



Monthly Meeting Minutes

June 17, 2021

5 -7 p.m. – Via Zoom

Council Members Present: Dick Ewing, Mike Fort, Andy Hover, Greg Knott, Alyssa Jumars, Mayor Soo Ing-Moody, Jeff Sarvis, Bill Tackman

Others in Attendance: Clare Bunney, Tyson Carlson (Aspect), Jay Chenault (AESI), David Clement, Heidi Dunn, Ryan Edwards, Trevor Hutton (ECY), Curtis Koger (AESI), Jay Lucas, Mary McCrea, Craig McDonald (MWF), Crystal Miller, Mark Miller, Melanie Rowland (MVCC), Ron Wetzels, Jan Young (County Watch)

Minutes recorded by: Sarah Lane, Administrator

Non-Procedural Motions

Motion #	Short Title	Yeas	Nays	Abstain
6.2021-01	The MWC supports the County using the “River Bank” database to report water use, using 710gpd consumed.	7	0	1

1. Call to order

The meeting was called to order by the Chair, Mayor Ing-Moody at 5:01 PM

2. Roll Call of Council Members

3. Agenda – Additions or Changes

The June 17, 2021 Agenda was approved.

4. Minutes – Review and Approval

Councilmember Jumars moved to approve the May 20, 2021 minutes, and Commissioner Hover seconded the motion. The minutes was approved unanimously, with Councilmember Sarvis abstaining.

5. Report from the Council Chair

Mayor Ing-Moody reported that the MWC is in need of funding for administrative support. With this meeting being so large, public comment will be held to three minutes.

6. MWF Report: Chair- Craig McDonald

MWF Chair Craig McDonald reported on the shortage of funds. The MWF purchased a subscription to Grantstation in order to review more potential grants. Two grant applications – to Moccasin Lake Foundation and Clif Family Foundation – have been recently submitted. Councilmember Knott recognized Dick Evans for his years of service to the MWF, as he is now retiring from the board.

7. Subcommittee Reports:

Technical Review Committee, Chair – Fort

Councilmember Fort reported that he talked with Parker Whitman (Aspect) regarding database viability and accuracy. Councilmember Knott reported that the Water Quality group has been working on a proposal and would like to present it at the next MWC meeting.

Outreach and Education Committee, Chair- Knott

Councilmember Jumars reported that the Outreach committee reviewed the website for needed updates and edits. She also requested missing photos and bios from Councilmembers.

8. Ad Hoc Reports

CRM Subcommittee – Jumars and Tackman Councilmember Tackman reported that the group had a productive meeting, with a second meeting scheduled for July 8. What we don't know and what is needed to be known, was discussed. Jumars reported that the group thinks the MWC is a good group to lead this community and stakeholder process. Scoping will be part of the next meetings, including what we want, what do we have, and how do we get what we want.

Councilmember Sarvis asked how this is different from Water 2066. Councilmember Jumars sees this as the next step of 2066. Important stakeholders were likely to have been missed in 2066 that should be engaged in the process.

Resilient Methow Report – Ewing and Lane: Councilmember Ewing reported that RM folks had been in contact regarding a meeting on water action specifically, but nothing has been scheduled. Lane reported that the RM group has been working on publicity for the plan, and that work is a little slower than anticipated.

9. Initiating Government Reports

Town of Twisp- Mayor Ing-Moody reported work continues on the Twisp Ave water project.

Town of Winthrop- Councilmember Sarvis reported the town is looking for funding for a water line that crosses the river. The town is also reviewing its water certificates and is looking at some pilot projects

Okanogan County- Commissioner Hover reported that the water quality funds were developed under 36.94. Mayor Ing-Moody asked if there was any movement on the request for funding from the MWF. Commissioner Hover said they were looking into whether the water quality funds could pay for that position.

10. Ecology Report: No report

11. Agenda Item 6.17.21-01: Discuss Request from County for MWC Recommendation on Aspect's data and report, and Tech Committee Recommendation on water data. Commissioner Hover said that the County would like to move forward with a well tracking program using technical memos from Aspect. The County would like the MWC to provide its recommendation for using the technical information.

