



IDAHO WATER RESOURCE BOARD

MEETING NO. 6-16
September 15-16, 2016
Pocatello



LAST CHANCE
DIVERSION DAM
REHABILITATION
PROJECT

Master



AGENDA

IDAHO WATER RESOURCE BOARD

Board Meeting No. 6-16

September 16, 2016

8:00 a.m.

Clarion Inn

1399 Bench Road

Pocatello, ID

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. Executive Session – Board will meet pursuant to Idaho Code §74-206(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. Executive Session is closed to the public. Topics: Big Wood, Lemhi, and ESPA Recharge Water Rights

Following adjournment of Executive Session – meeting reopens to the public.

3. Agenda & Approval of Minutes 5-16
4. Public Comment
5. Financial Status
6. ESPA Recharge
7. Presentation by the Shoshone-Bannock Tribes on Water Issues
8. Loan Requests
 - a. North Side Canal Company
 - b. 3D Water Assoc.
9. IGWA Items
 - a. Ground Water Districts Loan Extension
 - b. Hagerman Valley
 - c. Surface Water Coalition Settlement Implementation
10. NRCS Snow Survey
11. Appointment of Hearing Officer for Stream Channel Alteration Permits on the South Fork of the Clearwater
12. Western States Water Council Report- Jerry Rigby
13. State Water Plan Sustainability Policy Update
14. Director's Report
15. Non-Action Items for Discussion
16. Next Meeting & 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 jennifer.strange@idwr.idaho.gov or by phone at (208) 287-4800.

WATER RESOURCE BOARD EXECUTIVE SESSION MOTIONS

Motion to resolve into Executive Session: Pursuant to Idaho Code § 74-206(1) subsection (f) I request that the Board resolve into executive session for to communicate 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. I request that a roll call vote be taken and that the Secretary record the vote in the minutes of the meeting.

Motion to Resolve into Public Session: I move that the Board resolve out of executive session and that the official minutes of the meeting reflect that no action was taken during the executive session.



IDAHO WATER RESOURCE BOARD

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MINUTES MEETING NO. 5-16

Best Western Edgewater Resort
56 Bridge Street
SANDPOINT, ID

July 21, 2016
Work Session

Chairman Chase called the Work Session meeting to order at 8:04 a.m. All Board members were present. IDWR staff members present were: Brian Patton, Cynthia Bridge Clark, Neeley Miller, Rick Collingwood, Gary Spackman, Mathew Weaver, Meghan Carter, Jennifer Strange, Morgan Case, and Joe Carlson. Guests present were: Dave Nuss, Kevin Kirking, John Williams, Stephen Goodson, Paul Klatt, Steve Klatt, Erin Mader, Molly McCahon, and Todd Sudick.

During the Work Session the following items were discussed:

- A welcoming message from Commissioner Todd Sudick from Bonner County regarding Priest Lake.
- A presentation by Mr. Collingwood for a loan request by Dalton Water Association.
- A presentation on the history of Priest Lake by Ms. Bridge Clark and Mr. Steve Klatt from Bonner County Parks and Waterways.
- A presentation of the Priest Lake Water Management Study by Ms. Bridge Clark and Mr. Steve Klatt from Bonner County Parks and Waterways.

Around 10:00 a.m. the Board took a break to prepare for a tour of Priest Lake. They departed for Priest Lake around 10:30 a.m. The tour lasted until 6:00 p.m.

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

July 22, 2016
Board Meeting No. 5-16

At 8:00 a.m. Chairman Chase called the meeting to order. All members were present.

Agenda Item No. 1: Roll Call

Board Members Present

Roger Chase, Chairman
Vince Alberdi, Secretary
Bert Stevenson
Chuck Cuddy

Jeff Raybould, Vice-Chairman
Pete Van Der Meulen
Dale Van Stone
Albert Barker

Staff Members Present

Gary Spackman, Director
Cynthia Bridge Clark, Water Projects Section Manager
Rick Collingwood, Planning Engineer
Clive Strong, Attorney General
Ann Vonde, Deputy Attorney General
Morgan Case, IDWR Northern Region Manager

Brian Patton, Planning Bureau Chief
Neeley Miller, Senior Planner
Randy Broesch, Planning Engineer
Meghan Carter, Deputy Attorney eneral
Joe Carlson, Staff Engineer

Guests Present

John Williams, BPA
Bob Carter, BPBC
Molly McCahon, Lakes Comm. Howard Stoddard
Stephen Goodson, Governor's Office
Sabrina Higdon
Shawn Keough, State Senate
Kevin Moore
Carla Woempner
James Hudson
Phil **illegible last name*
Ron Wilson
Ralph Sletager, Save Pend Oreille
Devin Dufenhorst
Steve Klatt, Bonner County
Bob Bruce, Stanley Consultants

Tim Page, BPBC
Erin Mader, Lakes Commission
Todd Glindeman
Jim Haynes
Beverly Friend
Caroline Troy, State House of Rep
Maureen Petersen
Roger & Ellen Berry
Herman Collin, BSCD
Alan Miller
Dennis Hall, Save Pend Oreille
Mike Galante, IWAC President
Eric Redman, State House of Rep
Randy Stolz

Agenda Item No. 2 Executive Session

Mr. Alberdi made a motion for the Board to resolve into Executive Session. Mr. Raybould seconded. Roll call vote: Mr. Alberdi: Yes; Mr. Barker: Yes; Mr. Cuddy: Yes; Mr. Raybould: Yes; Mr. Stevenson: Yes; Mr. Van Der Meulen: Yes; Mr. Van Stone: Yes; and Chairman Chase: Yes. 8 Ayes.

At approximately 8:05 a.m. the Board resolved into Executive Session by unanimous consent pursuant to Idaho Code Section 74-206(1) subsections (f), for the purposes 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: CSRBA Lake Level Claims & Swan Falls.

No actions were taken by the Board during the Executive Session. Mr. Alberdi moved to exit Executive Session. Mr. Barker seconded the motion. Voice vote: All were in favor. Motion carried. The Board resolved out of Executive Session at approximately 9:00 a.m.

Agenda Item No. 2: Agenda and Approval of Minutes 3-16 and 4-16

There was no need to adjust the Agenda. For the 3-16 Minutes, Mr. Stevenson moved to approve the minutes as written. It was seconded by Mr. Alberdi. Voice vote: all were in favor. The minutes were adopted.

Mr. Stevenson also moved to approve the 4-16 Meeting Minutes. Mr. Alberdi seconded. Voice vote: all were in favor. The minutes were adopted.

Agenda Item No. 4: Public Comment

Some members of the community had requested time to speak during public comment. Chairman Chase recommended a five minute maximum per commenter. The following individuals addressed the Board:

Mr. John Williams provided updates on Bonneville Power Administration. Some rate increases are expected in the future. He announced a new Deputy Administrator Dan James. BPA noted a normal water year this year, compared to last year.

Mr. Jim Haines from Bonner County: comments on lake levels and aquifers.

Mr. Kevin Moore: comments on private property rights.

Ms. Maureen Peterson: comments related to the Sustainability document.

Ms. Carla Woempner: comments on Idaho water rights and Adjudication of Northern Idaho water rights.

Mr. Dennis Hall: presentation on the Lake Pend Oreille Alliance.

Agenda Item No. 5: Financial Status

Mr. Patton provided updates as of June 1st on the Board's account balances. He recommended an upcoming Finance Committee Meeting be scheduled. Financial Programs Chair, Mr. Alberdi agreed to that suggestion. Also some upcoming loans were discussed. Mr. Alberdi asked if IGWA is on track to repay their loan. There was some discussion among board members. It was suggested that this issue be added to the upcoming Financial Programs Committee meeting.

No actions were taken by the Board.

Agenda Item No. 6 State Water Plan Sustainability Policy Update

Mr. Miller provided an update on the Public Hearings that have been held across the state to gain input on the proposed Sustainability Policy that will be updated in the State Water Plan. He discussed the process for people to provide comment and a general overview of the types of

comments given thus far. He announced that the next hearings are August 23, August 30, and September 14, 2016 and that the public comment period would conclude on September 30, 2016.

No actions were taken by the Board.

Agenda Item No. 7 Briefing from IDWR Northern Regional Manager

Ms. Morgan Case updated the Board on the Northern Region. She discussed the status of processes at the Coeur D'Alene office, including water allocations, stream channel alterations, recreational dredging, and adjudication. She introduced the newest members of the Northern Region team and discussed the upcoming position to be filled.

No actions were taken by the Board.

Agenda Item No. 8 Rathdrum Prairie CAMP Funding Request

Mr. Miller introduced a funding match request for the Idaho Washington Aquifer Collaborative (IWAC) which the Rathdrum Prairie CAMP recommended.

Mike Galante and Alan Miller, members of IWAC and the Rathdrum Prairie CAMP, gave the Board a presentation on a water stewardship education project. The goal for the project is to educate the public on water stewardship on the Spokane Valley-Rathdrum Prairie Aquifer and is focused on the following key areas: ensure water quality; ensure adequate water supply; and effectively deal with storm water and runoff water.

Mr. Van Stone moved to adopt the resolution authorizing a funding request of \$10,000 to the IWAC for a water stewardship education project. Mr. Cuddy seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. 8 Ayes. Motion passed. The resolution was adopted.

Agenda Item No. 9 Dalton Water Loan

Mr. Patton provided an overview on a loan request by the Dalton Water Association of Kootenai County. The Association requested funding to install a larger water main line, to improve water services, to add fire hydrants, to provide well pump house piping and to construct road surface repairs. Mr. Collingwood further explained the project. One day earlier, the Board had reviewed this proposal at the Work Session. There were no questions.

Mr. Van Stone moved to adopt the Resolution to authorize a loan of \$1,036,900 to the Dalton Water Association. Mr. Raybould seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. 8 Ayes. Motion passed. The resolution was adopted.

Agenda Item No. 10 Northern Idaho Adjudication Update

Ms. Meghan Carter provided a presentation on activities with the Northern Idaho Adjudication, the Coeur d'Alene Spokane River Basin Adjudication, and the Palouse River Basin Adjudication. There was a listing of claim totals and objections. Mr. Van Stone asked if Boundary

County would be adjudicated. Ms. Carter replied that it was not currently being considered, but could be.

No actions were taken by the Board.

Agenda Item No. 11 Palouse Basin Water Supply Alternatives Project Update

Mr. Paul Kimmell, Chairman of the Palouse Basin Aquifer Committee (PBAC) presented an update on the Palouse Ground Water Basin Water Supply Alternatives Project. He discussed the work that had been completed, the alternatives being evaluated, and the next steps for the project. The project report and results are expected by early 2017.

He invited board members to attend the 12th Annual Palouse Water Summit held on Wednesday, October 5th. No actions were taken by the Board.

Agenda Item No. 12 ESPA Recharge

Mr. Patton provided a timeline of ESPA Recharge events, including the 250,000 acre-feet per year recharge requirement. He introduced three resolutions for recharge efforts. There was some discussion among board members. All three projects were previously included in the FY2017 budget. There was discussion about recharge timelines and project commitments. Mr. Barker suggested adding a 20-year clause to the first MP31 resolution.

Mr. Van Der Meulen moved to adopt the Resolution as amended above to authorize funding up to 1.8 million. Mr. Stevenson seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. 8 Ayes. Motion passed. The resolution was adopted.

Mr. Stevenson moved to adopt the Resolution for the North Side Canal to authorize expenditures not to exceed \$4.8 million from the Secondary Aquifer Fund. Mr. Alberdi seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. 8 Ayes. Motion passed. The resolution was adopted.

Mr. Raybould moved to adopt the Resolution to approve funds not to exceed \$600,000 for recharge infrastructure improvements for the Southwest Irrigation District pipeline system. Mr. Cuddy seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. 8 Ayes. Motion passed. The resolution was adopted.

Chairman Chase addressed the Legislators in the audience and provided them opportunities to comment. Senator Keough offered thanks to the Board for holding the meetings in Northern Idaho. Representatives Troy, Redman and Dixon also expressed appreciation to the Board. Likewise, Board Members expressed appreciation for the opportunity to hear about water issues from the people of the region and to see the area first-hand.

Agenda Item No. 13 Water Transactions

Ms. Case introduced two resolutions for the Water Transactions program on the Lower Lemhi. One resolution would change ownership of a water right to the Board. The other resolution would fund administrative fees.

Mr. Van Stone moved to adopt the Resolution accepting the assignment of all interests held by David Lewis in Water Right No. 74-15948. Mr. Van Der Meulen seconded the motion. Voice Vote: all were in favor. Motion passed. The resolution was adopted.

Mr. Raybould moved to adopt the Resolution authorizing funding of \$460 to pay for the administrative fees to lease Water Right No. 74-15948 into the Lemhi Rental Pool. Mr. Cuddy seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. 8 Ayes. Motion passed. The resolution was adopted.

Agenda Item No. 14 MHAFB Water Supply Project

Mr. Broesch presented a resolution to provide funding for a consultant to facilitate workshops that will lead to the selection of a project delivery type and develop a draft scope of services for the Owner's Representative to be solicited in a request for qualifications.

Mr. Stevenson moved to adopt the Resolution authorizing funding not to exceed \$65,000. Mr. Van Stone seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. 8 Ayes. Motion passed. The resolution was adopted.

Agenda Item No. 15 SW Idaho Water Sustainability Projects

Mr. Collingwood introduced a proposal by the Boise Project Board of Control to design and construct the lower embankment drain pump back project in Canyon County. The project is expected to recapture an estimated volume of 6,205 AF of seepage/waste water.

Mr. Tim Page of the BPBC presented more information to the Board. Mr. Alberdi asked who would fund the annual operating costs. BPBC would cover the operating costs. This would be a one-time funding request. Mr. Alberdi asked that the motion read that the Resolution is adopted upon the understanding that BPBC is expected to cover all operating costs and for the amount of up to \$86,168.28.

Mr. Alberdi moved to adopt the Resolution as amended above to authorize funding of \$86,168.28 to the Boise Project Board of Control. Mr. Raybould seconded the motion. Roll call vote: Alberdi: Aye; Barker: Abstain; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. 7 Ayes. 1 Abstain. Motion passed. The resolution was adopted.

Agenda Item No. 16 Director’s Report

Director Spackman expressed appreciation for the level of engagement in water issues by the citizens and the legislators of Northern Idaho. He mentioned the influence that the Ralston report, which was funded by the Board, has had in the area. He reminded the Board that several Hearings were going to occur in the coming weeks across the ESPA. Finally, he suggested that the Board and Department present a report on the recharge efforts to the legislature. Senator Keough, who was in the audience, mentioned that a Natural Resources Interim Committee meeting was scheduled for October 11th.

Agenda Item No. 17 Non-Action Items for Discussion

Mr. Alberdi wished to reiterate appreciation for the local support of Idaho water issues. Mr. Raybould would like a report on where the Board is on recharge water rights at the October meeting. Mr. Barker informed the Board about an issue on the Snake River above Hells Canyon Dam.

Agenda Item No. 18 Next Meeting and Adjourn

The next Board meeting was set for September 15 and 16, 2016 in Pocatello. That meeting will host a field trip to Last Chance Canal Diversion Dam on the Bear River. Mr. Alberdi moved to adjourn. Mr. Raybould seconded. All were in favor. Chairman Chase adjourned the meeting at approximately 12:00 p.m.

Respectfully submitted this _____ day of September, 2016.

Vince Alberdi, Secretary

Jennifer Strange, Administrative Assistant II

Board Actions:

1. Mr. Stevenson moved to adopt Minutes 3-16. Mr. Alberdi seconded the motion. Voice Vote. All were in favor. Motion passed.
2. Mr. Stevenson moved to adopt Minutes 4-16. Mr. Alberdi seconded the motion. Voice Vote. All were in favor. Motion passed.
3. Mr. Van Stone moved to adopt the resolution allocating funds up to \$10,000 to the Idaho Washington Aquifer Collaborative for a water stewardship education project. Mr. Cuddy seconded the motion. Roll Call Vote. 8 Ayes. Motion carried.
4. Mr. Van Stone moved to adopt the resolution authorizing a loan of \$1,036,900.00 to the Dalton Water Association. Mr. Raybould seconded the motion. Roll Call Vote. 8 Ayes. Motion carried.
5. Mr. Van Der Meulen moved to adopt the resolution authorizing funds not to exceed \$1,800,000.00 to construct the MP31 box diversion and flow control project. Mr. Stevenson seconded the motion. Roll Call Vote. 8 Ayes. Motion carried.
6. Mr. Stevenson moved to adopt the resolution for the North Side Canal Company to authorize expenditures not to exceed \$4.8 million from the Secondary Aquifer Fund. Mr. Alberdi seconded the motion. Roll Call Vote. 8 Ayes. Motion carried.
7. Mr. Raybould moved to adopt the resolution to approve funds not to exceed \$600,000 for recharge infrastructure improvements for the Southwest Irrigation District pipeline system. Mr. Cuddy seconded the motion. Roll Call Vote. 8 Ayes. Motion carried.
8. Mr. Van Stone moved to adopt the resolution accepting without cost the assignment of all interests held by David Lewis in Water Right No. 74-15948. Mr. Van Der Meulen seconded the motion. Voice Vote. All were in favor. Motion passed.
9. Mr. Raybould moved to adopt the resolution authorizing funding of \$460 to pay for the administrative fees to lease Water Right No. 74-15948 into the Lemhi Rental Pool. Mr. Cuddy seconded the motion. Roll Call Vote. 8 Ayes. Motion carried.
10. Mr. Stevenson moved to adopt the resolution authorizing funding not to exceed \$65,000. Mr. Van Stone seconded the motion. Roll Call Vote. 8 Ayes. Motion carried.
11. Mr. Alberdi moved to adopt the resolution as amended above to authorize funding of \$86,168.28 to the Boise Project Board of Control. Mr. Raybould seconded the motion. Roll Call Vote. 7 Ayes. 1 Abstention. Motion carried.

**MATERIALS MAY BE PROVIDED AT THE
IWRB MEETING**

Scoping Informational Package

Falls Irrigation District Snake River Plain Aquifer Wells Project

Introduction

The U.S. Department of the Interior, Bureau of Reclamation is asking for comments to help identify issues and concerns associated with a proposal from Falls Irrigation District (District) affecting Federal property interests. This proposal seeks Reclamation approval to drill three wells within Federal easements managed by Reclamation to pump water from the Snake River Plain Aquifer (Aquifer) into the District's existing canal distribution system. This proposal will be called the Falls Irrigation District Snake River Plain Aquifer Wells Project (Project). Federal actions must be analyzed in accordance with the National Environmental Policy Act (NEPA) and other relevant Federal and State laws and regulations to determine potential environmental and social consequences.

Background

The District operates and maintains the Reclamation American Falls Division of the Minidoka Project, which was constructed as part of the Michaud Flats Project during the early 1950's. The District utilizes natural flow surface water, surface water stored in the Upper Snake River reservoir system, and groundwater to provide irrigation water to approximately 12,000 acres in Power County, Idaho. Irrigation water is delivered to a pumping station southwest of American Falls Dam by drawing natural flow and stored surface water through a five-foot diameter penstock that penetrates the dam. Water is pumped to a hilltop southeast of the pumping station, into a canal system that distributes water east and west to the District's service areas. The District also uses 26, of an originally-authorized 29, wells to supply groundwater under water rights held by Reclamation. These wells deliver water directly to patron lands, or pump into the canal system for distribution.

The elevation of the penstock intakes and pump station, and the design of the pumps, were based on typical operational levels in American Falls Reservoir at the time of construction. Due to downstream water deliveries, declining reach gains entering the reservoir, and increasing late-season irrigation by most users from the reservoir, late-season reservoir water levels are too low for the existing pumping plant to deliver the full supply of irrigation water held by the District in the reservoir system during low water years. Twice in recent history, reservoir levels have been so low that the pumps could not be operated without severe damage from cavitation, reducing deliveries to essentially zero.

The District's proposed Project to drill three wells within Federal easements managed by Reclamation to pump water from the Aquifer into the District's existing canal distribution system (see Map 1) would allow it to obtain a reliable water supply for late season delivery during low water years for the District and its constituents.

Purpose and Need for Action

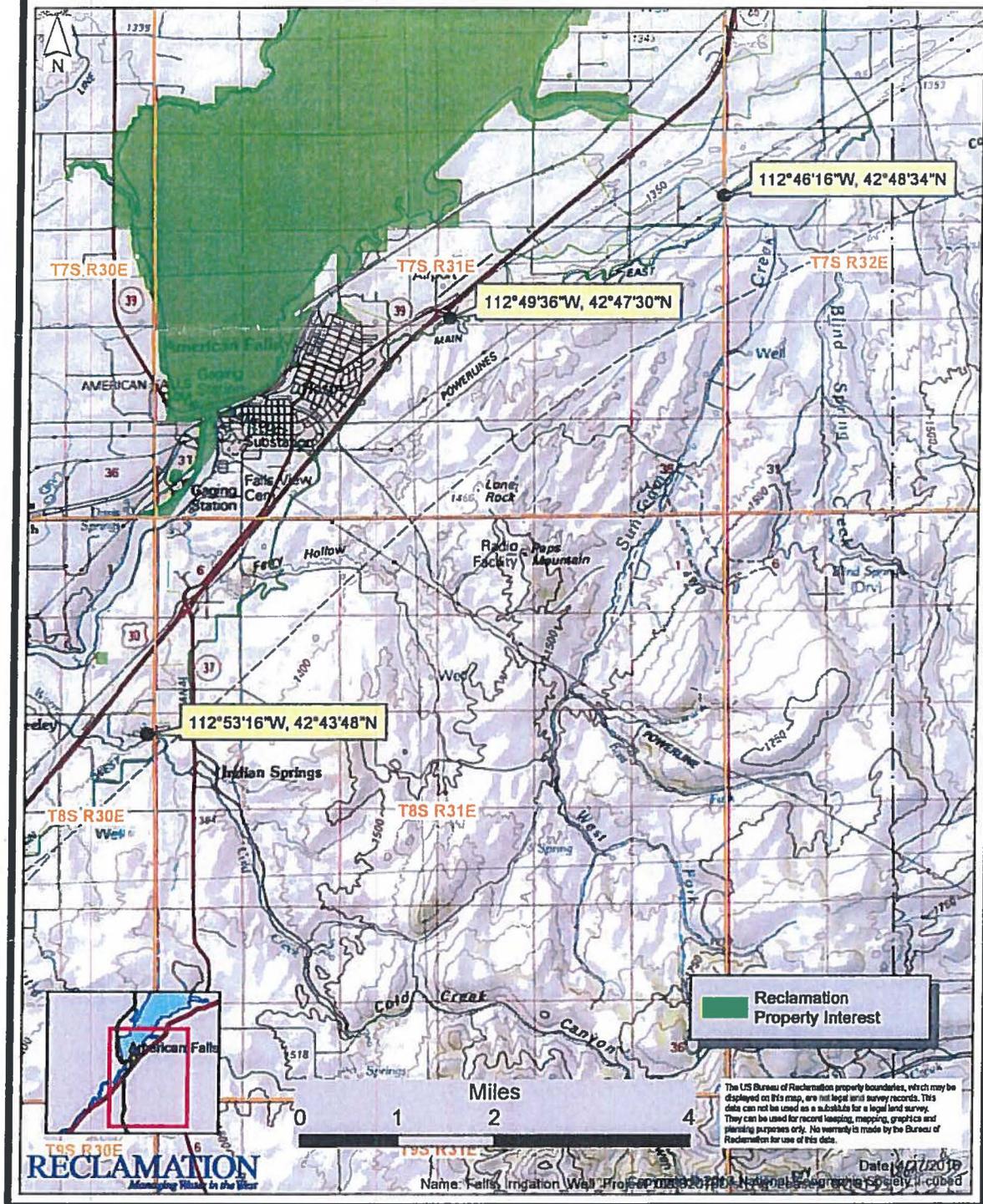
Reclamation's purpose is to respond to the District's proposed Project. The need is to obtain a reliable irrigation water supply for late season water delivery during low water years for the District and its constituents.

Preliminary Alternatives

The environmental document will include a reasonable range of alternatives that meet the purpose and need of the Project. Preliminary alternatives considered, but not limited to, include:

1. No Action – new development as proposed would not be approved and the Project rejected by Reclamation.
2. The District's proposed action: Drill, complete and operate up to three new wells (16-inches in diameter and approximately 250 feet deep) located along the District's canal system and within Federal easements managed by Reclamation (West Canal W-E turnout, West Canal E-C turnout, and head of the E7.1 Lateral) (see Map 1). The Project would involve surface disturbance of approximately 0.06 acre of land at each of the three locations. Extracted groundwater would be replaced by direct recharge into the aquifer at an existing recharge site in the general vicinity of Falls Irrigation District, and by dedicating a block of storage water to the Watermaster of Water District 01 to mitigate as necessary for seasonal depletionary effects that might accrue to other Snake River users.
3. Other reasonable development alternatives:
 - A. Penstock alteration, including potential changes in penstock diameter, inlet elevation, and pump design and/or pumping station elevation at American Falls Dam
 - B. New pump(s) at other locations within American Falls Reservoir, located on constructed piers, islands, or other features, with ditches or pipes to the existing irrigated lands

Falls Irrigation District Snake River Plain Acquirer Wells Project
 U.S. Bureau of Reclamation
 Upper Snake Field Office



Map 1: Proposed well locations at West Canal W-E turnout, West Canal E-C turnout, and head of the E7.1 Lateral in Power County, Idaho.

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MEMO

To: Idaho Water Resource Board
From: Brian Patton
Subject: Financial Status Report
Date: September 12, 2016

As of **September 1st** the IWRB's available and committed balances are as follows:

Secondary Aquifer Fund:

Committed/earmarked but not disbursed	\$17,529,682
Loan principal outstanding	\$4,000,000
Uncommitted Balance	\$0

Revolving Development Account:

Committed/earmarked but not disbursed	\$21,802,745
Loan principal outstanding	\$22,124,467
Uncommitted Balance	\$1,871,693
Anticipated funds available over commitments next 1 yr	\$5,371,693

Water Management Account:

Committed/earmarked but not disbursed	\$111,376
Uncommitted Balance	\$9,915

Total committed/earmarked but not disbursed	\$39,443,803
Total loan principal outstanding	\$26,124,647
Total uncommitted balance	\$1,881,608
Anticipated funds available over commitments next 1 yr	\$5,381,608

- The new Secondary Aquifer Fund Budget Tracking Sheet is attached. This was reviewed by the IWRB Finance Committee at its September 9, 2016 meeting in Jerome.
- Also at the recent Finance Committee meeting, the Committee recommended extending the due date of the \$6.9M interim loan to the ESPA Ground Water Districts for one year, provided the Districts provide the IWRB with a solid plan for securing long-term financing for the Hagerman Valley mitigation projects and repaying this interim loan.
- The IWRB will also be considering a \$5.2M loan request from the Northside Canal Company for rehabilitation of the canal system. Northside is requesting the funds over a 3-year period, with about \$1.73M needed in each of the three years.

Idaho Water Resource Board
Budget and Committed Funds
as of August 31, 2016
SECONDARY AQUIFER PLANNING, MANAGEMENT, & IMPLEMENTATION FUND

FYE 2014 Cash Balance..... 8,599,730.32

FY 2015 Revenue

Interest Earned.....	(16,561.89)
HB618 - Pristine Springs Transfer.....	716,000.00
HB547 - State Recharge & Aquifer Stabilization (SRAS).....	5,000,000.00
TOTAL FY 2015 REVENUE	5,699,438.11

FY 2015 Expenditures

	Approved	Expenditures	Balance	Carry forward
Milner Gooding Concrete Flume Analysis (AFRD2).....	18,571.43	(18,000.88)	570.55	
Milner Gooding Canal Road Improvements (AFRD2).....	177,000.00	(176,880.00)	120.00	
Environmental Studies for Lake Walcott (A&B Irrigation).....	113,792.00	(113,163.84)	628.16	
Engineering Studies for Murtaugh Reservoir (Twin Falls Canal Co).....	20,000.00	(10,859.53)	9,140.47	
Lower Snake River Aquifer Recharge District (Test Holes).....	70,000.00	(39,782.74)	30,217.26	
Lower Snake River Aquifer Recharge District (Recharge Site Pump Test).....	3,000.00	(3,000.00)	0.00	
Reconveyance Costs.....	392,589.11	(392,589.11)	0.00	
Monitoring Costs.....	7,971.14	(7,971.14)	0.00	
Hydrology Monitoring Costs.....	600.00	(600.00)	0.00	
Operating Costs.....	34,193.58	(34,193.58)	0.00	
Engineering Studies for Wilson Lake (North Side Canal Company).....	34,389.11	(34,389.11)	0.00	
Magic Springs Pipeline loan.....	1,260,000.00	(1,260,000.00)	0.00	
TOTAL FY 2015 EXPENDITURES	2,132,106.37	(2,091,429.93)	40,676.44	

FY 2015 Committed Funds

	Approved	Amended	Obligated	Expenditures	Balance	Carry forward
Pristine Springs Transfer.....	717,337.48			(555,633.20)	161,704.28	
ESPA CAMP (HB479).....	4,000,000.00		4,000,000.00	(2,942,482.44)	1,057,517.56	
Northern Idaho Future Water Needs Studies (HB479).....	500,000.00		500,000.00	(276,400.07)	223,599.93	
Cooperative Weather Modification Program (Cloud Seeding).....	492,000.00		492,000.00	(288,378.64)	203,621.36	
Public Information Services (Steubner).....	55,000.00		55,000.00	(30,021.87)	24,978.13	
GWD Bond Preparatory Expenses.....	19,537.50		19,537.50		19,537.50	
Five-Year Managed Recharge Pilot Program.....	1,500,000.00			(1,429,560.23)	70,439.77	
Measurement devices for AWEP conversion projects.....	183,544.79		183,544.79		183,544.79	
TOTAL FY 2015 COMMITTED FUNDS	7,467,419.77			(5,522,476.45)	1,944,943.32	

FY 2016 Revenue

Interest Earned.....	61,966.35
HB547 - State Recharge & Aquifer Stabilization (SRAS).....	5,000,000.00
SB1190 - Water Sustainability.....	500,000.00
TOTAL FY 2016 REVENUE	5,561,966.35

N

FY 2016 Budget	Approved	Amended	Obligated	Expenditures	Balance	Carry forward
ESPA Managed Recharge Operations						
Administrative Costs.....	50,000			(16,431.21)	33,568.79	33,568.79
Conveyance Costs.....	700,000			0.00	700,000.00	700,000.00
Equipment.....	81,000			(61,472.64)	19,527.36	19,527.36
Site Monitoring.....	219,000			(121,959.54)	97,040.46	97,040.46
Regional Monitoring.....	200,000			(142,403.74)	57,596.26	
Total ESPA Managed Recharge Operations.....	1,250,000			(342,267.13)	907,732.87	850,136.61
ESPA Managed Recharge Infrastructure						
Milner-Gooding concrete flume.....	700,000		700,000.00	(700,000.00)	0.00	
Milner-Gooding Dietrich Drop hydro plant bypass.....	50,000	1,500,000.00	1,500,000.00	(9,576.00)	1,490,424.00	
Twin Falls Canal recharge improvements.....	500,000				500,000.00	500,000.00
Northside canal hydro plant bypasses.....	2,000,000		2,000,000.00	(223,074.36)	1,776,925.64	1,776,925.64
Great Feeder Canal recharge improvements.....	500,000		500,000.00	(500,000.00)	0.00	
Egin Recharge Enlargement.....	500,000	500,000.00	1,000,000.00	(933,788.09)	66,211.91	
Milner-Gooding Expansion of MP31 Recharge Site.....	200,000		200,000.00	(200,000.00)	0.00	
Milner-Gooding Canal Road Improvements MP31 to Shoshone Recharge.....	150,000		150,000.00	(116,773.00)	33,227.00	
Jensen Grove.....	26,527		26,527.00	(26,527.00)	0.00	
SRVID Monitoring.....	5,000		5,000.00		5,000.00	
Remaining Funds.....	1,618,473	(2,000,000.00)			(381,527.00)	(381,527.00)
Total ESPA Managed Recharge Infrastructure	6,250,000	0.00	6,081,527.00	(2,709,738.45)	3,490,261.55	1,895,398.64
Managed Recharge Investigations						
Dietrich Drop Hydro Plant Options Study.....	30,064		30,064.00	(30,064.00)	0.00	
Milner-Gooding Expansion of MP31 Recharge Site Study.....	36,500		36,500.00	(15,055.60)	21,444.40	
De-icing Study.....	26,000		26,000.00	(24,973.67)	1,026.33	1,026.33
Remaining Funds.....	171,004				171,004.00	171,004.00
Total Managed Recharge Investigations.....	263,568		92,564.00	(70,093.27)	193,474.73	172,030.33
STATE-WIDE						
Ground water conservation grants in priority aquifers (Roger's proposal).....	200,000			(10,053.00)	189,947.00	
Treasure Valley Star Study.....	25,000				25,000.00	
Treasure Valley Supply Option.....	13,200			(13,200.00)	0.00	
Cloud Seeding.....	200,000			(200,000.00)	0.00	
Elmore County.....	65,000			(30,000.00)	35,000.00	
Amount reserved for projects in other priority aquifers.....	1,000,000				1,000,000.00	1,000,000.00
STATE-WIDE TOTAL.....	1,503,200			(253,253.00)	1,249,947.00	1,000,000.00
FY 2016 CARRY FORWARD.....						3,917,565.58
Magic Springs Pipeline loan.....				(2,740,000.00)	(2,740,000.00)	(2,740,000.00)
TOTAL FY 2016 COMMITTED FUNDS.....	9,266,768.00		6,174,091.00	(6,115,351.85)	3,101,416.15	
FY 2016 CARRY FORWARD BALANCE.....						1,177,565.58
FY 2017 Revenue						
Interest.....				14,647.57		
HB547 - State Recharge & Aquifer Stabilization (SRAS).....				0.00		
SB1402, Sec 4 - Water Sustainability.....				2,500,000.00		
SB1402, Sec 5 - Water Sustainability.....				5,000,000.00		
TOTAL FY 2017 REVENUE.....				7,514,647.57		

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FY 2017 Budget	Approved	Amended	Obligated	Expenditures	Balance	Carry forward
ESPA Managed Recharge Operations						
Conveyance Cost.....	1,500,000				1,500,000.00	
Equipment & Supplies.....	87,000				87,000.00	
Site Monitoring.....	114,000				114,000.00	
Regional Monitoring.....	200,000				200,000.00	
Total ESPA Managed Recharge Operations.....	1,901,000				1,901,000.00	
ESPA Managed Recharge Infrastructure						
NSCC Wilson Lake Infrastructure Project.....	4,000,000	800,000.00	4,800,000.00		4,800,000.00	
SWID Recharge Project.....	1,000,000	(400,000.00)	600,000.00		600,000.00	
MP31 Check Dam.....	1,000,000				1,000,000.00	
Egin Lakes Phase II.....	500,000				500,000.00	
Reserved for Additional Recharge Projects.....	1,000,000	(400,000.00)			600,000.00	
Total ESPA Managed Recharge Infrastructure.....	7,500,000				7,500,000.00	
Managed Recharge Investigations						
ASCC Recharge Feasibility.....	300,000				300,000.00	
South Fork Engineering & Site Evaluation.....	200,000				200,000.00	
NSID Recharge Feasibility.....	200,000				200,000.00	
Reserved for additional investigations and engineering.....	300,000				300,000.00	
Total Managed Recharge Investigations.....	1,000,000				1,000,000.00	
TREASURE VALLEY						
Treasure Valley Modeling.....	500,000				500,000.00	
Treasure Valley Recharge Study.....	200,000			(3,181.25)	196,818.75	
Anderson Ranch Reservoir Enlargement Study.....	100,000				100,000.00	
Treasure Valley DCMI Water Conservation Study.....	200,000				200,000.00	
TREASURE VALLEY TOTAL.....	1,000,000				996,818.75	
WOOD RIVER VALLEY						
Wood River Valley Aquifer Ground Water Model Enhancements.....	200,000				200,000.00	
WOOD RIVER VALLEY TOTAL.....	200,000				200,000.00	
WEISER BASIN						
Weiser Basin Project.....	200,000				200,000.00	
WEISER BASIN TOTAL.....	200,000				200,000.00	
NORTHERN IDAHO AQUIFERS						
Reserve for additional investigations related to Northern Idaho Aquifers.....	109,273				109,273.00	
NORTHERN IDAHO AQUIFERS TOTAL.....	109,273				109,273.00	
STATE-WIDE						
Aquifer monitoring network enhancements in priority aquifers.....	100,000				100,000.00	
NRCS Snow Survey contribution.....	100,000				100,000.00	
Cooperative Cloud Seeding Program.....	600,000				600,000.00	
Ground water conservation grants in priority aquifers.....	200,000				200,000.00	
Administrative expenses (public information, staff training, etc.....)	75,000				75,000.00	
STATE-WIDE TOTAL.....	1,075,000				1,075,000.00	
Unspecified Projects in Other Areas or Carry-over.....	1,459,062				1,459,062.00	
TOTAL FY 2017 BUDGETED FUNDS.....	14,444,335				14,441,153.75	

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IDAHO WATER RESOURCE BOARD
Sources and Applications of Funds
as of August 31, 2016
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.....	\$8,704,078.17
Interest Earned State Treasury (Transferred).....	\$1,688,255.03
Filing Fee Balance.....	\$47,640.20
Bond Fees.....	\$1,469,601.45
Arbitrage Calculation Fees.....	(\$12,000.00)
Protest Fees.....	(\$820.00)
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.....	\$25,857.59
Attorney fees for Jughandle LID.....	(\$3,600.00)
Attorney fees for A&B Irrigation.....	(\$4,637.50)
Water Supply Bank Receipts.....	\$4,965,461.43
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.....	(\$1,533,047.30)
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).....	(\$10,500.00)
Payment to JR Simplot Co for water rights.....	(\$2,500,000.00)
IWRB WSB Lease Application.....	(\$750.00)
Mountain Home Misc Costs.....	(\$99,036.72)
Galloway Dam & Reservoir Project (HB 479).....	(\$124,708.68)
Water District 02 Assessments for Mtn Home.....	(\$2,078.61)
Boise River (Arrowrock Enlargement) Feasibility Study (HB479).....	(\$543,999.96)
Island Park Enlargement (HB 479).....	(\$55,947.20)
Water Supply Bank Computer Infrastructure (HB 479).....	(\$436,203.75)
Treasuraton Irrigation Ditch Co.....	(\$5,000.00)
Aqualife Hatchery Sub-Account	
Aqualife Hatchery, HB644, 2014.....	(\$1,885,000.00)
Aqualife Lease receipt from Seapac.....	\$114,720.00
Tax Payments.....	(\$1,419.15)
Lemoyne Appraisal for Aqualife facility.....	(\$10,500.00)
Loan payments received.....	\$1,534,665.65
Loans Outstanding	
ESPA Ground Water Districts (Aqualife purchase).....	\$1,365,334.35
Total Loans Outstanding	\$1,365,334.35
Balance Aqualife Hatchery Sub-Account.....	(\$247,533.50)
Bell Rapids Water Rights Sub-Account	
Legislative Appropriation 2005, HB392.....	\$21,300,000.00
Interest Earned State Treasury.....	\$693,321.74
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.....	(\$27,903.60)
Payment for Ongoing Bell Rapids Finance Costs (trustee fees, water bank, etc.).....	(\$6,740.10)
Commitments	
Ongoing Bell Rapids Finance Costs (trustee fees, WD02).....	\$153,277.58
Committed for alternative finance payment.....	\$0.00
Total Commitments.....	\$153,277.58
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.....	\$39,184.36
Loan Interest.....	\$2,116,784.68
Transfer from ESP Sub-Account.....	\$1,000,000.00
Payment for Purchase of Pristine Springs.....	(\$16,000,000.00)

Payment from Magic Valley & Northsnake GWD for Pristine Springs.....	\$4,041,679.61	
Appraisal.....	(\$25,500.00)	
Insurance.....	(\$48,494.25)	
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).....	(\$1,980.00)	
Standley Trenching (Trac system for communication equip).....	(\$2,863.99)	
Property Taxes and other fee assessments (Jerome County).....	(\$9,676.95)	
Rental Payments.....	\$1,655,334.18	
Payments to Scott Kaster.....	(\$143,220.48)	
Utility Payments (Idaho Power).....	(\$37,804.99)	
Costs for property maintenance.....	(\$193,171.70)	
Travel costs for property maintenance.....	(\$383.31)	
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)	
Transferred to Aquifer Planning Fund (2016 Legislature; SB 1402, Sec 3).....	(\$716,000.00)	
Pristine Springs Hydropower Projects		
Net power sales revenues.....		\$637,044.53
Pristine Springs Committed Funds		
To be transferred to Aquifer Planning Fund.....	-357,996.00	
Repair/Replacement Fund.....	\$1,007,427.96	
TOTAL COMMITTED FUNDS.....	\$649,431.96	
Loans Outstanding		
North Snake and Magic Valley Ground Water Districts.....	\$5,958,320.39	
Total Loans Outstanding.....	\$5,958,320.39	
Funds to RP CAMP & TV CAMP Sub-Account.....		\$271,672.34
Pristine Springs Revenues into Main Revolving Development Account.....		\$295,513.82
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.....		(\$13,000.00)
Treasure Valley Water Quality Summit.....		(\$500.00)
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station.....		(\$20,000.00)
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study (CON00989).....		(\$70,000.00)
Committed Funds.....		
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station.....	\$0.00	
Spokane River Forum.....	\$0.00	
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study.....	\$0.00	
Treasure Valley Water Quality Summit.....	\$0.00	
TOTAL COMMITTED FUNDS.....	\$0.00	
Balance Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account.....		\$168,745.45
Upper Salmon/CBWTP Sub-Account		
Water Transaction Projects Payment Advances from CBWTP/Accord.....		\$3,376,193.09
PCSRF Funds for Administration of Non-Diversion Easements on Lemhi River.....		\$225,482.76
Interest Earned State Treasury.....		\$110,815.69
Transfer to Water Supply Bank.....		(\$55,548.12)
Change of Ownership.....		(\$600.00)
Granite Creek Appraisal.....		(\$4,000.00)
Alturas Lake Creek Appraisal.....		(\$8,989.23)
Payments for Water Acquisition.....		(\$797,852.42)
Committed Funds		
Administration of Non-Diversion Easements on Lemhi River.....	\$134,132.19	
Alturas Lake Creek (Breckenridge).....	(\$0.00)	
Bayhorse Creek (Peterson Ranch).....	\$33,403.46	
Beaver Creek (DOT LLP).....	\$0.00	
Big Hat Creek.....	\$0.00	
Big Timber Tyler (Leadore Land Partners).....	\$497,761.30	
Canyon Creek/Big Timber Creek (Beyeler).....	\$459,528.47	
Fourth of July Creek (Vanderbilt).....	\$18,437.16	
Iron Creek (Phillips).....	\$0.00	
Iron Creek (Koncz).....	\$242,984.27	
Kenney Creek Source Switch (Gail Andrews).....	\$25,426.43	
Lemhi - Big Springs (Merrill Beyeler).....	\$62,818.25	
Lemhi River & Little Springs Creek (Kauer).....	\$22,062.27	
Little Springs Creek (Snyder).....	\$294,681.45	
Lower Eighteenmile Creek (Ellsworth Angus Ranch).....	\$1,777.78	
Lower Lemhi Thomas (Robert Thomas).....	\$1,800.00	
P-9 Bowles (River Valley Ranch).....	\$312,656.46	
P-9 Charlton (Sydney Dowton).....	\$20,694.83	
P-9 Dowton (Western Sky LLC).....	\$247,989.83	
P-9 Elzinga (Elzinga).....	\$306,743.16	
Patterson-Big Springs (PBSC9).....	\$193,385.01	
Spring Creek (Richard Beard).....	\$1,628.64	
Spring Creek (Ella Beard).....	\$2,387.07	
Whitefish (Leadore Land Partners).....	\$189,538.72	
Total Committed Funds.....	\$3,069,836.75	
Balance CBWTP Sub-Account.....		(\$224,334.98)
Water District 02 WaterSmart Grant Sub-Account		
Received from BOR for BORWS2.....		\$118,058.42
Received from BOR for BORWS3.....		\$48,909.28

Payments made to contractors for BORWS2.....		(\$118,058.42)
Payments made to contractors for BORWS3.....		(\$56,080.12)
Committed Funds:		
Grant Approval for BOHWS2.....	\$29,866.58	
Grant Approval for BOHWS3.....	\$327,220.44	
Total Committed Funds.....	\$357,087.02	
Balance WaterSmart Grant Sub-Account.....		(\$7,170.84)

Water Supply Bank Sub-Account		
Interest Earned State Treasury.....		\$2,641.26
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.....		\$585,885.61
Payments received from renters for 2016 season.....		\$571,461.37
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.....		(\$582,864.66)
Water Supply Bank Sub-Account Subtotal.....		\$593,999.37
Committed Funds:		
Owners Share.....	\$545,113.68	
Total Committed Funds.....	\$545,113.68	
Balance Water Supply Bank Sub-Account.....		\$48,885.69

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.....		\$1,909,875.51
Loan Interest.....		\$235,523.45
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.....		(\$3,516,544.76)
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.....		(\$28,909.30)
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).....	\$78,070.23	
Bingham GWD (CREP).....	\$0.00	
Bonneville Jefferson GWD (CREP).....	\$47,835.17	
Magic Valley GWD (CREP).....	\$74,633.56	
North Snake GWD (CREP).....	\$37,658.96	
TOTAL ESP LOANS OUTSTANDING.....	\$238,197.92	
Uncommitted Balance Eastern Snake Plain Sub-Account.....		\$522,982.51

Dworshak Hydropower Project		
Dworshak Project Revenues		
Power Sales & Other.....	\$7,144,502.73	
Interest Earned State Treasury.....	495,957.00	
Total Dworshak Project Revenues.....		\$7,640,459.73
Dworshak Project Expenses		
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.....	\$2,254,865.37	
Powerplant Repairs.....	\$58,488.80	
Bond payoff.....	\$391,863.11	
Capital Improvements.....	\$318,366.79	
FERC Payments.....	\$73,189.55	
Total Dworshak Project Expenses.....		(\$3,785,866.43)
Dworshak Project Committed Funds		
Emergency Repair/Future Replacement Fund.....	\$1,314,575.00	
FERC Fee Payment Fund.....	\$14,879.33	
Total Dworshak Project Committed Funds.....		\$1,329,454.33
Excess Dworshak Funds into Main Revolving Development Account.....		\$2,525,138.97
TOTAL.....		\$27,777,494.25

	Amount Loaned	Principal Outstanding
Loans Outstanding:		
A&B Irrigation District (18-July-14; pipeline and conversion project).....	7,000,000	\$6,747,773.83
Aberdeen-Springfield Canal Company (WRB-491; Diversion structure).....	\$329,761	\$99,877.37
Bee Line Water Association (Sep 23, 2014; System Improvements).....	600,000.00	\$13,184.57

Bonnie Laura Water Corporation (14-Jul-06; Well repairs).....	\$71,000	\$7,133.08
Canyon County Drainage District No. 2 (28-Nov-12; Drain tile pipeline	\$35,000	\$26,316.76
Challis Irrigation Company (28-Nov-07; river gate replacement).....	\$50,000	\$9,701.77
Chaparral Water Association (21-Jan-11; Well deepening & improvem	68,000	\$16,924.35
Clearview Water Company.....	50,000	\$45,667.10
Cloverdale Ridge Water Corp. (irrigation system rehab 25-sep-09)....	106,400	\$41,176.11
Consolidated Irrigation Company (July 20, 2012; pipeline project).....	1,500,000	\$769,303.45
Consolidated Irrigation Company (July 20, 2012; pipeline project).....	500,000	\$500,000.00
Country Club Subdivision Water Association (18-May-07, Well Project).	\$102,000	\$24,008.22
Enterprise Irrigation District (14-Jul-06; Pipeline project).....	\$37,270	\$4,644.00
Enterprise Irrigation District (North Lateral Pipeline).....	\$105,420	\$27,562.12
Foothills Ranch Homeowners Association (7-oct-11; well rehab).....	\$150,000	\$108,708.62
Harvest Valley Homeowners Association (22-Mar-13; Pump Replacem	4,500.00	\$1,329.43
Jefferson Irrigation Company (9-May-2008 Well Replacement).....	\$81,000	\$32,221.09
Jughandle HOA/Valley County Local Improvement District No. 1 (well p	\$907,552	\$619,593.46
King Hill Irrigation District (24-Sep-10; Pipeline replacement.....	\$300,000	\$70,806.38
Lake Reservoir Company (29-July-11; Payette Lake-Lardo Dam Outle	\$594,000	\$105,150.40
Last Chance Canal Company (14-July-2015, diversion dam rebuild)....	2,500,000.00	\$2,500,000.00
Lava Hot Springs, City of.....	\$347,510	\$82,161.12
Lindsay Lateral Association (Engineering Design Project & Pipeline Stu	\$19,700	\$12,425.29
Live-More Lake Community (9-Jun-04).....	\$42,000	\$10,980.67
Marsh Center Irrigation Company (13-May-05; Hawkins Dam).....	\$236,141	\$98,522.65
Marysville Irrigation Company (18-May-07, Pipeline Project Phase 1)...	\$625,000	\$137,152.90
Marysville Irrigation Company (9-May-08, Pipeline Project Phase 2).....	\$1,100,000	\$194,623.03
Meander Point Subdivision Homeowners Association (7-Sep-07; corn	\$330,000	\$0.00
North Fremont Canal Systems (25-Jan-13; Marysville Project).....	\$2,500,000	\$1,558,287.25
Outlet Water Association (22-Jan-16; new well & improvements).....	100,000.00	\$71,040.11
Pinehurst Water District (23-Jan-15).....	100,000	\$75,025.30
Point Springs Grazing Association (July 20, 2012; stock water pipeline)	48,280.00	\$35,711.11
Preston-Whitney Irrigation Company (29-May-09; Fairview Lateral Pipe	\$800,000	\$45,292.32
Producers Irrigation Company (17-Mar-06; well replacements).....	\$185,000	\$11,729.65
Ranch Subdivision Property Owners Assoc.....	\$24,834	\$2,587.83
Riverside Independent Water District	\$350,000	\$93,411.42
Skin Creek Water Association.....	\$188,258	\$41,705.44
Spirit Bend Water Association.....	\$92,000	\$16,402.57
Sunset Heights Water District (17-May-13; Exchange water project)...	\$48,000	\$25,547.57
Twin Lakes Canal Company (Winder Lateral Pipeline Project).....	\$500,000	\$267,629.45
Twin Lakes Canal Company (Bear River Narrows).....	\$90,000	\$11,296.22

TOTAL LOANS OUTSTANDING..... **\$14,562,614.01**

Loans and Other Funding Obligations:

Legislative Appropriation 2014, HB 479 Sec 1 and 2		
Mountain Home AFB Water Rights (HB479).....	\$1,424,912.94	
Galloway Dam & Reservoir Project (HB 479).....	\$1,912,390.00	
Boise River (Arrowrock Enlargement) Feasibility Study (HB479).....	\$1,122,310.89	
Island Park Enlargement (HB479).....	\$2,472,125.00	
Water Supply Bank Computer Infrastructure (HB 479).....	\$249,287.50	
Aqua Life Hatchery, HB644, 2014.....	\$0.00	
Senate Bill 1511 - Teton Replacement and Minidoka Enlargement Studies.....	\$678,161.82	
Boise River Storage Feasibility Study.....	\$13,578.15	
Weiser-Galloway Study (28-May-10).....	\$461,620.87	
Priest Lake Improvement Study (16-Mar-16).....	\$300,000.00	
Bee Line Water Association (Sep 23, 2014; System Improvements).....	\$586,815.43	
Dalton Water Association (22-Jul-16; water pipeline).....	\$1,036,900.00	
Dover, City of (23-Jul-10; Water Intake project).....	\$194,063.00	
Last Chance Canal Company (14-July-2015, diversion dam rebuild).....	\$0.00	
Outlet Water Association (22-Jan-16; new well & improvements).....	\$28,959.89	
Producers Irrigation Company (23-May-16; new wells).....	\$173,000.00	
St. Johns Irrigating Company (14-July-2015; pipeline project).....	\$1,429,775.00	

TOTAL LOANS AND OTHER FUNDING OBLIGATIONS.....

Uncommitted Funds..... **\$12,083,900.49**

TOTAL..... **\$1,130,979.75**

\$27,777,494.25

Idaho Water Resource Board
Sources and Applications of Funds
as of August 31, 2016
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)
Tranfer 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
Bonners 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	Principal	
	Loaned	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

Memorandum

To: Idaho Water Resource Board
From: Wesley Hipke and Neal Farmer
Date: September 8th, 2016
Re: ESPA Managed Recharge Program Status Report



Progress/Status of ESPA Managed Recharge Program

Contents

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II. ESPA Managed Recharge Summary	2
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I. Introduction

The Idaho Water Resource Board (IWRB) has been tasked with developing a managed recharge program in the Eastern Snake Plain Aquifer (ESPA) capable of recharging 250,000 acre-feet per year (af/yr) to stabilize the ESPA. The ESPA has been losing approximately 200,000 acre-feet annually from aquifer storage since the 1950s resulting in declining groundwater levels and spring flows from the aquifer. Stabilizing the ESPA is critical to maintaining the minimum flow requirements on the Snake River and reducing conflicts between the water users.

The IWRB's strategy is to utilize natural flow in the Snake River that would otherwise leave the ESPA area. IWRB currently has a 1980 recharge water right (approximately 1,200 cfs) that authorizes diversion of water from the Snake River above the Milner Pool (Milner) including the Henry's Fork and the South Fork.

Other entities are also conducting recharge in the Eastern Snake River Plain generally related as part of a mitigation plan. The majority of the water used for this recharge is from water stored in the Eastern Snake River Reservoir System referred to as storage water.

II. ESPA Managed Recharge Summary

The recharge season generally coincides with the end and start of the irrigation season, however, the time period can be adjusted to account for recharge opportunities on the "shoulders" of the irrigation season and flood releases in the spring of the year. Managed recharge conducted under the IWRB's ESPA Managed Recharge Program only uses natural flow from the Snake River.

The IWRB 1980 recharge water right is "in priority" during different periods of the year upstream of Minidoka Dam (Upper Valley) and downstream of Minidoka Dam (Lower Valley). The irrigation season in the Eastern Snake River Plain has historically been between April and October. Usually, after irrigation diversions have stopped, water passing below Milner Dam is available for recharge under the IWRB's water right in the Lower Valley. IWRB managed recharge in the Upper Valley is dependent on flood control releases by the Bureau of Reclamation (BOR) from the reservoir system which historically has been extremely variable. Flood releases only occur approximately fifty percent of the years usually between the months of April through June. Occasionally limited flood release can occur in the months of February and March.

Entities using storage water for managed recharge generally conduct their recharge on the "shoulders" of the irrigation season using the canal systems before or after the irrigation season or at specific off-canal recharge sites during the irrigation season.

The following section provides a current summary of the IWRB ESPA managed recharge program and a brief summary of other known managed recharge activity.

IWRB Managed Recharge Summary

The IWRB has been conducting managed recharge in the ESPA over numerous years depending on water availability (per IWRB's 1980 recharge water right) and funding. Until 2014, the IWRB's Managed Recharge Program was implemented as a "pilot" program. Managed recharge was generally limited to utilizing existing canal systems to conduct managed recharge. Even though the IWRB recharge water right is usually in priority below Minidoka Dam during the non-irrigation season, the majority of the managed recharge occurs between April and October and typically only during years of high flows on the Snake River.

In 2013, the IWRB, in partnership with the canal operator (AFRD2) constructed the MP 31 Managed Recharge Site off the Miner-Gooding canal in the Lower Valley. In the Upper Valley IWRB sponsored studies to identify managed recharge potential in the Egin Bench area and in the area of the Idaho Irrigation District. The Managed Recharge Program was significantly expanded in 2014 with a series of legislative appropriations. The increased funding provided the means for the IWRB to partner with canal operators and other entities to increase the recharge capacity and develop incentivized conveyance fee structures for conducting managed recharge.

Figure 1 provides a summary of the total annual volume of IWRB managed recharge in the ESPA from 2013 through the spring of 2016. The graph shows the growth in the volume of managed recharge conducted in the Lower Valley after implementing a "full-scale" managed recharge program. The increase in total volume is in part due to the extension of the recharge delivery period from the fall and summer to include the winter months. As infrastructure projects are completed, the volume of water that can be recharged over the entire recharge season (November through March) will continue to increase.

