

MINUTES
of the
184th COUNCIL MEETING
Doubletree by Hilton Sonoma Wine Country
Rohnert Park, California
June 29, 2017

Table of Contents

Welcome and Introductions3

Approval of Minutes3

CSG-West Water-Related Activities

Committee Reports

 A. Water Resources Committee.....

 B. Executive Committee

 C. Water Quality Committee

 D. Legal Committee.....

WestFAST Report and Workplan.....

Farm Bill

State Reports

Future Council Meetings.....

Sunsetting Positions for Fall 2017 Meetings

Other Matters

**MINUTES
of the
18th COUNCIL MEETING
Doubletree by Hilton Sonoma Wine Country
Rohnert Park, California
June 29, 2017**

MEMBERS AND ALTERNATES PRESENT

ALASKA	David Schade
ARIZONA	Einav Henenson
CALIFORNIA	Jeanine Jones
COLORADO	John Stulp Patrick Pfaltzgraff
IDAHO	Jerry Rigby
KANSAS	Tracy Streeter
MONTANA	Jan Langel
NEBRASKA	Jim Macy
NEVADA	Roland Westergard
NEW MEXICO	Tom Blaine Greg Ridgley
NORTH DAKOTA	Garland Erbele Jennifer Verleger
OKLAHOMA	--
OREGON	Tom Byler
SOUTH DAKOTA	Kent Woodmansey
TEXAS	Jon Niermann
UTAH	Eric Millis Norm Johnson

WASHINGTON

--

WYOMING

Pat Tyrrell
Steve Wolff

GUESTS

Edgar Ruiz, CGS-West, Sacramento, CA
David Moon, The Water Report, Eugene, OR
Dave Mitamura, U.S. Army Corps of Engineers, Austin, TX
Robert Mace, Texas Water Development Board, Austin, TX
Cherilyn Plaxco, U.S. Army Corps of Engineers, Little Rock, AR
Mike Gallagher, Washington State Department of Ecology, Olympia, WA
Gary Lippner, California Department of Water Resources, Sacramento, CA
Amardeep Singh, California Department of Water Resources, Sacramento, CA

WESTFAST

Roger Pierce, Federal Liaison, Murray, UT
Becky Fulkerson, Bureau of Reclamation, Washington, DC
Chris Carlson, U.S. Forest Service, Washington, DC
Lauren Dempsey, U.S. Department of Defense, Washington, DC
Roger Gorke, U.S. Environmental Protection Agency, Sacramento, CA
Kevin Werner, National Oceanic and Atmospheric Administration, Seattle, WA

STAFF

Tony Willardson
Michelle Bushman
Sara Larsen
Cheryl Redding

WELCOME AND INTRODUCTIONS

WSWC Chair Jerry Rigby welcomed those in attendance at the meeting.

APPROVAL OF MINUTES

The minutes of the meeting held in Nebraska City, Nebraska on April 14, 2017 were unanimously approved.

CSG-WEST WATER-RELATED ACTIVITIES

Edgar Ruiz, Executive Director of the Council of State Governments (CSG)-West addressed members. Washington State Senator Sam Hunt is the current CSG-West Chair, and will host their annual meeting in Tacoma, Washington on August 15-19.

CSG West is part of the larger CSG family comprised of 4 regions: Midwestern, Southern, and Eastern, as well as the Western regional offices. We serve all three branches of state government. Two Westerners serve in the roles of leadership at the national level. Within the western region we focus on issues most relevant to the Western states, including an Agriculture and Water Committee, which deals with policies and information exchange on the economy and food supply as well as how to better manage the regional water supply. The committees are comprised of members of 13 western states. Leaders are appointed to the policy committee. They come together to meet annually, and also hold webinars and conference calls. This year they will address water rights adjudication in the West.

