

IDAHO WATER RESOURCE BOARD

MEETING NO. 7-15

September 17-18, 2015

Hagerman/Twin Falls



Shoshone recharge site
on Milner-Gooding Canal



Flume Project
on Milner-Gooding Canal



Rangen Pipeline

MEDIA



AMENDED

AGENDA

IDAHO WATER RESOURCE BOARD MEETING NO. 7-15

September 18, 2015 at 8:30am

Hampton Inn
Canyon Room
1658 Fillmore Street, Twin Falls, Idaho 83301

C.L. "Butch" Otter
Governor

Roger W. Chase
Chairman
Pocatello
District 4

Jeff Raybould
Vice-Chairman
St. Anthony
At Large

Vince Alberdi
Secretary
Kimberly
At Large

Peter Van Der Meulen
Hailey
At Large

**Charles "Chuck"
Cuddy**
Orofino
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

Dale Van Stone
Hope
District 1



1. Roll Call
2. Agenda and Approval of Minutes 6-15
3. Public Comment
4. Financial Status Update
5. Groundwater Conservation Grants
6. Eastern Snake Plain Ground Water Districts Loan
7. Water Supply Bank
8. Cloud Seeding Program Updates and Future Activities
9. ESPA Recharge
10. MHAFB Water Supply Project
11. IDWR Director's Report
12. Other Non-Action Items for Discussion
13. Next Meetings and Adjourn

Americans with Disabilities

The meeting will be held in facilities that meet the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Department staff by email Mandi.Pearson@idwr.idaho.gov or by phone at (208) 287-4800.



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 6-15

C.L. "Butch" Otter
Governor

Red Lion Templin's
Chief Seltice/Margaret Post Conference Room
414 East First Avenue, Post Falls ID 83854

Roger W. Chase
Chairman
Pocatello
District 4

Jeff Raybould
Vice-Chairman
St. Anthony
At Large

Vince Alberdi
Secretary
Kimberly
At Large

Peter Van Der Meulen
Hailey
At Large

**Charles "Chuck"
Cuddy**
Orofino
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

Dale Van Stone
Hope
District 1

July 13, 2015
Work Session

Chairman Roger Chase called the meeting to order at approximately 8:00 am. All Board members were present.

During the Work Session the following items were discussed:

- Priest Lake Cold Water Siphon Concept
Chip Corsi, Idaho Department of Fish and Game
- Recharge Update
- Update from Bonneville Power Administration
John Williams
- Albeni Falls Dam Operations
Joel Fenolio, US Army Corps of Engineers
- Water Transactions Update Report
- Last Chance Canal Company Loan Request
- St. John's Irrigating Company Loan Request
- Rathdrum Monitoring Network Update

No action was taken by the Board during the Work Session.

July 14, 2015
IWRB Meeting

At 8:00 am the Chairman called the meeting to order. All Board members were present.

Agenda Item No. 1, Roll Call

Board Members Present

Roger Chase, Chairman
Vince Alberdi, Secretary
Chuck Cuddy
Albert Barker

Jeff Raybould, Vice-Chairman
Pete Van Der Meulen
Bert Stevenson
Dale Van Stone

Staff Members Present

Gary Spackman, IDWR Director
Brian Patton, Bureau Chief

Mat Weaver, Deputy Director
Cynthia Bridge Clark, Section Manager

Neeley Miller, Senior Planner
Clive Strong, Deputy Attorney General

Mandi Pearson, Admin. Assistant

Guests Present

Lane Peirce, Franson Civil Engineers
Ron Blaisdell, St. John's Irrigating Co
Walt Poole, Idaho Dept of Fish and Game
Keith Jorgensen, Last Chance Canal Co
Mike Galante, North Kootenai Water Dist

Paul Kimmell, Palouse Basin Aquifer Committee
Mark Mathews, Last Chance Canal Co
Loyd Briggs, St. John's Irrigating Co
Spencer Tresslor, Franson Civil Engineers

Agenda Item No. 2, Executive Session

At approximately 8:00 am the Board resolved into Executive Session by unanimous consent pursuant to Idaho Code Section 67-2345 (1) subsection (f), for the purpose of communicating with legal counsel regarding legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Topics discussed were the North Idaho Adjudication and Shoshone-Bannock Water Bank. Mr. Raybould and Mr. Barker excused themselves during the Shoshone-Bannock Water Bank discussion. No action was taken by the Board during the Executive Session. The Board resolved out of Executive Session and into Regular Session at approximately 9:00 am.

Agenda Item No. 3, Agenda and Approval of Minutes

Mr. Raybould made a motion that the agenda be amended so that item 6, Swan Falls Minimum Flows, follow item 8, St. John's Irrigating Company Loan Request, and that the minutes for meeting 5-15 be approved as printed. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion passed.

Agenda Item No. 4, Public Comment

There was no public comment.

Agenda Item No. 5, Financial Status update

Mr. Patton provided an update on the Board's financial status. As of July 1st, the Board has total committed but not disbursed funds of \$32,805,000, total loan principal outstanding of approximately \$18,900,000, and total uncommitted funds of approximately \$3,700,000. Mr. Patton discussed potential loan applications, including Ground Water Districts (GWD) on the Eastern Snake Plain. The Ground Water Districts have received judicial confirmation to incur up to \$15 million in debt for projects to carry out the Hagerman Valley Settlement. The plan is for the 10 districts to finance the \$15 million package through IWRB-issued revenue bonds. In the interim, the North Snake GWD and Magic Valley GWD would like to extend the term of the \$1.26 million loan that is currently outstanding and add to it, up to a total of \$4 million, that would be repaid upon completion of the long-term financing in 6 months. Staff suggested convening a Finance Committee meeting to review the situation and provide a recommendation to the full Board in the next few weeks.

There was discussion among the parties regarding communication with the Governor's Office and Legislature, the time frame for the issuance of the revenue bonds and repayment of the loan, meeting the Board's financial commitments, and the need for final and specific numbers.

Agenda Item No. 7, Last Chance Canal Company Loan Request

Ms. Cynthia Bridge Clark discussed a loan request from Last Chance Canal Company (LCCC) for \$2,500,000 at 3.5% interest with a 20-year term for the replacement of an existing 100-year old timber crib diversion dam and concrete canal inlet structure. The company is located in Caribou County

and delivers irrigation water to irrigate 29,000 acres of agricultural land. The timber crib structure is severely deteriorated and the structural integrity of the dam is in question. This project will address badly needed infrastructure improvements, significantly reduce the operations and maintenance costs, and provide a reliable diversion dam and canal inlet structure for the LCCC and its shareholders.

Mr. Barker moved to adopt the resolution approving the loan with an amendment to the resolution adding the words “and its interest in the hydroelectric facility” to item number two under the “Be It Further Resolved” clause. Mr. Van Der Meulen seconded the motion. Mr. Raybould requested that LCCC report back to the Board at the September meeting.

Roll Call Vote: Mr. Alberdi: Aye; Mr. Barker: Aye; Mr. Cuddy: Aye; Mr. Raybould: Aye; Mr. Stevenson: Aye; Mr. Van Der Meulen: Aye; Mr. Van Stone: Aye; Chairman Chase: Aye. Motion passed.

Agenda Item No. 8, St. John’s Irrigating Company Loan Request

Ms. Clark discussed a loan request from St. John’s Irrigating Company (SJIC) for \$1,429,755 at 3.5% interest with a 20-year term to replace portions of an existing canal system with a 7-mile long gravity pressurized conveyance pipeline. The loan will provide matching cost-share funds for a \$1,000,000 US Bureau of Reclamation Water Smart Water and Efficiency Grant. The SJIC is located in Oneida County. The proposed pipeline is expected to reduce high rates of seepage loss and soil erosion. It will reduce operation and maintenance requirements caused by significant soil erosion and sedimentation problems throughout the system.

There was discussion among the parties regarding winter recharge and water savings.

Mr. Raybould moved to adopt the resolution approving the loan. Mr. Cuddy seconded the motion.

Roll Call Vote: Mr. Alberdi: Aye; Mr. Barker: Aye; Mr. Cuddy: Aye; Mr. Raybould: Aye; Mr. Stevenson: Aye; Mr. Van Der Meulen: Aye; Mr. Van Stone: Aye; Chairman Chase: Aye. Motion passed.

Agenda Item No. 6, Swan Falls Minimum Flows

Mr. Patton provided an update to the Board on the Swan Falls Minimum Flows on the Snake River near the Murphy Gage. The Adjusted Average Daily Flow value for July 12th is 5,148 cfs. Mr. Patton stated that the flows should stay above the minimum for the rest of the year. He discussed the difference between the Adjusted Average Daily Flow and the actual flow in the river.

There was discussion among the parties regarding the minimum of record, projections for the rest of the year, aquifer storage, and the Board’s storage water right.

Agenda Item No. 9, Recharge

Ms. Clark discussed Milner-Gooding canal improvements for Eastern Snake Plain Aquifer recharge. This includes resurfacing of canal roads from the Milepost 31 recharge site to the Shoshone recharge site to allow safe access year-round for Department staff and those operating the system. The second project is an expansion of the Milepost 31 recharge site which includes installing a second turnout structure. The third project involves repair and rehabilitation of the concrete flume along the system that will allow water to be delivered during winter months for recharge. The total estimated cost of these activities is \$1,050,000.

There was discussion among the parties regarding clarification of the authorized expenditure, contributions by the parties involved, aquifer storage losses, future improvements needed, and agreements with the canal companies. Mr. Barker suggested an amendment to the resolution to read that the expanded recharge capacity will allow “up to 300 cfs”.

Mr. Raybould moved to approve the resolution to approve funds for recharge infrastructure improvements with the proposed amendment, as well as an amendment to the final clause, to state “that

approval of this expenditure is contingent on the Idaho Water Resource Board and AFRD2 entering into a twenty year agreement....” Mr. Barker seconded the motion.

Roll Call Vote: Mr. Alberdi: Aye; Mr. Barker: Aye; Mr. Cuddy: Aye; Mr. Raybould: Aye; Mr. Stevenson: Aye; Mr. Van Der Meulen: Aye; Mr. Van Stone: Aye; Chairman Chase: Aye. Motion passed.

Agenda Item No. 10, Storage Studies Update

Ms. Clark provided a status report on the surface water studies initiated by the Idaho Water Resource Board. She discussed the current status of the Weiser-Galloway Project. A final report and results of the Operations Analysis will be presented at an IWRB Storage Committee meeting to be scheduled in fall of 2015. Results from the reservoir size optimization study will be coordinated with the Operations Analysis. Initial data gathering for the Evaluation of Weiser River Trail impacts and relocation options have commenced and will continue for the next six months. Staff will file necessary updates to fulfill the obligations of the Federal Energy Regulatory Commission (FERC) preliminary permit. There was discussion among the parties regarding the landowners impacted by the inundation and the timeline for FERC licensing.

The Boise Feasibility Study is ongoing. A draft EIS is expected for public review in February 2016. An evaluation of the selected water supply and flood risk reduction measures appears to be on schedule. There was discussion among the parties regarding additional water available for flow augmentation or other uses, the increased capacity of the reservoir, and stakeholder meetings regarding the Anderson Ranch Dam.

The Island Park Reservoir Enlargement Project is ongoing. Staff is preparing to issue a Request for Qualifications to complete an assessment of potential impacts to land and real estate. An agreement with the US Bureau of Reclamation to cooperate on the Assessment is being developed. There was discussion among the parties regarding public concerns and the potential of Board-owned water.

Agenda Item No. 11, Surface Water Coalition Settlement Update

Mr. Mathew Weaver provided an update on the Surface Water Coalition (SWC) Settlement Agreement. He provided a background on the SWC Delivery Call and the decline of aquifer storage content. He discussed the settlement negotiations and outreach to the involved entities. Mr. Weaver discussed the primary objectives of the agreement and near-term and long-term practices as identified in the agreement. There was discussion among the parties regarding non-participants in the agreement and the ultimate goal, benchmarks, and indicators of compliance with the agreement. Mr. Weaver discussed the additional terms of the agreement, including adaptive water management measures. There was further discussion among the parties regarding observation wells, goals of the agreement, new development, Water Supply Bank involvement, the Board’s recharge program, and the impact on flows at Swan Falls.

Agenda Item No. 12, Palouse Ground Water Basin Water Supply Alternatives Project

Mr. Paul Kimmell provided a description of the Palouse Groundwater Basin and aquifer decline and a background of the Palouse Basin Aquifer Committee (PBAC). PBAC is studying alternative water supply development. Mr. Kimmell discussed PBAC budget details and funding options for the Water Supply Alternatives Project and discussed the opportunity for the Board to participate in the study. There was discussion among the parties regarding the reduction in pumping and impacts to the aquifer, participation from the State of Washington, water uses in the basin, water quality, and a timeline for completion.

Public Comment

Chairman Chase opened the meeting to public comment. Mr. Mike Galante of the Aquifer Protection District and Idaho-Washington Aquifer Collaborative (IWAC) addressed the Board regarding efforts of IWAC. He discussed the goal of avoiding conflict between Washington and Idaho regarding water issues as well as potential solutions on how to share the water resource.

Agenda Item No. 13, IDWR Director’s Report

Director Spackman acknowledged the efforts of Mr. Kimmell and Mr. Galante. He also acknowledged the efforts of staff in presenting information for negotiations on ESPA issues. Director Spackman discussed water supply and drought conditions in Northern Idaho and impacts on minimum stream flows. Mr. Keith Franklin, the IDWR Regional Manager, has received complaints that stream flows have dropped below the minimum stream flows. Mechanisms are not in place to enforce curtailment. Mr. Franklin suggested a press release to the public with a request for voluntary curtailment. There was discussion among the parties regarding the Board’s involvement in the issue and priority dates for the minimum stream flows.

Mr. Franklin also discussed issues regarding the Priest Lake elevation. Due to drought, the elevation of Priest Lake is in decline. IDWR has maintained the elevation by lowering gates at the dam, which cuts off flow to Priest River. An agreement is in place to maintain 60 cfs in the river. There was discussion among the parties regarding the nature of the statute to maintain the lake elevation, the outlet structure, communication with the public, the need for a permanent solution, and legislative action. The Board directed staff to issue a press release regarding the Priest Lake and Priest River issue, and to maintain the river at 60 cfs. There was further discussion among the parties regarding this issue.

Agenda Item No. 14, Other Non-Action Items for Discussion

There was discussion among the parties regarding a date for the Hagerman meeting. Mr. Van Stone stated that he would attend a meeting with the Lake Commission regarding the Priest Lake issue. Chairman Chase expressed appreciation for staff.

Agenda Item No. 15, Next Meetings and Adjourn

The next Board meeting is currently scheduled for September 17-18, 2015 in the Magic Valley. A Hagerman tour for the Board and legislators will be scheduled soon. A Board meeting is also scheduled for November 16-17 which corresponds with the IWUA seminar scheduled for the same week. A Financial Programs Committee meeting will be scheduled in the near future, and may be planned in conjunction with a Water Resource Planning Committee meeting. A Water Supply Bank Committee meeting will also be scheduled in the near future. Mr. Alberdi made a motion to Adjourn, and Mr. Cuddy seconded the motion. Voice Vote. All were in favor. Motion Carried.

The IWRB Meeting 6-15 adjourned at approximately 12:10 pm.

Respectfully submitted this _____ day of September, 2015.

Vince Alberdi, Secretary

Mandi Pearson, Administrative Assistant II

Board Actions:

1. Mr. Raybould made a motion that the agenda be amended so that item 6, Swan Falls Minimum Flows, follows item 8, St. John's Irrigating Company Loan Request, and that the minutes for meeting 5-15 be approved as printed. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion passed.
2. Mr. Barker moved to adopt the resolution approving the loan to Last Chance Canal Company with an amendment to the resolution adding the words "and its interest in the hydroelectric facility" to item number two under the "Be It Further Resolved" clause. Mr. Van Der Meulen seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
3. Mr. Raybould moved to adopt the resolution approving the loan to St. John's Irrigating Company. Mr. Cuddy seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
4. Mr. Raybould moved to approve the resolution to approve funds for recharge infrastructure improvements with the proposed amendment, as well as an amendment to the final clause, to state "that approval of this expenditure is contingent on the Idaho Water Resource Board and AFRD2 entering into a twenty year agreement...." Mr. Barker seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.

Cat Creek Generation Station

12-February-2015

Timeline to COD

- **Project Analysis—Completed**
- **Permitting—through Q4-2017**
- **Pre-Construction Activities—Commenced in 2010**
- **Limited Notice to Proceed—Q2-2016**
- **Construction—Staged—Q2-2016, wind and solar, Q2-2018 pump storage hydro**
- **Commercial Operation—Q2-2017 thru Q-4 2019**

By accepting this Presentation, you acknowledge and agree that all of the information contained in the Presentation shall be kept strictly confidential by you notwithstanding anything expressed or implied to the contrary in the Presentation. Certain information and opinions included in the Presentation and certain tools used to produce this information have been produced for consideration. Information contained in the Presentation may be changed or updated at any time without notice to recipients.

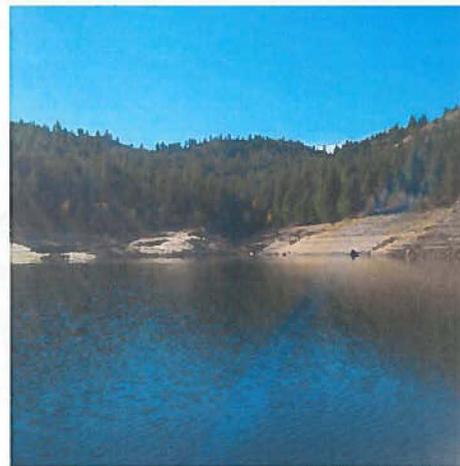
Project Description

The Cat Creek Generation Station is a multi-generation platform facility providing unique benefits to utilities, grid controllers, and investors; all in the form of renewable energy. Located alongside the Anderson Ranch Dam Reservoir in Idaho, energy distribution shall be primarily distributed through a BPA transmission line connecting to a concentration of major transmission lines in Mountain Home on the Idaho Power control grid. This allows enhanced power flows to the east and

west, and from there north and south to the Northwest, Utah, and California. The overall generation profile of the project is 550 MW nameplate capacity consisting of 400 MW of Heavy Load hours (6 x 16) hydro pump storage, 110 MW of wind as

motive force, and 40 MW of AC PV solar. Additionally, another 400 MW of Ancillary Services shall be available on a 24 x 7 basis.

CCGS provides 550 MW of renewable attributes complying with societal and policy mandate considerations. CCGS gives exceptional flexibility to contracted and invested parties in a firm generation resource, energy storage, energy imbalance markets, and grid stability, all from one energy facility.



400 MW of Grid-Scale Energy Storage System

The need in the WECC for energy storage is becoming more pronounced as renewable intermittent generators become a larger percentage of the generation profile. While isolated ESS across the western spectrum is an absolute, large ESS is fundamental

to enable grid flexibility and provide a storage dump, time shift, and integration to increase grid efficiencies and to maintain robust utility returns. CCGS's multiple hydro generators are primarily configured to provide Heavy Load hours generating and off

-peak pump storage. But the generator configuration also provides a window for up to 400 MW of pumping/storage during on-peak hours making energy storage a 24 x 7 operation if conscripted.

**Cat Creek
Generation Station**

Generators & Pumping Equipment

The pump storage hydro system preliminary configuration is designed as:

- 2—200 MW Francis generator/ pumps
- 4—100 MW variable speed generator/pumps
- 1—134,000 HP pump

The rationale for multiple hydro generators is predicated on (a) the ability to provide a full range of ancillary services without impacting on-peak

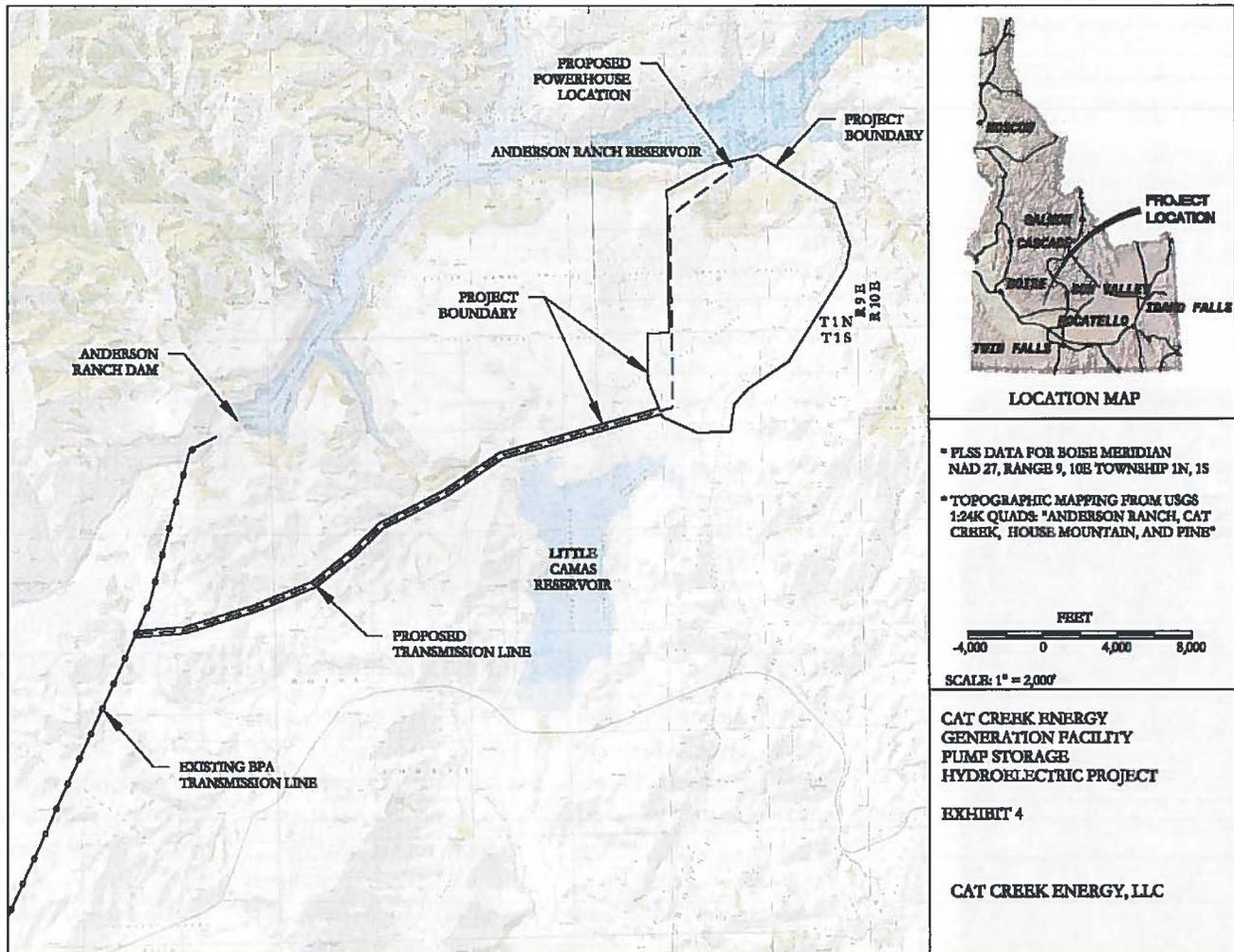
energy generation services and (b) the covenants of Idaho Power transmission and control area to provide for daily staged pumping start-up.

Wind generation shall be supplied by approximately by 39—2.85 MW wind turbine generators and the PV solar by approximately, 171,000 PV single axis solar panels. Both shall be connected to the facility substation via a 34.5 kV distribution system.

Total annual generation:

- Hydro—1,945 GW
- Wind—328 GW
- Solar—82 GW

Transmission shall be provided both on-site and off-site from a dual-circuit 230 KV system including the anticipated rebuild of the current BPA transmission line to the Mountain Home Substation and extended one mile to the Idaho Power Rattlesnake Substation.



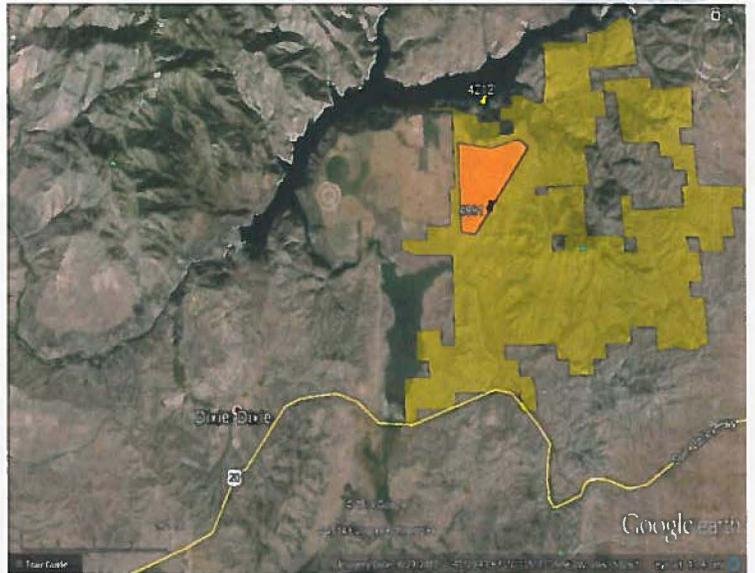
Ancillary Services

CCGS shall provide up to 400,000 kW of ancillary services available for grid operators throughout the WECC.

- Black Start
- Spinning Reserves
- Non-Spinning Reserves
- VAR Support
- Load Following
- Regulation

Because of the equipment arrangement, ancillary services of 400,000 kW can be provided

24 hours daily within 3 minutes to get on the grid. Since the entire WECC grid is interconnected and interdependent, the allocation of the availability of ancillary services shall be effective for all control areas within the WECC and extending to CAISO.



Millpond Upper Reservoir

CCGS is on 23,000 acres of private, fee simple land holdings. The upper reservoir is 50,000 acre feet involving approximately 914 acres of surface area and approximately 50 feet in depth. The upper reservoir is 840 ft above the Anderson Ranch Dam Reservoir. Penstocks shall be a short 1,800 ft in overall length between the millpond and power-

house. No exfiltration losses are anticipated since the millpond is to be fully lined and the only losses are through evaporation and anticipated not to exceed 786 acre feet net of precipitation annually. While the generation profile shall transfer each way 9,100 acre feet daily, CCGS shall keep 20,000 acre feet available for any operational parameters or opportunities.

However, the millpond is also designed to hold additional storage of 30,000 acre feet for Boise Basin downstream users. Extra storage is currently non-existent for an ever-expanding demand in the Boise drainage. 30,000 acre feet is anticipated to alleviate concerns for the next 20 years.

Anderson Ranch Dam Reservoir is an active pool of 413,100 acre feet on the South

Boise River with 4,636 surface acres at full pool. The dam is controlled by the Bureau of Reclamation and is mandated to provide both irrigation and electricity to those water users. A 2,000 ft strip of land between the private holdings and the reservoir is under BoR primacy with a interlocal USFS agreement for management.