IWRB is also investing in projects to improve the recharge capacity in the Upper Valley. The water from natural flow that is available for managed recharge in the Upper Valley is highly variable. However, when it does occur, the volumes can be very significant. The focus of the projects in the Upper Valley has been on infrastructure improvement, and evaluation and identification of productive locations to perform recharge. Assessments of new sites include evaluation of recharge potential, access and development costs. The frequency and timing of the water available to recharge are also key considerations in developing the managed recharge program in the Upper Valley. The variability of recharge water in the Upper Valley is illustrated in Figure 1, which shows that IWRB managed recharge was only available one of the four years.

The graph also depicts the total capital/project costs invested by the IWRB to improve the managed recharge capacity in the ESPA as of June 30th, 2016. The amount shown does not represent O&M, monitoring, or recharge conveyance costs.

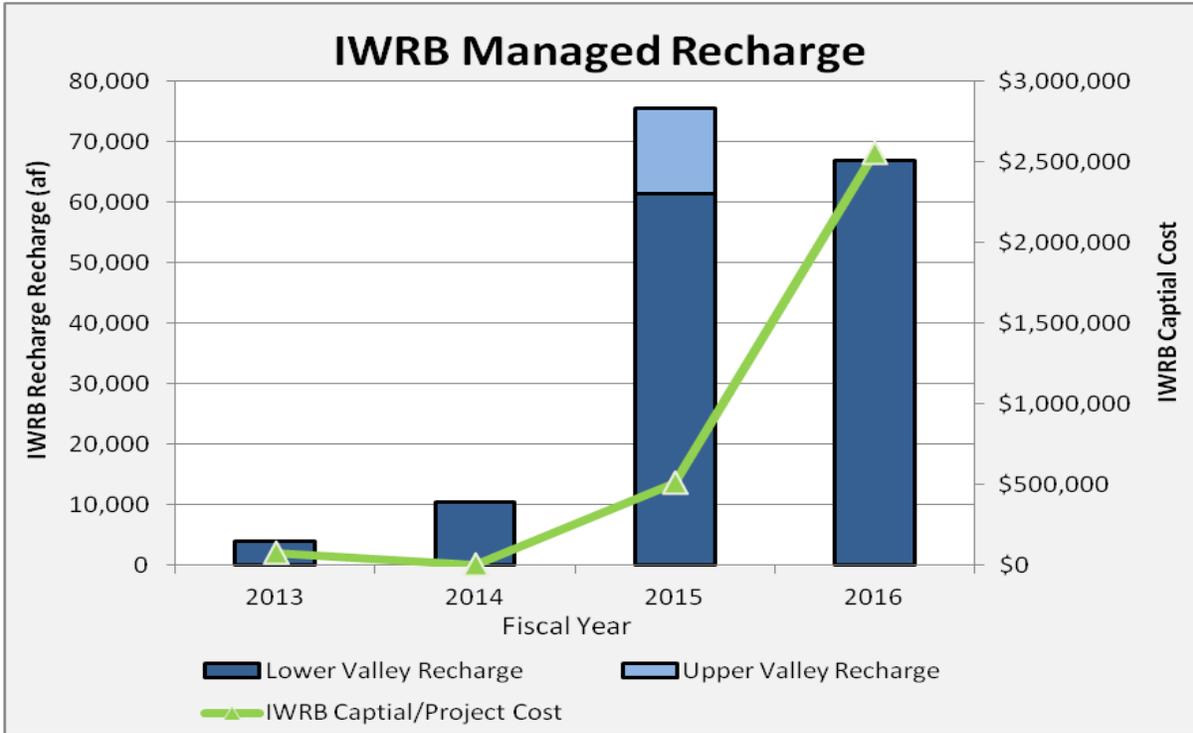


Figure 1. IWRB Managed Recharge and Capital Project Cost 2013-2016

Recharge by Other Entities

Various other entities conducted managed recharge during the 2015/2016 recharge season. These entities did not use IWRB recharge water and were not included in IWRB's recharge totals (non-IWRB Recharge). All reported non-IWRB recharge was performed using storage water. The estimated volumes and locations of recharge for the fall of 2015 and spring/summer of 2016 are depicted in Table 2 and 3, respectively. Some of the recharge conducted in the spring of 2016 extended into the irrigation season at off canal sites. The total volume reflected in Table 3 only includes the amount of spring/summer 2016 recharge reported at the time of this memo.

Table 2. Non-IWRB Managed Recharge Fall 2015 Estimates			
ESPA Area	Recharge Entity	Recharge Location	Volume Recharged (Acre-feet)
Lower Valley	Coalition of Cities	North Side Canal	990
	Southwest Irrigation District	Recharge Wells	unknown
Upper Valley	Association of Cities Surface Water Coalition Twin Falls CC	Eagle Rock/Progressive CC	6,196
		Farmers Friend CC	3,069
		Enterprize CC	1,527
		Great Feeder/Harrison	362
		TOTAL	11,154
	IGWA	Aberdeen Springfield CC	12,500
		Fremont-Madison ID	1,900
		New Sweden ID	1,745
		Snake River Valley ID	2,200
		TOTAL	18,345
TOTAL			30,489

Table 3. Non-IWRB Managed Recharge Spring/Summer 2016 Estimates			
ESPA Area	Recharge Entity	Recharge Location	Volume Recharged (Acre-feet)
Lower Valley	Magic Valley Groundwater District	AFRD2/ MP 31	5,000
Upper Valley	Bingham Groundwater District	Egin Bench CC	2,000
		Peoples CIC	850
		Snake River Valley ID	850
		United CC	200
		Riverside CC	200
		Aberdeen Springfield CC	22,739
		Jensen Grove	4,600
		TOTAL	31,439
	IGWA	Great Feeder CC	10,000
		Snake River Valley ID	3,000
		New Sweden ID	3,500
		TOTAL	16,500
			TOTAL

IWRB Managed Recharge Projections

The IWRB's goal of recharging an average of 250,000 af/yr in the ESPA has been affirmed through a number of actions. The ESPA Comprehensive Aquifer Management Plan (CAMP) set a long-term target of 150,000 to 250,000 af/yr for managed aquifer recharge. The 250,000 af/yr target was also included in the 2015 SWC-IGWA Settlement Agreement. In 2016, the Idaho Legislature passed and approved Senate Concurrent Resolution 136, which reaffirmed the importance of the program and directed the IWRB to develop managed recharge capacity for an average of 250,000 acre-feet annually in the ESPA by December 31, 2024.

Three primary elements of the IWRB's ESPA recharge implementation strategy are to:

- Utilize Snake River natural flow that would otherwise leave the ESPA area.
- Assist canal operators and other entities with infrastructure improvements that will allow recharge water to be delivered during the winter months.
- Develop and maximize the recharge capacity of managed recharge sites.

To expand the Managed Recharge Program, the IWRB has attempted to capitalize on the opportunities in areas where the water is available for recharge and infrastructure exists to transport the water. According to the 2016 report by CH2M and the Henry's Fork Foundation, water below Minidoka Dam is available to recharge (under the IWRB's 1980 recharge right) 151 days during the winter months (November through March). The report stated that historically 1,000 cfs is available to divert for recharge in the Lower Valley (median value over the period of 1980-2014). Minimally, 500 cfs is released from Minidoka Dam that can be used for managed recharge. This constant release over an extended period provides a base flow from which the IWRB to meet their long-term recharge objectives.

In the Upper Valley, the water available to recharge is limited to flood control releases from the reservoir system. Historically this occurs between one half and two-thirds of all years, during a 30-day window between May and June. When water is released for flood management, the timing and volume can vary significantly, ranging between almost 1,400 af/yr to over 1,500,000 af/yr. Despite the intermittency, of water available for recharge in the Upper Valley, it provides an important supplemental supply for the IWRB's recharge program during high run-off years.

The IWRB has been implementing and investing in managed recharge in the ESPA for numerous years. Since 2013, the IWRB has invested over \$3,050,000 to investigate and construct infrastructure to increase the managed recharge capacity in the ESPA. To date the IWRB's capital cost expenditures are similar between the Lower and Upper Valley (\$1.59 million to \$1.50 million, respectively). Figure 2 illustrates the IWRB capital project costs from 2013 through June 2016 and projected capital project cost through 2024.

Total and projected IWRB recharge is shown to demonstrate the relationship between IWRB’s investment and the volume of IWRB recharge. The capital cost projections through 2019 are based on available engineer cost estimates for known projects. The projected recharge volumes are based on engineering evaluations and site specific data.

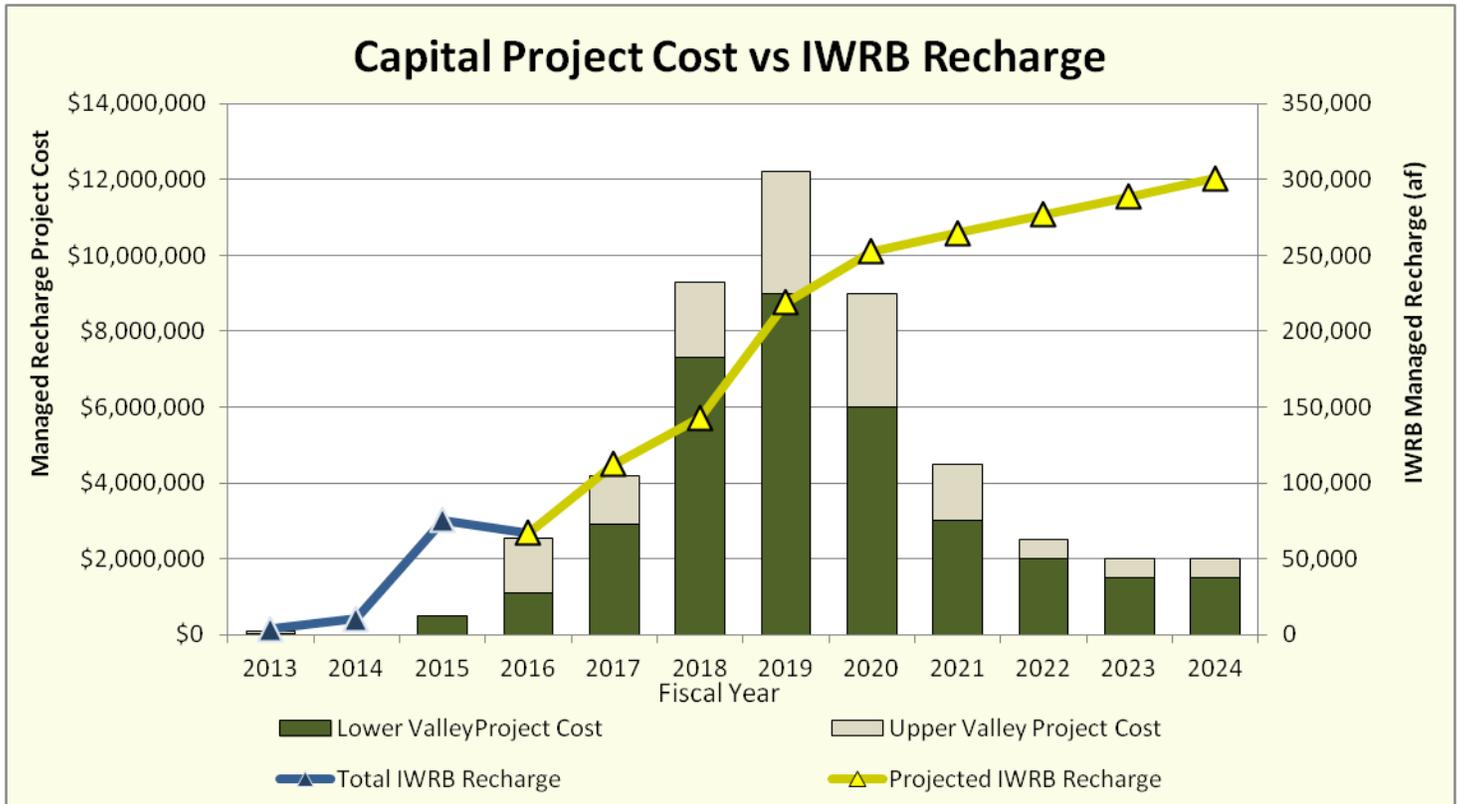


Figure 2. IWRB Capital Project Cost and Managed Recharge 2013-2024

III. **ESPA Recharge Program Projects**

A number of projects have been undertaken to enhance the IWRB's ability to recharge in the ESPA. The following summary is a brief overview of the projects the IWRB is currently undertaking to meet the managed recharge goal of an average 250,000 af/yr. All so included in this summary is a briefing of potential projects that are being vetted for the IWRB to consider.

For managed recharge projects involving infrastructure improvements to which the IWRB provided funding, a Memorandum of Intent (MOI) was developed to establish a long-term agreement (twenty years) between the IWRB and the entity implementing the project. The MOI acknowledges: 1) the IWRB provided financial assistance for a project; and 2) the entity agrees to deliver the IWRB's recharge water as compensation for financial assistance from the IWRB.

ESPA Managed Recharge Infrastructure Project Summary

In the Lower Valley, the IWRB is currently working with various canal companies to complete additional construction projects totaling almost \$3 million this fiscal year (July 2016 through June 2017). The IWRB is also considering an investment of over \$1.3 million to evaluate, design, and construct potential managed recharge related projects in the Upper Valley over the next year. Initial evaluations in the Upper Valley are required to determine the managed recharge potential and will likely lead to additional construction projects within the next two years.

A summary of the current IWRB projects is provided below.

Current Project Status

1. **American Falls Reservoir District 2 (AFRD2)/Milner-Gooding Canal:**
 - a. **Dietrich Drop Hydropower Plant** – The Dietrich Drop hydro plant is located on the Milner-Gooding Canal between the MP31 and the Shoshone Recharge Site. IWRB approved a resolution in March 2016, authorizing expenditure up to \$1,500,000 for the design and construction of the required infrastructure improvements to allow for the delivery of winter-time recharge past the hydro plant. Project scoping, geotechnical investigations and a site survey were completed in April of this year. Due to the complexity of isolating the facility from winter-time flows AFRD2 is currently developing project alternatives. Depending on the alternatives developed by AFRD2, the tentative plan is to complete design by the winter/spring of 2017 and begin construction in the fall of 2017.

Due to the construction at MP 31 Recharge Site, it is unlikely that flows will be delivered to the Shoshone Recharge Site. However, if conditions arise for the delivery of recharge water to the Shoshone Site appropriate measures will be taken to safely run water past the Dietrich Drop hydro facility.

- b. **Expansion of the MP31 Recharge Site** – Capacity of the MP31 Recharge Site is being expanded by constructing new headgates and check dam designed to divert 400 cfs into the site. The IWRB passed a resolution in July of 2015 authorizing the expenditure of up to \$200,000 for design and a resolution in July of 2016 for up to \$1.8 million for the construction and oversight of the new structures. The construction contractor was selected on Sept. 1st and construction is scheduled to begin in October. Construction is scheduled to continue until Dec. 15th and then resume on Mar 14th, 2017 to finish the project before the start of the irrigation season.

IWRB recharge water is scheduled to be delivered to the site at the start of the 2016 recharge season. A temporary check dam will be constructed to utilize the current headgate structure to divert approximately 200 cfs into the site while construction progresses on the new infrastructure. With the new headgate structure completed by Dec 15th, a temporary check structure will be constructed to divert up to 400 cfs. IWRB recharge will continue until construction begins again in March 2017 to install the new check dam before the irrigation season.

2. North Side Canal Company (NSCC):

Winter Recharge Feasibility Assessment – The IWRB has been working with the North Side Canal Company to evaluate potential infrastructure improvements to allow delivery of IWRB recharge water from the Milner Pool to Wilson Lake over the winter months while protecting the four (4) hydroelectric plants on the Main Canal system. A resolution was passed by the IWRB in January 2016 to authorize expenditure up to \$274,000 for the design of the required infrastructure improvements, and in July 2016 authorized \$4,800,000 for the construction and oversight of the project. The 60% design for the project was completed in July.

An initial issue that was discussed concerning these projects was the potential requirements the Federal Energy Regulatory Commission (FERC) might have in relationship to the hydroelectric facility permitting. NSCC's consultant (CH2M) contacted FERC (acting on behalf of the North Side Canal Company and the hydro facilities operators) in July once the project designs were significantly

complete. In discussion with CH2M Hill, FERC's preliminary assessment was that amendments to the current exemption terms **may** be required due to the proposed infrastructure improvements at Hazelton A and B Power Plants. If an amendment were required, FERC would request review from various Federal and State agencies, specifically the U.S. Fish and Wildlife (USFW) and Idaho Fish and Game (IDFG). In consideration of the proposed schedule of the projects, FERC suggested contacting the two agencies to obtain letters from the agencies that would be required when an official submittal would be made to FERC. As of the date of this report, IDFG has submitted a letter and USFW has not. In communication with CH2M, USFW has expressed concern one threatened and one endangered snail species on the Snake River. USFW also discussed that if FERC determined an amendment to the existing conduit exemption is needed, a consultation, under section 7 on the listed aquatic species will be required. This would require a biological assessment for USFW to determine if further study will be necessary. Once a letter is obtained from USFW, CH2M (on behalf of the permitted facilities) will submit an application to FERC for determination.

If a biological assessment is not required, FERC would issue a maintenance letter for each project authorizing NSCC to proceed with the proposed improvements (approximately one month for FERC to issue letters). If a biological assessment is required, the minimal estimated delay would be six months (two months to conduct the assessment and four months for FERC to respond).

NSCC has chosen to suspend completing the design of the project until the FERC issues is resolved as this issue can significantly affect the schedule of the project. The tentative plan is to complete design and schedule completion of construction in the fall of 2017.

3. Southwest Irrigation District (SWID):

Cassia Pipeline Winter Recharge – A group of irrigators within SWID (Buckhorn LLC) is working with SWID to develop a new pipeline to deliver water for conversion projects during the irrigation season and conduct managed recharge through injection wells during the winter months. Buckhorn contracted with Rumsey Engineering to design the new system with the intention of beginning construction in 2016. While Buckhorn LLC is funding the construction of the pipeline, SWID and Buckhorn LLC have proposed that the IWRB fund the construction of the infrastructure improvements that would allow for IWRB recharge through the winter months when the IWRB water right is in priority below Minidoka. The project would increase IWRB recharge capacity by 54 cfs

(approximately 13,000 af/yr). A resolution was passed by the IWRB in July 2016 authorized \$600,000 for the construction the recharge portion of the project.

Proposed Projects

1. **Big Wood Canal Company (BWCC):**

Richfield Managed Recharge Site – The proposed site would be supplied from the Dietrich Canal. The Dietrich Canal can receive water from the Big Wood and Little Wood Rivers. The proposed site is a rough basin in lava covering approximately 62 acres. The proposed recharge site is in an area of significant depth to water (over 300 ft.) and high five-year retention (40%). A survey will need to be conducted to determine the actual size and identify further work that would be required to develop a viable managed recharge site.

2. **City of Gooding:**

Gooding Managed Recharge Site – The City of Gooding currently has a recharge site with an approved Groundwater Quality Monitoring Program. The City is proposing to increase the recharge capacity of the site by adding check structures to increase the recharge capacity of the site. The proposed site is a rough basin/channel in lava covering approximately 80 acres. The proposed recharge site is in an area of significant depth to water (over 125 ft.) and a five-year retention of 25%. A survey will be required to determine the location, size, and number of check structures that would be required to optimize the site for managed recharge.

3. **Fremont-Madison Irrigation District (FMID):**

Expansion of the Egin Lakes Recharge Area – FMID, in cooperation with Egin Bench Canal Co. is proposing to develop a new managed recharge site in the Qualyes Lake area. The canal companies are proposing an evaluation of the Qualyes Lake area to determine the size and capacity of the recharge site along with the basic requirements to develop the site including an easement with the Bureau of Land Management.

4. **South Fork Canals (SFC):**

Potential Managed Recharge Sites – Numerous canals in the South Fork area are evaluating potential recharge sites. IWRB staff has worked with the Great Feeder on behalf of the Harrison, Rudy, and Burgess Canals, the Enterprize Canal, and Farmers Friend Canal to distinguish potential managed recharge sites that fit IWRB parameters. A proposal has been submitted to conduct an evaluation of the chosen sites. The evaluations will provide the necessary information to

determine the feasibility of developing the sites into viable managed recharge locations.

5. New Sweden Irrigation District (NSID):

Managed Recharge Evaluation – Published investigations and site visits by staff have identified numerous potential managed recharge sites within the NSID area. NSID has been able to conduct recharge for the IWRB on a limited basis in the past. The current the NSID system has very limited excess capacity to deliver managed recharge water during the irrigation season. An evaluation is being proposed to determine the infrastructure improvements that would be required to increase the capacity of the NSID system to transport recharge water and an assessment of the potential off-canal recharge sites within the system. The first phase of the evaluation will be to conduct preliminary investigations to provide critical information to scope the complete evaluation of the NSID system for conducting managed recharge.

6. Butte Market Lake Canal Company (BMLCC):

Managed Recharge Site Identification – Published investigations and site visits by staff have identified potential managed recharge areas within the BMLCC system. The basic hydrological conditions in the BLMCC area vary significantly with depth to water ranging from less than 10 ft. to over 300 ft. and the five-year retention ranging from 20% to 54%. Besides the varying hydrological conditions, the potential recharge areas have various attributes and challenges that the site identification analysis will provide the necessary information to determine if the sites are economically feasible. The analysis will also include a detailed evaluation of the most feasible sites describing the water delivery method and capacity, the anticipated recharge volume, anticipated permitting requirements, and the conceptual costs for demonstration and full scale projects.

7. Woodville Canal Company (WCC):

Potential Managed Recharge Sites – The proposed site is a rough basin in gravel pit covering approximately 15 acres. The proposed recharge site is in an area with a depth to water of over 100 ft. and the five-year retention is around 25%. The evaluation will be conducted to estimate the recharge capacity of the site and provide information to determine the infrastructure improvements required to develop a viable managed recharge site.

8. Other Projects:
 - a. **Injection Well and Test** – All project are currently on hold while perusing higher priority projects.

IV. ESPA Monitoring and Measurement Program

A monitoring and measurement program has been developed to assess results and impacts of recharge activities, and address regulatory requirements. The program consists of regional and site-specific monitoring to measure groundwater levels, surface water flows, recharge diversions, and water quality.

Recharge Water Quality Monitoring Program

Water quality monitoring is required if injection wells or land application methods are used to conduct managed recharge. Injection wells are permitted under IDWR's Underground Injection Control Program (UIC). Any other recharge conducted through land application methods (usually basins) requires a Groundwater Quality Monitoring Program approved by the Idaho Department of Water Quality (IDEQ). In both cases, the recharge activity must meet specific standards to ensure the groundwater is protected and meets Idaho's Ground Water Quality Rule (IDAPA 58.01.11).

The Southwest Irrigation District (SWID) is the only entity that is currently using injection wells to conduct IWRB recharge. SWID has obtained injection well permits under IDWR's UIC program and is accountable for meeting the requirements under those permits. The MP 31 and Shoshone Recharge Sites are classified as land application. The IWRB has obtained IDEQ approved Groundwater Quality Monitoring Programs for both of those sites.

The groundwater monitoring plans for the MP 31 and Shoshone Recharge Sites consist of:

- Approved monitoring schedule, dedicated sampling points, and a full suite of chemical, biological and physical elements that are analyzed to determine the source water and groundwater quality. Currently 130 constituents are analyzed along with the collection of field parameters.
- Idaho Bureau of Labs (IBL) is currently under a 5-year contract (started in Dec. 2014) to conduct the water quality sampling.

The MP 31 Recharge Site was the only site used for the 2015/2016 recharge season from the end of November 2015 through the end of March 2016. Recharge was also conducted at the site for the Magic Valley Groundwater District in the month of May 2016 using storage water.

IBL staff conducted nine sampling events over the recharge season. The sampling events included source water and groundwater sampling when recharge was occurring and pre / post recharge groundwater sampling. Analysis of results of the groundwater samples from the MP

31 Recharge Site has shown most of the constituents to be below the lab's detection limits. Any detection of a constituent above the lab's detection limit has been significantly below the Idaho Groundwater Standards (Idaho Administrative rule 58.01.11.105.01.200) and in compliance with the Groundwater Monitoring Program.

Recharge Monitoring Program

The Recharge Monitoring Program is designed to verify the volume of IWRB recharge water delivered and to quantify the impact individual areas/sites have on the water level of the aquifer. The following provides a summary of the ongoing work for this program.

- Verification of Recharge Deliveries - Flow Measurements:
 - Staff is working with the various entities that conduct managed recharge for the IWRB to ensure the appropriate monitoring is in place during recharge activities.
 - Staff continues to develop partnerships and work with numerous entities concerning quality assurance and control of recharge flow measurements.
- Verifying the Impacts of IWRB Managed Recharge:
 - An evaluation of the effects of recharge at the MP31 Recharge site including the response in the aquifer and tracer testing is estimated to be complete by this fall.
 - Installed real time automated water level monitoring equipment at the MP31 Recharge Site at one monitor well and in the basin. Similar monitoring is scheduled for installation at the Shoshone Recharge Site.
 - A new monitor well is to be installed at the MP31 Recharge Site in the fall.
 - Conduct a new tracer test at the MP31 Recharge Site to better delineate the impact of recharge from the site.

ESPA Regional Monitoring Program

IDWR's Hydrology Section (Hydrology) oversees the ESPA Regional Monitoring Program. Hydrology is actively expanding the existing monitoring program to respond to the need for more detailed information about the ESPA. The section is also accountable for the input and analysis of the data and for managing improvements to the ESPA groundwater flow model. The program requires management of an extensive monitoring network for:

- Groundwater measurements (384 sites)
- Stream gages
 - IDWR (33 sites)
 - USGS (35 sites)
- Spring flow measurements (64 sites)
- Return flow measurements (75 sites)

The following provides a summary of the ongoing work for this program:

- Fall 2015 and Spring 2016 ESPA synoptic water level measurements have been analyzed and incorporated into water level maps for those two periods and the water level change maps of the ESPA. This data was also used to determine the change in aquifer storage over the ESPA.
- Transducer installation in SWC agreement “Sentinel Wells” (15 wells).
- IDWR modeling staff have identified a list of crucial wells used in the development of the ESPA water level change maps that need pressure transducers to provide a better dataset to when generating the water level change maps.
 - Four of the wells on the list were visited in August, two wells were equipped with pressure transducers and the other two wells were investigated as requirements needed to facilitate the installation process. We are currently in discussions with respect to modifying or fixing the wellheads to facilitate the installation of pressure transducers.
- Expanding groundwater monitoring networks into tributary basins:
 - Portneuf:
 - 6 sites measured and inventoried (3 domestics and 3 irrigation)
 - 1 well is potential candidate for installation of pressure transducer (waiting on permission)
 - 6 wells selected for the monitoring network
 - Blackfoot:
 - 2 sites visited, 1 measured and inventoried (domestic)
 - 1 pressure transducer installed
 - 1 well selected for the monitoring network, 2 wells require another visit.
 - 42 wells owned by Agrium have the potential to be added, currently receive information from Agrium; there is no need for further visits.
 - American Falls:
 - 3 wells added to the monitoring network
 - Big Wood:
 - Installed 2 monitoring ports and pressure transducers in wells located in tributary valleys of the Big Wood River. Data from these wells will assist with the model refinement and calibration of the Big Wood Aquifer Model.

V. Recharge Delivery Conveyance Summary

To accommodate the difference in water availability for IWRB managed recharge in the Upper and Lower Valleys, separate conveyance payment structures were developed for the two areas. At this time, there are no plans to alter the conveyance payment structures for the 2016/2017 recharge season.

Upper Valley ESPA Recharge

The following payment structure was adopted by the IWRB for conveyance of the IWRB recharge water in the Upper Valley:

- 1) **Base Rate** – determined by 5-year aquifer retention zone in which the contracted canal company or irrigation district is located using ESPAM2.1:
 - Greater than 40% retained in aquifer at 5 years \$6.00/af delivered
 - 20% to 40% retained in aquifer at 5 years \$5.00/af delivered
 - 15% to Less than 20% retained in aquifer at 5 years \$4.00/af delivered
- 2) **Added Incentive for Delivery** – \$1.00/af when recharge is conducted at least 75% of the time that IWRB recharge right is in priority and IWRB issues a Notice to Proceed.
- 3) **Added Winter-time Incentive for Delivery** – \$1.00/af when IWRB recharge right is conducted between December 1st and March 30th and IWRB has issued a Notice to proceed.

Lower Valley ESPA Recharge

The payment structure for conveyance of the IWRB's recharge water stipulated in the 5-year conveyance contracts for the entities that recharge the IWRB's water is outlined in Table 3.

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)

Table 3. Lower Valley ESPA Payment Structure

Number of Days Recharge Water Delivered*	Payment Rate per AF Delivered	<p>An incentivized payment structure was adopted in 2014 to encourage canals to divert recharge water as long as possible during the non-irrigation season.</p> <p>* Number of days between the date the recharge permit turns on in fall and the date 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	

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AQUIFER
STABILIZATION AND EASTERN SNAKE
PLAIN AQUIFER RECHARGE

A RESOLUTION TO APPROVE FUNDS FOR
THE BUTTE MARKET LAKE CANAL
COMPANY MANAGED RECHARGE
FEASIBILITY EVALUATION:

WHEREAS, House Bill 547 passed and approved by the 2014 Legislature allocates \$5 million annually through 2019 from the Cigarette Tax to the Idaho Water Resource Board's (IWRB) Secondary Aquifer Planning, Management, and Implementation Fund (Secondary Aquifer Fund) for statewide aquifer stabilization; and

WHEREAS, Senate Bill 1402 passed and approved by the 2016 Legislature allocated \$5 million in ongoing General Fund dollars and \$2.5 million in Economic Recovery Reserve Funds to the IWRB's Secondary Aquifer Fund for statewide water sustainability and aquifer stabilization; and

WHEREAS, the Eastern Snake Plain Aquifer (ESPA) has been losing approximately 216,000 acre-feet annually from aquifer storage since the 1950's resulting in declining ground water levels in the aquifer and declining spring flows from the aquifer; and

WHEREAS, the State Water Plan includes a goal to accomplish managed recharge in the ESPA averaging 250,000 acre-feet annually; and

WHEREAS, the 2016 Idaho Legislature passed and approved Senate Concurrent Resolution 136 directing the IWRB to develop the capacity to achieve 250,000 acre-feet of annual average managed recharge to the ESPA by December 31, 2024; and

WHEREAS, on May 20, 2016, the IWRB adopted the Secondary Aquifer Fund Fiscal Year 2017 Budget, which included \$300,000 for a additional Managed Recharge Investigations and Engineering; and

WHEREAS, the Butte Market Lake Canal Company (BMLCC) operates and maintains an irrigation delivery system that conveys water from the Snake River through various canals to various potential managed recharge sites; and

WHEREAS, BLMCC submitted a proposal on September 8, 2016, for conducting a managed recharge site identification on the BMLCC system to determine the viability of the proposed recharge sites and the potential development cost of the sites;

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes expenditures not to exceed \$39,000 from the Secondary Aquifer Fund, for the BMLCC Managed Recharge Site Identification; and

NOW THEREFORE BE IT RESOLVED that the IWRB authorize its chairman or designee, Brian Patton, to execute the necessary agreements or contracts to complete the Managed Recharge Site Identification.

DATED this 16th day of September, 2016.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AQUIFER
STABILIZATION AND EASTERN SNAKE
PLAIN AQUIFER RECHARGE

A RESOLUTION TO APPROVE FUNDS FOR
PRELIMINARY SURVEY FOR THE NSID
SYSTEM EVALUATION:

WHEREAS, House Bill 547 passed and approved by the 2014 Legislature allocates \$5 million annually through 2019 from the Cigarette Tax to the Idaho Water Resource Board's (IWRB) Secondary Aquifer Planning, Management, and Implementation Fund (Secondary Aquifer Fund) for statewide aquifer stabilization; and

WHEREAS, Senate Bill 1402 passed and approved by the 2016 Legislature allocated \$5 million in ongoing General Fund dollars and \$2.5 million in Economic Recovery Reserve Funds to the IWRB's Secondary Aquifer Fund for statewide water sustainability and aquifer stabilization; and

WHEREAS, the Eastern Snake Plain Aquifer (ESPA) has been losing approximately 216,000 acre-feet annually from aquifer storage since the 1950's resulting in declining ground water levels in the aquifer and declining spring flows from the aquifer; and

WHEREAS, the State Water Plan includes a goal to accomplish managed recharge in the ESPA averaging 250,000 acre-feet annually; and

WHEREAS, the 2016 Idaho Legislature passed and approved Senate Concurrent Resolution 136 directing the IWRB to develop the capacity to achieve 250,000 acre-feet of annual average managed recharge to the ESPA by December 31, 2024; and

WHEREAS, on May 20, 2016, the IWRB adopted the Secondary Aquifer Fund Fiscal Year 2017 Budget, which included \$200,000 for a Managed Recharge Evaluation of the New Sweden Irrigation District (NSID) system to determine recharge feasibility; and

WHEREAS, NSID operates and maintains an irrigation delivery system that conveys water from the Snake River through various canals to areas of potential recharge sites; however, the system operates at capacity and requires an evaluation to determine what infrastructure improvements would be required to increase the system's managed recharge capacity; and

WHEREAS, NSID submitted a proposal on August 22, 2016, proposing preliminary work to be completed before the end of the irrigation season that will provide necessary information that would be used to develop a proposal for the Managed Recharge Evaluation;

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes expenditures not to exceed \$39,000 from the Secondary Aquifer Fund, for the preliminary survey work for the Managed Recharge Evaluation of the NSID system; and

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes its chairman or designee, Brian Patton, to execute the necessary agreements or contracts to complete the preliminary survey work for the Managed Recharge Evaluation of the NSID system.

DATED this 16th day of September, 2016.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AQUIFER
STABILIZATION AND EASTERN SNAKE
PLAIN AQUIFER RECHARGE

A RESOLUTION TO APPROVE FUNDS FOR
THE QUAYLES LAKE EVALUATION:

WHEREAS, House Bill 547 passed and approved by the 2014 Legislature allocates \$5 million annually through 2019 from the Cigarette Tax to the Idaho Water Resource Board's (IWRB) Secondary Aquifer Planning, Management, and Implementation Fund (Secondary Aquifer Fund) for statewide aquifer stabilization; and

WHEREAS, Senate Bill 1402 passed and approved by the 2016 Legislature allocated \$5 million in ongoing General Fund dollars and \$2.5 million in Economic Recovery Reserve Funds to the IWRB's Secondary Aquifer Fund for statewide water sustainability and aquifer stabilization; and

WHEREAS, the Eastern Snake Plain Aquifer (ESPA) has been losing approximately 216,000 acre-feet annually from aquifer storage since the 1950's resulting in declining ground water levels in the aquifer and declining spring flows from the aquifer; and

WHEREAS, the State Water Plan includes a goal to accomplish managed recharge in the ESPA averaging 250,000 acre-feet annually; and

WHEREAS, the 2016 Idaho Legislature passed and approved Senate Concurrent Resolution 136 directing the IWRB to develop the capacity to achieve 250,000 acre-feet of annual average managed recharge to the ESPA by December 31, 2024; and

WHEREAS, on May 20, 2016, the IWRB adopted the Secondary Aquifer Fund Fiscal Year 2017 Budget, which included \$500,000 for the Egin Lakes Phase II Managed Recharge Infrastructure Project to improve managed recharge capacity in the ESPA; and

WHEREAS, The Egin Bench Canal Company (EBCC) and Fremont-Madison Irrigation District (FMID) operate and maintain irrigation delivery systems that convey water from the Henrys Fork through various canals to the Egin Lakes managed recharge area; and

WHEREAS, EBCC/FMID submitted a proposal on September 13, 2016, proposing an evaluation of the Quayles Lake area to characterize the proposed recharge site and provide the necessary information require in obtaining a Bureau of Land Management easement for the area;

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes expenditures not to exceed \$20,000 from the Secondary Aquifer Fund, for the Quayles Lake Evaluation; and

NOW THEREFORE BE IT RESOLVED that the IWRB authorize its chairman or designee, Brian Patton, to execute the necessary agreements or contracts to complete the preliminary survey work for the Managed Recharge Evaluation of the NSID system.

DATED this 16th day of September, 2016.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AQUIFER
STABILIZATION AND EASTERN SNAKE
PLAIN AQUIFER RECHARGE

A RESOLUTION TO APPROVE FUNDS FOR
THE WOODVILLE CANAL COMPANY
MANAGED RECHARGE FEASIBILITY
EVALUATION:

WHEREAS, House Bill 547 passed and approved by the 2014 Legislature allocates \$5 million annually through 2019 from the Cigarette Tax to the Idaho Water Resource Board's (IWRB) Secondary Aquifer Planning, Management, and Implementation Fund (Secondary Aquifer Fund) for statewide aquifer stabilization; and

WHEREAS, Senate Bill 1402 passed and approved by the 2016 Legislature allocated \$5 million in ongoing General Fund dollars and \$2.5 million in Economic Recovery Reserve Funds to the IWRB's Secondary Aquifer Fund for statewide water sustainability and aquifer stabilization; and

WHEREAS, the Eastern Snake Plain Aquifer (ESPA) has been losing approximately 216,000 acre-feet annually from aquifer storage since the 1950's resulting in declining ground water levels in the aquifer and declining spring flows from the aquifer; and

WHEREAS, the State Water Plan includes a goal to accomplish managed recharge in the ESPA averaging 250,000 acre-feet annually; and

WHEREAS, the 2016 Idaho Legislature passed and approved Senate Concurrent Resolution 136 directing the IWRB to develop the capacity to achieve 250,000 acre-feet of annual average managed recharge to the ESPA by December 31, 2024; and

WHEREAS, on May 20, 2016, the IWRB adopted the Secondary Aquifer Fund Fiscal Year 2017 Budget, which included \$300,000 for a additional Managed Recharge Investigations and Engineering; and

WHEREAS, the Woodville Canal Company (WCC) operates and maintains an irrigation delivery system that conveys water from the Snake River through various canals to a potential managed recharge site; and

WHEREAS, WCC submitted a proposal on September 7, 2016, for conducting a managed recharge site evaluation on the proposed managed recharge site to conduct an infiltration test to determine the recharge capacity of the site and to determine the potential infrastructure improvements that would be required to develop the site into a viable managed recharge location;

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes expenditures not to exceed \$17,000 from the Secondary Aquifer Fund, for the WCC Managed Recharge Site Identification; and

NOW THEREFORE BE IT RESOLVED that the IWRB authorize its chairman or designee, Brian Patton, to execute the necessary agreements or contracts to complete the Managed Recharge Site Identification.

DATED this 16th day of September, 2016.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AQUIFER
STABILIZATION AND EASTERN SNAKE
PLAIN AQUIFER RECHARGE

A RESOLUTION TO APPROVE FUNDS FOR
PRELIMINARY SURVEY FOR THE PROPOSED
RICHFIELD MANAGED RECHARGE SITE:

WHEREAS, House Bill 547 passed and approved by the 2014 Legislature allocates \$5 million annually through 2019 from the Cigarette Tax to the Idaho Water Resource Board's (IWRB) Secondary Aquifer Planning, Management, and Implementation Fund (Secondary Aquifer Fund) for statewide aquifer stabilization; and

WHEREAS, Senate Bill 1402 passed and approved by the 2016 Legislature allocated \$5 million in ongoing General Fund dollars and \$2.5 million in Economic Recovery Reserve Funds to the IWRB's Secondary Aquifer Fund for statewide water sustainability and aquifer stabilization; and

WHEREAS, the Eastern Snake Plain Aquifer (ESPA) has been losing approximately 216,000 acre-feet annually from aquifer storage since the 1950's resulting in declining ground water levels in the aquifer and declining spring flows from the aquifer; and

WHEREAS, the State Water Plan includes a goal to accomplish managed recharge in the ESPA averaging 250,000 acre-feet annually; and

WHEREAS, the 2016 Idaho Legislature passed and approved Senate Concurrent Resolution 136 directing the IWRB to develop the capacity to achieve 250,000 acre-feet of annual average managed recharge to the ESPA by December 31, 2024; and

WHEREAS, on May 20, 2016, the IWRB adopted the Secondary Aquifer Fund Fiscal Year 2017 Budget, which included \$300,000 for a additional Managed Recharge Investigations and Engineering; and

WHEREAS, Big Wood Canal Company (BWCC) operates and maintains an irrigation delivery system that conveys water from the Big Wood and Little Wood Rivers through the Dietrich Canal to a potential recharge site; and

WHEREAS, BWCC submitted a proposal on September 9, 2016, proposing preliminary field work and a topographic survey of the proposed site that will provide necessary information to assess the managed recharge potential of the proposed Richfield Managed Recharge site;

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes expenditures not to exceed \$47,000 from the Secondary Aquifer Fund, for the preliminary survey work for the proposed Richfield Managed Recharge site in the BWCC system; and

NOW THEREFORE BE IT RESOLVED that the IWRB authorize its chairman or designee, Brian Patton, to execute the necessary agreements or contracts to complete the preliminary survey work for the proposed Richfield Managed Recharge site in the BWCC system.

DATED this 16th day of September, 2016.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AQUIFER
STABILIZATION AND EASTERN SNAKE
PLAIN AQUIFER RECHARGE

A RESOLUTION TO APPROVE FUNDS FOR
THE SOUTH FORK MANAGED RECHARGE
FEASIBILITY EVALUATION:

WHEREAS, House Bill 547 passed and approved by the 2014 Legislature allocates \$5 million annually through 2019 from the Cigarette Tax to the Idaho Water Resource Board's (IWRB) Secondary Aquifer Planning, Management, and Implementation Fund (Secondary Aquifer Fund) for statewide aquifer stabilization; and

WHEREAS, Senate Bill 1402 passed and approved by the 2016 Legislature allocated \$5 million in ongoing General Fund dollars and \$2.5 million in Economic Recovery Reserve Funds to the IWRB's Secondary Aquifer Fund for statewide water sustainability and aquifer stabilization; and

WHEREAS, the Eastern Snake Plain Aquifer (ESPA) has been losing approximately 216,000 acre-feet annually from aquifer storage since the 1950's resulting in declining ground water levels in the aquifer and declining spring flows from the aquifer; and

WHEREAS, the State Water Plan includes a goal to accomplish managed recharge in the ESPA averaging 250,000 acre-feet annually; and

WHEREAS, the 2016 Idaho Legislature passed and approved Senate Concurrent Resolution 136 directing the IWRB to develop the capacity to achieve 250,000 acre-feet of annual average managed recharge to the ESPA by December 31, 2024; and

WHEREAS, on May 20, 2016, the IWRB adopted the Secondary Aquifer Fund Fiscal Year 2017 Budget, which included \$200,000 for Managed Recharge Investigation to conduct South Fork Engineering and Site Evaluation; and

WHEREAS, various canal operators including the Great Feeder Canal Company, Enterprize Canal Company, and Farmers Friend Irrigation Company (South Fork Canals) operate and maintain irrigation delivery systems that convey water from the South Fork of the Snake River through various canals to potential managed recharge sites; and

WHEREAS, The South Fork Canals submitted a proposal on August 11, 2016, for conducting a South Fork Managed Recharge Feasibility Evaluation on nine proposed managed recharge sites;

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes expenditures not to exceed \$166,000 from the Secondary Aquifer Fund, for the South Fork Managed Recharge Feasibility Evaluation of up to nine sites; and

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes its chairman or designee, Brian Patton, to execute the necessary agreements or contracts to complete the work for the South Fork Managed Recharge Feasibility Evaluation.

DATED this 16th day of September, 2016.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

**MATERIALS MAY BE PROVIDED AT THE
IWRB MEETING**



TRIBAL WATER MANAGEMENT HISTORY & CURRENT ACTIVITIES

Shoshone-Bannock Tribes
Tribal Water Resources Department
Idaho Water Resources Board
September 16, 2016

TRIBAL WATER RESOURCES DEPARTMENT

- Total of 16 to 18 employees within Department
 - 5 Water Commissioners
 - 11-13 Department employees.
 - 2 Licensed engineers within the department
 - 1 Water Quality Specialist
 - 1 Environmental Scientist
 - 1 paralegal
 - 3 Water Resource Technicians
 - 1 database programmer
 - 2 administrative support staff
 - Seasonal Water Quality or Resource Temp Positions
- Consultants
 - Engineers:
 - NRCE of Fort Collins CO
 - Keller Associates of Pocatello ID
 - Water Marketing & Economist
 - WestWater Research of Boise ID and CO
 - Tribal-D of Clearfield UT
 - Legal: Ed Goodman of Portland OR and Jeanette Wolfley of Albuquerque NM

BRIEF TRIBAL HISTORY

- The Shoshone-Bannock Tribes are two distinct tribes which today are recognized as one federally recognized tribe.
- Historically, the Tribes traveled as hunter-gatherers during the spring and summer seasons, and often camped in the winter. The Fort Hall Bottoms and Henrys Fork confluence were commonly used winter camps.
- Fort Hall was established as a trading post in 1834.
- The Fort Hall Reservation was established by Executive Order in 1867 and the 1868 Treaty of Fort Bridger.
- Cessation of Reservation lands removed roughly a third of the original Reservation land base
- The present-day Fort Hall Reservation covers approximately 546,500 contiguous acres.



RESERVATION WATER USE

Irrigation from Snake & Blackfoot Rivers
165,000 afy

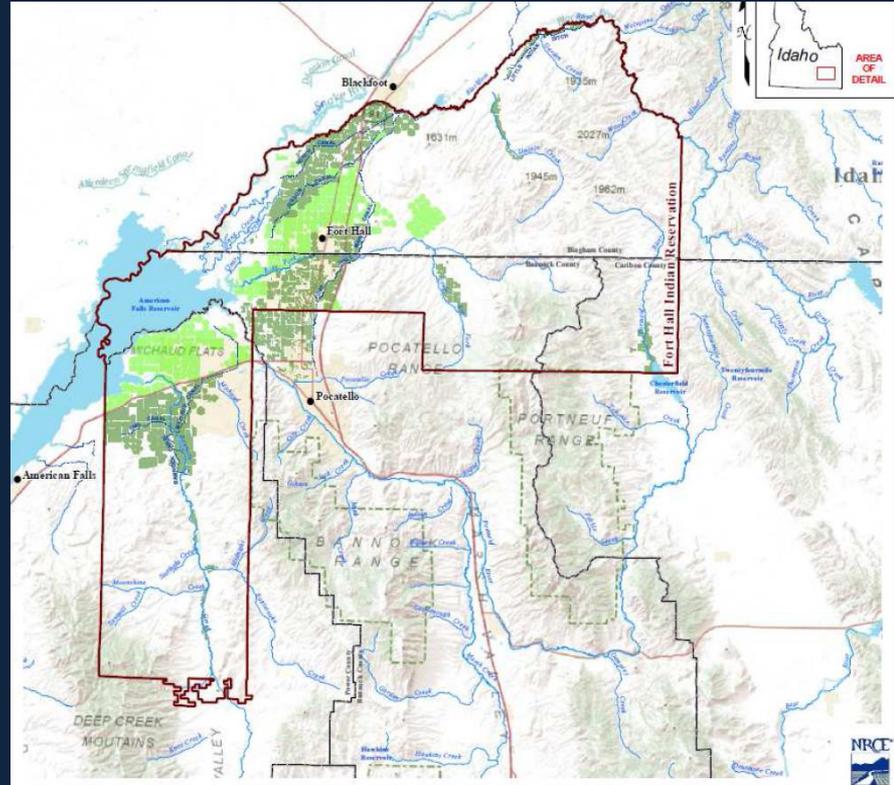
Irrigation from Portneuf River
37,000 afy

Irrigation from Reservation creeks
12,000 afy

Irrigation from Groundwater
83,000 afy

M&I uses from Groundwater
800 afy

TOTAL: ~300,000 afy



1990 FORT HALL INDIAN WATER RIGHTS AGREEMENT

- Agreement was the result of several years of negotiation with the State of Idaho and Committee of Nine. Many of the provisions in the Agreement were a settlement of complex issues, with give and take on both sides.
- Tribes were provided four types of water rights: Direct Flow, Groundwater, Reservoir Storage, the right to use Tribal water for instream flows
- In addition to water rights, Agreement provided certainty on the following:
 - Ability to lease Snake River storage water in Tribal Water Bank
 - How to conduct changes to water rights
 - Stockwater use
 - Water right administration through a Tribal Water Code
 - Blackfoot River management plan
 - Intergovernmental Board to resolve disputes
 - Ririe Reservoir mitigation water provided to non-Indian Snake River users
 - Funding to provide for: acquisition of Grays Lake lands (\$5M), establishment of Tribal water management (\$7M), and economic development (\$10M)

TRIBAL WATER RIGHTS

Surface Water (Direct Flow) Rights

Right #	Source	Diversion Volume (AFY)	Consumptive Use Volume (AFY)	Maximum Diversion Rate (cfs)	Priority Date
01-10223	Snake River/Sand Creek	100,000	60,986	390	6/14/1867
27-11373	Ross Fork Creek	5,000	3,320	29.07	6/14/1867
27-11374	Lincoln Creek	5,700	3,768	33	6/14/1867
29-466	Bannock Creek	3,095	1,842	16.25	6/14/1867
29-467	Bannock Creek	629	374	3.3	4/1/1889
29-468	Rattlesnake Creek	571	340	3	4/1/1892
29-469	West Fork Bannock Creek	190	113	1	5/1/1894
29-470	West Fork Bannock Creek	248	147	1.3	4/1/1894
29-471	Bannock Creek	248	147	1.3	4/1/1894
29-472	West Fork Bannock Creek	190	113	1	4/1/1898
29-473	West Fork Bannock Creek	190	113	1	4/1/1898
29-474	West Fork Bannock Creek	190	113	1	4/1/1901
29-12049	Bannock Creek	18,833	11,205	98.87	6/14/1867
29-12050	Portneuf River / Jeff Cabin Creek	970	727	9.7	6/14/1867
29-231	Toponce Creek	259	154	1.59	2/16/1869
29-238	Toponce Creek	282	168	1.733	2/16/1869
29-12051	Mink Creek	104	62	0.75	2/26/1869
27-11375	Blackfoot River	150,000	79,546	1,380	6/14/1867

Groundwater Rights

Right #	Source	Diversion Volume (AFY)	Consumptive Use Volume (AFY)	Maximum Diversion Rate (cfs)	Priority Date
27-11376	Anywhere within Reservation	125,000	93,615	813.40	6/14/1867
29-12052	Bannock Creek Basin	23,500	17,843	154.93	6/14/1867

Storage Rights

Right #	Storage	Maximum Storage Volume (AFY)	Purpose	Priority Date
27-2007	Blackfoot Reservoir	348,000	Irrigation	9/3/1907
25-2160	Grays Lake	100,000	Irrigation	8/23/1919
--	American Falls Reservoir	46,931	Use or Lease	7/28/1939
--	Palisades Reservoir	83,900	Use or Lease	7/28/1939

Instream Flow Rights

- Any water accrued under Federal contract storage rights
- Any natural flows for waters located within Reservation
- Up to 15,000 AFY of water accrued in Blackfoot Reservoir and Grays Lake

TRIBAL WATER LAWS & POLICIES

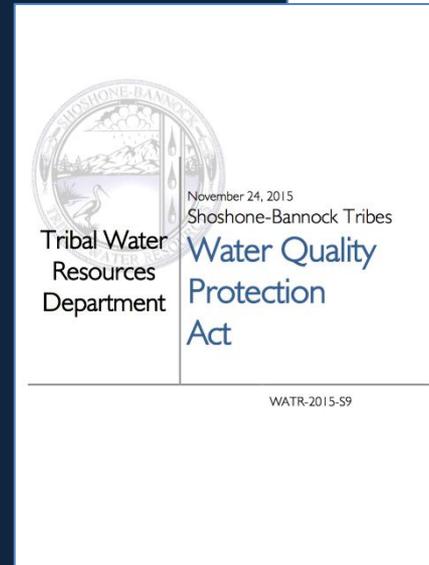
Documents that guide Tribal water management

- 1990 Fort Hall Indian Water Rights Agreement
- 2014 SRBA Final Unified Decree
- Fort Hall Indian Water Rights Act of 1990 (P.L. 101-602)

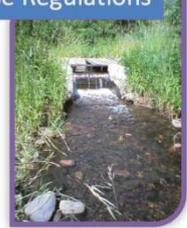
- 2007 Tribal Water Code
- 2015 Tribal Water Use Regulations
- 2015 Tribal Water Resources Policies & Procedures

- 2008 Treatment as a State Certification
- 2015 Water Quality Protection Act

- 2003 Well Construction Standards
- 2010 Subsurface Sewage Disposal Ordinance

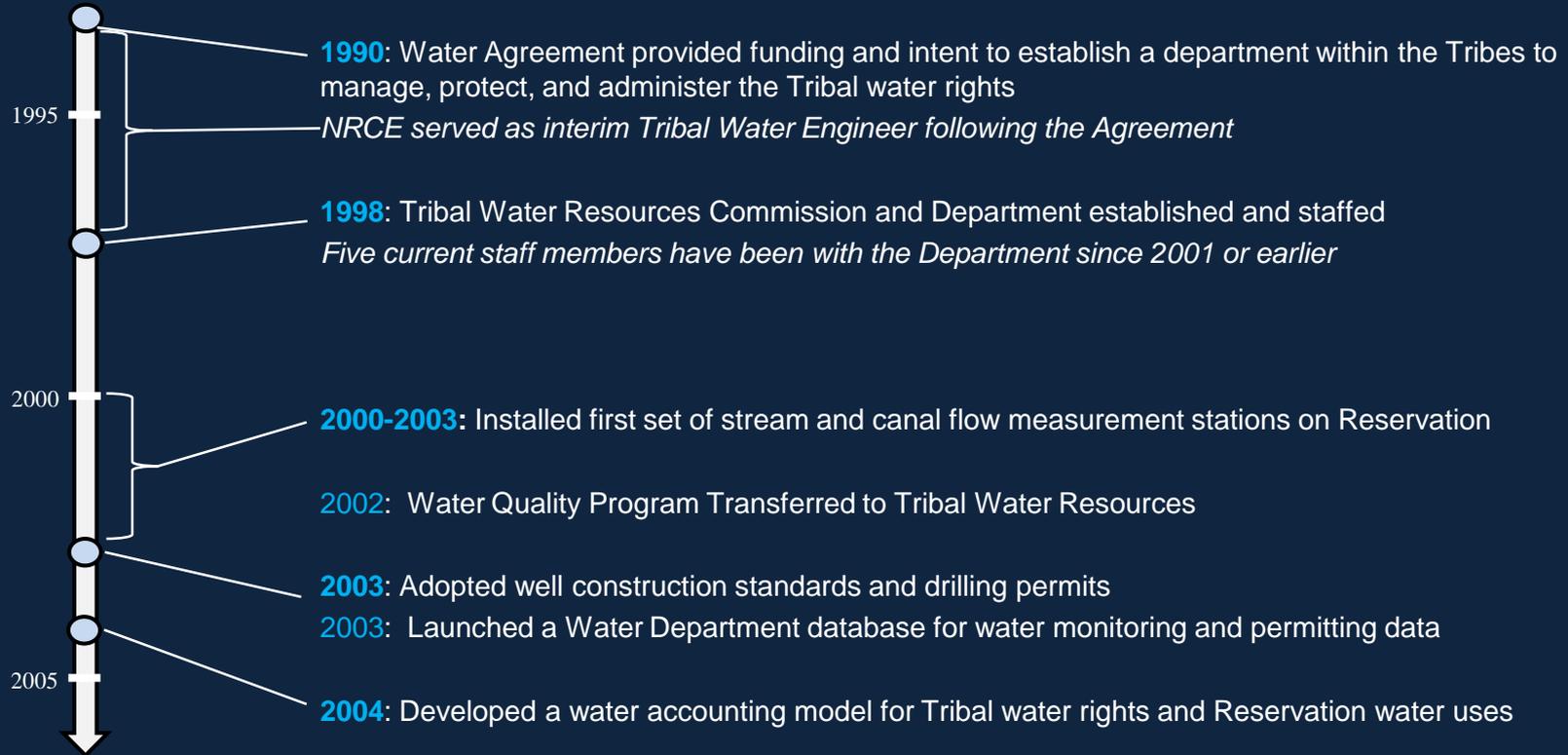


TWRC Water Use Regulations

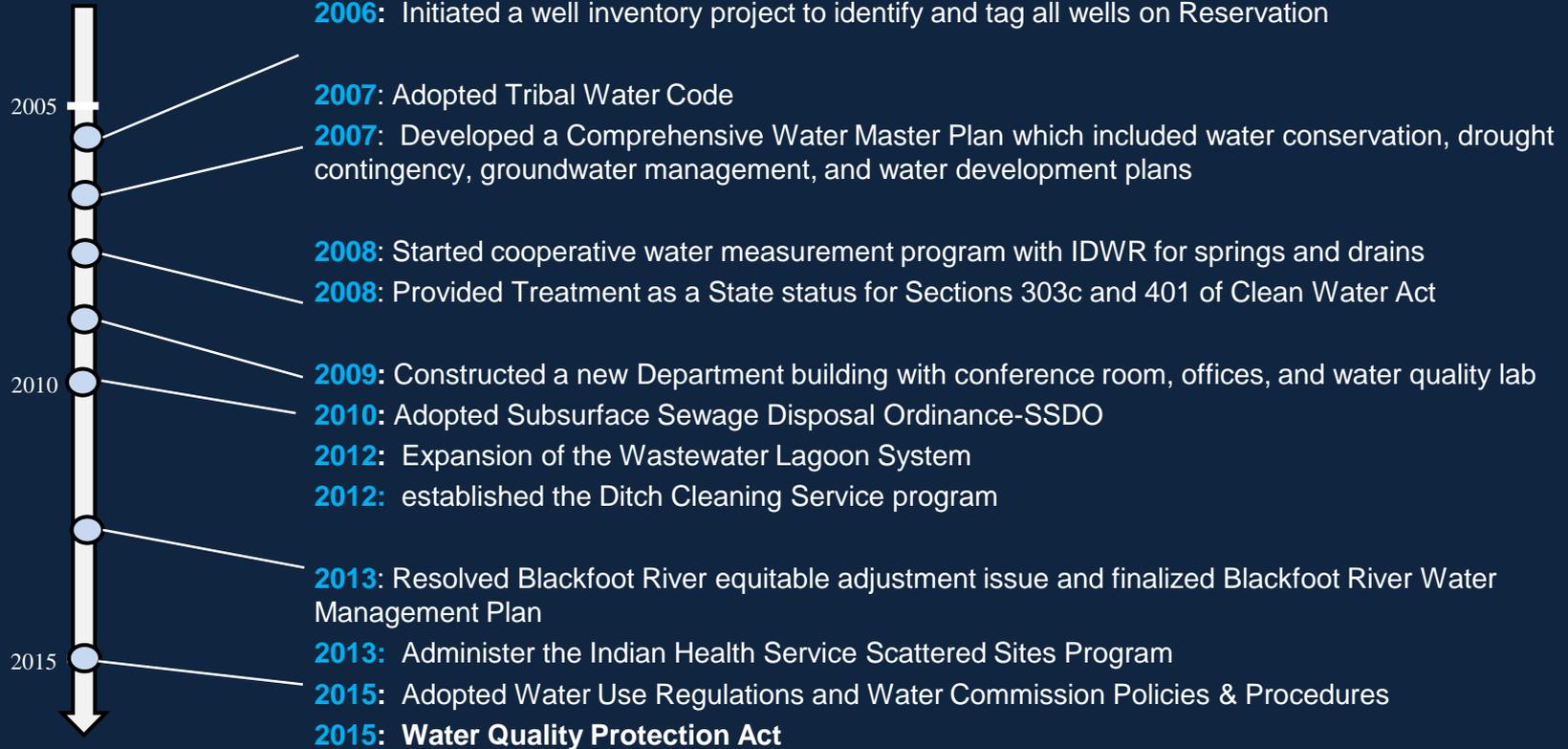


Shoshone-Bannock Tribes
Tribal Water Resources
January 12, 2015

EARLY YEARS OF THE WATER DEPARTMENT



GROWTH OF THE WATER DEPARTMENT



WATER DEPARTMENT ACTIVITIES



Water Monitoring



Water Permitting



Water Planning



WATER MONITORING

- Streamflow Gaging: 9 sites with stage datalogger (hourly) and periodic flow measurements to build rating curve.
- Canal Gaging: 35 sites with stage datalogger (hourly) and periodic flow measurements to build rating curve.
- Groundwater Use (Flow) Gaging: 153 sites with flow meters collecting data hourly. Equipment & installation funded by the Bureau of Reclamation and Tribe
- Groundwater Level Monitoring: 75 sites with semi-annual water depth measurements. Mix of irrigation, domestic, dedicated monitoring wells, scattered across Reservation
- IDWR Program: MoU in place since 2008. Includes groundwater levels (12 sites), irrigation return flows (10 sites), and spring discharges (6 sites). Purpose is to improve models and management
- Water Quality Monitoring: Extensive program with both detailed rotating studies and continuous monitoring sites.

