the WSWC is being asked to attend more and more meetings and participate with more tasks and be on more work groups. This organization is being looked to by everyone when they think of water. Jerry intends to carry on the theme next year of strategic planning and determining what this organization's focus and mission is and how involved we are with other entities. He believes the demand for WSWC participation will likely increase, and the turn downs will need to increase.

Pat Tyrrell shared an anecdote. Tony attended a NASA event and at lunch he was introduced to someone who recognizing his name said, "You're a legend!" That was because of what he was able to get done, through the Council representing all of the states, who supported him in getting the thermal sensor on Landsat 8. It was surprising to Tony that the individual was from EPA and used the imagery in tracking water quality.

WSWC STRATEGIC PLANNING SUBCOMMITTEE REPORT

Pat Tyrrell reported that there was a teleconference of the steering committee held and the focus on the workload, the future of the organization, and our duties. He noted that in part, this exercise led to his request of the Committee Chairs to pare down the subcommittees and their respective work plans. The Strategic Planning Subcommittee is looking at future staffing

needs. The idea is to plan for the future of the organization with respect to the right amount of staffing. The organization still has never filled the deputy director position Tony had when Craig Bell was the Executive Director. Rather than just getting along ad hoc, we want to do some strategic planning to determine the right staff in terms of the number and the make-up for the organization. Jerry Rigby, as incoming WSWC Chair, will pick up that task and continue the review of the organization's focus.

Walt Baker mentioned that the WSWC may want to seek out the opportunity to "lengthen the bench," so to speak. From Utah's perspective, I'm the water quality guy. My staff is generally not a participant in the WSWC. As I served as the ACWA President, my staff was participating in work group meetings, legislation, etc. Succession planning is part of this too, but I'm suggesting for others to be engaged so they have an institutional connection to what the WSWC is doing. Give your staffers an assignment or occasionally bring them to meetings.

Tony reported that he has really appreciated having the WestFAST liaison in our office. The liaison has done great work in making connections. The next WestFAST liaison will come from one of the following agencies: NOAA, FWS, or the Bureau of Reclamation. There are six candidates. Pat Lambert will be finishing his detail at the end of September. We have had some real success, as well as some challenges in this position.

FEDERAL ADMINISTRATION TRANSITION AND WSWC PRIORITIES

Pat Tyrrell noted this topic was talked about briefly in the Water Resources Committee meeting. We will talk about it again when we meet in St. George to determine how to go about informing the new Administration of our positions and what is important to us.

John Longworth suggested asking folks how the WSWC can best engage and inform and educate the new Administration. Make sure you get things ready and available for the transition teams.

FUTURE WSWC MEETINGS

The Fall meetings are scheduled for September 28-30, 2016 in St. George, Utah.

WSWC NOMINATING SUBCOMMITTEE

Roland Westergard reported that the Nominating Subcommittee comprised of Hal Simpson of Colorado and himself from Nevada offers the following slate of officers: Chairman – Jerry Rigby; Vice-Chair – Jeanine Jones; and Secretary-Treasurer – J.D. Strong. The Nominating Subcommittee recommended the slate of officers be submitted to the Full Council

for consideration, and Roland so moved. The motion was seconded by Garland Erbele, North Dakota. There was no discussion and the motion was unanimously adopted.

Pat Tyrrell thanked Roland for his and Hal's report and work. It will be communicated back to Hal that the Nominating Subcommittee's suggestion was adopted.

FY2016-2017 DRAFT COMMITTEE WORK PLAN

Pat Tyrrell commented that despite his request to the other Committee Chairs, he has not pared down the draft Executive Committee work plan. He briefly noted each of the items in the work plan and suggested with no objection, he would leave the Committee's work plan as is.

David Schade asked if he was planning on leaving the Water Management Symposium item in the work plan. Jeff Fassett suggested leaving the item in and making it more generic if a symposium is contemplated, or delete it under Pat's admonition to thin the work plans. Tony remarked that we anticipate holding a symposium on the settlement of negotiated Indian water rights next summer. He also noted that he and Sara have discussed the possibility of bringing together all of the member states for a symposium on WaDE.

Pat reported the FY2016-2017 work plan specifies that the WSWC will consider hosting an infrastructure symposium, although the Indian water rights settlement symposium is not mentioned. Consideration is not a commitment.

Jeff Fassett stated that he believes the idea of a WaDE symposium is a good one. Those states who are not yet flowing data could come and hear the reports from the states that are connected and hopefully gain enthusiasm for the project. Tony remarked that besides WaDE, the WUDR grants could also be addressed at a symposium and determine where the gaps are in the data and what kind of resources are needed to fill those gaps.

Pat recapped that if the work plan is to be more generic for FY2016-2017 the Water Management Symposium item could say the committee will consider hosting symposia on any topic related to tribal issues, data issues, or other topics and issues as their importance merits. The Committee agreed. Staff will make that change.

Given that change to the draft Committee work plan, a motion to adopt the FY2016-2017 work plan was offered and seconded with no further discussion. The motion carried.

FALL 2016 MEETING SUNSETTING POSITIONS

The positions indicated on the agenda are listed for the purpose of making you aware they will sunset at the Fall 2016 meetings, unless there is a motion to continue the positions or

absent any actions to revise and readopt them. Those scheduled to sunset are included in Tab XYZ for your reference.

OTHER MATTERS

Jeff Fassett said he would take Tony up on his offer for a brief description of the Council's activities, particularly as it relates to Nebraska to present for his budget. Nebraska is a member of the Council, but they are not a member of the Western Governors' Association. Therefore, a little more connection will be helpful. Pat suggested that Tony draft a document that he could share with the entire committee, and they can then pick and choose what is relevant to their particular situation.

There being no other matters, the meeting was adjourned.