Water Storage

Aside from the 20,000 acre feet necessary for the pump generation facility and reserves, an additional 30,000 acre feet of storage shall be made available. Drawing off of spring runoff (floodwaters), a minimum of 50,000 acre feet can be drawn historically from the South Boise River drainage 6 out of 20 years. Since, CCGS's draw shall be a one-time only draw of 20,000 acre feet, the balance capacity of 30,000 acre

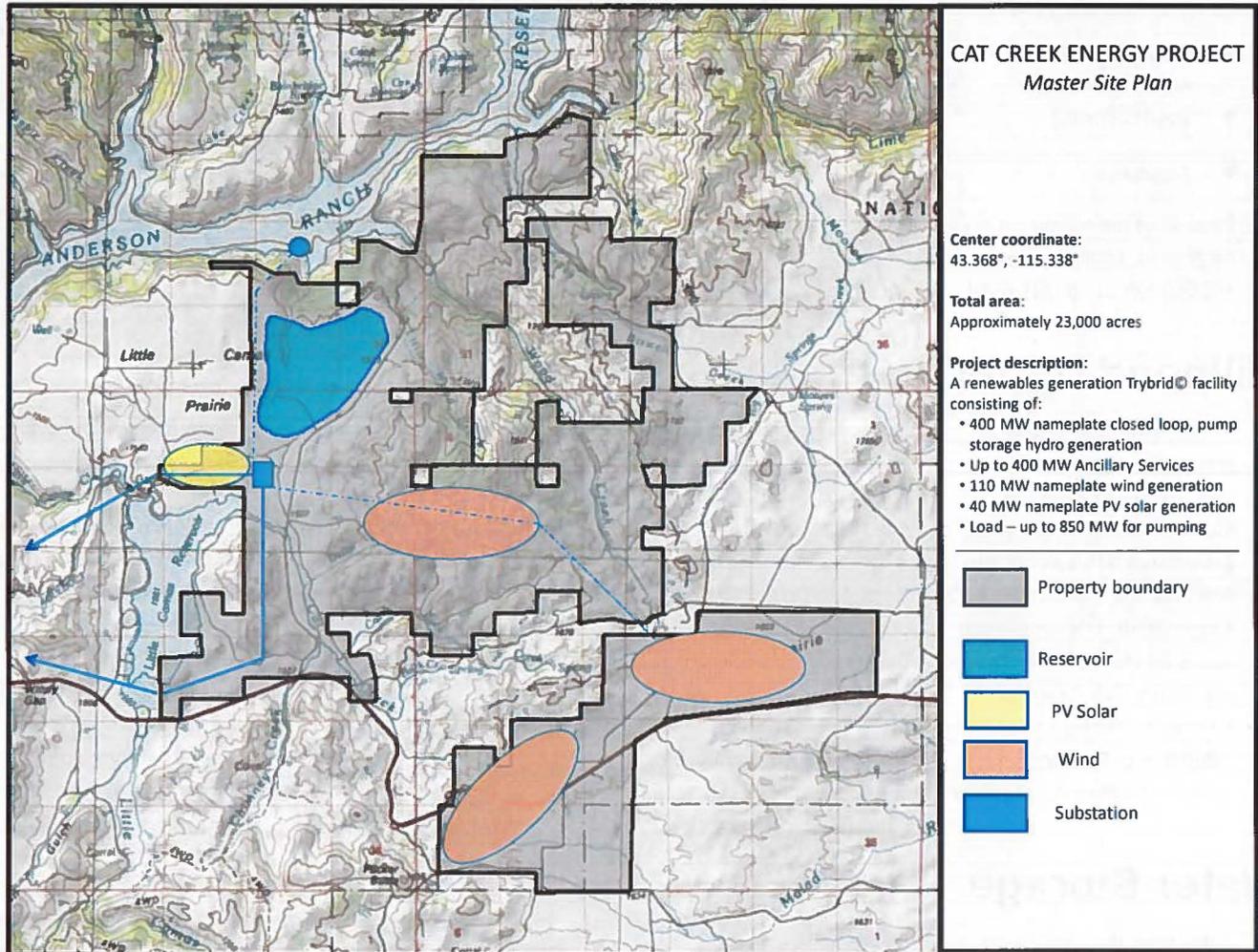
feet should be available 14 out of 20 years for District 63 irrigation and other water users in the Boise River drainage. Others have estimated that a 30,000 ac. ft. draw from the Anderson Ranch Reservoir could occur 8 out of 10 years. Physical characteristics of the Upper Reservoir land would allow for a facility expansion larger than 50,000 ac. ft. if warranted by irrigation, state, and municipal needs.



CAT CREEK ENERGY

398 S. 9th Street, Suite 240
P.O. Box 915
Bosie, Idaho 83701
Ph: 208.336.1370
M: 406.459.3013

Pump Storage has been around on a utility scale for over 100 years globally. It's value has not been fully appreciated in the USA even with over 21,000 MW installed around the country. But with increasing regulations on system performance, new market designs, such as the Energy Imbalance Markets, increasing intermittent resource integration requiring load following, reducing ramping events of traditional generators with time-shift storage, the necessity for instantaneous ancillary services, and, finally, capacity constraints which dictate a firm generation resource in Heavy Load hours; the Cat Creek Generation Station provides for all of the above in a 100% renewable energy footprint.



MEMO



To: Idaho Water Resource Board
From: Brian Patton
Subject: Financial Status Report
Date: September 7, 2015

As of **August 1st** the IWRB's available and committed balances in the Revolving Development Account, Water Management Account, and the Secondary Aquifer Management Account are as follows.

<i>Revolving Development Account (main fund)</i>	
Committed or earmarked but not disbursed	
Loans for water projects	\$6,953,821
Water storage studies	1,156,782
Aqualife Hatchery, HB644 2014	0
HB479 2014	
Mountain Home	1,493,785
Galloway	1,912,500
Boise/Arrowrock	1,153,784
Island Park	2,500,000
Water supply Bank	500,000
Total committed/earmarked but not disbursed	15,670,661
Loan principal outstanding	10,704,641
Uncommitted balance	0
Estimated revenues next 12 months	3,500,000
Commitments from revenues next 12 months	2,715,460
Estimated uncommitted funds over next 12 months	784,540
 <i>Rev. Dev. Acct. Bell Rapids Sub-Account</i>	
Committed but not disbursed	\$167,730
Estimated revenues next 12 months (1)	1,000
Commitments from revenues over next 12 months	1,000
Estimated uncommitted funds over next 12 months	0
 <i>Rev. Dev. Acct. Pristine Springs Sub-Account (5)</i>	
Committed but not disbursed	
Repair/Replacement Fund	\$1,007,428
To go to Aquifer Planning Fund	0
Loan principal outstanding	7,127,940
Uncommitted balance	0
Estimated revenues next 12 months	1,000,000
Commitments from revenues over next 12 months	1,000,000
Estimated uncommitted funds over next 12 months	0
 <i>Rev. Dev. Acct. Treasure Valley & Rathdrum Prairie CAMP Sub-Account</i>	
Committed but not disbursed	\$2,000
Available for RP and TV CAMP projects	173,745
Estimated revenues next 12 months (5)	200,000
Estimated Available funds over next 12 months	373,745

<i>Rev. Dev. Acct. Upper Salmon/CBWTP Sub-Account</i>	
Committed but not disbursed	\$3,237,624
(Upper Salmon flow enhancement/reconnect projects)	
Estimated revenues next 12 months (4)	10,000
Commitments from revenues over next 12 months	10,000
Estimated available funds over next 12 months	0
<i>Rev. Dev. Acct. Water District 02 Water Smart Grant Sub-Account (6)</i>	
Committed but not disbursed	\$94,714
(Water District 02 Measurement Devices)	
Commitments from revenues over next 12 months	\$94,714
Estimated available funds over next 12 months	0
<i>Rev. Dev. Acct. Water Supply Bank Sub-Account (7)</i>	
Committed but not disbursed	\$531,044
(Owners share – water bank lease/rentals)	
Estimated revenues next 12 months	1,000
Commitments from revenues over next 12 months	\$531,044
Estimated available funds over next 12 months	\$1,000
<i>Rev. Dev. Acct. ESPA Sub-Account</i>	
Committed but not disbursed	
CREP	2,419,581
Aquifer recharge	337,594
Bell Rapids	361,620
Palisades storage	10,000
Black Canyon Exchange	485,749
Total committed but not disbursed	\$3,614,643
Loan principal outstanding	266,589
Uncommitted balance	478,762
Estimated revenues next 12 months	100,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	578,762
<i>Rev. Dev. Acct. Dworshak Hydropower (2)</i>	
Committed but not disbursed (repair fund, etc.)	\$1,337,151
Estimated revenues next 12 months (3)	200,000
Commitments from revenues over next 12 months	200,000
Estimated uncommitted funds over next 12 months	0
<i>Water Management Account</i>	
Committed but not disbursed:	\$111,376
Loan principal outstanding	0
Uncommitted balance	9,915
Estimated revenues next 12 months	0
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	\$9,915

Secondary Aquifer Management Fund

Committed or earmarked but not disbursed:

HB 479 2014 Northern Idaho Future Water Needs	299,273
Cloud Seeding	512,000
Public Information Services (Steubner)	40,604
Other	261,045

FY2016 Budgeted Funds

ESPA managed recharge expenses	1,109,844
ESPA managed recharge infrastructure	6,250,000
ESPA managed recharge engineering	300,000
Administrative	50,000
GW conservation grants in priority aquifers	200,000
Reserved for projects in other priority aquifers	1,000,000

Total Committed or earmarked	\$10,382,766
Loan principal outstanding	1,260,000
Uncommitted balance	\$1,330,499
Estimated revenues next 12 months (Cigarette Tax)	5,500,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	6,830,499

Secondary Aquifer Fund Aquifer Mon. Meas. & Model Sub-Acct (8)

Committed but not disbursed	\$300,808
Commitments from revenues over next 12 months	\$300,808
Estimated available funds over next 12 months	0

Total committed/earmarked but not disbursed	\$36,457,991
Total loan principal outstanding	19,359,172
Total uncommitted balance	1,992,921
Total estimated uncommitted funds over next 12 months	8,578,461

- (1) Exclusive of pass-through payments made by the U.S. Bureau of Reclamation.
- (2) Excess funds generated by the Dworshak Hydropower Project are deposited into the Revolving Development Account (Main Fund) on a monthly basis. To the date of this report this has totaled \$2,614,753.
- (3) This line item includes power sales and interest income after removing debt service. Debt service is paid prior to the funds being deposited in the Revolving Development Account.
- (4) Exclusive of project funds provided by Bonneville Power Administration or federal appropriation sources. These funds are provided to the Board based on individual project proposals and so are not included in the income projection.
- (5) Excess funds generated by the Pristine Springs Project are deposited into the Revolving Development Account (Main Fund) or into the Rathdrum Prairie/Treasure Valley Sub Account.
- (6) Pass-through for Bureau of Reclamation grant to assist with installation of measurement devices in Water District 02.
- (7) Pass-through for owners share of Water Supply Bank lease/rentals. Interest earned accrues to IWRB.
- (8) Source is Pristine Springs loan repayments of \$716,000.

The following is a list of potential loans:

Potential Applicant	Potential Project	Preliminary Loan Amount	Comment
IGWA/Ground Water Districts	INTERIM LOAN -- Additional projects in Hagerman Valley	\$4M plus note on Aqualife	For September IWRB meeting
IGWA/Ground Water Districts	Additional projects in Hagerman Valley	\$14 million	Includes tailwater pipeline from Magic Springs to offset irrigation use from Billingsley Creek and other projects.
Raft River Ground Water District	Ground water-to-surface water conversion pipeline	\$4 million	Project in planning. Applying for NRCS cost share grants.
Marysville Irrigation Company/North Fremont	Gravity pipeline system – next phase	\$1.5 million	Project in planning and design. Applying for NRCS cost share grants
Big Wood Canal Co.	Gravity pipeline	\$2 million	Project in planning

IDAHO WATER RESOURCE BOARD
Sources and Applications of Funds
as of July 31, 2015
REVOLVING DEVELOPMENT ACCOUNT

Original Appropriation (1969).....	\$500,000.00
Legislative Audits.....	(\$49,404.45)
IWRB Bond Program.....	(\$15,000.00)
Legislative Appropriation FY90-91.....	\$250,000.00
Legislative Appropriation FY91-92.....	\$280,700.00
Legislative Appropriation FY93-94.....	\$500,000.00
IWRB Studies and Projects.....	(\$249,067.18)
Loan Interest.....	\$7,306,535.99
Interest Earned State Treasury (Transferred).....	\$1,635,407.31
Filing Fee Balance.....	\$47,640.20
Bond Fees.....	\$1,469,601.45
Arbitrage Calculation Fees.....	(\$12,000.00)
Protest Fees.....	(\$650.00)
Series 2000 (Caldwell/New York) Pooled Bond Issuers fees.....	\$43,657.93
2012 Ground Water District Bond Issuer fees.....	\$377,000.00
Bond Issuer fees.....	\$30,957.59
Attorney fees for Jughandle LID.....	(\$3,600.00)
Attorney fees for A&B Irrigation.....	(\$4,637.50)
Water Supply Bank Receipts.....	\$4,379,501.29
Legislative Appropriation FY01.....	\$200,000.00
Pierce Well Easement.....	\$2,000.00
Transferred to/from Water Management Account.....	\$317,253.80
Legislative Appropriation 2004, HB843.....	\$500,000.00
Legislative Appropriation 2009, SB 1511 Sec 2, Teton/Minidoka Studies.....	\$1,800,000.00
Legislative Appropriation 2009, SB 1511 Sec 2, Teton/Minidoka Studies Expenditures.....	(\$1,229,460.18)
Weiser Galloway Study - US Army Corps of Engineers.....	(\$1,597,099.12)
Boise River Storage Feasibility Study.....	(\$333,000.00)
Geotech Environmental (Transducers).....	(\$6,402.61)
Legislative Appropriation 2014, HB 479 Sec 1 and 2.....	\$10,500,000.00
Appraisal (LeMoyné Appraisal LLC).....	(\$4,500.00)
Payment to JR Simplot Co for water rights.....	(\$2,500,000.00)
IWRB WSB Lease Application.....	(\$750.00)
Mountain Home Misc Costs.....	(\$28.76)
Galloway Dam & Reservoir Project (HB 479).....	(\$87,525.00)
Water District 02 Assessments for Mtn Home.....	(\$964.61)
Boise River (Arrowrock Enlargement) Feasibility Study (HB479).....	(\$486,215.86)
Aqua Life Hatchery, HB644, 2014.....	(\$1,885,000.00)
Aqualife Lease receipt from Seapac.....	\$77,520.00
Treasureton Irrigation Ditch Co.....	(\$5,000.00)
Bell Rapids Water Rights Sub-Account	
Legislative Appropriation 2005, HB392.....	\$21,300,000.00
Interest Earned State Treasury.....	\$692,420.75
Bell Rapids Purchase.....	(\$16,006,558.00)
Bureau of Reclamation Principal Amount Lease Payment Paid.....	\$8,294,337.54
Bureau of Reclamation Interest Paid.....	\$179,727.97
Bureau of Reclamation Remaining Amount Lease Payment Paid.....	\$9,142,649.54
First Installment Payment to Bell Rapids.....	(\$1,313,236.00)
Second Installment Payment to Bell Rapids.....	(\$1,313,236.00)
Third Installment Payment to Bell Rapids.....	(\$1,313,236.00)
Fourth Installment Payment to Bell Rapids.....	(\$1,040,431.55)
Interest Credit due to Bureau of Reclamation (Part of Fourth Installment).....	(\$19,860.45)
Fifth Installment Payment to Bell Rapids.....	(\$1,055,000.00)
Transfer to General Fund - Principal.....	(\$21,300,000.00)
Transfer to General Fund - Interest.....	(\$772,052.06)
BOR payment for Bell Rapids.....	\$1,040,431.55
BOR payment for Bell Rapids.....	\$1,313,236.00
BOR prepayment for Bell Rapids.....	\$1,302,981.70
BOR prepayment for Bell Rapids.....	\$1,055,000.00
BOR payment for Alternative Financing Note.....	\$7,117,971.16
Payment to US Bank for Alternative Financing Note.....	(\$7,118,125.86)
Payment for Water District 02 Assessments.....	(\$12,506.10)
Payment for Ongoing Bell Rapids Finance Costs (trustee fees, water bank, etc.).....	(\$6,740.10)
Commitments	
Ongoing Bell Rapids Finance Costs (trustee fees, WD02).....	\$167,729.62
Committed for alternative finance payment.....	\$44.47
Total Commitments.....	\$167,774.09
Balance Bell Rapids Water Rights Sub-Account.....	\$0.00
Pristine Springs Project Sub-Account	
Legislative Appropriation 2008, SB1511, Pristine Springs.....	\$10,000,000.00
Legislative Appropriation 2006, HB870, Water Right Purchases.....	\$5,000,000.00
Interest Earned State Treasury.....	\$33,501.76
Loan Interest.....	\$2,116,784.68
Transfer from ESP Sub-Account.....	\$1,000,000.00
Payment for Purchase of Pristine Springs (3).....	(\$16,000,000.00)
Payment from Magic Valley & Northsnake GWD for Pristine Springs.....	\$3,630,980.51
Appraisal.....	(\$25,500.00)
Insurance.....	(\$41,078.25)
Recharge District Assessment.....	(\$26,605.25)
Water District 130 Annual Assessment.....	(\$3,841.45)
Hydro Plants Engineering Certification (Straubhar).....	(\$3,000.00)
Payment to EHM Engineers for pipeline work.....	(\$1,200.00)
Payment to John Root for Easement Survey.....	(\$1,000.00)
Payment to MWH Americas Inc.....	(\$11,326.27)
Payment to Dan Lafferty Construction.....	(\$16,846.68)
Telemetry Station Equipment.....	(\$15,193.92)

Rein Tech LLC (Satellite phone annual payment).....		(\$1,485.00)
Standley Trenching (Trac system for communication equip).....		(\$2,863.99)
Property Taxes and other fee assessments (Jerome County).....		(\$6,939.15)
Rental Payments.....	\$1,481,654.98	
Payments to Scott Kaster.....		(\$98,506.82)
Utility Payments (Idaho Power).....		(\$37,740.08)
Costs for property maintenance.....		(\$174,689.42)
Travel costs for property maintenance.....		(\$374.63)
Pipeline repair (IGWA).....		(\$170,000.00)
Transferred to Secondary Aquifer Fund (2011 Legislature; HB 291).....		(\$2,465,300.00)
Transferred to Secondary Aquifer Fund (2012 Legislature; SB 1389).....		(\$1,232,000.00)
Transferred to Secondary Aquifer Fund (2013 Legislature; HB 270).....		(\$716,000.00)
Transferred to Secondary Aquifer Fund (2014 Legislature; HB 618).....		(\$716,000.00)
Transferred to Aquifer Planning Fund (2015 Legislature; HB 273).....		(\$716,000.00)
Pristine Springs Hydropower Projects		
Net power sales revenues.....	\$513,288.63	
Pristine Springs Committed Funds		
To be transferred to Aquifer Planning Fund - modeling & Monitoring.....	0.00	
Repair/Replacement Fund.....	\$1,007,427.96	
TOTAL COMMITTED FUNDS.....	\$1,007,427.96	
Loans Outstanding		
North Snake and Magic Valley Ground Water Districts.....	\$7,127,940.18	
Total Loans Outstanding.....	\$7,127,940.18	
Funds to RP CAMP & TV CAMP Sub-Account.....	\$271,672.34	
Pristine Springs Revenues into Main Revolving Development Account.....		\$13,619.35
Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account		
Pristine Springs Hydropower and Rental Revenues.....	\$271,672.34	
Interest Earned State Treasury.....	\$573.11	
Spokane River Forum.....	(\$8,000.00)	
Treasure Valley Water Quality Summit.....	(\$500.00)	
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station.....	(\$18,000.00)	
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study (CON00989).....	(\$70,000.00)	
Committed Funds.....		
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station.....	\$2,000.00	
Spokane River Forum.....	\$0.00	
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study.....	\$0.00	
Treasure Valley Water Quality Summit.....	\$0.00	
TOTAL COMMITTED FUNDS.....	\$2,000.00	
Balance Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account.....	\$173,745.45	
Upper Salmon/CBWTP Sub-Account		
Water Transaction Projects Payment Advances from CBWTP/Accord.....	\$2,846,320.47	
PCSRF Funds for Administration of Non-Diversion Easements on Lemhi River.....	\$237,807.26	
Interest Earned State Treasury.....	\$95,361.93	
Transfer to Water Supply Bank.....	(\$64,801.33)	
Change of Ownership.....	(\$600.00)	
Alturas Lake Creek Appraisal.....	(\$8,989.23)	
Payments for Water Acquisition.....	(\$627,423.03)	
Committed Funds		
Administration of Non-Diversion Easements on Lemhi River.....	\$148,686.69	
Alturas Lake Creek (Breckenridge).....	(\$0.00)	
Bayhorse Creek (Peterson Ranch).....	\$34,748.18	
Beaver Creek (DOT LLP).....	\$0.00	
Big Hat Creek.....	\$0.00	
Big Timber Tyler (Leadore Land Partners).....	\$521,949.64	
Canyon Creek/Big Timber Creek (Beyeler).....	\$479,809.99	
Fourth of July Creek (Vanderbilt).....	\$18,437.16	
Iron Creek (Phillips).....	\$0.00	
Iron Creek (Koncz).....	\$259,273.22	
Kenney Creek Source Switch (Gail Andrews).....	\$26,363.56	
Lemhi - Big Springs (Merrill Beyeler).....	\$65,133.50	
Lemhi River & Little Springs Creek (Kauer).....	\$23,004.68	
Little Springs Creek (Snyder).....	\$307,687.37	
Lower Eighteenmile Creek (Elsworth Angus Ranch).....	\$1,777.78	
Lower Lemhi Thomas (Robert Thomas).....	\$2,100.00	
P-9 Bowles (River Valley Ranch).....	\$331,363.86	
P-9 Charlton (Sydney Downton).....	\$21,933.08	
P-9 Downton (Western Sky LLC).....	\$262,827.99	
P-9 Elzinga (Elzinga).....	\$325,096.74	
Patterson-Big Springs (PBSC9).....	\$201,170.12	
Spring Creek (Richard Beard).....	\$1,628.64	
Spring Creek (Ella Beard).....	\$2,387.07	
Whitefish (Leadore Land Partners).....	\$202,244.87	
Total Committed Funds.....	\$3,237,624.14	
Balance CBWTP Sub-Account.....	(\$759,948.07)	
Water District 02 WaterSmart Grant Sub-Account		
Received from BOR.....	\$106,453.48	
Payments made to contractors.....	(\$127,263.55)	
Committed Funds:		
Grant Approval.....	\$94,714.88	
Total Committed Funds.....	\$94,714.88	
Balance WaterSmart Grant Sub-Account.....	(\$20,810.07)	
Water Supply Bank Sub-Account		
Interest Earned State Treasury.....	\$140.96	
Payments received from renters for 2013 season.....	\$529,823.25	
Payments received from renters for 2014 season.....	\$609,120.41	
Payments received from renters for 2015 season.....	\$560,412.63	
Payments made to owners for 2013 season.....	(\$522,645.12)	
Payments made to owners for 2014 season.....	(\$599,422.75)	

Payments made to owners for 2015 season.....		\$0.00
Water Supply Bank Sub-Account Subtotal		\$577,429.38
Committed Funds:		
Owners Share.....	\$531,043.99	
Total Committed Funds.....	\$531,043.99	
Balance Water Supply Bank Sub-Account.....		\$46,385.39

Eastern Snake Plain Sub-Account

Legislative Appropriation 2005, HB392.....		\$7,200,000.00
Legislative Appropriation 2005, HB392, CREP Program.....		\$3,000,000.00
Interest Earned State Treasury.....		\$1,889,486.36
Loan Interest.....		\$222,926.89
Bell Rapids Water Rights Closing Costs.....		(\$6,558.00)
First Installment Payment to Bell Rapids Irr. Co. (Partial).....		(\$361,800.00)
Second Installment Payment to Bell Rapids Irr. Co. (Partial).....		(\$361,800.00)
Third Installment Payment to Bell Rapids Irr. Co. (Partial).....		(\$361,800.00)
Fourth Installment Payment to Bell Rapids Irr. Co. (Partial).....		(\$614,744.00)
Fifth Installment Payment to Bell Rapids Irr. Co. (Final).....		(\$1,675,036.00)
Reimbursement from Commerce & Labor W-Canal.....		\$74,709.77
Transfer to Pristine Springs Sub Account.....		(\$1,000,000.00)
Reimbursement from Magic Valley GWD - Pristine Springs.....		\$500,000.00
Reimbursement from North Snake GWD - Pristine Springs.....		\$500,000.00
Reimbursement from Water District 1 for Recharge.....		\$159,764.73
Palisades (FMC) Storage Costs.....		(\$3,515,891.11)
Reimbursement from BOR for Palisades Reservoir.....		\$2,381.12
W-Canal Project Costs.....		(\$326,834.11)
Black Canyon Exchange Project Costs.....		(\$115,276.00)
Black Canyon Exchange Project Revenues.....		\$23,800.00
2008 Recharge Conveyance Costs.....		(\$14,580.00)
2009 Recharge Conveyance Costs.....		(\$355,253.00)
2010 Recharge Conveyance Costs.....		(\$484,231.62)
Additional recharge projects preliminary development.....		(\$12,405.89)
Pristine Springs Cost Project Costs.....		(\$6,863.91)
Loans and Other Commitments		
Commitment - Remainder of Bell Rapids Water Rights Purchase (1).....		\$361,620.00
Commitment - CREP Program (HB392, 2005).....		\$2,419,580.50
Commitment - Additional recharge projects preliminary development.....		\$337,594.00
Commitment - Palisades Storage O&M.....		\$10,000.00
Commitment - Black Canyon Exchange Project (fund with ongoing revenues).....		\$485,848.95
Total Loans and Other Commitments.....		\$3,614,643.45

Loans Outstanding:		
American Falls-Aberdeen GWD (CREP).....	\$87,332.55	
Bingham GWD (CREP).....	\$0.00	
Bonneville Jefferson GWD (CREP).....	\$52,873.39	
Magic Valley GWD (CREP).....	\$83,345.10	
North Snake GWD (CREP).....	\$43,038.87	
TOTAL ESP LOANS OUTSTANDING.....	\$266,589.91	
Uncommitted Balance Eastern Snake Plain Sub-Account.....		\$478,761.87

Dworshak Hydropower Project

Dworshak Project Revenues		
Power Sales & Other.....	\$6,539,006.49	
Interest Earned State Treasury.....	475,036.62	
Total Dworshak Project Revenues.....		\$7,014,043.11
Dworshak Project Expenses (2)		
Transferred to 1st Security Trustee Account.....	\$148,542.63	
Construction not paid through bond issuance.....	\$226,106.83	
1st Security Fees.....	\$314,443.35	
Operations & Maintenance.....	\$1,938,394.84	
Powerplant Repairs.....	\$58,488.80	
Capital Improvements.....	\$318,366.79	
FERC Payments.....	\$57,795.61	
Total Dworshak Project Expenses.....		(\$3,062,138.85)
Dworshak Project Committed Funds		
Emergency Repair/Future Replacement Fund.....	\$1,314,575.00	
FERC Fee Payment Fund.....	\$22,576.30	
Total Dworshak Project Committed Funds.....		\$1,337,151.30
Excess Dworshak Funds into Main Revolving Development Account.....		\$2,614,752.96
TOTAL.....		\$24,375,842.60

	Amount Loaned	Principal Outstanding
Loans Outstanding:		
A&B Irrigation District (18-July-14; pipeline and conversion project).....	3,500,000	\$3,500,000.00
Aberdeen-Springfield Canal Company (WRB-491; Diversion structure).....	\$329,761	\$126,593.43
Boise City Canal Company (WRB-492)...Grove St Canal Rehab.....	\$110,618	\$16,830.43
Bonnie Laura Water Corporation (14-Jul-06; Well repairs).....	\$71,000	\$15,890.80
Canyon County Drainage District No. 2 (28-Nov-12; Drain tile pipeline).....	\$35,000	\$29,362.87
Challis Irrigation Company (28-Nov-07; river gate replacement).....	\$50,000	\$15,331.99
Chaparral Water Association.....	\$90,154	\$0.00
Chaparral Water Association (21-Jan-11; Well deepening & improvem.....	68,000	\$19,945.53
Clearview Water Company.....	50,000	\$50,000.00
Cloverdale Ridge Water Corp. (irrigation system rehab 25-sep-09).....	106,400	\$52,672.97
Consolidated Irrigation Company (July 20, 2012; pipeline project).....	1,360,543	\$1,835,542.50
Country Club Subdivision Water Association (18-May-07, Well Project).....	\$102,000	\$35,855.03
Cub River Irrigation Company (18-Nov-05; Pipeline project).....	\$1,000,000	\$0.00
Cub River Irrigation Company.....	\$500,000	\$0.00
Enterprise Irrigation District (14-Jul-06; Pipeline project).....	\$37,270	\$9,073.06
Enterprise Irrigation District (North Lateral Pipeline).....	\$105,420	\$36,135.10
Firth, City of.....	\$112,888	\$19,814.64
Foothills Ranch Homeowners Association (7-oct-11; well rehab).....	\$150,000	\$122,566.54
Harvest Valley Homeowners Association (22-Mar-13; Pump Replacem.....	4,500.00	\$2,312.33
Jefferson Irrigation Company (well deepenings).....	\$207,016	\$0.00

Jefferson Irrigation Company (9-May-2008 Well Replacement).....	\$81,000	\$41,020.66
Jughandle HOA/Valley County Local Improvement District No. 1 (well p	\$907,552	\$664,623.59
King Hill Irrigation District (24-Sep-10; Pipeline replacement).....	\$300,000	\$89,351.27
Lake Reservoir Company (29-July-11; Payette Lake-Lardo Dam Outle	\$594,000	\$146,009.05
Last Chance Canal Company (WRB-497).....	\$500,000	\$28,326.23
Lava Hot Springs, City of.....	\$347,510	\$139,078.44
Lindsay Lateral Association (22-Aug-03).....	\$9,600	\$0.00
Lindsay Lateral Association (Engineering Design Project & Pipeline Stu	\$19,700	\$14,390.00
Live-More Lake Community (9-Jun-04).....	\$42,000	\$13,432.26
Lower Payette Ditch Company (2-Apr-04; Diversion dam replacement)	\$875,000	\$0.00
Marsh Center Irrigation Company (13-May-05; Hawkins Dam).....	\$236,141	\$116,524.33
Marysville Irrigation Company (18-May-07, Pipeline Project Phase 1)...	\$625,000	\$238,164.82
Marysville Irrigation Company (9-May-08, Pipeline Project Phase 2)....	\$1,100,000	\$467,140.18
McGuire Estates Water Users Association (4-Mar-05).....	\$60,851	\$9,209.33
Meander Point Subdivision Homeowners Association (7-Sep-07; comn	\$330,000	\$33,905.66
Mores Creek Rim Ranches Water District.....	\$221,400	\$8,248.01
North Fremont Canal Systems (25-Jan-13; Marysville Project).....	\$2,500,000	\$2,000,000.00
Pinehurst Water District (23-Jan-15).....	100,000	\$95,031.11
Point Springs Grazing Association (July 20, 2012; stock water pipeline)	48,280.00	\$39,899.82
Preston-Whitney Irrigation Company (29-May-09; Fairview Lateral Pipe	\$800,000	\$61,122.93
Producers Irrigation Company (17-Mar-06; well replacements).....	\$185,000	\$22,766.04
Ranch Subdivision Property Owners Assoc.....	\$24,834	\$5,654.31
Riverside Independent Water District	\$350,000	\$122,045.42
Skin Creek Water Association.....	\$188,258	\$63,137.75
Spirit Bend Water Association.....	\$92,000	\$25,855.17
Sunset Heights Water District (17-May-13; Exchange water project)...	\$48,000	\$39,831.23
Twin Lakes Canal Company (Winder Lateral Pipeline Project).....	\$500,000	\$297,061.24
Twin Lakes Canal Company (Bear River Narrows).....	\$90,000	\$23,119.83
Whitney-Nashville Water Company.....	\$225,000	\$11,764.94
TOTAL LOANS OUTSTANDING		\$10,704,640.84

Loans and Other Funding Obligations:

Legislative Appropriation 2014, HB 479 Sec 1 and 2		
Mountain Home AFB Water Rights (HB479).....	\$1,493,774.07	
Galloway Dam & Reservoir Project (HB 479).....	\$1,912,500.00	
Boise River (Arrowrock Enlargement) Feasibility Study (HB479).....	\$1,153,784.14	
Island Park Enlargement (HB479).....	\$2,500,000.00	
Water Supply Bank Computer Infrastructure (HB 479).....	\$500,000.00	
Aqua Life Hatchery, HB644, 2014.....	\$0.00	
Senate Bill 1511 - Teton Replacement and Minidoka Enlargement Studies.....	\$678,161.82	
Boise River Storage Feasibility Study.....	\$17,000.00	
Weiser-Galloway Study (28-May-10).....	\$461,620.87	
A&B Irrigation District (18-July-14; pipeline and conversion project).....	\$3,500,000.00	
Bee Line Water Association (Sep 23, 2014; System Improvements).....	\$400,000.00	
Clearview Water Company (5-Nov-14).....	\$0.00	
Clearwater Water District - pilot plant (13-Jul-07).....	\$80,000.00	
Consolidated Irrigation Company (July 20, 2012; pipeline project).....	\$164,457.50	
Dover, City of (23-Jul-10; Water Intake project).....	\$194,063.00	
Lindsay Lateral Association	\$15,300.00	
Last Chance Canal Company (14-July-2015, diversdion dam rebuild).....	\$2,500,000.00	
North Fremont Canal Systems (25-Jan-13; Marysville Project).....	\$0.00	
St. Johns Irrigating Company (14-July-2015; pipeline project).....	\$100,000.00	
TOTAL LOANS AND OTHER FUNDING OBLIGATIONS		\$15,670,661.40
Uncommitted Funds		(\$1,999,459.64)
TOTAL		\$24,375,842.60

(1) Actual amount needed may vary depending on final determination of water actually purchased and interest income received.