WATER RELATED PERMITTING



Well Drilling



Water Use



Water Discharge

Sections 303(c) and 401 of the Clean Water Act



Septic Systems

EXAMPLE WATER USE PERMIT



Tribal Water
Resources
Commission
TWRC

CHAIRMAN
Lony LeClair
VICE-CHAIRMAN
LaVerne Jim
SECRETARY
Marcia Racehorse-Robbles
TREASURER
Lester Galloway
SERGEANT AT ARMS
Ebertha Eschief

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TRIBAL WATER ENGINEER
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eteston@sbtribes.com

Shoshone-Bannock Tribal Water Resources

Groundwater Use Permit

PERMIT NO	APPLICATION NUMBER	DATE OF FILING	PERMIT EXPIRATION
WTRU-2016-01-RF-1	WTRU-2016-01-RF-A	Jan 13, 2016	Feb 08, 2021

NAME	Elese Teton		
ADDRESS	PO Box 306 Fort Hall, ID 83203		
CONTACT INFORMATION	208-449-1234		
WATER SOURCE	Groundwater		
TRIBAL WATER RIGHT NUMBER	A27-11376		
RESERVATION DISTRICT	Ross Fork		
MAXIMUM FLOW RATE	5,000 Gal/day/household		
ANNUAL DIVERSION RATE	2.0 acre-ft/year/household		
PRIORITY	TYPE	CLASS	
	Type I - Tribal Member	A - Domestic	
PURPOSE OF USE	Domestic		
PERIOD OF USE	Jan 1 to Dec 31		
LAND OWNERSHIP	Individual Trust		
POINT OF DIVERSION	LEGAL DESCRIPTION	ALLOTMENT	COUNTY
	T05S R36E S7 E1/2NENWSENE	10IOD	Bannock
PLACE OF USE	LEGAL DESCRIPTION	ALLOTMENT	ACRES
	T05S R36E S7 E1/2NENWSENE	10IOD	1.25
		Total Acres	1.25



CHAIRMAN
Lony LeClair
VICE-CHAIRMAN
LaVerne Jim
SECRETARY
Marcia Racehorse-Robbles
TREASURER
Lester Galloway
SERGEANT AT ARMS
Ebertha Eschief

PERMIT NO	APPLICATION NUMBER	DATE OF FILING	PERMIT EXPIRATION
WTRU-2016-01-RF-1	WTRU-2016-01-RF-A	Jan 13, 2016	Feb 08, 2021

PERMIT CONDITIONS

- This water use permit is subject to all terms & conditions of the 2007 Tribal Water Resource Code, TWRC Water Code Policies & Procedures, and Water Use Regulations.
- This permit for use of the Tribes' water right is subject at any time for review & termination by the TWRC given sufficient cause to do so.
 - As a condition of this permit, the permittee agrees to allow the TWRC to monitor the use of water allowed under this permit, which includes entrance onto the permitted land & possibly establishing a measurement device near or on the Point of Diversion.
 - The permitted water use represents a **new** well for use requiring construction to divert water. The permittee must put the water to beneficial use by **Feb 08, 2018**, unless good cause can be shown by the permittee of why use has been delayed.
 - The permittee is required to inform the TWRC of any substantial changes to this permit relative to its condition when the permit was issued. Any changes in water use practices from that described on this permit must be approved by the TWRC.
 - The conditions of this **domestic** water use permit were based on water service to one (1) household for drinking, cooking, laundering, sanitation and other personal comforts and necessities, stock watering, and for the irrigation of a family lawn, garden or orchard not exceeding one-half acres of area per household.
 - This permit shall become null and void in whole or part and the water revert to the Shoshone-Bannock Tribes, if the permittee fails to use all or a portion of the water for a period of five (5) consecutive years.
 - The permittee who is not satisfied with the issuance or non-issuance of a permit by the TWRC shall request a hearing within twenty (20) days of notice.
 - The permit will be considered forfeited in the event the permittee is found in violation of the terms of the permit under Section 2.6.2 of the TWRC Water Use Regulations.

ACKNOWLEDGEMENT

All permits issued by the authority of the Tribal Water Resources Commission are provisional and shall not be construed to create an entitlement in the user beyond the provisional period or to allow reliance thereon by any other person. I acknowledge and agree that the laws of the Shoshone-Bannock Tribes apply to the rules and regulations on the Fort Hall Reservation for which I have been approved. I further acknowledge that the TWRC Water Use Regulations has a direct impact on the political integrity, economic security, & health & welfare of the Shoshone-Bannock Tribes & Reservation residents. I recognize that I am availing myself of the privileges & benefits provided by the laws of the Shoshone-Bannock Tribes, & affirm that this permit constitutes a consensual relationship between myself & the Shoshone-Bannock Tribes.

Permittee Signature _____ Date _____

SEAL _____ APPROVED BY _____

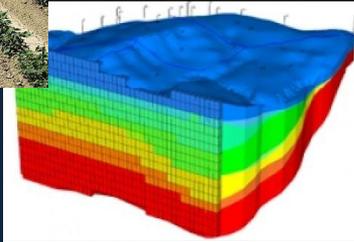
Lony LeClair, Chairman _____ Date _____
Tribal Water Resources Commission

Feb 08, 2016

WATER PLANNING



Drought Contingency Plan



Groundwater Model
Groundwater Management Plan



Blackfoot River
Water Management Plan



Water Conservation Plan



Water Marketing Plan



Integrated Resource Management
Plan

CURRENT INITIATIVES



Project Automation

Invest in automation across the Fort Hall Irrigation Project to increase water use efficiency



Fish Passage

Design and install fish passage and preserve instream flows to improve fish habitat



Water Quality Threats

Analyze threats to Reservation water quality from upstream phosphate mining and on-Reservation agricultural operations



Regional Water Hub

Explore the concept of utilizing Tribal water rights to attract water-intensive industries to the Reservation



Water Use Permitting

Issue water use permits to all existing water uses on the Reservation, taking a basin by basin approach



Climate Change

Analyze the likely impacts of climate change on regional hydrology and specifically the Tribes' water supplies

FUTURE PROJECTS

- Contract the Fort Hall Irrigation Project
- Contract Indian Health Services Scattered Sites Program
- Adopt Surface Water Quality Standards
- Continue Collection of Data
- Continue to develop relationships with surrounding communities
- Continue to issue water use permits
- Improve infrastructure of Irrigation System for more efficient water use
- Strengthen Sovereignty

QUESTIONS?

Contact:

Else Teton, Tribal Water Engineer
208-239-4580

Spence Ward, Deputy Tribal Water Engineer
208-239-4581

Tribal Water Resources Commission
208-239-4543



MEMO

To: Idaho Water Resource Board
From: Rick Collingwood
Date: August 29, 2016
Subject: North Side Canal Company - Loan Application

Action Item: \$5,200,000.00 loan

1.0 INTRODUCTION

The North Side Canal Company (NSCC) is requesting a \$5,200,000 loan from the Idaho Water Resource Board (Board) at 3.5% interest with a 20-year term to complete the North Side Main Canal Lining Project (Project). The Project includes lining approximately 4,200 lineal feet of the North Side Main Canal immediately downstream of the main head gates at Milner Dam.

The existing concrete lining was constructed in 1908 and 1909 and now requires significant annual maintenance and repair. In the past 3 years, NSCC has spent approximately \$80,000 per year patching and repairing the cracked and settled areas of the canal lining. The existing concrete section of the Main Canal is degrading rapidly, undermining ongoing efforts to repair the lining. NSCC is concerned that failure of the deteriorated concrete could result in collapse of the underlying canal bank and discharge water back into the Snake River. Loss of the canal water would severely impact the water users dependent upon NSCC water for irrigation. Therefore, NSCC is pursuing a more comprehensive and sustainable solution to preserve the operation of the Main Canal.

CH2M was hired by NSCC to evaluate the concrete section of the canal and provide improvement recommendations to restore the integrity and extend the life of the existing canal lining. Several lining alternatives were detailed in the 'North Side Canal Company Canal Rehabilitation Project' report. The option selected by NSCC, based on cost and the anticipated construction timeline, includes stabilization of the existing canal lining as needed, and installation of two layers of geotextile fabric, a PVC liner, a layer of reinforced concrete, and drain pipes above and below the PVC liner to collect and remove drainage. This option is also designed to protect the PVC liner from wear associated with the existing concrete lining, UV radiation, and vandalism.

On August 19, 2016, the North Side Canal Company Board passed a resolution authorizing NSCC to seek a loan or other indebtedness necessary to finance the Main Canal lining project.

2.0 PROPOSED PROJECT

The North Side Canal Company, established in 1907, is comprised of approximately 2,200 shareholders and operates an irrigation canal system that diverts water from the Snake River at the Milner Dam to irrigate approximately 160,000 acres of farm land in Jerome, Gooding, and Elmore Counties. The project site is located between the main head gates at the Milner Dam and the N. 5250 E. bridge (See Site Map, pg 4).

The project includes repair and reconstruction of approximately 4,200 lf of canal lining of the North Side Main Canal. The total project cost estimate is \$5,200,000. Construction is scheduled to begin in the Fall of 2016, with completion in the Spring of 2019. The project includes the following canal lining improvements:

- Stabilization of existing concrete lining
- Installation of geotextile fabrics
- Installation of PVC geomembrane liner
- Installation of 6" thick reinforced concrete cap on canal bottom
- Installation of 4" thick reinforced concrete cap on canal side walls

NSCC proposes to finance the project using funds from a Board loan.

3.0 BENEFITS

There are a number of anticipated benefits from the project for NSCC. This project will improve the long-term structural integrity of the Main Canal and reliability of water delivery to NSCC's shareholders and the hydroelectric facilities located within NSCC's canal conveyance system. It will also significantly reduce annual maintenance costs of the canal system.

4.0 FINANCIAL ANALYSIS

NSCC is requesting a loan of \$5,200,000 at 3.5% interest for a 20-year term. The following analysis reflects the Board's current interest rate of 3.5% for this type of project. Currently, the NSCC shareholders are assessed a water user rate of \$25 per share. An increase in the assessment is not anticipated at this time.

Payment Analysis

Term (Years)	Estimated Annual Payment-Revolving Account Loan	Current Assessment Cost/Share/Year	After Assessment Cost/Share/Year
10	\$625,255.11	\$25.00	\$28.91
15	\$451,490.36	\$25.00	\$27.82
20	\$365,877.60	\$25.00	\$27.29
25	\$315,504.98	\$25.00	\$26.97

Note: Calculations in this table are based on the number of acres ~ 160,000. Total number of shares is 160,348, or approximately 1 share per acre.

Loan History:

To date, NSCC has not requested a loan from the IWRB.

5.0 WATER RIGHTS

North Side Canal Company water rights are as follows:

WATER RIGHT	SOURCE	FLOW (cfs)	WATER USE	BASIS	PRIORITY DATE
	(See Attachment)				

6.0 SECURITY

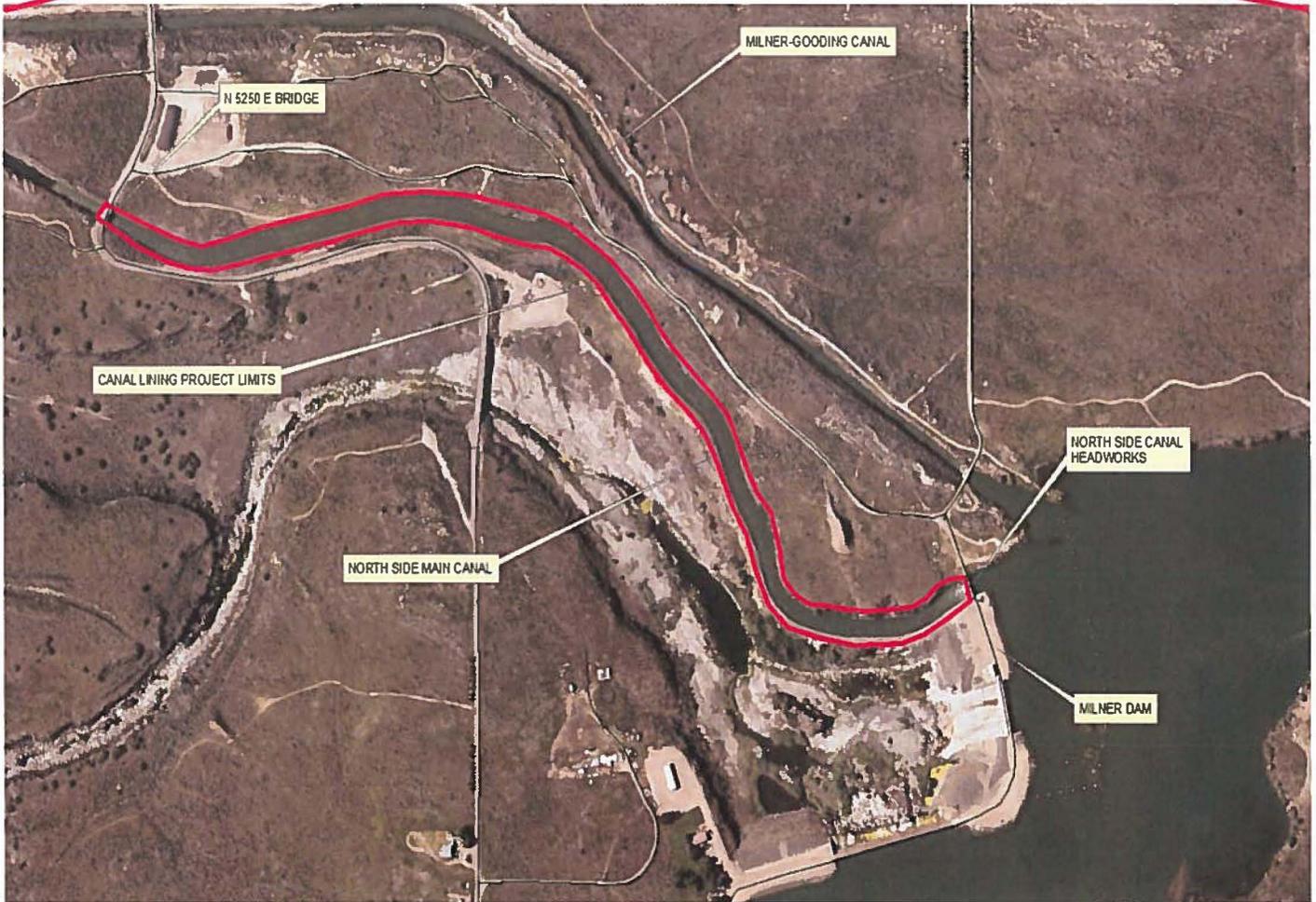
The IWRB is authorized to hold NSCC’s water rights, irrigation facilities, equipment, and all materials associated with this project as collateral for the loan.

7.0 CONCLUSION AND RECOMMENDATION

This loan will be used to construct a lining system in the Main Canal to improve the integrity of the existing concrete section of the Main Canal for delivering irrigation water to NSCC’s shareholders.

The NSCC Main Canal lining project will benefit NSCC, their shareholders, and the hydroelectric facilities by extending the life of this concrete section of the Main Canal, and providing a reliable long-term water delivery system without the costly annual maintenance to the existing concrete section of the Main Canal. Staff recommends approval of the requested loan.

Map of Project Area



BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE NORTH SIDE CANAL COMPANY, LTD <hr/>)))	A RESOLUTION TO MAKE A FUNDING COMMITMENT MAIN CANAL LINING PROJECT
--	-------------	---

WHEREAS, the North Side Canal Company, Ltd. (Company) submitted a loan application to the Idaho Water Resource Board (IWRB) in the amount of \$5,200,000 for a canal lining project; and

WHEREAS, the Company operates and maintains an irrigation canal system to deliver irrigation water to approximately 160,000 acres of farmland in Jerome, Gooding, and Elmore Counties; and

WHEREAS, significant annual costs are incurred by the Company to patch and repair cracks and settled areas due to the instability of the existing concrete section in the Company's Main Canal immediately downstream of its primary headworks at the Milner Dam; and

WHEREAS, the Company has concerns that failure of the deteriorated concrete section could result in significant damage to the canal and underlying bank as well as considerable water loss from the canal system; and

WHEREAS, over the next three (3) years, the Company proposes to install 4,200 lineal feet of new canal lining over the existing concrete section of the Main Canal; and

WHEREAS, the canal lining project includes the stabilization of the existing concrete section and canal liner as needed, and installation of a new canal liner and drain pipes; and

WHEREAS, the Company will use the loan funds to install a new canal liner in the Main Canal to improve the integrity and longevity of the existing concrete section, and reduce annual maintenance costs; and

WHEREAS, the Company is a qualified applicant and the proposed project qualifies for a loan from the Revolving Development Account; and

WHEREAS, the proposed project is in the public interest and is in compliance with the State Water Plan.

NOW THEREFORE BE IT RESOLVED that the IWRB approves a loan not to exceed \$5,200,000 from the Revolving Development Account at 3.5% interest with a 20-year repayment term and provides authority to the Chairman of the Idaho Water Resource Board, or his designee, to enter into contracts with the Company on behalf of the IWRB.

BE IT FURTHER RESOLVED that this resolution and the approval of the loan are subject to the following conditions:

- 1) The Company shall comply with all applicable rules and regulations that apply to the proposed project.

- 2) The Company shall provide acceptable security for the loan to the IWRB including but not limited to the Company's water rights and canal system facilities.
- 3) The Association shall establish a reserve account in an amount equal to one annual payment.

DATED this 16th day of September, 2016.

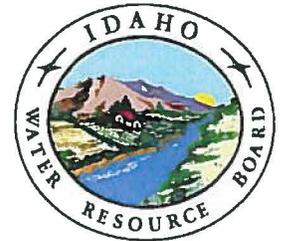
ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

DRAFT



IDAHO WATER RESOURCE BOARD
 322 East Front Street, Statehouse Mail
 Boise, Idaho 83720
 Tel: (208) 287-4800
 FAX: (208) 287-6700



APPLICATION FOR FINANCIAL ASSISTANCE FOR NON-POTABLE WATER SYSTEM CONSTRUCTION PROJECT

Answer the following questions and provide the requested material as directed. All pertinent information provided. Additional information may be requested by the Idaho Water Resource Board (IWRB) depending on the scope of the project and amount of funding requested. For larger funding amounts an L.I.D. may be required.

Incomplete documents will be returned and no further action taken will be taken by IWRB staff. All paperwork must be in twenty eight (28) working days prior to the next bi-monthly Board meeting.

Board meeting agendas can be found at: <http://www.idwr.idaho.gov/waterboard/>

I. Prepare and attach a "Loan Application Document".

The Loan Application Document requirements are outlined in the Water Project Loan Program Guidelines. The guidelines can be found at:

<http://www.idwr.idaho.gov/waterboard/Financial%20program/financial.htm>.

You can also obtain a copy by contacting IWRB staff.

II. General Information:

A. Type of organization: (Check box)

- Irrigation District
- Canal/Irrigation Company
- Lateral Association
- Flood Control District
- Homeowners Association

- Water User's Association
- Municipality
- Reservoir Company
- Other

Explain: _____

North Side Canal Co., Ltd. _____

Organization name

921 N. Lincoln _____

PO Box/Street Address

Jerome, Jerome, Idaho, 83338 _____

City, County, State, Zip Code

Alan W. Hansten, Manager _____

Name and title of Contact Person

(208) 324-2319 _____

Contact telephone number

ahansten@cableone.net _____

e-mail address

Project location legal description T. 10S., R. 21E., Section 29

B. Is your organization registered with the Idaho Secretary of State's office? Yes No

C. Purpose of this loan application.

- New Project
- Rehabilitation or replacement of existing facility
- DEQ requirement
- Other: _____

D. Briefly describe the project:

This project will line approximately 4,200 feet of the existing concrete North Side main canal immediately downstream of the main gates at Milner Dam.

III. WATER SYSTEM:

A. Source of water:

- Stream Groundwater
- Reservoir Other

B. Water Right Numbers:

Water Right	Stage	Priority Date	Source	Amount
		See Appendix B of Loan	Document Narrative	

Note: Stage refers to how the water right was issued. (License, Decree, or Permit)

C. If irrigation/lateral system:

Number of acres served: Approximately 160,000
 Number of shareholders served: Approximately 2,200
 Water provided annually (acre-feet): 1,044,000

D. If flood control system, drainage system, groundwater recharge, or other type of system:

Number of acres within District or service area: N/A
 Number of people within District or service area: N/A

E. If an Association/Municipality the number of residences served by the system:

Number of residences served: N/A
 Number of hookups possible: N/A

IV. USER RATES:

A. How does your organization charge users rates?

- Per acre Per hook up
- Per share Tax assessment

Explain what a share is: A share is 5/8" of a Miner's-Inch at 100% delivery.
 Other, explain _____

B. Current rate? \$ 25 per Share
(Share, hook-up, month, year, etc)

C. When was the last rate change? October 2012 (month/year)

D. Does your organization measure water use? Yes No
If yes, explain how: Submerged orifices and weirs.

E. Does your organization have a regular assessment for a reserve fund? Yes No
If yes, explain how it is assessed:
N/A

F. Does your organization have an assessment for some future special need? Yes No
If yes, explain for what purpose and how it is assessed:
N/A

V. PROPOSED METHOD FOR REVENUE FOR REPAYMENT OF LOAN

How will you plan to assess for the annual loan payments?

Check revenue sources below:

- Tax Levies
 Capital Improvement Reserve Account or Sinking Fund
 User Fees and Tap/Hookup Fees
 Other (explain) Revenue from outside sources and shareholder O&M charges.

Will an increase in assessment be required? Yes No
When will new assessments start and how long will they last?
N/A

VI. SECUREMENT OF LOAN

List all land, buildings, waterworks, reserve funds, and equipment with estimated value that will be used as collateral for the loan:

Property	Estimated Value
<u>Annual Operations and Maintenance Assessment</u>	<u>\$4,000,000</u>

For property Securement, attach a legal description of the property being offered along with a map referencing the property.

VII. FINANCIAL INFORMATION:

A. Attach a copy of each of the last 3 year's financial statement. **(Copies must be attached)**

B. Reserve fund (current) \$183,543.66

C. Cash on hand \$1,564,145.88

D. Outstanding indebtedness:

To Whom	Annual Payment	Amt. Outstanding	Years Left
<u>Western States Equipment</u>	<u>\$67,052.41</u>	<u>\$190,581.35</u>	<u>3</u>
<u>Western States Equipment</u>	<u>\$81,029</u>	<u>\$303,412.85</u>	<u>4</u>

E. What other sources of funding have been explored to fund the project? (example: NRCS, USDA Rural Development, Banks, Local Government, etc.)

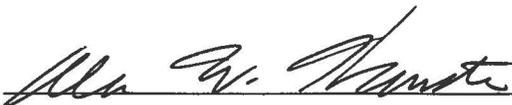
None

VIII. ORGANIZATION APPROVAL:

Is a vote of the shareholders, members, etc. required for loan acquisition? Yes No
If yes, a record of the vote must be attached.

Amount of funds requested: \$5,200,000

By signing this document you verify that all information provided is correct and the document is filled out to the best of your ability.

Authorized signature & date: 

Financial Ratios

Entity Name: North Side Canal Company

Loan amount requested: \$5,200,000

The following information is required for the loan application with the Idaho Water Resource Board. Please fill out as completely as possible in the spaces provided. The sheet will do the calculations based on your input. This sheet will not save so you must print it out and attach it to the Loan Document. If you have any questions please contact the loan staff.

Number of units serviced (acres or residences)

160000

Interest rate 3.5%
(use 6% for residential and 5.5% for agriculture)

Yearly Expenditures, Revenues, and Cash - last 3 years required

Year	Revenue	Expenditures	Cash
2013	\$4,773,173.00	\$4,973,928.00	\$613,736.00
2014	\$4,900,540.00	\$4,488,927.00	\$1,241,297.00
2015	\$4,827,076.00	\$4,782,124.00	\$1,330,171.00
Average:	\$4,833,596.33	\$4,748,326.33	\$1,061,734.67

Total Debt \$493,994.20

Current Assessment \$25.00
Assessment Charged by share
(How is current assessment charged? By share, acre, residence, etc.)

Is the assessment 1
(use 1 for yearly and 12 for monthly)

Loan Term	Assessment after loan	Estimated Payment
5 years	\$32.20	\$1,151,703.14
10 years	\$28.91	\$625,255.11
15 years	\$27.82	\$451,490.36
20 years	\$27.29	\$365,877.60
25 years	\$26.97	\$315,504.98
30 years	\$26.77	\$282,730.92

Indicator	5 year	10 year	15 year	20 year	25 year	30 year
Revenue/Expenses	1.01	1.02	1.02	1.02	1.02	1.02
Debt Service ratio	1.07	1.14	1.19	1.23	1.27	1.30
Cash /Expenses	0.38	0.31	0.29	0.28	0.27	0.27
Debt/Unit	\$7.20	\$3.91	\$2.82	\$2.29	\$1.97	\$1.77

Note: Current assessment is an average of the quarterly residential assessment of \$66.00, and the quarterly commercial assessment of \$111.00.

**Loan Application Document for
North Side Main Canal Lining Project
Near Milner Dam**

Submitted by:

North Side Canal Company, Ltd.

John Beukers, President

Alan W. Hansten, Manager

August 15, 2016

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Credit Worthiness	3
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Collateral.....	3
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Appendices:

Appendix A:	Articles of Incorporation and By-Laws
Appendix B:	Water Right Summary
Appendix C:	Preliminary Design Report and Cost Estimate
Appendix D:	IWRB Loan Application
Appendix E:	Financial Statements and Budgets: 2013, 2014, & 2015

North Side Canal Company, Ltd.:

921 N. Lincoln Ave.
Jerome, ID 83338
(208) 324-2319

John Beukers, President

Mike Elliott, Vice-President

Alan W. Hansten, Secretary/Treasurer

Attorney for North Side Canal Company, Ltd.:

Travis Thompson
Barker, Rosholt, and Simpson LLP
163 2nd Avenue West
Twin Falls, Idaho 83301-5672

Engineering:

Dan Murrer, P.E.
CH2M Hill
322 E. Front Street, #200
Boise, ID 83702
(208) 383-6108

Introduction

North Side Canal Company, Ltd. (NSCC) operates an irrigation canal system that diverts water from the Snake River at Milner Dam. There are roughly 900 miles of canals within the system that are used to deliver irrigation water to approximately 160,000 acres of farmland throughout Jerome, Gooding, and Elmore Counties. The main canal at Milner was originally constructed around 1907 and the existing 2-mile concrete section was constructed in 1908 and 1909. Since that time, NSCC crews have routinely patched and repaired cracked and settled areas of this section of canal. In the past 3 years the company has spent roughly \$80,000 per year patching and repairing the canal. It has become evident that a more comprehensive and longer lasting solution is necessary to preserve the operation of the canal.

In the spring of 2016, NSCC hired CH2M Hill to perform a study on the concrete section of the canal and make recommendations as to how best to extend the life of the facility. It was determined that the most cost effective solution was to leave the existing concrete in place, stabilize areas where there are voids, and then apply a lining system over the top of the existing concrete.

This loan is being applied for to finance the project to stabilize the existing concrete and construct a new liner with a concrete overlay. The project will be completed over the span of 3 years starting in the fall of 2016 and being completed the spring of 2019.

Project Sponsor

The project sponsor is North Side Canal Company, Ltd. (NSCC). Approximately 2,200 shareholders are served by the company. Water is not delivered to a shareholder unless they have paid their annual assessment. The board of NSCC is authorized by state law (Idaho Code§30-30-302(7)) and the by-laws of the corporation to enter into a loan to finance projects (Article 5, section 2).

Project Service Area and Facilities

Water from the Snake River at Milner is diverted and delivered via a network of irrigation canals that are operated and maintained by NSCC through the counties of Jerome, Gooding, and Elmore. The network of canals is approximately 900 miles in length and delivers water to roughly 160,000 acres of land. Milner dam, 8 hydroelectric plants, and 1 regulating reservoir (Wilson Lake) are some of the major facilities that also make up the system.

Hydrology and Water Rights

NSCC's irrigation water rights are primarily on the Snake River and include both natural flow and reservoir rights. A summary of the water rights that NSCC holds is included in Appendix B.

Project Description and Alternatives

The purpose of this project is to ensure the integrity of the existing concrete section of the main canal near Milner. Cracking of the concrete and settlement have occurred since the concrete was originally poured and the company repairs failing areas annually in an effort to keep the canal serviceable. It has become apparent that a more aggressive solution is needed to ensure continued operation of the canal. Should the canal fail, most of the crops for that season could potentially die and the growers suffer great financial loss.

Alternative 1 – No Action (Status Quo): NSCC could continue to perform annual as needed maintenance on the concrete section, however, it appears that it is degrading faster than company crews are able to keep up with repairs. The concern is that a weak area may fail causing the canal bank to wash away and the water flow directly back to the Snake River and in turn cause catastrophic crop failure to the growers that rely on the canal to convey irrigation water.

Alternative 2 – Full Reconstruction: Full reconstruction of the concrete section was initially considered, but ruled out due to the amount of time needed to complete the work and the high cost. Significant excavation and concrete work would be required along with a lot of time that would cause the project to proceed over several years.

Alternative 3 – Lining of Existing Canal: This alternative was examined (see CH2M Hill Memo in Appendix C) to determine the most cost effective solution and acceptable construction time frame for the project. Several lining options were reviewed. The lining option selected, entails stabilizing the existing concrete as needed then installing a layer of non-woven geotextile fabric, a layer of PVC liner, a layer of geotextile fabric, and then a layer of reinforced concrete. This system will protect the PVC liner from wear associated with the existing concrete and UV radiation and vandalism. With the canal lined with this system, any piping that is occurring now will be reduced or eliminated and therefore reduce the risk of a bank failure along the canal. This alternative is the preferred option of the 3 considered.

Presently, alternative 3 is in the final design stage by CH2M Hill. Bidding documents are expected to be completed by the end of September.

Implementation Schedule

It is anticipated that this project will be completed in 3 phases over the course of 3 years. Construction on this project will begin this fall and proceed until mid-March of 2017 prior to the start of the irrigation season. This schedule will repeat again in the winter of 2017-2018 and 2018-2019 with project completion planned in the spring of 2019.

Permitting

No permits are required for this rehabilitation and repair project.

Institutional Considerations

The following are those entities that will be involved in this project:

Engineering: CH2M Hill,
Legal: Barker, Rosholt, and Simpson L.L.P.
Financing: Idaho Water Resource Board

NSCC will be managing and contracting with the above entities to complete the project.

Financial Analysis

NSCC is requesting a loan from the Idaho Water Resource Board in the amount of \$5,200,000 for a 20-year term at a fixed rate of 3.5% interest. The annual payment on this amount will be \$366,000. Total interest paid on the principle would be \$2,100,000. The interest during construction will be carried forward as part of the long-term loan. NSCC may make additional principal payments some years depending on the financial position of the company. An increase in the annual operations and maintenance assessment is not expected, however, if needed an approximate \$2 per share increase would be required to make the annual loan payment.

Credit Worthiness:

NSCC's current outstanding debt is \$493,994.20. Paragraph VII.d in the loan application lists NSCC's current debt.

Alternative Financing Considerations:

NSCC has not contacted other financial institutions as of this date regarding this project.

Collateral:

NSCC annual operations and maintenance assessment income will be used to secure the loan.

Economic Analysis

This project is critical for the long-term reliability of the main canal to continue to deliver water to roughly 160,000 acres of farmland in three counties. Should the canal fail, growers that rely on the system to provide irrigation water to their crops could potentially suffer great financial loss and could jeopardize their businesses. The negative impact on the local economy could be substantial.

Social and Physical Impacts

This project is vital to growers and the agricultural economy on the North side of the Snake River in the Magic Valley to ensure the long-term operation of the canal to provide irrigation water. The culture and the history of the area on the north side of the river centers around irrigated agriculture, and the North side canal system is part of the foundation that has allowed people to live and thrive in the area, including related and indirect businesses and industry.

The project will have no adverse social or physical impacts since all work will be completed within the existing channel and right-of-way. Visually, the lined canal will appear no different than it does presently.

Conclusions

1. The board of directors of NSCC has directed Alan W. Hansten, Manager to prepare and submit this loan application on behalf of NSCC.
2. All work will be completed within the existing right-of-way.
3. Construction of the project is expected to be completed in 3 phases over a 3-year period.
4. The project will allow the canal to continue to operate for approximately 50 years with minimal maintenance.
5. The estimated cost of the project is \$5,200,000 and is planned to be financed with an Idaho Water Resource Board loan for 20 years.
6. This project is necessary to ensure the continued safe and reliable operation of the canal.
7. The project is technically and financially feasible.

RESOLUTION

WHEREAS, the North Side Canal Company, Ltd. (NSCC) developed an extensive canal system to deliver water to its shareholders that irrigate approximately 160,000 acres in Jerome, Gooding, and Elmore Counties; and

WHEREAS, the first two miles of the Main Canal off the Snake River were first constructed with concrete in 1908-09; and

WHEREAS, since that time NSCC personnel have routinely patched and repaired cracked and settled areas of this section of the canal; and

WHEREAS, any failure of the Main Canal in this area would be catastrophic during the irrigation season, and could result in thousands of acres of crop loss; and

WHEREAS, NSCC recently commissioned an engineering study of this section, including evaluating voids located underneath the canal and the viability of the existing concrete; and

WHEREAS, NSCC management and consulting engineers have recommended a comprehensive and the most cost effective solution to rehabilitate and repair this section of the canal through filling the voids, stabilizing the concrete, installing liners, and then reinforced concrete; and

WHEREAS, NSCC believes it is in the best interest of its shareholders to undertake the recommended project to ensure the viability of the Main Canal and continued delivery of water to its shareholders; and

WHEREAS, NSCC currently does not have sufficient cash to undertake the project, but is authorized by its by-laws (Art. 5, § 2) and Idaho law (I.C. § 30-30-302(7)) to finance such projects through loans and other indebtedness.

NOW, THEREFORE BE IT RESOLVED, by unanimous vote of the NSCC Board of Directors, meeting in their regular monthly board meeting on August 19, 2016, in Jerome, Idaho, that NSCC is authorized to enter into such loans or other indebtedness necessary to finance the Main Canal project; and

BE IT FURTHER RESOLVED, that NSCC's President is authorized to sign such loan applications and other documents necessary to carry out this action.

Dated this 19th day of August, 2016.



John Beukers - President

Attest:



Alan Hansten – Secretary

NORTH SIDE CANAL COMPANY WATER RIGHTS

WATER RIGHT	SOURCE	FLOW (cfs)	WATER USE	BASIS	PRIORITY DATE
1-5	Snake River	300.00	Irrigation	Decreed	12/23/1915
1-16	Snake River	832.00	Irrigation	Decreed	8/6/1920
1-210	Snake River	400.00	Irrigation	Decreed	10/11/1900
1-212	Snake River	2,250.00	Irrigation	Decreed	10/7/1905
1-213	Snake River	350.00	Irrigation	Decreed	6/16/1908
1-7010B	Snake River	3,000.00	Power	License	3/30/1977
1-7010D	Snake River	3,000.00	Power	License	3/30/1977
1-7011	Snake River	5,714.70	Power	License	3/30/1977
1-7084B	Snake River	3,200.00	Power	License	12/3/1984
1-7084C	Snake River	3,200.00	Power	License	12/3/1984
1-10488	Snake River	82.66	Irrigation	Decreed	3/17/1987
1-10509	Snake River	--	Irrigation	Decreed	3/1/1905
37-507	Big Wood River	15.00	Irrigation	Decreed	6/15/1890
1-10575	Snake River	2,400.00	Power	Permit	12/3/1984
1-10576	Snake River	1,200.00	Power	Permit	12/3/1984
1-10577	Snake River	1,600.00	Power	Permit	12/3/1984
1-10578	Snake River	250.00	Power	Permit	12/3/1984
1-10579	Snake River	250.00	Power	Permit	12/3/1984
1-10580	Snake River	200.00	Power	Permit	12/3/1984
1-10581	Snake River	100.00	Power	Permit	12/3/1984
1-10582	Snake River	1,300.00	Power	Permit	12/3/1984
1-10583	Snake River	370.00	Power	Permit	12/3/1984
1-10584	Snake River	800.00	Power	Permit	12/3/1984
1-10585	Snake River	800.00	Power	Permit	12/3/1984
1-10586	Snake River	500.00	Power	Permit	12/3/1984
1-10587	Snake River	350.00	Power	Permit	12/3/1984
1-10588	Snake River	200.00	Power	Permit	12/3/1984
1-10589	Snake River	230.00	Power	Permit	12/3/1984
1-10590	Snake River	90.00	Power	Permit	12/3/1984
1-10591	Snake River	100.00	Power	Permit	12/3/1984
1-10592	Snake River	90.00	Power	Permit	12/3/1984
1-10627	Snake River	--	Irrigation	Application	8/8/2013
1-2064C	Snake River	--	Irrigation	License	3/30/1921
1-10042B	Snake River	--	Irrigation	License	3/29/1921
1-10043A	Snake River	--	Irrigation	License	3/29/1921
1-10045B	Snake River	--	Irrigation	License	5/24/1913
1-10053A	Snake River	--	Irrigation	License	3/30/1921

NSCC's water rights are appurtenant to approximately 160,000 acres of surface irrigated lands in Jerome, Gooding, and Elmore counties. The Company has Snake River natural flow rights and contracted storage space with the United States Bureau of Reclamation in Jackson Lake, Palisades Reservoir, and American Falls Reservoir. NSCC holds the legal title for the Company's water rights in trust for its shareholders. NSCC water may only be applied for irrigation purposes to those acres described on the Water Stock Certificate provided to the NSCC shareholders. It is illegal to apply NSCC irrigation water to more acres or different acres than those described on the NSCC Water Stock Certificate. One (1) share of water is equivalent to five-eighths (5/8) of a miner's inch and 80 shares is equivalent to 1 cubic foot per second (CFS). The maximum number of shares that can be appurtenant to an acre of land is one and one half (1½) shares. The following table is a summary of the Company's irrigation water rights as they are accounted for in the Water District #1 accounting:

Water Dist. 1 #	Type	Reservoir	Priority	CFS/Acre-Foot
13087000	Natural Flow		10/11/1900	400 CFS
13087000	Natural Flow		10/7/1905	2,250 CFS
13087000	Natural Flow		6/16/1908	350 CFS
13087000	Natural Flow		12/23/1915	300 CFS
13087000	Natural Flow		8/6/1920	1,260 CFS
Total Natural Flow:				4,560 CFS
13087000	Storage	Jackson	1913	312,007 AF
13087000	Storage	Palisades WWS	1921	116,600 AF
13087000	Storage	A.F. WWS	1921	9,248 AF
13087000	Storage	Am. Falls	1921	422,043 AF
Total Storage:				859,898 AF

The Company also holds water rights in Water District 37 as well as hydropower rights. Further information regarding the Company's water rights can be viewed on the internet at: <http://www.idwr.idaho.gov>.

NORTH SIDE CANAL COMPANY AND SUBSIDIARY
JEROME, IDAHO
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED
October 31, 2014 and 2013

	2014	Percent	2013	Percent
REVENUES:				
Water users	\$ 4,900,540	68.99%	\$ 4,773,173	76.71%
Hydro power	2,202,456	31.01%	1,449,442	23.29%
Total revenues	7,102,996	100.00%	6,222,615	100.00%
EXPENSES:				
Operation and maintenance:				
Wages, salaries, and labor	1,659,645	23.37%	1,743,735	28.02%
Repairs and maintenance	775,869	10.92%	929,906	14.94%
Weed control, rodent control, and chemicals	419,630	5.91%	301,825	4.85%
Employee benefits	381,610	5.37%	522,121	8.39%
Gas and oil	323,228	4.55%	376,181	6.05%
Insurance	143,970	2.03%	196,600	3.16%
Payroll taxes and other	167,132	2.35%	187,343	3.01%
Pension	107,255	1.51%	116,910	1.88%
Utilities	33,637	0.47%	44,449	0.71%
Miscellaneous	21,684	0.31%	36,220	0.58%
Surface water call	26,844	0.38%	28,377	0.46%
Total operation and maintenance expenses	4,060,504	57.17%	4,483,667	72.05%
General and administrative:				
Office salaries	161,248	2.27%	180,737	2.90%
Legal and accounting	205,877	2.90%	236,639	3.80%
Miscellaneous	24,467	0.34%	34,758	0.56%
Directors' fees and expenses	26,781	0.38%	18,987	0.31%
Water quality	2,217	0.03%	6,968	0.11%
Office	7,833	0.11%	12,172	0.20%
Total general and administrative expenses	428,423	6.03%	490,261	7.88%
Total expenses	4,488,927	63.20%	4,973,928	79.93%
INCOME FROM OPERATIONS BEFORE OTHER INCOME (EXPENSE), DEPRECIATION, AND INCOME TAXES	2,614,069	36.80%	1,248,687	20.07%
OTHER INCOME (EXPENSE):				
Interest income	20,236	0.28%	17,173	0.28%
Gain on investment in Milner Dam, Inc.	275,191	3.87%	174,780	2.81%
Gain/(loss) on sale of assets	(4,821)	-0.07%	(32,680)	-0.53%
Interest expense	(11,032)	-0.16%	(23,578)	-0.38%
Total other income (expense)	279,574	3.93%	135,695	2.18%
NET INCOME BEFORE DEPRECIATION AND INCOME TAXES	2,893,643	40.72%	1,384,382	22.25%
DEPRECIATION	425,430	5.99%	533,272	8.57%
NET INCOME BEFORE INCOME TAX	2,468,213	34.73%	851,110	13.68%
INCOME TAX EXPENSE:				
Current	603,811	8.50%	40,090	0.64%
Deferred	623,105	8.77%	197,284	3.17%
Total income tax expense	1,226,916	17.27%	237,374	3.81%
NET INCOME	\$ 1,241,297	17.46%	\$ 613,736	9.86%

See notes to consolidated financial statements.

NORTH SIDE CANAL COMPANY AND SUBSIDIARY
JEROME, IDAHO
CONSOLIDATED BALANCE SHEETS
October 31, 2014 and 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,720,630	\$ 2,736,757
Short-term investments-certificates of deposit	181,950	432,194
Accounts receivable - assessments	34,161	23,540
Accounts receivable - less allowance for doubtful accounts	1,066,412	1,310,956
Income taxes receivable:		
State	25,064	44,884
Federal	5,125	315,026
Contract Receivable	-	-
Inventory	334,727	410,042
Interest receivable	127	282
Prepaid expenses and deposit	2,238	1,038
Total current assets	<u>3,370,434</u>	<u>5,274,719</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	223,839	223,839
Buildings	825,714	899,974
Jackson Lake modification	1,087,341	1,087,341
Canal systems	4,225,506	999,732
Construction in progress	2,167,556	266,257
Machinery and equipment	8,081,988	7,874,005
Total property, plant, and equipment	<u>16,611,944</u>	<u>11,351,148</u>
Less, accumulated depreciation	<u>(6,176,284)</u>	<u>(5,988,701)</u>
Total property, plant, and equipment - net	<u>10,435,660</u>	<u>5,362,447</u>
OTHER ASSETS:		
Water storage rights	1,413,078	1,413,078
Investment in Jerome Butte Communications, LLC	22,288	22,288
Investment in Milner Dam, Inc	1,812,048	1,540,034
Investment in Valley Co-ops, Inc.	9,965	8,871
Total other assets	<u>3,257,379</u>	<u>2,984,271</u>
TOTAL ASSETS	<u>\$ 17,063,473</u>	<u>\$ 13,621,437</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 260,800	\$ 256,468
Accrued liabilities:		
Vacation	106,574	103,382
Assessments paid in advance	2,607	21,828
Payroll taxes and other	17,931	15,170
Interest	30,263	15,836
Income taxes payable:		
State	-	-
Federal	-	-
Operating line of credit, Northwest Farm Credit Services	1,660,449	-
Current portion of long-term debt	458,477	88,307
Total current liabilities	<u>2,537,101</u>	<u>500,991</u>
LONG-TERM DEBT	86,898	545,375
DEFERRED INCOME TAXES	1,252,173	629,067
STOCKHOLDERS' EQUITY:		
Common stock, \$1 par value, 170,000 shares authorized and issued and 161,480.48 shares outstanding	170,000	170,000
Retained earnings	13,133,846	11,892,549
Total paid-in capital and retained earnings	<u>13,303,846</u>	<u>12,062,549</u>
Less, Cost of treasury stock (8,519.52 shares)	<u>(116,545)</u>	<u>(116,545)</u>
Total stockholders' equity	<u>13,187,301</u>	<u>11,946,004</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 17,063,473</u>	<u>\$ 13,621,437</u>

See notes to consolidated financial statements.

NORTH SIDE CANAL COMPANY AND SUBSIDIARY
JEROME, IDAHO
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
FOR THE YEARS ENDED
October 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	\$ 11,892,549	\$ 11,278,813
NET INCOME	1,241,297	613,736
RETAINED EARNINGS AT END OF YEAR	<u>\$ 13,133,846</u>	<u>\$ 11,892,549</u>

See notes to consolidated financial statements

NORTH SIDE CANAL COMPANY AND SUBSIDIARY
JEROME, IDAHO
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
October 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES:		
Cash received from water users and customers	\$ 7,317,698	\$ 5,646,998
Interest received	20,391	18,002
Cash paid to suppliers and employees	(4,404,527)	(5,056,390)
Interest paid	(13,229)	(25,698)
Income taxes paid	(274,089)	(108,269)
Net cash provided (used) by operating activities	<u>2,646,244</u>	<u>474,643</u>
INVESTING ACTIVITIES:		
Change in investments	249,150	249,103
Dividends from investments	3,177	-
Proceeds from sale of assets	71,941	6,471
Purchase of plant and equipment	(5,558,781)	(961,336)
Net cash provided (used) by investing activities	<u>(5,234,513)</u>	<u>(705,762)</u>
FINANCING ACTIVITIES:		
Proceeds from short-term debt	1,660,449	-
Payments on long-term debt	(88,307)	(85,263)
Net cash provided (used) by financing activities	<u>1,572,142</u>	<u>(85,263)</u>
NET INCREASE (DECREASE) IN CASH	<u>(1,016,127)</u>	<u>(316,382)</u>
CASH AT BEGINNING OF YEAR	2,736,757	3,053,139
CASH AT END OF YEAR	<u>\$ 1,720,630</u>	<u>\$ 2,736,757</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 1,241,297	\$ 613,736
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	425,430	533,272
Gain on investment in Milner Dam, Inc.	(275,191)	(174,780)
(Gain) Loss on sale of assets	4,821	32,680
Deferred income tax expense	623,106	197,284
Change in current assets and current liabilities, net of effects from non-cash investing and financing activities:		
(Increase) decrease in assets:		
Accounts receivable - assessments	(10,621)	3,316
Accounts receivable - less allowance for doubtful accounts	244,544	(556,251)
Contract receivable	-	7,725
Income taxes receivable	329,721	(68,179)
Inventory	75,315	(186,532)
Interest receivable	155	829
Prepaid expenses and deposit	(1,200)	-
Increase (decrease) in liabilities:		
Accounts payable	4,332	82,762
Accrued liabilities	(15,465)	(11,219)
Income taxes payable	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,646,244</u>	<u>\$ 474,643</u>
SUPPLEMENTAL DISCLOSURES		
Schedule of Noncash Investing and Financing Transactions		
Capitalized interest for property plant & equipment	\$ 16,624	\$ -

See notes to consolidated financial statements.

NORTH SIDE CANAL COMPANY AND SUBSIDIARY

JEROME, IDAHO

CONSOLIDATED BALANCE SHEETS

October 31, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,020,117	\$ 1,720,630
Short-term investments-certificates of deposit	182,181	181,950
Accounts receivable - assessments	37,103	34,161
Accounts receivable - less allowance for doubtful accounts	1,167,803	1,066,412
Income taxes receivable:		
State	10,161	25,064
Federal	145,250	5,125
Inventory	320,749	334,727
Interest receivable	316	127
Prepaid expenses and deposit	1,038	2,238
Total current assets	<u>4,884,718</u>	<u>3,370,434</u>
PROPERTY, PLANT, AND EQUIPMENT:		
Land	223,839	223,839
Buildings	825,714	825,714
Jackson Lake modifcaiton	1,087,341	1,087,341
Canal systems	10,197,788	4,225,506
Construction in progress	-	2,167,556
Machinery and equipment	8,077,250	8,081,988
Total property, plant, and equipment	<u>20,411,932</u>	<u>16,611,944</u>
Less, accumulated depreciation	<u>(6,072,564)</u>	<u>(6,176,284)</u>
Total property, plant, and equipment - net	<u>14,339,368</u>	<u>10,435,660</u>
OTHER ASSETS:		
Water storage rights	1,413,078	1,413,078
Investment in Jerome Butte Communications, LLC	22,288	22,288
Investment in Milner Dam, Inc.	2,050,128	1,812,048
Investment in Valley Co-ops, Inc.	10,672	9,965
Unamortized loan fees	40,990	-
Note receivable - Milner Dam, Inc.	29,521	-
Total other assets	<u>3,566,677</u>	<u>3,257,379</u>
TOTAL ASSETS	<u>\$ 22,790,763</u>	<u>\$ 17,063,473</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Accounts payable	\$ 575,356	\$ 260,800
Accrued liabilities:		
Vacation	108,415	106,574
Assessments paid in advance	10,034	2,607
Payroll taxes and other	18,721	17,931
Interest	136,059	30,263
Income taxes payable:		
State	-	-
Federal	-	-
Operating line of credit, Northwest Farm Credit Services	-	1,660,449
Current portion of long-term debt	410,534	458,477
Total current liabilities	<u>1,259,119</u>	<u>2,537,101</u>
LONG-TERM DEBT	5,320,612	86,898
DEFERRED INCOME TAXES	1,693,560	1,252,173
STOCKHOLDERS' EQUITY:		
Common stock, \$1 par value; 170,000 shares authorized and issued and 161,480.48 shares outstanding	170,000	170,000
Retained earnings	14,464,017	13,133,846
Total paid-in capital and retained earnings	<u>14,634,017</u>	<u>13,303,846</u>
Less, Cost of treasury stock (8,519.52 shares)	<u>(116,545)</u>	<u>(116,545)</u>
Total stockholders' equity	<u>14,517,472</u>	<u>13,187,301</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 22,790,763</u>	<u>\$ 17,063,473</u>

See notes to consolidated financial statements.

NORTH SIDE CANAL COMPANY AND SUBSIDIARY
JEROME, IDAHO
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED
October 31, 2015 and 2014

	<u>2015</u>	<u>Percent</u>	<u>2014</u>	<u>Percent</u>
REVENUES:				
Water users	\$ 4,827,076	65.35%	\$ 4,900,540	68.99%
Hydro power	2,559,875	34.65%	2,202,456	31.01%
Total revenues	<u>7,386,951</u>	<u>100.00%</u>	<u>7,102,996</u>	<u>100.00%</u>
EXPENSES:				
Operation and maintenance:				
Wages, salaries, and labor	1,717,066	23.24%	1,659,645	23.37%
Repairs and maintenance	925,127	12.52%	775,869	10.92%
Weed control, rodent control, and chemicals	454,463	6.15%	419,630	5.91%
Employee benefits	387,415	5.24%	381,610	5.37%
Gas and oil	243,498	3.30%	323,228	4.55%
Insurance	178,280	2.41%	143,970	2.03%
Payroll taxes and other	175,044	2.37%	167,132	2.35%
Pension	115,315	1.56%	107,255	1.51%
Utilities	49,395	0.67%	33,637	0.47%
Rent	28,240	0.38%	-	0.00%
Miscellaneous	21,556	0.29%	21,684	0.31%
Surface water call	16,229	0.22%	26,844	0.38%
Total operation and maintenance expenses	<u>4,311,628</u>	<u>58.37%</u>	<u>4,060,504</u>	<u>57.17%</u>
General and administrative:				
Office salaries	188,752	2.56%	161,248	2.27%
Legal and accounting	224,842	3.04%	205,877	2.90%
Miscellaneous	19,937	0.27%	24,467	0.34%
Directors' fees and expenses	23,206	0.31%	26,781	0.38%
Water quality	6,019	0.08%	2,217	0.03%
Office	7,740	0.10%	7,833	0.11%
Total general and administrative expenses	<u>470,496</u>	<u>6.37%</u>	<u>428,423</u>	<u>6.03%</u>
Total expenses	<u>4,782,124</u>	<u>64.74%</u>	<u>4,488,927</u>	<u>63.20%</u>
INCOME FROM OPERATIONS BEFORE OTHER INCOME (EXPENSE), DEPRECIATION, AND INCOME TAXES	<u>2,604,827</u>	<u>35.26%</u>	<u>2,614,069</u>	<u>36.80%</u>
OTHER INCOME (EXPENSE):				
Interest income	13,069	0.18%	20,236	0.28%
Gain on investment in Milner Dam, Inc.	229,671	3.11%	275,191	3.87%
Gain/(loss) on sale of assets	(2,172)	-0.03%	(4,821)	-0.07%
Interest expense	(141,728)	-1.92%	(11,032)	-0.16%
Total other income (expense)	<u>98,840</u>	<u>1.33%</u>	<u>279,574</u>	<u>3.94%</u>
NET INCOME BEFORE DEPRECIATION AND INCOME TAXES	<u>2,703,667</u>	<u>36.58%</u>	<u>2,893,643</u>	<u>40.74%</u>
DEPRECIATION	483,708	6.55%	425,430	5.99%
NET INCOME BEFORE INCOME TAX	<u>2,219,959</u>	<u>30.03%</u>	<u>2,468,213</u>	<u>34.75%</u>
INCOME TAX EXPENSE:				
Current	448,401	6.07%	603,811	8.50%
Deferred	441,387	5.98%	623,105	8.77%
Total income tax expense	<u>889,788</u>	<u>12.05%</u>	<u>1,226,916</u>	<u>17.27%</u>
NET INCOME	<u>\$ 1,330,171</u>	<u>17.99%</u>	<u>\$ 1,241,297</u>	<u>17.48%</u>

See notes to consolidated financial statements.