Their resolutions often mirror the actions taken by the WSWC, and CSG-West appreciates that partnership. CSG looks to the WSWC as a leader on the water front. CSG established a federalism task force comprised of folks from each of their regions. They adopted principles on federalism – much the same as those the WGA and WSWC have adopted. This process resulted in some recommendations to improve the regulatory framework and provided an opportunity to bring the regional efforts to the national level. They have been having monthly calls with the WGA, and other organizations to collectively work together to further interests of western organizations. They've developed and sent out papers on western priorities. They decided to work together and adopted principles as a group with the other western organizations on federalism and the importance of early and meaningful consultation with western states, and increased flexibility for state and local waivers. All the participating organizations adopted these principles in December 2016, which were then forwarded to the President. In February/March they took a trip to Washington, DC and met with several offices of the Administration and Congress stressing the importance of states being involved in the process. They have gotten some great traction through this process.

Speaker Ryan just came out with a task force to provide a forum for states, counties, and other local entities to develop proposals to empower state and local governments. The task force is Chaired by Rob Bishop of Utah. CSG is part of the task force, along with the US Conference of Mayors, and others. June 27 was the initial task force meeting, and monthly meetings will be conducted to delve further into these issues. A House Subcommittee was established on intergovernmental affairs. One of the issues is who within the state and local governments should federal agencies be required to consult with, without becoming too onerous, finding a balance with the appropriate entities and providing some level of safeguards so the information flows to all necessary state officials in an appropriate way. WGA is convening a summit in August as a follow up. We're looking at various models of state consultation. We've looked at the tribal models and executive orders, and whether to have state legislators from each state determine if they wish to sign onto amicus briefs, and the like. CSG's webinars on this and other water-related topics can be viewed on their website.

Tony: Do you want to speak to the budget?

Edgar: Many of our states receive grants and other forms of financial assistance. There are major implications for state budgets in the President's tax reform package, which proposes eliminating some deductions for state and local governments – that is of concern for our organization. We are trying to represent the voice of states the best we can. There is a lot of work done on the state-federal relationship.

Tony: We have our Western Federal Agency Support Team, and we have found great benefit in federal members attending our meetings to improve understanding in that state-federal relationship.

Edgar thanked Tony for his work with NIDIS as well.

COMMITTEE REPORTS

A. Water Resources Committee

Tom Byler reviewed some action items for the Full Council. The Committee recommended renewing 3 positions that are due to sunset: (1) Position #366 – supporting federal research and the development of updated hydroclimate guidance for floods and droughts; (2) Position #367 – dealing with the Reclamation Fund, with a few minor amendments to update it; and (3) Position #368 – on maintaining the federal authorization and financial support for the state water resources research institutes program, requesting and appropriating funds as appropriate. All three positions were unanimously approved for renewal.

The Committee work plan for FY2017-2018 was reviewed. He noted that while these items are in numerical order, they will be dealt with in a flexible manner. With a motion and second, the Council approved the work plan.

B. Executive Committee

Jeanine Jones highlighted two items the Committee dealt with, which is the Council's budget and the federal budget. She highlighted the cost savings from the purchase of the office building and noted that the WSWC budget is in good shape. The President's Budget Request includes several cuts to programs that are important to many of us, such as NOAA Weather Service. The process with the Congressional budget this year is interesting, creating considerable uncertainty with the federal budget.

We talked of perhaps taking a group to Washington, DC later this year. Work on the FY2019 budget is getting started.

Position #371 emphasizes state primacy over water resources and requests that federal agencies establish and implement appropriate procedures and processes for substantively consulting with the states was due to sunset, and the Executive Committee recommended that it

be renewed. On a motion that was seconded, the Council unanimously approved the position for renewal.

C. Water Quality Committee

Kent Woodmansey summarized the presentations from Jennifer Wigal and Roger Gorke on WOTUS 2.0 and other EPA rulemaking efforts. EPA wants to talk to the states about SRF funds, so be prepared for a discussion.

The work plan was adopted by the Committee, and brought to the Full Council. Motion and second. Approved.

