

Town of Twisp

Council Minutes – 03/14/23

Mayor Ing-Moody called the meeting to order at 5:32 pm.

Council Members present: Aaron Studen
 Alan Caswell - Remote
 Katrin Auburn
 Hans Smith
 Mark Easton

Council Member absent:

Pledge of Allegiance

Council Member Studen led the Pledge of Allegiance.

Request for Additions or Deletions to the Agenda

N/A

Public Comment Period:

In Person Comments:

Maggie Coon voiced her opposition to the proposed water rights least. She noted that the Methow Valley had rallied around the Climate Action Plan, including support from the Town of Twisp. She believes the calculations for growth are not reliable and that dangers from wildfire and drought should play into decision making. She feels this sets a bad precedent for water use in the Methow Valley.

Lorah Super commented as Program Director for the Methow Valley Citizen’s Council. She believes that approving the water lease agreement would be out of step with previous action and policy set by the Town, relating to the Crown Columbia water sale.

Dwight Filer commented that Auvil Fruit Company is owned by an international private equity firm. He believes leasing water to them would make the “already wealthy, wealthier”. He questioned if “we” really want to do business with people like that.

Isabelle Spohn commented that she agrees with the previous comments and would like more input/engagement from the town on the Housing Action Plan. She recommends the town allocate more resources to the planning department.

Mark Edson spoke as Director of Methow Valley Irrigation District, and read the same questions he posed at the previous meeting:

1. What water is proposed to being leased – what is the water right number?
2. Is this a seasonal irrigation water right or a year-round municipal water right?
 - a. If it is a municipal water right, can it be leased as a seasonal irrigation water right?

3. How did the Town determine the lease amount (i.e. dollar figure)?
4. Did the Town consider first leasing the water to local entities? If not, why not?
5. Has the Town had communications with Ecology or the Water Conservancy Board?
 - a. If so, what were those communications about?
 - b. Consider filing public records request with Ecology, Water Conservancy Board, and/or Town.
6. Why does Twisp think it can issue a "Term Permit" authorizing the use of the leased water by April 30, 2023?
7. What happens if the Lessee doesn't use all of the Leased Water – will that cause the Town of Twisp to relinquish that portion of the water right?
 - a. If so, is that risk worth \$23,750?
8. Who else does Aspect represent in this deal? Given that Aspect represents so many other local interest in related water right transactions, how do they handle conflicts of interest on each of the transactions? What is their policy on conflict of interest, recusals, information sharing within Aspect?

Miles Milliken thanked the council for the opportunity to comment. He said his questions/comments were all addressed by previous commentors.

Written Comments Submitted in advance of the meeting:

Marc Daudon: My name is Marc Daudon and I worked as a lead consultant on the Methow Climate Action Plan. I live up the Twisp River.

I am writing with some questions and concerns about the water rights leasing agreement with Auvil Fruit Co.

- Has the Town of Twisp, and its consultant, Aspect Consulting, considered the impact of changing water availability due to climate change on its water supply and the projected surplus?

How does Aspect Consulting analysis take into account increasing variability in water supply, especially summer in-stream flows? What if our region undergoes a significant long-term drought during the lease period? Will there be enough water for growth and for the lease agreement as well as for fish?

o Given that we expect water availability to change and the impacts of climate change to be significant on the Methow (with summer in-stream flows declining dramatically), is there benefit to keeping Twisp's surplus water in the valley and using it for needs closer to home?

- Is the orchard that will be using the water a new orchard or is the water expected to be used at an existing orchard? If an existing one, what is the current source of water? What other options does Auvil have?

- Is there an implicit expectation that the lease will be extended after 2029?

- Practically speaking, how can the Town ensure that Auvil Fruit uses the water consistent with the highest and best conservation and efficiency standards? Section 2.10 of the contract is quite vague with no specific standards or benchmarks identified.

Sustaining a vibrant agricultural sector along with a healthy ecosystem are key goals of the Climate Action Plan which I along with many others support. As the Town considers the proposed lease, I urge Council Members to carefully consider the questions above and make sure that this agreement is indeed in the best interest of the Town, The Methow

Valley, as well as the Auvil Fruit Co.

Respectfully submitted,

Marc Daudon

Marc D Daudon

President

The Caspian Group

206.915.6127

marc@thecaspiangroup.com

Nancy McKinney Milstead:

Clerk Treasurer,

Please place my comments in the minutes of the 3/14/23 Town Council meeting regarding the consideration of the Town of Twisp water rights lease to Auvil Fruit Company.

"I am very concerned that the Town of Twisp is considering a water lease to Auvil Fruit Company without more time to fully understand how it will impact all of the water users in this water shed. In addition, I am led to believe that the consultant from Aspect, for the Town of Twisp, is also a consultant for the end users of this potential lease. This looks like a serious conflict of interest. Please take your time and get an opinion from an expert that is not benefiting from a potential water lease."