NORTH SIDE CANAL COMPANY AND SUBSIDIARY
JEROME, IDAHO
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
FOR THE YEARS ENDED
October 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
RETAINED EARNINGS AT BEGINNING OF YEAR	\$ 13,133,846	\$ 11,892,549
NET INCOME	1,330,171	1,241,297
RETAINED EARNINGS AT END OF YEAR	<u>\$ 14,464,017</u>	<u>\$ 13,133,846</u>

See notes to consolidated financial statements.

NORTH SIDE CANAL COMPANY AND SUBSIDIARY
JEROME, IDAHO
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
October 31, 2015 and 2014

	2015	2014
OPERATING ACTIVITIES:		
Cash received from water users and customers	\$ 7,290,045	\$ 7,317,698
Interest received	12,880	20,391
Cash paid to suppliers and employees	(4,449,759)	(4,404,527)
Interest paid	(35,932)	(13,229)
Income taxes paid	(573,623)	(274,089)
Net cash provided (used) by operating activities	2,243,611	2,646,244
INVESTING ACTIVITIES:		
Change in investments	(38,868)	249,150
Dividends from investments	-	3,177
Proceeds from sale of assets	88,451	71,941
Purchase of plant and equipment	(4,519,029)	(5,558,781)
Net cash provided (used) by investing activities	(4,469,446)	(5,234,513)
FINANCING ACTIVITIES:		
Proceeds from short-term debt	-	1,660,449
Payments on short-term debt	(1,660,449)	-
Proceeds from long-term debt	5,993,383	-
Payments on long-term debt	(807,612)	(88,307)
Net cash provided (used) by financing activities	3,525,322	1,572,142
NET INCREASE (DECREASE) IN CASH	1,299,487	(1,016,127)
CASH AT BEGINNING OF YEAR	1,720,630	2,736,757
CASH AT END OF YEAR	\$ 3,020,117	\$ 1,720,630
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 1,330,171	\$ 1,241,297
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	483,708	425,430
Gain on investment in Milner Dam, Inc.	(229,671)	(275,191)
(Gain) Loss on sale of assets	2,172	4,821
Deferred income tax expense	441,387	623,106
Change in current assets and current liabilities, net of effects from non-cash investing and financing activities:		
(Increase) decrease in assets:		
Accounts receivable - assessments	(2,942)	(10,621)
Accounts receivable - less allowance for doubtful accounts	(101,391)	244,544
Income taxes receivable	(125,222)	329,721
Inventory	13,978	75,315
Interest receivable	(189)	155
Prepaid expenses and deposit	1,200	(1,200)
Increase (decrease) in liabilities:		
Accounts payable	314,556	4,332
Accrued liabilities	115,854	(15,465)
Income taxes payable	-	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 2,243,611	\$ 2,646,244
SUPPLEMENTAL DISCLOSURES		
Schedule of Noncash Investing and Financing Transactions		
Capitalized interest for property plant & equipment	\$ -	\$ 16,624
See notes to consolidated financial statements.		



Steel Ranch Rd

S 2600 E

E 1300 S

MILNER-GOODING CANAL

N 5250 E BRIDGE

CANAL LINING PROJECT LIMITS

NORTH SIDE MAIN CANAL

NORTH SIDE CANAL HEADWORKS

MILNER DAM

MILNER POOL

N 5250 E Milner Rd

W Milner Rd

MOH'S

MEMO



To: Idaho Water Resource Board
From: Rick Collingwood
Date: September 6, 2016
Subject: 3D Water Association, Inc. - Loan Application

The loan request submitted by the 3D Water Association in Ucon, Idaho has been removed from consideration at the September 15-16 Idaho Water Resource Board meetings. Additional information is required from the loan applicant prior to review by the Board.

MEMO



To: Idaho Water Resource Board - Finance Committee
From: Brian Patton
Subject: Eastern Snake Plain Ground Water Districts - Interim Loan Extension Request
Date: September 6, 2016

After a series of meetings dealing with this issue, on December 14, 2015 the IWRB approved a final resolution authorizing a \$6.9M interim loan to the 10 Ground Water Districts (Districts) on the Eastern Snake Plain. The loan was intended to provide interim financing for two projects:

- \$4.0M for the construction of the Magic Springs-Rangen Pipeline, and
- \$2.9M for the purchase of the Aqualife Hatchery from the IWRB.

These two projects are integral features in resolving the water-use conflicts and conjunctive administration delivery calls in the Hagerman Valley area. This interim loan is due in full on September 30, 2016.

The Idaho Ground Water Appropriators (IGWA), on behalf of the Districts, is requesting a 1-year extension until September 1, 2017.

The Districts have made, or are in process of making, payments totaling \$2,098,801.35 towards the loan, although some of this will be credited toward interest.

The original plan was for the Districts to secure permanent financing, either through IWRB-issued revenue bonds or other means, to repay this interim loan and finance the remainder of needed projects in the Hagerman Valley. The Districts collectively received legal authorization to incur up to \$15M in debt to finance mitigation projects in the Hagerman Valley.

The negotiations between the Districts and parties in the Hagerman Valley are still ongoing, with no final agreement yet on additional projects to be constructed, and therefore no final cost figure for the long-term debt. IGWA and the Districts are requesting the additional time to complete the negotiations, establish a final cost figure for Hagerman Valley mitigation projects, and secure long-term financing.

Attached for your consideration is a draft resolution that would extend the due date of the interim note until September 1, 2017. The IWRB Finance Committee will provide a recommendation to the full IWRB, which would decide on this matter at the September 16, 2016 meeting in Pocatello.

Also attached is the December 14, 2015 resolution approved by the IWRB and several letters from IGWA on behalf of the Districts.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE EASTERN SNAKE) A RESOLUTION
PLAIN GROUND WATER DISTRICTS &)
INTERIM LOAN EXTENSION)
_____)

WHEREAS, on December 14, 2015, the Idaho Water Resource Board (IWRB) approved a final resolution authorizing a \$6.9 million loan jointly to 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); and

WHEREAS, the loan was intended to provide interim financing for Magic Springs-Rangen Pipeline Project and for the purchase of the Aqualife Hatchery from the IWRB; and

WHEREAS, both the Magic Springs-Rangen Pipeline Project and the Aqualife Hatchery purchase are key components to resolving water-use conflicts in the Hagerman Valley; 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 long-term financing plan is for the Districts to finance the entire package of Hagerman Valley projects, including those financed through the interim loan and any additional needed projects, through IWRB-issued revenue bonds or other long-term financing as may be available; and

WHEREAS negotiations between the Districts and Hagerman Valley parties are still ongoing, so a final cost for additional mitigation projects needed in the Hagerman Valley has not been established; and

WHEREAS, the interim loan authorized by the IWRB on December 14, 2015 is due and payable on September 30, 2016; and

WHEREAS, on August 25, 2016, the Idaho Ground Water Appropriators, on behalf of the Districts, sent a letter to the IWRB requesting an extension until September 1, 2017 in order to provide time to complete negotiations with the Hagerman Valley parties so a final cost figure can be established and long-term financing secured; and

WHEREAS, on September 9, 2016, the IWRB Finance Committee met in Jerome and considered this request.

NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB approves extending the due date of the interim loan authorized by resolution dated December 14, 2015 from September 30, 2016 until September 1, 2017. All other terms and conditions of the loan authorization remain unchanged.

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 16th day of September, 2016.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

DRAFT

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 at a later date prior to the end of the calendar year; and

WHEREAS, on September 18, 2015 the IWRB met in Twin Falls and approved an interim loan in the amount of \$4 million at 3.5% to be repaid no later than September 30, 2016 or upon issuance of revenue bonds for long-term financing. The \$4 million includes a \$1.26 million loan already

outstanding to the Magic Valley & North Snake Ground Water Districts approved by resolution dated December 24, 2014, and \$2.74 million from the Secondary Aquifer Planning, Management, and Implementation Fund.

WHEREAS, the IWRB committed to addressing the Aqualife Hatchery issue at a later date prior to the end of the calendar year; and

WHEREAS, House Bill 644 passed and approved by the 2014 Legislature directed the sale of the Aqualife Hatchery from the Department of Parks and recreation to the IWRB for the purpose of utilizing the assets of the facility to assist in resolving water delivery calls; and

WHEREAS, the Districts intend to purchase the Aqualife Hatchery for exchange to Seapac of Idaho in return for Seapac providing water from its Magic Springs Hatchery to the Districts for delivery to Rangen through the Magic Springs-Rangen Pipeline; and

WHEREAS, an appraisal of the Aqualife Hatchery dated August 14, 2015 estimated the value of the facility at \$3.2 million with unsubordinated water rights; and

WHEREAS, and addendum to the appraisal of the Aqualife Hatchery dated December 1, 2015 estimated the value of the facility at \$2.6 million with subordinated water rights; 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 authorizes the sale of the Aqualife Hatchery, including facilities, land, and water rights to the Districts at a value of \$ 2.9 million.

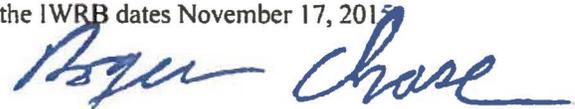
NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB approves increasing the amount of the interim loan approved on September 18, 2015 from \$4 million to \$ 6.9 million to include the cost of the Aqualife Hatchery Purchase. All other terms and conditions of the loan approval remain unchanged.

NOW THEREFORE BE IT FURTHER RESOLVED that the water rights appurtenant to the Aqualife Hatchery be conditioned to preclude a delivery call by the owner of said water rights against the Eastern Snake Plain Aquifer.

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.

NOW THEREFORE BE IT FURTHER RESOLVED that this resolution supersedes and takes the place of the resolution concerning this topic approved by the IWRB dates November 17, 2015

DATED this 16th day of December, 2015.



ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST



VINCE ALBERDI, Secretary

RECEIVED

AUG 29 2016

DEPARTMENT OF
WATER RESOURCES

IDAHO GROUND WATER APPROPRIATORS, INC.
PO BOX 2624, BOISE, ID 83701
Phone: 208-381-0294
Fax: 208-381-5272

Officers:

Tim Deeg, President
American Falls, Idaho
208-226-2562
deegt@aol.com

Craig Evans, Vice President
Blackfoot, Idaho
208-680-3527
idcspud@aol.com

Randall C. Budge, Gen. Counsel/Secretary
P. O. Box 1391
Pocatello, Idaho 83204-1391
208-232-6101
rcb@racinelaw.net

Lynn Tominaga, Executive Director
Boise, Idaho
208-381-0294
lynn_tominaga@hotmail.com

Members:

American Falls-Aberdeen GW District
Bingham GW District
Bonneville-Jefferson GW District
Jefferson-Clark GW District
Madison GW District
Magic Valley GW District
North Snake GW District
Southwest Irrigation District
Carey Valley GW District
Busch Agricultural Resources, Inc.
Jerome Cheese
United Water, Inc.
City of American Falls
City of Blackfoot
City of Chubbuck
City of Heyburn
City of Jerome
City of Paul
City of Post Falls
City of Rupert

August 25, 2016

Idaho Water Resource Board
Roger Chase, Chairman
Brian Patton, Secretary
322 East Front Street
P.O. Box 83720
Boise, Idaho 83720
brian.patton@idwr.idaho.gov
rwchase33@gmail.com

Sent Via Email & US Mail

Re: Loan Date: December 31, 2015
Original Loan Amount: \$6,937,333.97
Project: Magic Springs Pipeline and Aqualife Purchase
Payers: Ground Water Districts

Dear Roger and Brian:

To confirm our phone conversations, the Ground Water and Irrigation District Payers hereby respectfully ask that the Board extend the due date of the above referenced loan from September 1, 2016 to September 1, 2017. In consideration for the extension the Districts will pay current the interest to September 1 which is estimated at \$147,157.90 and will be remitting over the next several days additional principal payments in the range of \$2,000,000.

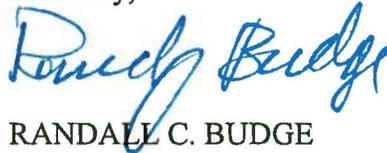
The reason for this requested extension is to afford the Districts additional time to complete ongoing negotiations to resolve remaining potential delivery calls in the Hagerman Valley, determine the costs involved and complete the construction of additional infrastructure. At that time, it is anticipated that this loan together with additional costs will be financed on a

long term basis.

I will be prepared to provide the Board with additional information and an update the morning of its meeting in Pocatello on September 16, 2016. Additionally, we will have representatives of the Districts do the same at the Board's Finance Committee Meeting the morning of September 9 in Jerome.

Thank you for your consideration. Please contact me if you have any questions.

Sincerely,



RANDALL C. BUDGE
General Counsel/Secretary

cc: Tim Deeg, Chairman
Lynn Tominaga, Executive Director
District Chairmen

IDAHO GROUND WATER APPROPRIATORS, INC.
PO BOX 2624, BOISE, ID 83701
Phone: 208-381-0294
Fax: 208-381-5272

Officers:

Tim Deeg, President
American Falls, Idaho
208-226-2562
deegt@aol.com

Craig Evans, Vice President
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Randall C. Budge, Gen. Counsel/Secretary
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Members:

American Falls-Aberdeen GW District
Bingham GW District
Bonneville-Jefferson GW District
Jefferson-Clark GW District
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Southwest Irrigation District
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City of American Falls
City of Blackfoot
City of Chubbuck
City of Heyburn
City of Jerome
City of Paul
City of Post Falls
City of Rupert

August 31, 2016

Idaho Water Resource Board
Brian Patton, Secretary
322 East Front Street
P.O. Box 83720
Boise, Idaho 83720
brian.patton@idwr.idaho.gov

Sent Via Email & US Mail

Re: Loan Date: December 31, 2015
Original Loan Amount: \$6,937,333.97
Project: Magic Springs Pipeline and Aqualife Purchase
Payers: Ground Water Districts

Dear Brian:

Enclosed please find the following IGWA checks remitted for payment on the above referenced loan:

1. \$76,419.95– Check No. 1614, dated 8/24/2016 (all principal). This represents full payment of the share of the loan owed by the following Districts:

Carey Valley Ground Water District - \$36,501.53
Fremont Madison Irrigation District - \$39,918.42

2. \$212,300.66 – Check No. 1615, dated 8/25/2016. This check represents interest payments on the loan from the Districts as follows:

North Snake Ground Water District - \$47,520.12
Magic Valley Ground Water District - \$60,500.15
Southwest Irrigation District - \$39,957.60
Bonneville-Jefferson Ground Water District - \$14,227.66
Madison Ground Water District - \$10,854.33
Jefferson-Clark Ground Water District - \$39,240.80

The following loan payments have been mailed directly by the Districts to IWRB:

\$1,545,041.95 Magic Valley Ground Water District Check mailed 8/25/2016 –(copy enclosed) (Payment in full of principal and interest)

\$ 100,000 American Falls-Aberdeen Ground Water District Check No. 8959, dated 8/17/2016 (interest \$26,711.28, balance to principal) – (copy enclosed)

\$ 35,000 Madison County Ground Water District Check No. 1078, dated 8/24/2016 (interest \$10,854.33, balance to principal) – (copy enclosed)

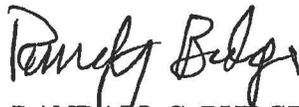
\$ 100,000 Southwest Irrigation District (check mailed) (all to principal)

\$ 30,038.82 Bingham Ground Water District (check mailed) (interest only)
\$1,810,080.77

Payments received should be applied first to interest and then to principal. Once all payments have been applied, please provide us and each of the Payor Districts with an updated statement reflecting the payments and loan balance.

Thank you for your assistance. If you have any questions, please contact me

Sincerely,



RANDALL C. BUDGE
General Counsel/Secretary

cc: Tim Deeg, Chairman w/enclosures
Lynn Tominaga, Executive Director w/enclosures
District Chairmen w/enclosures

Memorandum



To: Idaho Water Resource Board

From: Cynthia Bridge Clark

Date: September 6, 2016

Re: Natural Resources Conservation Service Snow Survey Improvements Funding

On May 20, 2016, the Idaho Water Resource Board (IWRB) passed a Fiscal Year 2017 Budget for the continuously-appropriated Secondary Aquifer Planning and Management, and Implementation Fund. The budget identified potential funding of \$200,000 for improvements to the Natural Resources Conservation Service (NRCS) Snow Survey program and additional Snow Telemetry (SNOTEL) sites.

NRCS and IDWR staff has been coordinating the development of a proposal and cooperative agreement between the two agencies. Ron Abramovich, Water Supply Specialist with the NRCS, will present a proposal for the identification and installation of new SNOTEL sites at the September 16, 2016 IWRB meeting. The proposal generally includes the following:

- Analyses to determine locations for potential SNOTEL sites for 20 major watersheds in Idaho with an emphasis on data gaps and mid-elevation sites. This will include justification and prioritization of identified sites.
- Necessary field investigations and acquisition of permits required to establish the new sites.
- Acquisition of instrumentation and installation of at least three new sites.
- Progress reports to the IWRB and other stakeholders.
- Funding from the IWRB of up to \$200,000 and a 5-year agreement term to allow for site development.

A copy of the NRCS presentation is included in the IWRB meeting materials. A draft resolution authorizing the expenditure of up to \$200,000 is also included for the IWRB's consideration.

REQUIRED ACTIONS: The IWRB is asked to consider a resolution to authorize funding and signatory authority.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE)
NATURAL RESOURCES CONSERVATION)
SERVICE SNOW SURVEY IMPROVEMENTS)
_____)
RESOLUTION TO COMMIT
FUNDS AND PROVIDE
SIGNATORY AUTHORITY

WHEREAS, Governor Otter directed the Idaho Water Resource Board to develop a water sustainability policy and support water sustainability and aquifer stabilization projects across Idaho to address declining ground water levels, existing or potential conjunctive administration water use conflicts, alternative water supplies and long-term water management needs; and

WHEREAS, ground water levels in many aquifers are inadequate to sustain a supply of water for surface and ground water irrigation, hydropower, municipal, industrial, and other uses, the curtailment of which would cause severe economic harm to Idaho's economy; and

WHEREAS, many aquifers across Idaho are declining or have existing or potential conjunctive administration water use conflicts, including the Eastern Snake Plain Aquifer (ESPA), the Mountain Home Aquifer, the Wood River Valley Aquifer, the Big Lost Aquifer, the Raft River Aquifer, the Malad Valley Aquifer, the Treasure Valley aquifer, the Rathdrum Prairie Aquifer, the Palouse Basin Aquifer the Lewiston Plateau Aquifer, and others; and

WHEREAS, House Bill 547 passed and approved by the 2014 Legislature allocates \$5 million annually through 2019 from the Cigarette Tax to the Idaho Water Resource Board's (IWRB) Secondary Aquifer Planning, Management, and Implementation Fund (Secondary Aquifer Fund) for statewide aquifer stabilization; and

WHEREAS, Senate Bill 1402 passed and approved by the 2016 Legislature allocated \$5 million in ongoing General Fund dollars and \$2.5 million in Economic Recovery Reserve Funds to the IWRB's Secondary Aquifer Fund for statewide sustainability and aquifer stabilization; and

WHEREAS, the Idaho Comprehensive State Water Plan, approved by the 2012 Legislature, recognized that measurement, data collection, quantification and monitoring of Idaho's water supply and use are essential for sound water resource planning, management and administration; and

WHEREAS, the 2016 Proposed Sustainability Policy Section to be added to the State Water Plan identifies the need to obtain more accurate water supply, water measurement and forecasting information, and a need to disseminate water supply forecasts to water users in cooperation with other federal and state agencies; and

WHEREAS, the Natural Resources Conservation Service (NRCS) has the authority to establish hydrometeorological stations, including Snow Telemetry (SNOTEL) sites, to collect and provide data and necessary interpretive analyses to other parties; and

WHEREAS, data from existing and new SNOTEL sites will provide a better understanding of snow melt and streamflow relationships and support improved water resource monitoring and predictive streamflow tools for Idaho's water users and managers; and

WHEREAS, on May 20, 2016, the IWRB a Fiscal Year 2017 Budget for the continuously-appropriated Secondary Aquifer Planning and Management, and Implementation Fund and budgeted up to \$200,000 for the NRCS Snow Survey program; and

WHEREAS, the NRCS proposes to use dedicated funds from the IWRB for SNOTEL site location analysis and for instrumentation and installation of additional SNOTEL sites; and

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes expenditure of funds not to exceed \$200,000 from the IWRB Secondary Aquifer Planning, Management, and Implementation Fund to development new SNOTEL sites to support improved water resource monitoring and water supply forecasting.

NOW, THEREFORE, BE IT RESOLVED that the IWRB authorizes its chairman or designee, Brian Patton, IWRB Executive Officer, to execute the necessary agreements or contracts with the NRCS.

Dated this 16th day of September 2016.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

Attest: _____
Vince Alberdi, Secretary
Idaho Water Resource Board

**STATEMENT OF WORK FOR THE
PROJECT AGREEMENT BETWEEN THE
U.S. DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE
AND THE SPONSOR:
IDAHO WATER RESOURCE BOARD**

DRAFT

II. PURPOSE

To provide funding for the establishment of additional Snow Telemetry (SNOTEL) sites for the purposes of providing and improving water supply forecasts.

II. OBJECTIVES

The goal of this partnership is to provide better water resource monitoring and predictive streamflow tools for Idaho's water users and managers. NRCS has limited staff and capital to provide for location analysis, instrumentation, and installation of additional SNOTEL sites. Data provided by new sites will be instrumental in providing a better understanding of snow melt and streamflow relationships.

IV. Responsibilities of the Parties

a. NRCS will:

- i. Provide analyses for determining potential SNOTEL sites with emphasis on data gaps and mid elevation sites.**
- ii. Provide detailed justification statements for site selections based on analyses.**
- iii. Instigate permitting process for establishment of new sites.**
- iv. Conduct field investigations of proposed sites.**
- v. Provide for instrumentation and installation of at least three sites.**

b. Idaho Water Resource Board:

- i. Reimburse NRCS up to \$200,000 for expenses under this agreement**
- ii. Allow all information developed under the terms of the agreement to be public property and may be used by NRCS in the normal distribution of SNOTEL information.**
- iii. Allow all information developed under the terms of the agreement to be public property and may be used by NRCS in the normal distribution of SNOTEL information.**
 - 1. Provide concurrence and comment on analyses and site selection**
 - 2. Provide funding to support the above activities and, at its discretion, provide additional funding if needed, through a modification to this agreement.**

DRAFT

V. PERIOD OF PERFORMANCE

This agreement will remain in effect upon date of last signature, through July 31, 2021.

VI. FUNDING

Funding for the five (5) year life of this agreement is up to \$200,000.

DRAFT

VII. DELIVERABLES

Upon completion of the first year of agreement performance, NRCS will deliver to Idaho Water Resource Board a progress report outlining the data collected and analysis performed to support establishment of SNOTEL sites within the State of Idaho. In conjunction with the report, NRCS agrees to present findings to the Idaho Water Resource Board as requested and agreed upon by both parties.

Software Tool -- Basin Analysis GIS (BAGIS)

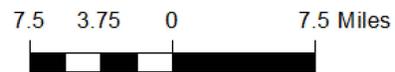
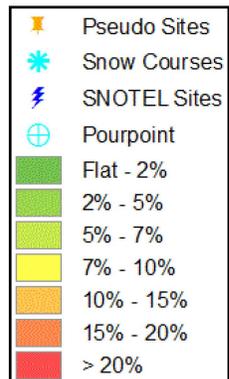
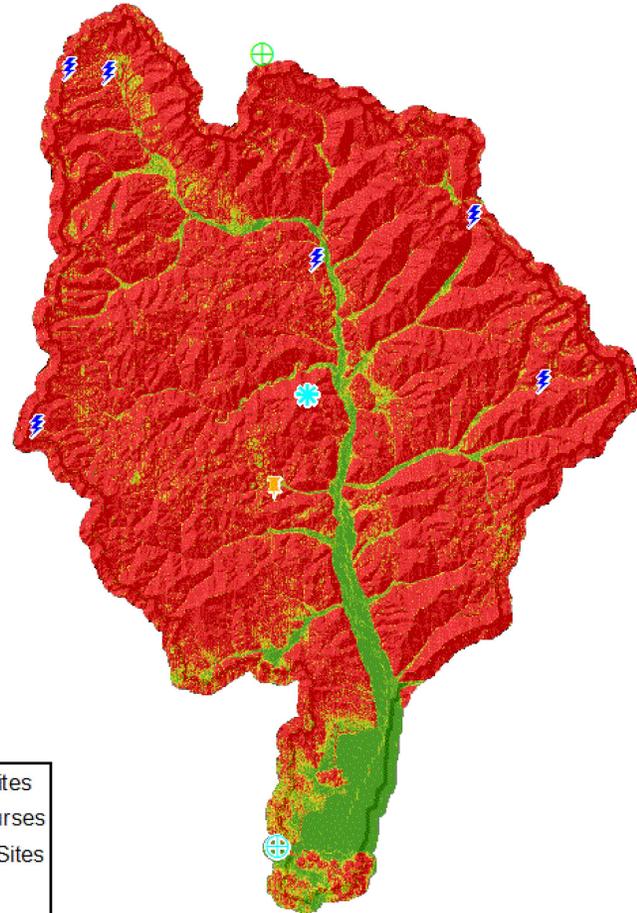
- Arc GIS software developed by *Center for Spatial Analysis and Research* at Portland State University (J. Duh)
- Based on watershed analyses using a chosen USGS stream gauge (“pour point”).
- Produces various graphs, maps, and tables to assist with decision making around SNOTEL network optimization and new site scenarios.

Primary Goal:

- Site installation/modification guided by objective analyses.
- In past, this analysis was used to verify internal / external user requests for new sites.
- We are using for this GIS watershed analysis to assist in determining data collection needs to improve streamflow forecasts.

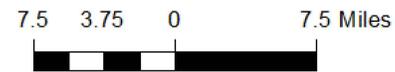
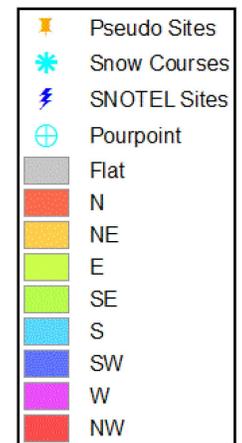
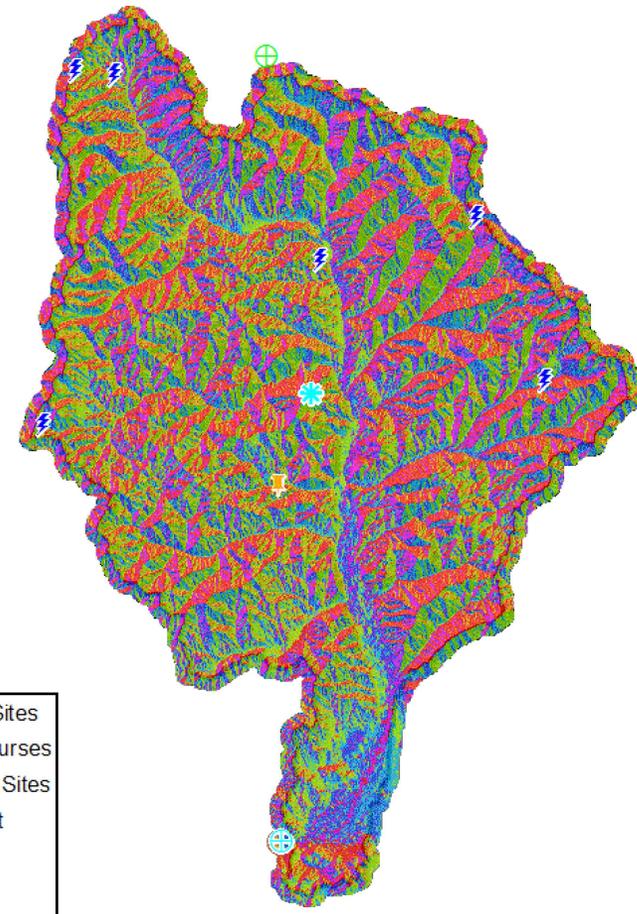
BIG WOOD BAGIS TEST #1

SLOPE



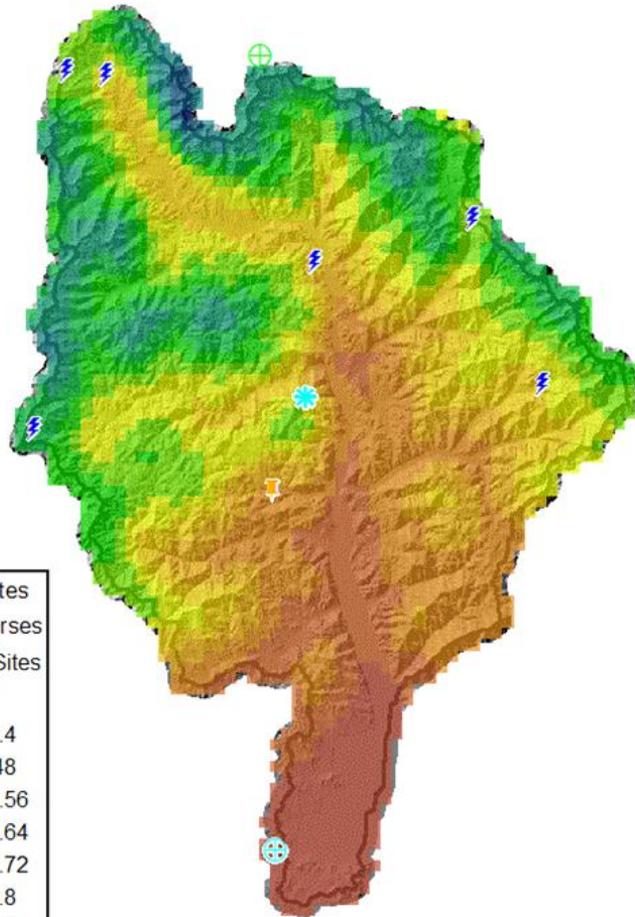
BIG WOOD BAGIS TEST #1

ASPECT



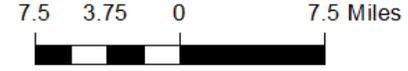
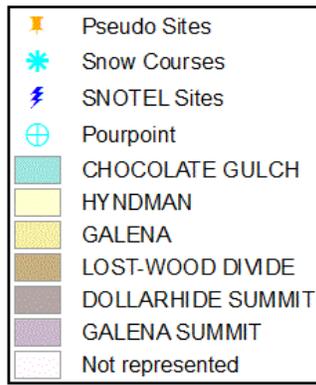
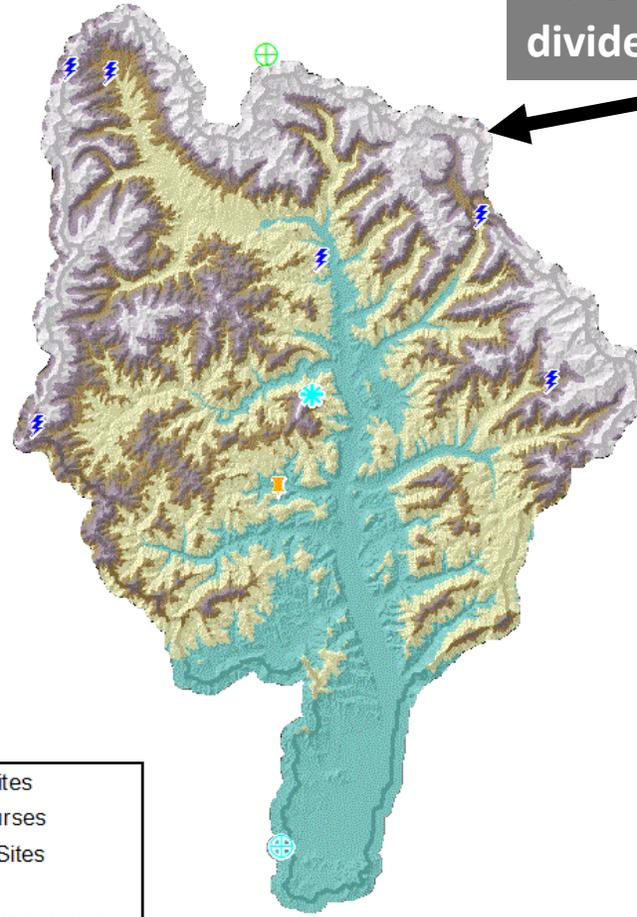
BIG WOOD BAGIS TEST #1

PRECIPITATION ZONES



BIG WOOD BAGIS TEST #1

SNOTEL ELEVATION ZONES



Note – upper elevation white area along basin divide is not represented by a SNOTEL site

Additional maps not pictured:
roads, land ownership, land cover

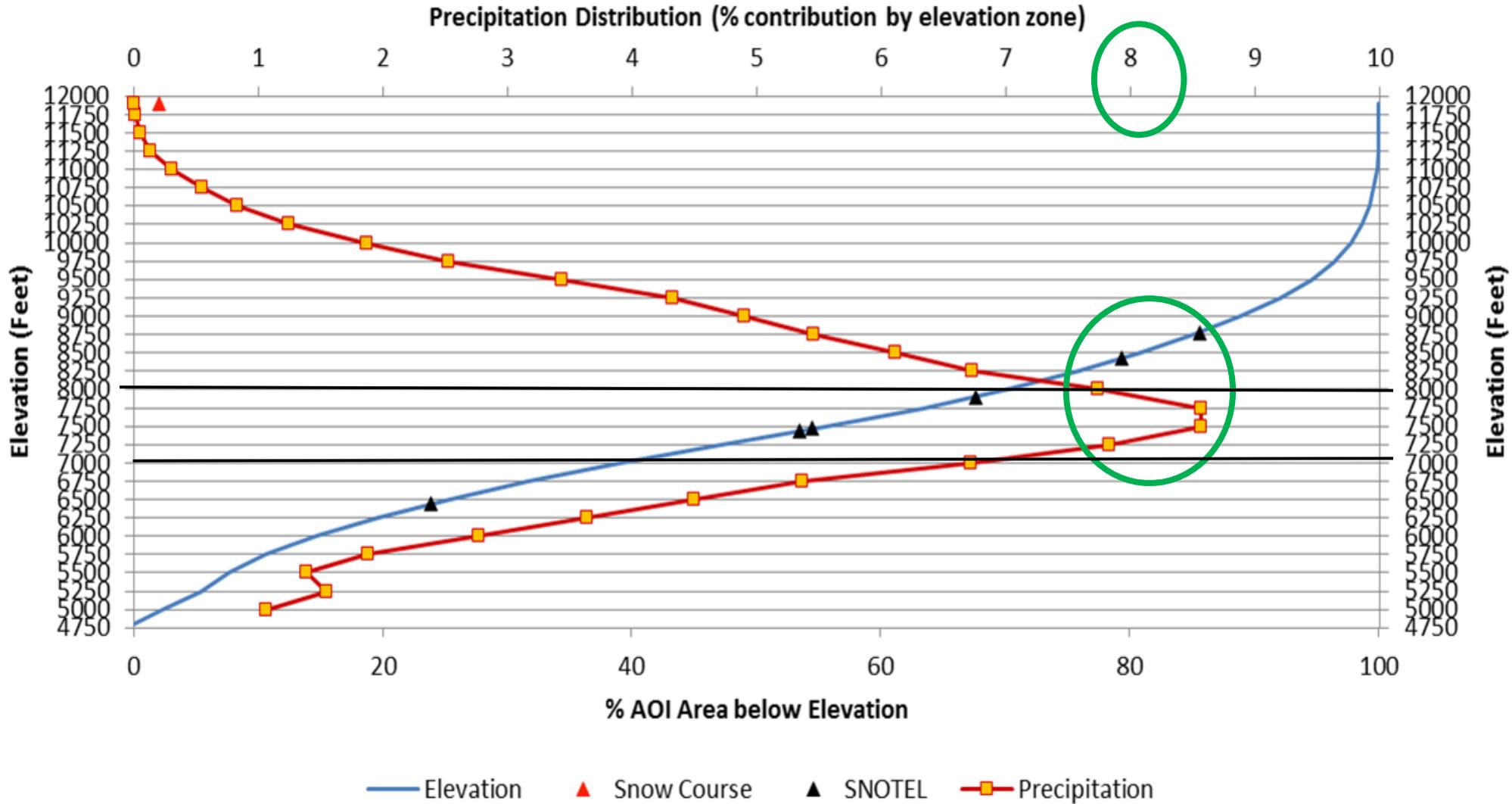
Irrigated Acres from IDWR:

- 4,000 acres above Hailey
- 18,000 acres between Hailey & abv Magic Reservoir
- 85,000 acres below Magic Reservoir
- 107,000 acres total acres irrigated



Area-Elevation, Precipitation and Site Distribution

Big Wood Basin

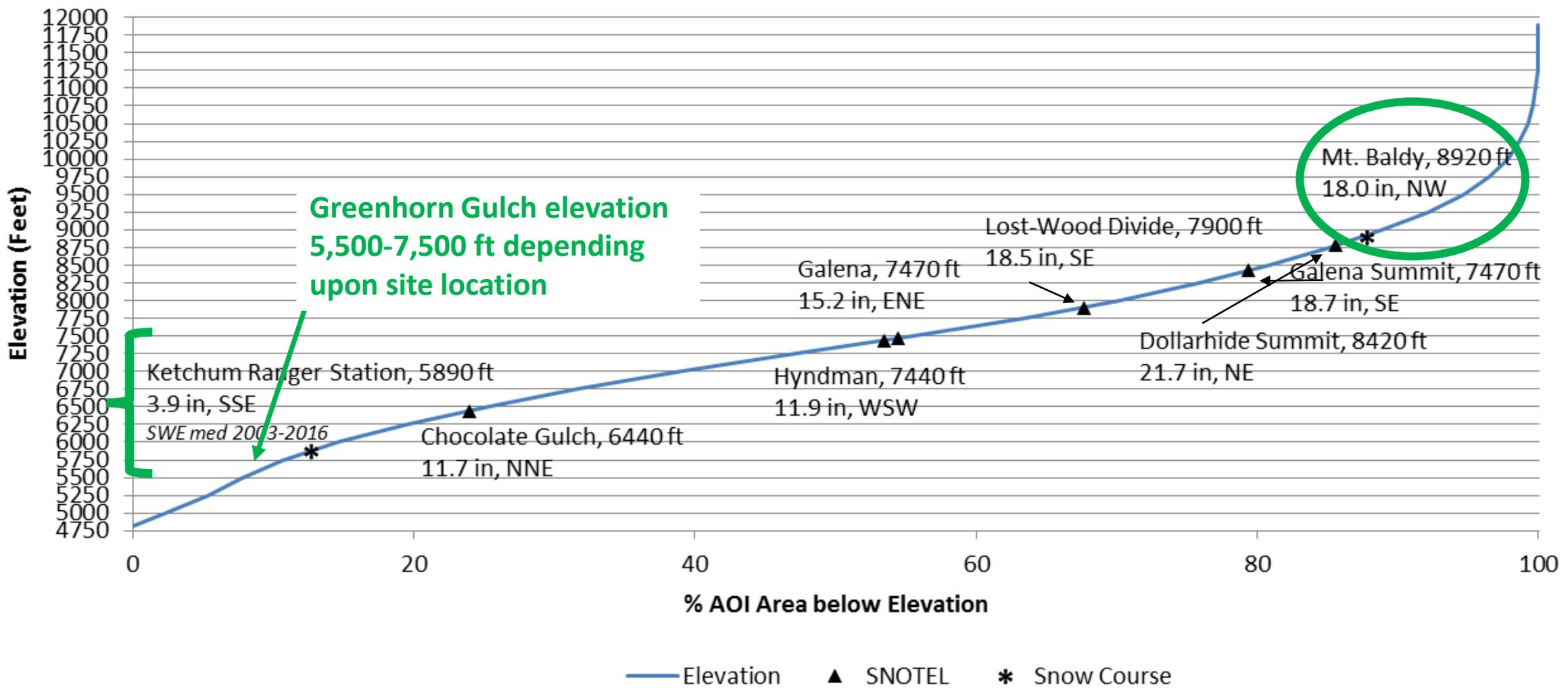


The 7,000-8,000 foot elevation band is the largest precipitation zone accounting for over 8% of total precipitation.

Notes: existing sites generally capture zone of highest precipitation. Mid-elevation zone could be added to characterize early melt contribution and rain/snow border; high elevation zone could be characterized through integration of remote sensing.

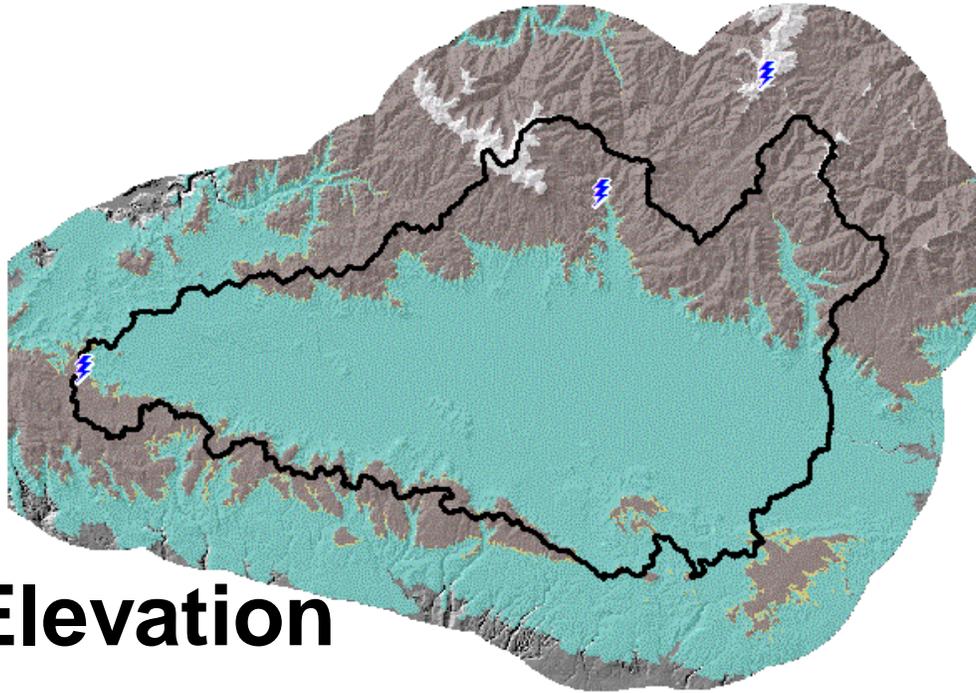
Big Wood Basin

Area-Elevation and SNOTEL Distribution, Median April 1 SWE inches (1981-2010) and Aspect

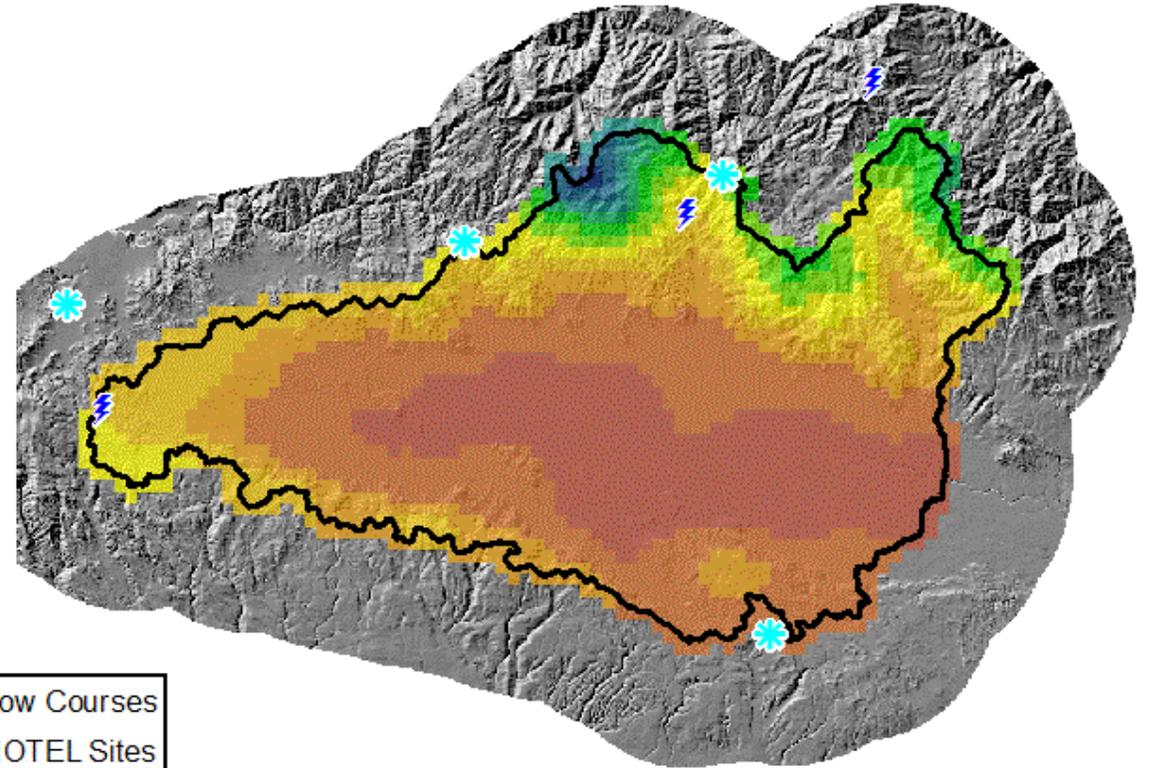


Note: chart not automated; SWE/aspect info overlays BAGIS elevation curve. Recommend separating SWE/elevation in a separate chart.

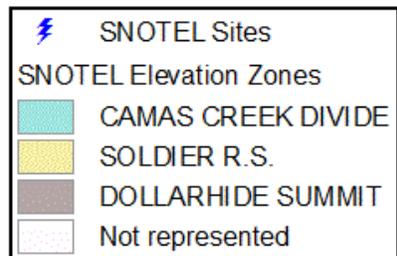
Camas Creek above Magic Reservoir



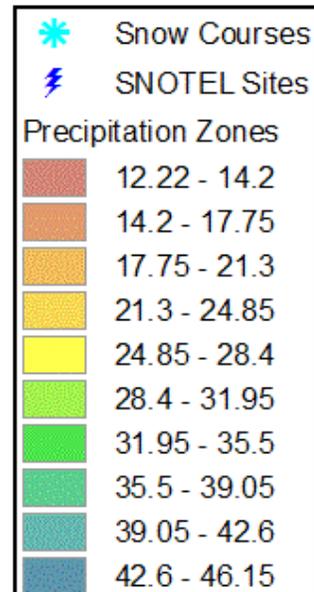
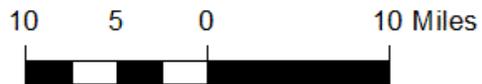
Elevation



Precipitation



Area Represented = elevation zone between named site and next site below



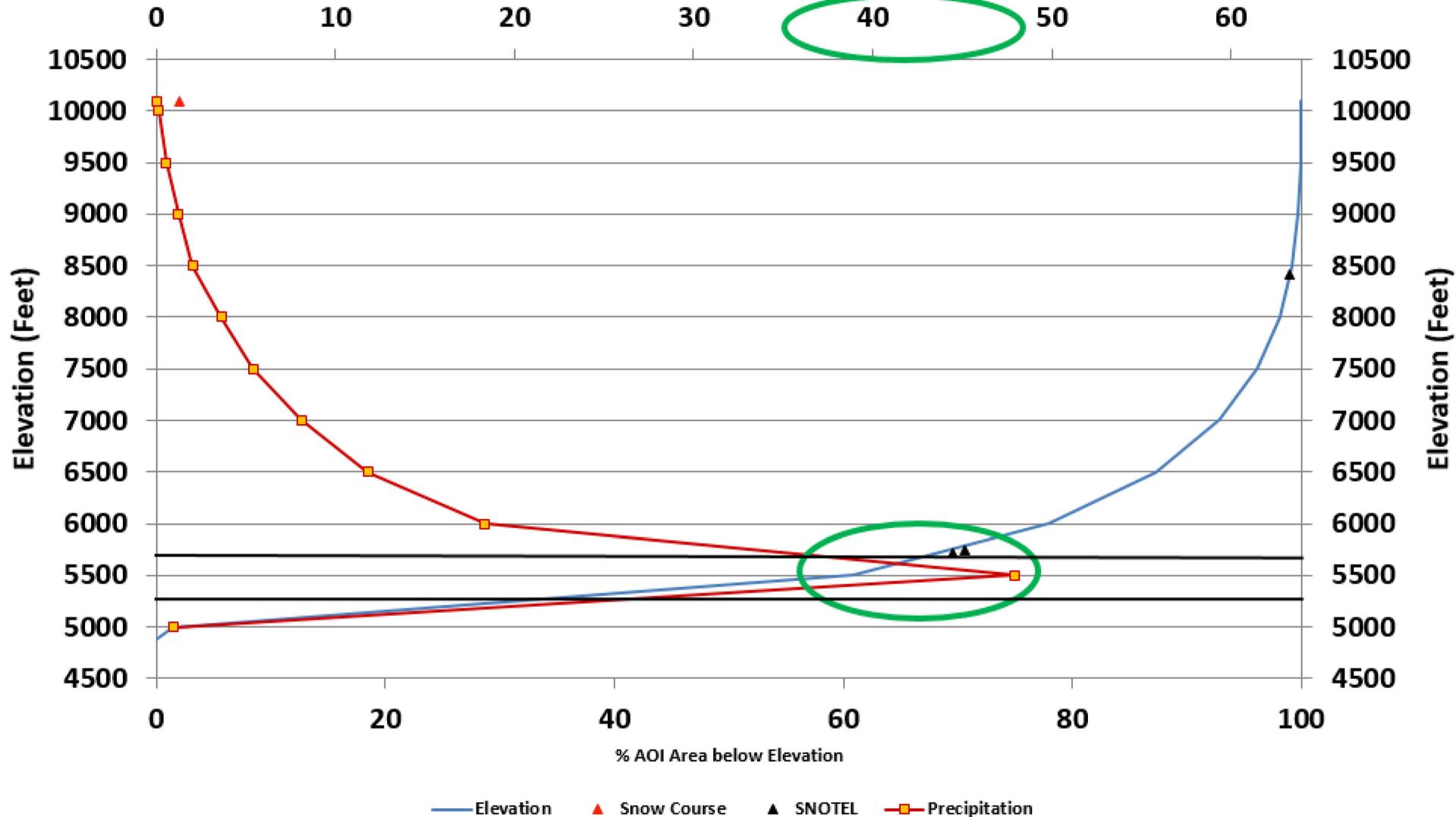
Precipitation Units = Inches



Camas Creek above Magic Reservoir

Area-Elevation, Precipitation and Site Distribution

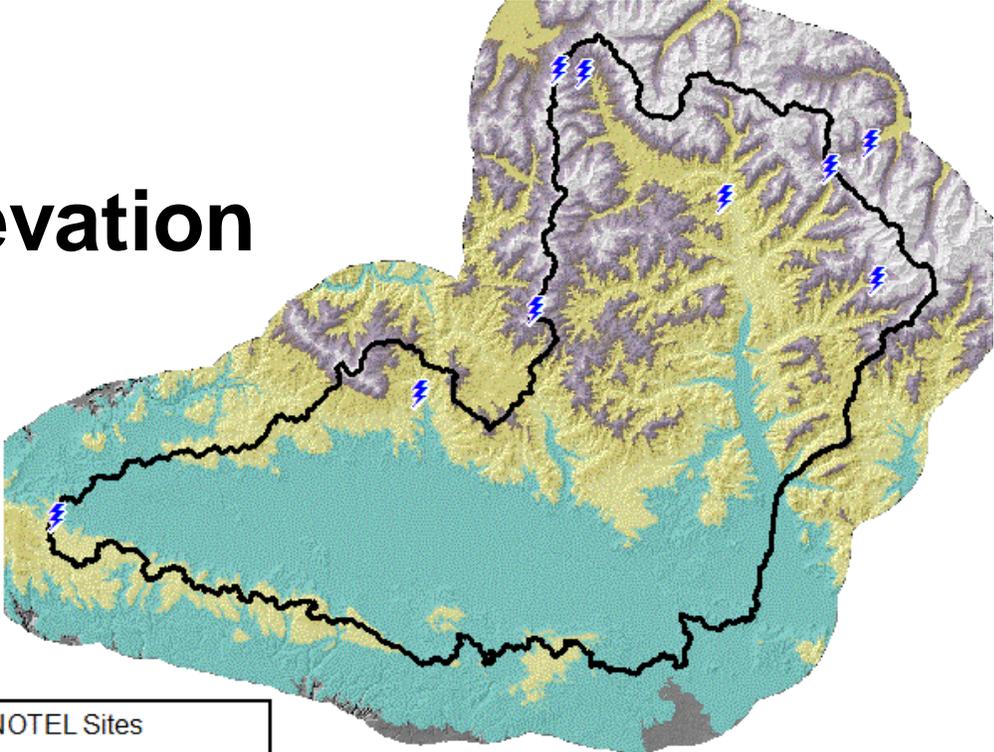
Precipitation Distribution (% contribution by elevation zone)



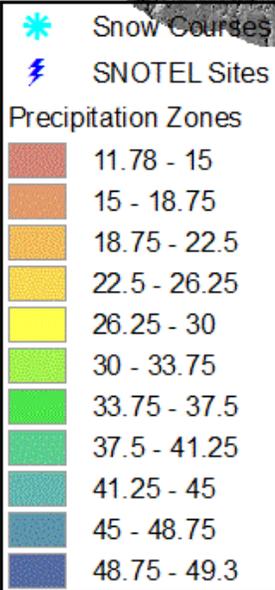
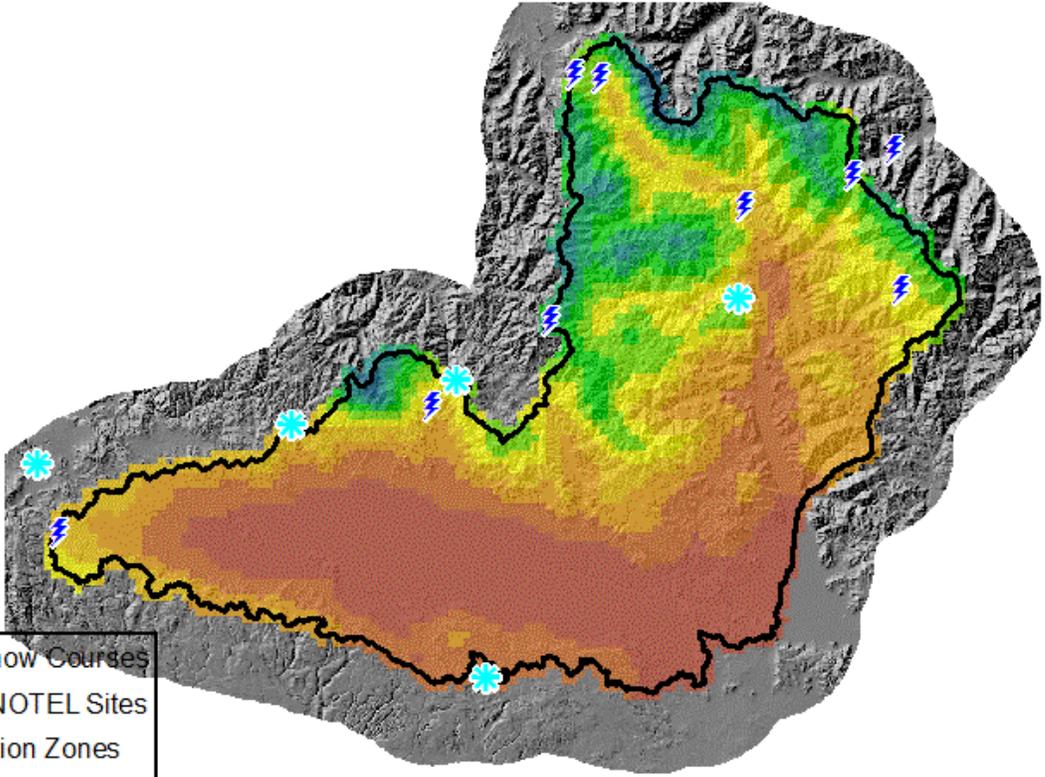
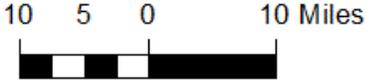
5,250 – 5,750 feet elevation band is the largest precipitation zone with 35 - 45% of total precipitation falling in this zone