The Committee recommended Council approval on Position #369 on Clean Water Act Jurisdiction. Upon a motion that was seconded, the Council voted and approved renewal of the position. Position #370 will be allowed to sunset.

D. Legal Committee

Jennifer Verleger reviewed the highlights of the Legal Committee. There is currently a membership drive for the newly organized National Water Supply Alliance, and Jen encouraged the states to look at joining that group. Amicus brief to be considered and distributed on the Agua Caliente petition for cert.

The Committee work plan was adopted by the Committee, and upon motion and second, the Council voted and approved. Position #365 opposes any federal legislation intended to preempt state water law. The Committee recommended renewal of this position. Following a motion that was seconded, the Council voted and approved renewal.

WESTFAST REPORT AND WORKPLAN

Roger Gorke thanked Becky Fulkerson who was the Chair two years ago. She has been invaluable in keeping the continuity over the past couple of years. He hopes the work that is being started on the WOTUS rule is a useful effort. We are trying to overcome a tough federal inertia. We want to support the work that needs to be done on the ground. The work that goes on in between the Council meetings is important.

Kevin Werner thanked Roger Gorke for his efforts as the WestFAST Chair. We are trying to build relationships and partnerships.

Roger Pierce presented the WestFAST Workplan for the coming two years. WestFAST wants to align their workplan with the WSWC workplan items, and identify areas and opportunities for collaboration.

Roger highlighted some of the 2015 – 2017 successes. The Non-tribal Federal Reserved Water Rights Workshop was held in July 2016. This effort will continue and a workshop will be

held in October 2017. WestFAST was able to coordinate efforts on the USGS Water Census. They engaged with the Focus Area Studies on the Rio Grande and the Red River Basins, and on the RWIS system with Reclamation, WaDE, and dealing with hydrologic data.

He outlined the details of the 2017-2019 Work Plan. They are continuing to put together case studies of best practices for productive cooperation and collaboration between state and federal agencies. They're working to foster the exchange of federal and state water data. They're helping the Council to connect to new political leadership, and want to be ready to move once the appointed individuals are put into place.

They are also involved in some projects of interest to the states. The Southwest Oklahoma Water Action Plan has a Water Summit on Aug 21-22, 2017, sponsored by the local folks in Altus, OK. They have some ideas for things they would like to do to make their program more robust. The federal group is trying to determine how to use this plan as a framework in other places in the West. For S2S forecasting, they're building on the Weather Research and Forecasting Innovation Act. They want to ensure requirements are in place to meet customer needs. They're working with the Climate Prediction Center to improve the quality and usability of their products. They're also working with the Drought Early Warning System and NIDIS.

WestFAST is also facilitating listening sessions for the states. This will be a collaborative effort with the WSWC on topics such as WOTUS, Water Infrastructure, WaDE, Water SMART, the monthly WestFAST newsletter, and the Special Topics Webinars.

Roger expressed his appreciation to be able to work in the WSWC offices. It is a great place to work. It helps to allow him to focus on the aspects pertinent to all 12 federal agencies.

Pat Lambert: A point of correction. The project that is wrapping up from USGS is actually in the Colorado River, not the Red River and the Rio Grande. These two projects will not be available until FY2017-2018.

Pat Tyrrell: Roger P, when you were talking about the programs you are continuing to support on your list of topics, one of the most valuable aspects of WestFAST is the ability to look ahead, giving the states an opportunity to consult on things before they actually get on the streets. If we can see things coming and we can air issues before they are sent around for comment, it reduces the conflict down the road. It is my hope that WestFAST continues to improve its helpfulness in this regard.

Roger Gorke: Don't be shy in reaching out to the WestFAST team members. It is a huge benefit. It helps us know what is on your mind and allows us to articulate that to our senior leaders.

Jeanine Jones offered a resolution of appreciation on behalf of Tom Howard. He served as a member from CA to the WSWC for 5 years. She read the resolution into record and asked for a motion. There was a motion, a second and it was unanimously approved.