Councilmember Fort said the MWC has Aspect's studies from WRIA 48 and 49, but the Technical Committee has not met yet to put forth a formal recommendation. Fort noted substantive differences in the total consumed numbers. Commissioner Hover said that Aspect was asked to continue using 710 gpd. Councilmember Fort said as long as 710 is being used, he can agree to that.

Councilmember Knott made a motion to support the County using the "River Bank" database to report water use, using 710gpd consumed. Councilmember Fort reiterated that doing so is acceptable as long as 710 is being used. Tyson Carlson, from Aspect and present in the meeting, confirmed assumptions in "River Bank" as based on 710 gpd. Commissioner Hover noted that the system provided numbers of wells, reports on water use, and that info could be shared through the MWC website. Councilmember Fort noted that accounting for water used has been a responsibility of the MWC, and that this motion would turn over that responsibility to the County.

Councilmember Ewing seconded the motion. Mayor Ing-Moody asked if the database can be updated with new information. Commissioner Hover said that if better data was developed through CRM or another process, it can be updated. Motion passes unanimously with Commissioner Hover abstaining.

12. Agenda Item 6.17.21-02: Presentation: Water Banking for the Methow with Paul Jewell and Trevor Hutton

Please see [MWC Meeting June 17, 2021](#) for full meeting recording. (At 00:29 of the recording). The [presentation notes](#) are also available on the MWC Google drive.

Paul Jewell, Policy Director for Washington State Association of Counties; and Trevor Hutton, Department of Ecology presented on the basics of water banking.

Presenters Jewell and Hutton worked to answer specific questions emailed to them prior to the meeting. Jewell covered the basics of water banking, different water banking models and funding for water banking. A water bank is a framework where a person or entity can transfer a water right (definition at [mentorlaw.com](#)). Use can be the same or for a different use in time or place. Tribal participation and transparency are key to success. Banks differ by watershed and no turn key solution exists.

Three basic steps exist:

- 1- acquire a water right. Think about how the water is to be used, and what potential uses. What quantity? What costs? What location? What kind of right is it? Is it suitable for desired use?
- 2- Place water in trust water rights program. Protects from relinquishment and protects priority date. Very different from simple donations process.
- 3- Create trust water right agreement between entity and Ecology. Includes allowed uses, suitability, location, quantity.

Who can do it? Basically, anyone with a water right. There are private, public, public private partnerships, and quasi-governmental organizations

What can the bank do? Water can be distributed for different uses, future uses, hold for instream flows, can convert seasonal to year-round use. Confined by water law and are flexible within that. What is can do should be able to be found in the trust rights agreement. Ecology is working on policy for writing agreements for clear understanding.

What can water be used for? Instream flows, agricultural uses, rural domestic (providing water for new SFD or other rural uses), and private, for-profit models (could include large scale developers, such as Suncadia, or Crown Columbia).

Public purpose vs private water banks. Public banks based on affordability or cost recovery, and meant to solve a problem. Can be a public-private partnerships. Private water banks are developed for private interest with profit motive for shareholders. From Ecology's perspective, the process for either type is largely the same. From Jewell's perspective, for profit entities are potentially problematic, especially where there is no competition, conflict of interest, or purposeful breaking of rules for future advantage. These occurred in places where water banking was new, or there were no requirements for uniformity, or policy to keep this from happening. Policy and parameters in advance of water banking transactions in an area is critical to prevent misuse, especially in areas at the top of the physical watershed. If a public bank doesn't exist, a private bank can take advantage. New legislation is aimed at leveling the playing field.