Big Wood Basin above Magic Reservoir

Elevation

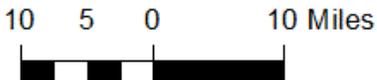


Area Represented = elevation zone between named site and next site below



Precipitation

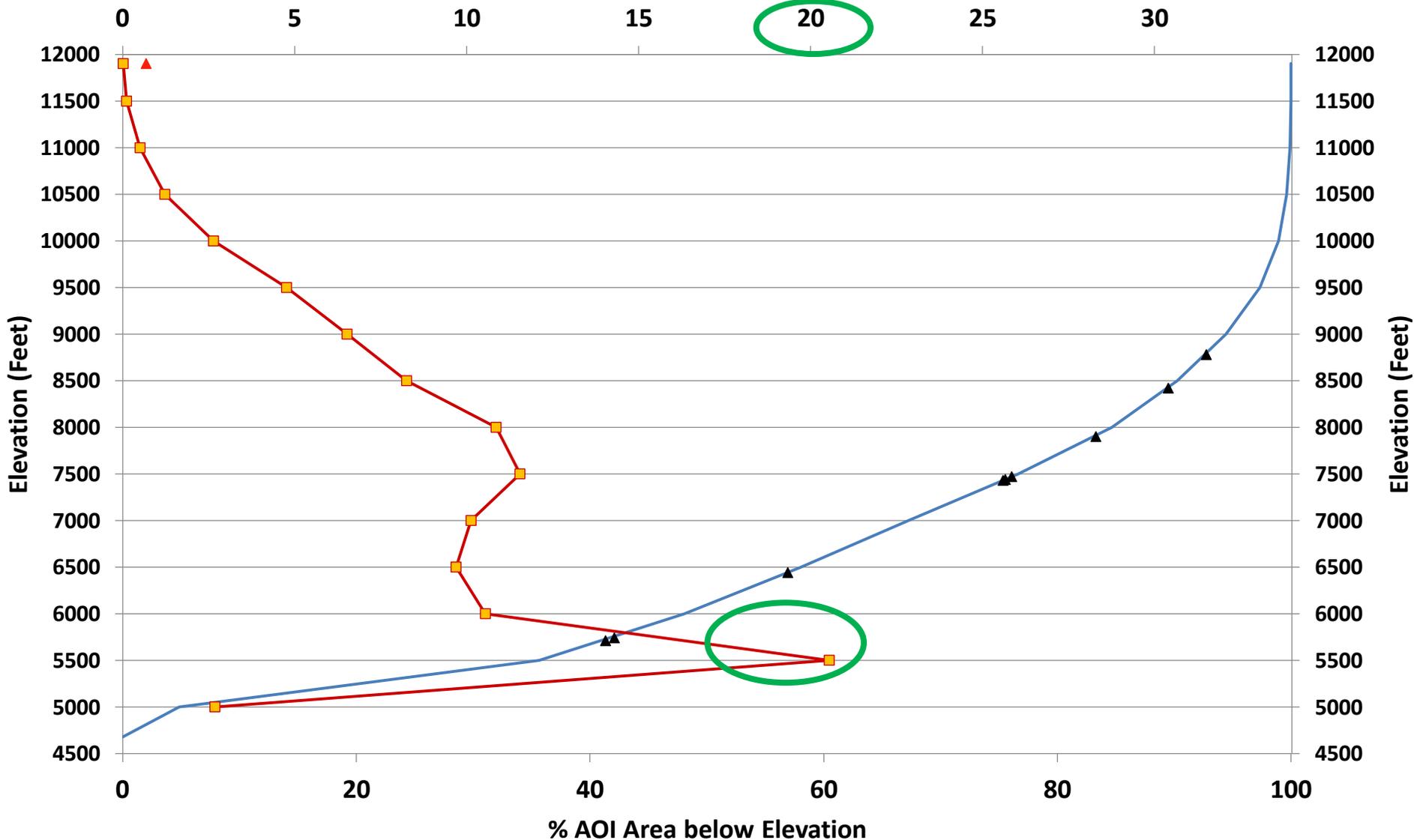
Precipitation Units = Inches



Area-Elevation, Precipitation and Site Distribution

Big Wood Basin above Magic Reservoir

Precipitation Distribution (% contribution by elevation zone)

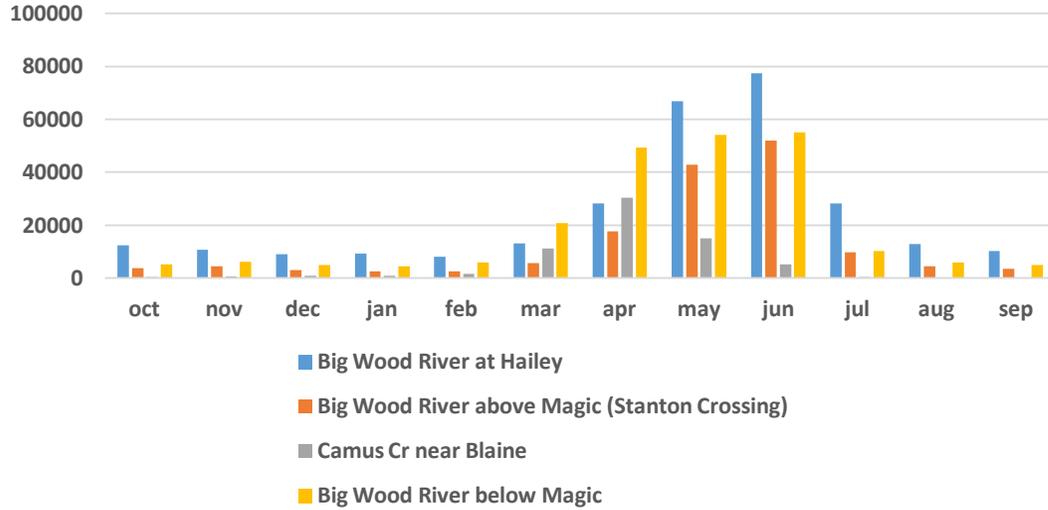


Up to 20% of total precipitation falls in the 5,500 foot elevation zone

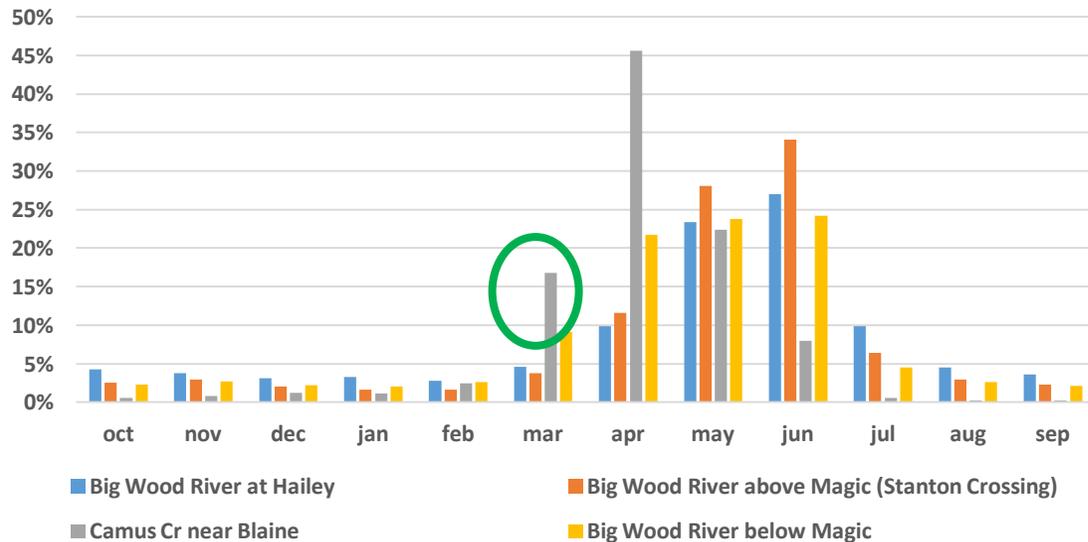
— Elevation ▲ Snow Course ▲ SNOTEL —■— Precipitation

Streamflow Information for Big Wood & Camas Creek

Monthly Streamflow (average acre feet)



Monthly Streamflow (percent annual total)



	Avg Apr-July KAF	Percent of Total Water Year
Big Wood River at Hailey	235	70%
Big Wood River above Magic (Stanton Crossing)	170	80%
Camas Creek near Blaine	82	76%
Big Wood River below Magic	250	74%

**Camas Creek:
Consider forecasting March-July runoff**

Information Learned in Big Wood Basin:

- 1) The Big Wood is a well instrumented basin.**
- 2) Forecast skill is already very high. For example, for the April forecast of April-July volume, the jackknife R² is about 0.8 (R about 0.9).**
- 3) Additional SNOTEL sites in this basin cannot be expected to give any appreciable improvement of forecast skill.**
- 4) Forecast error is driven primarily by future weather. If you look at the SNOTEL precipitation data, you will see that there are several years with large amounts in April, May, and June. This is mostly what limits forecast skill, not an insufficient characterization of the snowpack.**
- 5) There are other needs / use for SNOTEL sites in these basins besides water supply forecasting such as to improve spatial or elevational distribution of sites for simulation modeling, soil moisture monitoring, etc.**

Information Learned in Camas Creek:

Camas Creek

- 1) Investigate need for March - July forecast rather than typical April-July forecast as March can have substantial snowmelt/runoff.**
- 2) There is less skill in Camas Creek compared to the Big Wood forecast. Camas Creek has jackknife R2 of about 0.7. This is to be expected, given the lower elevation of Camas Creek and its large flat area, which adds variability to the snowpack.**
- 3) Forecast accuracy may never be as good as more mountainous areas like the Big Wood basin.**
- 4) Automation of Chimney Creek snow course as a SNOTEL site may be of benefit in this basin.**
- 5) Investigate need for automated weather station / SCAN site in the lower portion of Camas Creek basin or Big Wood basin to represent the lower part of the watershed above Magic Reservoir. The nearest AgriMet site is in Silver Creek area.**

Additional ongoing work between NRCS & BSU that could help determine if the existing network can meet the spring snowmelt and timing runoff requests:



BOISE STATE UNIVERSITY

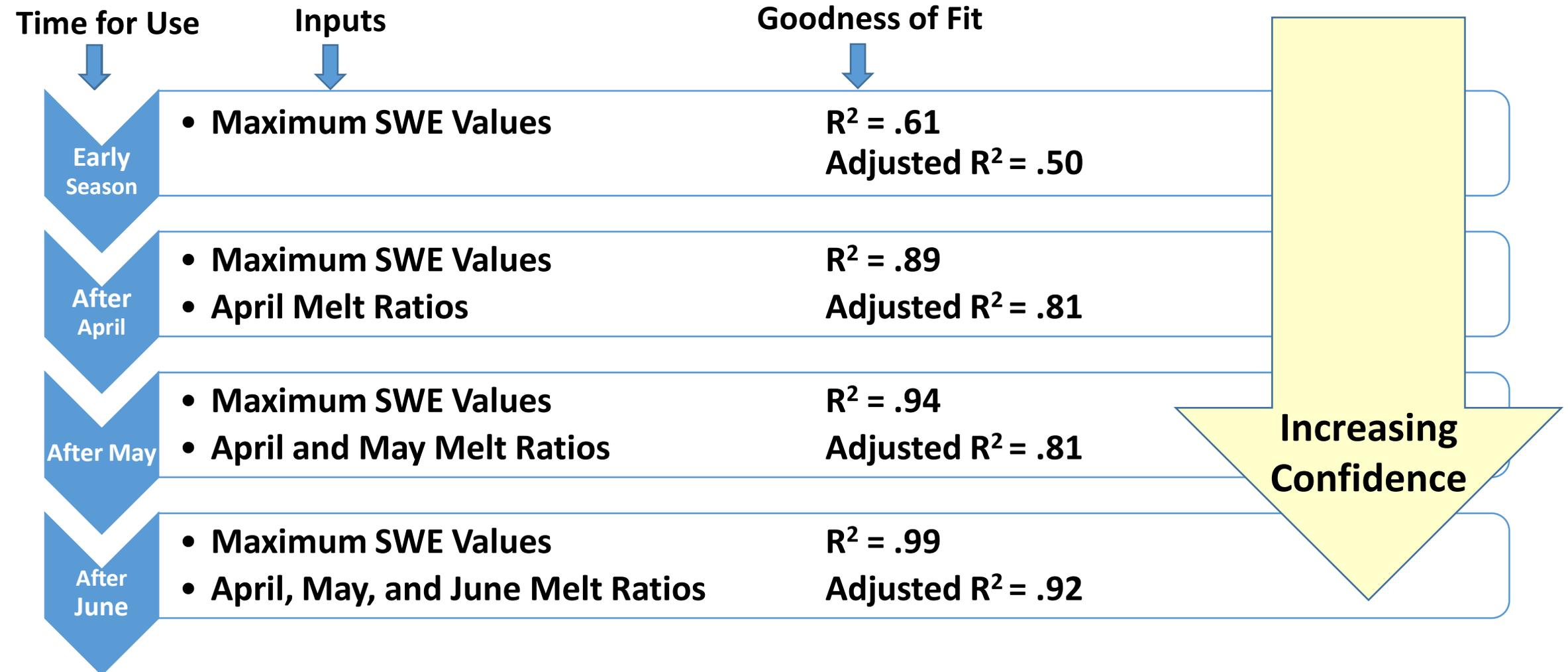
1. Estimating timing of snowmelt peak streamflow using snowmelt relationships at SNOTEL sites

(Kara Ferguson & Dr. Jim McNamara)

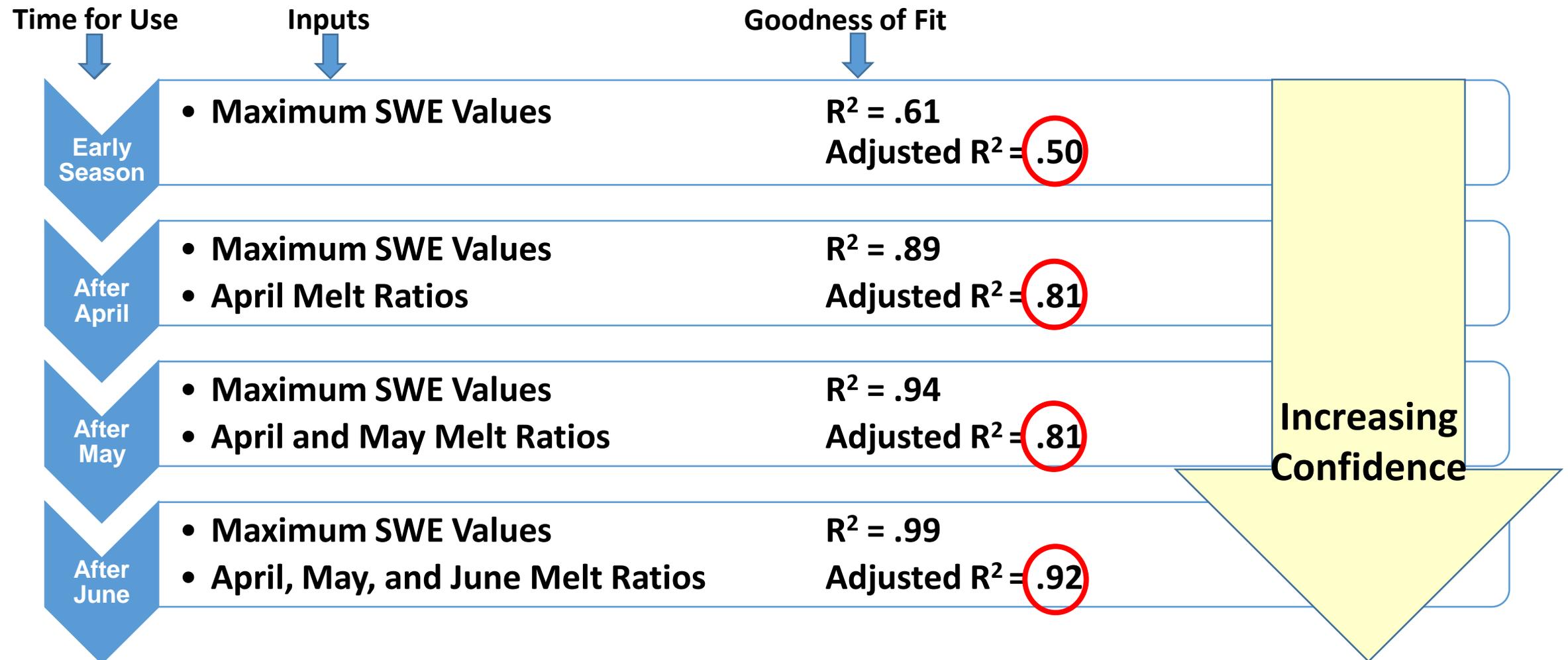
2. Estimating critical flow magnitudes using SNOTEL data

(Becca Garst & Dr. Jim McNamara)

Boise River Day of Allocation Prediction

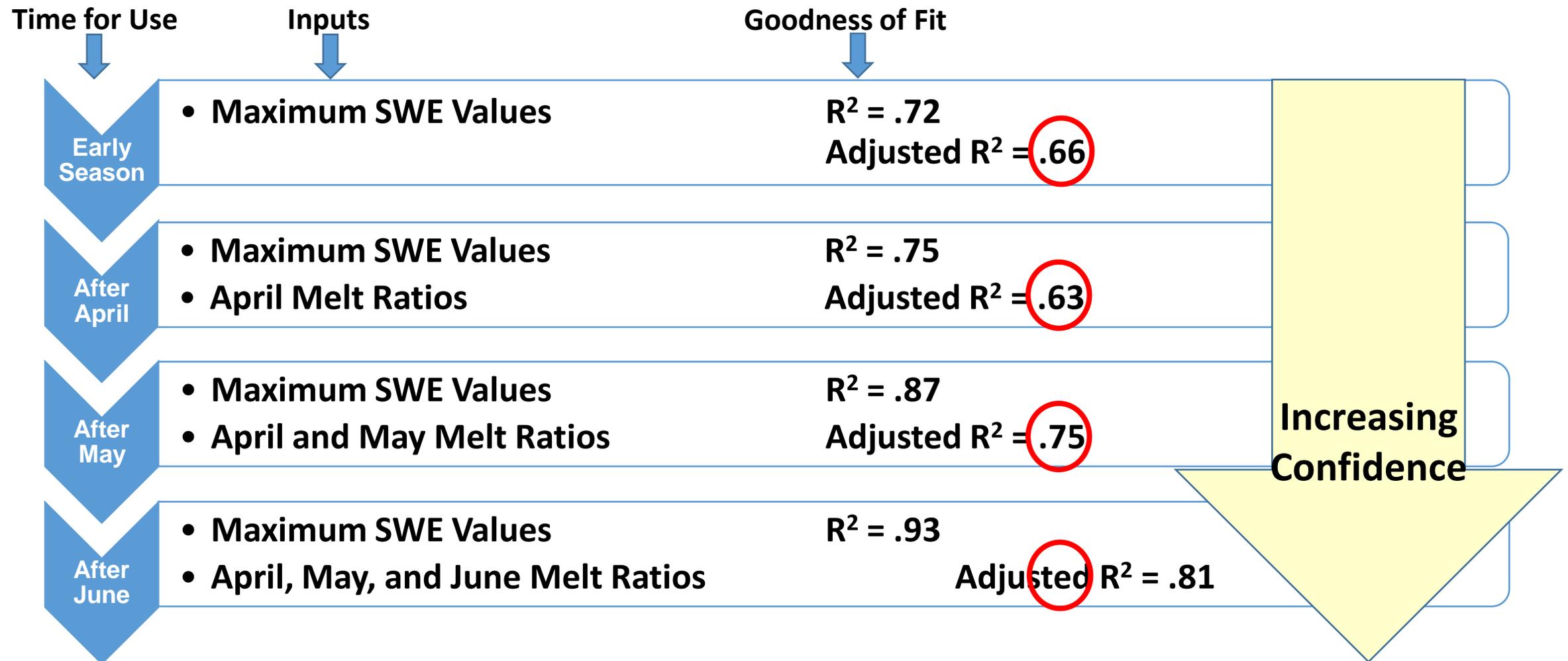


Boise River Day of Allocation Prediction



Upper Snake River Day of Allocation Prediction

New Slide
9/14/2014



Upper Snake River Day of Allocation Prediction (without April Melt)

Time for Use	Inputs	Goodness of Fit
Early Season	<ul style="list-style-type: none">Maximum SWE Values	$R^2 = .72$ Adjusted $R^2 = .66$
After April	<ul style="list-style-type: none">Maximum SWE ValuesApril Melt Ratios	$R^2 =$ Adjusted $R^2 =$
After May	<ul style="list-style-type: none">Maximum SWE ValuesApril and May Melt Ratios	$R^2 = .86$ Adjusted $R^2 = .79$
After June	<ul style="list-style-type: none">Maximum SWE ValuesApril, May, and June Melt Ratios	$R^2 = .92$ Adjusted $R^2 = .84$

Increasing Confidence

- **Next Steps:**
- **Approve agreement between NRCS & IWRB for NRCS to accomplish work**
- **NRCS starts agreement for GIS analysis for 20 major Idaho watersheds (Big Wood GIS analysis 3 basins or 1)**
 - **IWRB could help prioritize watersheds to complete.**
- **Consider presenting information / findings at local level and to other agencies for their input / partnership.**

STATEMENT OF WORK FOR THE
PROJECT AGREEMENT BETWEEN THE
U.S. DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

AND THE SPONSOR:

IDAHO WATER RESOURCE BOARD

IDWR COOPERATIVE AGREEMENT No. CON0XXXX

Draft

I. AUTHORITIES: 26 Stat. 653; Sec. 8 Reorganization Plan No. IV of 1940, 54 Stat. 1234 (5 U.S.C. App. II); 5 FR 2421, 3 CFR 1938-1943 Comp. P. 1288 and the Soil Conservation and Domestic Allotment Act of 1936, as amended, P.L. 74-46; and 7 CFR 612.2 part C which states "On request and to the extent NRCS resources and any required cooperator contributions are available, establishes hydrometeorological stations to collect and provide data and necessary interpretive analyses to the requesting party. By written agreement NRCS may accept cooperators' funds, materials, equipment, and services for this purpose."

II. PURPOSE

To provide funding for the establishment of additional Snow Telemetry (SNOTEL) sites for the purposes of providing and improving water supply forecasts.

III. OBJECTIVES

The goal of this partnership is to provide better water resource monitoring and predictive streamflow tools for Idaho's water users and managers. NRCS has limited staff and capital to provide for location analysis, instrumentation, and installation of additional SNOTEL sites. Data provided by new sites will be instrumental in providing a better understanding of snow melt and streamflow relationships.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF STREAM CHANNEL)
ALTERATION PERMIT NOS. S82-20057, S82-20058) RESOLUTION
S82-20059, AND S82-20060)
_____)

WHEREAS, on June 24, 2016, the Idaho Department of Water Resources (IDWR) issued Stream Channel Alteration Permit No. S82-20060 in the name of Dave Erlanson for suction dredge mining in the South Fork of the Clearwater River; and

WHEREAS, on July 8, 2016, IDWR issued Stream Channel Alteration Permits S82-20057 in the name of Ronald C. Miller, and S82-20059, in the name Kevin Landon, for suction dredge mining in the South Fork of the Clearwater River; and

WHEREAS, on July 10, 2016, IDWR issued Stream Channel Alteration Permit No. S82-20058 in the name of Tark H. Meyer for suction dredge mining in the South Fork of the Clearwater River; and

WHEREAS, IDWR received notice from the holders of said permits taking issue with many of the conditions of the permits and requesting hearings before the Idaho Water Resource Board (IWRB) as allowed by Rule 70 of the Stream Channel Alteration Rules (IDAPA 37.03.07.70); and

WHEREAS, the notices were received by IDWR on July 21, 2016, for permit S82-20057 in the name of Ronald C. Miller, on July 25, 2016, for permit S82-20060 in the name of Dave Erlanson, on July 26, 2016, for permit S82-20058 in the name of Tark H. Meyer, and on August 4, 2016, for permit S82-20059, in the name Kevin Landon; and

WHEREAS, it is necessary for the IWRB to appoint a hearing officer to preside over the hearing or hearings and issue a recommendation for the IWRB's consideration; and

NOW THEREFORE BE IT FURTHER RESOLVED the Idaho Water Resource Board hereby appoints James Cefalo as the hearing officer in the above proceedings.

Adopted this 16th day of September, 2016.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST: _____
VINCE ALBERDI, Secretary



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

August 25, 2016

Ronald C. Miller
675 Wall Creek Road
Stites, Idaho 83552

Kevin Landon
Muskratt Dredging
550 Flamingo Avenue
Shelly, Idaho 83536

Tark H. Meyer
514 North A Street
Grangeville, Idaho 83530

Dave Erlanson
PO Box 46
Swan Valley, Idaho 83449

RE: Notice of Appeal and Request for Administrative Hearing
Stream Channel Alteration Permits No. S82-20057, S82-20058, S82-20059 and S82-20060

Dear Messrs: Miller, Meyer, Landon and Erlanson:

This letter acknowledges the Idaho Department of Water Resources' ("Department") receipt of your petition requesting and administrative hearing regarding the above referenced Stream Channel Alteration Permits for suction dredge mining on the South Fork Clearwater River.

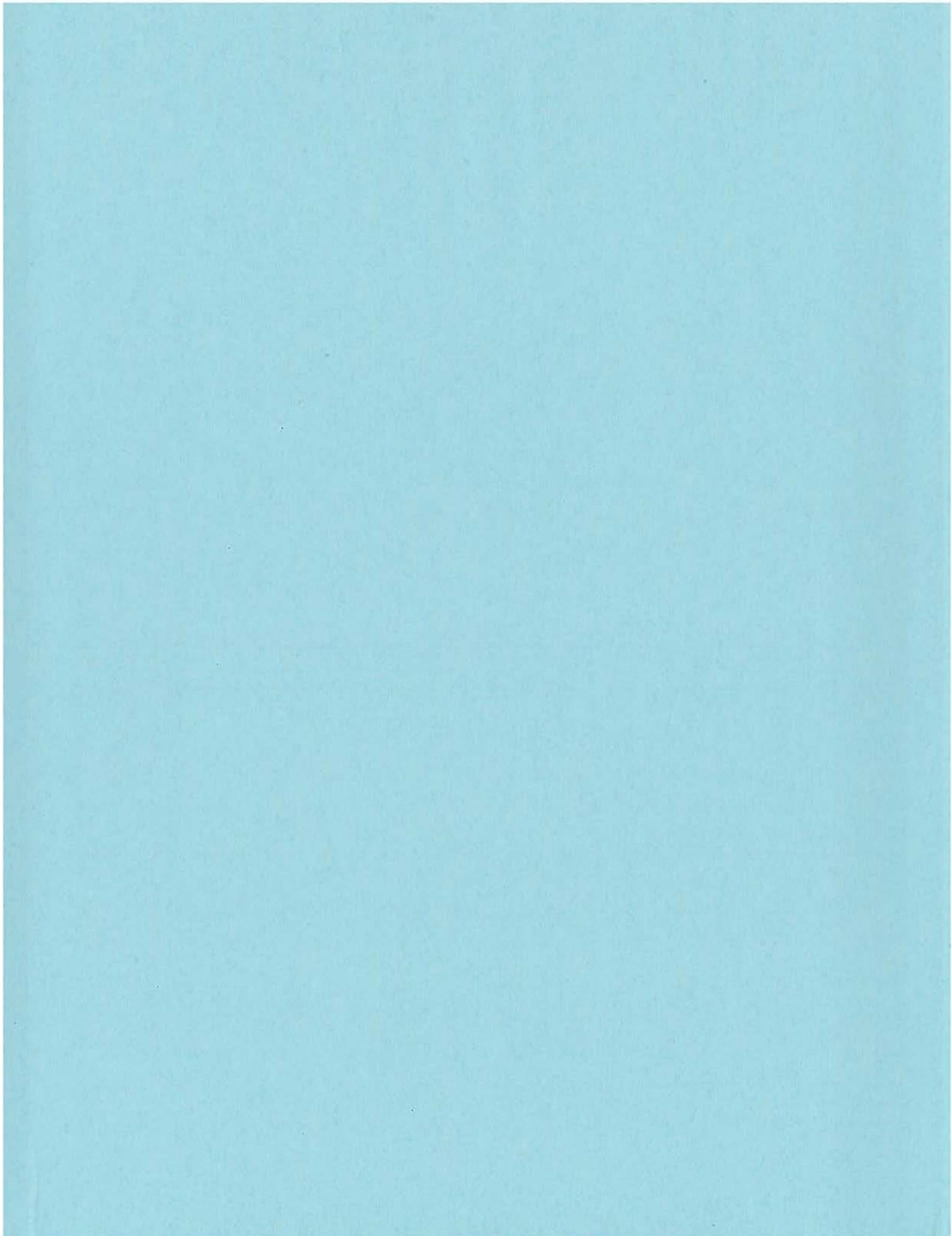
The petitions for hearing will be presented to the Idaho Water Resource Board ("Board") at their regular scheduled meeting on September 16, 2016 at the Clarion Inn, 1399 Bench Road Pocatello, Idaho. Please note that two of the petitions may have been received by the Department more than fifteen (15) days after the permit holders' receipt of the permits. Rule 70 of the Board's Stream Channel Alteration Rules (IDAPA 37.03.07.70) requires written notice and request for hearings are received by the Department within 15 days of receipt of the Department's decision. The timeliness of those two petitions will be taken up by a hearing officer assuming the Board proceeds with granting a hearing. The Department will send notice to you directly regarding the scheduling of any hearing regarding the above referenced permits. .

Please contact Aaron Golart at 208-287-4941 or aaron.golart@idwr.idaho.gov if you have any questions regarding this matter.

Sincerely,

Aaron Golart
State Coordinator
Stream Protection Program

cc: Brian Patton, IDWR Planning Bureau Chief



RECEIVED

JUL 21 2016

DEPARTMENT OF
WATER RESOURCES

Ron Miller
675 Wall Creek Rd.
Stites, ID 83552

July 18th, 2016

Via Certified Mail, RRR# 7012 3050 0000 0016 2234

Idaho Dept. of Water Resources
State Coordinator, Stream Protection Program
Attn. Aaron Golart
322 E. Front St.
P.O. Box 83720
Boise, Idaho 83720-0098

Notice of Appeal and Request for Administrative Hearing

Dear Mr. Golart,

I have received a processed permit from your office of the Idaho Dept. of Water Resources (IDWR) in the last two weeks and hereby give Notice of Appeal and request for administrative hearing. The terms and conditions of the permit are unacceptable and would make it impossible to comply with Federal law and would unduly materially interfere with my commercial operations. The permit terms and conditions as written are incompatible to the federal claims for which I own and exercise. The joint commercial application for which I applied has been unlawfully converted to a "recreational permit" by your office and does violence to my federal mining claims, as I cannot lawfully use a federal mining claim for recreational purposes. See: U.S. v. Bagwell 961 F. 2d 1450. I also object to the public use of my federal mining claim for uses as a wildlife habitat and a fisheries hatchery to such a degree that I cannot perform the most basic assessment work required by federal law (30 U.S.C. § 28(b)). Your office is approaching this issue as if I must yield to the public needs, rather than the public needs yielding to the mine development needs. The former is not consistent with federal law in contrast to the latter mine development needs. I am certainly agreeable to some level of mitigation so long as I can reasonably agree and still comply with federal law.

Congress gave miners such as I a solution to conflicts that may arise in the event of competing use of the lands in the 1955 Multiple – Surface Use Act. It was best said in U.S. v. Shoemaker 110 IBLA 39 in 1989 (attached) where the court said: "*Federal management must yield to mining as the dominant and primary use. The terms 'endanger' and 'materially interfere' used in subsec. 4(b) of the Surface Resources Act, 30 U.S.C. §612(b) (1982), set forth the standard to be applied to determine whether a specific surface management action must yield to a conflicting legitimate use by a mining claimant. Where there is no evidence that such action endangers the claimant's operations, the question is whether the surface management activity will substantially hinder, impede, or clash with mining operations or a reasonably related use. Like 'other surface resources,' the terms 'endanger' and 'materially interfere' are general. Although the terms are not precise, the legislative history is clear as to their intended effect. In reference to the portion of the statute containing the terms, the House and Senate reports both state: This language, carefully developed, emphasizes the committee's insistence that this legislation not have the effect of modifying longstanding essential rights springing from location of a mining claim.*"

Dominant and primary use of the locations hereafter made, as in the past, would be vested first in the locator; the United States would be authorized to manage and dispose of surface resources, or to use the surface for access to adjacent lands, so long as and to the extent that these activities do not endanger or materially interfere with mining, or related operations or activities on the mining claim". *Emphasis added*

H.R.Rep. No. 730, 84th Cong., 1st Sess. 10, reprinted in 1955 U.S.Code Cong. & Admin.News 2474, 2483; S.Rep. No. 554, 84th Cong., 1st Sess. 8-9.

The court went on to say:

"The change made by the Surface Resources Act was to create in the United States explicit authority 'to manage and dispose of the vegetative surface resources * * * and to manage other surface resources.' 30 U.S.C. § 612(b) (1982). Previously, Governmental agencies had been unable to do so once a mining claim had been located, even though the locator had only a limited right to use the same resources. See Bruce W. Crawford, *supra* at 365-66, 92 I.D. at 216-17. Congress recognized that there would be instances in which Federal management of the surface resources found on a mining claim would conflict with legitimate use of the surface and surface resources by the claimant. The balance it struck in order to resolve such conflicts was to specify that the authority the statute granted would apply only so long as and to the extent that Federal use of the surface did not "endanger or materially interfere with prospecting, mining or processing operations or uses reasonably incident thereto." 30 U.S.C. § 612(b) (1982); see *United States v. Curtis-Nevada Mines, Inc.*, 611 F.2d at 1283, 1285. When it does, Federal surface management activities must yield to mining as the 'dominant and primary use,' the mineral locator having a first and full right to use the surface and surface resources."

See also *U.S. v. Lex*, 300 F. Supp. 2d 951 (2003): "As a result of the Multiple Use Act, owners of unpatented mining claims must comply with government regulation of the surface of their claims, so long as that regulation does not materially interfere with prospecting or mining operations."

Pursuant to 30 U.S.C § 612(b): Uses by the United States, it's permittees or licensees (such as the IDWR), shall be such as to not hinder, delay, or materially interfere with my mineral-related operations.

The following are specific terms and conditions within your offices permit that are unreasonably interfering in violation of 30 U.S.C. § 612(b) and my ability to comply with mining laws prudent assessment work required under 30 U.S.C. § 28(b):

- 1) Limiting area of prospecting and testing (2-150 ft. areas)
- 2) Limits on date and time of dredging
- 3) Limits fueling to use of funnel - can't monitor amount of fuel in tank while filling
- 4) Replacing boulders in location where they came out - would need to photograph river bed to remember location of rocks
- 5) Checking turbidity 150 ft. downstream while dredging is an impossibility as I can't be in two places at once
- 6) Forcing us to use a fisheries biologist to determine mining assessment work where and when we can dredge - where I have not consented to the delegation of assessment to another person
- 7) I never consented to have my federal mining claim to be used as a fishery - restricting me to seasonal mining in limiting dredge size to a recreational 5" and 15 hp. operation
- 8) Use of a state issued (Recreational) ID card on a Joint Commercial Application – bait and switch
- 9) Requiring us on how close we can operate to each other defying safety concerns and federal mine safety regulations (MSHA) found at 30 CFR parts 56/57/58)

- 10) Requiring us to secure dredge in an unsafe manner so as to not interfere with recreational usage
- 11) Enabling IDWR to cancel permit at any time to stop dredge and assessment work without due process of law in the form of a pre or post deprivation hearing
- 12) The rules and regulations are taken from "recreational" permits and as such are not compatible my commercial request
- 13) No dredging within 2 ft. of a gravel bar or bank where I cannot follow a pay streak - again telling us where to dredge and perform assessment work
- 14) No use of highbankers below high water mark and banning power sluices
- 15) A buffer zone of 300 ft. below perennial stream courses entering the South Fork – taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 16) A 100 ft. buffer above these streams entering the South Fork – taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 17) No dredging is allowed in the lower half of holes (tail waters) – taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 18) In holes designated as "holding areas" no dredging is permitted – taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 19) On adjoining claims it restricts the dredging area to a 800 ft. spacing between dredges if both claim holders have permits.
- 20) The IDWR permit system has not received the written approval and performed the coordination with the Elk City Mining District in accordance with 30 U.S.C. § 22.

I am willing to make a good faith effort to comply with your permitting authority. As stated previously, the terms and conditions of the permit are unacceptable and would make it impossible to comply with Federal law and would unduly materially interfere with my commercial operations. The permit terms and conditions, as your office has written, are incompatible to the federal claims for which I own and exercise. The joint commercial application for which I applied has been unlawfully converted to a "recreational permit" by your office and does violence to my federal mining claim, as I cannot lawfully use a federal mining claim for recreational purposes. If your office does not grant my appeal relief within 30 days I will have no other choice but to withdraw the joint application and commence operations to timely comply with federal law until such time your office's new permit system does not frustrate federal law.

Respectfully submitted.

Ron Miller

Cc: Elk City Mining District



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.J. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

July 8, 2016

Ronald C. Miller
675 Wall Creek Road
Stites, Idaho 83552

RE: Joint Application for Permits No. S82-20057
South Fork Clearwater River

Dear Mr. Miller:

The Idaho Department of Water Resources (IDWR) has reviewed your above referenced application for a permit to alter the South Fork Clearwater River and has prepared a decision as provided for in Section 42-3805, Idaho Code. The conditions set forth in this permit are intended to prevent degradation of water quality, protect fish and wildlife habitat, and protect the long-term stability of the stream channel. If you cannot meet the conditions set forth in the permit, please contact this office for further consideration.

Project activities include operating a suction dredge on the South Fork Clearwater River to prospect for gold and you may consider this letter a permit to prospect according to your attached application, dated January 8, 2016 including diagrams. The project location is within Sections 27 and 30, Township 29 North, Range 07 East, Boise Meridian, Idaho County, Idaho.

You are responsible for complying with all local, state, and federal permit requirements and/or authorizations prior to operating dredge mining equipment at the location authorized under this permit. This permit does *not* serve in lieu of other permits that may be required by other state or federal agencies. You should contact the appropriate land owner or land management agency to determine if additional permits or authorizations are required.

Failure to adhere to the conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code. This project is subject to the following Special Conditions.

SPECIAL CONDITIONS:

1. This permit does not serve in lieu of other permits that are required by federal or other state government agencies or in any way constitute an exemption of other permit requirements.
2. Suction dredging shall occur only within the wetted perimeter below the Ordinary High Water Mark between July 15 and August 15. Activities which would expand the wetted perimeter (such as stream bank alteration) are not authorized.
3. Prior to dredging, IDWR and a state and/or federal fisheries biologist will inspect the

proposed dredge sites to identify acceptable dredge locations to avoid reducing the quality of migratory, spawning and holding habitat for salmonids. No dredging, movement or modification of stream substrate shall occur in areas of suitable salmonid spawning or early rearing habitat, including low velocity backwaters, alcoves and side channels. (Generally, such areas are specific locations rather than extensive stream reaches.)

4. Suction dredges shall have a nozzle diameter of 5 inches or less and a horsepower rating of 15 horsepower or less. Pump intakes (but not dredge nozzles) must be covered with 3/32-inch mesh screen or other appropriate size.

5. IDWR SFCR suction dredge ID card shall be attached to the dredge in a visible location at all times the dredge is located on the SFCR.

6. In-stream mining activities shall only take place during daylight hours.

7. Dredge sites shall consist of a maximum of two (2) separate locations of 150-linear feet each.

8. Any stream substrate moved from its initial location in the channel (in order to reach bedrock) shall be repositioned into its approximate original configuration prior to the end of the dredging season. Permittee shall not move cobble or small boulders to the extent that substantial alterations of the deepest and fastest portion of the stream channel (i.e., the thalweg) persist beyond the end of the dredging season. Dredged or excavated holes shall be back filled before any new holes are excavated.

9. Permittee shall not constrict or dam the stream channel or cause a structural barrier to upstream or downstream fish movement.

10. Dredging shall be excluded in areas within 100 feet upstream and 300 feet downstream of perennial tributaries and shall not hinder fish access to fish-bearing tributary mouths through disturbance, turbidity or modifications of channel depth or substrate arrangement. If an operator proposes to dredge within 100 feet upstream and 300 feet downstream of a perennial tributary it must be determined acceptable by the IDWR and fisheries biologist during site inspection.

11. Dredges shall not operate on gravel bars at the tails of pools. Dredges or other types of mining shall not occur in a manner that fine sediment (sand or silt) covers portions of gravel bars to a depth of more than 0.5 inch.

12. Dredging or other mining activities shall not occur within two (2) feet of stream banks. Permittee shall prevent the undercutting and destabilization of stream banks. Woody debris or boulders that extend from the bank into the channel shall not be disturbed.

13. Discharge from dredges and sluices shall not be directed into the bank in a way that causes disturbance to the bank and associated habitat, deposits sediment against the bank, causes erosion or destruction of the natural form of the channel, undercuts the bank or widens the channel.

14. Permittee shall not remove, relocate, break apart or lessen the stability of substantial in-channel woody debris or in-stream boulders (greater than 12 inches median diameter) unless it

was determined acceptable by the IDWR and fisheries biologist during site inspection.

15. Permittee shall visually monitor the stream for 150 feet downstream of the dredging or sluicing operation. If noticeable turbidity is observed downstream, the operation must cease immediately or decrease in intensity until no increase in turbidity is observed 150 feet downstream.
16. No mechanized equipment shall be operated below the mean high water mark except for the suction dredge, sluice or pump itself and any life support system necessary to operate a suction dredge.
17. Operators must maintain a minimum spacing of at least 800 linear feet of stream channel between active mining operations.
18. All fuel, oil and other hazardous materials shall be stored outside of the stream channel. Permittee shall not operate any equipment that leaks fuel, hydraulic fluid or other pollutants. Permittee shall use a funnel when pouring fuel and place absorbent material, sufficient to absorb a spill, under and around the fuel tank. A petroleum absorbent spill kit shall be onsite in case of accidental spills and no petroleum products shall enter the stream when servicing the equipment.
19. Permittee shall not entrain, mobilize or disperse any mercury discovered during mining operations. Permittee shall not use mercury, cyanide or any other hazardous or refined substance to recover or concentrate gold.
20. To prevent the threat of aquatic invasive species, suction dredges, tools used while dredging and associated equipment shall be thoroughly cleaned and dried at least 5 days prior to use in the SFCR.
21. Dredge shall not be operated within 500 feet of a developed campground.
22. Dredge shall be secured without stringing ropes, wires, chain, etc. across the stream channel that could be a hazard to boaters or other recreationalists.
23. This permit does not constitute
 - a. An easement or right-of-way to trespass or work upon property or mining claims belonging to others.
 - b. Responsibility of the IDWR for damage to any properties due to operations of permittee.
24. This permit may be canceled at any time to minimize adverse impact on the stream channel.
25. This permit shall expire August 15, 2016.

Conditions and construction procedures approved under this permit may not coincide with the proposal as submitted. Failure to adhere to conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code.

If you object to the decision issuing this permit with the above conditions, you have 15 days in which to notify this office in writing that you request a formal hearing on the matter. If an

objection has not been received within 15 days, the decision will be final under the provisions of IDAPA 37.03.07 (Rule 70).

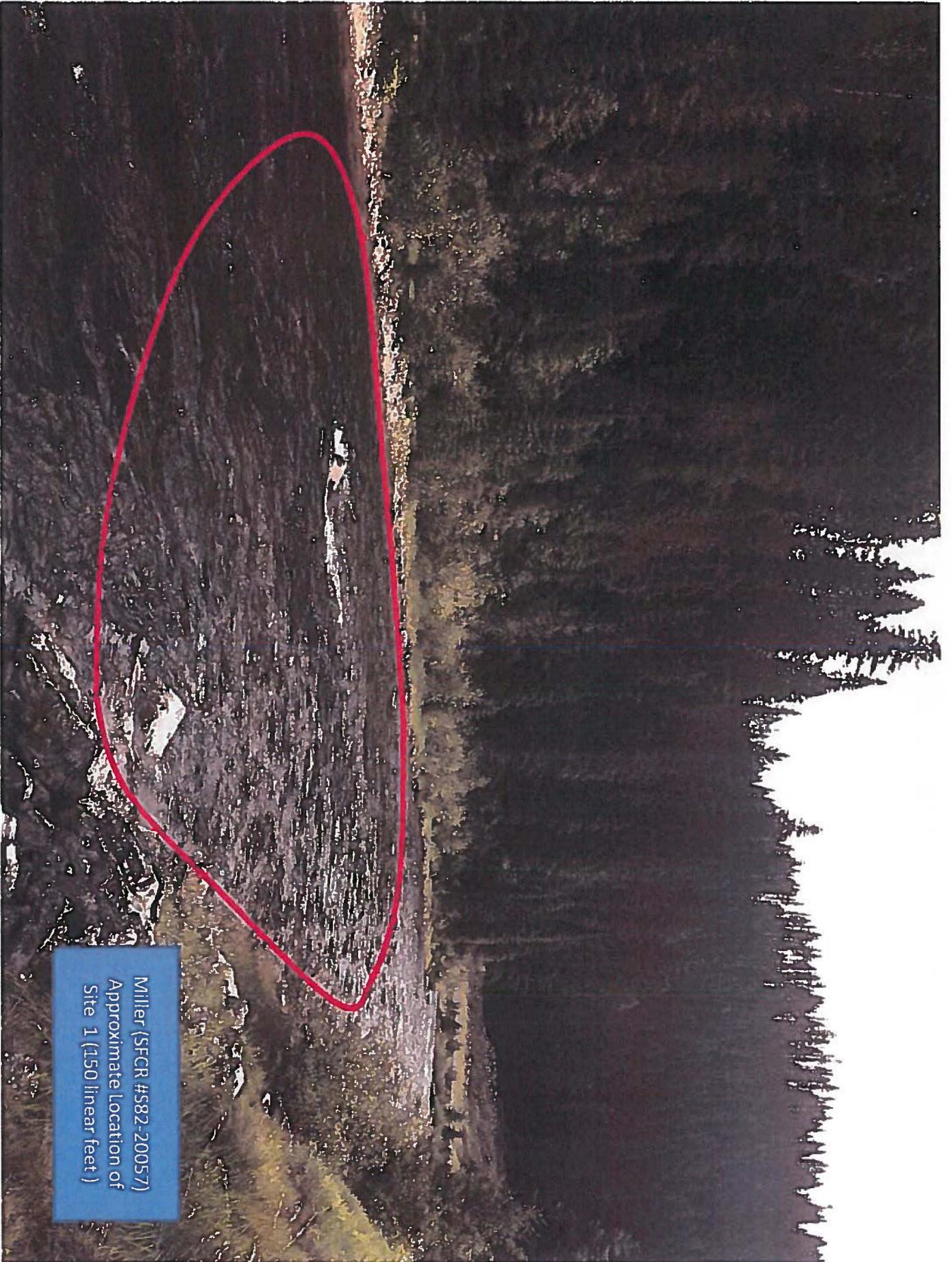
Please contact Aaron Golart 208-287-4941 or aaron.golart@idwr.idaho.gov if you have any questions regarding this matter.

Sincerely,

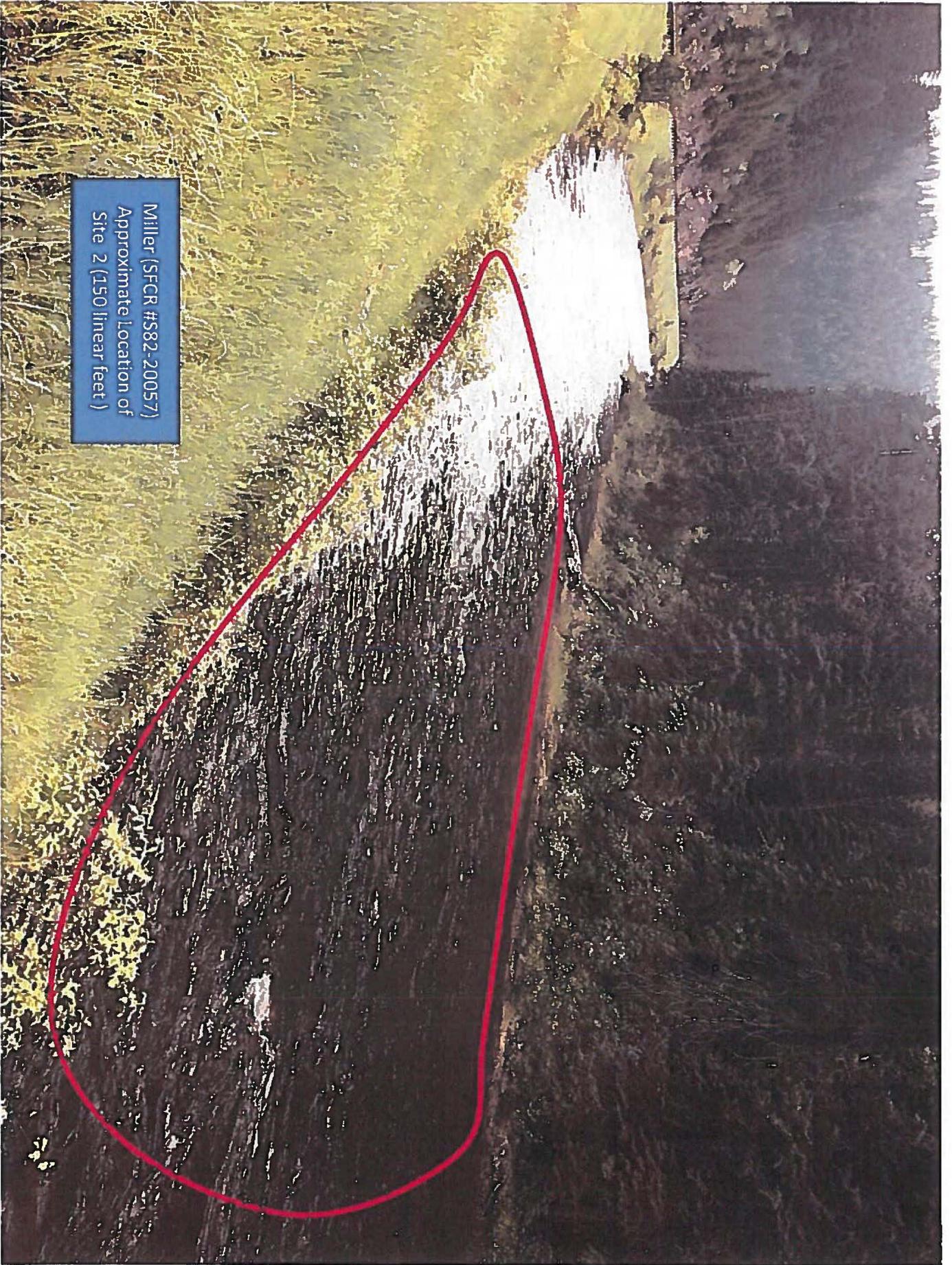


Aaron Golart
State Coordinator
Stream Protection Program

cc: Jerry Zumalt, Idaho County, Grangeville
John Cardwell, Idaho Department of Environmental Quality, Lewiston
Ray Hennekey, Idaho Department of Fish and Game, Lewiston
Zoanne Anderson, Idaho Department of Lands, Kamiah
Eric Davis, Idaho Department of Water Resources, Coeur D'Alene
Clint Hughes, Nez Perce-Clearwater National Forest, Grangeville
Dan Kenney, Nez Perce-Clearwater National Forest, Orofino
Greg Martinez, US Army Corps of Engineers, Boise
Tracy DeGering, US Environmental Protection Agency, Boise



Miller (SFGR #S82-20057)
Approximate location of
Site 1 (150 linear feet)



Miller (SFCCR #S82-20057)
Approximate Location of
Site 2 (150 linear feet)

JAN 19 2016

JOINT APPLICATION FOR PERMITS

U.S. ARMY CORPS OF ENGINEERS - IDAHO DEPARTMENT OF WATER RESOURCES - IDAHO DEPARTMENT OF LANDS

Authorities: The Department of Army Corps of Engineers (Corps), Idaho Department of Water Resources (IDWR), and Idaho Department of Lands (IDL) established a joint process for activities impacting jurisdictional waterways that require review and/or approval of both the Corps and State of Idaho. Department of Army permits are required by Section 10 of the Rivers & Harbors Act of 1899 for any structure(s) or work in or affecting navigable waters of the United States and by Section 404 of the Clean Water Act for the discharge of dredged or fill materials into waters of the United States, including adjacent wetlands. State permits are required under the State of Idaho, Stream Protection Act (Title 42, Chapter 38, Idaho Code and Lake Protection Act (Section 58, Chapter 13 et seq., Idaho Code). In addition the information will be used to determine compliance with Section 401 of the Clean Water Act by the appropriate State, Tribal or Federal entity.

Joint Application: Information provided on this application will be used in evaluating the proposed activities. Disclosure of requested information is voluntary. Failure to supply the requested information may delay processing and issuance of the appropriate permit or authorization. Applicant will need to send a completed application, along with one (1) set of legible, black and white (8 1/2"x11"), reproducible drawings that illustrate the location and character of the proposed project / activities to both the Corps and the State of Idaho.

See Instruction Guide for assistance with Application. Accurate submission of requested information can prevent delays in reviewing and permitting your application. Drawings including vicinity maps, plan-view and section-view drawings must be submitted on 8-1/2 x 11 papers.