FARM BILL

Tony Willardson stated the Farm Bill will be expiring in 2018. Senator Thune (SD) announced in March that he will be releasing proposed language on a new Farm Bill. He has been rolling out incremental proposals that will cover most of the titles of the overall bill: conservation, commodities, livestock, forestry, etc. Thune's proposed changes to the conservation program would raise the Conservation Reserve Enhancement Program limit to 30 million acres, and would allow more hay and grazing on those lands. Thune points out that in SD, given the timing of renewals, they stand to lose about 50% of their conservation reserved lands. Tony said the Farm Bill policies have a lot to do with how much water is used for irrigation, so it's worth paying attention to how the new bill will affect the West.

Jeanine: I asked Tony to put this on the agenda as the WSWC has weighed in in past years on the Farm Bill. The NRCS Snow Survey Program is part of this bill, which is a big deal in some of our intermountain West states. Tony mentioned the EQIP and CREP programs. Some of our states, like Kansas, have used the CREP process to reduce reliance on the Ogallala Aquifer.

Speaker [Jeff Fassett?]: I was in soil conservation when that occurred, and it was focused on the Arkansas River. We actually used some of what I call John's money that came as a result of the lawsuit.

Tracy Streeter: We have used CREP. I think it was Colorado and Nebraska that used it first, that got irrigated rental rates established through FSA, and that really made it an economically viable tool. UCRP is a water retirement program. It is not a great fit. We had a tough time selling it in our state, because we want our irrigated land to go to dry land crop production, not to permanent vegetation for wildlife habitat. We were using it as a water tool, and it's not a perfect tool for that, but we still see limited enrollment. In fact, in our Republican River discussions with Nebraska and Colorado, it's a major tool, and John could probably address CREP and how it's being used today. We've seen our peak in enrollment in the Arkansas River with our program. But it's a very important tool for Colorado's compliance with the Republican River Compact.

John Stulp: Tracy's exactly right. CREP has really been instrumental for Colorado getting into compliance with the Republican River Compact. Close to 30,000 acres have been retired on the Colorado side of the line. Another CREP is getting put into place in the Rio Grande San Luis Valley. We have retired and taken some deep wells out of production to get some sustained building down there. They did increase the rank here recently to make it more compatible. When there were high commodity prices, no one wanted to do it. But at today's lower commodity prices, there's a lot of interest in the program.

Tracy: If we do want to engage on some Farm Bill policy that would affect western water irrigation, it might be the issue of what does the land use have to be if you want to enroll in the program? Can we go with some other conservation system on the surface other than permanent vegetation? That would make it a fantastic tool if we could go to crop production on some of those acres, if FSA could allow that.

Jeanine: As Tracy pointed out, CREP isn't a perfect tool for water management, but it is a tool we can use, and it does provide funding in areas where funding may not be readily available. We have one CREP in California for our Fish & Wildlife people, related to duck habitat in the Sacramento River Valley. The problem in California is that money has been "too easy" up to this point, and our agencies haven't felt the need. I think that's going to be changing as we go forward with implementation of our State Groundwater Management Act. A number of basins are going to have to look at land use to come into compliance, so it's probably going to involve things like land retirement and rotational fallowing. SGMA is going to be a very expensive program for California, and the CREP funding is another tool that is going to start looking more attractive. Another USDA tool in the 2008 Farm Bill was the Agricultural Water Enhancement Program, which was unique because instead of the money going directly to producers, it provided funding at the water district level and was intended to be used in conjunction with some of the federal financial assistance programs at the grower level. It was a popular program but didn't make it into the current Farm Bill. We may want to revisit that program because we know conservation is going to be critical in a lot of agriculture districts going forward. In the Colorado River Basin, the Farm Bureau put out the goal of a million acre-feet of conservation just to stay even in the agricultural sector with respect to addressing impacts going forward. There are also some programs specific to the Colorado River Basin funded through the Farm Bill, like the Colorado River Salinity Control Program, important to seven of our member states. Jeanine would like to put more effort into this topic for the next meeting. With respect to the programs we're interested in, authorized in the current Farm Bill, she asked the Council staff and Roger to determine how much money is left in the programs, such as Snow Surveys and CREP in particular.