(2) Debt service on the Dworshak Project bonds is paid before the Dworshak monies are deposited into the Revolving Development Account and is therefore not shown on this balance sheet.

Idaho Water Resource Board
Sources and Applications of Funds
as of July 31, 2015
WATER MANAGEMENT ACCOUNT

Original Appropriation (1978).....	\$1,000,000.00
Legislative Audits.....	(\$10,645.45)
IWRB Appraisal Study (Charles Thompson).....	(\$5,000.00)
Transfer funds to General Account 1101(HB 130, 1983).....	(\$500,000.00)
Legislative Appropriation (6/29/1984).....	\$115,800.00
Legislative Appropriation (HB988, 1994).....	\$75,000.00
Turned Back to General Account 6/30/95, (HB988, 1994).....	(\$35,014.25)
Legislative Appropriation (SB1260, 1995, Aquifer Recharge, Caribou Dam).....	\$1,000,000.00
Interest Earned.....	\$120,475.04
Filing Fee Balance.....	\$2,633.31
Water Supply Bank Receipts.....	\$841,803.07
Bond Fees.....	\$277,254.94
Funds from DEQ and IDOC for Glenns Ferry Water Study.....	\$10,000.00
Legislative Appropriation FY01.....	\$200,000.00
Western States Wate Council Annual Dues.....	(\$7,500.00)
Transfer to/from Revolving Development Account.....	(\$317,253.80)
Legislative Appropriation (SB1239, Sugarloaf Aquifer Recharge Project).....	\$60,000.00
Legislative Appropriation (HB 843 Sec 6).....	\$520,000.00
Legislative Appropriation (SB1496, 2006, ESP Aquifer Management Plan).....	\$300,000.00
Legislative Appropriation (HB 320, 2007, ESP Aquifer Management Plan).....	\$849,936.99
TOTAL	\$4,497,489.85

Grants Disbursed:

Completed Grants.....	\$1,291,110.72
Arco, City of.....	\$7,500.00
Arimo, City of.....	\$7,500.00
Bancroft, City of.....	\$7,000.00
Bloomington, City of.....	\$4,254.86
Boise City Canal Company.....	\$7,500.00
Bonnors Ferry, City of.....	\$7,500.00
Bonneville County Commission.....	\$3,375.00
Bovill, City of.....	\$2,299.42
Buffalo River Water Association.....	\$4,007.25
Butte City, City of.....	\$3,250.00
Cave Bay Community Services.....	\$6,750.00
Central Shoshone County Water District.....	\$7,500.01
Clearwater Regional Water Project Study, City of Orofino et al.....	\$10,000.00
Clearwater Water District.....	\$3,750.00
Cottonwood Point Water and Sewer Association	\$7,500.00
Cottonwood, City of.....	\$5,000.00
Cougar Ridge Water & Sewer.....	\$4,661.34
Curley Creek Water Association.....	\$2,334.15
Downey, City of.....	\$7,500.00
Fairview Water District.....	\$7,500.01
Fish Creek Reservoir Company, Fish Creek Dam Study.....	\$12,500.00
Franklin, City of.....	\$6,750.00
Grangeville, City of.....	\$7,500.00
Greenleaf, City of.....	\$3,000.00
Hansen, City of	\$7,450.00
Hayden Lake Irrigation District.....	\$7,500.00
Hulen Meadows Water Company.....	\$7,500.00
Iona, City of.....	\$1,425.64
Kendrick, City of.....	\$7,500.00
Kooskia, City of.....	\$7,500.00
Lakeview Water District.....	\$2,250.00
Lava Hot Springs, City of.....	\$7,500.00
Lindsay Lateral Association.....	\$7,500.00
Lower Payette Ditch Company.....	\$5,500.01
Maple Grove Estates Homeowners Association.....	\$5,020.88
Meander Point Homeowners Association.....	\$7,500.00
Moreland Water & Sewer District.....	\$7,500.00
New Hope Water Corporation.....	\$2,720.39
North Lake Water & Sewer District.....	\$7,500.00

Northside Estates Homeowners Association.....	\$4,492.00	
North Tomar Butte Water & Sewer District.....	\$3,575.18	
North Water & Sewer District.....	\$3,825.00	
Parkview Water Association.....	\$4,649.98	
Payette, City of.....	\$6,579.00	
Pierce, City of.....	\$7,500.00	
Potlatch, City of.....	\$6,474.00	
Preston Whitney Irrigation Company.....	\$7,500.00	
Preston & Whitney Reservoir Company.....	\$3,606.75	
Preston & Whitney Reservoir Company.....	\$7,000.00	
Roberts, City of.....	\$3,750.00	
Round Valley Water.....	\$3,000.00	
Sagle Valley Water & Sewer District.....	\$2,117.51	
South Hill Water & Sewer District.....	\$3,825.00	
St Charles, City of.....	\$5,632.88	
Swan Valley, City of.....	\$5,000.01	
Twenty-Mile Creek Water Association.....	\$2,467.00	
Valley View Water & Sewer District.....	\$5,000.02	
Victor, City of.....	\$3,750.00	
Weston, City of.....	\$6,601.20	
Winder Lateral Association.....	\$7,000.00	
TOTAL GRANTS DISBURSED.....		(\$1,632,755.21)
IWRB Expenditures		
Lemhi River Water Right Appraisals.....	\$31,000.00	
Expenditures Directed by Legislature		
Obligated 1994 (HB988).....	\$39,985.75	
SB1260, Aquifer Recharge.....	\$947,000.00	
SB1260, Soda (Caribou) Dam Study.....	\$53,000.00	
Sugarloaf Aquifer Recharge Project (SB1239).....	\$55,953.69	
ESPA Settlement Water Rentals (HB 843 2004).....	\$504,000.00	
ESP Aquifer Management Plan (SB1496, 2006).....	\$300,000.00	
ESP Aquifer Management Plan (HB320, 2007).....	\$801,077.75	
TOTAL IWRB AND LEGISLATIVE DIRECTED EXPENDITURES.....		(\$2,732,017.19)
WATER RESOURCE BOARD RECHARGE PROJECTS.....		(\$11,426.88)
CURRENT ACCOUNT BALANCE.....		\$121,290.57
Committed Funds:		
Grants Obligated		
Cottonwood Point Water & Sewer Association.....	\$0.00	
Preston - Whintey Irrigation Company.....	\$7,500.00	
Water District No. 1 (Blackfoot Equalizing Reservoir Automation).....	\$35,000.00	
Legislative Directed Obligations		
Sugarloaf Aquifer Recharge Project (SB1239).....	\$4,046.31	
ESPA Settlement Water Rentals (HB 843, 2004).....	\$16,000.00	
ESPA Management Plan (SB 1496, 2006).....	\$0.00	
ESP Aquifer Management Plan (HB320, 2007).....	\$48,829.24	
TOTAL GRANTS & LOANS OBLIGATED & UNDISBURSED.....		\$111,375.55
Loans Outstanding:		
	Amount Loaned	Principal Outstanding
Arco, City of.....	\$7,500	\$0.00
Butte City, City of.....	\$7,425	\$0.00
Roberts, City of.....	\$23,750	\$0.00
Victor, City of.....	\$23,750	\$0.00
TOTAL LOANS OUTSTANDING.....		\$0.00
Uncommitted Funds.....		\$9,915.02
CURRENT ACCOUNT BALANCE.....		\$121,290.57

Idaho Water Resource Board
Sources and Applications of Funds
as of July 31, 2015

SECONDARY AQUIFER PLANNING, MANAGEMENT, & IMPLEMENTATION FUND

Legislative Appropriation (HB 291, Sec 2).....	2,465,300.00
Legislative Appropriation (SB 1389, Sec 5).....	1,232,000.00
Legislative Appropriation (HB270, Sec 3).....	716,000.00
Legislative Appropriation (HB479, Sec 1).....	4,500,000.00
Legislative Appropriation (HB547).....	5,000,000.00
Legislative Appropriation (SB1190, Sec 3)Aquifer Recharge Section 42-1780 (2).....	500,000.00
Legislative Appropriation (HB479, Sec 1) Managed Recharge Infrastructure Expenses.....	(761,386.09)
Legislative Appropriation (HB479, Sec 1)Northern Idaho Future Water Needs Studies.....	(200,726.91)
Legislative Appropriation (SB1190, Sec 3)Aquifer Recharge Section 42-1780 (2) Expenditures.....	(18,955.34)
Interest Earned State Treasury (Transferred).....	40,058.19
Water Users Contributions.....	100.00
Conversion project (AWEP) measurement device payments.....	(16,455.21)
Contribution from GWD's for 2011 ESPA Managed Recharge	71,893.16
Contribution from GWD's for Revenue Bond Prep Expenses.....	14,462.50
American Falls Res. Dist#2 - MP31 Recharge Site Engineering.....	(1,593.75)
American Falls Res. Dist#2 - MP31 Recharge Site Construction.....	(34,435.44)
Bond issuer Fees.....	(3,500.00)
Payments for 2012 Recharge.....	(260,031.02)
Payments for 2013 Recharge.....	(8,133.00)
Payments for 2014 Recharge.....	(19,297.00)
Payment for Recharge.....	(80,000.00)
Payment for High Country RC&D Cloud Seeding.....	(20,000.00)
Payment for Idaho Irrigation District.....	(13,200.00)
Payment for Magic Valley GWD and A&B Irrig. Dist. - Walcott Recharge Engineering.....	(113,163.84)
Public Information Services (Steubner).....	(15,671.25)
Loan - Magic Valley & North Snake GWDs (Magic Springs Pipeline).....	(1,260,000.00)

Aquifer Monitoring, Measurement, and Modeling Sub-Account

Legislative Appropriation/Funds Transfer (HB618, Sec 3).....	716,000.00
Interest Earned State Treasury (Transferred).....	79.47
Personnel Costs.....	(203,612.77)
Professional Services.....	(167,312.33)
Equipment Purchases.....	(31,178.53)
Travel Expenses.....	(8,068.29)
Supplies.....	(2,705.38)
Miscellaneous Expenses.....	(2,394.30)
Total Expenses.....	(415,271.60)

Balance Aquifer Monitoring, Measurement, and Modeling Sub-Account..... \$300,807.87

Loans Outstanding

North Snake & Magic Valley Ground Water Districts (Magic Springs Pipeline).....	\$1,260,000.00
---------------------------------------------------------------------------------	----------------

Committed Funds

Northern Idaho Future Water Needs Studies (HB479).....	299,273.09
Measurement devices for AWEP conversion projects.....	183,544.79
High Country RC&D Cloud Seeding	20,000.00
Cooperative Weather Modification Program (Cloud Seeding).....	492,000.00
Public Information Services (Steubner).....	40,603.75
GWD Bond Preparatory Expenses.....	37,500.00
Fremont-Madison Irrigation District Egin Recharge.....	40,000.00

Committed - FY2016 Budgeted Funds

ESPA Managed Recharge Operations	1,109,844
ESPA Managed Recharge Infrastructure	
Milner-Gooding Recharge Capacity Projects (Flume, MP31, Road, 28 hydro)	1,110,000
Twin Falls Canal recharge improvements	500,000
Northside canal hydro plant bypasses	2,000,000
Great Feeder Canal recharge improvements	500,000
Milner Pool Development and other Projects	2,000,000
Egin Recharge Enlargement	500,000
Investigation/engineering for further ESPA recharge capacity improvements	300,000
Administrative expenses	50,000
Ground water conservation grants in priority aquifers (Roger's proposal)	200,000
Amount reserved for projects in other priority aquifers	1,000,000
TOTAL FY2016 BUDGETED FUNDS	9,269,844

Total Committed Funds..... \$10,382,766.01

TOTAL UNCOMMITTED FUNDS..... \$1,330,498.99

CURRENT ACCOUNT BALANCE..... \$12,014,072.87

TO: Idaho Water Resource Board
FROM: Neeley Miller, IDWR Planning & Projects Bureau
DATE: September 4, 2015
RE: Ground Water Conservation Grants



-
- As IWRB members may recall there has been a desire on the part of the IWRB to develop a ground water conservation grant to provide financial assistance to municipalities and other eligible entities interested in pursuing ground water conservation projects. Pursuing ground water conservation projects can help water entities reduce water demands, lower operational costs such as pumping and water treatment, and reduce or postpone the need for additional water supplies.
 - The IWRB Water Resource Planning Committee met on March 20th in Boise and discussed the creation of a ground water conservation grant and recommended the IWRB Finance Committee include funds for ground water conservation grants in their recommended Fiscal Year 2016 budget.
 - The IWRB Finance Committee met on April 29th in Burley and reviewed available funds, prioritized needs and developed a recommend Fiscal Year 2016 budget that included \$200,000 for ground water conservation grants.
 - The IWRB adopted by resolution a budget for Fiscal Year 2016 on May 22nd in Idaho Falls authorizing the use of continuously appropriated Secondary Aquifer Planning and Management and Implementation Fund for ground water conservation grants. The budget resolution adopted on May 22nd by the IWRB required the IWRB to develop criteria for the award of ground water conservation grants prior to any grants being awarded.
 - A resolution is attached that establishes the criteria for the award of ground water conservation grants. The IWRB may amend the criteria as needed during FY 2016.
 - Please review the attached resolution to ensure it matches the IWRB's expectations. Adoption of the attached resolution would allow staff to move forward with establishment of the ground water conservation grants for FY2016, including the development of a press release. For FY2016, all ground water conservation grant applications must be submitted by Dec 2015. Board staff will begin to evaluate applications in January 2016.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF GROUND WATER) A RESOLUTION
CONSERVATION GRANTS)
_____)

WHEREAS, House Bill 547 passed and approved by the 2014 legislature allocated \$5 million annually from the Cigarette Tax to the Idaho Water Resource Board (“IWRB”) for statewide aquifer stabilization; and

WHEREAS, many aquifer across Idaho are declining and have existing or potential conjunctive administration water use conflicts, including the Eastern Snake Plain Aquifer, the Wood River Aquifer, the Mountain Home Aquifer, the Treasure Valley Aquifer, the Palouse Basin Aquifer, the Rathdrum Prairie Aquifer and others; and

WHEREAS, on March 20, 2015 the IWRB Water Resource Planning Committee met and recommended the IWRB Finance Committee include funds for the creation of a ground water conservation grant in their recommended Fiscal Year 2016 budget; and

WHEREAS, on April 29, 2015 the IWRB Finance Committee met and recommended a Fiscal Year 2016 budget that included \$200,000 for ground water conservation grants; and

WHEREAS, on May 22, 2015 the IWRB adopted by resolution a budget for Fiscal Year 2016 authorizing the use of continuously appropriated Secondary Aquifer Planning and Management and Implementation Fund for ground water conservation grants; and

WHEREAS, the budget resolution adopted on May 22, 2015 by the IWRB required the IWRB to develop a criteria for the award of ground water conservation grants prior to any grants being awarded; and

NOW, THEREFORE BE IT RESOLVED that the IWRB adopts the criteria attached hereto in Attachment A for the award ground water conservation grants for Fiscal Year 2016.

BE IT FURTHER RESOLVED that any funds awarded for ground water conservation projects shall be approved by the IWRB by resolution.

BE IT FURTHER RESOLVED that the IWRB may modify these criteria during Fiscal Year 2016 at a properly noticed meeting of the IWRB.

DATED this 18th day of September 2015.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

ATTACHMENT A

IWRB Ground Water Conservation Grant Criteria

The Ground Water Conservation Grant provides financial assistance to municipalities and other eligible entities interested in pursuing groundwater conservation/efficiency projects. Pursuing ground water conservation projects can help water providers reduce water demands, lower operational costs such as pumping and water treatment, and reduce or postpone the need for additional water supplies.

Eligible Entities*: Municipality, Homeowner's Association, Water Users Association, Private Corporation, Irrigation District, Irrigation Company, and Ground Water Districts

Eligible Geographic Area: Statewide; priority will be given to grant applications from the Eastern Snake Plain Aquifer, the Wood River Aquifer, the Mountain Home Aquifer, the Treasure Valley Aquifer, the Palouse Basin Aquifer, and the Rathdrum Prairie Aquifer.

Program Budget:

- \$200,000 (set annually by the Finance Committee; program must be renewed each year);
- No more than 50% (\$100,000) of total budget will be spent within a single Board District
- No more than 50% of total budget allowed within a single Board District (\$50,000) will be spent on agricultural groundwater conservation projects.
- These limits may be waived if there are not competing demands.

Grant Amount: \$5,000 - \$20,000

Grant Term: 1 year

Application Deadline: December 2015

For this year (2015/2016), the Board will set an application submittal deadline of December 2015 for all Groundwater Conservation Grant applications. The Board will begin to review the applications in January 2016.

Matching Funds:

- Entities requesting funding under the Groundwater Conservation Grant Program must provide \$2 (66%) for every \$1 (33%) awarded by the Board.
- In-kind services can be used for one-third (33%) of the projects costs.

Funding Distribution:

- 25% of the grant funds will be distributed at the start of the project.
- 25% will be distributed upon submittal of Mid-Point Progress Report.
- The final 50% of the grant funds will be distributed at the end of the project upon submittal of the Grant Performance Report.

Project Deliverables: Entities that receive grant funding will be required to provide a written final Grant Performance Report to the Board (including a review of the activities completed under the grant), an estimate of actual water savings realized and other information that may be relevant to the Board. Future grant funds will not be considered if a final project report is not submitted.

Board Districts are as follows:

District No. 1: Boundary, Bonner, Kootenai, Shoshone, Benewah, Latah, Clearwater, Nez Perce, Lewis and Idaho counties.

District No. 2: Adams, Valley, Washington, Payette, Gem, Boise, Canyon, Ada, Elmore and Owyhee counties.

District No. 3: Camas, Gooding, Jerome, Twin Falls, Cassia, Blaine, Lincoln, Minidoka, Lemhi, Custer and Butte counties.

District No. 4: Clark, Fremont, Jefferson, Madison, Teton, Bingham, Bonneville, Power, Bannock, Caribou, Oneida, Franklin and Bear Lake counties.

**Entities with agricultural operations of more than 40 acres are not eligible for this grant. Other funding sources are available for these entities.*

***The Board can adjust and/or waive these criteria on a case-by-case basis by resolution.*

MEMO



To: Idaho Water Resource Board
From: Brian Patton
Subject: Ground Water Districts Interim Loan
Date: September 8, 2015

SUMMARY

The 10 Ground Water Districts on the Eastern Snake Plain requested an interim loan of \$6M to: 1) pay for the recently constructed Rangen-Magic Springs Pipeline, and 2) pay for the purchase of the Aqualife Hatchery from the IWRB. The IWRB Finance Committee met on August 4, 2015 and recommended 1) approval of an interim loan of \$4M as described in this memo and attached resolution, and 2) a promissory note between the IWRB and the Districts for the Aqualife Hatchery rather than an interim loan, on terms to be approved at a later date.

BACKGROUND

The 10 Ground Water Districts on the Eastern Snake Plain have collectively received judicial confirmation to incur up to \$15M in debt to carry out the Hagerman Valley Settlement. This includes the cost of the \$4.3M Magic Springs-Rangen Pipeline, which has already been built, as well as several other projects. As you may recall the IWRB loaned \$1.26M to the Magic Valley GWD and the North Snake GWD for the Magic Springs-Rangen Pipeline with those two districts covering the rest of the construction cost. The \$1.26M loan amount and the repayment date of September 30, 2015, was dictated by the Districts' previous borrowing authority.

The plan is for all 10 districts to finance the \$15M package through IWRB-issued revenue bonds (or other long-term financing as may be available). The revenue bond process would take at least 6 months, and possibly up to a year, to complete. In the interim, 10 Districts would like extend the term of the \$1.26M loan, and add another \$4.74M to it, for a total of \$6M, that would be repaid upon completion of the long-term financing. The purpose of the request is for the Magic Valley and North Snake Districts, having spent all their cash on the Magic Springs-Rangen Pipeline, to be able to cash-flow the ongoing costs of the Hagerman Valley Settlement and their obligations under the Surface Water Coalition Settlement.

The projects in the Hagerman Valley Settlement are as follows:

1	Magic Springs Rangen Pipeline	\$4.3M	Complete
2	Magic Springs-Billingsley Cr. tail water pipeline	\$4.3M	
3	Billingsley Bridge Diversion Pump	\$0.3M	
4	Pipeline easements	\$0.1M	
5	Sandy Pond measurement devices	\$0.05M	
6	Aqualife purchase from IWRB	\$2.0M	
7	Aquaculture subordination settlement agreements (4)	\$0.338M	Complete
8	Engineering	\$0.250M	
9	Legal	\$0.250M	
10	Contingency/unexpected expenses	\$3.112M	
	TOTAL	\$15.0M	

RECOMMENDATION FROM FINANCE COMMITTEE

Since the interim financing would be for one year, and the \$1.26M is already outstanding, the following could be done:

- | | | |
|---|------------------------------------------------------|----------------|
| • | Roll over outstanding \$1.26M into this interim loan | \$1.26M |
| • | Use unallocated funds in Secondary Aquifer Fund | \$1.33M |
| • | Use funds allocated to “Milner Pool Development” | <u>\$1.41M</u> |
| | TOTAL | \$4.0M |
- Handle the Aqualife purchase through a promissory note between the IWRB and the Districts on terms to be approved at a later date.

A risk to using this approach is that a significant delay in returning the interim loan funds might delay recharge infrastructure construction. A loan term up to 1-year should not result in a delay in recharge infrastructure construction; however, since the Milner Pool Development effort is a long-term undertaking. The funds pulled from this allocation should be returned to this allocation upon repayment.

Attached for the IWRB’s consideration is a resolution approving a one-year interim loan of \$4 million as described in this memo.

Also attached are 1) a letter requesting the additional loan funds on behalf of the Districts, 2) a list of projects to be undertaken in the Hagerman Valley and estimated costs, 3) a chart showing the estimated allocation of costs across the 10 districts, 4) the Approval of the Petition for Judicial Examination allowing the Districts to incur up to \$15M in debt, and 5) the Petition for Judicial Examination to incur debt.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE EASTERN SNAKE) A RESOLUTION
PLAIN GROUND WATER DISTRICTS)
_____)

WHEREAS, a Letter of Request from the Aberdeen-American Falls Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, Southwest Irrigation District, Carey Valley Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Madison Ground Water District, Jefferson Clark Ground Water District, and the Fremont-Madison Irrigation District (Districts) has been submitted to the Idaho Water Resource Board (IWRB) requesting an interim loan in the amount of \$6,000,000; and

WHEREAS, the Districts are proposing to use the funds on a short-term basis to finance the construction of the Magic Springs-Rangen Pipeline which was recently completed at a cost of about \$4.3 million, and the purchase of the Aqualife Hatchery from the IWRB; and

WHEREAS, the Magic Springs-Rangen Pipeline Project is a key component of the Idaho Ground Water Appropriator's (IGWA's) "Fourth Mitigation Plan" for Rangen, which was approved by Director Spackman on October 29, 2014. IGWA submitted the "Fourth Mitigation Plan" on behalf of the Districts, which are members of IGWA; and

WHEREAS, both the Magic Springs-Rangen Pipeline Project and the Aqualife Hatchery purchase are key components of the proposed Hagerman Valley Settlement Agreement, currently being negotiated between the Districts and water users in the Hagerman Valley; and

WHEREAS, the total cost of the Hagerman Valley Settlement Agreement is estimated at \$15 million and is to be shared by the Districts; and

WHEREAS, on June 15, 2015, the Districts jointly received authority through judicial examination, Sixth Judicial District Case No. CV-2015-115, to incur indebtedness of up to \$15 million for the purpose of undertaking mitigation projects in the Hagerman Valley; and

WHEREAS, the plan for long-term financing is for the Districts to finance the entire \$15 million package of Hagerman Valley projects through IWRB-issued revenue bonds or other long-term financing as may be available; and

WHEREAS, on August 4, 2015 the IWRB's Finance Committee met and considered this request for an interim loan. The Finance Committee recommended approval of the loan in the amount of \$4 million to be repaid no later than September 2016. The Finance Committee further recommended that the purchase of the Aqualife Hatchery from the IWRB could be handled through a short-term promissory note between the IWRB and the Districts rather than an interim loan, and

WHEREAS, the projects to be financed by this interim loan are in the public interest, in conformance with the State Water Plan, and will assist in resolving significant water use conflicts.

NOW THEREFORE BE IT RESOLVED that the IWRB approves the following interim loan at 3.5% to be repaid no later than September 30, 2016:

- 1) The \$1.26 million outstanding loan to the Magic Valley & North Snake Ground Water Districts authorized by resolution dated December 24, 2014 shall be refinanced into this interim loan.
- 2) \$2.74 million shall be provided from the Secondary Aquifer Planning, Management, and Implementation Fund. This shall be supplied first by utilizing the unallocated amount in the fund, and second by utilizing funds allocated to "Milner Pool Development and Other Projects." Funds loaned from the "Milner Pool and Other Projects" allocation shall be returned to that allocation upon repayment.

NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB intends to execute a promissory note with the Districts for the purchase of the Aqualife Hatchery on terms and conditions to be approved at a later date.

NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB provides authority to the Chairman or his designee to enter into contracts with the Districts on behalf of the IWRB.

DATED this 18th day of September, 2015.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST

VINCE ALBERDI, Secretary



RACINE
OLSON
NYE
BUDGE
BAILEY

201 E. Center St.
P.O. Box 1391
Pocatello, ID 83204
OFFICE 208.232.6101
FAX 208.232.6109
racinelaw.net

RANDALL C. BUDGE
rcb@racinelaw.net

July 10, 2015

Idaho Water Resource Board
Roger Chase, Chairman
Vince Alberdi, Finance Committee Chairman
Brian Patton, Secretary
322 East Front Street
State House Mail
Boise, Idaho 83720
brian.patton@idwr.idaho.gov
rwchase33@gmail.com

Sent Via Email

Re: Ground Water District Loan Request

Dear Roger, Vince, Brian and other Board Members:

This letter is written on behalf of North Snake Ground Water District, Magic Valley Ground Water District, Carey Valley Ground Water District, Southwest Irrigation District, Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Madison Ground Water District, Jefferson-Clark Ground Water District and Fremont Madison Irrigation District (collectively "Districts") to request an interim loan from the Board in the amount of up to \$6 million to cover costs incurred pertaining to the Districts' obligations under the Hagerman Valley Global Settlement Term Sheet.

The loan amount will be used to (a) refinance and share among all the Districts the \$1.25 million loan taken out earlier this year by North Snake and Magic Valley Ground Water District pertaining to the construction of the Magic Springs Pipeline Project to Rangen; (b) pay the estimated \$1.7 million cost of acquiring Aqualife from the Board for transfer to SeaPac of Idaho, Inc. before year-end; and (c) subordination purchased and other related costs.

Attached is the information reflecting what was spent by North Snake and Magic Valley to date on the Hagerman Global Settlement efforts. All of this relates to the Rangen Pump Project, excepting the subordinations of the four water rights on the other 2014 delivery calls. The totals are as follows:

North Snake - \$653,179.90
Magic Valley - \$3,726,216.88

These amounts were paid directly by these two Districts and do not include legal and engineering paid through IGWA. The supporting details were provided with my letter of June 29, 2015 to Brian Patton.

Attached is a copy of the Judgment and Decree approving Petition for Judicial Examination entered in Power County Case No. CV-2015-115 on June 15, 2015. This authorizes the Districts to incur indebtedness of up to \$15 million funded by a loan from the Board or other lenders to pay for present and future mitigation projects and acquisitions in the Hagerman area, to levy assessments against the members sufficient to repay the loan which should be first priority liens against the lands of the Districts' members, second only to liens for payment of the real property taxes.

Also attached is a copy of the Districts' Petition for Judicial Confirmation to the Court which was the basis for the Judgment. Please note that Exhibit A attached provides a break down of the estimated \$15 million estimated total Hagerman mitigation cost. Exhibit B attached reflects the manner in which a \$15 million loan and mitigation costs will be allocated between and paid by the Districts, together with the cost per cfs total and on an annual basis if amortized over 20 years at 4%.

The additional costs that will be incurred to complete the Hagerman mitigation projects are uncertain at this time. Engineering work is ongoing as are discussions with various parties in the Hagerman area. We anticipate having agreements in place near year-end with project construction in 2016. Upon completion, it is anticipated the interim loan will be refinanced with the remaining project costs into a long term loan.

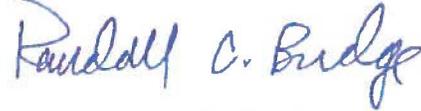
Financial statements have been provided by North Snake and Magic Valley. Their estimated average pumping costs range from \$80 to \$130 per acre.

The Districts propose to grant the Board a security interest in the Magic Springs Pump Project assets consisting of the pumps, motors, pipelines, and the associated easements. The loan will be repaid by assessments levied by the Districts against their members. These assessments create binding and enforceable liens against the members' property.

It is our understanding that the Board's Finance Committee will convene a meeting the week of July 20-24, 2015 to review this interim loan request. Please confirm where and when this meeting will be held and we will arrange to have representatives of the Districts and IGWA present to discuss this request and answer any questions you may have.

Thank you for your cooperation and assistance. If you have any questions or need additional information, please don't hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Randall C. Budge". The signature is written in a cursive style with a large initial 'R'.

RANDALL C. BUDGE

RCB:ts

Enclosures

c: District Chairmen
IGWA

Tim Deeg, President

Lynn Tominaga, Executive Director

EXHIBIT A

Hagerman Mitigation Cost Estimates	
April 15, 2015	
Description	Cost (est.)
1 Rangen/Magic Springs Pump/Pipeline Project ¹	\$3,900,000
2 Billingsley Creek/Magic Springs Pump Project ²	\$4,300,000
3 Billingsley Creek - Bridge Diversion Pump Station	\$300,000
4 Pipeline Easements	\$100,000
5 Sandy Pond Measuring Devices ³	\$50,000
6 Aqualife Purchase from IWRB for exchange to SeaPac ⁴	\$2,000,000
7 (4) Aquaculture Subordination Settlement Agreements ⁵	\$338,000
8 Engineering ⁶	\$250,000
9 Legal ⁷	\$250,000
10 Other Mitigation Projects and Contingency	\$3,512,000
Total:	\$15,000,000

1. Cost includes approximately \$700K associated with the large pump station improvements (Billingsley Creek) and engineering oversight through construction.

2. Includes design, pump station, piping across Magic Springs, and remaining piping to Sandy Pipeline at the Sandy Ponds.

3. Anticipated 50/50 cost share with Association of Cities.

4. Estimated price subject to legislative and IWRB approval.

5. Cost of acquiring Subordination Settlement Agreements of four 2014 spring users delivery calls.

6. This planning, design, and suveying (Engineering) will support on-going efforts in the Hagerman Valley for foreseeable 2015 projects.

7. Part of past/future legal fees re: Rangen Delivery Call.

EXHIBIT B

IGWA DISTRICTS

PROPOSED SHARE OF ESTIMATED COSTS

ALLOCATED PER CFS

Lower Valley Districts	Irrigated Acres	CFS of Water Rights	% of Total CFS	\$8.25M (55%) Hagerman Mitigation (Allocated by CFS)	Total Cost Per CFS	Annual Payment Amortized 20 Yrs. at 4%	Annual Cost Per CFS
North Snake GWD	87,399.0	1,728	31.79%	\$2,622,517	\$1,517.66	\$190,703.22	\$110.36
Magic Valley GWD	128,000.0	2,200	40.47%	\$3,338,852	\$1,517.66	\$242,793.46	\$110.36
Southwest Irr. Dist.	79,655.0	1,453	26.73%	\$2,205,160	\$1,517.66	\$160,354.04	\$110.36
Carey Valley GWD	3,634.6	55	1.01%	\$83,471	\$1,517.66	\$6,069.84	\$110.36
TOTAL	298,688.6	5,436	100.00%	\$8,250,000		\$599,920.56	

Upper Valley Districts	Irrigated Acres	CFS of Water Rights	% of Total CFS	\$6.75M (45%) Hagerman Mitigation	Cost of Total Per CFS	Annual Payment Amortized 20 Yrs. at 4%	Annual Cost Per CFS
Aberdeen/American Falls GWD	144,539.0	2,328	21.77%	\$2,250,000	\$966.49	\$163,614.72	\$70.28
Bingham GWD	203,975.0	2,618	24.48%	\$2,035,770	\$777.60	\$148,036.44	\$56.55
Bonneville-Jefferson GWD	62,000.0	1,240	11.59%	\$964,230	\$777.60	\$70,116.48	\$56.55
Madison GWD	50,852.0	946	8.84%	\$314,634	\$332.59	\$22,879.44	\$24.19
Jefferson-Clark GWD	175,509.7	3,420	31.97%	\$1,137,472	\$332.59	\$82,714.32	\$24.19
Fremont-Madison Irr. Dist.	64,717.0	144	1.35%	\$47,894	\$332.59	\$3,482.76	\$24.19
TOTAL	701,592.7	10,696	100.00%	\$6,750,000		\$490,844.04	

- (1) Based upon total estimated costs of \$15 million for Hagerman mitigation.
- (2) Costs allocated 55% / \$8.25 million to Lower Valley Districts and 45% / \$6.75 million to Upper Valley Districts.
- (3) Upper Valley Districts have been grouped by geographic locations to more closely follow potential mitigation scenarios.
- (4) Southwest Irrigation District's 1,453 cfs includes Goso Creek Irrigation District

Randall C. Budge, ISB No. 1949
T.J. Budge, ISB No. 7465
RACINE, OLSON, NYE,
BUDGE & BAILEY, Chartered
P. O. Box 1391
Pocatello, Idaho 83204-1391
Telephone: (208) 232-6101
Fax: (208) 232-6109
Attorney for Petitioners

DISTRICT COURT
SIXTH JUDICIAL DISTRICT
FILED 6-15-15 TIME 4:03
SHARÉE SPRAGUE, CLERK
BY [Signature] DEPUTY

IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO IN AND FOR THE COUNTY OF POWER

<p>NORTH SNAKE GROUND WATER DISTRICT, MAGIC VALLEY GROUND WATER DISTRICT, SOUTHWEST IRRIGATION DISTRICT, CAREY VALLEY GROUND WATER DISTRICT, ABERDEEN/AMERICAN FALLS GROUND WATER DISTRICT, BINGHAM GROUND WATER DISTRICT, BONNEVILLE-JEFFERSON GROUND WATER DISTRICT, MADISON GROUND WATER DISTRICT, JEFFERSON-CLARK GROUND WATER DISTRICT, AND FREMONT-MADISON IRRIGATION DISTRICT,</p> <p>Petitioners.</p>	<p>Case No. CV-2015-115</p> <p>JUDGMENT AND DECREE APPROVING PETITION FOR JUDICIAL EXAMINATION</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------

The above-entitled matter came on regularly before the Court for hearing on June 11, 2015, at the hour of 2:00 p.m. before the Honorable Stephen S. Dunn District Judge, on the Petition for Judicial Examination filed by Petitioners as Ground Water Districts, Irrigation Districts and political subdivisions of the State of Idaho (hereinafter "Petitioners"). Based upon the Certificates of Mailing and the Proofs of Publication filed herein, the Court determines that Notice of Petition and Hearing was properly served upon the members of the petitioning Ground Water Districts and Irrigation Districts by

U.S. Mail, postage prepaid, and by publication as required by law. The Court having reviewed the Petition for Judicial Examination, the evidence presented and arguments of counsel in support thereof, and there being no objections thereto, Petitioners are entitled to the relief prayed for in the Petition.

JUDGMENT IS ENTERED AS FOLLOWS:

1. That the petitioning Ground Water Districts and Irrigation Districts acting through their respective Boards of Directors are hereby authorized and empowered under the constitution and statutes of the State of Idaho to incur indebtedness of up to \$15,000,000 funded by a loan from the Idaho Water Resource Board, Farm Credit Services or from commercial or other lenders in the form of revenue bonds, loans or other instruments of indebtedness and to secure payment of the indebtedness as necessary to pay for present and future mitigation projects and acquisitions in the Hagerman area; and, to levy assessments against their members over a term not to exceed thirty (30) years sufficient to repay the principal and interest on the indebtedness which shall be first priority liens against the lands of the Ground Water District members and Irrigation District users, second only to the liens for the payment of real property taxes pursuant to Idaho Code §42-5240.

2. That the petitioning Ground Water Districts and Irrigation Districts are hereby granted authority without limitation to enter into loan agreements and execute promissory notes, loan documents, bonds and such other documents as may be reasonable and necessary to carry out and implement the foregoing.

DATED this 5 day of June, 2015.



Stephen S. Dunn
DISTRICT JUDGE

CLERK'S CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 15th day of June, 2015, I served a true and correct copy of the above and foregoing document to the following person(s) as follows:

Randall C. Budge
Racine, Olson, Nye, Budge & Bailey
P. O. Box 1391
Pocatello, Idaho 83204-1391

- U.S. Mail
- Facsimile
- Overnight Mail
- Hand Delivery
- Email

William A. Parsons
Attorney for Southwest Irrigation District
P.O. Box 910
Burley, Idaho 83318

- U.S. Mail
- Facsimile
- Overnight Mail
- Hand Delivery
- Email

Jerry Rigby
Attorney for Fremont-Madison
Irrigation District
P.O. Box 250
Rexburg, Idaho 83440-0250

- U.S. Mail
- Facsimile
- Overnight Mail
- Hand Delivery
- Email

Lenae Ammer

Deputy Clerk

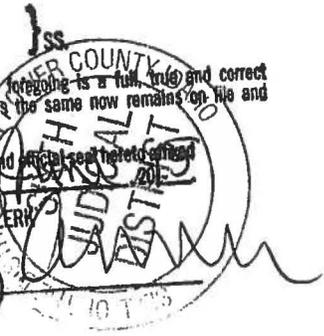
STATE OF IDAHO
COUNTY OF POWER

I hereby certify that the foregoing is a true, 1 ss and correct copy of an instrument as the same now remains on file and of record in my office.

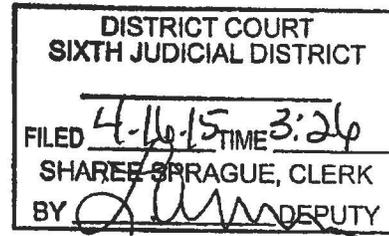
WITNESS my hand and official seal hereto affixed this 15 day of June, 2015.

SHAREE SPRAGUE, CLERK

By Deputy



Randall C. Budge, ISB No. 1949
T.J. Budge, ISB No. 7465
RACINE, OLSON, NYE,
BUDGE & BAILEY, Chartered
P. O. Box 1391
Pocatello, Idaho 83204-1391
Telephone: (208) 232-6101
Fax: (208) 232-6109
Attorney for Petitioners



IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO IN AND FOR THE COUNTY OF POWER

ABERDEEN/AMERICAN FALLS GROUND
WATER DISTRICT, NORTH SNAKE GROUND
WATER DISTRICT, MAGIC VALLEY GROUND
WATER DISTRICT, SOUTHWEST IRRIGATION
DISTRICT, CAREY VALLEY GROUND WATER
DISTRICT, BINGHAM GROUND WATER
DISTRICT, BONNEVILLE-JEFFERSON GROUND
WATER DISTRICT, MADISON GROUND WATER
DISTRICT, JEFFERSON-CLARK GROUND
WATER DISTRICT, AND FREMONT-MADISON
IRRIGATION DISTRICT,

Petitioners.

Case No. CV 2015-115

PETITION FOR JUDICIAL EXAMINATION

COME NOW, Petitioners ABERDEEN/AMERICAN FALLS GROUND WATER DISTRICT, NORTH SNAKE GROUND WATER DISTRICT, MAGIC VALLEY GROUND WATER DISTRICT, SOUTHWEST IRRIGATION DISTRICT, CAREY VALLEY GROUND WATER DISTRICT, BINGHAM GROUND WATER DISTRICT, BONNEVILLE-JEFFERSON GROUND WATER DISTRICT, MADISON GROUND WATER DISTRICT, JEFFERSON-CLARK GROUND WATER DISTRICT, AND FREMONT-MADISON IRRIGATION DISTRICT, each as districts and on behalf of their respective members (collectively referred to herein as "Petitioners" or "Districts"), by and through counsel, and submit this Petition for Judicial Examination ("Petition"), pursuant to Idaho Code § 42-5235 pertaining to ground water districts and Idaho Code §43-322A pertaining to irrigation districts, request judicial examination and determination of

Petitioners' power to enter into contracts for the purchase of certain real property, water rights and other assets for the development and implementation of a mitigation plan(s) in the Hagerman valley pursuant to the Hagerman Global Settlement Term Sheet and otherwise, to incur indebtedness therefor up to \$15 million, and to levy and collect assessments for payment of such costs and indebtedness. Pursuant to Idaho Code § 42-5240 and §43-322A said levies and assessments shall constitute first liens upon the real property of members of the Districts and against non-member participants for mitigation, second only to liens for real property taxes. District members and non-member participants for mitigation purposes only as defined under Idaho Code § 42-5259 are collectively referred to herein as "members."

PARTIES

1. Petitioner Aberdeen/American Falls Ground Water District represents approximately 291 member-owners of irrigation rights, including the irrigation of approximately 144,539 acres of farmland in Power and Bingham Counties. Aberdeen/American Falls Ground Water District's office is located in American Falls, Idaho, Power County, Idaho.

2. Petitioners bring this action as ground water districts organized and existing pursuant to Idaho Code § 42-5201, *et seq.*, and as irrigation districts organized and existing pursuant to Idaho Code §43-301 *et seq.*, and in their representative capacity on behalf of their respective members who own lawful and vested groundwater rights serving irrigation, municipal, commercial, industrial and other beneficial uses and will be referred to collectively herein as the "Districts."

3. Petitioner North Snake Ground Water District represents approximately 682 member-owners of groundwater rights, including the irrigation of approximately 87,399 acres of farmland in southern Idaho in Gooding, Jerome and Lincoln Counties. North Snake Ground Water District's Office is located at 152 E. Main Street, Jerome, Jerome County, Idaho.

4. Petitioner Magic Valley Ground Water District represents approximately _____ member-owners of groundwater rights, including the irrigation of approximately

128,000 acres of farmland in southern Idaho in Cassia, Minidoka, Lincoln, and Jerome Counties. Magic Valley Ground Water District's office is located in Paul, Idaho, Minidoka County, Idaho.

5. Petitioner Southwest Irrigation District represents approximately _____ member-owners of irrigation rights, including the irrigation of approximately 79,655 acres of farmland in southern Idaho in Cassia County. Southwest Irrigation District's office is located in Burley, Idaho, Cassia County, Idaho.

6. Petitioner Carey Valley Ground Water District represents approximately 27 member-owners of irrigation rights, including the irrigation of approximately 3,635 acres of farmland in southern Idaho in Blaine and Butte Counties. Carey Valley Ground Water District's office is located in Carey, Idaho, Blaine County, Idaho.

7. Petitioner Bingham Ground Water District represents approximately 454 member-owners of irrigation rights, including the irrigation of approximately 203,975 acres of farmland in southern Idaho in Bingham County. Bingham Ground Water District's office is located in Blackfoot, Bingham County, Idaho.

8. Petitioner Bonneville-Jefferson Ground Water District represents approximately 115 member-owners of irrigation rights, including the irrigation of approximately 62,000 acres of farmland in southern Idaho in Bonneville and Jefferson Counties. Bonneville-Jefferson Ground Water District's office is located in Idaho Falls, Bonneville County, Idaho.

9. Petitioner Madison Ground Water District represents approximately 67 member-owners of irrigation rights, including the irrigation of approximately 50,852 acres of farmland in southern Idaho in Madison County. Madison Ground Water District's office is located in Rexburg, Madison County, Idaho.

10. Petitioner Jefferson-Clark Ground Water District represents approximately 171 member-owners of irrigation rights, including the irrigation of approximately 175,510 acres of farmland in southern Idaho in Jefferson, Clark and Fremont Counties. Jefferson-Clark Ground Water District's office is located in Idaho Falls, Idaho, Bonneville County, Idaho.

11. Petitioner Fremont-Madison Irrigation District represents approximately _____ member-owners of irrigation rights, including the irrigation of approximately 64,717 acres of farmland in southern Idaho in Fremont and Madison Counties. Fremont-Madison Irrigation District's office is located in St. Anthony, Idaho, Fremont, County, Idaho.

12. The Ground Water Districts were each formed and operate as political subdivisions of the state of Idaho under Idaho Code § 42-5224(6) and the Irrigation Districts were each formed and operate as political subdivisions of the state of Idaho Under Idaho Code § 43-101 *et.seq.*

JURISDICTION AND VENUE

13. Jurisdiction and venue are proper in this District Court sitting in Power County, Idaho, pursuant to Idaho Code §§ 42-5235 and 43-406 by reason of the fact that Petitioner Aberdeen/American Falls Groundwater District's office is located in Cassia County, Idaho, and all other petitioning Districts hereby join in this Petition for Judicial Examination as required by Idaho Code § 42-5235 and § 43-322A.

GENERAL ALLEGATIONS

14. The Districts, acting by and through their respective boards of directors, are authorized and empowered to acquire, operate, control, lease or use water rights and other real property, and to enter into contracts to fully exercise their powers. Idaho Code §§ 42-5224 (1)-(3).

15. The Districts acting by and through their respective boards of directors are authorized and empowered under Idaho Code § 42-5224(11) to develop, maintain, operate and implement mitigation plans, and are further authorized and empowered to levy and collect assessments and incur indebtedness. Idaho Code §§ 42-5232, 42-5233, 43-304.

16. The Districts, acting by and through their respective boards of directors, are authorized and empowered to levy assessments to secure funds for the repayment of indebtedness incurred for mitigation plans for the district(s) in amounts sufficient to repay the interest and principal as it falls due. Idaho Code § 42-5233(1), 43-701.

17. The assessments levied by the Districts shall be priority liens against the land of the groundwater users to which the water rights used to determine assessments are appurtenant and said liens are second only to liens for real property taxes under Idaho Code § 42-5240, § 43-706.

18. On January 29, 2014, the Director (“Director”) of the Idaho Department of Water Resources (“Department”) issued the *Final Order Regarding Rangen, Inc.’s Petition for Delivery Call; Curtailing Ground Water Rights Junior to July 13, 1962* (“Curtailment Order”). The Curtailment Order recognizes that holders of junior-priority ground water rights may avoid curtailment if they participate in a mitigation plan which provides “simulated steady state benefits of 9.1 cfs to Curren Tunnel [sometimes referred to as the “Martin-Curren Tunnel”] or direct flow of 9.1 cfs to Rangen.” The Curtailment Order explains that mitigation provided by direct flow to Rangen, Inc. (“Rangen”), “may be phased-in over not more than a five-year period pursuant to CM Rule 40 as follows: 3.4 cfs the first year, 5.2 cfs the second year, 6.0 cfs the third year, 6.6 cfs the fourth year, and 9.1 cfs the fifth year.”

19. On February 11, 2014, the Idaho Ground Water Appropriators, Inc. (“IGWA”), filed with the Department *IGWA’s Mitigation Plan and Request for Hearing* (“First Mitigation Plan”) to avoid curtailment imposed by the Curtailment Order. The First Mitigation Plan proposed nine possible mitigation activities for junior-priority ground water pumpers to satisfy mitigation obligations.

20. On February 12, 2014, IGWA filed *IGWA’s Petition to Stay Curtailment, and Request for Expedited Decision*. On February 21, 2014, the Director issued an *Order Granting IGWA’s Petition to Stay Curtailment*, which stayed enforcement of the Curtailment Order for members of IGWA and the non-member participants in IGWA’s First Mitigation Plan until a decision was issued on the First Mitigation Plan.

21. On March 17-19, 2014, the Director conducted a hearing for the First Mitigation Plan at the Department’s state office in Boise, Idaho. On April 11, 2014, the Director issued an *Order Approving in Part and Rejecting in Part IGWA’s Mitigation Plan; Order Lifting Stay Issued February 21, 2014; Amended Curtailment Order* (“First Mitigation Plan Order”). In the First Mitigation Plan Order, the Director approved two of

the nine proposed components of the First Mitigation Plan: (1) credit for current and ongoing mitigation activities (collectively referred to as “aquifer enhancement activities”), and (2) delivery of water directly to Rangen that otherwise would have been delivered in priority to Howard “Butch” Morris (“Morris”) but for North Snake Ground Water District (“NSGWD”) delivering surface water to Morris through the Sandy Pipeline (“Morris exchange agreement”). The Director rejected the other seven components of the First Mitigation Plan. The Director recognized 1.2 cfs of mitigation credit for IGWA’s aquifer enhancement activities and 1.8 cfs of mitigation credit for delivery of water to Rangen as a result of the Morris exchange agreement. The Director recognized a total mitigation credit of 3.0 cfs, 0.4 cfs short of the 3.4 cfs mitigation required for the time period from April 1, 2014, through March 31, 2015. To satisfy the 0.4 cfs mitigation deficiency, the Director ordered curtailment of ground water rights bearing priority dates junior or equal to July 1, 1983, during the 2014 irrigation season.

22. On March 10, 2014, during the pendency of the First Mitigation Plan proceeding, IGWA filed with the Department IGWA’s *Second Mitigation Plan and Request for Hearing* (“Second Mitigation Plan”) in response to the Curtailment Order. The Second Mitigation Plan proposed delivery of up to 9 .1 cfs of water from Tucker Springs, a tributary to Riley Creek, through a 1.3 mile pipeline to the fish research and propagation facility owned by Rangen (“Rangen Facility”).

23. On April 17, 2014, IGWA filed IGWA’s *Second Petition to Stay Curtailment, and Request for Expedited Decision* (“Second Petition”). The Second Petition asked the Director to “stay implementation of the [Curtailment Order], . . . until the judiciary completes its review of the Curtailment Order in *IGWA v. IDWR*, Gooding County Case No. CV-2014-179, and *Rangen v. IDWR*, Twin Falls County Case No. CV-2014-1338.” On April 28, 2014, the Director issued an *Order Granting IGWA’s Second Petition to Stay Curtailment* stating the Director would revisit the stay at the time a decision on IGWA’s Second Mitigation Plan was issued.

24. On June 4-5, 2014, the Director conducted a hearing for the Second Mitigation Plan at the Department's state office in Boise, Idaho. On June 20, 2014, the Director issued an *Order Approving IGWA’s Second Mitigation Plan; Order Lifting Stay*

Issued April 28, 2014; Second Amended Curtailment Order (“Second Mitigation Plan Order”). To dovetail the First Mitigation Plan into the Second Mitigation Plan, the Director recalculated the period of time over which the volume of water provided by the Morris exchange agreement was averaged to equal the number of days the water would provide full mitigation to Rangen. The Director required curtailment or additional mitigation from IGWA under the Second Mitigation Plan after the time full mitigation credit under the First Mitigation Plan expires. Specifically, the Director calculated that 2.2 cfs of mitigation water must be delivered to Rangen by the Morris exchange agreement to provide full mitigation during the first year of phased-in mitigation. The Director calculated the 2.2 cfs mitigation obligation by subtracting the 1.2 cfs mitigation credit from aquifer enhancement activities from the 3.4 cfs first year phase-in mitigation obligation. In the Second Mitigation Plan Order, the Director recognized mitigation credit for the Morris exchange agreement at an average rate of 2.2 cfs for the 293-day period between April 1, 2014 and January 18, 2015. As of January 19, 2015, IGWA must begin providing water to Rangen at a rate of 2.2 cfs by other means to meet the 3.4 cfs annual obligation for April 1, 2014 through March 31, 2015. *Id.* at 18. Accordingly, the Director ordered that the April 28, 2014, stay was lifted and failure to deliver 2.2 cfs to Rangen from Tucker Springs by January 19, 2015, will result in curtailment of water rights junior or equal to August 12, 1973, unless another mitigation plan has been approved and is providing the required water to Rangen.

25. On August 27, 2014, IGWA filed *IGWA’s Fourth Mitigation Plan and Request for Expedited Hearing* (“Fourth Mitigation Plan”). The Fourth Mitigation Plan consists of the “Magic Springs Project.”

26. The Magic Springs Project is comprised of multiple components including: lease or purchase of 10.0 cfs of water right nos. 36-7072 and 36-8356 owned by SeaPac of Idaho (“SeaPac”); long-term lease or purchase from the Idaho Water Resource Board (“IWRB”) of water right nos. 36-40114, 36-2734, 36-15476, 36-2414, and 36-2338 to make available to SeaPac; design, construction, operation, and maintenance of the water intake and collection facilities, pump station, and pipeline to transport water from SeaPac’s Magic Springs facility to the head of Billingsley Creek directly up gradient from

the Rangen Facility; acquisition of permanent easements for the Magic Springs pipeline to Rangen and at Magic Springs for the water intake and collection facilities, pump station, pipeline, and other necessary features for delivery of water to the head of Billingsley Creek; and approval of a transfer application to change the place of use from SeaPac to Rangen. The Director held a hearing for the Fourth Mitigation Plan on October 8, 2014, at the Department's State office in Boise, Idaho.

27. On October 29, 2014, the Director issued an *Order Approving IGWA's Fourth Mitigation Plan* ("Fourth Mitigation Plan Order").