Do not start work until you have received all required permits from both the Corps and the State of Idaho

FOR AGENCY USE ONLY					
USACE NWW-	Date Received:	<input type="checkbox"/> Incomplete Application Returned	Date Returned:		
Idaho Department of Water Resources No. <i>SB2-20057</i>	Date Received: <i>1/19/16</i>	<input checked="" type="checkbox"/> Fee Received DATE: <i>1/19/16</i>	Receipt No.: <i>N031697</i>		
Idaho Department of Lands No.	Date Received:	<input type="checkbox"/> Fee Received DATE:	Receipt No.:		
INCOMPLETE APPLICANTS MAY NOT BE PROCESSED					
1. CONTACT INFORMATION - APPLICANT Required:			2. CONTACT INFORMATION - AGENT:		
Name: <i>RONALD C. MILLER</i>			Name:		
Company:			Company:		
Mailing Address: <i>675 WALL CREEK ROAD</i>			Mailing Address:		
City: <i>ST. ITCS</i>	State: <i>ID</i>	Zip Code: <i>83552</i>	City:	State:	Zip Code:
Phone Number (include area code): <i>208-983-6546</i>	E-mail: <i>LEGGETT1946@GMAIL.COM</i>	Phone Number (include area code):	E-mail:		
3. PROJECT NAME or TITLE: <i>Sourdough Dredging</i>			4. PROJECT STREET ADDRESS:		
5. PROJECT COUNTY: <i>IDAHO</i>	6. PROJECT CITY: <i>Approx 7m. WEST of FLK CITY</i>	7. PROJECT ZIP CODE: <i>(FLK CITY) 83525</i>	8. NEAREST WATERWAY/WATERBODY: <i>S. FK CHESTER RIVER</i>		
9. TAX PARCEL ID#: <i>N/A</i>	10. LATITUDE: <i>45 25 860</i> LONGITUDE: <i>115.570679</i>	11a. 14: <i>CH</i> 11b. 14: <i>NE</i> 11c. SECTION: <i>27</i>	11d. TOWNSHIP: <i>29N</i>	11e. RANGE: <i>7E</i>	
12a. ESTIMATED START DATE: <i>1 July 2016</i>	12b. ESTIMATED END DATE: <i>31 OCT 2016</i>	13a. IS PROJECT LOCATED WITHIN ESTABLISHED TRIBAL RESERVATION BOUNDARIES? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES Tribe:			
13b. IS PROJECT LOCATED IN LISTED ESA AREA? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES		13c. IS PROJECT LOCATED ON/NEAR HISTORICAL SITE? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES			
14. DIRECTIONS TO PROJECT SITE: Include vicinity map with legible crossroads, street numbers, names, landmarks. <i>29 mi EAST of Grangeville, EAST on Hiway 14 ON Sourdough #1 & #2 ALSO CENTERSTAR PLACE ADJOINING Sourdough #1 TO THE EAST FOR 1/4 mi EAST OF MM 40 TO 1/2 mi WEST of MM 40 APPROX 1/2 mi EAST of MM 39</i>					
15. PURPOSE and NEED: <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Public <input checked="" type="checkbox"/> Private <input type="checkbox"/> Other Describe the reason or purpose of your project; include a brief description of the overall project. Continue to Block 16 to detail each work activity and overall project. <i>Suction Dredging on MY FEDERAL MINING CLAIMS Sourdough #1 & #2, IMC 86155; IMC 212922 POSSIBLY CENTER STAR PLACE IMC 204110 (EXPL. RITY) ALL CLAIMS CONNECTED</i>					

SCANNED
JAN 26 2016

16. DETAILED DESCRIPTION OF EACH ACTIVITY WITHIN OVERALL PROJECT. Specifically indicate portions that take place within waters of the United States, including wetlands: Include dimensions; equipment, construction, methods; erosion, sediment and turbidity controls; hydrological changes: general stream/surface water flows, estimated winter/summer flows; borrow sources, disposal locations etc.:

TO EXPLORE 3/4 mile of SOUTH FORK CHEARWATER RIVER
 TO DREDGE TEST HOLES TO DETERMINE WHERE MINERALS MAY BE
 LOCATED, WILL MONITOR TURBIDITY (NOT MORE THAN 50 NTUS)
 NO STRUCTURES OR BUILDINGS TO BE BUILT. NO RAPIDIAN
 AREAS TO BE DISTURBED 4" DREDGE TO BE USED. ROCKS
 TO BE MOVED BY HAND. NO WETLANDS ARE INVOLVED
 ONLY STREAM BED

17. DESCRIBE ALTERNATIVES CONSIDERED TO AVOID or MEASURES TAKEN to MINIMIZE and/or COMPENSATE for IMPACTS to WATERS of the UNITED STATES, INCLUDING WETLANDS: See Instruction Guide for specific details.

USE of 4" DREDGE (NO CRASH BOX) WILL BE DE MINIMUS
 WILL NOT HARM ANY SPAWNING BEDS OR RESTING GROUNDS
 ACCORDING TO IDF's DREDGING AREA ONLY A PASSIBLE
 WAY. WILL PROVIDE POOLS FOR RESTING & PROTECTION FROM
 PREDATORS & HEAT. PROVIDE CHANNEL & LOOSE COBBLES FOR
 SPAWNING NO EGGS OR RIDS WILL BE HARMED

18. PROPOSED MITIGATION STATEMENT or PLAN: If you believe a mitigation plan is not needed, provide a statement and your reasoning why a mitigation plan is NOT required. Or, attach a copy of your proposed mitigation plan.

PLAN TO REPLACE Boulders! LET ANNUAL Runoff
 Fill Holes! pools NATURAL RIVER PROGRESSION

19. TYPE and QUANTITY of MATERIAL(S) to be discharged below the ordinary high water mark and/or wetlands:

Dirt or Topsoil: _____ cubic yards
 Dredged Material: _____ cubic yards
 Clean Sand: _____ cubic yards
 Clay: _____ cubic yards
 Gravel, Rock, or Stone: _____ cubic yards
 Concrete: _____ cubic yards
 Other (describe): INCIDENTAL FALLBACK _____ cubic yards
 Other (describe): _____ : _____ cubic yards
 ..
 TOTAL: INC FALLBACK cubic yards

20. TYPE and QUANTITY of Impacts to waters of the United States, including wetlands:

Filling: _____ acres _____ sq ft. _____ cubic yards
 Backfill & Bedding: _____ acres _____ sq ft. _____ cubic yards
 Land Clearing: _____ acres _____ sq ft. _____ cubic yards
 Dredging: _____ sq ft. _____ cubic yards
 Flooding: _____ acres _____ sq ft. _____ cubic yards
 Excavation: _____ acres _____ sq ft. _____ cubic yards
 Draining: _____ acres _____ sq ft. _____ cubic yards
 Other: INCIDENTAL FALLBACK _____ acres _____ sq ft. _____ cubic yards
 TOTALS: _____ acres _____ sq ft. _____ cubic yards

21. HAVE ANY WORK ACTIVITIES STARTED ON THIS PROJECT? NO YES If yes, describe ALL work that has occurred including dates.

22. LIST ALL PREVIOUSLY ISSUED PERMIT AUTHORIZATIONS:

N/A

23. YES, Alteration(s) are located on Public Trust Lands, Administered by Idaho Department of Lands

24. SIZE AND FLOW CAPACITY OF BRIDGE/CULVERT and DRAINAGE AREA SERVED: N/A Square Miles

25. IS PROJECT LOCATED IN A MAPPED FLOODWAY? NO YES If yes, contact the floodplain administrator in the local government jurisdiction in which the project is located. A Floodplain Development permit and a No-Rise Certification may be required.

26a. WATER QUALITY CERTIFICATION: Pursuant to the Clean Water Act, anyone who wishes to discharge dredge or fill material into the waters of the United States, either on private or public property, must obtain a Section 401 Water Quality Certification (WQC) from the appropriate water quality certifying government entity. See Instruction Guide for further clarification and all contact information.

The following information is requested by IDEQ and/or EPA concerning the proposed impacts to water quality and anti-degradation:

- NO YES Is applicant willing to assume that the affected waterbody is high quality?
- NO YES Does applicant have water quality data relevant to determining whether the affected waterbody is high quality or not?
- NO YES Is the applicant willing to collect the data needed to determine whether the affected waterbody is high quality or not?

26b. BEST MANAGEMENT PRACTICES (BMPs): List the Best Management Practices and describe these practices that you will use to minimize impacts on water quality and anti-degradation of water quality. All feasible alternatives should be considered - treatment or otherwise. Select an alternative which will minimize degrading water quality

USE OF 4" SUCTION (DE MINIMIS EPA, IDEQ) DREDGE CAUSES NO SIGNIFICANT DAMAGE OR IMPACT ON WATER QUALITY OR FISH HABITAT OR ISSUES. NOTHING IS ADDED INTO WATER & NOTHING TO BE REMOVED ABOVE HIGH WATER MARK. TRIBUTARIES WILL BE MONITORED. LOCALS WILL BE OBSERVED WITHIN 1-2 YEARS OF RUNOFF DREDGING SPOTS WILL BE LOW

Through the 401 Certification process, water quality certification will stipulate minimum management practices needed to prevent degradation.

27. LIST EACH IMPACT to stream, river, lake, reservoir, including shoreline. Attach site map with each impact location.

Activity	Name of Water Body	Intermittent Perennial	Description of Impact and Dimensions	Impact Length Linear Feet
Dredging	SOFT CHARWATER RIVER		TEST HOLES	2600 FT
TOTAL STREAM IMPACTS (Linear Feet):				

28. LIST EACH WETLAND IMPACT include mechanized clearing, fill, excavation, flood, drainage, etc. Attach site map with each impact location.

Activity	Wetland Type: Emergent, Forested, Scrub/Shrub	Distance to Water Body (near ft)	Description of Impact Purpose: road crossing, compound, culvert, etc.	Impact Length (acres, square ft linear ft)
	N/A			
TOTAL WETLAND IMPACTS (Square Feet):				

29. ADJACENT PROPERTY OWNERS NOTIFICATION REQUIREMENT: Provide contact information of ALL adjacent property owners below.

Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:
Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:
Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:
Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:

30. SIGNATURES: STATEMENT OF AUTHORIZATION / CERTIFICATION OF AGENT / ACCESS

Application is hereby made for permit, or permits, to authorize the work described in this application and all supporting documentation. I certify that the information in this application is complete and accurate. I further certify that I possess the authority to undertake the work described herein; or am acting as the duly authorized agent of the applicant (Block 2). I hereby grant the agencies to which this application is made, the right to access/come upon the above-described location(s) to inspect the proposed and completed work/activities.

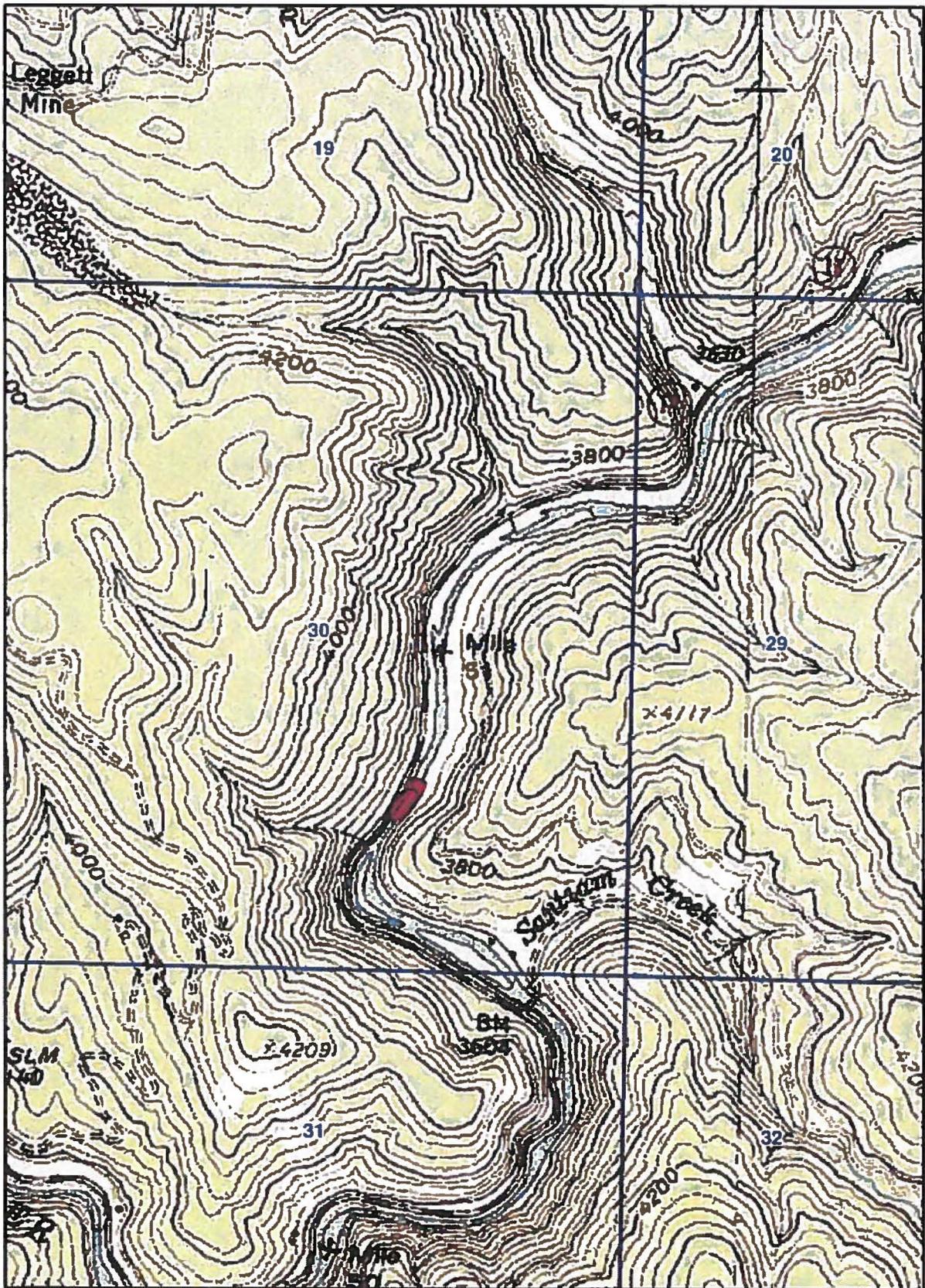
Signature of Applicant: 

Date: 8 JAN 16

Signature of Agent: _____

Date: _____

This application must be signed by the person who desires to undertake the proposed activity AND signed by a duly authorized agent (see Block 1, 2, 30). Further, 18 USC Section 1001 provides that: "Whoever, in any manner within the jurisdiction of any department of the United States knowingly and willfully falsifies, conceals, or covers up any trick, scheme, or disguises a material fact or makes any false, fictitious, or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than \$10,000 or imprisoned not more than five years or both".

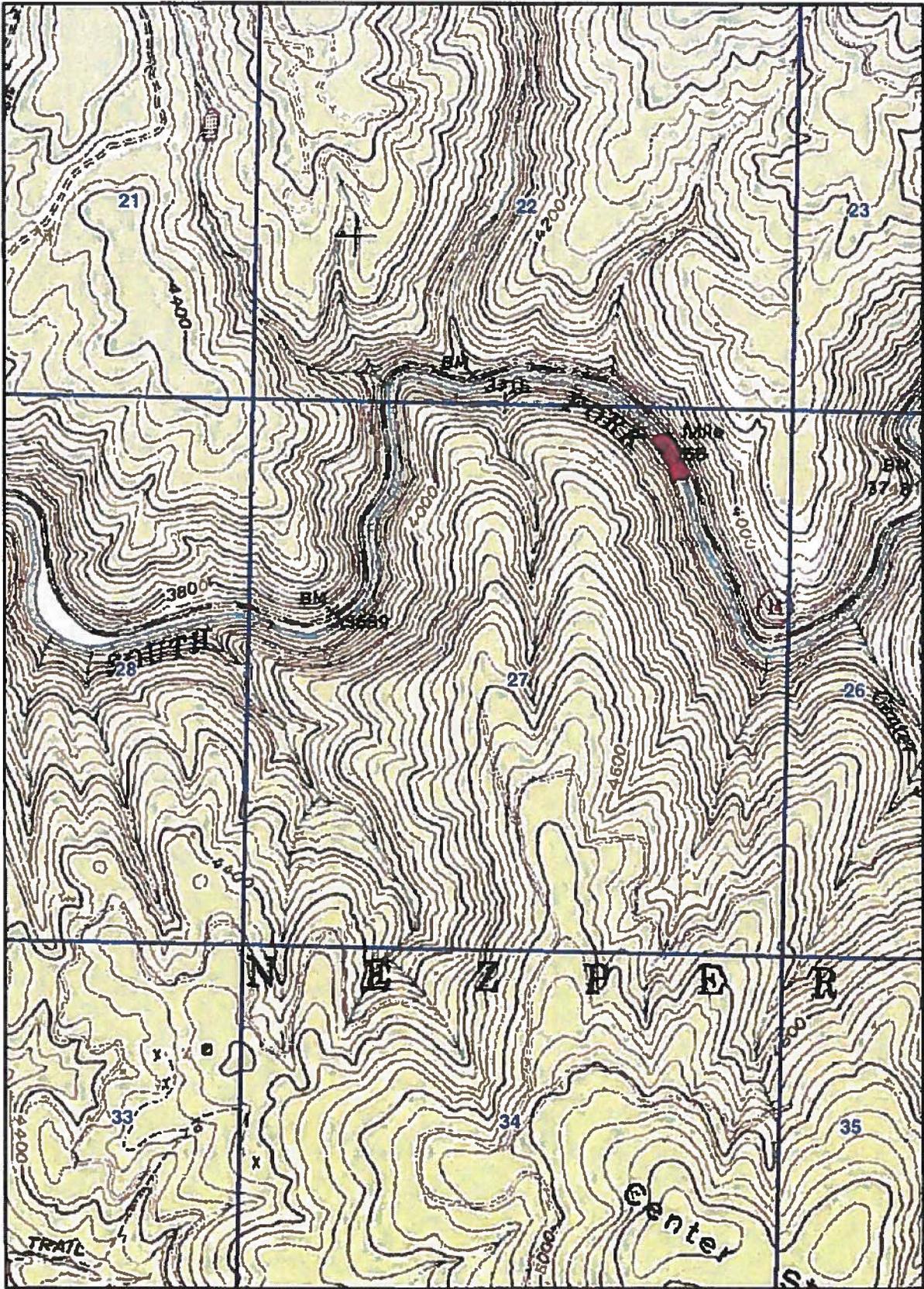


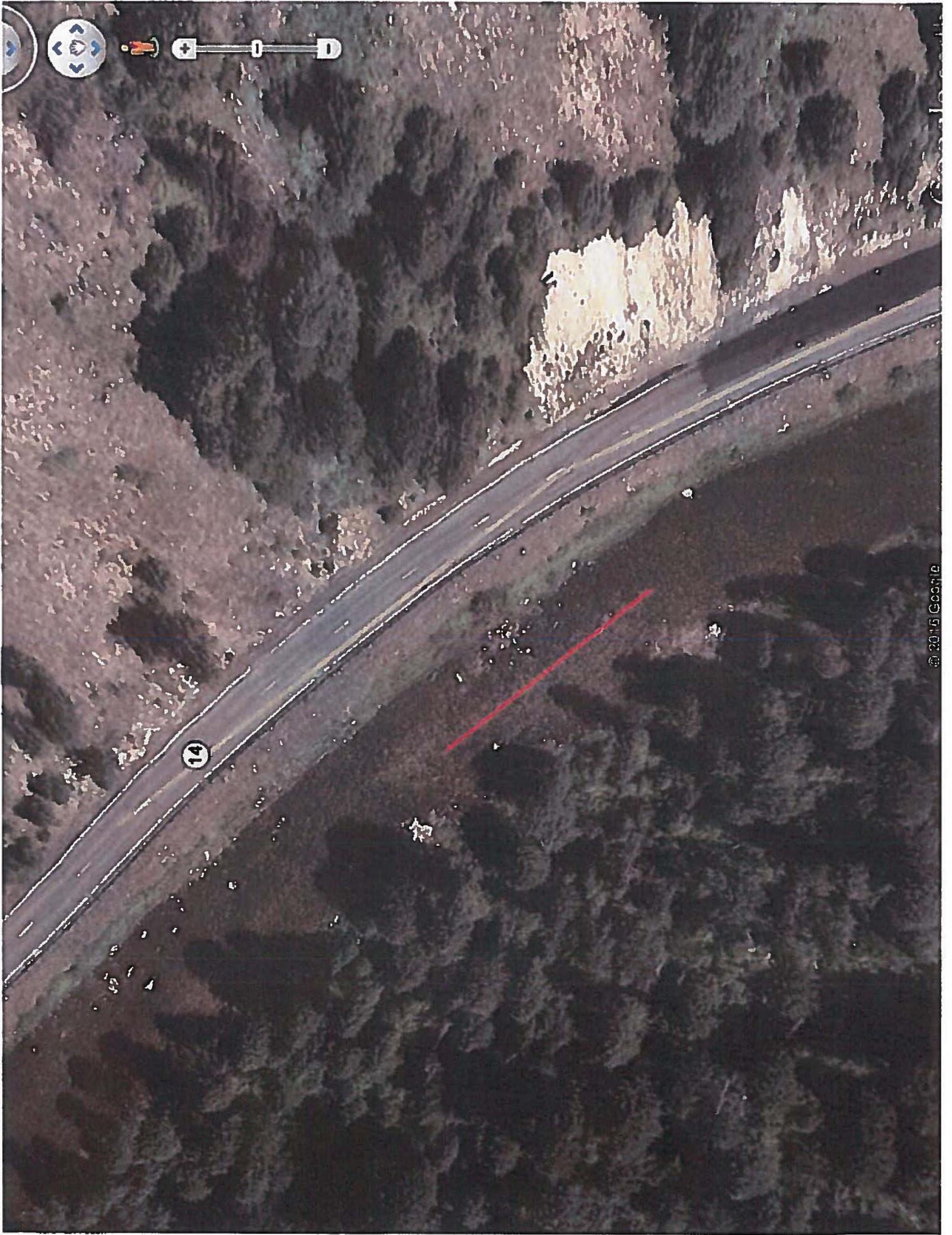


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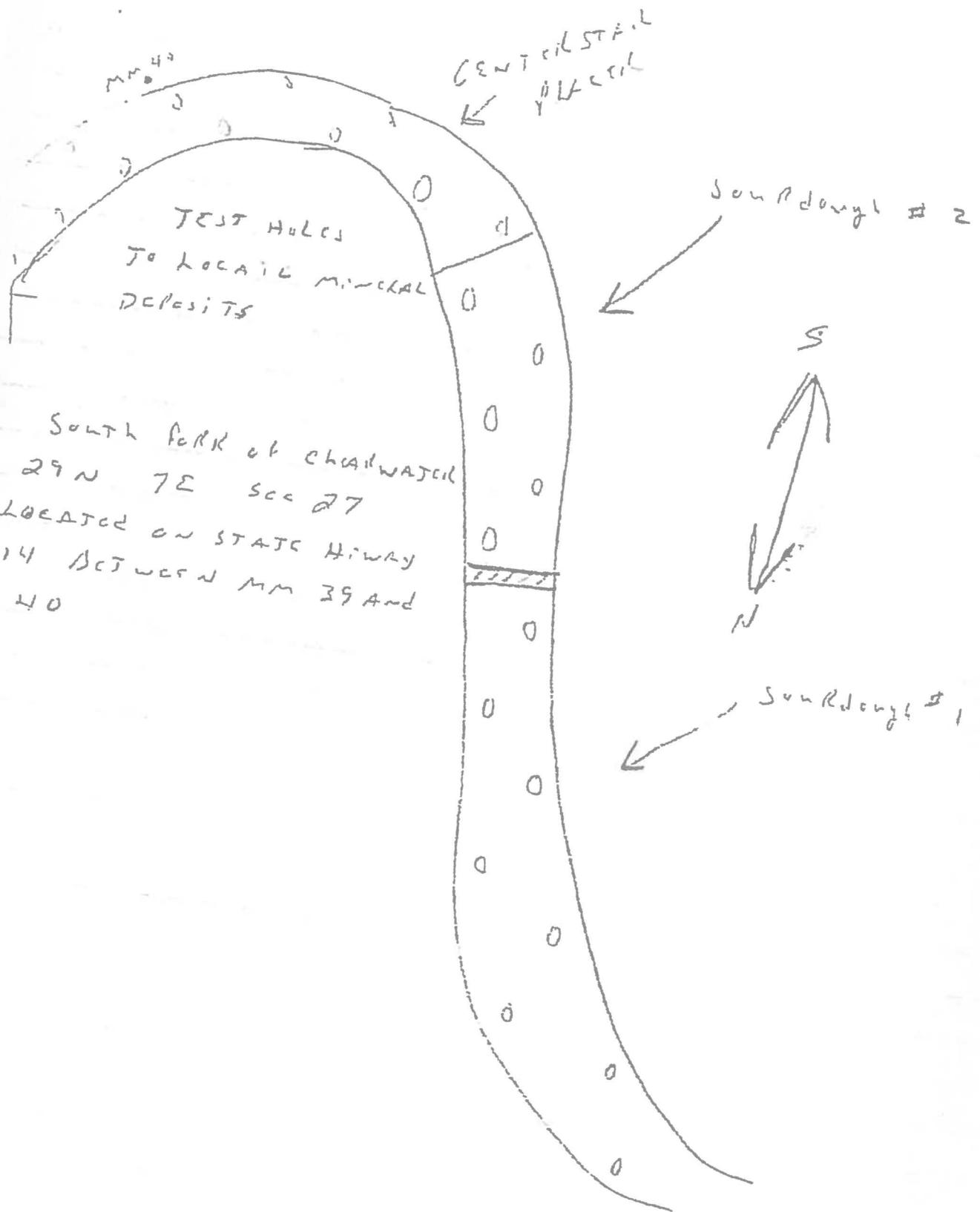




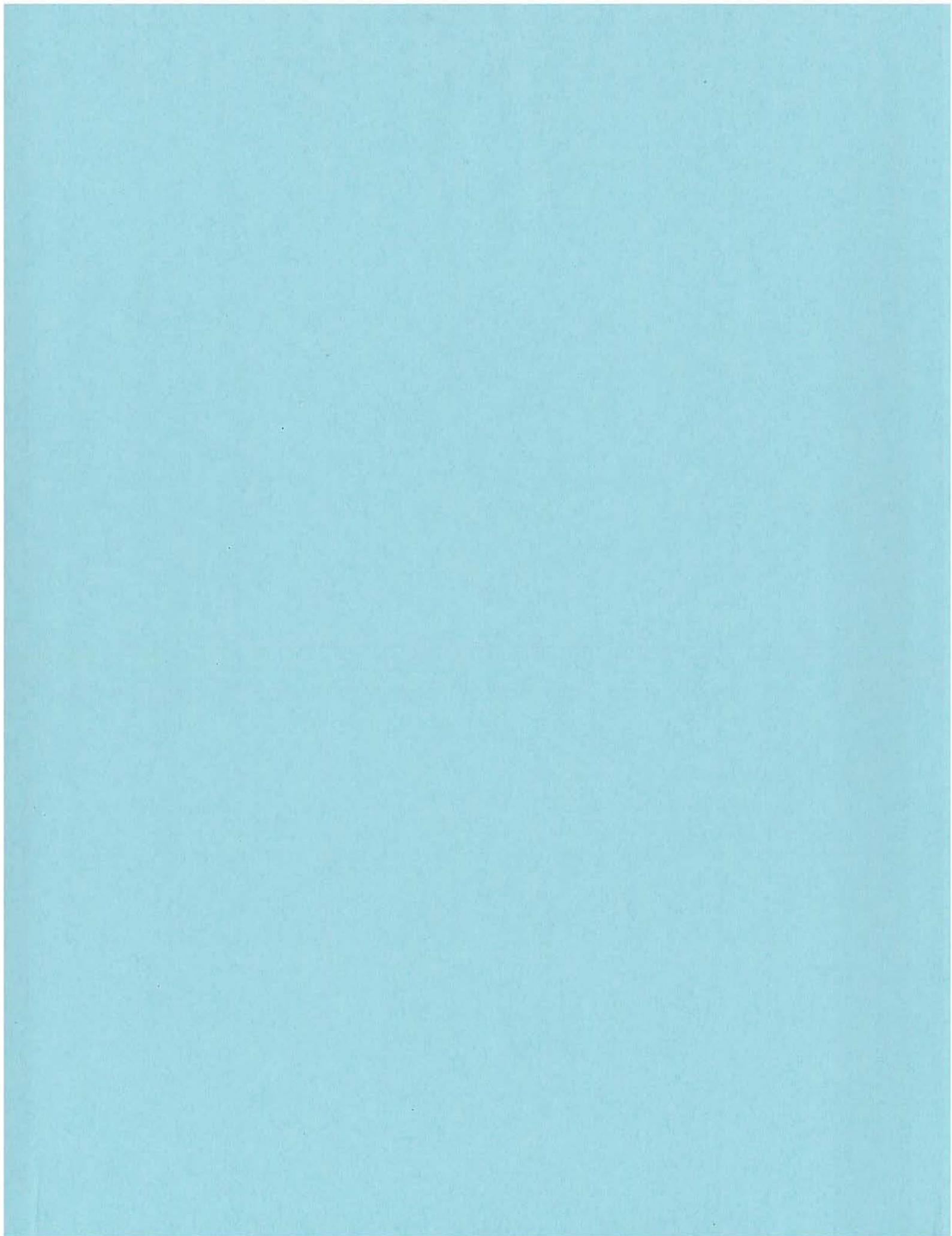




© 2015 Google



SOUTH FORK of CHADWATER
 29 N 7E SEC 27
 LOCATED ON STATE HIGHWAY
 14 BETWEEN MM 39 AND
 40



Kevin Landon
550 Flamingo Road
Shelly Idaho 83274

RECEIVED

AUG 04 2016

DEPARTMENT OF
WATER RESOURCES

July 18th, 2016

Via Certified Mail, RRR# 7015 0640 0004 1770 3771

Idaho Dept, of Water Resources State
Coordinator, Stream Protection Program Attn.
Aaron Golart 322 E. Front St.
P.O. Box 83720 Boise, Idaho 83720-0098

Notice of Appeal and Request for Administrative Hearing

Dear Mr. Golart,

I have received a processed permit from your office of the Idaho Dept, of Water Resources (IDWR) in the last two weeks and hereby give Notice of Appeal and request for administrative hearing. The terms and conditions of the permit are unacceptable and would make it impossible to comply with Federal law and would unduly materially interfere with my commercial operations. The permit terms and conditions as written are incompatible to the federal claims for which I own and exercise. The joint commercial application for which I applied has been unlawfully converted to a "recreational permit" by your office and does violence to my federal mining claims, as I cannot lawfully use a federal mining claim for recreational purposes. See: U.S. v. Bagwell 961 F. 2d 1450.

I also object to the public use of my federal mining claim for uses as a wildlife habitat and a fisheries hatchery to such a degree that I cannot perform the most basic assessment work required by federal law (30 U.S.C. § 28(b)). Your office is approaching this issue as if I must yield to the public needs, rather than the public needs yielding to the mine development needs. The former is not consistent with federal law in contrast to the latter mine development needs. I am certainly agreeable to some level of mitigation so long as I can reasonably agree and still comply with federal law.

Congress gave miners such as I a solution to conflicts that may arise in the event of competing use of the lands in the 1955 Multiple - Surface Use Act. It was best said in U.S. v. Shoemaker 110 IBLA 39 in 1989 (attached) where the court said: "*Federal management must yield to mining as the dominant and primary use. The terms 'endanger' and 'materially interfere' used in subsec. 4(b) of the Surface Resources Act, 30 U.S.C. §612(b) (1982), set forth the standard to be applied to determine whether a specific surface management action must yield to a conflicting legitimate use by a mining claimant. Where there is no evidence that such action endangers the claimant's operations, the question is whether the surface management activity will substantially hinder, impede, or clash with mining operations or a reasonably related use. Like 'other surface resources,' the terms 'endanger' and 'materially interfere' are general. Although the terms are not precise, the legislative history is clear as to their intended effect. In reference to the portion of the statute containing the terms, the House and Senate reports both state:*

This language, carefully developed, emphasizes the committee's insistence that this legislation not have the effect of modifying longstanding essential rights springing from location of a mining claim.

Dominant and primary use of the locations hereafter made, as in the past, would be vested first in the locator; the United States would be authorized to manage and dispose of surface resources, or to use the surface for access to adjacent lands, so long as and to the extent that these activities do not endanger or materially interfere with mining, or related operations or activities on the mining claim " *Emphasis added*

H.R.Rep. No. 730, 84th Cong., 1st Sess. 10, reprinted in 1955 U.S.Code Cong. & Admin.News 2474, 2483; S.Rep. No. 554, 84th Cong., 1st Sess. 8-9.

The court went on to say:

*"The change made by the Surface Resources Act was to create in the United States explicit authority 'to manage and dispose of the vegetative surface resources * * * and to manage other surface resources.' 30 U.S.C. § 612(b) (1982). Previously, Governmental agencies had been unable to do so once a mining claim had been located, even though the locator had only a limited right to use the same resources. See Bruce W Crawford, supra at 365-66, 92 I.D. at 216-17. Congress recognized that there would be instances in which Federal management of the surface resources found on a mining claim would conflict with legitimate use of the surface and surface resources by the claimant. The balance it struck in order to resolve such conflicts was to specify that the authority the statute granted would apply only so long as and to the extent that Federal use of the surface did not "endanger or materially interfere with prospecting, mining or processing operations or uses reasonably incident thereto." 30 U.S.C. § 612(b) (1982); see United States v. Curtis-Nevada Mines, Inc., 611 F.2d at 1283, 1285. When it does, Federal surface management activities must yield to mining as the 'dominant and primary use,' the mineral locator having a first and full right to use the surface and surface resources"*

See also *U.S. v. Lex*, 300 F. Supp. 2d 951 (2003): *"As a result of the Multiple Use Act, owners of unpatented mining claims must comply with government regulation of the surface of their claims, so long as that regulation does not materially interfere with prospecting or mining operations."*

Pursuant to 30 U.S.C § 612(b): Uses by the United States, it's permittees or licensees (such as the IDWR), shall be such as to not hinder, delay, or materially interfere with my mineral-related operations.

The following are specific terms and conditions within your offices permit that are unreasonably interfering in violation of 30 U.S.C. § 612(b) and my ability to comply with mining laws prudent assessment work required under 30 U.S.C. § 28(b):

- 1) Limiting area of prospecting and testing (2-150 ft. areas)
- 2) Limits on date and time of dredging
- 3) Limits fueling to use of funnel - can't monitor amount of fuel in tank while filling
- 4) Replacing boulders in location where they came out - would need to photograph river bed to remember location of rocks
- 5) Checking turbidity 150 ft. downstream while dredging is an impossibility as I can't be in two places at once
- 6) Forcing us to use a fisheries biologist to determine mining assessment work where and when we can dredge - where I have not consented to the delegation of assessment to another person
- 7) I never consented to have my federal mining claim to be used as a fishery - restricting me to seasonal mining in limiting dredge size to a recreational 5" and 15 hp. operation
- 8) Use of a state issued (Recreational) ID card on a Joint Commercial Application - bait and switch
- 9) Requiring us on how close we can operate to each other defying safety concerns and federal mine safety regulations (MSHA) found at 30 CFR parts 56/57/58)
- 10) Requiring us to secure dredge in an unsafe manner so as to not interfere with recreational usage
- 11) Enabling IDWR to cancel permit at any time to stop dredge and assessment work without due process of law in the form of a pre or post deprivation hearing
- 12) The rules and regulations are taken from "recreational" permits and as such are not compatible my commercial request
- 13) No dredging within 2 ft. of a gravel bar or bank where I cannot follow a pay streak - again telling us where to dredge and perform assessment work
- 14) No use of highbankers below high water mark and banning power sluices

- 15) A buffer zone of 300 ft. below perennial stream courses entering the South Fork - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 16) A 100 ft. buffer above these streams entering the South Fork - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 17) No dredging is allowed in the lower half of holes (tail waters) - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 18) In holes designated as "holding areas" no dredging is permitted - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 19) On adjoining claims it restricts the dredging area to a 800 ft. spacing between dredges if both claim holders have permits.
- 20) The IDWR permit system has not received the written approval and performed the coordination with the Elk City Mining District in accordance with 30 U.S.C. § 22.

I am willing to make a good faith effort to comply with your permitting authority. As stated previously, the terms and conditions of the permit are unacceptable and would make it impossible to comply with Federal law and would unduly materially interfere with my commercial operations. The permit terms and conditions, as your office has written, are incompatible to the federal claims for which I own and exercise. The joint commercial application for which I applied has been unlawfully converted to a "recreational permit" by your office and does violence to my federal mining claim, as I cannot lawfully use a federal mining claim for recreational purposes.

If your office does not grant my appeal relief within 30 days I will have no other choice but to withdraw the joint application and commence operations to timely comply with federal law until such time your office's new permit system does not frustrate federal law.

Respectfully submitted.

Kevin Landon



Cc: Elk City Mining District



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

July 8, 2016

Kevin Landon
Muskratt Dredging
550 Flamingo Avenue
Shelly, Idaho 83536

RE: Joint Application for Permits No. S82-20059
South Fork Clearwater River

Dear Mr. Landon:

The Idaho Department of Water Resources (IDWR) has reviewed your above referenced application for a permit to alter the South Fork Clearwater River and has prepared a decision as provided for in Section 42-3805, Idaho Code. The conditions set forth in this permit are intended to prevent degradation of water quality, protect fish and wildlife habitat, and protect the long-term stability of the stream channel. If you cannot meet the conditions set forth in the permit, please contact this office for further consideration.

Project activities include operating a suction dredge on the South Fork Clearwater River to prospect for gold and you may consider this letter a permit to prospect according to your attached application, dated January 27, 2016 including diagrams. The project location is within Sections 27 and 28, Township 29 North, Range 07 East, Boise Meridian, Idaho County, Idaho.

You are responsible for complying with all local, state, and federal permit requirements and/or authorizations prior to operating dredge mining equipment at the location authorized under this permit. This permit does *not* serve in lieu of other permits that may be required by other state or federal agencies. You should contact the appropriate land owner or land management agency to determine if additional permits or authorizations are required.

Failure to adhere to the conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code. This project is subject to the following Special Conditions.

SPECIAL CONDITIONS:

1. This permit does not serve in lieu of other permits that are required by federal or other state government agencies or in any way constitute an exemption of other permit requirements.
2. Suction dredging shall occur only within the wetted perimeter below the Ordinary High Water Mark between July 15 and August 15. Activities which would expand the wetted perimeter (such as stream bank alteration) are not authorized.

3. Prior to dredging, IDWR and a state and/or federal fisheries biologist will inspect the proposed dredge sites to identify acceptable dredge locations to avoid reducing the quality of migratory, spawning and holding habitat for salmonids. No dredging, movement or modification of stream substrate shall occur in areas of suitable salmonid spawning or early rearing habitat, including low velocity backwaters, alcoves and side channels. (Generally, such areas are specific locations rather than extensive stream reaches.)
4. Suction dredges shall have a nozzle diameter of 5 inches or less and a horsepower rating of 15 horsepower or less. Pump intakes (but not dredge nozzles) must be covered with 3/32-inch mesh screen or other appropriate size.
5. IDWR SFCR suction dredge ID card shall be attached to the dredge in a visible location at all times the dredge is located on the SFCR.
6. In-stream mining activities shall only take place during daylight hours.
7. Dredge sites shall consist of a maximum of two (2) separate locations of 150-linear feet each.
8. Any stream substrate moved from its initial location in the channel (in order to reach bedrock) shall be repositioned into its approximate original configuration prior to the end of the dredging season. Permittee shall not move cobble or small boulders to the extent that substantial alterations of the deepest and fastest portion of the stream channel (i.e., the thalweg) persist beyond the end of the dredging season. Dredged or excavated holes shall be back filled before any new holes are excavated.
9. Permittee shall not constrict or dam the stream channel or cause a structural barrier to upstream or downstream fish movement.
10. Dredging shall be excluded in areas within 100 feet upstream and 300 feet downstream of perennial tributaries and shall not hinder fish access to fish-bearing tributary mouths through disturbance, turbidity or modifications of channel depth or substrate arrangement. If an operator proposes to dredge within 100 feet upstream and 300 feet downstream of a perennial tributary it must be determined acceptable by the IDWR and fisheries biologist during site inspection.
11. Dredges shall not operate on gravel bars at the tails of pools. Dredges or other types of mining shall not occur in a manner that fine sediment (sand or silt) covers portions of gravel bars to a depth of more than 0.5 inch.
12. Dredging or other mining activities shall not occur within two (2) feet of stream banks. Permittee shall prevent the undercutting and destabilization of stream banks. Woody debris or boulders that extend from the bank into the channel shall not be disturbed.
13. Discharge from dredges and sluices shall not be directed into the bank in a way that causes disturbance to the bank and associated habitat, deposits sediment against the bank, causes erosion or destruction of the natural form of the channel, undercuts the bank or widens the channel.
14. Permittee shall not remove, relocate, break apart or lessen the stability of substantial in-

channel woody debris or in-stream boulders (greater than 12 inches median diameter) unless it was determined acceptable by the IDWR and fisheries biologist during site inspection.

15. Permittee shall visually monitor the stream for 150 feet downstream of the dredging or sluicing operation. If noticeable turbidity is observed downstream, the operation must cease immediately or decrease in intensity until no increase in turbidity is observed 150 feet downstream.

16. No mechanized equipment shall be operated below the mean high water mark except for the suction dredge, sluice or pump itself and any life support system necessary to operate a suction dredge.

17. Operators must maintain a minimum spacing of at least 800 linear feet of stream channel between active mining operations.

18. All fuel, oil and other hazardous materials shall be stored outside of the stream channel. Permittee shall not operate any equipment that leaks fuel, hydraulic fluid or other pollutants. Permittee shall use a funnel when pouring fuel and place absorbent material, sufficient to absorb a spill, under and around the fuel tank. A petroleum absorbent spill kit shall be onsite in case of accidental spills and no petroleum products shall enter the stream when servicing the equipment.

19. Permittee shall not entrain, mobilize or disperse any mercury discovered during mining operations. Permittee shall not use mercury, cyanide or any other hazardous or refined substance to recover or concentrate gold.

20. To prevent the threat of aquatic invasive species, suction dredges, tools used while dredging and associated equipment shall be thoroughly cleaned and dried at least 5 days prior to use in the SFCR.

21. Dredge shall not be operated within 500 feet of a developed campground.

22. Dredge shall be secured without stringing ropes, wires, chain, etc. across the stream channel that could be a hazard to boaters or other recreationalists.

23. This permit does not constitute
a. An easement or right-of-way to trespass or work upon property or mining claims belonging to others.
b. Responsibility of the IDWR for damage to any properties due to operations of permittee.

24. This permit may be canceled at any time to minimize adverse impact on the stream channel.

25. This permit shall expire August 15, 2016.

Conditions and construction procedures approved under this permit may not coincide with the proposal as submitted. Failure to adhere to conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code.

If you object to the decision issuing this permit with the above conditions, you have 15 days in which to notify this office in writing that you request a formal hearing on the matter. If an objection has not been received within 15 days, the decision will be final under the provisions of IDAPA 37.03.07 (Rule 70).

Please contact Aaron Golart 208-287-4941 or aaron.golart@idwr.idaho.gov if you have any questions regarding this matter.

Sincerely,



Aaron Golart
State Coordinator
Stream Protection Program

cc: Jerry Zumalt, Idaho County, Grangeville
John Cardwell, Idaho Department of Environmental Quality, Lewiston
Ray Hennekey, Idaho Department of Fish and Game, Lewiston
Zoanne Anderson, Idaho Department of Lands, Kamiah
Eric Davis, Idaho Department of Water Resources, Coeur D'Alene
Clint Hughes, Nez Perce-Clearwater National Forest, Grangeville
Dan Kenney, Nez Perce-Clearwater National Forest, Orofino
Greg Martinez, US Army Corps of Engineers, Boise
Tracy DeGering, US Environmental Protection Agency, Boise

RECEIVED

JAN 29 2016

JOINT APPLICATION FOR PERMITS

U.S. ARMY CORPS OF ENGINEERS - IDAHO DEPARTMENT OF WATER RESOURCES - IDAHO DEPARTMENT OF LANDS

Authorities: The Department of Army Corps of Engineers (Corps), Idaho Department of Water Resources (IDWR), and Idaho Department of Lands (IDL) established a joint process for activities impacting jurisdictional waterways that require review and/or approval of both the Corps and State of Idaho. Department of Army permits are required by Section 10 of the Rivers & Harbors Act of 1899 for any structure(s) or work in or affecting navigable waters of the United States and by Section 404 of the Clean Water Act for the discharge of dredged or fill materials into waters of the United States, including adjacent wetlands. State permits are required under the State of Idaho, Stream Protection Act (Title 42, Chapter 38, Idaho Code and Lake Protection Act (Section 58, Chapter 13 of seq., Idaho Code). In addition the information will be used to determine compliance with Section 401 of the Clean Water Act by the appropriate State, Tribal or Federal entity.

Joint Application: Information provided on this application will be used in evaluating the proposed activities. Disclosure of requested information is voluntary. Failure to supply the requested information may delay processing and issuance of the appropriate permit or authorization. Applicant will need to send a completed application, along with one (1) set of legible, black and white (8 1/2"x11"), reproducible drawings that illustrate the location and character of the proposed project / activities to both the Corps and the State of Idaho.

See **Instruction Guide** for assistance with Application. Accurate submission of requested information can prevent delays in reviewing and permitting your application. Drawings including vicinity maps, plan-view and section-view drawings must be submitted on 8-1/2 x 11 papers.

Do not start work until you have received all required permits from both the Corps and the State of Idaho

USACE NWW-	Date Received:	<input type="checkbox"/> Incomplete Application Returned	Date Returned:
Idaho Department of Water Resources No. <u>SB2-20059</u>	Date Received: <u>1-29-2016</u>	<input checked="" type="checkbox"/> Fee Received DATE: <u>1-29-2016</u>	Receipt No.: <u>EO41785</u>
Idaho Department of Lands No.	Date Received:	<input type="checkbox"/> Fee Received DATE:	Receipt No.:
INCOMPLETE APPLICANTS MAY NOT BE PROCESSED			
1. CONTACT INFORMATION - APPLICANT Required:		2. CONTACT INFORMATION - AGENT:	
Name: Kevin Landon		Name:	
Company: Muskrat Dredging		Company:	
Mailing Address: 550 Flamingo Ave.		Mailing Address:	
City: Stobley	State: ID	Zip Code: 83274	City: State: Zip Code:
Phone Number (include area code): (208) 589-0146	E-mail: landoncc@yahoo.com	Phone Number (include area code):	E-mail:
3. PROJECT NAME or TITLE: Muskrat dredging		4. PROJECT STREET ADDRESS:	
5. PROJECT COUNTY: Idaho	6. PROJECT CITY: Approximately 9 miles west of Elk City	7. PROJECT ZIP CODE: 83525	8. NEAREST WATERWAY/WATERBODY: South Fork of Clear Water River
9. TAX PARCEL ID: N/A	10. LATITUDE: 45 49'36.47"N LONGITUDE: 115 34'57.32"W	11a. WK: NW 11b. W: NE 11c. SECTION: 27, 28	11d. TOWNSHIP: 29 N 11e. RANGE: 07 E
12a. ESTIMATED START DATE: 1/1/2016	12b. ESTIMATED END DATE: 3/1/2016	13a. IS PROJECT LOCATED WITHIN ESTABLISHED TRIBAL RESERVATION BOUNDARIES? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES Title:	
13b. IS PROJECT LOCATED IN LISTED ESA AREA? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES		13c. IS PROJECT LOCATED ON/NEAR HISTORICAL SITE? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	
14. DIRECTIONS TO PROJECT SITE: Include vicinity map with legible crossroads, street numbers, names, landmarks. Head up highway 14 from Grangeville towards Elk City ID to Approximately mile marker 38.			
15. PURPOSE and NEED: <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Public <input checked="" type="checkbox"/> Private <input type="checkbox"/> Other Describe the reason or purpose of your project; include a brief description of the overall project. Continue to Block 16 to detail each work activity and overall project. To be able to perform maintenance work and to dredge my claim to extract the precious metals and minerals from my claim Muskrat # 1 located on the South Fork of the clear water river and to explore and test to find the pay streak.			

#1 Donor of dreds
#2 By his tree

SCANNED
APR 20 2016

16. DETAILED DESCRIPTION OF EACH ACTIVITY WITHIN OVERALL PROJECT. Specifically indicate portions that take place within waters of the United States, including wetlands: include dimensions; equipment, construction, methods; erosion, sediment and turbidity controls; hydrological changes: general stream/surface water flows, estimated winter/summer flows; borrow sources, disposal locations etc:

I will be using a 5" suction dredge powered by a 9 1/2 hp motor to dredge my claim. I will be dredging material to remove precious minerals and to test for the pay streak on the claim.

17. DESCRIBE ALTERNATIVES CONSIDERED to AVOID or MEASURES TAKEN to MINIMIZE and/or COMPENSATE for IMPACTS to WATERS of the UNITED STATES, INCLUDING WETLANDS: See Instruction Guide for specific details.

I will not be disturbing the banks of the river and will monitor the turbidity. Will not dredge where redds are present in the water and will be using a 5" dredge with a 9 1/2 hp motor.

18. PROPOSED MITIGATION STATEMENT or PLAN: If you believe a mitigation plan is not needed, provide a statement and your reasoning why a mitigation plan is NOT required. Or, attach a copy of your proposed mitigation plan.

I plan to replace all big boulders to establish a firm river bed and the river will naturally replace the fine tailings by natural run off in the spring.

19. TYPE and QUANTITY of MATERIAL(S) to be discharged below the ordinary high water mark and/or wetlands:

Dirt or Topsoil: _____ cubic yards
 Dredged Material: 175 cubic yards
 Clean Sand: _____ cubic yards
 Clay: _____ cubic yards
 Gravel, Rock, or Stone: _____ cubic yards
 Concrete: _____ cubic yards
 Other (describe): Dredged material : _____ cubic yards
is never not discharged in water
 Other (describe): _____ cubic yards

TOTAL: 175 cubic yards

20. TYPE and QUANTITY of impacts to waters of the United States, including wetlands:

Filling: _____ acres _____ sq ft. _____ cubic yards
 Backfill & Bedding: _____ acres _____ sq ft. _____ cubic yards
 Land Clearing: _____ acres _____ sq ft. _____ cubic yards
 Dredging: 20 acres 1500 sq ft. 175 cubic yards
 Flooding: _____ acres _____ sq ft. _____ cubic yards
 Excavation: _____ acres _____ sq ft. _____ cubic yards
 Draining: _____ acres _____ sq ft. _____ cubic yards
 Other _____ : _____ acres _____ sq ft. _____ cubic yards

TOTALS: 20 acres 1500 sq ft. 175 cubic yards

21. HAVE ANY WORK ACTIVITIES STARTED ON THIS PROJECT? NO YES If yes, describe ALL work that has occurred including dates.

22. LIST ALL PREVIOUSLY ISSUED PERMIT AUTHORIZATIONS:
N/A

23. YES, Alteration(s) are located on Public Trust Lands, Administered by Idaho Department of Lands

24. SIZE AND FLOW CAPACITY OF BRIDGE/CULVERT and DRAINAGE AREA SERVED: _____ Square Miles

25. IS PROJECT LOCATED IN A MAPPED FLOODWAY? NO YES If yes, contact the floodplain administrator in the local government jurisdiction in which the project is located. A Floodplain Development permit and a No-rise Certification may be required.

25a. WATER QUALITY CERTIFICATION: Pursuant to the Clean Water Act, anyone who wishes to discharge dredge or fill material into the waters of the United States, either on private or public property, must obtain a Section 401 Water Quality Certification (WQC) from the appropriate water quality certifying government entity. See Instruction Guide for further clarification and all contact information.

The following information is requested by IDEQ and/or EPA concerning the proposed impacts to water quality and anti-degradation:

NO YES Is applicant willing to assume that the affected waterbody is high quality?
 NO YES Does applicant have water quality data relevant to determining whether the affected waterbody is high quality or not?
 NO YES Is the applicant willing to collect the data needed to determine whether the affected waterbody is high quality or not?

25b. BEST MANAGEMENT PRACTICES (BMPs): List the Best Management Practices and describe these practices that you will use to minimize impacts on water quality and anti-degradation of water quality. All feasible alternatives should be considered - treatment or otherwise. Select an alternative which will minimize degrading water quality

A 5" suction dredge does not cause a significant water turbidity or cause damage to the fish habitat. I will be checking the turbidity from the dredge to make sure that it does not exceed 50 mg/L. I will make sure I don't dredge into the banks and I will replace any boulders that I move to make and establish a good firm stable river bed and the finer tailings will be replaced by the river during spring run off.

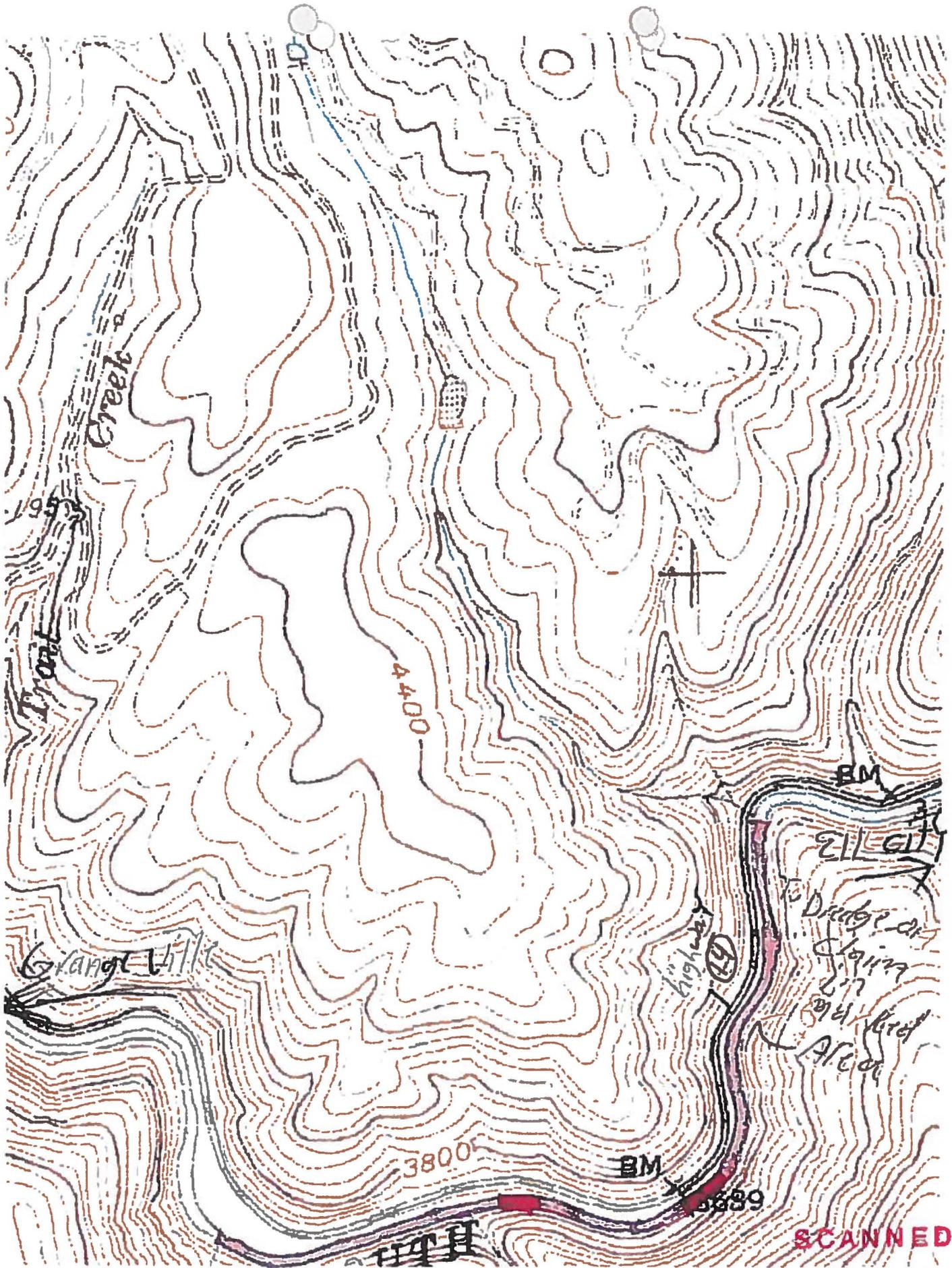
Through the 401 Certification process, water quality certification will stipulate minimum management practices needed to prevent degradation.