Jerry: So your suggestion is to keep this on the top of our watch list for now, and discuss it more fully at our next meeting?

Jeanine: This is a topic where we can engage early on with USDA as they start to think about what the Farm Bill looks like, since this is important on the Administration side and on the legislative side. This would be a good conversation to begin now, for example, if we'd like to see some of AWEP come back, and what it would take USDA.

Tracy: Perhaps we ought to put crop insurance on our watch list as well. One of the things we hear from irrigators that limits us from cutting back on water use is the insurance program. They're either fully irrigated or dry landers, there's nothing in between. RMA has been very helpful in Kansas, providing limited irrigation crop insurance, but they do it on an individual basis. If we ever get involved in any wholesale, widespread conservation efforts, it would be a real administrative nightmare. The long-term solution, if you're going to change your water budget and your corresponding yield, is to have a crop insurance program that matches with the conservation program that we're trying to implement. RMA has worked very hard on that. It's been difficult to try to get them to adopt something that would be efficient if we ever get to that point. I don't know how crop insurance affects the other states, but it's a big deal for Kansas.

Jerry: Again, this is more of that discussion we need to have with WestFAST, to make sure they understand that this is where we're coming from.

Roger Gorke: How can the Farm Bill programs be leveraged with other programs in other agencies to give better results? I think that is the ultimate goal of WestFAST with regard to the NDRP, how do we make sure that programs under one statute can be fully leveraged with others. That would be another great discussion to have, how to make the Farm Bill funding even more effective for the programs you guys are talking about.

Chris Carlson: There have been some extensive conversations between EPA and USDA over the past couple of years on the agricultural side of things about how to better leverage the capabilities and the resources of the two agencies, and better achieve the conservation goals on the ground. On the conservation Title to the Farm Bill, I'd like to add the forestry Title into the conversation. The Council could engage and weigh in on that as well. The conversation has been going on for 6-8 months around the Forest Service and other entities. The forestry Title funds much of the state and private forestry programs that are largely passed through to the states. It has provided in the past, and has become more significant over time, new techniques and tools for the Forest Service on federal land to better engage in productive conservation of federal forest land. So there are things like the good neighbor authority in the last Farm Bill that a number of states are stepping out on, and working with the Forest Service to achieve important changes on the ground. Much of Forest Service land is the source of water in the West, which the Council is well aware, so the better those lands are managed, the better off the downstream users are. So the forestry Title is another good opportunity for discussion.

Jeanine: Another important Title is the USDA Rural Development programs. Rural Water Supply and Wastewater assistance program are very important to our rural communities. Walt Baker noted at a previous meeting how important that Circuit Rider program was for him on the wastewater side. The President's budget is trying to zero out this program. We want to make sure that we keep them on our radar screen, because they are very helpful to states. The SRF program simply isn't equipped to deal well with the small systems, either with respect to water or wastewater.

Jerry: We have teed this up well for our next meeting.

STATE REPORTS

North Dakota: Garland Erbele – Legislature met and approved \$788M for water development projects. Their department budget is dependent on oil extraction for funding, and from 2012-2015, their budget was very healthy. A bill to charge a fee on fracking was introduced but was not passed. The bill was moved to a summer study status. Last winter started the year with record snowfalls, but the precipitation turned off after the Thanksgiving season and much of the state is now in significant drought.