28. In 2014, additional senior water right delivery calls were made in the Hagerman area by Aquarius Aquaculture, ARK Fisheries, Inc., LynClif Farms and Dan and Dadhri Lee ("Hagerman Delivery Calls") seeking to curtail junior ground water users unless mitigation water is provided. The Districts have entered into settlement agreements to resolve each of said Hagerman Delivery Calls by paying monetary compensation to acquire water right subordinations or other protection measures.

29. On December 18, 2014, IGWA filed *IGWA's Fifth Mitigation Plan and Request for Hearing* to pump and pipe discharge water from Magic Springs to Billingsley Creek and/or to the Sandy Ponds and Sandy Pipeline to mitigate for other potential delivery calls on Billingsley Creek ("Billingsley Creek Projects").

JUDICIAL EXAMINATION OF INDEBTEDNESS

30. The Districts by unanimous resolutions duly adopted by their respective boards of directors and entered upon the minutes of each respective District determined that it is in the best interests of the Districts and their members and that it is in the public interest to construct the Magic Springs Project to deliver water from Magic Springs to the head of Billingsley creek to satisfy the Rangen and other delivery calls; to acquire certain real property, water rights and other assets and to construct other mitigation projects in what is commonly known as the Hagerman area of the Snake River that can be used as part of present and future Districts' mitigation plans to provide mitigation or replacement water to avoid material injury to senior water rights, to comply with certain orders entered by the IDWR and to avoid curtailment of their members' junior groundwater rights.

31. Once judicial confirmation has been secured, the Districts intent to proceed to securing financing of up to fifteen million dollars (\$15,000,000) to pay some or all of the estimated costs of present and future mitigation projects in the Hagerman area, including but not limited to those projects listed on **Exhibit A** attached (“Mitigation Projects”).

32. Petitioners expect to secure some or all of the necessary financing through a loan from the Idaho Water Resource Board, Farm Credit Services, commercial banks and/or other sources. Therefore, Petitioners seek authority to incur indebtedness from any source to pay for present and future projects to mitigate for injury to senior water rights and avoid curtailment. In order to incur indebtedness the Districts must be authorized by the District Court to incur indebtedness over a term not to exceed thirty (30) years and to levy assessments against their members sufficient to repay the principal and interest on the indebtedness as it falls due as required by Idaho Code § 42-5233 and §43-704. Further, such assessments shall be priority liens against the land of the ground water users to which the water rights used to determine the assessments are appurtenant, which liens shall not be removed until the assessments are paid and are second only to liens for the payment of real property taxes, as provided for under Idaho Code § 42-5240 and § 43-706.

33. The estimated costs of the Projects and proposed indebtedness to be incurred will be allocated between the Districts in a fair and equitable manner as set for in **Exhibit B** attached. Assuming the full \$15 million is incurred for mitigation projects in the Hagerman area, **Exhibit B** also reflects: (a) each District’s share of the total cost; (b) each Districts the total cost per CFS; and, (c) the annual cost per CFS to the members of each District if the indebtedness is financed and amortized over 20 years at 4% interest. These costs per CFS are reflected separately for each District and for the members in the respective Districts.

34. The Board of Directors for each District have separately met and unanimously authorized and approved the completion of the Projects.

35. No referendum petition was filed requiring an election under I.C. § 42-5234 or §43-322A.

PRAYER FOR RELIEF

WHEREFORE, Petitioners request the following relief:

A. That the District Court examine this Petition and make a judicial determination confirming the power of the Districts acting through their respective Boards of Directors to incur the indebtedness of up to fifteen million dollars (\$15,000,000) to the Idaho Water Resource Board, Farm Credit Services or from commercial or other lenders in the form of revenue bonds, loans or other instruments of indebtedness as necessary to pay for present and future mitigation projects and acquisitions in the Hagerman area, to levy assessments against their members over a term not to exceed thirty (30) years sufficient to repay the principal and interest on the indebtedness which will become first priority liens against the land of their member groundwater users, second only to liens for the payment of real property taxes pursuant to Idaho Code § 42-5240 and §43-706 and to secure repayment of the proposed indebtedness.

B. That the District Court make a judicial determination that the Districts have authority to enter into such agreements, loans and to execute such documents as may be reasonable and necessary to carry out and implement the forgoing transactions.

C. That the District Court issue an order approving the *Notice of Petition and Hearing* and the complete service upon the members of the Districts by U.S. Mail, postage prepaid and by publication as required by law in each County where each District is located, in three (3) successive issues if published in a daily newspaper of general circulation, or by publication in one (1) issue if published in a weekly newspaper of general circulation, the first of which publications shall be at least fifteen (15) days before the date fixed for the hearing on the Petition in accordance with the requirements of Idaho Code §§ 42-5235 and 43-407

D. That this Petition be duly scheduled for hearing before the Court at a time and place certain, but not less than 15 days after the first publication and mailing of the notice.

E. For such other and further relief as the District Court deems just and equitable.

DATED this 16th day of April, 2015.

RACINE, OLSON, NYE, BUDGE
& BAILEY, CHARTERED

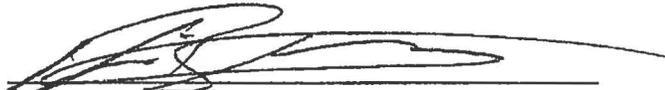
By: Randall C. Budge
RANDALL C. BUDGE

VERIFICATION

STATE OF IDAHO)
 ss:
County of Bannock)

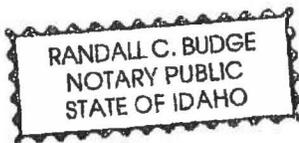
I, NICK BEHREND, being first duly sworn, upon oath, deposes and says that I am the Chairman of Aberdeen-American Falls Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

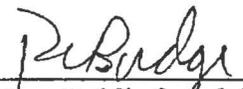
DATED this 14th day of April, 2015.



NICK BEHREND
Chairman
Aberdeen-American Falls Ground Water
District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.





Notary Public for Idaho
Residing at Pocatello, Id.
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of)

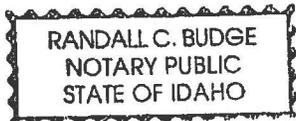
I, DEAN STEVENSON, being first duly sworn, upon oath, deposes and says that I am the Chairman of Magic Valley Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

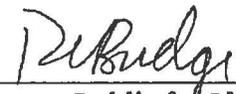
DATED this 14th day of April, 2015.



DEAN STEVENSON
Chairman
Magic Valley Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.





Notary Public for Idaho
Residing at Peckville, ID.
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of Bannock)

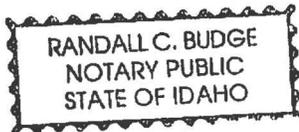
I, CRAIG EVANS, being first duly sworn, upon oath, deposes and says that I am the Chairman of Bingham Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

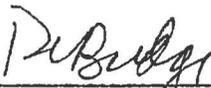
DATED this 14th day of April, 2015.



CRAIG EVANS
Chairman
Bingham Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.





Notary Public for Idaho
Residing at Paradise, ID
Commission Expires: 10/11/16

VERIFICATION

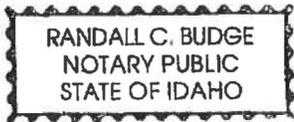
STATE OF IDAHO)
)
) ss:
)
County of Bannock)

I, JASON WEBSTER, being first duly sworn, upon oath, deposes and says that I am the Chairman of Madison Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 16th day of April, 2015.

Jason Webster
JASON WEBSTER
Chairman
Madison Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.



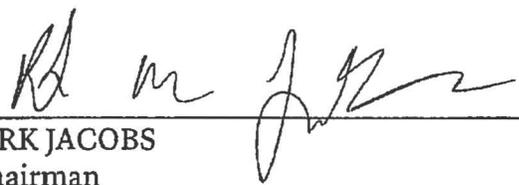
R. Budge
Notary Public for Idaho
Residing at Pocatello, ID.
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of Bannock)

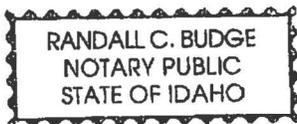
I, KIRK JACOBS, being first duly sworn, upon oath, deposes and says that I am the Chairman of Jefferson-Clark Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 14th day of April, 2015.



KIRK JACOBS
Chairman
Jefferson-Clark Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.





Notary Public for Idaho
Residing at Bozelle, ID.
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)

ss:

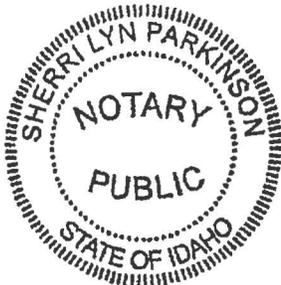
County of _____)

I, ~~DALE SWENSON~~ ^{Jeff Raybould}, being first duly sworn, upon oath, deposes and says that I am the Chairman of Fremont-Madison Irrigation District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 16 day of April, 2015.

Jeff Raybould
~~DALE SWENSON~~ Jeff Raybould
Chairman
Fremont-Madison Irrigation District

SUBSCRIBED AND SWORN TO before me this 16 day of April, 2015.



Sherrilyn Parkinson
Notary Public for Idaho
Residing at Rexburg Idaho
Commission Expires: 7/13/18

VERIFICATION

STATE OF IDAHO)
)
) ss:
County of Blaine)

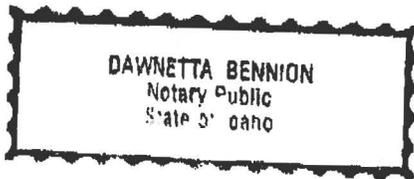
I, LETA HANSEN, being first duly sworn, upon oath, deposes and says that I am the Chairman of Carey Valley Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 15 day of April, 2015.

Leta Hansen

LETA HANSEN
Chairman
Carey Valley Ground Water District

SUBSCRIBED AND SWORN TO before me this ___ day of April, 2015.



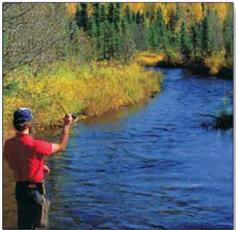
Dawnetta Bennion
Notary Public for Idaho
Residing at Blaine, Carey, ID
Commission Expires: April 15, 2021



Renewal of the Interim Ground Water
Rental Policy for the Wood River Valley
Board Meeting 7-15

Remington Buyer
Water Supply Bank Coordinator
September 18, 2015





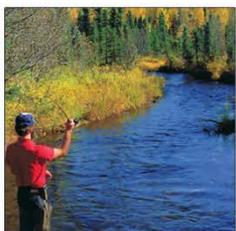
The Interim Ground Water Rental Policy for the Wood River Valley

Why an interim ground water rental policy was authorized

How the interim ground water rental policy has been implemented

What the impacts of the interim ground water rental policy have been

What changes to the interim policy are proposed for the Board's consideration



Why an Interim Ground Water Rental Policy was Implemented

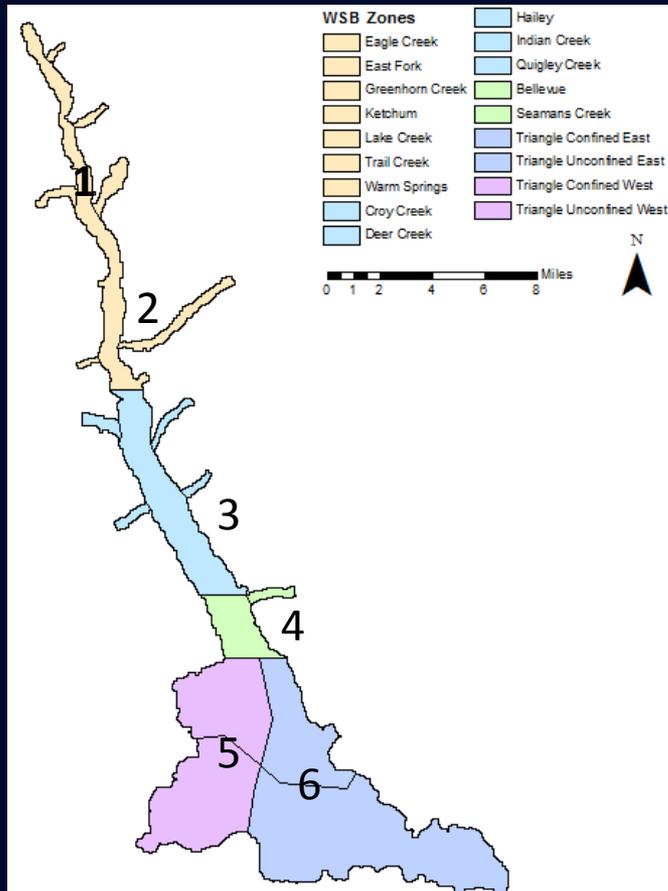
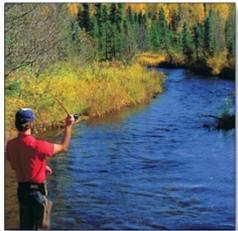
The Wood River Valley aquifer is highly transmissive and transfers (rentals) of ground water diversions can result in significant changes in the size, timing and location of depletions to the surface water of the Big Wood River

The Bank cannot authorize rentals that will cause injury

Increasing demand for rental water coupled with increasing competition for available water in the absence of a ground water model and formal guidance on its use by IDWR led the Bank to seek an interim policy

The IWRB authorized the Bank to implement an interim policy for one year, to sunset on January 23, 2016

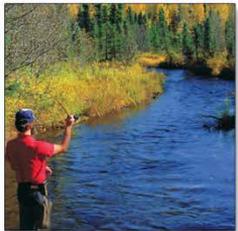
How the Interim Ground Water Rental Policy was Implemented



Six ground water rental zones were created with boundaries drawn at the location of significant surface water diversions

Stream depletion analyses are required when rentals propose moving across the boundaries of a zone

Rentals are subordinated to the IWRB's MSF rights if moving across a zone, upstream, or into the river zone (100 feet from the Big Wood River or major tributaries)



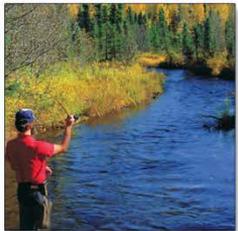
What Were the Impacts of the Interim Ground Water Rental Policy

The Wood River Valley remained one of the most active rental areas in 2015

Bank staff were able to efficiently process rentals and ground water rentals were largely restricted to the six zones

IDWR staff were provided with additional time and data, which has been utilized to consider how the interim policy can be improved

The interim ground water rental policy proved beneficial for water users and Bank staff, and an improved version is proposed for consideration by the Board



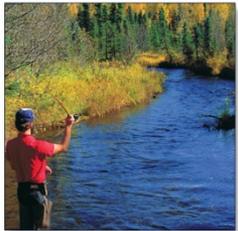
Renewal of the Interim Ground Water Rental Policy

Through recent consultation with water users and stakeholders, the Bank has learned that the interim ground water policy could be improved in the following ways:

- Providing a decision-matrix to more clearly explain the evaluation process for ground water rental requests,
- Confirming if, when and how mitigation may be required through evaluation of ground water modeling,
- Allowing for multiple year rentals under the interim policy

Subject to consideration of the changes proposed above, the Bank is seeking from the IWRB a reauthorization of the interim policy for an additional year.

Interim Ground Water Rental Policy for the Wood River Valley



Memorandum



To: Idaho Water Resource Board
From: Remington Buyer, Water Supply Bank Coordinator
Date: September 18, 2015
Re: Summary of Water Supply Bank Committee Meeting 2-1, August 21, 2015

Action Item: No action is required by the Board

The Water Supply Bank and Mitigation Bank Subcommittee convened at the Department of Water Resources in Boise on August 21, 2015. The following is a summary of items discussed by the Committee:

1) Indefinite Leases

Water Supply Bank Coordinator Remington Buyer informed the Committee that Bank staff has concluded its review of all indefinite water rights leases. 204 water rights are leased indefinitely to the Bank. These rights are held by 101 individuals. The Committee was informed that the Bank would begin contacting all right holders in September, provide them with the opportunity to remain in the Bank and have their lease contracts updated for free, for a term of up to five years. Once all lessors have been contacted, the Bank will present a resolution for consideration of the Board, to release all remaining indefinite leases.

2) Selection of a contractor to develop software for the Water Supply Bank

The Water Supply Bank has concluded its review of contractors who responded to the Bank's request for qualifications (RFQ), to provide software architecting and software engineering services in order to develop a database software solution for the Water Supply Bank. The RFQ was issued as a project service order (PSO) through the Idaho Department of Administration, Purchasing Division. Fourteen firms were provided with an opportunity to bid on the project and ten firms responded. Three firms were interviewed by a Departmental review committee and Resource Data, INC (RDI), an Alaskan firm with a branch office in Boise, was selected to provide software development services. The Bank is currently working to conclude the contracting process through the Department of Administration and software development work is scheduled to commence in October with Water Supply Bank Coordinator Remington Buyer serving as the Project Coordinator.

To ensure successful completion of all software development work, the Department has issued a second PSO through the Department of Administration, to contract for software development business analysis and project management services, to assist Mr. Buyer in his capacity as software development Project Coordinator. The second PSO is scheduled to conclude in September, with software development business analysis and project management support services coming online concurrent with the kick off of the software development schedule in October.

3) A review of the Wood River Valley interim ground water rental policy and call for renewal

The Committee heard a presentation regarding the efficacy of the ground water rental policy during 2015 and the Committee was called upon to recommend a renewal of the policy for 2016. The Committee did recommend that the Board consider a one year renewal of the policy for 2016. The Board will receive a presentation from the Water Supply Bank Coordinator explaining the efficacy of the ground water rental policy in 2015, as well as the proposed renewal of an updated version of the interim policy in 2016.

4) Prioritization of rental requests by Ground Water Districts during 2016

The Committee was briefed on matters related to ground water rental requests submitted to the Bank by Ground Water Districts on the Eastern Snake Plain Aquifer. The Bank has some rental requests pending for 2016 that have been submitted by Ground Water Districts and the Bank anticipates more rental requests will be received from Ground Water Districts prior to November 1, 2016.

The Bank sought procedural guidance from the Committee regarding whether rental requests from Ground Water Districts should be prioritized for consideration over competing rental requests from other water users. The Committee did not direct the Bank to prioritize rental requests from Ground Water Districts.

5) Adjustments proposed to current rental administrative procedures

The Committee heard a proposal from the Water Supply Bank Coordinator regarding the allowing for floating rental rates in the Wood River Valley, allowing for silent bidding on rental requests, and the consideration of a rental application filing fee and expedited rental application processing fee.

The Bank proposed that the Committee consider recommending to the Board a one year trial of a floating rental rate for water rights in the Wood River Valley, to incent water right holders to bring additional water supplies to the Bank, as well as to enable better discovery of market prices and price sensitivity amongst water users in the valley. The Committee held that there was merit to both allowing a floating rental rate as well as undertaking actions to enable active price discovery for rental water in the valley, however the Committee remanded the issue back to the Water Supply Bank Coordinator, in order that he might provide additional information to the Committee at a future meeting, regarding the imperative and value of allowing such novel water pricing activities in Basin 37.

The Committee also heard a presentation from the Coordinator regarding a proposed update to the rental application form that would allow rental applicants to submit silent bids for water rights. The value of silent bidding is that it voluntarily allows competing rental applicants to signal their interest in a specific water right, which allows the Bank an efficient method of selecting a winning applicant when multiple applicants request the same water right at the same time. Similar to the variable rental rate for water in Basin 37, the Committee tabled the issue of allowing silent bidding on rental applications and asked that the Coordinator provide the Committee with information at subsequent Committee meetings, regarding whether competitive rental requests occur in 2016, and how the Bank is able to address such competitive requests.

Finally, the Committee heard a proposal from the Water Supply Bank Coordinator to begin active listening sessions and public outreach during winter and spring 2016, to obtain public feedback on whether there is support to institute a rental application filing fee of \$250, as well as whether there is additional support for a value added surcharge, for expedited processing of rental applications. The Bank brought the issue of a rental application fee before the Committee because approximately one third of all rental requests approved by the Bank result in the collection of less than \$250, which is the break even fee for processing rental requests. A rental application filing fee could help address this revenue shortfall. The Committee also discussed an expedited processing fee for rental applications because the issue has been brought up recently by members of the public. The Committee discussed both considerations, however they also remanded the issue back to the Water Supply Bank Coordinator, so that additional information might be gathered and presented for consideration by the Committee prior to any recommendations coming before the Board.

Memorandum



To: Idaho Water Resource Board
From: Remington Buyer, Water Supply Bank Coordinator
Date: September 18, 2015
Re: Renewal of Water Supply Bank Interim Ground Water Rental Policy for the Wood River Valley

Action Item: The IWRB may approve by resolution a one year renewal of the interim policy

The Idaho Water Resource Board authorized the Water Supply Bank to implement a temporary ground water rental policy in the Wood River Valley during calendar year 2015. The policy has benefited both Wood River Valley water users and the Water Supply Bank by clarifying what review procedures are to be implemented when considering ground water rental requests from Wood River Valley water users.

The key concepts of the current interim ground water rental policy are:

- All ground water rental agreements are limited to duration of one year because the policy has only been approved for one year, and it is set to sunset on January 23, 2016;
- All ground water rentals that seek to move a water right a distance of more than 657 feet (200m) from the original lease location are subject to the ground water rental policy;
- The policy demarcates the Wood River Valley into six ground water rental zones, with the zone boundaries falling where major surface water diversions pull water from the Big Wood River, or where ground water flows in the Bellevue Triangle are divided between the Big Wood River and Silver Creek;
- The Bank seeks to constrain the movement of lease and rental water rights to within zones and to discourage the movement of water rights across zone boundaries;
 - Where a lease and rental water right are located within the same zone, ground water modeling is not mandatory and standard rental review procedures are possible; but,
 - Where a lease and rental water right are located in different zones, ground water modeling is required and the rental may be subordinated to the Board's minimum stream flow water rights if the rental is moving north, up gradient, across a zone, or across the River Zone boundary, to within 100 feet of the Big Wood River;

A copy of the 2015 public service announcement regarding the policy is provided for reference.

The Bank sought authorization from the Board to implement the interim policy, in part, because the Board holds minimum stream flow water rights on the Big Wood River and Silver Creek and the policy can help protect against injury to the Board's minimum stream flow water rights. The Bank also sought authorization to implement this policy because, though the Department is actively working to conclude development of a ground water model for the Wood River Valley, future updates to ground water transfer policies in the Wood River Valley are not expected to be issued by the Department until well after the model is concluded.

As such, by clarifying restrictions on the movement of ground water rights in the Valley, the interim policy balances the Bank's desire to protect the Board's minimum stream flow water rights (and the water rights of other surface water appropriators) while simultaneously, permitting active rental of ground water rights in the Valley.

It is not expected that the Department will conclude work on the model and use it to craft a formal policy on ground water transfers in the Wood River Valley, prior to the sunset of the interim policy, on January 23, 2016. Additionally, the Water Supply Bank will begin approving 2016 ground water rental requests, beginning November 1, 2015, and unnecessary confusion and uncertainty might arise if the interim ground water rental policy were to expire in January, after numerous rental requests for 2016 were already approved. As such, to provide certainty to water users and renters, it would benefit the Water Supply Bank to renew the interim ground water rental policy for an additional year, to sunset on December 31, 2016.

The Water Supply Bank has conducted outreach to inform Wood River Valley water users and stakeholders of our desire to renew the interim policy for an additional year. Feedback received through outreach has revealed that water users approve of a renewal of the policy, particularly if it will provide greater certainty regarding how ground water rental requests will be administered. To improve certainty and understanding of how the interim policy will be administered, water users have requested that the Bank develop a more detailed flow chart to explain decision making regarding rentals, and that additional information be provided regarding how the Bank might establish injury through a review of ground water modeling and/or stream depletion analysis data, as well as how mitigation might be applied if and when stream depletion analyses and modeling reveal injury is occurring.

The Bank has created a decision making flow chart to explain the application of the interim policy. A copy of the decision making flow chart is provided for reference. The Bank has also sought clarification from the Department regarding what rental factors might constitute injury. The Department's position is that injury is occurring when a ground water rental causes depletions to surface water from within a zone that are in excess of any surface waters accretions from the same zone, attributable to leased water rights being rented. The Department's position is that no injury is permissible for ground water rentals under the interim policy; if ground water rentals cause depletions to surface waters within a zone, and such depletions are greater than accretions to surface waters from the same zone (attributable to any leased water rights being rented), than the rental is not permissible unless depletions are mitigated through the rental of additional water rights. Injurious rentals can be mitigated if additional water rights are rented such that the volume or flow from the additional rentals offsets depletions to surface water up gradient, or within the same zone as the rental.

The Water Supply Bank Committee met on August 21, 2015 to consider a renewal of the interim rental policy. The Committee recommended that the full Water Resources Board consider a one year renewal of the interim policy, conditional upon the Department providing greater clarity regarding how mitigation might be established under a rental, as well as the inclusion of additional language on the rental review flow chart, to improve public understanding of the rental review process. These conditional items have been addressed and are included in the interim policy proposed for renewal today by the Board. The Water Supply Bank Coordinator, Remington Buyer, will provide a brief presentation for the Board regarding the renewal of the updated, interim ground water rental policy. The Board may by resolution authorize a one year renewal of the policy, to sunset on December 31, 2016.



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

1/29/2015

RE: Water Supply Bank Interim Ground Water Rental Policy for the Wood River Valley

The surface and ground waters of the Big Wood River drainage are interconnected and diversions of ground water from wells can deplete the surface water flow in streams and rivers. Wood River Valley water users can be injured if Water Supply Bank rentals authorize ground water pumping that in turn causes extended depletions of the Big Wood River. To protect prior appropriators in the Wood River Valley while simultaneously ensuring efficient operation of the Water Supply Bank, the Idaho Water Resource Board (IWRB) has approved a temporary ground water rental policy for the Water Supply Bank (Bank) in the Wood River Valley.

The IWRB authorized an interim ground water rental policy for the Wood River Valley on January 23, 2015. The interim ground water rental policy is applied solely to ground water rental requests and does not pertain to rentals of surface water or rentals that propose to change a water source between surface and ground water. The interim policy is in effect until January 23, 2016.

The interim ground water rental policy establishes a safe distance within which all ground water rental requests can be considered and it creates six ground water transaction zones to guide how the Water Supply Bank can process all other rental requests.

The Water Supply Bank considers that where a point of diversion for a ground water rental request is equal to or less than 657 feet (200 meters) from a point of diversion for a water right leased to the Water Supply Bank, diversions of ground water from both the lease and the rental points of diversion will be similar. Therefore, subject to standard rental review procedures, all requests can be accepted where a rental of water is less than 657 feet from the original (leased) point of diversion.

Additionally, the Water Supply Bank accepts that impacts to surface and ground water resources caused by ground water pumping can be significantly limited and restrained if ground water pumping is restricted to specific areas or transaction zones. Under this interim ground water rental policy, when a point of diversion for a leased right and the point of diversion for a rental request are both found within the same transaction zone, the Bank will not require any additional information to accept and review the rental request. Subject to standard rental review procedures, the Bank may approve rental requests where the lease and rental points of diversion occur within the same transaction zone.

When the distance between the points of diversion for a leased right and a rental request is more than 657 feet, and when such a request seeks to rent ground water from a well that is located in a different zone than that in which a leased water right is located, the Bank requires that a stream depletion analysis or a ground water impact analysis be submitted with the rental request. If the results of a stream depletion or ground water impact analysis indicate that the rental would cause a larger depletion of water resources than that which would normally occur by diversion of water under the leased water right, mitigation may be required to offset the impacts of the rental. Additionally, if a request is made to rent a water right across a transaction zone, up gradient of the original location of the leased right, or a request is made to rent water across a zone, within one hundred feet of the Big Wood River (or a major tributary), the approval of any such rental may be subject to curtailment once the minimum stream flow of the Big Wood River is not being satisfied.

Wood River Valley Transaction Zones

This interim ground water rental policy delineates the Wood River aquifer into six zones:

- 1) The River Zone,
- 2) The Ketchum Zone,
- 3) The Hailey Zone,
- 4) The Bellevue Zone,
- 5) The Eastern Triangle Zone, and
- 6) The Western Triangle Zone

The river zone is a two hundred foot wide buffering of the Big Wood River and the major tributaries of Croy Creek, Deer Creek, East Fork, Trail Creek and Warm Springs Creek. Due to the direct and immediate connection between surface and ground waters within this two hundred foot wide river zone, all ground water pumping within the river zone will have a direct and immediate impact on surface water resources. No stream depletion analysis is required for rentals within the river zone, however all ground water rentals within this zone should be satisfied by ground water rights that are leased into the Bank from within this zone. All rentals of ground water within the river zone may be subject curtailment once the minimum stream flows of the Big Wood River are not being met.