27. LIST EACH IMPACT to stream, river, lake, reservoir, including shoreline: Attach site map with each impact location.

Activity	Name of Water Body	Intermittent Potential	Description of Impact and Dimensions	Impact Length Linear Feet
dredging	South Fork Clear water river		test holes & exploration	2500
TOTAL STREAM IMPACTS (Linear Feet):				

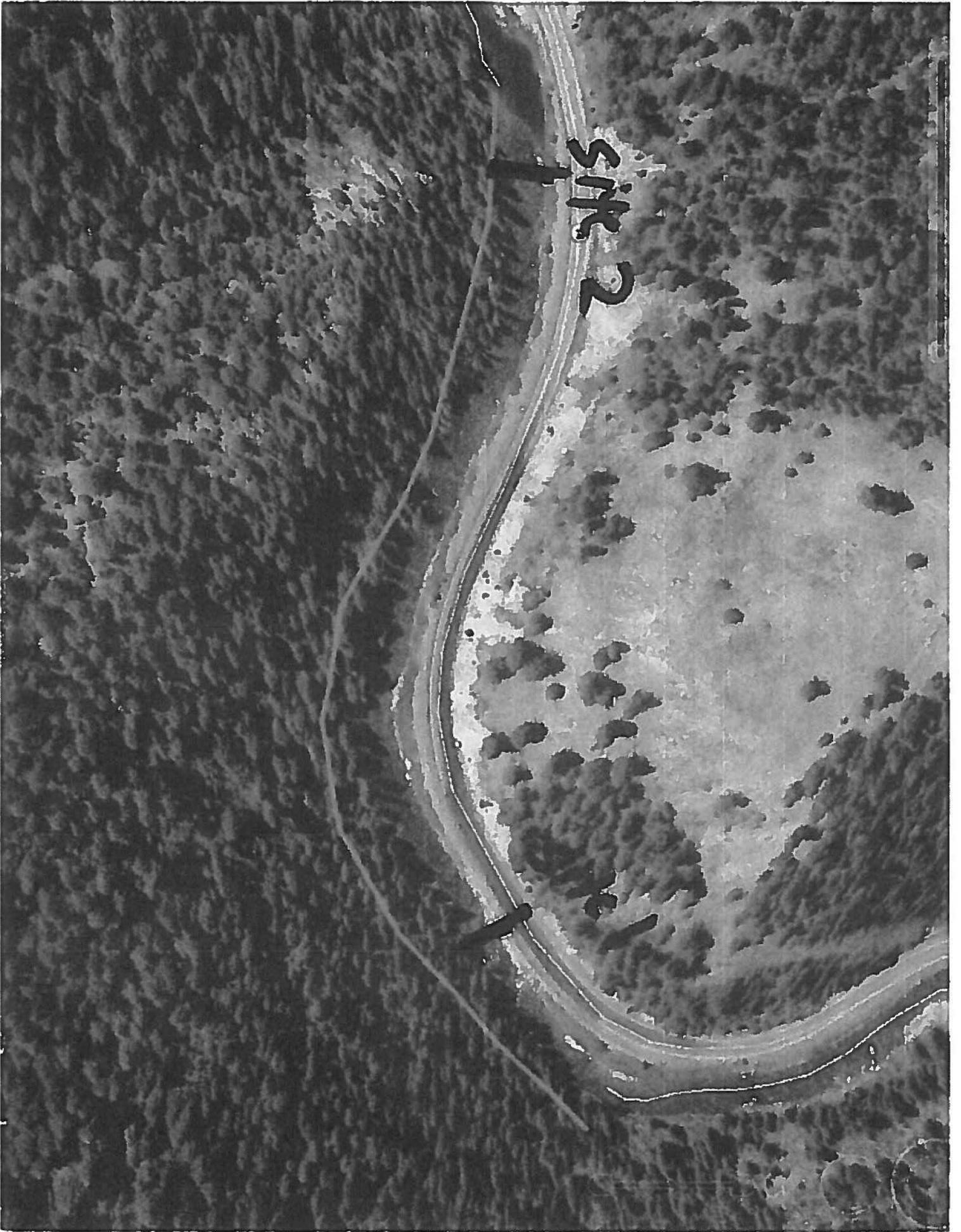
28. LIST EACH WETLAND IMPACT include mechanized clearing, fill, excavation, food, drainage, etc. Attach site map with each impact location.

Activity	Wetland Type: Emergent, Forested, Scrub/Shrub	Distance to Water Body (Linear ft)	Description of Impact Purpose: road crossing, compound, culvert, etc.	Impact Length (acres, square ft linear ft)
N/A				
TOTAL WETLAND IMPACTS (Square Feet):				



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APR 20 2016

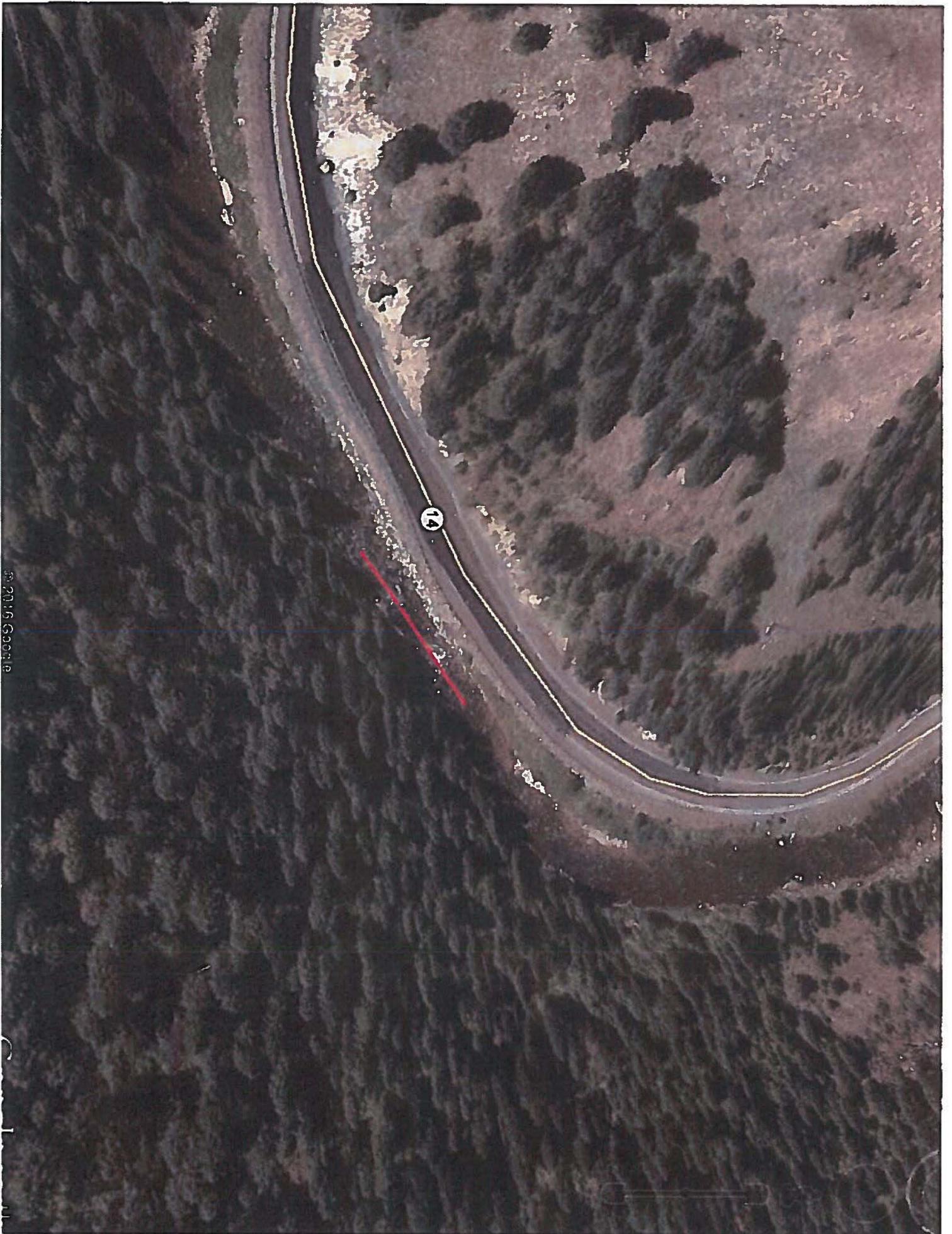


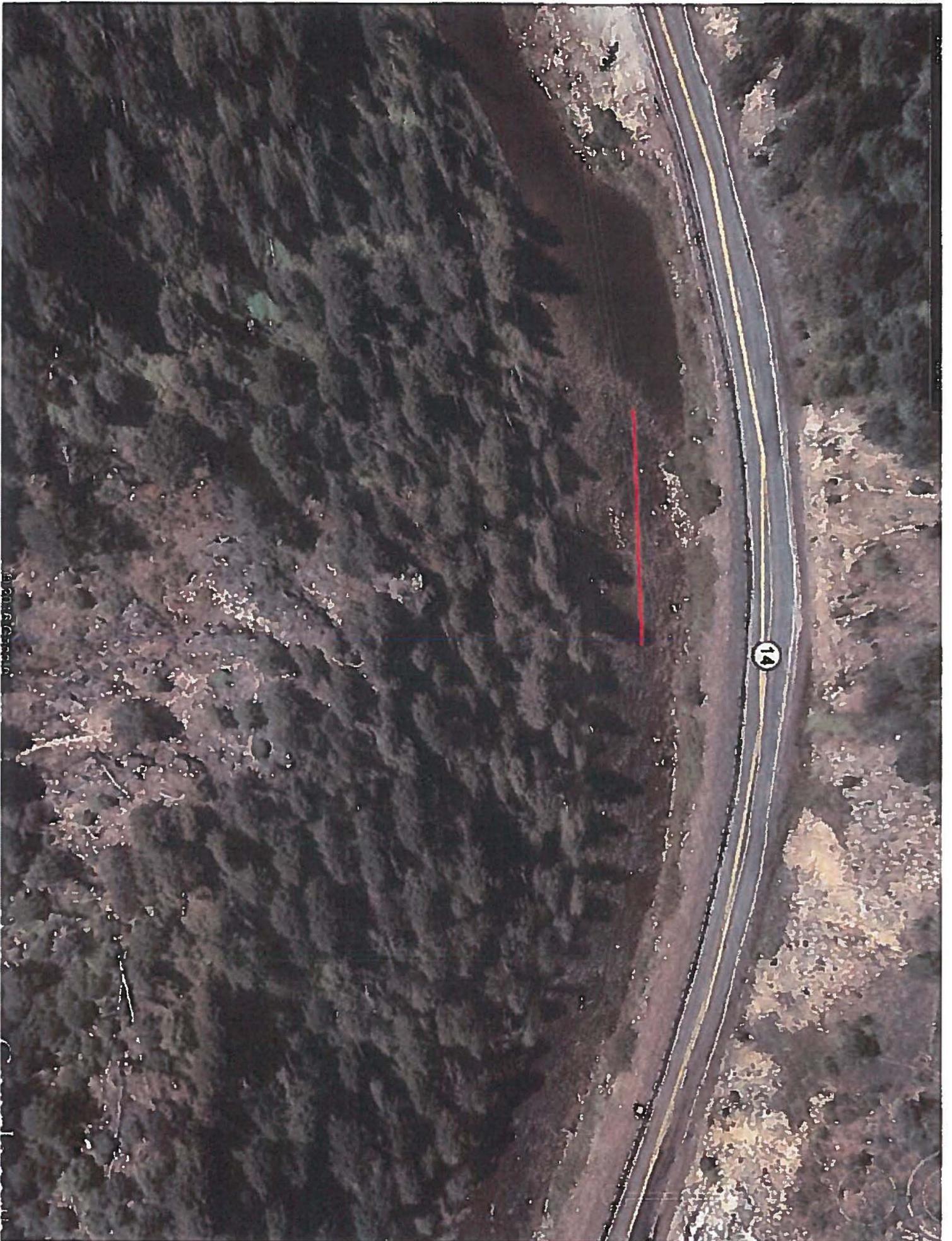
SITE 2

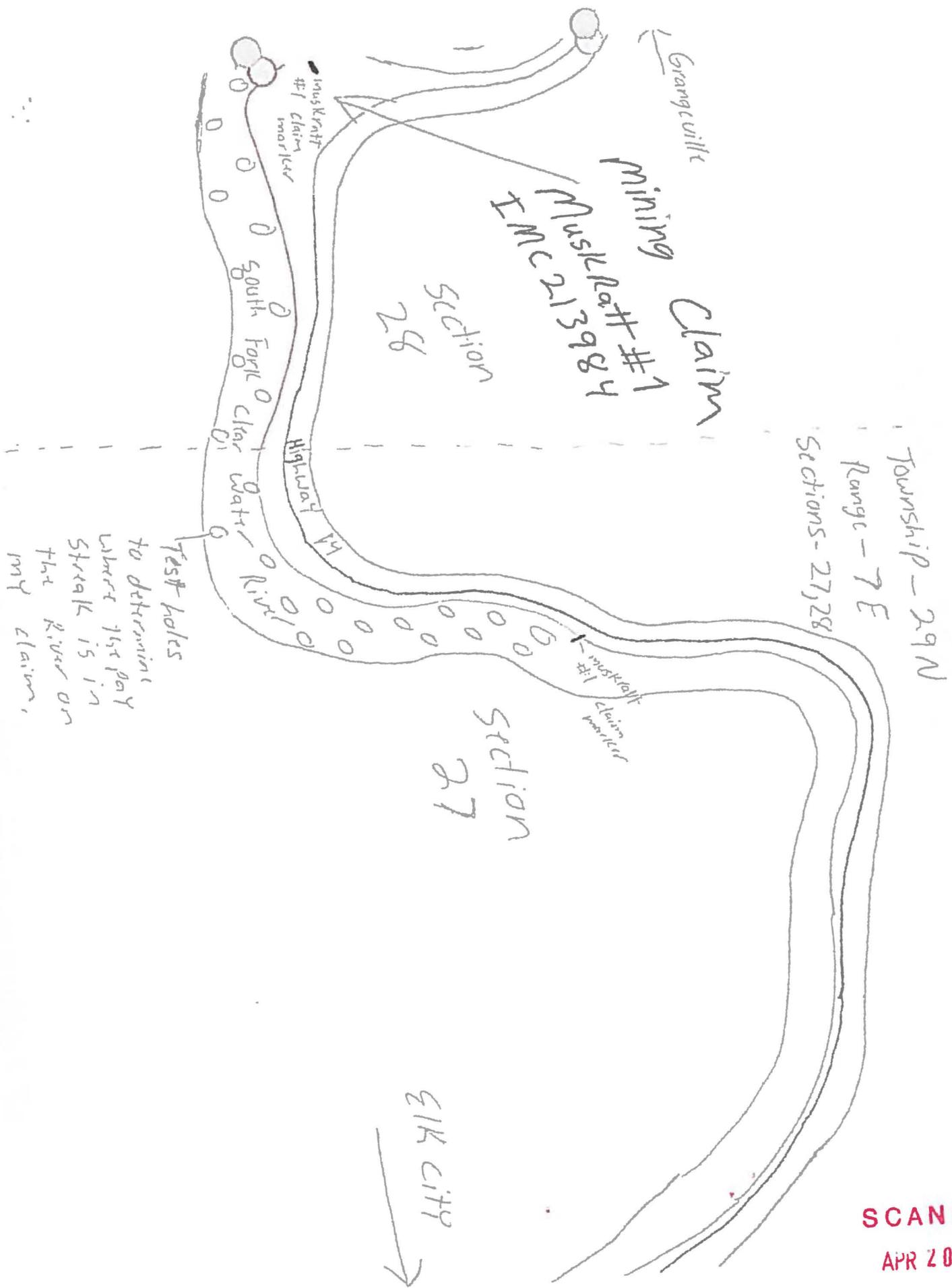




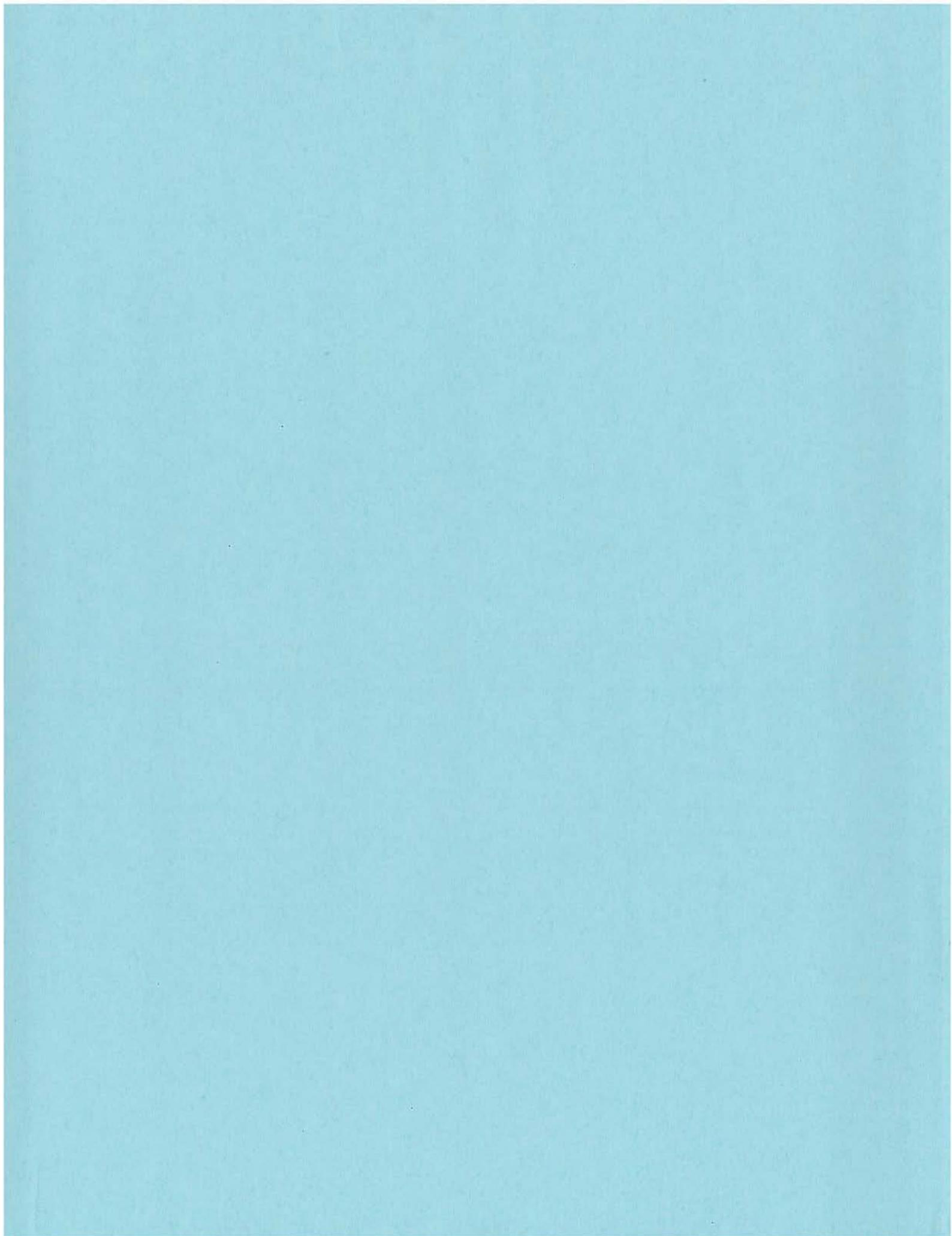
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SCANNED
 APR 20 2016



Tark Meyer
PO Box 681
Grangeville, Idaho 83530

RECEIVED

JUL 26 2016

DEPARTMENT OF
WATER RESOURCES

July 22nd, 2016

Via Certified Mail, RRR# 7013 2650 0000 5524 1627

Idaho Dept, of Water Resources State
Coordinator, Stream Protection Program Attn.
Aaron Golart 322 E. Front St.
P.O. Box 83720 Boise, Idaho 83720-0098

Notice of Appeal and Request for Administrative Hearing

Dear Mr. Golart,

I have received a processed permit from your office of the Idaho Dept, of Water Resources (IDWR) in the last two weeks and hereby give Notice of Appeal and request for administrative hearing. The terms and conditions of the permit are unacceptable and would make it impossible to comply with Federal law and would unduly materially interfere with my commercial operations. The permit terms and conditions as written are incompatible to the federal claims for which I own and exercise. The joint commercial application for which I applied has been unlawfully converted to a "recreational permit" by your office and does violence to my federal mining claims, as I cannot lawfully use a federal mining claim for recreational purposes. See: U.S. v. Bagwell 961 F. 2d 1450.

I also object to the public use of my federal mining claim for uses as a wildlife habitat and a fisheries hatchery to such a degree that I cannot perform the most basic assessment work required by federal law (30 U.S.C. § 28(b)). Your office is approaching this issue as if I must yield to the public needs, rather than the public needs yielding to the mine development needs. The former is not consistent with federal law in contrast to the latter mine development needs. I am certainly agreeable to some level of mitigation so long as I can reasonably agree and still comply with federal law.

Congress gave miners such as I a solution to conflicts that may arise in the event of competing use of the lands in the 1955 Multiple - Surface Use Act. It was best said in U.S. v. Shoemaker 110 IBLA 39 in 1989 (attached) where the court said: "*Federal management must yield to mining as the dominant and primary use. The terms 'endanger' and 'materially interfere' used in subsec. 4(b) of the Surface Resources Act, 30 U.S.C. §612(b) (1982), set forth the standard to be applied to determine whether a specific surface management action must yield to a conflicting legitimate use by a mining claimant. Where there is no evidence that such action endangers the claimant's operations, the question is whether the surface management activity will substantially hinder, impede, or clash with mining operations or a reasonably related use. Like 'other surface resources,' the terms 'endanger' and 'materially interfere' are general. Although the terms are not precise, the legislative history is clear as to their intended effect. In reference to the portion of the statute containing the terms, the House and Senate reports both state:*

This language, carefully developed, emphasizes the committee's insistence that this legislation not have the effect of modifying longstanding essential rights springing from location of a mining claim.

Dominant and primary use of the locations hereafter made, as in the past, would be vested first in the locator; the United States would be authorized to manage and dispose of surface resources, or to use the surface for access to adjacent lands, so long as and to the extent that these activities do not endanger or materially interfere with mining, or related operations or activities on the mining claim" *Emphasis added*

H.R. Rep. No. 730, 84th Cong., 1st Sess. 10, reprinted in 1955 U.S. Code Cong. & Admin. News 2474, 2483; S. Rep. No. 554, 84th Cong., 1st Sess. 8-9.

The court went on to say:

*"The change made by the Surface Resources Act was to create in the United States explicit authority 'to manage and dispose of the vegetative surface resources * * * and to manage other surface resources.' 30 U.S.C. § 612(b) (1982). Previously, Governmental agencies had been unable to do so once a mining claim had been located, even though the locator had only a limited right to use the same resources. See Bruce W Crawford, supra at 365-66, 92 I.D. at 216-17. Congress recognized that there would be instances in which Federal management of the surface resources found on a mining claim would conflict with legitimate use of the surface and surface resources by the claimant. The balance it struck in order to resolve such conflicts was to specify that the authority the statute granted would apply only so long as and to the extent that Federal use of the surface did not "endanger or materially interfere with prospecting, mining or processing operations or uses reasonably incident thereto." 30 U.S.C. § 612(b) (1982); see United States v. Curtis-Nevada Mines, Inc., 611 F.2d at 1283, 1285. When it does, Federal surface management activities must yield to mining as the 'dominant and primary use, ' the mineral locator having a first and full right to use the surface and surface resources"*

See also *U.S. v. Lex*, 300 F. Supp. 2d 951 (2003): "As a result of the Multiple Use Act, owners of unpatented mining claims must comply with government regulation of the surface of their claims, so long as that regulation does not materially interfere with prospecting or mining operations."

Pursuant to 30 U.S.C § 612(b): Uses by the United States, its permittees or licensees (such as the IDWR), shall be such as to not hinder, delay, or materially interfere with my mineral-related operations.

The following are specific terms and conditions within your offices permit that are unreasonably interfering in violation of 30 U.S.C. § 612(b) and my ability to comply with mining laws prudent assessment work required under 30 U.S.C. § 28(b):

- 1) Limiting area of prospecting and testing (2-150 ft. areas)
- 2) Limits on date and time of dredging
- 3) Limits fueling to use of funnel - can't monitor amount of fuel in tank while filling
- 4) Replacing boulders in location where they came out - would need to photograph river bed to remember location of rocks
- 5) Checking turbidity 150 ft. downstream while dredging is an impossibility as I can't be in two places at once
- 6) Forcing us to use a fisheries biologist to determine mining assessment work where and when we can dredge - where I have not consented to the delegation of assessment to another person
- 7) I never consented to have my federal mining claim to be used as a fishery - restricting me to seasonal mining in limiting dredge size to a recreational 5" and 15 hp. operation
- 8) Use of a state issued (Recreational) ID card on a Joint Commercial Application - bait and switch
- 9) Requiring us on how close we can operate to each other defying safety concerns and federal mine safety regulations (MSHA) found at 30 CFR parts 56/57/58)
- 10) Requiring us to secure dredge in an unsafe manner so as to not interfere with recreational usage
- 11) Enabling IDWR to cancel permit at any time to stop dredge and assessment work without due process of law in the form of a pre or post deprivation hearing
- 12) The rules and regulations are taken from "recreational" permits and as such are not compatible my commercial request
- 13) No dredging within 2 ft. of a gravel bar or bank where I cannot follow a pay streak - again telling us where to dredge and perform assessment work
- 14) No use of highbankers below high water mark and banning power sluices

- 15) A buffer zone of 300 ft. below perennial stream courses entering the South Fork - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 16) A 100 ft. buffer above these streams entering the South Fork - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 17) No dredging is allowed in the lower half of holes (tail waters) - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 18) In holes designated as "holding areas" no dredging is permitted - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 19) On adjoining claims it restricts the dredging area to a 800 ft. spacing between dredges if both claim holders have permits.
- 20) The IDWR permit system has not received the written approval and performed the coordination with the Elk City Mining District in accordance with 30 U.S.C. § 22.

I am willing to make a good faith effort to comply with your permitting authority. As stated previously, the terms and conditions of the permit are unacceptable and would make it impossible to comply with Federal law and would unduly materially interfere with my commercial operations. The permit terms and conditions, as your office has written, are incompatible to the federal claims for which I own and exercise. The joint commercial application for which I applied has been unlawfully converted to a "recreational permit" by your office and does violence to my federal mining claim, as I cannot lawfully use a federal mining claim for recreational purposes.

If your office does not grant my appeal relief within 30 days I will have no other choice but to withdraw the joint application and commence operations to timely comply with federal law until such time your office's new permit system does not frustrate federal law.

Respectfully submitted.



Tark Meyer

Cc: Elk City Mining District



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

July 10, 2016

Tark H. Meyer
514 North A Street
Grangeville, Idaho 83530

RE: Joint Application for Permits No. S82-20058
South Fork Clearwater River

Dear Mr. Meyer:

The Idaho Department of Water Resources (IDWR) has reviewed your above referenced application for a permit to alter the South Fork Clearwater River and has prepared a decision as provided for in Section 42-3805, Idaho Code. The conditions set forth in this permit are intended to prevent degradation of water quality, protect fish and wildlife habitat, and protect the long-term stability of the stream channel. If you cannot meet the conditions set forth in the permit, please contact this office for further consideration.

Project activities include operating a suction dredge on the South Fork Clearwater River to prospect for gold and you may consider this letter a permit to prospect according to your attached application, dated January 12, 2016 including diagrams. The project location is within Section 30, Township 29 North, Range 05 East, Boise Meridian, Idaho County, Idaho.

You are responsible for complying with all local, state, and federal permit requirements and/or authorizations prior to operating dredge mining equipment at the location authorized under this permit. This permit does *not* serve in lieu of other permits that may be required by other state or federal agencies. You should contact the appropriate land owner or land management agency to determine if additional permits or authorizations are required.

Failure to adhere to the conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code. This project is subject to the following Special Conditions.

SPECIAL CONDITIONS:

1. This permit does not serve in lieu of other permits that are required by federal or other state government agencies or in any way constitute an exemption of other permit requirements.
2. Suction dredging shall occur only within the wetted perimeter below the Ordinary High Water Mark between July 15 and August 15. Activities which would expand the wetted perimeter (such as stream bank alteration) are not authorized.
3. Prior to dredging, IDWR and a state and/or federal fisheries biologist will inspect the

proposed dredge sites to identify acceptable dredge locations to avoid reducing the quality of migratory, spawning and holding habitat for salmonids. No dredging, movement or modification of stream substrate shall occur in areas of suitable salmonid spawning or early rearing habitat, including low velocity backwaters, alcoves and side channels. (Generally, such areas are specific locations rather than extensive stream reaches.)

4. Suction dredges shall have a nozzle diameter of 5 inches or less and a horsepower rating of 15 horsepower or less. Pump intakes (but not dredge nozzles) must be covered with 3/32-inch mesh screen or other appropriate size.

5. IDWR SFCR suction dredge ID card shall be attached to the dredge in a visible location at all times the dredge is located on the SFCR.

6. In-stream mining activities shall only take place during daylight hours.

7. Dredge sites shall consist of a maximum of two (2) separate locations of 150-linear feet each.

8. Any stream substrate moved from its initial location in the channel (in order to reach bedrock) shall be repositioned into its approximate original configuration prior to the end of the dredging season. Permittee shall not move cobble or small boulders to the extent that substantial alterations of the deepest and fastest portion of the stream channel (i.e., the thalweg) persist beyond the end of the dredging season. Dredged or excavated holes shall be back filled before any new holes are excavated.

9. Permittee shall not constrict or dam the stream channel or cause a structural barrier to upstream or downstream fish movement.

10. Dredging shall be excluded in areas within 100 feet upstream and 300 feet downstream of perennial tributaries and shall not hinder fish access to fish-bearing tributary mouths through disturbance, turbidity or modifications of channel depth or substrate arrangement. If an operator proposes to dredge within 100 feet upstream and 300 feet downstream of a perennial tributary it must be determined acceptable by the IDWR and fisheries biologist during site inspection.

11. Dredges shall not operate on gravel bars at the tails of pools. Dredges or other types of mining shall not occur in a manner that fine sediment (sand or silt) covers portions of gravel bars to a depth of more than 0.5 inch.

12. Dredging or other mining activities shall not occur within two (2) feet of stream banks. Permittee shall prevent the undercutting and destabilization of stream banks. Woody debris or boulders that extend from the bank into the channel shall not be disturbed.

13. Discharge from dredges and sluices shall not be directed into the bank in a way that causes disturbance to the bank and associated habitat, deposits sediment against the bank, causes erosion or destruction of the natural form of the channel, undercuts the bank or widens the channel.

14. Permittee shall not remove, relocate, break apart or lessen the stability of substantial in-channel woody debris or in-stream boulders (greater than 12 inches median diameter) unless it

was determined acceptable by the IDWR and fisheries biologist during site inspection.

15. Permittee shall visually monitor the stream for 150 feet downstream of the dredging or sluicing operation. If noticeable turbidity is observed downstream, the operation must cease immediately or decrease in intensity until no increase in turbidity is observed 150 feet downstream.
16. No mechanized equipment shall be operated below the mean high water mark except for the suction dredge, sluice or pump itself and any life support system necessary to operate a suction dredge.
17. Operators must maintain a minimum spacing of at least 800 linear feet of stream channel between active mining operations.
18. All fuel, oil and other hazardous materials shall be stored outside of the stream channel. Permittee shall not operate any equipment that leaks fuel, hydraulic fluid or other pollutants. Permittee shall use a funnel when pouring fuel and place absorbent material, sufficient to absorb a spill, under and around the fuel tank. A petroleum absorbent spill kit shall be onsite in case of accidental spills and no petroleum products shall enter the stream when servicing the equipment.
19. Permittee shall not entrain, mobilize or disperse any mercury discovered during mining operations. Permittee shall not use mercury, cyanide or any other hazardous or refined substance to recover or concentrate gold.
20. To prevent the threat of aquatic invasive species, suction dredges, tools used while dredging and associated equipment shall be thoroughly cleaned and dried at least 5 days prior to use in the SFCR.
21. Dredge shall not be operated within 500 feet of a developed campground.
22. Dredge shall be secured without stringing ropes, wires, chain, etc. across the stream channel that could be a hazard to boaters or other recreationalists.
23. This permit does not constitute
 - a. An easement or right-of-way to trespass or work upon property or mining claims belonging to others.
 - b. Responsibility of the IDWR for damage to any properties due to operations of permittee.
24. This permit may be canceled at any time to minimize adverse impact on the stream channel.
25. This permit shall expire August 15, 2016.

Conditions and construction procedures approved under this permit may not coincide with the proposal as submitted. Failure to adhere to conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code.

If you object to the decision issuing this permit with the above conditions, you have 15 days in which to notify this office in writing that you request a formal hearing on the matter. If an

objection has not been received within 15 days, the decision will be final under the provisions of IDAPA 37.03.07 (Rule 70).

Please contact Aaron Golart 208-287-4941 or aaron.golart@idwr.idaho.gov if you have any questions regarding this matter.

Sincerely,



Aaron Golart
State Coordinator
Stream Protection Program

cc: Jerry Zumalt, Idaho County, Grangeville
John Cardwell, Idaho Department of Environmental Quality, Lewiston
Ray Hennekey, Idaho Department of Fish and Game, Lewiston
Zoanne Anderson, Idaho Department of Lands, Kamiah
Eric Davis, Idaho Department of Water Resources, Coeur D'Alene
Clint Hughes, Nez Perce-Clearwater National Forest, Grangeville
Dan Kenney, Nez Perce-Clearwater National Forest, Orofino
Greg Martinez, US Army Corps of Engineers, Boise
Tracy DeGering, US Environmental Protection Agency, Boise



Meyer (SFCR #S82-20058)
Approximate Location of
Site 1 (150 linear feet)



JDWR Image 6/2016

Meyer (SFCCR #S82-20058)
Approximate Location of
Site 2 (150 linear feet)

JOINT APPLICATION FOR PERMITS

RECEIVED
JAN 19 2016

U.S. ARMY CORPS OF ENGINEERS - IDAHO DEPARTMENT OF WATER RESOURCES - IDAHO DEPARTMENT OF LANDS

Authorities: The Department of Army Corps of Engineers (Corps), Idaho Department of Water Resources (IDWR), and Idaho Department of Lands (IDL) established a joint process for activities impacting jurisdictional waterways that require review and/or approval of both the Corps and State of Idaho. Department of Army permits are required by Section 10 of the Rivers & Harbors Act of 1899 for any structure(s) or work in or affecting navigable waters of the United States and by Section 404 of the Clean Water Act for the discharge of dredged or fill materials into waters of the United States, including adjacent wetlands. State permits are required under the State of Idaho, Stream Protection Act (Title 42, Chapter 38, Idaho Code and Lake Protection Act (Section 58, Chapter 13 et seq., Idaho Code). In addition the information will be used to determine compliance with Section 401 of the Clean Water Act by the appropriate State, Tribal or Federal entity.

Joint Application: Information provided on this application will be used in evaluating the proposed activities. Disclosure of requested information is voluntary. Failure to supply the requested information may delay processing and issuance of the appropriate permit or authorization. Applicant will need to send a completed application, along with one (1) set of legible, black and white (8 1/2"x11"), reproducible drawings that illustrate the location and character of the proposed project / activities to both the Corps and the State of Idaho.

See Instruction Guide for assistance with Application. Accurate submission of requested information can prevent delays in reviewing and permitting your application. Drawings including vicinity maps, plan-view and section-view drawings must be submitted on 8-1/2 x 11 papers.

Do not start work until you have received all required permits from both the Corps and the State of Idaho

USACE NWW-		Date Received:	<input type="checkbox"/> Incomplete Application Returned	Date Returned:
Idaho Department of Water Resources No. <u>S82-20658</u>		Date Received: <u>1/19/16</u>	<input checked="" type="checkbox"/> Fee Received DATE: <u>1/19/16</u>	Receipt No.: <u>ND31696</u>
Idaho Department of Lands No.		Date Received:	<input type="checkbox"/> Fee Received DATE:	Receipt No.:
INCOMPLETE APPLICANTS MAY NOT BE PROCESSED				
1. CONTACT INFORMATION - APPLICANT Required:			2. CONTACT INFORMATION - AGENT:	
Name: <u>PARK H. MEYER</u>			Name:	
Company:			Company:	
Mailing Address: <u>514 N. A. St</u>			Mailing Address:	
City: <u>GRANDEVILLE</u>	State: <u>ID</u>	Zip Code: <u>83530</u>	City:	State: Zip Code:
Phone Number (include area code): <u>605 939 8600</u>	E-mail: <u>THMEYER@adl.gov</u>	Phone Number (include area code):	E-mail:	
3. PROJECT NAME or TITLE:			4. PROJECT STREET ADDRESS:	
5. PROJECT COUNTY: <u>EDWARD</u>	6. PROJECT CITY: <u>APPROX 13 miles west of Elk City</u>	7. PROJECT ZIP CODE: <u>83525 (City)</u>	8. NEAREST WATERWAY/WATERBODY: <u>Co. Fork Clearwater</u>	
9. TAX PARCEL ID#: <u>N/A</u>	10. LATITUDE N <u>45° 49.455</u> LONGITUDE W <u>115° 53.622</u>	11a. 14: <u>25, 26, 30</u>	11b. 14: <u>29 N</u>	11c. SECTION: <u>5 E</u>
12a. ESTIMATED START DATE: <u>1 July 2016</u>	12b. ESTIMATED END DATE: <u>10-31-16</u>	13a. IS PROJECT LOCATED WITHIN ESTABLISHED TRIBAL RESERVATION BOUNDARIES? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES Tribe:		
13b. IS PROJECT LOCATED IN LISTED ESA AREA? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES		13c. IS PROJECT LOCATED ON/NEAR HISTORICAL SITE? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES		
14. DIRECTIONS TO PROJECT SITE: Include vicinity map with legible crossroads, street numbers, names, landmarks. <u>APPROX 13 miles east of Grandeville on Hwy 14 E</u>				
15. PURPOSE and NEED: <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Public <input checked="" type="checkbox"/> Private <input type="checkbox"/> Other Describe the reason or purpose of your project; include a brief description of the overall project. Continue to Block 16 to detail each work activity and overall project. <u>Section Design on my Federal Mining Claims Fmcl 215101, Fmcl 215105, and 15106</u>				

SCANNED
JAN 15 2016

All claims Connected

16. DETAILED DESCRIPTION OF EACH ACTIVITY WITHIN OVERALL PROJECT. Specifically indicate portions that take place within waters of the United States, including wetlands. Include dimensions; equipment, construction, methods; erosion, sediment and turbidity controls; hydrological changes: general stream/surface water flows, estimated winter/summer flows; borrow sources, disposal locations etc.:

To explore approx 3/4 mile of So. Fork Clearwater River
 To Dredge Trout Holes To determine locations of minnows
 if any will monitor Tributaries, no structures or buildings
 will be built no river bank will disturb 3" dredge
 or 4" dredge will be used rocks to be moved by
 hand. no wet land will be invaded

17. DESCRIBE ALTERNATIVES CONSIDERED to AVOID or MEASURES TAKEN to MINIMIZE and/or COMPENSATE for IMPACTS to WATERS of the UNITED STATES, INCLUDING WETLANDS: See Instruction Guide for specific details.

Use of a 3"-4" dredge (no crash box) will be used on
 the minnows) will not touch any spawning beds inclu-
 ding eggs or beds.

18. PROPOSED MITIGATION STATEMENT or PLAN: If you believe a mitigation plan is not needed, provide a statement and your reasoning why a mitigation plan is NOT required. Or, attach a copy of your proposed mitigation plan.

Plan to replace boulders & let annual runoff
 fill holes & rocks natural river progression

19. TYPE and QUANTITY of MATERIAL(S) to be discharged below the ordinary high water mark and/or wetlands:

Dirt or Topsoil: _____ cubic yards
 Dredged Material: _____ cubic yards
 Clean Sand: _____ cubic yards
 Clay: _____ cubic yards
 Gravel, Rock, or Stone: _____ cubic yards
 Concrete: _____ cubic yards
 Other (describe): Incidental FILLBACK _____ cubic yards
 Other (describe): _____ : _____ cubic yards

TOTAL: _____ cubic yards

20. TYPE and QUANTITY of impacts to waters of the United States, including wetlands:

Filling: _____ acres _____ sq ft. _____ cubic yards
 Backfill & Bedding: _____ acres _____ sq ft. _____ cubic yards
 Land Clearing: _____ acres _____ sq ft. _____ cubic yards
 Dredging: _____ acres _____ sq ft. _____ cubic yards
 Flooding: _____ acres _____ sq ft. _____ cubic yards
 Excavation: _____ acres _____ sq ft. _____ cubic yards
 Draining: _____ acres _____ sq ft. _____ cubic yards
 Other: Incidental FILLBACK _____ sq ft. _____ cubic yards

TOTALS: _____ acres _____ sq ft. _____ cubic yards

21. HAVE ANY WORK ACTIVITIES STARTED ON THIS PROJECT? NO YES If yes, describe ALL work that has occurred including dates.

22. LIST ALL PREVIOUSLY ISSUED PERMIT AUTHORIZATIONS:

N/A

23. YES, Alteration(s) are located on Public Trust Lands, Administered by Idaho Department of Lands

24. SIZE AND FLOW CAPACITY OF BRIDGE/CULVERT and DRAINAGE AREA SERVED: NA Square Miles

25. IS PROJECT LOCATED IN A MAPPED FLOODWAY? NO YES If yes, contact the floodplain administrator in the local government jurisdiction in which the project is located. A Floodplain Development permit and a No-rise Certification may be required.

26a. WATER QUALITY CERTIFICATION: Pursuant to the Clean Water Act, anyone who wishes to discharge dredge or fill material into the waters of the United States, either on private or public property, must obtain a Section 401 Water Quality Certification (WQC) from the appropriate water quality certifying government entity. See Instruction Guide for further clarification and all contact information.

The following information is requested by IDEQ and/or EPA concerning the proposed impacts to water quality and anti-degradation:

NO YES Is applicant willing to assume that the affected waterbody is high quality?
 NO YES Does applicant have water quality data relevant to determining whether the affected waterbody is high quality or not?
 NO YES Is the applicant willing to collect the data needed to determine whether the affected waterbody is high quality or not?

26b. BEST MANAGEMENT PRACTICES (BMP's): List the Best Management Practices and describe those practices that you will use to minimize impacts on water quality and anti-degradation of water quality. All feasible alternatives should be considered - treatment or otherwise. Select an alternative which will minimize degrading water quality

USE OF 3" DREDGE (EXCAVATION) (BENEFICIAL) DREDGE CAUSES NO SIGNIFICANT DAMAGE OR IMPACT TO FISH HABITAT OR WATER QUALITY OR OTHER ISSUES. NO CHEMICALS TO BE USED IN OR ADDED TO RIVER (WATER) NO WORK DONE ABOVE HIGH WATER LEVEL MARK. AREA WILL BE OBSERVED FOR 1-2 YEARS + DREDGING SPOTS WILL BE DONE

Through the 401 Certification process, water quality certification will stipulate minimum management practices needed to prevent degradation.

27. LIST EACH IMPACT to stream, river, lake, reservoir, including shoreline. Attach site map with each impact location.

Activity	Name of Water Body	Intermittent Perennial	Description of Impact and Dimensions	Impact Length Linear Feet
Dredging	SOUTH FORK CLEAR WATER RIVER		TEST holes	
TOTAL STREAM IMPACTS (Linear Feet):				

28. LIST EACH WETLAND IMPACT include mechanized clearing, fill, excavation, food, drainage, etc. Attach site map with each impact location.

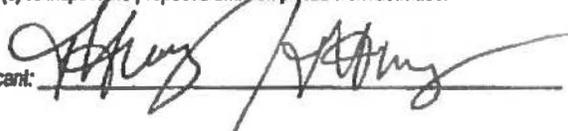
Activity	Wetland Type: Emergent, Forested, Scrub/Shrub	Distance to Water Body (feet or ft)	Description of Impact Purpose: road crossing, compound, culvert, etc.	Impact Length (acres, square ft linear ft)
N/A				
TOTAL WETLAND IMPACTS (Square Feet):				

29. ADJACENT PROPERTY OWNERS NOTIFICATION REQUIREMENT: Provide contact information of ALL adjacent property owners below.

Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:
Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:
Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:
Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:	Name: Mailing Address: City: State: Zip Code: Phone Number (include area code): E-mail:

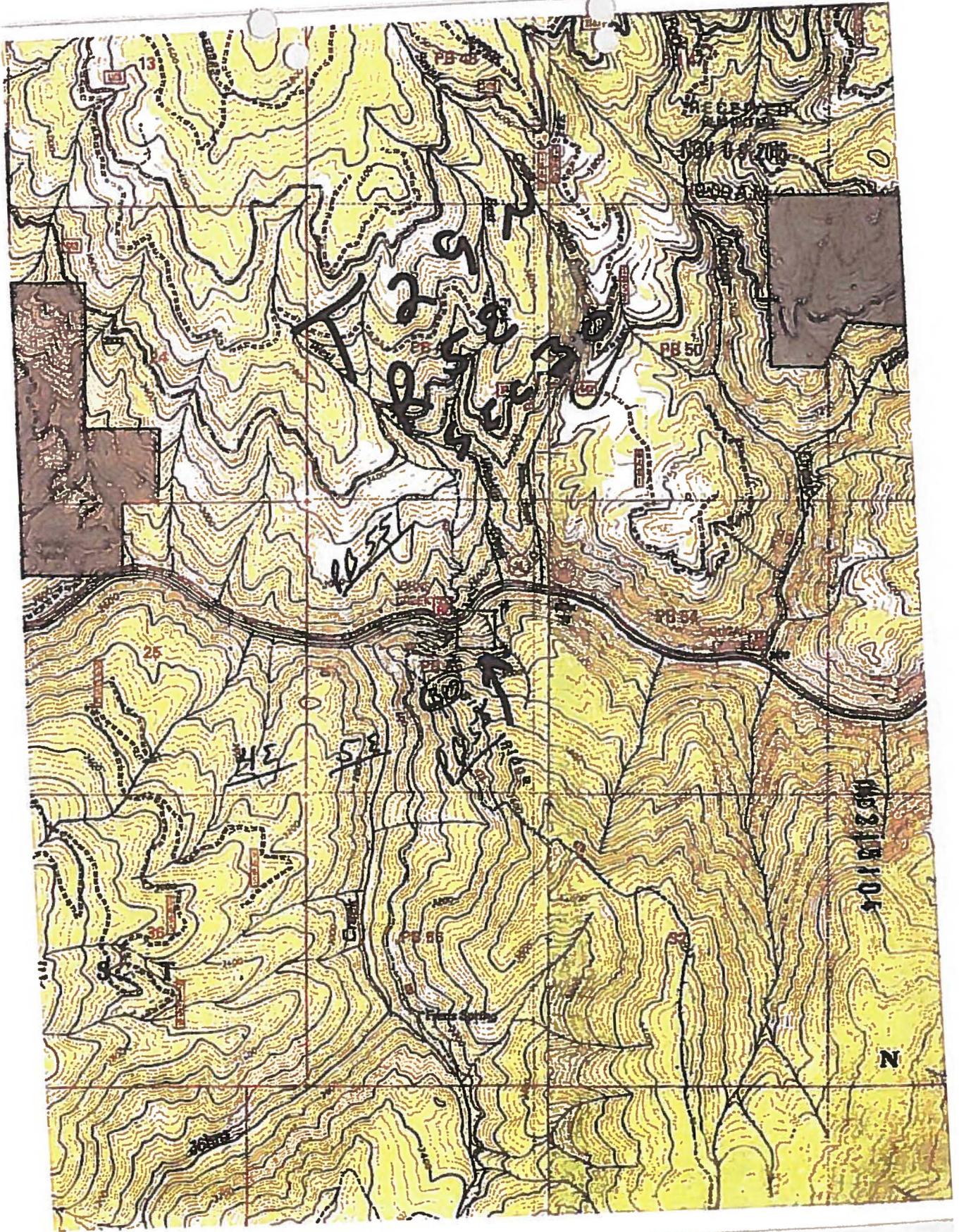
30. SIGNATURES: STATEMENT OF AUTHORIZATION / CERTIFICATION OF AGENT / ACCESS

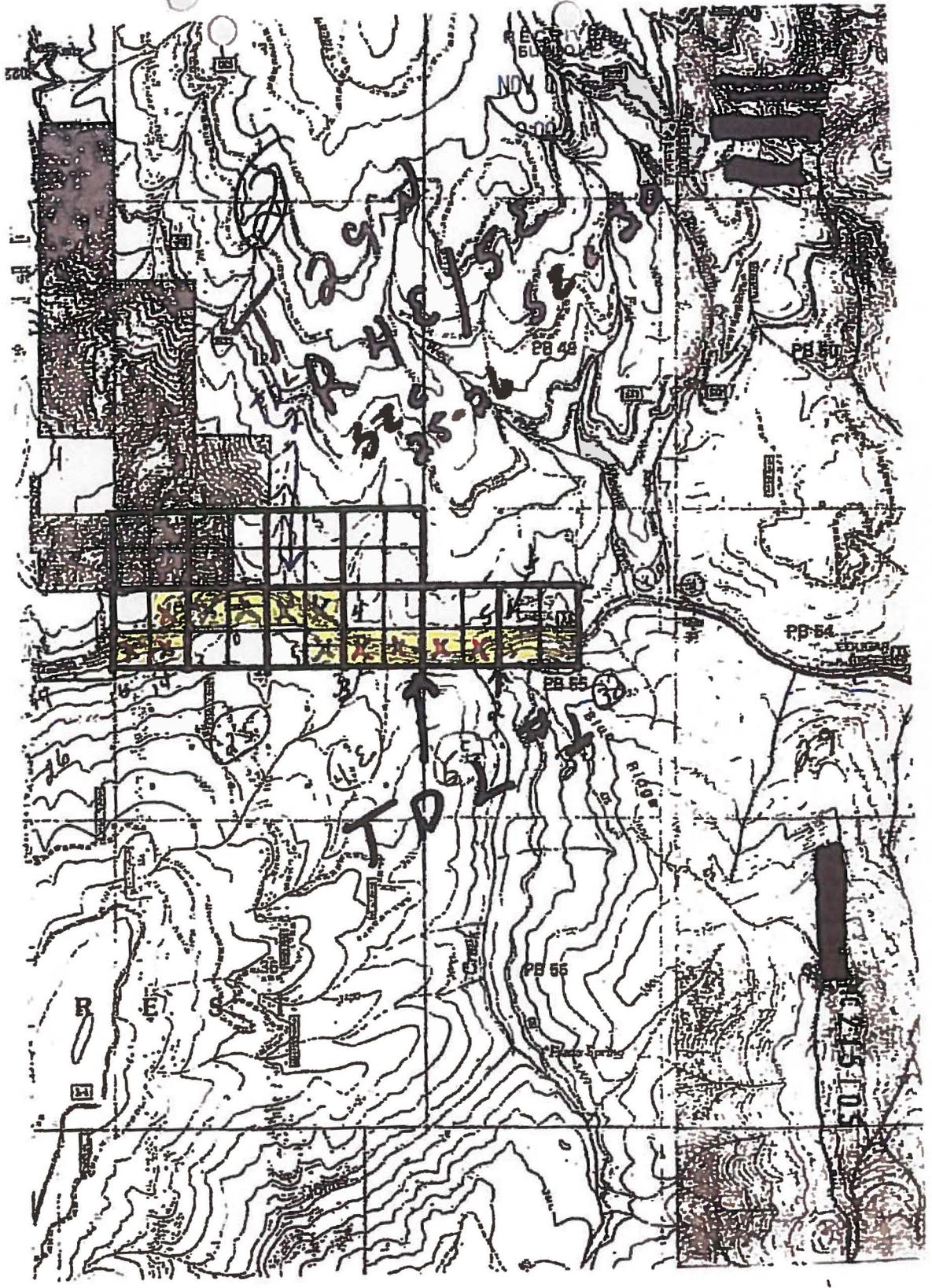
Application is hereby made for permit, or permits, to authorize the work described in this application and all supporting documentation. I certify that the information in this application is complete and accurate. I further certify that I possess the authority to undertake the work described herein; or am acting as the duly authorized agent of the applicant (Block 2). I hereby grant the agencies to which this application is made, the right to access/come upon the above-described location(s) to inspect the proposed and completed work/activities.

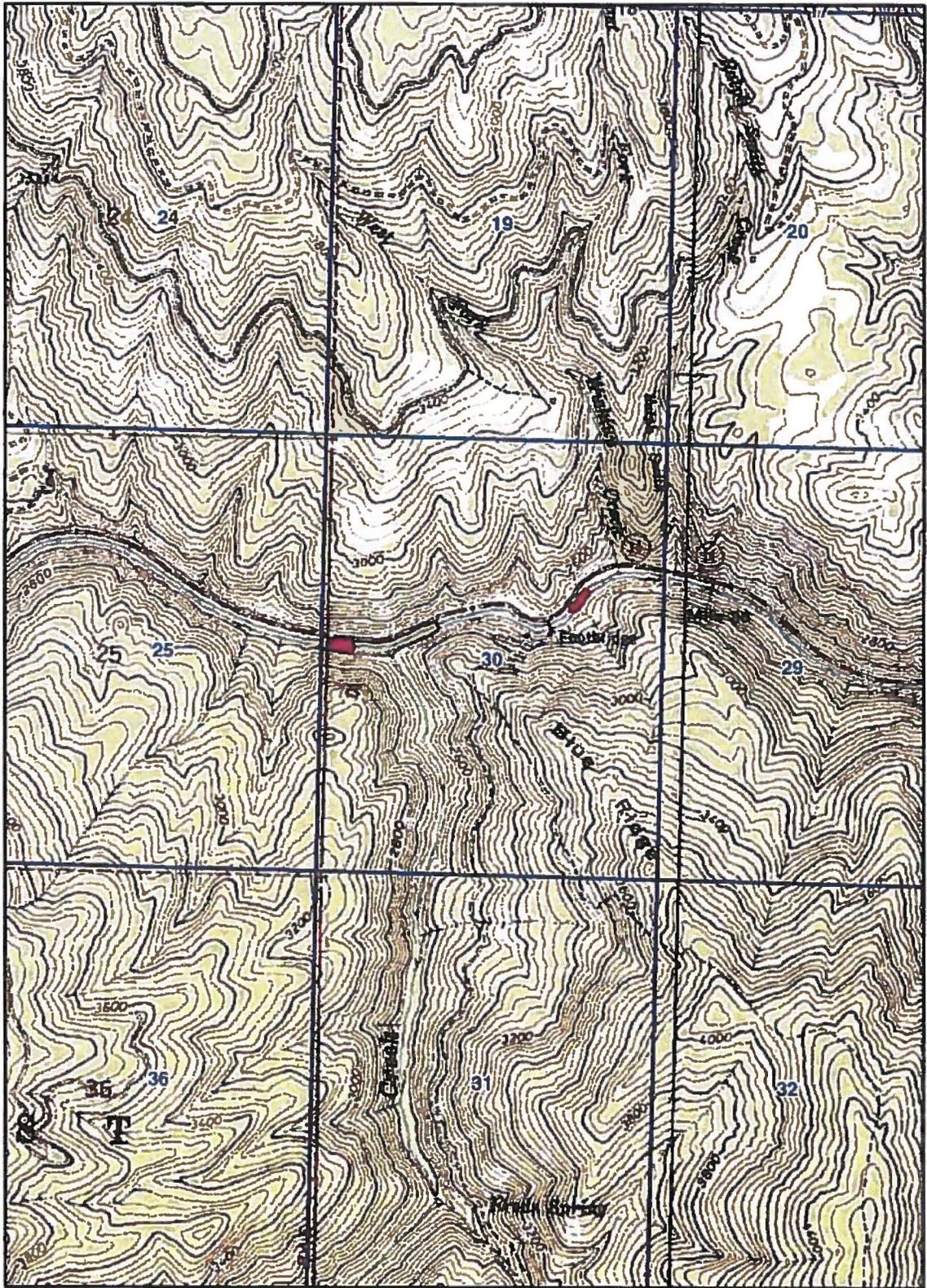
Signature of Applicant:  Date: 12-Jan-16

Signature of Agent: _____ Date: _____

This application must be signed by the person who desires to undertake the proposed activity AND signed by a duly authorized agent (see Block 1, 2, 30). Further, 18 USC Section 1001 provides that: "Whoever, in any manner within the jurisdiction of any department of the United States knowingly and willfully falsifies, conceals, or covers up any trick, scheme, or disguises a material fact or makes any false, fictitious, or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false, fictitious or fraudulent statements or entry, shall be fined not more than \$10,000 or imprisoned not more than five years or both".