Best,

Nancy McKinney Milstead

48 Wolf Creek Road

Winthrop, WA 98862

Melanie Rowland:

To Mayor Soo Ing-Moody and the Twisp town Council:

My husband and I live 4 miles south of Twisp on the Twisp-Carlton Road. We strongly oppose transferring the town's "surplus" water downstream, out of the Methow Valley. We believe that water scarcity in the Methow will only increase, with major droughts from climate change and population growth. Development in the Methow is increasing, and we, like many others, would like to keep open space and agriculture in the Valley in the future. Residential development should take place within towns or their growth areas, so it is critical that Twisp (and Winthrop) retain enough water to supply growth.

Thank you for the opportunity to comment.

Melanie Rowland & Randy Brook

10 Waxwing Lane

Twisp

Nicholas Littman:

I am concerned about the precedent that will be set throughout the Methow Valley by leasing town water outside the basin. How could this water instead be used within the basin by leasing it to a water bank or to other users in the Valley? Instead of leasing it out, could it be kept in the river as valuable in-stream flow? As the impacts of climate change ramp up and streamflows decrease, we need to keep as much water as we can in our river. Thank you for considering these questions in your decision-making process.

Thank you,

Nick Littman, 13 Mountainside Way, Winthrop, WA, 98862

Jade Wolff:

Hello,

I think it's a terrible idea to lease water from the town of Twisp out of the basin. The needs of the many out weigh the needs of the few. Period. Why can't this orchard on the Columbia get water from the mighty Columbia? Why would they seek to draw from our finite resource? If this was to happen I worry about the precedent it would set.

Please protect the people and the water of the Methow.

Thank You,

Jade Wolff

Concerned Citizen

Molly Filer:

Hello,

My name is Molly Filer, I'm a resident of Twisp (534 W 2nd Ave) and writing to oppose Auvil Fruit's request to lease water from the town.

Leasing water outside of our watershed is the last thing we should be doing as a town in the face of long-term drought and climate instability. This would set a problematic precedent and I respectfully ask that you oppose this request.

Sincerely,

Molly Filer

David Lukas:

Dear Town Council,

I ask that you hold off on making a decision about leasing city water to a downstream apple orchard. All of us in the Valley need water for our livelihoods and the implications of opening the floodgates on out-of-basin leasing need to be carefully considered before starting down this road. Please don't move ahead on this decision!

David Lukas

Methow Natural History Institute

Winthrop

Mary Yglesia:

Dear council members,

I feel strongly that we should not allow out of basin water transfers from the Methow. Our water is a precious resource on which our lives and livelihoods depend. Setting this precedent is incredibly dangerous and I ask that the Council reject this proposal entirely.

Thank you.

Mary Yglesia

PO Box 748

Methow, WA. 98834

206-605-6686

Drew Katz:

Dear Town of Twisp,

I won't be able to make the town meeting today but would like to express my concern over the proposal for Auvil to lease water rights from the town of Twisp. Even if we do have adequate or even a surplus of water for the town, I am concerned about setting a precedent of leasing town water out of our basin

and whether this water could instead be used in a local water bank or leased to other users in the Valley. We also would like the Council to consider how climate change will shift water availability in the Methow River as winter snowpack and summer stream flows decrease. Time, energy, and money would be better spent on the town of Twisp working with the public, conservation district, watershed policy council, and other agencies to determine how we can keep more water in our watershed for the future of our towns and agriculturalists and wildlife as opposed to just selling it to other users for a buck. There has been much speculation for our water from out of basin buyers, and if we decide to put our water up for sale without first doing our due diligence and securing our own water future, we will be inviting unwanted interest and pressure on our previous water resources.

Thank you,
Drew Katz
Resident - Methow Valley

Thomas Jones:

To Twisp Town Council:

I strongly oppose the Town of Twisp leasing water rights from the Twisp Water System to Auvil. My opposition is based on streamflow forecasts in the Methow Valley Climate Action Plan. In that Plan, Dr. Amy Snover, Director of the University of Washington Climate Impacts Group, and part-time Methow Valley resident, summarized the expected climate change impacts in the Methow Valley as follows: “Lower low flows during the summer; July average streamflow 48% less in 2040s, 65% less in 2080s.” See chart on page 29 of the Plan. The Town of Twisp needs to conserve our valley’s water and reject Auvil’s request.

Respectfully,
Thomas M. Jones,
19615 State Route 20, Twisp, WA 98856.
Tel. (206) 618-9312

Mayor’s Report

Mayor Ing-Moody did not provide any updates.

Staff Reports

Public Works:

Director Denham noted that the Collection System Improvements project will open for bids starting March 15. The Wastewater Treatment Plant designs are progressing and 90% plans are expected mid-April. Numerous comments from engineers around the state have assisted with value engineering the plans. Public works staff are doing equipment maintenance and will be working on street sweeping and catch basin cleaning. Transportation Improvement Board (TIB) overlay and crack seal projects are upcoming. There will be a Town wood chipping event with dates to be announced later this spring.

Commission/Committee/Board Reports

Council Member Auburn reported that TAAB is still doing research to make a recommendation on the hangar lease rate and will present it to Council later this year.