The Ketchum zone covers all ground water rights located north of the point of diversion for the Hiawatha Canal (effectively the intersection of Highway 75 and Ohio Gulch Road). All ground water points of diversion north of Hiawatha Canal and not within the 200 foot wide river zone are part of the Ketchum Zone. The Ketchum zone includes all northern tributary valleys for the Big Wood River including Eagle Creek, East Fork, Greenhorn Creek, Lake Creek, Trail Creek and Warm Springs Creek. No stream depletion analyses are required for ground water to ground water rental requests that both originate (are leased) from and are satisfied (rented) within this zone. All rental requests remain subject to standard rental review procedures to guard against injury and enlargement of water use.

The Hailey zone covers all ground water points of diversion south of the Ketchum zone, outside the river zone and north of the point of diversion for the Irrigation District #45 Bellevue Canal. The Hailey zone extends to all central tributaries of the Big Wood River including Croy Creek, Deer Creek, Indian Creek and Quigley Creek. No stream depletion analyses are required for ground water to ground water rental requests that both originate from and are satisfied within this zone and rental requests remain subject to standard rental review procedures to guard against injury and enlargement of water use.

The Bellevue zone extends from the Hailey zone to the point of diversion for the Bypass Canal (effectively Glendale Road) and includes all ground water points of diversion tributary to Seaman's Creek/Muldoon Canyon. No stream depletion analyses are required for ground water to ground water rental requests that both originate from and are satisfied within this zone and rental requests remain subject to standard rental review procedures to guard against injury and enlargement of water use.

The final two zones cover the western and eastern halves of the confined and unconfined aquifers of the Bellevue triangle. Ground water in the western half of the triangle is hydraulically connected to surface water flowing to the Big Wood River while eastern ground waters flow into Silver Creek and the Little Wood River. The two zones correspond roughly to all lands east and west of Kingsbury Lane. No stream depletion analyses or ground water impact analyses are required for ground water to ground water rental requests that both originate from and are satisfied within a zone and rental requests remain subject to standard rental review procedures to guard against injury and enlargement of water use.

For reference, a map of the rental transaction zones is provided in Figure 1, and detailed cross sections of the zone transitions is provided in Figures 2-4.

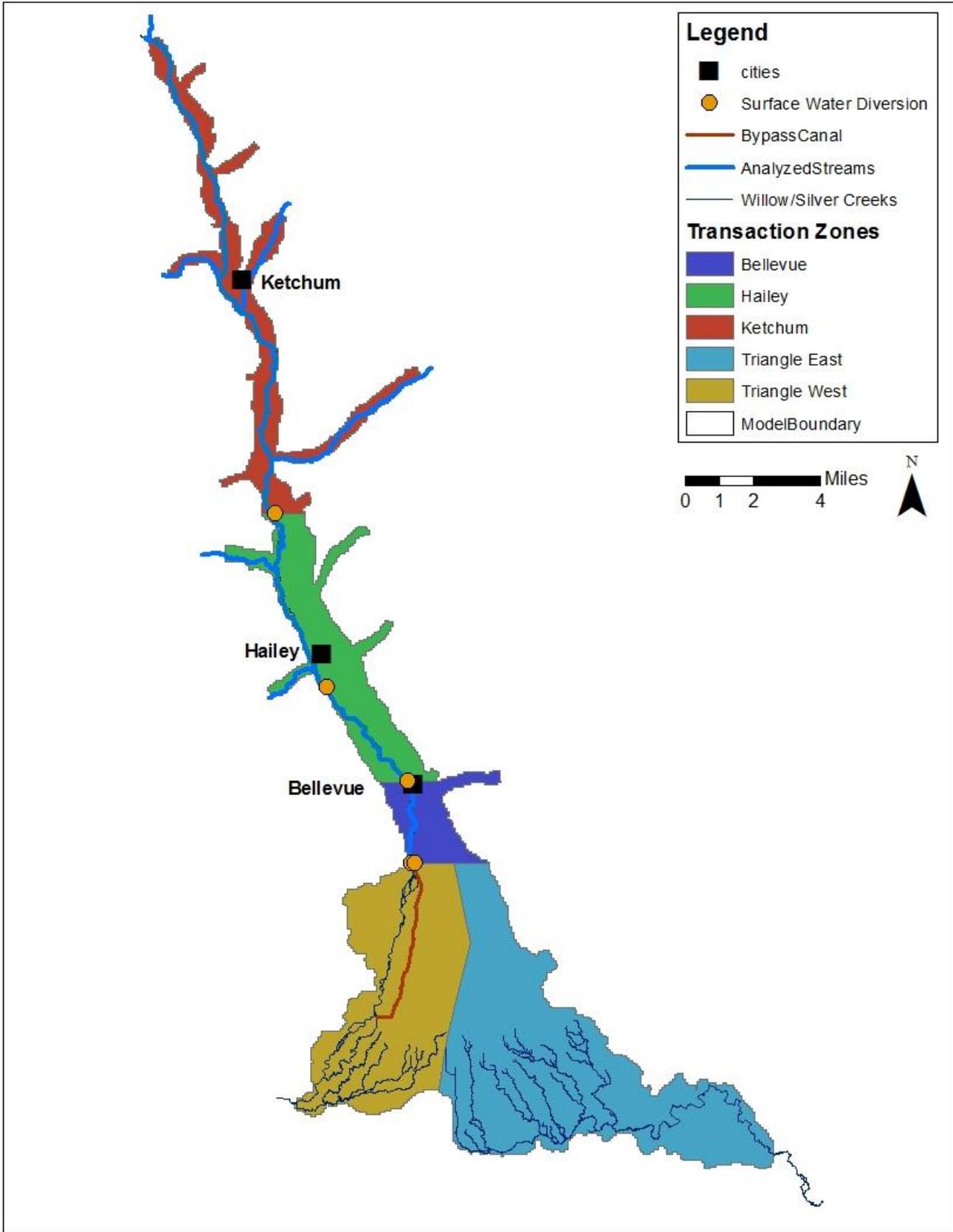


Figure 1. Map of the Water Supply Bank Transaction Zones within the Wood River Valley

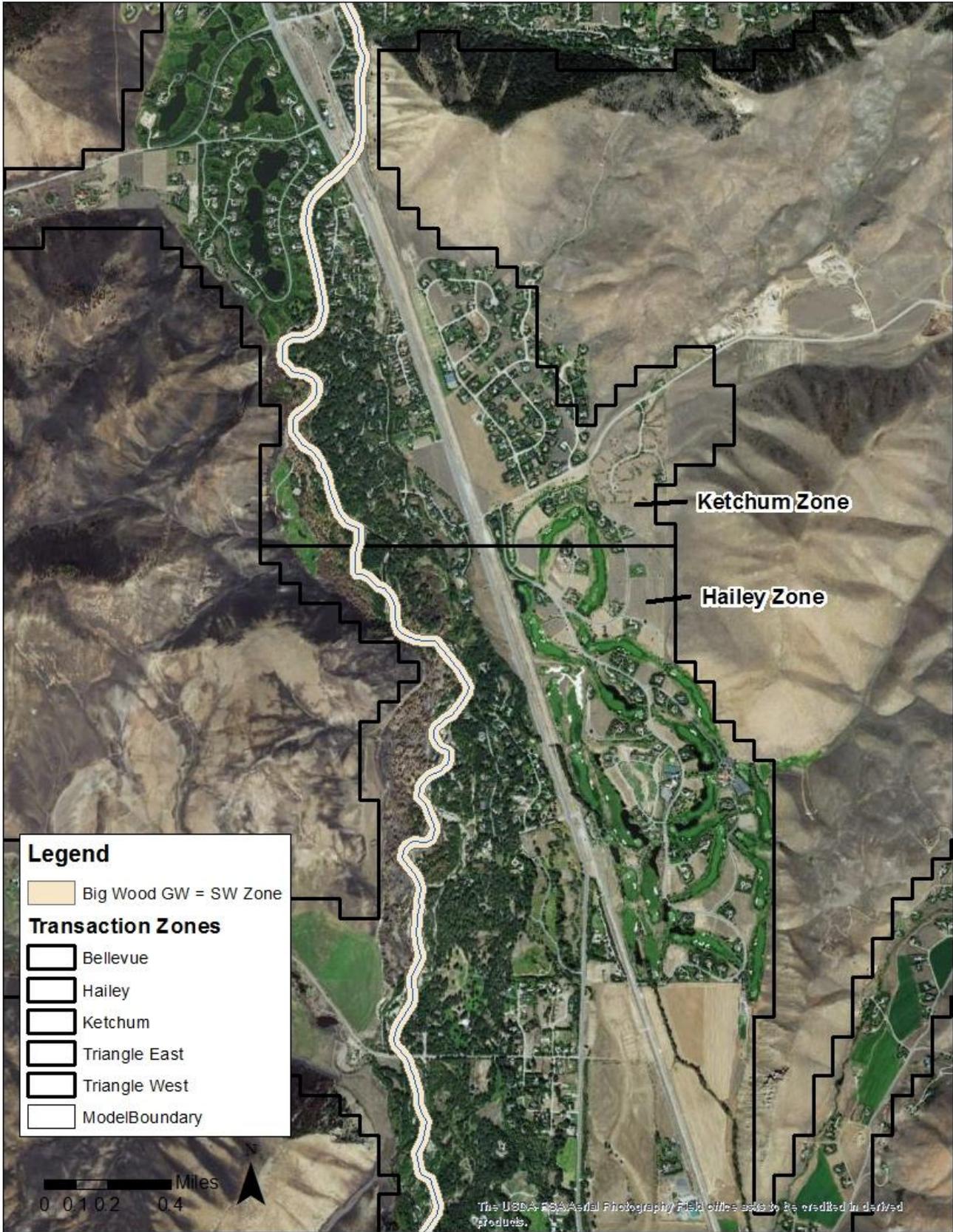


Figure 2. Transition between the Ketchum and Hailey Zones

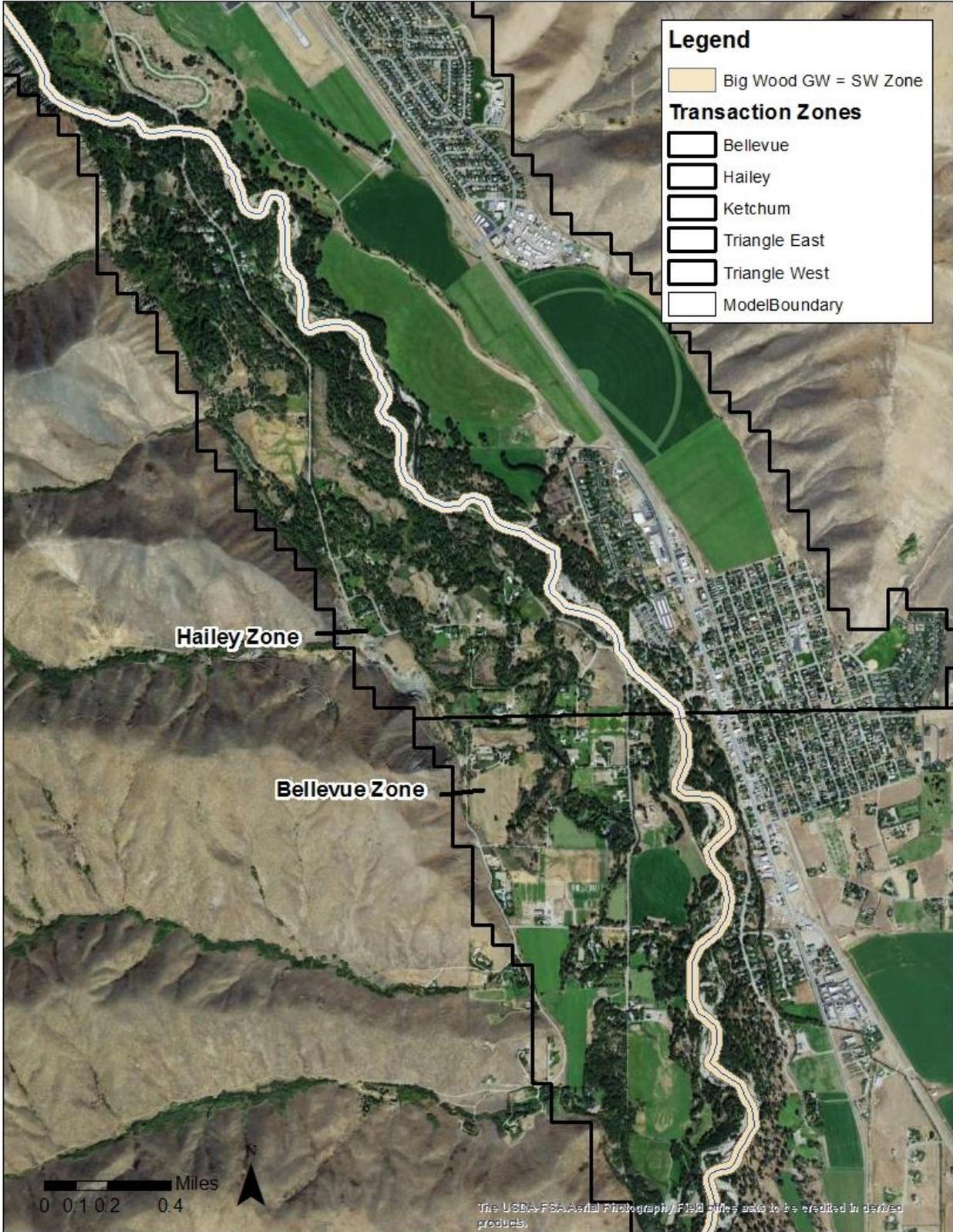


Figure 3. Transition between the Hailey and Bellevue Zones

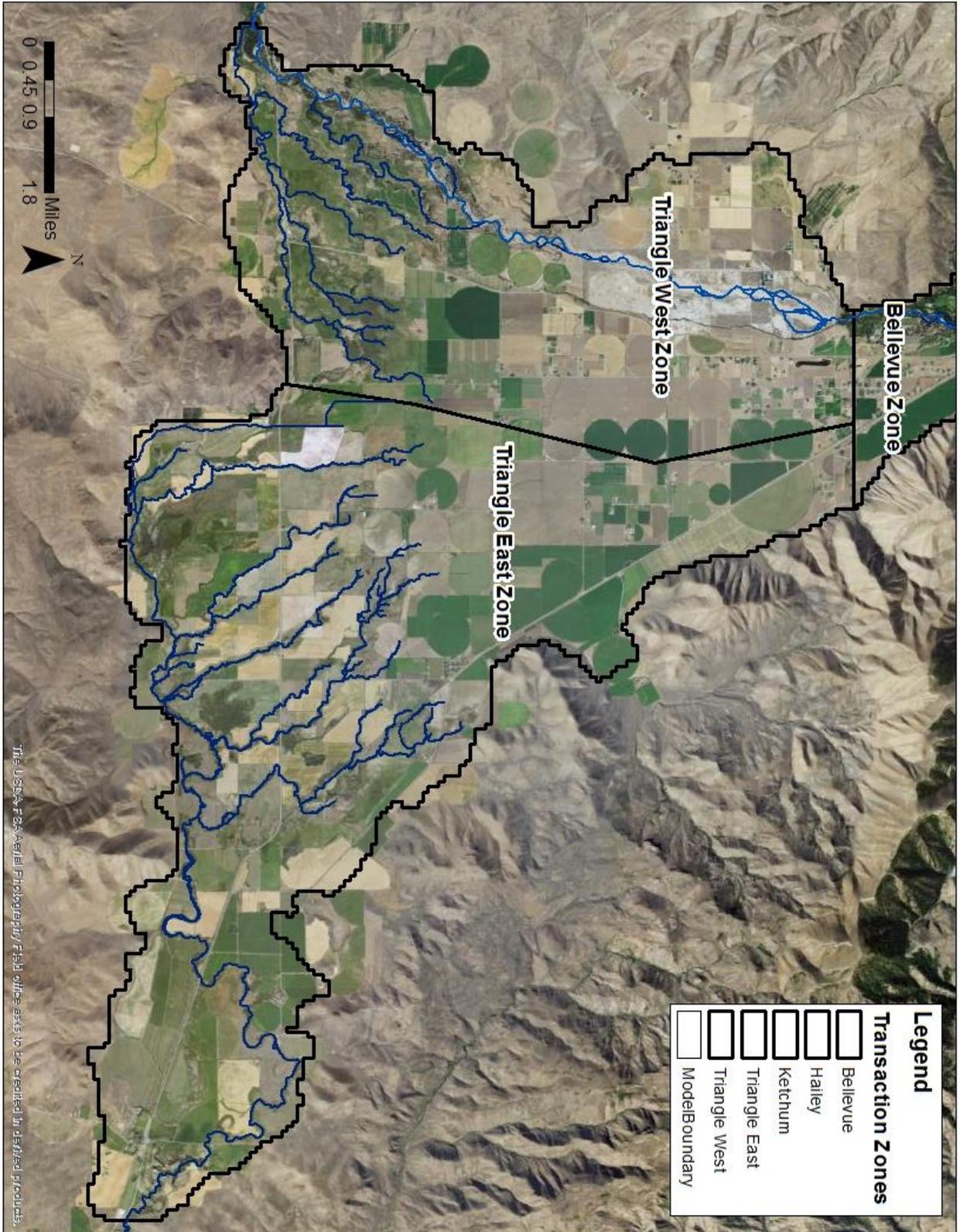


Figure 4. Transition between the Bellevue and Triangle Zones

Supplemental Impact Analyses for Cross-Zone Rental Transactions

Rental requests that both originate from and are satisfied within a transaction zone need not submit any additional information supplemental to the rental application form however where a rental request is located further than 657 feet from a point of diversion for a leased water right, and the rental seeks to pull the water right across the boundaries of a transaction zone, such proposals will require a stream depletion analysis and/or ground water impact analysis supplemental to the standard rental application.

Stream depletion analyses are required for all cross-boundary rental requests within the River, Ketchum, Hailey or Bellevue zones, whereas a Theis ground water impact analysis should be submitted with all cross boundary ground water rental requests in the Bellevue Triangle. Where the results of a stream depletion or Theis ground water impact analysis indicate that a ground water rental may cause a significantly larger depletion of water than what would regularly occur under the right leased to the Bank, mitigation may be required. The Water Supply Bank will consider all stream depletion and Theis ground water impact analyses to advise rental applicants on whether mitigation will be required.

The type of stream depletion analysis submitted for a cross-zone rental request is to the discretion of the applicant however the Water Supply Bank can expedite processing of all rental request that submit stream depletion analyses using the Alluvial Water Accounting System (AWAS) which is free software available from Colorado State University at: <http://www.ids.colostate.edu/projects.php?project=awas/awas.html>.

Information on how to use AWAS, including a user guide and quick tutorial, are available through the website above however the following information may be of assistance to rental applicants seeking to utilize AWAS to complete a cross-zone stream depletion analysis:

Start by selecting **new IDS (modified)** under the file menu to begin your modeling. Use **Year Type: Calendar** and **Time Scale: Days** or **Months** with the starting year and the ending year corresponding to the starting year of the rental request and ending year being the year following the final year of the rental request. In the initial screen (**Input**) click **New Well** twice, once to model the ground water point(s) of diversion for the leased water right being rented, and once to model the point(s) of diversion being utilized for the rental request. If multiple ground water rights are being rented to satisfy a single rental, multiple wells should be modeled.

The **Well Name** can be set as the water right being rented (for the leased right) and the renter's name for the rental point of diversion. **Type** should be set to **Recharge** for the leased right and **Irrigation** for the rental site. The aquifer **Boundary Condition** should be set to **Alluvial Aquifer** for both wells. The **W (Feet)** field should be populated with the linear distance (measured in feet) from the model boundary to the Big Wood River (or major tributary being modeled) at the location of the lease or the rental, while the **X (Feet)** field should be populated with the linear distance between the lease/rental points of diversion and the Big Wood River (or major tributary). The **Transmissivity (GPD/FT)** value may be ascertained by referencing the map in Figure 5, selecting a value between the minimum and maximum values of the corresponding color ramp, and multiplying the value by 7.48 to convert from feet/day to gallons/day. For applicants that have access to geographic information systems, GIS raster and spatial data can be downloaded from IDWR's website. **Specific Yield** should be set as 0.20 while **Show in Output** should be checked and **Use Partial Stream** should not be checked.

For the leased water right being rented, the radio button selection should be left as **Recharge** and the daily (or monthly) acre foot amounts can be populated by calculating the total acre foot volume of water available to be rented, divided by the total number of season of use days (or months) authorized by the water right. Similarly, the rental radio button should be left as **Consumptive Use** and daily or monthly acre-foot volumes should be populated based on the total intended rental volume, divided by the days or months of the intended season of use. **Run Start:** should be left as **Jan year one** to **year two** and the box should be checked for **Ignore pumping/recharge after: Dec year one**.

Examples of model inputs are provided in Figures 6 and 7.

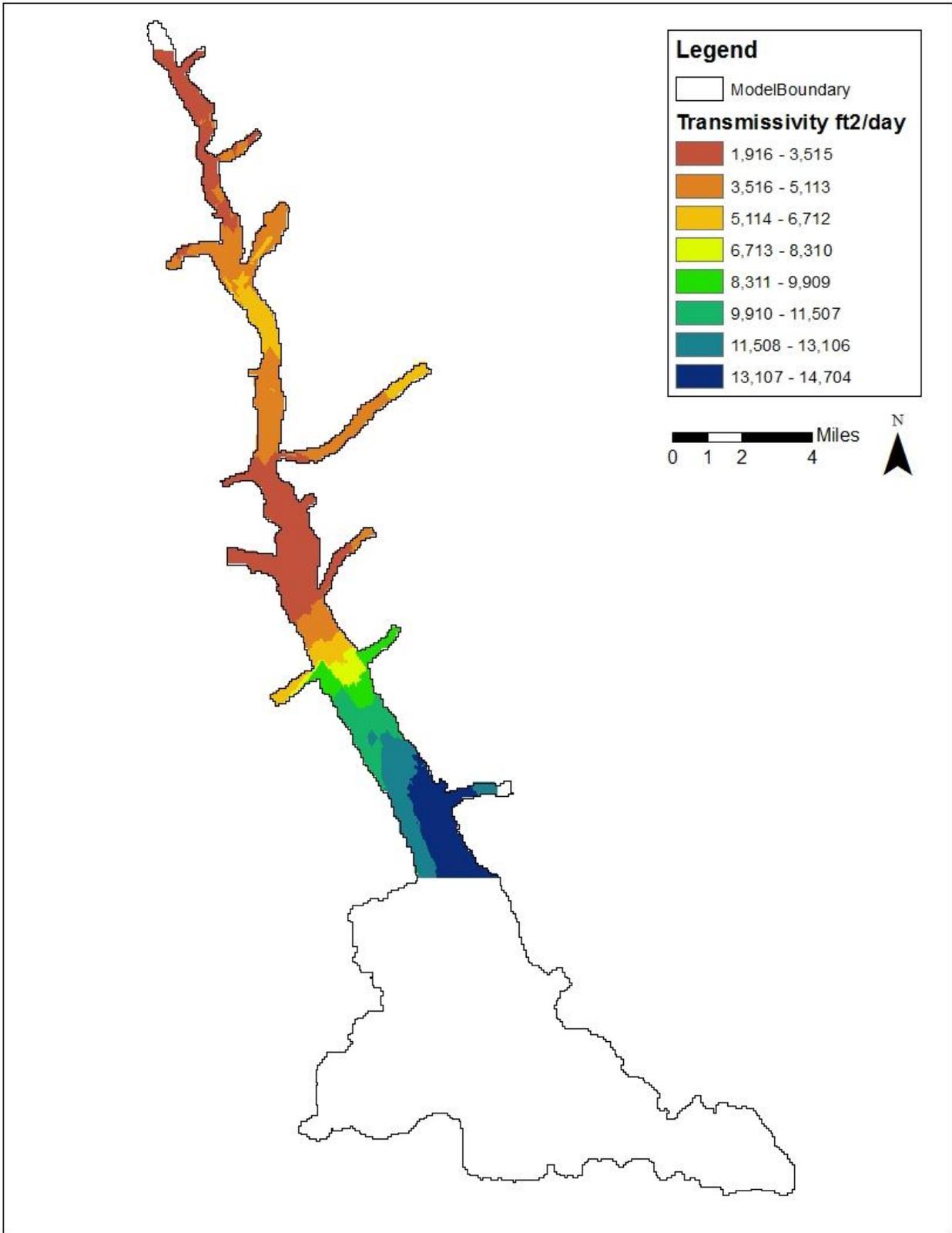


Figure 5. Transmissivity ratings for the Wood River Valley
This map models the speed of ground water movement through the Wood River Valley aquifer.

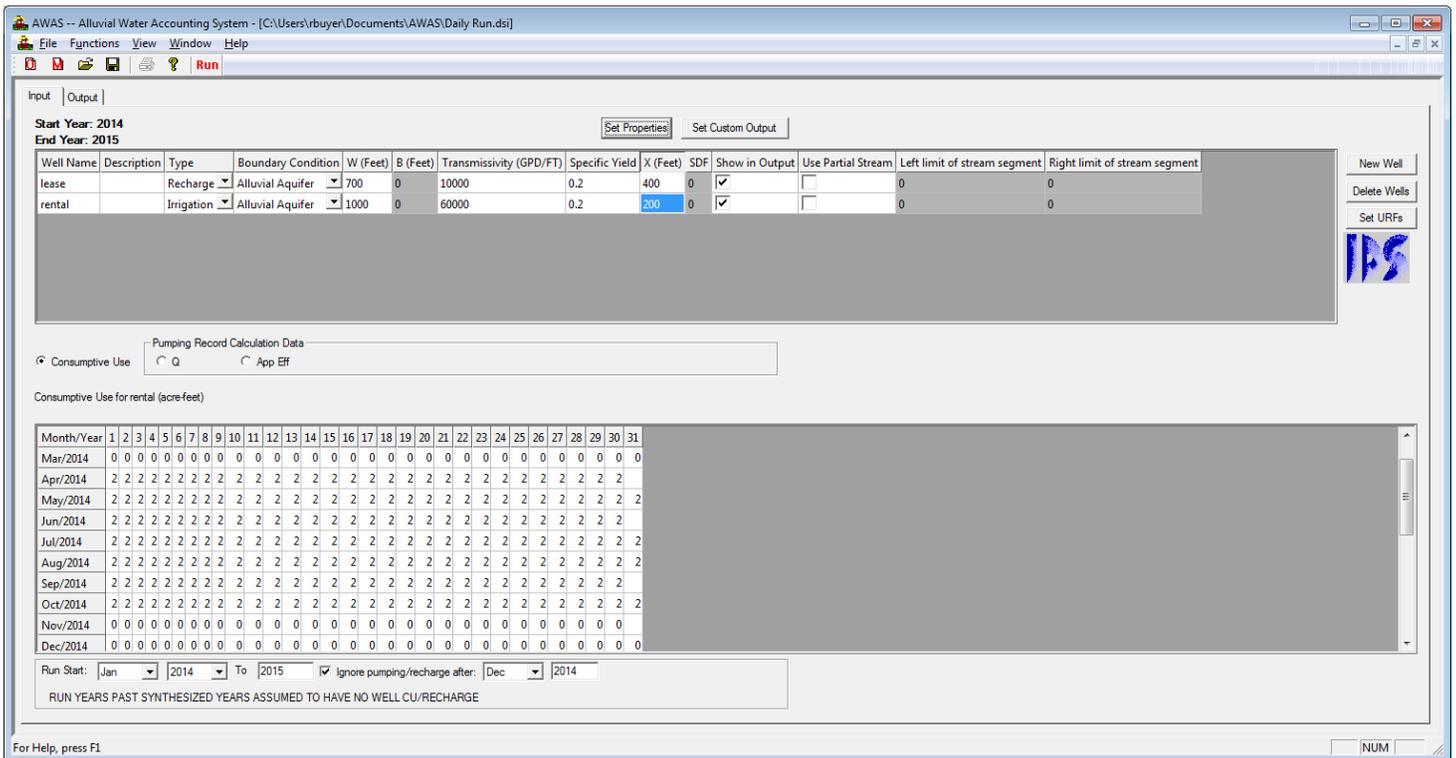


Figure 6. Daily Inputs

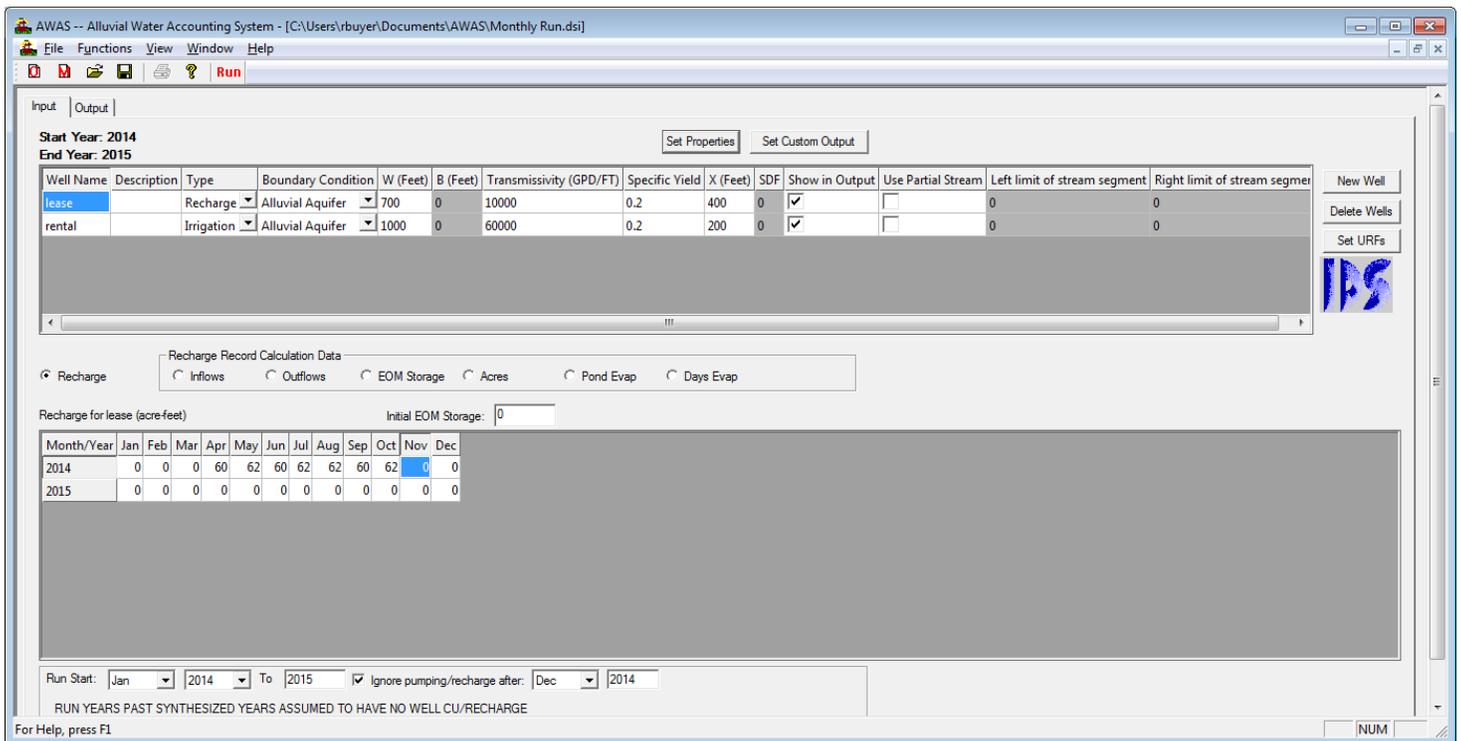


Figure 7. Monthly Inputs

Once all inputs are completed, the red **Run** button can be clicked. The **Net Impact on Stream** results for all rental years should be selected, and the scale should be set to Daily if such results have been modeled. A screen shot of the model results can be printed, or a printout of the model results printed from Excel is possible if the **Export Open in Excel** is selected under **Display Options**.