Nevada: Roland Westergard - It has been a record water year in Nevada. A ski resort in the Tahoe basin will operate through July 4th! Four major rivers are still receiving flood warnings as the snow melts. Nevada just finished its legislative session. There were several water bills taken up, including one on the adjudication process that specifically says any claim or right will be deemed abandoned after 2027. The legislature had concerns about the impacts of forfeiture. This

session made it clear that the State Engineer must give very specific notice before forfeiture. It's sure nice to be with all of you. The WSWC is still in really good hands.

Washington: Mike Gallagher - State surface water law turned 100 years old this month. Groundwater law was adopted in 1945. A Washington Supreme Court decision *Postema* addressed hydraulic continuity between surface and groundwater flow, and questions of impairment for required minimum flows. They've adopted 27 instream flow regulations, considered instream water rights for fish migration. This year we had a healthy snowpack with ample water to meet needs. The Court ruled in 2015, *Foster v. Yelm*, that we can't impair senior water rights to meet municipal needs. Tightened ability to issue new water rights in the state. Another case, *Walken County v Hirst*, addresses domestic water wells for new development. The property owner and the county has to declare there will be water available. Washington is not a domestic preference state. This legal availability issue has cut to the core for property owners. Some counties have stopped issuing building permits due to this, and so far the legislature has not fixed the issue.

Colorado: John Stulp - Dick Wolfe retires on Jun 30, 2017. The position on the Colorado Water Conservation Board is still open since James Eklund's departure. The Colorado Water Plan is now in its second year and continues to be implemented.

Pat Pfaltzgraff – Trisha Oeth used to come to these meetings more regularly. We have switched our roles to a certain extent. The Colorado legislature passed a fee bill for the clean water program. There was also a bill regarding lead in schools (in response to the Flint crisis), that would identify where they have high lead in schools. For the state water plan, we're emphasizing reuse and the development of direct potable reuse, and looking for expanded use of the regulatory process.

Kansas: Tracy Streeter - Legislature held the longest session in state history. A number of tax breaks were taken up a few years ago, which presented financial challenges for the state. The legislature passed the largest tax increase in state history. We had a high profile lawsuit involving a battle between two landowners, and as a result the legislature passed a bill that water right holders must pursue an administrative process before going the judicial route. It also allows flexibility in water management plans, with some water rights holders going over authorized quantity as long as the aggregate amount for plan participants doesn't exceed the annual quantity during a multi-year period. Farmers are very ingenious people, moving around water between stock rights and using wells in conjunction with each other in order to conserve water, and we allow them to be as productive as they can with their water use. The bill provides for the Chief Engineer to issue an order limiting diversions if there is an impairment of a water right, and to authorize flexible management plans. The legislature passed a modest 1/10 tax increase on water projects for \$2 million.

Nebraska: Jim Macy – The state thrives and falls on the agriculture economy, and times are difficult right now. We're trying to work on solutions statewide to address Harmful Algal Blooms (HAB), including rulemaking efforts. Omaha is interested in a program on wastewater issues, with a large tunnel system for stormwater events, and redesigning stormwater channels. They have a \$2 million problem they need to solve, and we're looking at ways to leverage solutions.

Arizona: Eniav Henenson – Our state has committed \$2 million per year for the next 3 years to help with conserving water in Lake Mead, working on the drought contingency plan among the 3 Lower Basin states. We’ve identified an opportunity with the Gila River Indian Community, and are working on a cooperative agreement to conserve 40K acre feet of water. Thanks to California for hosting us here.

Montana: Jan Langel – Our legislature meets every 2 years. It seems like they cut our budget and then they left. I am new in dealing with the legislative session. MT has had steep declines in our revenues. Proposals to increase taxes were beat back, and 5% budget cuts were imposed across the board. We also got hit with an additional \$330,000 cut for this year. A bill added more cuts based on projections, which were inaccurate – but we were hit with another 2% cut. HB 110 reopened the filing period for adjudication water rights, and required the filing period be noticed to all 350,000 property owners across the state. A bill regarding small domestic exempt wells was not passed. Drought from North Dakota is a problem on the eastern portion of the state, and the Governor declared a drought emergency last week. We’re also working on efforts to fight the invasion of Zebra mussels, inspecting and decontaminating boats.