Council Member Studen reported that he and Town Staff had met with Friends of the Pool to discuss challenges and opportunities for operating the Wagner pool in 2023. It has been determined that the Town is not able to run the pool as in previous years but is open to entertaining a concessionaire agreement with Friends of the Pool.

Council Member Smith reported that Public Safety Committee met to discuss next steps in filling the vacant Police Chief position. Clerk Kilmer has been tasked with looking at what other law enforcement agencies in the area are offering, and to search for other methods of recruitment.

He also reported on the Finance Committee, noting that they discussed the proposed water rights lease and will report more on that later in the meeting.

OLD/NEW BUSINESS

Discussion/Action: RedTail Annexation

Mayor Ing-Moody gave some background on the request and noted that the Finance Committee had met with Mike Maples to get a better understanding of the request and the intent. Finance Committee had requested confirmation that Mr. Maples is authorized to speak and negotiate on behalf of Lloyd Holdco. Mr. Maples provided a letter signed by the directors of Lloyd Holdco, authorizing him to do so. The request before the council is a letter, asking if they will consider a boundary line adjustment and subsequent annexation of the adjusted property with the intent of putting a piece of same elevation land into town limits and separate from a large piece of land owned by RedTail and in discussions for sale with the Methow Conservancy. There is currently permission allowed to access the RedTail property through the Lloyd Holdco property with no easements. Per Lloyd Holdco, depending on who the RedTail property is sold to, the proper easements for access will be put into place.

The Council did not voice any opposition to entertaining the BLA and annexation requests. Subsequent meetings with RedTail and the Methow Conservancy will be held and reported back on.

Discussion/Action: Auvil Fruit – Trust Water Rights Temporary Lease Agreement

Mayor Ing-Moody reported that since the last meeting she had spoken with Dan Haller of Aspect Consulting who relayed to her that Auvil Fruit may have other negotiations in process to lease water rights with another party. She noted that given the concern of the council and the many comments from the community, it makes sense for the Twisp Council to consider the concept of water rights leasing, especially given the likelihood that other proposals may come to the Town in the future.

Council Member Smith reported that the Finance Committee had explored the agreement as well as the larger concept of leasing water rights. In any scenario, it would be important to determine the value to the Town and how the funds from such an agreement would be used to benefit rate payers in Twisp.

Council Member Easton stated his opposition to the lease on the table and would also like to further discuss scenarios that may come up in the future surrounding water and water rights.

Council Member Auburn stated her appreciation for all the comments from the community and voiced her concerns about the price that has been offered for the water and would like to explore what the going rate could be for future proposals.

Council Member Studen took issue with the philosophy of leasing water to a downstream international corporation when there may be entities in the valley who could benefit from such a partnership with the Town.

Council Member Caswell voiced his agreement with Council Members Studen and Easton, noting that if such a lease was to be entered into, he'd like to see it a higher price and to a local entity, if possible.

Mayor Ing-Moody summarized from the discussion that the Town is not willing to entertain the proposal from Auvil Fruit any further, but encouraged the continuation of discussions on the Town's water rights given that there are likely to be more proposals in the future. She also noted that the Methow Valley community also should take note as she believes these conversations will continue with increased frequency as water becomes a greater issue, and as the water bank is formed since they will be entertaining not only leasing but permanent sales of water rights downstream as well.

Discussion/Action: Ordinance #797 – TMC 16.10 - Floodplain Management Amendments

Clerk Kilmer reported that the Council had seen this draft ordinance a few months ago, where they approved the draft to be sent to Commerce for review. The review period is over and no comments were given, so the ordinance is ready for adoption.

Council Member Smith made a motion to approve Ordinance #797 – TMC 16.10 - Floodplain Management Amendments as presented. Council Member Caswell seconded the motion. The motion passed unanimously.

Consent Agenda

- Accounts Payable/Payroll
- Minutes – 10/25/22, 11/08/22, 11/22/22, 01/11/23

Vouchers audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing, which has been made available to the Town Council. The following voucher/checks are approved for payment by a majority vote on this 14th day of March 2023.

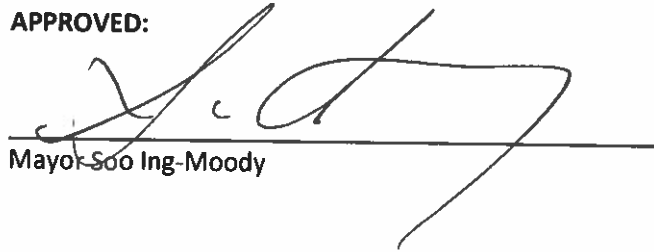
Accounts Payable	Checks #37682-37706	\$54,882.92	03/14/23
Payroll	EFT Trans N/A	N/A	N/A

Council Member Smith moved to approve the consent agenda as presented. The motion was seconded by Council Easton and passed unanimously.

Adjournment

There being no further business to come before the Council, Mayor Ing-Moody adjourned the meeting at 7:20 pm.

APPROVED:



Mayor Soo Ing-Moody

ATTEST:



Clerk/Treasurer Randy Kilmer