See Figure 8 for an example of the outputs of a model run.

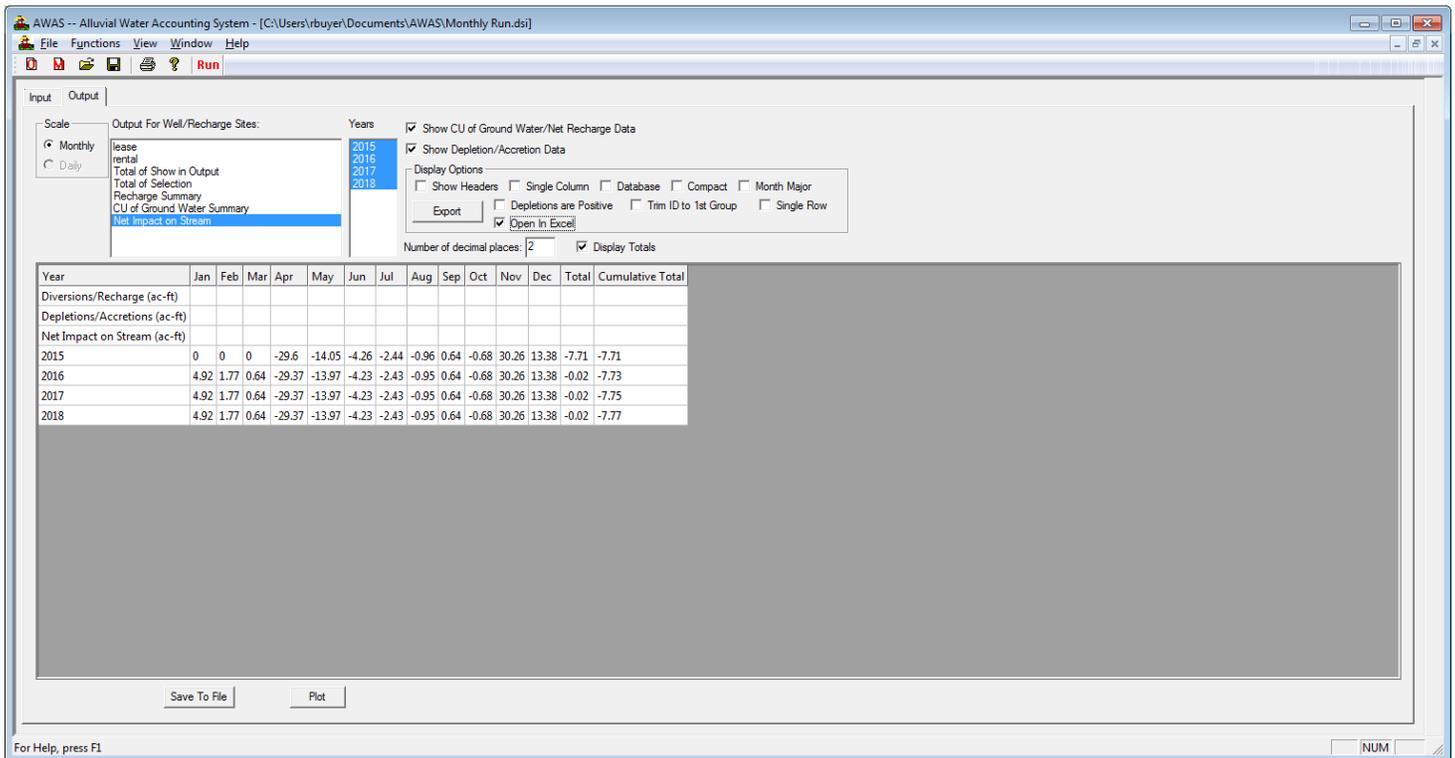


Figure 8. AWAS Model Outputs

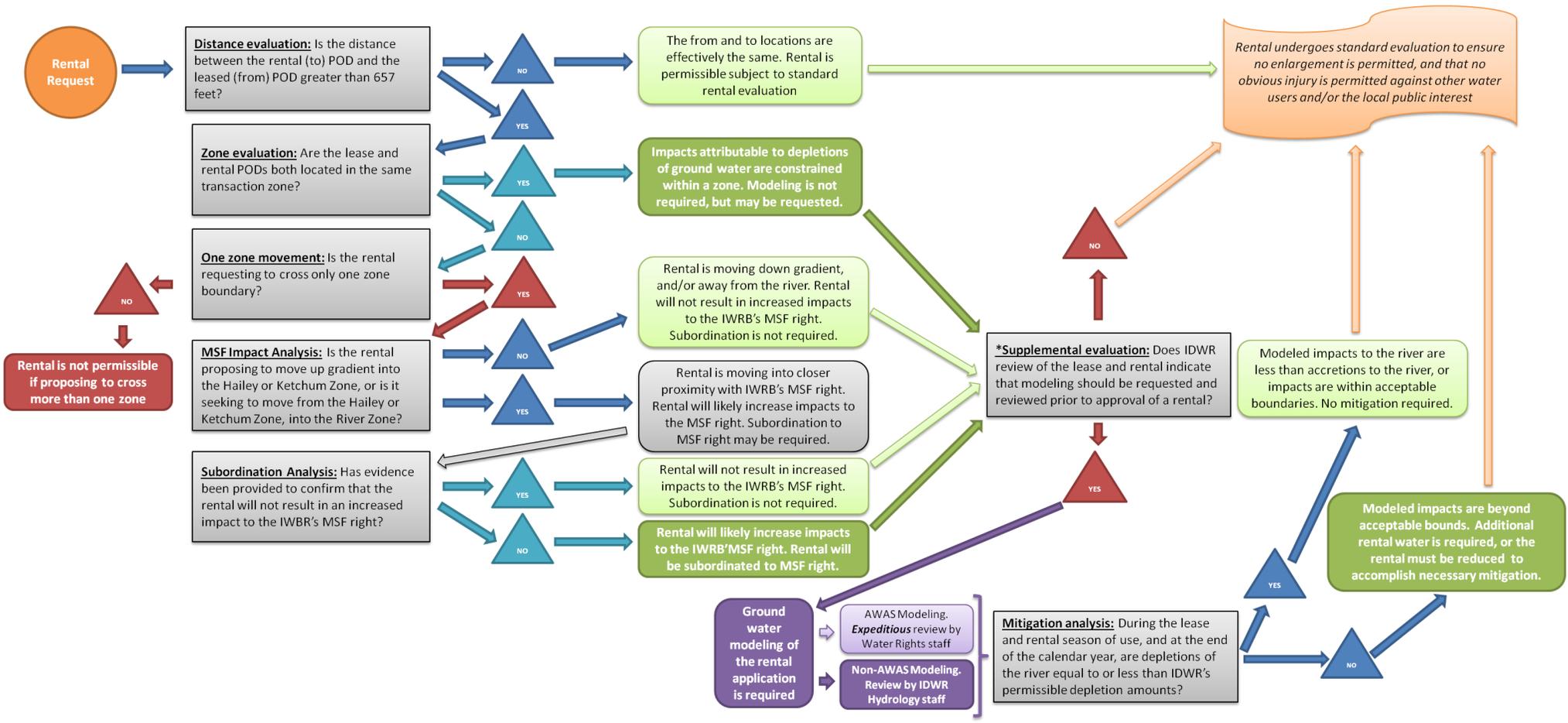
For rental requests that seek to rent ground water rights across zones within the Bellevue Triangle, a Theis ground water impact analysis should be conducted. The Department of Water Resources is currently working on guidance that can be made available on how to complete a Theis analysis in the triangle. Any water users intending to submit a cross-zone rental request in the triangle can contact the Department for information on how they might complete a Theis analysis.

Additional Information on the Interim Ground Water Rental Policy

The Water Supply Bank has implemented this temporary ground water rental policy to ensure optimal administration of ground water rental requests in the Wood River Valley while the Idaho Department of Water Resources and the US Geological Survey continue to work toward completion of a hydrologic model of the Wood River Valley. The Water Supply Bank anticipates an Idaho Department of Water Resources directive on transfers of ground water rights in the Wood River Valley once the Wood River Valley model has been completed, tested and approved for use in modeling ground water transfers.

In light of future IDWR policy pertaining to ground water transfers, this interim ground water rental policy has been approved for one year and will sunset on January 23, 2016. All ground water rental requests approved pursuant to this interim policy are therefore only in effect for one year as well. The Water Supply Bank will closely monitor the efficacy of the interim ground water rental policy during 2015 and welcomes public comment on the new approach to administer ground water in the Wood River Valley. Public comments can be sent to:

Remington Buyer
 Water Supply Bank Coordinator
 (208) 287-4918
remington.buyer@idwr.idaho.gov



BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF RENEWING)
AN INTERIM GROUND WATER)
RENTAL POLICY FOR THE WOOD)
RIVER VALLEY DURING)
CALENDAR YEAR 2016)

WHEREAS, section 42-1761, Idaho Code provides that the Idaho Water Resource Board shall have the duty of operating a Water Supply Bank; and

WHEREAS, section 42-1762, Idaho Code provides that the Idaho Water Resource Board shall adopt rules and regulations governing the management, control, delivery and use and distribution of water to and from the Water Supply Bank; and

WHEREAS, the Idaho Water Resource Board has authorized the Water Supply Bank to implement an interim ground water rental management policy in the Wood River during calendar year 2015, to facilitate efficient administration of ground water rental requests while the Department of Water Resources concludes work on a ground water model for the Wood River Valley; and

WHEREAS, the interim ground water rental policy for the Wood River Valley has benefited the Water Supply Bank by facilitating efficient administration of Wood River Valley ground water rental requests during calendar year 2015; and

WHEREAS, the Department of Water Resources is not expected to begin utilizing the ground water model for administration of ground water rental requests prior to the sunset of the ground water rental policy on January 23, 2016; and

WHEREAS, Wood River Valley water users seeking to rent water in 2016 will benefit from knowing with certainty whether the interim policy may be renewed for 2016; and

WHEREAS, the Water Supply Bank has solicited feedback from Wood River Valley water users and stakeholders regarding the updating and renewal of the interim policy for 2016;

NOW THEREFORE BE IT RESOLVED that the Idaho Water Resource Board authorizes the Water Supply Bank to implement an updated version of the interim ground water rental policy during calendar year 2016, with the policy set to sunset on December 31, 2016.

Dated this _____ day of September, 2015.

ROGER W. CHASE
Idaho Water Resource Board Chairman

Attest: _____
VINCE ALBERDI
Secretary

Memorandum

To: Idaho Water Resource Board
From: Rick Collingwood
Date: 8-26-15
Re: Cooperative Cloud Seeding Program



Cloud Seeding will be discussed at an Idaho Water Resource Board (IWRB) Aquifer Stabilization Committee meeting scheduled for September 14, 2015. The Committee will review the status of cloud seeding activities in the Upper Snake, Wood and Boise River basins and discuss a proposal by Idaho Power Company (IPC) to initiate a one-year pilot program for aircraft cloud seeding operations in the Upper Snake River Basin.

Cloud seeding (also referred to as Weather Modification) was identified as a key strategy for improving water supplies in the Eastern Snake Plain Aquifer Comprehensive Aquifer Management Plan (ESPA CAMP) and in the draft Treasure Valley CAMP (TV CAMP). The science generally indicates that a professionally managed program can increase winter snowpack and thereby increase runoff by up to 10%, resulting in more surface water for all uses, including aquifer management projects.

An existing water user and county-led cloud seeding program has been operating in the Upper Snake River Basin since the late 1980's, and was formalized by the High Country Resource and Conservation Development Area (HCRC&D) in 2007. A similar water user led program has been operating in the Boise River Basin using manually operated ground-based generators. IPC has been operating a cloud seeding program in the Payette River Basin since 2003. IPC also established a remote-operated "pilot program" in 2008 in the Upper Snake River Basin as a result of the ESPA CAMP that operates in parallel with the locally-led effort managed by HCRC&D.

On September 23, 2014, the IWRB approved funding for a 5-year (2015-2019) Cooperative Cloud Seeding Program with IPC and water users to expand cloud seeding operations in the Upper Snake River, Boise River, and Wood River Basins. The IWRB authorized expenditure of up to \$492,000 for capital expenses associated with the cooperative program, not to exceed 40% of actual capital costs. It is estimated that the expanded cloud seeding program will increase yearly runoff in the Upper Snake River Basin by 115,000 acre-feet, the Boise River Basin by 197,000 acre-feet, and the Wood River Basin by 100,000 acre-feet.

An update on the progress of the expanded program and a new proposal by IPC for a one-year pilot program for aircraft cloud seeding operations the Upper Snake River Basin will be presented to the Aquifer Stabilization Committee. A follow-up report will be provided at the September 18 IWRB meeting.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AQUIFER)	A RESOLUTION TO APPROVE
STABILIZATION AND CLOUD SEEDING)	FUNDS FOR ONE-YEAR AIRCRAFT
IN THE UPPER SNAKE RIVER BASIN)	PILOT PROJECT THROUGH THE
)	COOPERATIVE CLOUD SEEDING
_____)	PROGRAM

WHEREAS, House Bill 547 passed and approved by the 2014 legislature allocates \$5,000,000 annually from the Cigarette Tax to the Idaho Water Resource Board (IWRB) for statewide aquifer stabilization, with the funds to be deposited into the Secondary Aquifer Planning, Management, and Implementation Fund; and

WHEREAS, cloud seeding was identified as a strategy in the Eastern Snake Plain Aquifer Comprehensive Management Plan (ESPA CAMP) which has stabilization and recovery of the ESPA as a goal; and

WHEREAS, cloud seeding was identified as a strategy in the draft Treasure Valley Comprehensive Management Plan currently under consideration by the IWRB; and

WHEREAS, a well-managed cloud seeding program can increase winter snow pack, thereby increasing surface water runoff by perhaps 10%, resulting in more surface water for all uses, including aquifer management projects, and also results in less supplemental ground water pumping; and

WHEREAS, an existing water user and county-led cloud seeding program has existed in the Upper Snake River Basin and a similar water user led program has existed in the Boise River Basin that has resulted in some increased runoff; and

WHEREAS, the Idaho Power Company (IPC) established a remote-operated "Pilot Program" and brought its operational experience gained from its Payette River Basin program to the ESPA as a result of the ESPA CAMP; and

WHEREAS, the two cloud seeding programs in the Upper Snake River Basin are currently operating in parallel but are cooperating on operational matters; and

WHEREAS, water users in the Boise River and the Wood River Basins agreed to share in the operation and maintenance costs of an operational cloud seeding program with IPC which includes the use of remote ground-based generators and aircraft; and

WHEREAS, discussions between IPC, the IWRB and water users resulted in establishment of a Cooperative Cloud Seeding Program to expand IPC's cloud seeding operations in the Upper Snake River Basin and establish IPC run programs in the Boise River Basin, and Wood River Basin with support from the IWRB and water users; and

WHEREAS, on September 23, 2014, the IWRB authorized the expenditure of up to \$492,000 from the Secondary Aquifer Planning, Management, and Implementation Fund, for necessary capital expenses for ground operated generators and weather information gathering systems associated with the Cooperative Cloud Seeding Program; and

WHEREAS, while a comprehensive and versatile cloud seeding program includes aircraft and

ground based generators, the use of aircraft is particularly effective for increasing snowpack because it can be used to target specific storms;

WHEREAS, to further expand the Cooperative Cloud Seeding Program's operations in the Upper Snake River Basin, and to take advantage of appropriate storms during the 2016 water year, IPC and the IWRB discussed a proposal to explore the benefits of aircraft cloud seeding operations in the Upper Snake through one-year Aircraft Pilot Project;

WHEREAS, estimated expenses to implement the Aircraft Pilot Project for one year are approximately \$485,000, which includes aircraft, pilot, hangar, fuel, flairs, and a meteorologist; and

WHEREAS, on September 14, 2015, the IWRB's Aquifer Stabilization Committee considered the proposal for the one-year Aircraft Pilot Project and recommended expenditure not to exceed \$200,000 to assist with expenses associated with project operation.

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the expenditure not to exceed \$200,000 from the Secondary Aquifer Planning, Management, and Implementation Fund, for expenses associated with the one-year Aircraft Pilot Project in partnership with IPC.

BE IT FURTHER RESOLVED that the Aircraft Pilot Project shall be consistent with the proposal provided by IPC to the IWRB Aquifer Stabilization Committee on September 14, 2015, in Jerome, Idaho and shall support objectives of the Cooperative Cloud Seeding Program.

BE IT FURTHER RESOLVED the IWRB's expenditure shall be for a one-year pilot effort and shall not create an expectation of future funding; the IWRB expects ground water and surface water users in the Upper Snake River Basin and Eastern Snake River Plain area to participate in the Cooperative Cloud Seeding Program, and asks that IPC, in conjunction with the IWRB, seek cooperative funding from the water users who benefit from cloud seeding activities in the Upper Snake River Basin.

BE IT FURTHER RESOLVED that IPC shall make its analysis of additional runoff generated from cloud seeding available to staff at the Idaho Department of Water Resources for technical review.

BE IT FURTHER RESOLVED that IPC shall make a formal presentation to the IWRB describing the operation and benefits from the Cooperative Cloud Seeding Program and the Aircraft Pilot Program.

DATED this 18th day of September, 2015.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

Memorandum

To: Idaho Water Resource Board
From: Wesley Hipke, Brian Patton, Cynthia Bridge Clark , Neal Farmer
Date: September 4th, 2015
Re: ESPA Managed Recharge Program Status Report



Progress/Status of ESPA Managed Recharge Program

Contents

I. ESPA Managed Recharge Projection (2015-2016 Season).....	2
II. Program Description	4
III. Budget Summary.....	6
IV. Recharge Delivery Operations Summary	8
V. Monitoring and Measurement Program.....	9
VI. ESPA Recharge Program Projects.....	10

I. **ESPA Managed Recharge Projection (2015-2016 Season)**

The Idaho Water Resource Board’s (Board) 1980 recharge water right is “in priority” during different periods of the year in the Upper and Lower Snake River Valley (upstream and downstream of American Falls Reservoir respectively). The irrigation season in the Eastern Snake River Plain has historically ended in the latter part of October. After irrigation diversions are stopped, water passing below Milner Dam is available for recharge under the Board’s recharge water right in the Lower Valley. In the Upper Valley, the Board’s recharge water right is typically in priority in the spring. The following section provides a summary of the projections for the 2015-2016 recharge season based on conversation with the various canal operators and historic recharge capacities.

Lower Valley (below American Falls Reservoir)

The managed recharge projections for the Lower Valley are summarized in Table 1. The projections assume there is a sufficient volume of water available to maximize the recharge capacity. The projections in Table 1 are only for recharge during the non-irrigation season in the Lower Valley. The Board’s recharge right may be in priority during the irrigation season if flows in the river are above irrigation demand and not retained in the reservoir system. In that scenario, only off-canal sites could be used for recharge. Currently the only off-canal sites are on the Milner-Gooding Canal (MP31 and Shoshone Recharge Sites). The volume delivered to the recharge sites is limited by the capacity of the canal available above the amount of water in the canal for irrigation deliveries (estimated by AFRD2 to be approximately 200 cfs).

Table 1. Projected Managed Recharge 2015/2016 – Lower Valley				
Canal System	Months Available for Recharge	Projected Recharge Rate (cfs)	Projected Volume Recharged (Acre-feet)	Projected Conveyance Costs (\$)
American Falls Reservoir District No. 2 (Milner-Gooding Canal)	4	300	72,000	\$490,300
North Side Canal Company	3	130	23,000	\$129,000
Southwest Irrigation District	2	25	2,900	\$13,000
Twin Falls Canal Company	5	40	12,000	\$98,700
TOTAL			109,900	\$731,000

American Falls Reservoir District #2 (AFRD2) is planning to suspend irrigation deliveries in October to facilitate various planned construction projects. Construction projects on the MP28 hydro plant and an expansion of the MP31 Recharge Site turnout are expected to be completed by the end of November. This will allow AFRD2 to deliver the Board's recharge water to the MP31 recharge site at an increased rate from the 2014/2015 recharge season (estimated 300 cfs). The initial plan is to deliver recharge from the beginning of December until the start of the irrigation season (estimated to be the end of March for the projections). Various construction projects are scheduled to be completed by the spring of 2016 to allow for winter recharge to the Shoshone Recharge Site starting in the fall of 2016. The projections in Table 1 do not account for any potential recharge of storage water by others.

The North Side Canal Company (NSCC) is planning to recharge from the end of the irrigation season through the month of November; and the months of February and March. Canal maintenance is scheduled for the months of December and January. The timing of recharge will depend on above freezing temperatures. The assessment of infrastructure improvements for winter recharge will be completed by November. Design of selected improvements will begin this winter and the construction schedule will depend on the options selected.

Twin Falls Canal Company (TFCC) is planning relatively minor infrastructure improvements and is scheduled to begin delivering the Board's recharge water at the end of the irrigation season. TFCC plans to construct a check structure for the Point Spill below Murtaugh Lake. This structure is required to mitigate potential damage below Murtaugh Lake if emergency releases of water are required when managed recharge is occurring. The construction of the check dam will not impact delivery the Board's recharge water.

Southwest Irrigation District (SWID) is projected to deliver the Board's recharge water through the month of November; and the months of February and March. The exact timing will depend on above freezing weather conditions.

Upper Valley (above American Falls Reservoir)

Managed recharge in the Upper Valley is dependent on the availability of water to recharge. Reservoir fill has precedence over the Board's natural flow recharge water right during the non-irrigation season. Therefore, in the Upper Valley, the majority of water available for recharge is during the irrigation season and the Board's recharge water is generally available only during high-flow years.

The Upper Snake River Basin reservoir system is predicted to be relatively full at the end of the 2015 irrigation season (the reservoir system is currently at 39%, as of September 4th, 2015). A high volume of water in the reservoir system increases the potential for managed recharge opportunities in the spring of 2016. However, the amount and timing of precipitation along

with other weather conditions have a significant influence on the availability of natural flow available for recharge.

Table 2 provides a projection of potential recharge if water is available for recharge in the spring of 2016. Other irrigation delivery entities have expressed interest in delivering the Board’s recharge water, however, currently they are limited to the non-irrigation season as they have not developed off-canal recharge sites. On the limited occasions that natural flow is available for recharge before the irrigation season, efforts will be made to utilize all the facilities that are available to deliver the Board’s recharge water. Some of the entities listed in Table 2 are considering projects that could increase their estimated recharge rate if water is available in the spring of 2016. The projected conveyance costs were determined using the delivery payment structure for the Upper Valley in the spring of 2015.

Table 2. Projected Managed Recharge Spring 2016 – Upper Valley*			
Canal Systems with Off-Canal Recharge Sites <small>(IWRB right usually in priority in April & May during high flow years)</small>	Irrigation Season		
	Estimated Recharge Rate (cfs)	Projected Volume Recharged¹ (Acre-feet)	Projected Conveyance Costs (\$)
Aberdeen-Springfield Canal Company ²	100	8,900	\$62,500
Fremont Madison Irrigation District ²	50	4,500	\$35,700
New Sweden Irrigation District	20	1,800	\$12,500
Peoples Canal & Irrigation Company	50	4,500	\$31,200
Snake River Irrigation District	30	2,700	\$18,700
TOTAL	250	22,400	\$160,600

* Assuming the IWRB water right is in priority and it occurs after the irrigation season has started.

¹ Projected volume of recharge based on 45 days, the median days the Board’s recharge water right was in priority in the Upper Valley (1999-2012).

² Projects have been proposed that would increase recharge rate. Increased recharge rate from proposed projects are not included in projections.

II. Program Description

Goal: Develop a managed recharge program in the Eastern Snake Plain Aquifer (ESPA) capable of recharging 250,000 acre-feet per year to stabilize the Eastern Snake Plain Aquifer. The metric of success is sustaining aquifer volume and spring discharges in the ESPA.

Problem: The Eastern Snake Plain Aquifer has been losing approximately 200,000 acre-feet annually from aquifer storage since the 1950s resulting in declining ground water levels and declining spring flows from the aquifer. The State of Idaho relies on spring discharge from the ESPA through the Thousand Springs to help meet minimum streamflow water rights at the Murphy Gage that were established under the Swan Falls Agreement. Stabilizing the ESPA will help maintain the minimum flows at the Murphy Gage and reduce water user conflicts between groundwater and surface water users.

Water Availability (natural flow) for Recharge: The available water supply for recharge occurs as winter-time flows (November-March) and as spring run-off flows (April-May) in the Snake River. The Snake River winter-time flows are usually a minimum of 500 cfs and are available for diversion from the Milner Pool. During the 2014-2015 recharge season from October 24th thru March 23rd approximately 300,000 af flowed past Milner. Above American Falls Reservoir, opportunities for recharge are limited to specific conditions when the IWRB's recharge water right is in priority. This is generally limited to spring run-off flows that occur approximately 50% of the years, with a highly variable volume and duration. Winter-time flow may also be available for recharge in the Little Wood River.