As water banking has been developed across the country, in our state, the legislature has taken on some of the issues. Funding was recently provided through state operating and capital budgets. Sen. Rolfes reached out to Jewell about water banking needed. A coalition formed to put together proposals, including Trout Unlimited, Tribes, development and ag interests. \$14M was approved for water banking over the next two years. \$9M in operating budget, \$4.5 for each year. \$5M is in the capital budget, with \$2M for the Methow specifically and \$1M for Ecology for processing. Other requirements to receive funding are rural designation under 82.14.370 -5 (less than 100 people per square mile), and must contain headwaters of a major watershed (defined as waters managed under shorelines act). Funds can be used to acquire and evaluate water rights. Must show expertise and capacity, valid interest in a valid water right. 33% of water must go into instream flow permanently. Must also be a public or public-private partnership. Each applicant is limited to \$2M. Rights may be purchased with other funding as well as these funds.

Regarding the 33% donation, the requirement to donate that amount to trust exists because this water banking program isn't the only option for making changes to a water right. It may not be the right tool for all. This funding provides a needed tool for local communities do deal with their water, and hopefully will do so without the need to create a lot of new regulation.

Questions from Council:

Councilmember Jumars: Foster decision implications, challenge for the Methow. There is no de minimus impact allowed. Transitioning a seasonal right to year around use, for example, would run into issues. Instream flow is another water right. Storage may be a tool for helping with the timing issue for such a conversion.

Commissioner Hover: There is limited storage in the Methow. Would Ecology fast track a look at impairment issues, for moving a water right upstream for a conveyance for a reservoir? Ecology would look at potential impairment for another user. The problem would again be related to Foster, in that instream flows would likely be impacted

Councilmember Ewing: The 33% requirement was important to Tribal members of the coalition supporting this legislation, and allows Tribes to be on board with these ideas.

Councilmember Knott: There are two aspects to getting new water bank started- capitalizing and, for the Methow, where is the water going to come from. Wonders where new water will come from, given that the basin isn't adjudicated, reducing potential for irrigation companies to participate. There is storage/retiming potential. What kind of legislative relief might there be for out-of-the box ideas such as beaver/beaver analogs? Is there potential to get mitigation credit for these sorts of projects? There may be legislative fixes for these sorts of projects/credits. Ecology policy making will not address these fixes. Regarding creativity for looking at water rights, some negotiation could be available for timing for the right to purchase, futures options, etc. There could also be funding through purchases from the bank to pay for things like habitat enhancement, instream flows, reduced cuttings, etc. Long term future use (30-50 years in the future) may be considered. It could take many years to have a water bank up and running.

Councilmember Sarvis: Can funding be used for infrastructure? "All costs necessary" to evaluate the right for intended use and for activities for the creation of the bank, is the language of the law. Regarding definitions: An irrigation company is private. An irrigation district is incorporated under statutes. Regarding piping ditches: Is there a method to consider water saved for example, the consumptive use of ditch-side vegetation? The beneficial use could be discussed and determined.

Commissioner Hover: infrastructure funds could come from ARPA funding. Pumps, pipes to move water to storage are included for these funds.

Councilmember Knott: Who decides who runs the water bank, and how it will be run? Jewell suggests a coalition or quasi-governmental organization, public/private, etc. How much control does the community want and who is trusted to do it? Change is possible over time, if the original setup doesn't work. Where does the money get managed? Hutton said money will be coming through Ecology's headquarters, where grants and guidance will be developed.

Additional follow up questions:

- Who determines who is qualified with expertise and capacity, to run a water bank?
- Yakima has adjudicated system. Methow does not. Is adjudication needed, either in parallel with banking process, or prior to?
- What expenses beyond direct water acquisition are eligible for reimbursement?
- Is there a place in the process to match up legal water rights with what is likely to be physically available in the future?

13. Agenda Item 6.17.21-03: Next Steps

- Water quality presentation
- Water allocation conversation

14. Agenda Item 6.17.21-04: Public Comment

- Several thanks for the presentation
- George Schneider: Yakima has adjudicated system. Methow does not. Is adjudication needed, either in parallel with banking process, or prior to?
- Hans Smith: What expenses beyond direct water acquisition are eligible for reimbursement?
- Melanie Rowland: Is there a place in the process to match up legal water rights with what is likely to be physically available in the future?

15. Adjournment: The meeting adjourned at 7:03 P.M.

Mayor Ing-Moody, Council Chair

Approved at the January 20, 2022 Council meeting.