Wyoming: Steve Wolff - We had record levels of snow packs this year, and damage from flooding in the Wind River drainage. They’ve had a groundwater issue in the southeast corner of the state, rejecting a groundwater recharge application in a basin where the surface water and groundwater are connected, due to the potential to impair existing water users. In the Bear River Basin, Wyoming has some pre-compact storage water that is not allocated, and they’ll be accepting applications to assign some of that water.

Texas: Jon Niermann - Thanks to CA for hosting this meeting. We’ve had a tough budget cycle and self-imposed a hiring freeze on top of the state-wide freeze. The budget will have enough funding to administer our agency and meet statutory obligations, but not much else. One of the bills in the legislature removed the requirement that all water quality permits expire at the same time, so now they will last five years from the issue date. A bill also imposed deadlines to expedite water rights permits. TCEQ had implied authority before to exercise its discretion to consider public interest and public welfare criteria, now it’s explicit within their jurisdiction and expertise.

Dr. Mace – It was a tough budget session for the Texas Water Development Board. There was a bill seeking funding for flood activities, expanding a number of streamgages in the state for baseline data for the TexMesonet weather network. There were bills on aquifer storage and recovery, on a statewide survey, and on making brackish groundwater permitting easier, but the bills were vetoed by the Governor. An alternative water plan will be put together to look at seawater desalination and importing water from neighboring states.

Utah: Eric Millis - Walt Baker’s position has been filled by Erica Gaddis. Snowpack contributed to the flow in the Bear and Green Rivers. Utah has the largest wildfire in the nation right now, approaching 60,000 acres, in an area that was heavily infested by the bark beetle. We’re grateful to other states for sending firefighters. We are concerned about the watershed in that area because of the fire. We’re continuing to work on reserved rights with the Navajo Nation and Ute tribes. Norm has been working hard on those, and we’re getting close with the Navajo Nation.

South Dakota: Kent Woodmansey – The Governor has activated the Drought Task Force. Streamflows are below long-term median levels, but so far there haven't been any shutoffs. We're looking at a proposed in-situ uranium mine in the SW part of the state. They've applied for a permit from EPA, and hearings are being held. If the permit is granted the likely next step is a water right permit. A bill was signed opening lakes to public recreation, with a sunset provision that punts the long-term issues to the next legislature. We have budget issues with the state funds and general funds, so we're continuing to hold some management positions vacant. We may have to return some programs back over to EPA. The Crow Creek Sioux Tribe case on water rights has been interesting to watch.

Alaska: David Schade – The budget passed late in the legislative session. We had a \$3.5M shortfall. Interesting legislative session, with income tax derailing everything else. The Bureau of Land Management Training Center wanted to do a water rights class and we had a week training with federal agencies. Ended up being a very positive week of work from both the state and federal agencies, talking over the generalities of state and federal rights. We're looking at a re-write of water use regulations, needing to update them and create the ability to put conditions and requirements on water use, as well as incorporate court rulings and public notice requirements. Michelle Hale is hoping to attend the next WSWC meeting and get more involved. Struggling with Tier 3 waters and invasive species. Working toward economic development without impairing waters. Involved in WOTUS, etc. as it really impacts Alaska. Working really hard to get Alaska formally back involved as a contributing WSWC member.