Strategy:

1. Maximize diversion of flows spilling past Milner during non-irrigation season, including winter and spring-time diversions, which are available for recharge under the IWRB's current recharge water right and will provide a "base-load" for recharge. The IWRB is pursuing various strategies to maximize non-irrigation season recharge:
 - a. Non-irrigation season delivery agreements with canals that divert from the Milner Pool were developed to include the winter period.
 - b. Infrastructure modifications are required to facilitate winter recharge delivery and increase recharge capacity. Various studies to assess necessary modifications are in progress or complete. Some modifications have been completed this year with more scheduled to be completed between the fall of 2015 and the spring of 2016.
 - c. Evaluation of development potential of dedicated, winter-operational recharge facilities that divert from the Milner Pool independent of canal companies (direct pump-to-injection wells) is ongoing.
2. Maximize opportunities to divert spring-time releases for the delivery of recharge above American Falls Reservoir as long as this recharge does not interfere with filling the reservoir system. Natural flow for recharge in the upper valley will likely only be available during some spring run-off periods. The options being pursued include:

- a. Execution of agreements for the delivery of water for recharge when the IWRB's recharge water right is in priority. (Several agreements were executed this past recharge season.)
 - b. Investigation of infrastructure modifications to improve late-winter/spring-time recharge capabilities and develop off canal recharge sites for flood control release after the irrigation season has begun.
3. Continue current opportunistic recharge efforts throughout the basin and manage adaptively to address changing circumstances. This includes fostering partnerships with other entities such as Groundwater Districts to support the development of recharge facilities that meets the requirements of both parties.

III. Budget Summary

Table 3 provides a summary of the Fiscal Year 2016 ESPA Managed Recharge budget approved by the IWRB (July 2015 - June 2016). Budget line items were based on the best available information and may be adjusted with IWRB approval. This table also provides the current status of contract development and any disbursements.

A more detailed summary of the infrastructure projects is provided under the ESPA Recharge Program Projects (Section V). Additional projects are being developed in the Upper Valley and will be included in future reporting.

Table 3. IWRB ESPA Managed Recharge Budget – FY16

Categories	Sub-Category	Budget	Contract Status	
Operations	Conveyance Cost	\$700,000	Executed	
	Equipment	\$81,000	Pending	
	Site Monitoring	\$219,000	Pending	
	Regional Monitoring	\$200,000	Executed	
	TOTAL	\$1,200,000	--	
Managed Recharge Infrastructure Projects	Budgeted Projects	Milner-Gooding Flume	\$700,000	Executed
		Milner-Gooding Dietrich Drop Hydro Plant	\$50,000	Fall 2015
		Twin Falls Canal Recharge Improvements	\$500,000	Fall 2015
		North Side Canal Improvements/Hydro Plant Bypasses	\$2,000,000	Fall 2016
		Great Feeder Canal Recharge Improvements	\$500,000	Pending
		Egin Lakes Recharge Enlargement	\$500,000	Fall 2015
	Sub-Total	\$4,250,000	--	
	Other Projects	Milner-Gooding Expansion of MP31 Recharge Site	\$200,000	Executed
		Milner-Gooding Canal Road Improvements MP31 to Shoshone Recharge Site	\$120,000	Executed
		Remaining Funds	\$1,680,000	--
		Sub-Total	\$2,000,000	--
	TOTAL	\$6,250,000	--	
	Managed Recharge Investigations	TOTAL	\$300,000	--
ESPA Managed Recharge TOTAL		\$7,750,000	--	

IV. Recharge Delivery Operations Summary

Upper Valley ESPA Recharge

The contracts to deliver the IWRB’s recharge water expire at the end of June 2015. The payment structure to convey the IWRB’s recharge water in the Upper Valley will be evaluated for the 2015-2016 recharge season. The spring 2015 payment schedule is outlined below:

- 1) **Base Rate** – determined by 5-year aquifer retention zone in which the contracted canal companies or irrigation district is located using ESPAM2.1:
 - Greater than 40% retained in aquifer at 5 years \$5.00/AF delivered
 - 20% to 40% retained in aquifer at 5 years \$4.00/AF delivered
 - 15% to Less than 20% retained in aquifer at 5 years \$3.00/AF delivered

- 2) **Added Incentive for Delivery** - percentage of days a canal delivers for recharge during the period when recharge right is “on” and IWRB issues a Notice to Proceed:
 - Greater than 75% \$3.00/AF delivered
 - 50% to less than 75% \$2.00/AF delivered
 - 25% less than 50% \$1.00/AF delivered

Lower Valley ESPA Recharge

The following entities executed 5-year conveyance contracts in 2014:

- Twin Falls Canal Company (TFCC)
- American Falls Reservoir District 2 (ARFD2)
- Southwest Irrigation District (SWID)
- North Side Canal Company (NSCC)
- Big Wood Canal Company (BWCC)

The payment structure for conveying the IWRB’s recharge water stipulated in the contract is outlined in Table 4.

Table 4. Lower Valley ESPA Payment Structure		
Number of Days Recharge Water Delivered*	Payment Rate per AF Delivered	<p>New incentivized payment structure was adopted to encourage canals to divert recharge water as long as possible during the non-irrigation season.</p> <p>* Number of days between when recharge permit turns on in fall and when it turns off following spring.</p>
1-to-25 days	\$3/AF	
26-to-50 days	\$5/AF	
51-to-80 days	\$7/AF	
81-to-120 days	\$10/AF	
More than 120 days	\$14/AF	

V. Monitoring and Measurement Program

Development of a monitoring and measurement program is underway to assess results and impacts of recharge activities and address regulatory requirements. The program consists of regional and site-specific monitoring including measurement of ground water levels, surface water flows, recharge diversions, water quality, and data collection quality control. Current activities include:

- Water Quality Program
 - Groundwater Quality Monitoring Program for MP31 and Shoshone Recharge Sites approved by IDEQ. The monitoring program includes a monitoring schedule, sample points, and a full suite of chemical, biological and physical elements that are analyzed to determine the source water and groundwater quality. Results will be reported at a later date.
 - Idaho Bureau of Labs is currently under a 5-year contract (started in 12/2014) to conduct the water quality sampling at the MP31 and Shoshone Recharge Sites on an as needed basis.
 - Additional monitor wells are being established for the MP31 and Shoshone recharge sites. Contracting is in progress with LASRD for the drilling of the additional monitor wells.
- Water Level Monitoring:
 - An evaluation of the effects of recharge on the aquifer is being conducted by staff and is scheduled to be done in November 2015.
 - Establishing real time automated water level monitoring equipment at MP31 and the Shoshone Recharge Sites.
- Flow measurements:
 - Quality assurance and control of recharge flow measurements were conducted with assistance by TFCC, AFRD2, NSCC, Idaho Power Co., Water District 01, and IDWR staff for the 2014/2105 recharge season. Similar co-operative monitoring is planned for the 2015/2016 recharge season.
 - Establishing real time automated flow monitoring equipment at MP31 and the Shoshone Recharge Sites.
- Regional Monitoring Program:
 - IDWR Hydrology Division has contracted with the Idaho Water Resources Research Institute (IWRRI) to provide assistance with ground water level data collection and processing. IWRRI is providing up to two Hydrologic Technicians for this work. The Hydrologic Technicians will be responsible for conducting manual electric tape measurements, downloading data transducers, quality-checking all data, and loading manual measurements and transducer data in the

IDWR database. The fall data collection field season is scheduled to begin on October 15.

- Analyzing groundwater level data gaps within the ESPA and determining potential solutions.

VI. ESPA Recharge Program Projects

A number of projects are in progress to enhance the IWRB's ability to recharge in the ESPA. The projects are summarized in Table 5 followed by a brief status report of the individual projects. Upper Valley project are being developed at the time of this report and will be included in future reports.

Table 5. ESPA Recharge Program Projects					
Project Type	Canal/Project	Project Type	Status	Cost Estimate	Completion Date
ESPA Infrastructure	Milner-Gooding Canal				
	Mile Post 28 Hydro Plant	CNST	Contracted	\$35,000*	Fall 2015
	Concrete Flume Improvement	CNST	Contracted	\$700,000	April 2016
	Road Improvement MP31 to Shoshone Recharge Site	CNST	Contracted	\$120,000	Spring 2016
	Dietrich Drop Hydro Plant	Study	Under Development	\$50,000	Fall 2015
	MP31 Expansion	Study/CNST	Contracted	\$200,000	Winter 2015
	North Side Canal				
	Wilson Lake/Canal Winter Recharge	Study	In-Progress	\$122,000*	Fall 2015
	Hydro Plants (4) Improvements	CNST	Proposed	\$2,000,000	TBD
	Twin Falls Canal				
	Canal Improvements	CNST	Under Development	\$20,000	Fall 2015
	Point Spill Check Dam	CNST	Proposed	\$500,000	TBD
	Southwest I.D.				
	Injection Well & Test	CNST	In-Progress	\$30,000*	Fall 2015
	Pipeline Modification	Study	Proposed	\$50,000*	TBD
	Great Feeder Canal				
	Canal Improvements	CNST	Under Development	\$500,000	Spring 2016
	Fremont-Madison I.D.				
	Expansion of Egin Lakes Recharge	Study/CNST	Under Development	\$500,000	Spring 2016
	Injection Well & Test				
Milner Dam Area	CNST	In-Progress	\$70,000*	Fall 2015	
ESPA Program	ESPA Program Review	Study	In-Progress	\$91,850*	Fall 2015

CNST = Construction
 * IWRB funds committed in FY15

Project Status

1. American Falls Reservoir District 2 (AFRD2)/Milner-Gooding Canal:
 - a. **Concrete Flume Improvements** – This improvement is necessary for the winter-time delivery of the Board’s recharge water to the Shoshone Recharge Site (200 cfs, estimated capacity). The canal’s current ability to provide recharge flows to the site is limited due to the age and deterioration of the concrete flume portion of the canal. The lowest bid to do the crack sealing rehabilitation was \$1,372,000. A resolution was passed by the IWRB in July to authorize up to \$700,000 as part of a 50% cost share with AFRD2. The project is scheduled to begin in the latter part of October and to be completed before the commencement of the irrigation season in 2016.
 - b. **Road Improvement MP31 to Shoshone Recharge Site** – Improvements to the access road along the Milner-Gooding Canal are necessary to allow AFRD2 personnel and IDWR staff adequate/safe roads to monitor canal operations and the recharge site during the winter months. Estimated cost for resurfacing portions of the canal road is \$120,000. A resolution was passed by the IWRB in July to authorize expenditure of the funds. The project is scheduled to begin the latter part of October and to be completed by the start of the 2016 irrigation season.
 - c. **Dietrich Drop Hydropower Plant** – The Dietrich Drop hydro plant is on the Milner-Gooding Canal between the MP31 and the Shoshone Recharge Site. Staff is coordinating with the owner of the hydro plant and AFRD2 to conduct a study to determine the potential issues that would need to be addressed for winter-time deliveries of water to the Shoshone Recharge Site. Completion of the study is estimated to be in the fall of 2015. Depending on the results of the study, any improvements will be scheduled for completion by the spring of 2016, if possible.
 - d. **Expansion of the MP31 Recharge Site** – Capacity of the MP31 Recharge Site is currently limited by the maximum flow that can be diverted into the site. By installing a larger turnout structure, it is estimated the capacity of the site could be increased by over 100 cfs resulting in an estimated total capacity of 300 cfs. A resolution was passed by the IWRB in July to authorize expenditure up to \$200,000 to design and construct the project. The project is scheduled to begin the latter part of October and to be completed by December 2015.
 - e. **MP28 Hydropower Plant** – The plant experienced complications from winter recharge flows. A bypass wall is scheduled for construction in the fall of 2015, after the irrigation season, that will route flows under 400 cfs around the plant. The IWRB, by resolution, has authorized \$35,000 for this project. The project is

scheduled to begin the latter part of October and to be completed by December 2015.

2. North Side Canal Company (NSCC):

- a. **Winter-time infrastructure improvements** – NSCC’s assessment of the potential capacity of recharge at Wilson Lake and infrastructure improvements required for winter-time delivery of recharge water to Wilson Lake is scheduled to be complete in November 2015. The assessment will provide options and high level cost estimates for infrastructure improvements to accommodate winter recharge delivery taking into account the canal and four hydro plants. The current plan is for design work to be completed in the spring of 2016 so that construction can be completed by the spring of 2017.

3. Twin Falls Canal Company (TFCC):

- a. **Winter-time infrastructure improvements** - TFCC plans to implement minor infrastructure modifications required to deliver recharge water after the 2015 irrigation season to the start of irrigation deliveries in the spring of 2016. TFCC is moving forward with the design and construction of a check dam at the Point Spill location. Recharge activities at Murtaugh Lake diminish the lake’s ability of regulated heavy run-off events. The check dam is needed to ensure emergency water releases out of Murtaugh Lake will not cause damage to the canal and associated property owners downstream of the lake. Estimated cost for this structure is \$250,000 (official cost estimate has not been submitted by TFCC) with the work to be completed in the winter of 2015. The construction of the structure will not hinder recharge activities.

4. Southwest Irrigation District (SWID):

- a. **Test Injection Well** – A test injection well is scheduled to be drilled in the fall of 2015 in the vicinity of SWID’s current pumping plant. This well will assist in determining the viability of an injection well recharge site in this vicinity. Estimated cost of drilling the well and testing is \$30,000.
- b. **Cassia Pipeline Winter Recharge** – An engineering study has been proposed to SWID to determine what would be required to make the pipeline capable of delivering recharge water during the winter months. The estimated cost of the study is \$50,000, initiation of the study is dependent on SWID’s schedule.

5. Great Feeder Canal Company (GFCC):
 - a. **Recharge Conveyance Improvements** - GFCC is proposing to rebuild the out-dated headworks to the Great Feeder Canal. The headworks are an integral part of the Great Feeder Canal's ability to deliver the IWRB's recharge water to canals and potential off-canal sites. A resolution was passed by the IWRB in July to authorize expenditure up to \$500,000 as the Board's portion of the cost share for the construction of the project. The initial scheduled is to complete construction by the spring of 2016.

6. Fremont-Madison Irrigation District (FMID):
 - a. **Expansion of the Egin Lakes Recharge Area** – FMID is proposing to improve the infrastructure to maximize the recharge potential at the Egin Lakes Recharge Area. A study to determine the maximum recharge capacity of the area and the required infrastructure to deliver the maximum volume of water is scheduled to be completed by September 2015. The study will be used to determine any potential infrastructure improvements. IWRB's fiscal year 2016 budget allocated \$500,000 for this project.

7. Other Projects:
 - a. **Injection Well and Test** – Staff is evaluating numerous potential injection well recharge sites. For the current phase of testing \$70,000 has been budgeted. Estimated completion of this phase of work is the fall of 2015. The areas being studied and current status include:
 - i. **A&B Pump Plant** – Conducted a dye test in the fall of 2014 to determine potential flow from injection well. To date, dye has not been detected at any of the sampling sites (nearby domestic wells). Ongoing sampling for dye in monitor wells.
 - ii. **USBOR Site (Upstream of A&B Pumping Plant)** - The drilling permit was received by BOR on March 4th, 2015. IDWR is processing an injection well test permit. However, nearby results from an injection well test in the fall of 2014 suggest this site would have low hydraulic conductivities that would not be conducive to an injection well site. This site is a low priority at this time.
 - iii. **Milner Dam Area** – Injection test well completed June 6th, 2015 to a depth of 500 ft. Observations during drilling and borehole video suggests very good conductivity for injection. An application has been submitted for an injection test, potentially in the late fall of 2015.

- iv. **A&B at the Milner Pumping Plant** - A&B will evaluate test injection data from the BOR well to determine where to drill a test well at their Milner pumping plant. Initial analysis suggests this would not be an area conducive for an injection well site due to low hydraulic conductivities.
 - v. **Little Wood Recharge Site (State Land South of Richfield)** - A permit to drill a test injection well on state land south of the city of Richfield is complete. LSRARD is assisting with the permit and drilling process. This project is on hold until the engineering report is received concerning the 'Bifurcation' modification to divert Little Wood River water for recharge.
- b. **ESPA Managed Recharge Program Review** – IWRB contracted with CH2MHill to provide an independent review of the ESPA Managed Recharge Program for \$91,850. This project is scheduled to be complete November 2015.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AQUIFER) A RESOLUTION TO APPROVE
STABILIZATION AND EASTERN) FUNDS FOR RECHARGE
SNAKE PLAIN AQUIFER RECHARGE) INFRASTRUCTURE IMPROVEMENTS
) FOR THE GREAT FEEDER CANAL
) COMPANY

WHEREAS, House Bill 547 passed and approved by the 2014 legislature allocates \$5 million annually from the Cigarette Tax to the Idaho Water Resource Board (IWRB) for statewide aquifer stabilization, with the funds to be deposited into the Secondary Aquifer Planning, Management, and Implementation Fund; and

WHEREAS, House Bill 479 passed and approved by the 2014 legislature allocated \$4 million in one-time funds for managed aquifer recharge infrastructure on the Eastern Snake Plain; and

WHEREAS, aquifer stabilization and recovery was identified as a key strategy and goal of the Eastern Snake Plain Aquifer Comprehensive Aquifer Management Plan (ESPA CAMP); and

WHEREAS, the ESPA must also be stabilized in order to prevent future ground water user-versus-surface water user conflicts; and

WHEREAS, Resolution dated May 22nd, 2015 (Secondary Aquifer Planning Management & Implementation Fund Budget) budgeted funds for ESPA managed recharge infrastructure improvements, provided the funds are approved by the IWRB by resolution for each individual project, detailing the terms and conditions of the approval of such funding, including long-term access for recharge by the IWRB in any facilities owned by others; and

WHEREAS, Resolution dated May 22nd, 2015 (Secondary Aquifer Planning Management & Implementation Fund Budget) budgeted funds for the Great Feeder Canal recharge improvements in line item 2.e for \$500,000; and

WHEREAS, Great Feeder Canal Company (GFCC) proposes to replace the diversion structure of the Great Feeder Canal on the South Fork of the Snake River to increase capacity to divert water for managed recharge from the South Fork of the Snake River and to enhance GFCC's ability to regulate the flow of water diverted for managed recharge.

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes expenditures from the Secondary Aquifer Planning, Management, and Implementation Fund, for funds in an amount equal to 50% of the actual costs to replace the diversion and headgate structure of the Great Feeder Canal on the South Fork of the Snake River, provided that the total amount funded by the IWRB shall not exceed \$500,000.00. Any additional costs above \$1,000,000.00 will be borne by GFCC.

BE IT FURTHER RESOLVED that construction of this project shall commence within two years of the approval of this resolution.

BE IT FURTHER RESOLVED that GFCC shall submit copies of the engineering design and construction plans, specifications, and project cost estimates to the Board prior to commencing construction. All plans and specifications shall be signed by an engineer licensed in the state of Idaho.

BE IT FURTHER RESOLVED that GFCC shall deliver the Board's recharge water right for a minimum period of twenty years pursuant to a Water Conveyance Contract and a Memorandum of Intent between the Board and GFCC.

BE IT FURTHER RESOLVED that GFCC and their project manager(s) are solely responsible and accountable for the oversight, construction, and management of this project.

DATED this 18th day of September 2015.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
Vince Alberdi, Secretary
Idaho Water Resource Board

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AQUIFER) A RESOLUTION TO APPROVE
STABILIZATION AND EASTERN) FUNDS FOR RECHARGE
SNAKE PLAIN AQUIFER RECHARGE) INFRASTRUCTURE IMPROVEMENTS
) FOR THE SNAKE RIVER VALLEY
) IRRIGATION DISTRICT – MONSON SITE

WHEREAS, House Bill 547 passed and approved by the 2014 legislature allocates \$5 million annually from the Cigarette Tax to the Idaho Water Resource Board (IWRB) for statewide aquifer stabilization, with the funds to be deposited into the Secondary Aquifer Planning, Management, and Implementation Fund; and

WHEREAS, House Bill 479 passed and approved by the 2014 legislature allocated \$4 million in one-time funds for managed aquifer recharge infrastructure on the Eastern Snake Plain; and

WHEREAS, aquifer stabilization and recovery was identified as a key strategy and goal of the Eastern Snake Plain Aquifer Comprehensive Aquifer Management Plan (ESPA CAMP); and

WHEREAS, the ESPA must also be stabilized in order to prevent future ground water user-versus-surface water user conflicts; and

WHEREAS, Resolution dated May 22nd, 2015 (Secondary Aquifer Planning Management & Implementation Fund Budget) budgeted funds for ESPA managed recharge infrastructure improvements, provided the funds are approved by the IWRB by resolution for each individual project, detailing the terms and conditions of the approval of such funding, including long-term access for recharge by the IWRB in any facilities owned by others; and

WHEREAS, Snake River Valley Irrigation District (SRVID) operates a canal system and the Monson Site that could be utilized to recharge IWRB's recharge water right; and

WHEREAS, SRVID proposes to install water quantity measurement equipment at the Monson Recharge Site so the volume of water delivered to the site can be accurately measured.

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the expenditure of up to \$5,000 from the legislative appropriation for ESPA recharge infrastructure in Secondary Aquifer Planning, Management, and Implementation Fund, for installation of water quantity measurement equipment at the Monson Site to accurately measure the volume of recharge water that is delivered to the site.

BE IT FURTHER RESOLVED that SRVID shall deliver the Board's recharge water right for a minimum period of twenty years pursuant to a Water Conveyance Contract and a Memorandum of Intent between the Board and SRVID.

DATED this 18th day of September 2015.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
Vince Alberdi, Secretary
Idaho Water Resource Board

Memorandum



To: Idaho Water Resource Board
From: Cynthia Bridge Clark, Randy Broesch
Date: September 3, 2015
Re: Mountain Home Air Force Base Water Supply Project

The following is a status report on the Mountain Home Air Force Base (MHAFB) Water Supply Project (Project). The Project involves efforts by the State of Idaho to assist the Military in developing a sustainable water supply to the MHAFB.

Project Concept: On July 25, 2014 the Idaho Water Resource Board (IWRB) purchased senior Snake River water rights from the Simplot Corporation to provide an alternative water supply to the MHAFB. The water will be diverted out of the C.J. Strike Reservoir and delivered to the MHAFB to offset existing groundwater pumping. The Project is expected to include a water utility service agreement for the water delivery and the construction of a pipeline, pumping station, and water treatment plant.

Project Status:

- Two action items for the IWRB were identified during a meeting between representatives from the IWRB and the MHAFB on April 1, 2015: 1) Preparation of a letter to the MHAFB formalizing the IWRB's commitment and ability develop a water delivery system to the MHAFB, and to enter into a water utility services agreement; and 2) Preparation of a technical report detailing the Project concept to assist both parties in the planning efforts.
- On May 11, 2015 the IWRB sent a letter to Brigadier General Roy-Alan C. Agustin, Director of Installation and Mission Support for the Department of Air Force Headquarters ACC Joint Base Langley, stating the IWRB's intent to enter into a water utility service agreement. The letter also identifies a Core Action Group (CAG) between the IWRB staff and MHAFB staff. The purpose of the CAG is to meet regularly to develop project concepts and project roles between the parties. There has been no formal response to the IWRB letter; however on July 10, 2015 the MHAFB noticed the intent to enter into a sole source water utility service agreement with IWRB on the Federal Business Opportunities (FedBizOpps) webpage. The notice was issued for 30 days allowing interested parties to comment on the sole source water utility service agreement. In accordance with the Notice of Intent, the MHAFB is planning to enter into a sole source contract with the IWRB.
- On August 5, 2015 staff issued the notice to proceed on the technical report detailing the project concept to assist both parties with their planning efforts. The report has an expected completion date of February 26, 2016. The report will include a Class III level cost estimate, and preliminary sizing and concept development of the water delivery and treatment systems.
- Staff will continue researching the following as we proceed through the Project planning phase:
 1. Seek opportunities for stakeholders to share in the Project efforts and benefits.
 2. Identify IWRB administrative and financial procedures for developing a utility service agreement.
 3. Identify applicable Project delivery methods.
 4. Coordinate with the MHAFB staff to monitor project planning activities required by MHAFB.

Other Activities: The IWRB received a letter from a representative for the Elmore County Board of County Commissioners (Elmore County) expressing interest in partnering with the Board to address water supply shortages in the county. Specifically, Elmore County would like to participate in the Board's planning activities to develop the water supply pipeline to the MHAFB and consider how to expand the project to provide for direct use water supplies and aquifer recharge supplies for the county. Elmore County also requests the Board dedicate some of the funds appropriated by the legislature for statewide aquifer stabilization to assist with water supply improvements in the county.

IWRB staff will coordinate with Elmore County and the IWRB to identify partnership or project opportunities.

REQUIRED ACTIONS: No actions are required at this time.



City of Mountain Home

RECEIVED

SEP 16 2015

DEPARTMENT OF
WATER RESOURCES

160 South 3rd East, PO Box 10, Mountain Home, ID 83647 (208)587-2104 Fax (208)587-2110

September 14, 2015

Idaho Water Resource Board
322 E. Front Street
Boise, Idaho 83720

RE: Mountain Home Air Force Base Water Supply Project

Gentlemen:

As the investigative studies for the Mountain Home AFB (MHAFB) Water Supply project continue, it has come to our attention that there may be a question about the City of Mountain Home's interest and desire to participate in the development of additional surface water supplies from the Snake River. I write this letter to assure the Water Board that the City of Mountain Home is very interested in evaluating the ability to have an alternative water supply for the future as we continue to see ground water levels decline in the aquifers that the City draws its water supply from. As with the MHAFB, the viability of the City of Mountain Home will depend on whether Snake River water can be made available to replace the current ground water supplies.

The City of Mountain Home currently has 5600 water connections which we presume is about double the current customers at the Air Force Base. It is possible that Snake River Water could be pumped, treated, and delivered much more economically if there were 3 times the number of customers sharing the cost. In addition, if it is feasible, the City of Mountain Home has trained personnel who could operate a water system which serves both the City and the MHAFB.

The City of Mountain Home believes that the MHAFB Water Supply Project could be expanded to include providing water to the City of Mountain Home. We are willing to participate and provide resources to move the project toward evaluating the feasibility of that option. Costs to our customers will certainly have to be considered as rates must repay any debt, as well as cover the operation costs. We believe that joining together will lessen the burden on all who participate.

The City of Mountain Home looks forward to the opportunity to partner with MHAFB and the Idaho Water Resource Board to work for solutions to resolve the long term water supply challenges in Western Elmore County. We offer our support to your efforts in this regard. Please let me know if we can assist in any way with the current investigative studies or provide additional documentation to the Board.

Sincerely,

Tom Rist, Mayor

cc: 366th Fighter Wing Commander
Elmore County Commissioners

RECEIVED

AUG 18 2015

DEPARTMENT OF
WATER RESOURCES

MOFFATT
THOMAS

Attorneys at Law

Scott L. Campbell

(208) 385-5323
slc@moffatt.com

MAILING ADDRESS
PO Box 829
Boise ID 83701-0829

www.moffatt.com

PHYSICAL ADDRESS:
101 S Capitol Blvd 10th Fl
Boise ID 83702-7710

208.345.2000 MAIN
800.422.2889 TOLL-FREE
208.385.5384 FAX

August 17, 2015

Idaho Water Resource Board
322 E. Front Street
Boise, ID 83720

Re: Elmore County Interest in Mountain Home Air Force Base Water Supply Project
MTBR&F File No. 26097.0000

Dear Gentlemen:

I am writing for my client, the Elmore County Board of County Commissioners, to express the desire of Elmore County regarding the above described topic. Elmore County has suffered from deficient water supplies for several decades and currently is suffering from the effects of extended drought. The ground water levels in virtually all significant wells in the county continue a steady decline, indicating a long-term trend.

Based upon these conditions, Elmore County desires to actively participate with the Idaho Water Resource Board ("Water Board") in its evaluation of the potential for a high-lift water pumping project from the Snake River to the Mountain Home Air Force Base. Elmore County believes there is potential for the county to partner with the Water Board in this project to expand its capacity to provide water for direct use water supplies and aquifer recharge supplies for the benefit of county citizens.

In this effort, Elmore County will provide staff support and will consider monetary contributions to fund necessary engineering analysis and cost feasibility studies. The Board of County Commissioners understands that funds have been budgeted by the Idaho Legislature to assist in payments for aquifer recharge projects. Elmore County requests that some of these funds be made available to further its water supply improvement goals.

Terry Scanlan, SPF Water Engineers, met with the Board of County Commissioners on August 14, 2015. At that meeting, Mr. Scanlan stated that his firm had recently been awarded a contract to provide engineering feasibility reports to the Water Board for the Mountain Air Force Base Project. He also stated that the contract contained an option for involvement and analysis of potential third party participation. Elmore County desires to be involved in that "third party" option.

Idaho Water Resource Board

August 17, 2015

Page 2

Please notify me if the Water Board needs any additional documentation of Elmore County's interest in this effort. I will provide all necessary information in a prompt response.

Elmore County is excited about this opportunity to partner with the Water Board in its efforts to provide much needed water supplies from the Snake River to the Mountain Home Air Force Base and to the citizens of Elmore County.

Thank you for your assistance in this positive effort.

Best regards,

A handwritten signature in blue ink, appearing to read "Scott L. Campbell".

Scott L. Campbell

SLC/cjp

C: Elmore County Board of County Commissioners