New Mexico: Tom Blaine - We have many of the same problems as many of your states. It is reassuring to understand and know that I'm not the only one in this boat. Thank you for sharing what is going on in your states. Annual legislative session, but we have sessions every few months – one regular session and several special sessions. When I was appointed as State Engineer, we had a backlog for applications for appropriations. He committed when he took the position that they would cut the backlog by half. The incredible staff exceeded those expectations. That is significant. There was about \$1 billion of value wrapped up in the backlog. I've been very deliberate in building relationships with the tribes, pueblos and nations in the state. We have 24 such entities. They do have reserved water rights. Only 7 of these have been solved, and there is pressure on water resources until all the rights are resolved. There was an aggressive bill to prevent an interbasin transfer of water for the San Juan Chama project, but in New Mexico we have been doing inter basin transfers for 100 years. There's tension between the Ag and M&I users, and there are efforts to craft legislation that addresses concerns about the transfers. We're also dealing with USFS fences set up to protect mouse habitat, conflicting with livestock grazing allotments and livestock watering rights that were established before territorial law in New Mexico, and have been continually recognized since then, for over 150 years. The ranchers are frustrated. There's no adjudication of the livestock water, but they granted a license to appropriate water from points of diversion or within a source of water in the allotment, broadening the ability to take water from a man-made structure and other sources and not just directly from the stream. *Texas v. New Mexico* lawsuit has made it possible to develop some very good friendships with some folks in Texas. We are committed to seeking a settlement type solution rather than litigation, and I'm encouraged each time we meet. Looking forward to our next meeting in New Mexico.

Greg Ridgley added that during the legislative session the legislature took up a bill with respect to cattle growers that was similar to the Water Rights Protection Act in Congress. It did not pass, but we will probably see it again.

Oregon: Tom Byler - Thanks to Jeanine and California folks for hosting the meeting. We have had a great water year, and the first thing the rain washes away is the memory of drought. We got some great budget items through in 2015 when drought was tough, but this year, they did not. Economy is good, but a variety of factors have made employment challenges and cuts budgets from the departments by 2%. A fee bill is passing through the legislature currently that would continue water user fees, permit application fees, transfer fees, etc., with revenues split between their budget and the general fund. They're also wrapping up capital funds, a lottery bond revenue, and planning and technical studies for infrastructure projects. They requested \$32M to invest in planning, project monies, etc. Studies are going on in the state and data is available, but not as much as they would like. The measurement and reporting bill went nowhere. The water management fees bill did not get very far, although it generated a lot of discussion. Klamath Basin settlement efforts are disappearing, but they're able to regulate water users based on the adjudication. The Rainbow Family of Living Light is meeting in the Malheur National Forest. It's a gathering of about 20,000 counter-culture enthusiasts in early July, and the neighbors get cranky about the water use on public land.

California: Jeanine Jones - The legislature recently passed the budget. They meet full time in California, and they pass large budgets, with \$3.8B for DWR and \$1B for the Board.

Idaho: Jerry Rigby - Thanks to Jeanine and DWR and all who helped in putting this meeting together. Idaho had a good water year, which meant dealing with flooding issues. There is still snow in the hills. They had a recent settlement between groundwater and surface water users, looking at sentinel wells to stabilize the aquifer. In a wet water year, question of what you get for recharge that is measured and diverted, how to handle credit for the mitigation plan when mother nature does the recharging. They've settled the fill issue on the reservoirs. Once the reservoir is filled, there was a question about whether they could issue a second claim on the storage right if water was released from the reservoir for flood control, and how that impacts senior and junior water rights. Along with Oregon and Washington, Idaho is dealing with reservoir issues in the Columbia River Treaty with Canada. Idaho is also negotiating with DOJ over the Snake River and the Nez Perce settlement and Shoshone Bannock. They're looking at equitable adjustments and negotiating who will compensate the tribe for fish flows.

FUTURE COUNCIL MEETINGS

Tony mentioned that the Symposium on the Settlement of Indian Reserved Water Rights Claims will be held in Great Falls, Montana in August. The Fall meetings will be in New Mexico.

SUNSETTING POSTIONS FOR FALL 2017 MEETINGS

Positions scheduled to sunset at our Fall 2017 meetings in Albuquerque, New Mexico can be found under tab XYZ.

OTHER MATTERS

There being no further matters, the Full Council Committee meeting was adjourned.