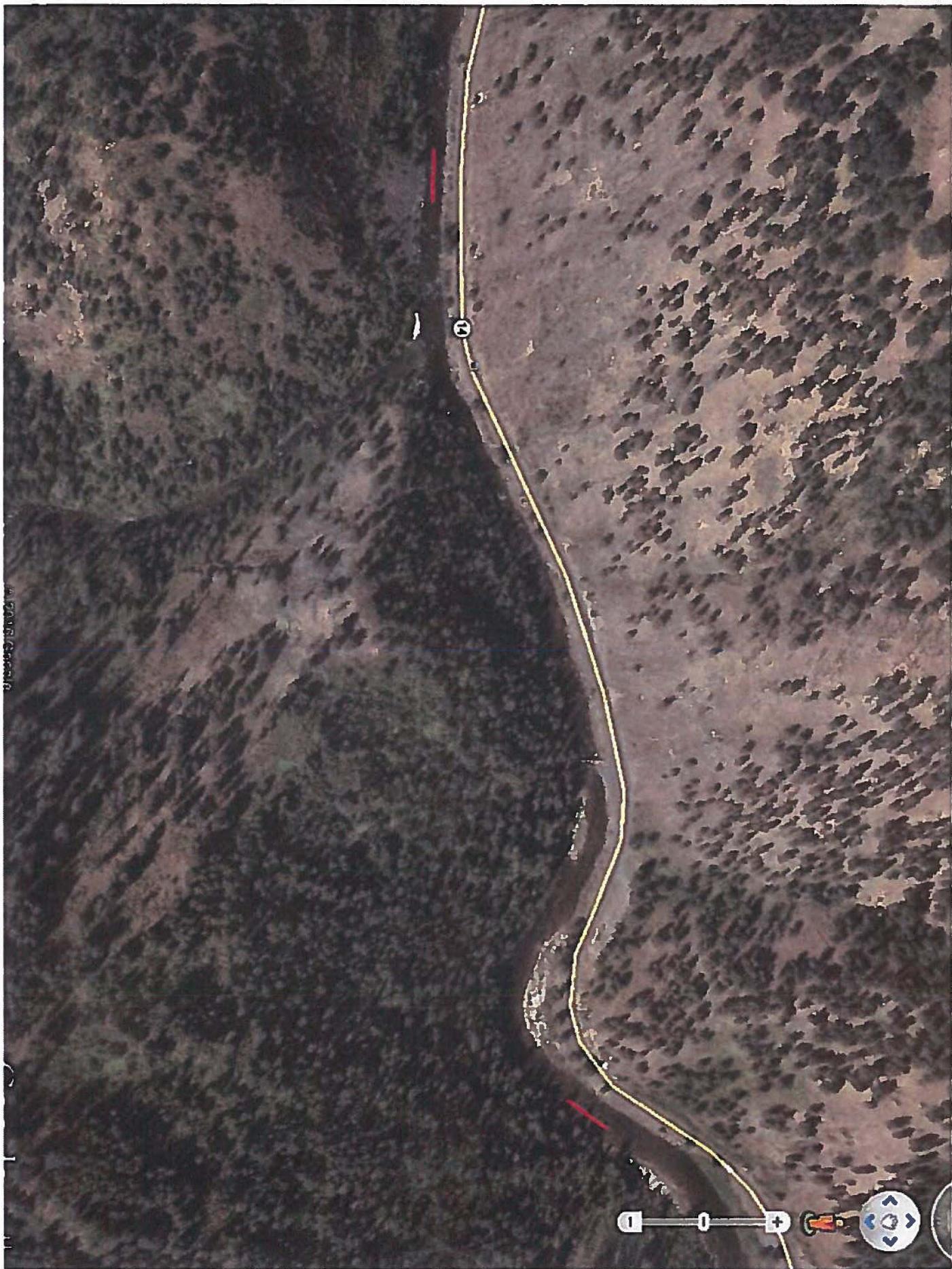








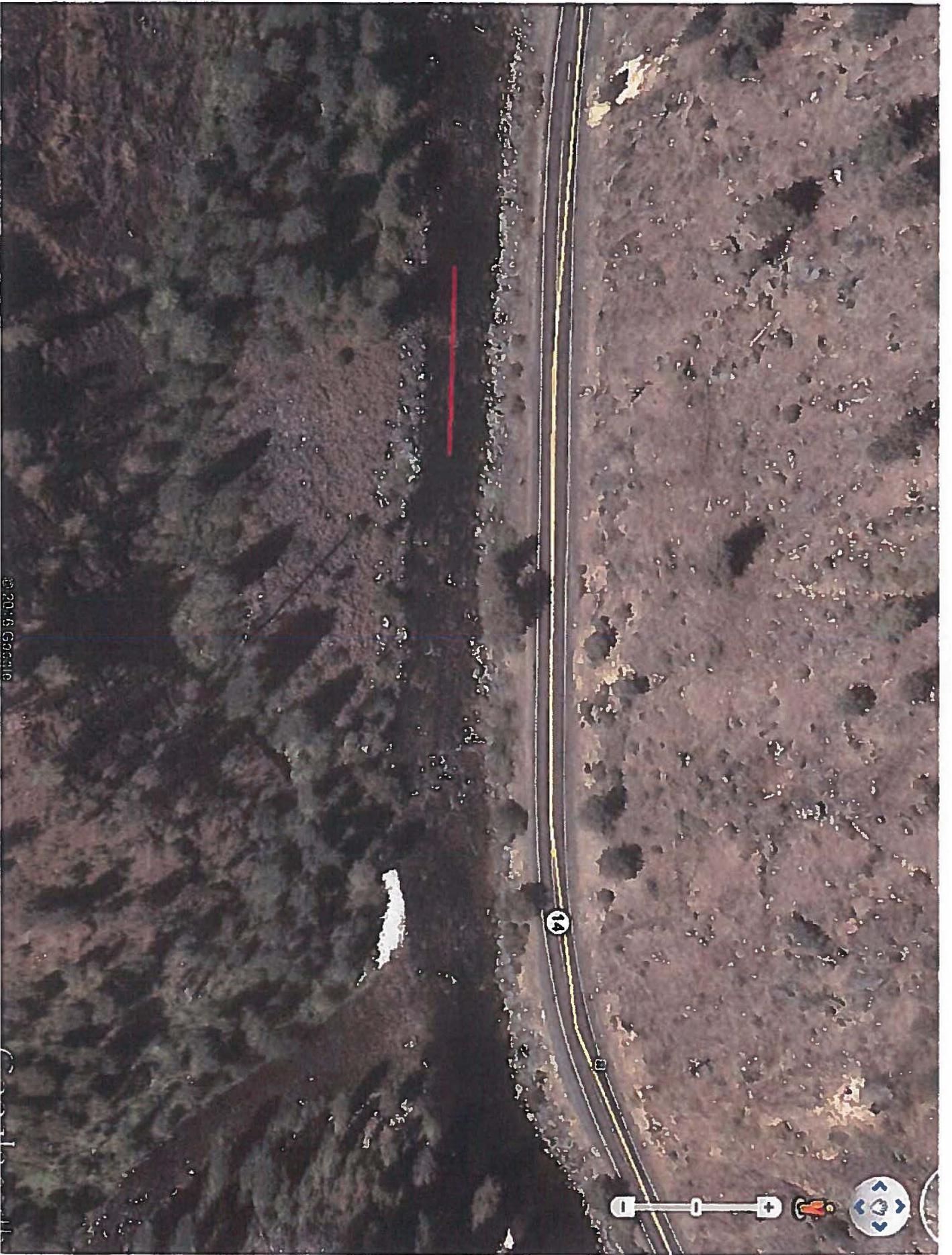
**Meyer Suction Dredging Sections
following 24 May 2016 field trip
South Fork Clearwater River**





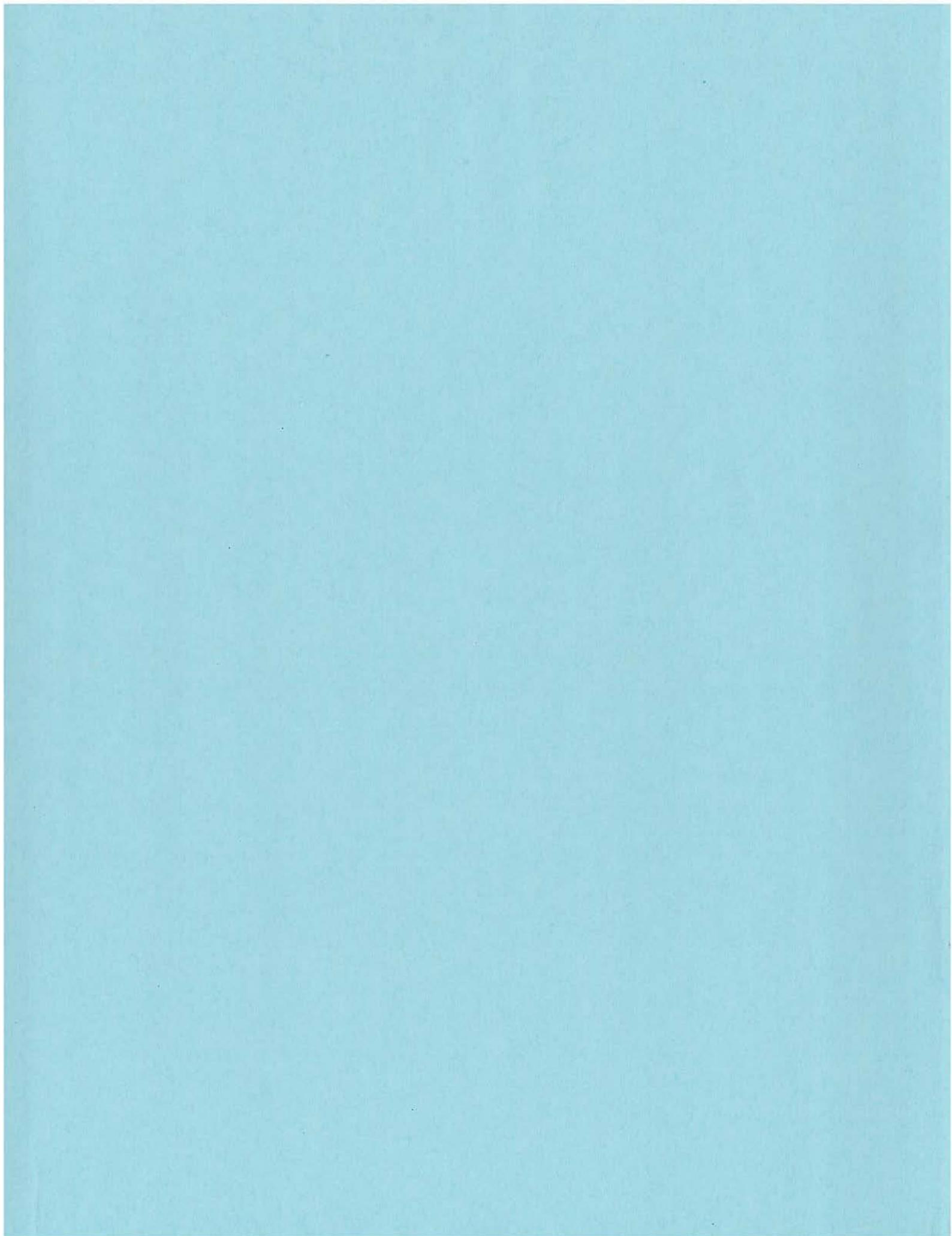
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Dave Erlanson Sr.
Box 46
Swan Valley, Idaho 83449

July 19th, 2016

Via Certified Mail, RRR# 7012 3050 0000 0016 2241

Idaho Dept, of Water Resources State
Coordinator, Stream Protection Program Attn.
Aaron Golart 322 E. Front St.
P.O. Box 83720 Boise, Idaho 83720-0098

RECEIVED

JUL 25 2016

DEPARTMENT OF
WATER RESOURCES

Notice of Appeal and Request for Administrative Hearing

Dear Mr. Golart,

I have received a processed permit from your office of the Idaho Dept, of Water Resources (IDWR) in the last two weeks and hereby give Notice of Appeal and request for administrative hearing. The terms and conditions of the permit are unacceptable and would make it impossible to comply with Federal law and would unduly materially interfere with my commercial operations. The permit terms and conditions as written are incompatible to the federal claims for which I own and exercise. The joint commercial application for which I applied has been unlawfully converted to a "recreational permit" by your office and does violence to my federal mining claims, as I cannot lawfully use a federal mining claim for recreational purposes. See: U.S. v. Bagwell 961 F. 2d 1450.

I also object to the public use of my federal mining claim for uses as a wildlife habitat and a fisheries hatchery to such a degree that I cannot perform the most basic assessment work required by federal law (30 U.S.C. § 28(b)). Your office is approaching this issue as if I must yield to the public needs, rather than the public needs yielding to the mine development needs. The former is not consistent with federal law in contrast to the latter mine development needs. I am certainly agreeable to some level of mitigation so long as I can reasonably agree and still comply with federal law.

Congress gave miners such as I a solution to conflicts that may arise in the event of competing use of the lands in the 1955 Multiple - Surface Use Act. It was best said in U.S. v. Shoemaker 110 IBLA 39 in 1989 (attached) where the court said: "*Federal management must yield to mining as the dominant and primary use. The terms 'endanger' and 'materially interfere' used in subsec. 4(b) of the Surface Resources Act, 30 U.S.C. §612(b) (1982), set forth the standard to be applied to determine whether a specific surface management action must yield to a conflicting legitimate use by a mining claimant. Where there is no evidence that such action endangers the claimant's operations, the question is whether the surface management activity will substantially hinder, impede, or clash with mining operations or a reasonably related use. Like 'other surface resources,' the terms 'endanger' and 'materially interfere' are general. Although the terms are not precise, the legislative history is clear as to their intended effect. In reference to the portion of the statute containing the terms, the House and Senate reports both state:*

This language, carefully developed, emphasizes the committee's insistence that this legislation not have the effect of modifying longstanding essential rights springing from location of a mining claim.

Dominant and primary use of the locations hereafter made, as in the past, would be vested first in the locator; the United States would be authorized to manage and dispose of surface resources, or to use the surface for access to adjacent lands, so long as and to the extent that these activities do not endanger or materially interfere with mining, or related operations or activities on the mining claim " *Emphasis added H.R.Rep. No. 730, 84th Cong., 1st Sess. 10, reprinted in 1955 U.S.Code Cong. & Admin.News 2474, 2483; S.Rep. No. 554, 84th Cong., 1st Sess. 8-9.*

The court went on to say:

*"The change made by the Surface Resources Act was to create in the United States explicit authority 'to manage and dispose of the vegetative surface resources * * * and to manage other surface resources.' 30 U.S.C. § 612(b) (1982). Previously, Governmental agencies had been unable to do so once a mining claim had been located, even though the locator had only a limited right to use the same resources. See Bruce W Crawford, supra at 365-66, 92 I.D. at 216-17. Congress recognized that there would be instances in which Federal management of the surface resources found on a mining claim would conflict with legitimate use of the surface and surface resources by the claimant. The balance it struck in order to resolve such conflicts was to specify that the authority the statute granted would apply only so long as and to the extent that Federal use of the surface did not "endanger or materially interfere with prospecting, mining or processing operations or uses reasonably incident thereto." 30 U.S.C. § 612(b) (1982); see United States v. Curtis-Nevada Mines, Inc., 611 F.2d at 1283, 1285. When it does, Federal surface management activities must yield to mining as the 'dominant and primary use,' the mineral locator having a first and full right to use the surface and surface resources"*

See also *U.S. v. Lex*, 300 F. Supp. 2d 951 (2003): "As a result of the Multiple Use Act, owners of unpatented mining claims must comply with government regulation of the surface of their claims, so long as that regulation does not materially interfere with prospecting or mining operations."

Pursuant to 30 U.S.C § 612(b): Uses by the United States, it's permittees or licensees (such as the IDWR), shall be such as to not hinder, delay, or materially interfere with my mineral-related operations.

The following are specific terms and conditions within your offices permit that are unreasonably interfering in violation of 30 U.S.C. § 612(b) and my ability to comply with mining laws prudent assessment work required under 30 U.S.C. § 28(b):

- 1) Limiting area of prospecting and testing (2-150 ft. areas)
- 2) Limits on date and time of dredging
- 3) Limits fueling to use of funnel - can't monitor amount of fuel in tank while filling
- 4) Replacing boulders in location where they came out - would need to photograph river bed to remember location of rocks
- 5) Checking turbidity 150 ft. downstream while dredging is an impossibility as I can't be in two places at once
- 6) Forcing us to use a fisheries biologist to determine mining assessment work where and when we can dredge - where I have not consented to the delegation of assessment to another person
- 7) I never consented to have my federal mining claim to be used as a fishery - restricting me to seasonal mining in limiting dredge size to a recreational 5" and 15 hp. operation
- 8) Use of a state issued (Recreational) ID card on a Joint Commercial Application - bait and switch
- 9) Requiring us on how close we can operate to each other defying safety concerns and federal mine safety regulations (MSHA) found at 30 CFR parts 56/57/58)
- 10) Requiring us to secure dredge in an unsafe manner so as to not interfere with recreational usage
- 11) Enabling IDWR to cancel permit at any time to stop dredge and assessment work without due process of law in the form of a pre or post deprivation hearing
- 12) The rules and regulations are taken from "recreational" permits and as such are not compatible my commercial request
- 13) No dredging within 2 ft. of a gravel bar or bank where I cannot follow a pay streak - again telling us where to dredge and perform assessment work
- 14) No use of highbankers below high water mark and banning power sluices
- 15) A buffer zone of 300 ft. below perennial stream courses entering the South Fork - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution

- 16) A 100 ft. buffer above these streams entering the South Fork - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 17) No dredging is allowed in the lower half of holes (tail waters) - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 18) In holes designated as "holding areas" no dredging is permitted - taking of property without compensation in violation of the 5th Amendment of the U.S. Constitution
- 19) On adjoining claims it restricts the dredging area to a 800 ft. spacing between dredges if both claim holders have permits.
- 20) The IDWR permit system has not received the written approval and performed the coordination with the Elk City Mining District in accordance with 30 U.S.C. § 22.

I am willing to make a good faith effort to comply with your permitting authority. As stated previously, the terms and conditions of the permit are unacceptable and would make it impossible to comply with Federal law and would unduly materially interfere with my commercial operations. The permit terms and conditions, as your office has written, are incompatible to the federal claims for which I own and exercise. The joint commercial application for which I applied has been unlawfully converted to a "recreational permit" by your office and does violence to my federal mining claim, as I cannot lawfully use a federal mining claim for recreational purposes.

If your office does not grant my appeal relief within 30 days I will have no other choice but to withdraw the joint application and commence operations to timely comply with federal law until such time your office's new permit system does not frustrate federal law.

Respectfully submitted.

Dave Erlanson Sr.

Cc: Elk City Mining District



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

June 24, 2016

Dave Erlanson
PO Box 46
Swan Valley, Idaho 83449

RE: Joint Application for Permits No. S82-20060
South Fork Clearwater River

Dear Mr. Erlanson:

The Idaho Department of Water Resources (IDWR) has reviewed your above referenced application for a permit to alter the South Fork Clearwater River and has prepared a decision as provided for in Section 42-3805, Idaho Code. The conditions set forth in this permit are intended to prevent degradation of water quality, protect fish and wildlife habitat, and protect the long-term stability of the stream channel. If you cannot meet the conditions set forth in the permit, please contact this office for further consideration.

Project activities include operating a suction dredge on the South Fork Clearwater River to prospect for gold and you may consider this letter a permit to prospect according to your attached application, dated January 18, 2016 including diagrams. The project location is within Section 28, Township 29 North, Range 07 East, Boise Meridian, Idaho County, Idaho.

You are responsible for complying with all local, state, and federal permit requirements and/or authorizations prior to operating dredge mining equipment at the location authorized under this permit. This permit does *not* serve in lieu of other permits that may be required by other state or federal agencies. You should contact the appropriate land owner or land management agency to determine if additional permits or authorizations are required.

Failure to adhere to the conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code. This project is subject to the following Special Conditions.

SPECIAL CONDITIONS:

1. This permit does not serve in lieu of other permits that are required by federal or other state government agencies or in any way constitute an exemption of other permit requirements.
2. Suction dredging shall occur only within the wetted perimeter below the Ordinary High Water Mark between July 15 and August 15. Activities which would expand the wetted perimeter (such as stream bank alteration) are not authorized.
3. Prior to dredging, IDWR and a state and/or federal fisheries biologist will inspect the

proposed dredge sites to identify acceptable dredge locations to avoid reducing the quality of migratory, spawning and holding habitat for salmonids. No dredging, movement or modification of stream substrate shall occur in areas of suitable salmonid spawning or early rearing habitat, including low velocity backwaters, alcoves and side channels. (Generally, such areas are specific locations rather than extensive stream reaches.)

4. Suction dredges shall have a nozzle diameter of 5 inches or less and a horsepower rating of 15 horsepower or less. Pump intakes (but not dredge nozzles) must be covered with 3/32-inch mesh screen or other appropriate size.

5. IDWR SFCR suction dredge ID card shall be attached to the dredge in a visible location at all times the dredge is located on the SFCR.

6. In-stream mining activities shall only take place during daylight hours.

7. Dredge sites shall consist of a maximum of two (2) separate locations of 150-linear feet each.

8. Any stream substrate moved from its initial location in the channel (in order to reach bedrock) shall be repositioned into its approximate original configuration prior to the end of the dredging season. Permittee shall not move cobble or small boulders to the extent that substantial alterations of the deepest and fastest portion of the stream channel (i.e., the thalweg) persist beyond the end of the dredging season. Dredged or excavated holes shall be back filled before any new holes are excavated.

9. Permittee shall not constrict or dam the stream channel or cause a structural barrier to upstream or downstream fish movement.

10. Dredging shall be excluded in areas within 100 feet upstream and 300 feet downstream of perennial tributaries and shall not hinder fish access to fish-bearing tributary mouths through disturbance, turbidity or modifications of channel depth or substrate arrangement. If an operator proposes to dredge within 100 feet upstream and 300 feet downstream of a perennial tributary it must be determined acceptable by the IDWR and fisheries biologist during site inspection.

11. Dredges shall not operate on gravel bars at the tails of pools. Dredges or other types of mining shall not occur in a manner that fine sediment (sand or silt) covers portions of gravel bars to a depth of more than 0.5 inch.

12. Dredging or other mining activities shall not occur within two (2) feet of stream banks. Permittee shall prevent the undercutting and destabilization of stream banks. Woody debris or boulders that extend from the bank into the channel shall not be disturbed.

13. Discharge from dredges and sluices shall not be directed into the bank in a way that causes disturbance to the bank and associated habitat, deposits sediment against the bank, causes erosion or destruction of the natural form of the channel, undercuts the bank or widens the channel.

14. Permittee shall not remove, relocate, break apart or lessen the stability of substantial in-channel woody debris or in-stream boulders (greater than 12 inches median diameter) unless it

was determined acceptable by the IDWR and fisheries biologist during site inspection.

15. Permittee shall visually monitor the stream for 150 feet downstream of the dredging or sluicing operation. If noticeable turbidity is observed downstream, the operation must cease immediately or decrease in intensity until no increase in turbidity is observed 150 feet downstream.
16. No mechanized equipment shall be operated below the mean high water mark except for the suction dredge, sluice or pump itself and any life support system necessary to operate a suction dredge.
17. Operators must maintain a minimum spacing of at least 800 linear feet of stream channel between active mining operations.
18. All fuel, oil and other hazardous materials shall be stored outside of the stream channel. Permittee shall not operate any equipment that leaks fuel, hydraulic fluid or other pollutants. Permittee shall use a funnel when pouring fuel and place absorbent material, sufficient to absorb a spill, under and around the fuel tank. A petroleum absorbent spill kit shall be onsite in case of accidental spills and no petroleum products shall enter the stream when servicing the equipment.
19. Permittee shall not entrain, mobilize or disperse any mercury discovered during mining operations. Permittee shall not use mercury, cyanide or any other hazardous or refined substance to recover or concentrate gold.
20. To prevent the threat of aquatic invasive species, suction dredges, tools used while dredging and associated equipment shall be thoroughly cleaned and dried at least 5 days prior to use in the SFCR.
21. Dredge shall not be operated within 500 feet of a developed campground.
22. Dredge shall be secured without stringing ropes, wires, chain, etc. across the stream channel that could be a hazard to boaters or other recreationalists.
23. This permit does not constitute
 - a. An easement or right-of-way to trespass or work upon property or mining claims belonging to others.
 - b. Responsibility of the IDWR for damage to any properties due to operations of permittee.
24. This permit may be canceled at any time to minimize adverse impact on the stream channel.
25. This permit shall expire August 15, 2016.

Conditions and construction procedures approved under this permit may not coincide with the proposal as submitted. Failure to adhere to conditions as set forth herein can result in legal action as provided for in Section 42-3809, Idaho Code.

If you object to the decision issuing this permit with the above conditions, you have 15 days in which to notify this office in writing that you request a formal hearing on the matter. If an

objection has not been received within 15 days, the decision will be final under the provisions of IDAPA 37.03.07 (Rule 70).

Please contact Aaron Golart 208-287-4941 or aaron.golart@idwr.idaho.gov if you have any questions regarding this matter.

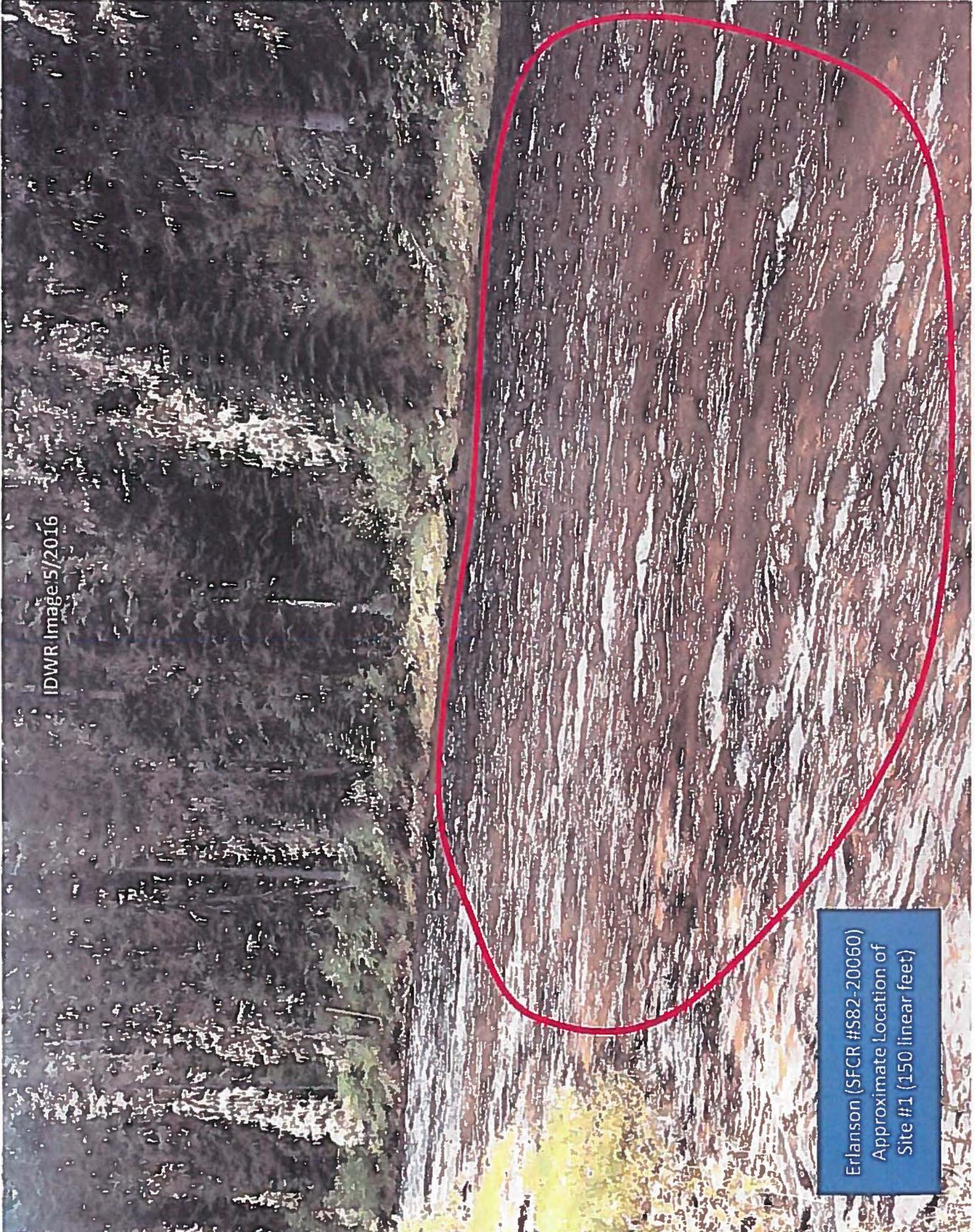
Sincerely,

A handwritten signature in black ink, appearing to read 'Aaron Golart', written in a cursive style.

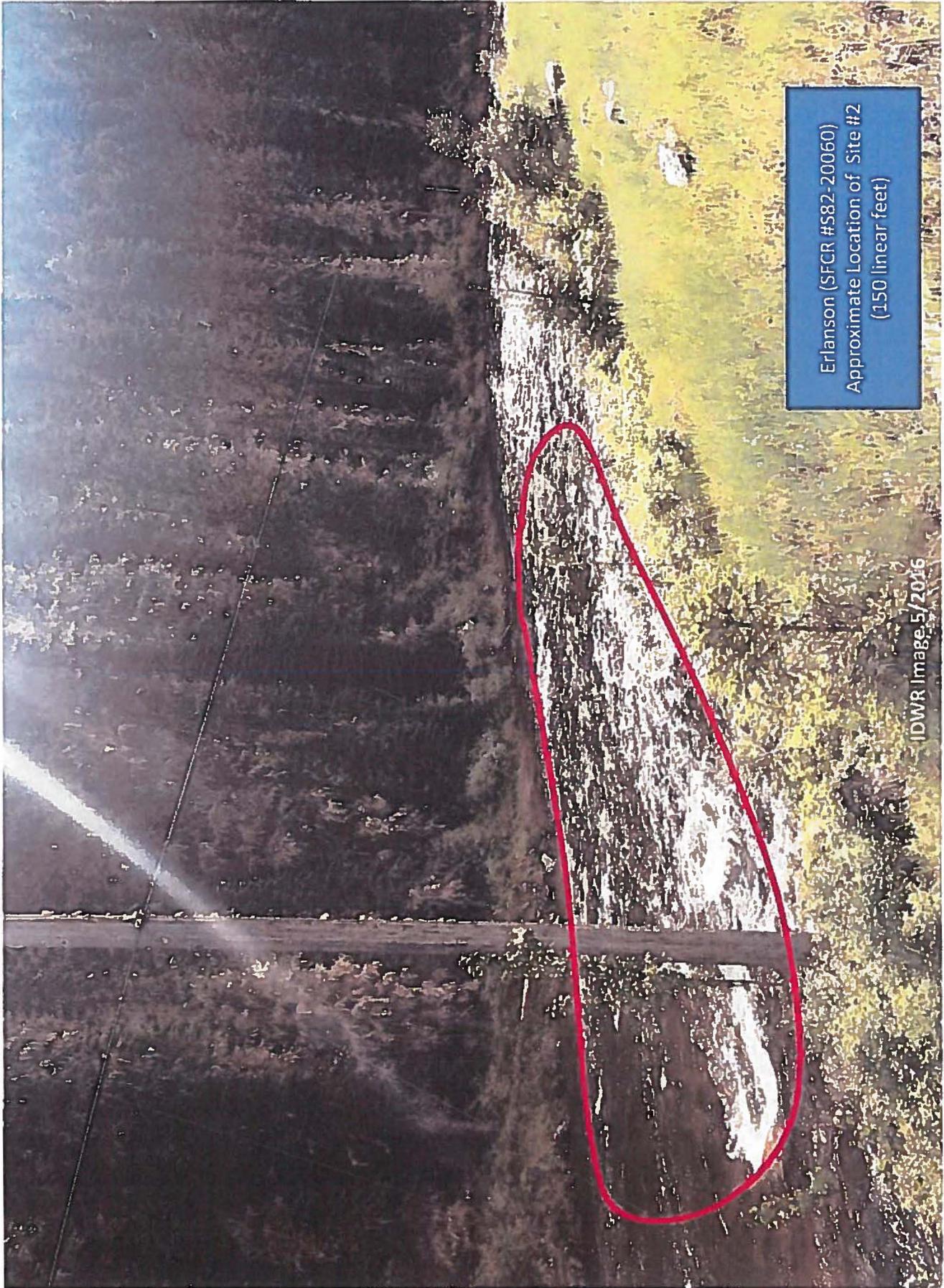
Aaron Golart
State Coordinator
Stream Protection Program

cc: Jerry Zumalt, Idaho County, Grangeville
John Cardwell, Idaho Department of Environmental Quality, Lewiston
Ray Hennekey, Idaho Department of Fish and Game, Lewiston
Zoanne Anderson, Idaho Department of Lands, Kamiah
Eric Davis, Idaho Department of Water Resources, Coeur D'Alene
Clint Hughes, Nez Perce-Clearwater National Forest, Grangeville
Dan Kenney, Nez Perce-Clearwater National Forest, Orofino
Greg Martinez, US Army Corps of Engineers, Boise
Tracy DeGering, US Environmental Protection Agency, Boise

IDWR Image 5/2016



Erlanson (SFCR #S82-20060)
Approximate Location of
Site #1 (150 linear feet)



Erlanson (SFCR #S82-20060)
Approximate Location of Site #2
(150 linear feet)

IDWR Image 5/2016

Water RECEIVED
 JAN 26 2016
 Department of Water Resources
 Eastern Region

JOINT APPLICATION FOR PERMITS
 U.S. ARMY CORPS OF ENGINEERS
 IDAHO DEPARTMENT OF WATER RESOURCES
 IDAHO DEPARTMENT OF LANDS

DO NOT START WORK UNTIL YOU
 RECEIVE PERMITS FROM BOTH THE
 CORPS AND THE STATE

This application may be used to apply for both a Department of the Army permit from the U.S. Army Corps of Engineers (Corps) and for State of Idaho permits. Department of the Army permits are required by Section 10 of the Rivers and Harbors Act of 1899 for any structures or work in or affecting navigable waters of the United States and by Section 404 of the Clean Water Act for discharges of dredged or fill material into waters of the United States, including their adjacent wetlands. State permits are required under the State of Idaho, Stream Channel Protection Act (Title 42, Chapter 3B, Idaho Code) and the Idaho Lake Protection Act, Section 58-142 et. seq., Idaho Code. **Route Uses:** Information provided on this form will be used in evaluating the application. Disclosure of requested information is voluntary. If information is not provided, however, the permit application cannot be processed nor can permits be issued. Applicants should send this completed application, along with one set of good reproducible drawings showing the location and character of the proposed project, to both the Corps of Engineers and the State of Idaho. **NOTE: DRAWINGS NO LARGER THAN 8-1/2 X 11 INCHES IN SIZE.** The Applicant Information pamphlet provides instructions and a checklist for completing the drawings.

1. Corps of Engineers # _____ Date Received <u>1/26/2016</u>	2a. Department of Water Resources # <u>B2-2006th</u> Date Received <u>1-26-2016</u> \$20 Fee Rec'd By: <u>46</u> Receipt # <u>E041771</u>	b. Department of Lands # _____ Date Received _____ Fee Rec'd By: _____ Receipt # _____
---	---	--

3. a. Applicant DAVE ERLANSON (PLEASE TYPE OR PRINT)
 b. Mailing Address P.O. Box 46
Swan Valley Id. 83449
 c. Work Phone 208 483-7243 + SAME
 d. Fax Number _____
 e. Email Address _____

5. Location where proposed activity exists or will occur.
 a. Waterway S.F. Clearwater
 Tributary of Clearwater River
 b. Distance/Direction from nearest city or town Approx 27 mi NE of Grangeville
 c. County/State Clearwater
 d. Directions to the site Take Highway 14 approx 27 mi from Grangeville Id. To Marked "Pay Day 2 + 3"

5. a. Tax Assessor's Description 2, N/A
 Distance/Direction from nearest city/town 27 N.E. Grangeville, Idaho
 Section 29 Township 29N Range 2 ETE
 UTM Coordinate Grid Lat 45.825926 Long 115.52454
Lat 45.824867 Long 115.520587

6. a. Describe Project (Work below the ordinary high water mark or in wetlands).
Suction dredging for gold & gems on my Fed. Mining Claims "Pay Day 2 + 3" 40 Markers Located Along Highway 14 Above Leggett Cr. Confluence with S. Clearwater

b. Construction methods and equipment 5" Dredge with 2-29 HP Motors Hooplas
 c. Length of project along the stream or extension into lake or reservoir: Claims ARE Approx 1 Mile in length - Actual Project AREA ABOUT 300 FEET
 d. Size and flow capacity of proposed bridge or culvert and area of drainage served (sq. miles): (Idaho Department of Water Resources requirement.)
N/A

7. a. Volume dredged or fill material to be placed waterward of the ordinary high water mark (BOTH TEMPORARY AND PERMANENT) All Summer Long = 200 (cubic yards)
 b. Will fill be placed in wetlands? No If yes, area: _____ (acres) Type of fill material: _____ (i.e. sand, rock, clay, concrete, etc.)
 c. Will dredging be required waterward of the ordinary high water mark or in wetlands? No If yes, volume _____ (cubic yards)
 d. Type of dredged material RIVER GRAVELS To Clean off Bedrock Streambed
 e. Disposal site for dredged material: River Method of dredging: 5" Proline Gold Dredge
 f. Method to control turbidity and sedimentation: NONE
 g. Is project located in a mapped floodway? N/A If yes, complete the Engineering "No-Rise" certification form.

*#1 150 feet downstream of point rock center stream
 #2 1500 upstream of by upstream point of Bar*

8.a. Purpose and intended use: Commercial Public Private Other Describe _____

b. Reason for project To obtain gold + gems from River Gravel

9. Proposed Starting Date JULY 1, 2016 Estimated Duration Aug 15, 2016

10. List portions of the project that are complete with month and year of completion -0-
Label this work on your drawings.

11. Names, addresses, and telephone numbers of all adjoining property owners, lessors, etc.
Claim owners
Kevin Landon 550 Flamingo Ave Shelley, Id 83274
Ren Miller 675 Waller. Rd ST. Isa. Id 89552
DAVE Sawyer P.O. Box 635 @ Eagleville Id. 83530

Check here if the alteration is located on endowment lands administered by the Idaho Department of Lands

12. LEGAL OWNER IF OTHER THAN APPLICANT

a. Name _____ d. Phone Work () _____
b. Mailing Address N/A Home () _____
c. City, State, Zip Code _____

13. List applications, approvals, or certifications from other Federal, state, or local agencies for work described in this application.

Issuing Agency	Type of Approval	Identification No.	Date of Application	Date of Approval

14. Has any agency denied approval for the proposed activity? Yes No (If "Yes" explain)

15. Other comments/information:

Because my dredge is older it uses the 9 Hp Honda
which exceed small scale limit of I think 13 Hp
therefore I'm applying for this permit! This way
I can use my engine as have little fuel & its very maneuver!

16. Application is hereby made for a permit or permits to authorize the activities described herein. I certify that I am familiar with the information contained in this application, and that to the best of my knowledge and belief, such information is true, complete, and accurate. I further certify that I possess the authority to undertake the proposed activities. I hereby grant to the agencies to which this application is made, the right to come upon the above-described location to inspect the proposed and completed work.

[Signature] DAVE KERLANSO Jan 18, 2016
Signature of Applicant (ORIGINAL SIGNATURE REQUIRED) Printed Name Date

17. If you wish to designate an authorized agent, complete item 4, item 16 and the following information.

I hereby designate _____ to act as my agent in matters related to this permit application. I understand that if a Federal permit is issued, I must sign the permit.

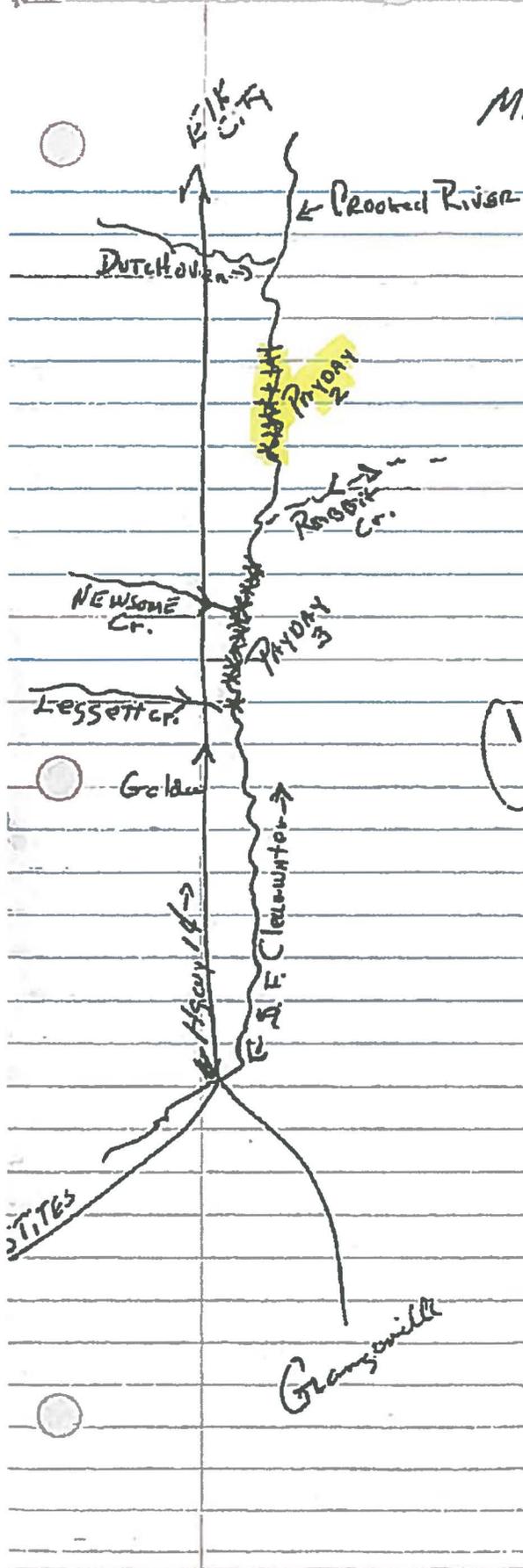
Original Signature of Authorized Agent _____ Date _____ Original Signature of Applicant _____ Date _____

18 U.S.C. Section 1001 provides that: Whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly falsifies, conceals, or covers up by any trick, scheme, or device a material fact or makes any false, fictitious, or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false, fictitious, or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than 5 years or both.

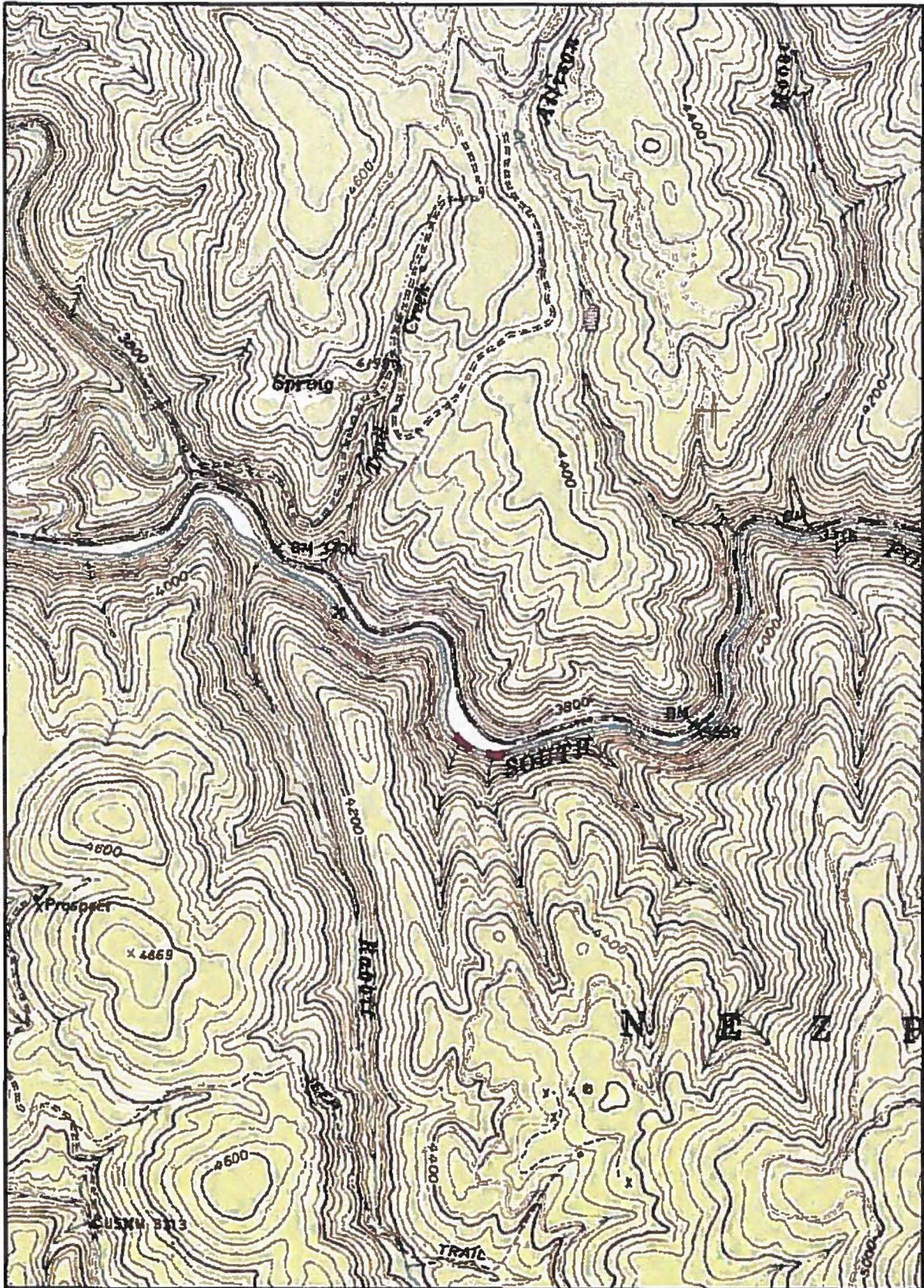
DO NOT SEND CORPS PROCESSING FEE WITH APPLICATION

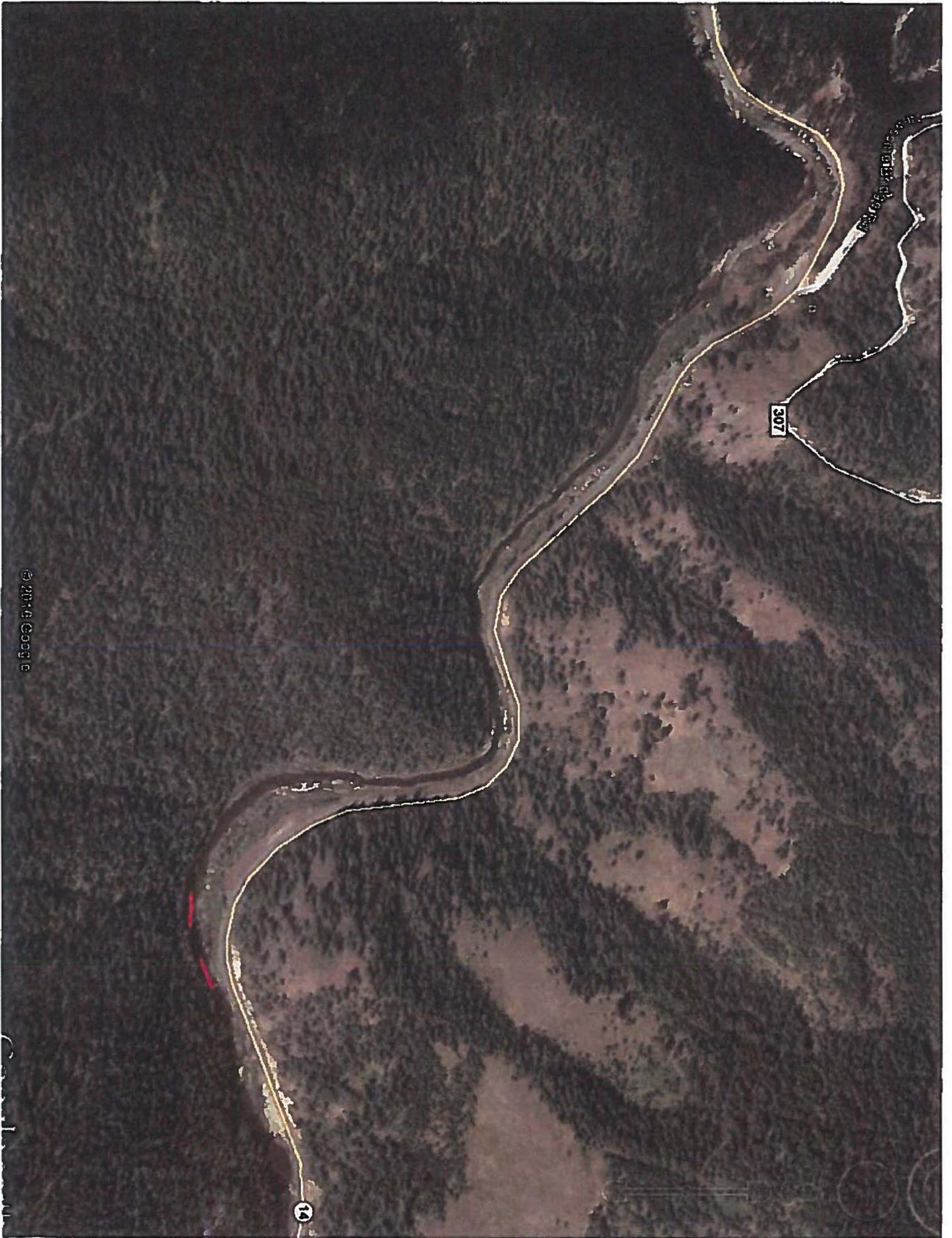
SEND IDAHO DEPARTMENT OF WATER RESOURCES OR IDAHO DEPARTMENT OF LANDS FILING FEE WITH APPLICATION

MAP TO CLAIMS PAYDAY 2 + 3

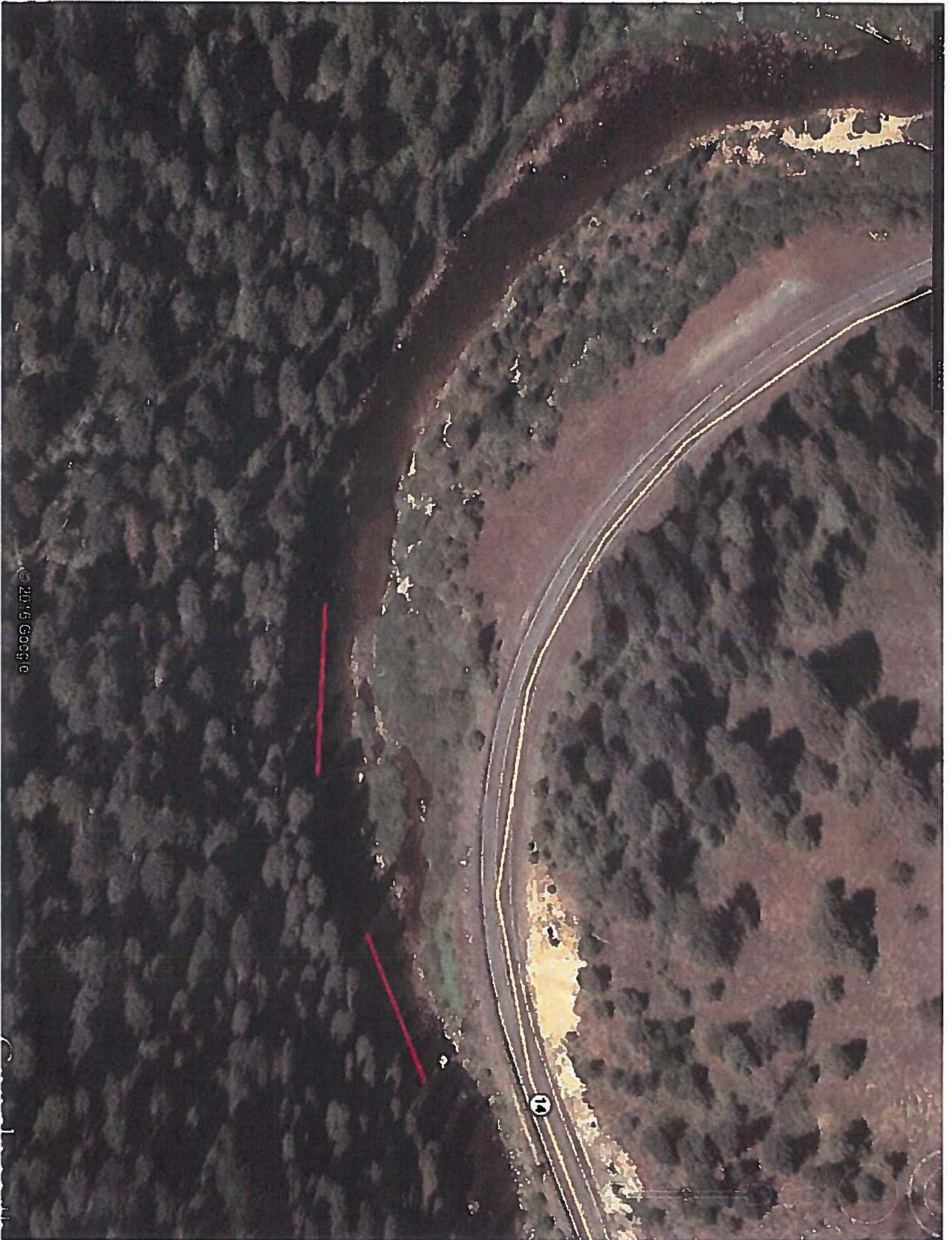


Claims are clearly marked along Highway 14 to Elk City on Right of Roadway heading toward Elk City!





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**MATERIALS MAY BE PROVIDED AT THE
IWRB MEETING**

TO: Idaho Water Resource Board (IWRB)
 FROM: Neeley Miller, Planning & Projects Bureau
 DATE: September 7, 2016
 RE: State Water Plan Sustainability Update



Governor Otter discussed the development of a Sustainability policy for the Idaho State Water Plan (SWP) in his recent State-of-the-State address. The Governor indicated the Board will be conducting public meetings throughout Idaho in the coming year to gather comments and suggestions on incorporating the Sustainability policy into the SWP.

At May 2016 Board meeting the Board accepted for public comment the Proposed Sustainability section of SWP from the Water Resource Planning Committee. The Proposed Sustainability section was developed through an extensive public involvement process. The Board is required to obtain formal public comment before adopting any changes associated with SWP. The Proposed Sustainability section is being presented to the public through informational meetings and public hearings being held throughout Idaho. The schedule is as follows:

Hearing #	Dates	Time	Location	City
1	June 7	6:30 pm	Idaho Water Center; Rm 602 C & D	Boise
2	June 13	6:30 pm	Community Campus, Minnie Moore Rm	Hailey
3	June 28	6:30 pm	CSI Campus, Shields Bldg., Rm 118	Twin Falls
4	July 20	6:30 pm	Edgewater Resort	Sandpoint
5	August 23	6:30 pm	Red Lion	Lewiston
6	August 30	6:30 pm	City Council Chambers, City Annex	Idaho Falls
7	September 14	6:30 pm	City of Chubbuck, City Council Chambers	Chubbuck

In addition to holding hearings, the formal public comment process requires at least a 60-day public comment period during which written comments will be accepted. The public comment period commenced on Friday, May 20 and will remain open through the close of business on Friday, September 30, 2016.

Comments can be submitted:

- Via e-mail to SWP@idwr.idaho.gov;
- Via Standard mail to IWRB, ATTN: SWP, PO Box 83720-0098, Boise, ID 83720-0098;
- Through testimony at any of the scheduled public hearings;

Additional Information about the public comment period can be found at:

http://www.idwr.idaho.gov/waterboard/WaterPlanning/StateWaterPlanning/State_Planning.htm

Upon completion of these meetings and the public comment period, the Board's Water Resource Planning Committee will convene to consider the comments and testimony received. The Committee will then submit a final recommendation to the Board for adoption and submission to the Idaho Legislature.

Attached to this memo you will find:

- 1) The Proposed Sustainability Section
- 2) A copy of the presentation delivered by staff at the public hearings

8. SUSTAINABILITY

Sustainability focuses on the overall stewardship of the State's water resources for the good of the people of the State of Idaho.

8A - SUSTAINABILITY OF IDAHO'S WATER RESOURCES

Sustainability is the active stewardship of Idaho's water resources to satisfy current uses and assure future uses of this renewable resource in accordance with State law and policy.

Discussion:

Water is the foundation of Idaho's economy and culture; the lives and livelihoods of Idahoans depend on a reliable supply of water. Stewardship of Idaho's water resources begins with the realization that the water resources of the State are not inexhaustible and therefore it is necessary to manage, administer, and take action to sustain, maintain and enhance the resource. Stewardship, by necessity, also includes taking affirmative steps to address declining trends in the resource where those trends exist and to establish policies that will prevent future unsustainable declines. The goal must be overall stewardship of the State's water resources for the good of the people of the State of Idaho.

The State of Idaho encompasses some of the most diverse and awe inspiring physical and geological features in the country. From the depths of Hells Canyon to the peak of Mount Borah, from sage brush deserts, to the extensive agricultural farm and ranch land, to alpine forests and meadows, to the cities and towns, the ecosystems of each of these varied areas all rely on the water resources of the State. The people of the State interact with and depend upon the water resources in these different landscapes in many different ways. Therefore, the water sustainability policy of the state of Idaho must embrace the diversity of the State, while recognizing the potential for a use or activity in one place to affect the water resources in another part of the State.

Sustainable water management strategies to meet current and future needs must be based on adequate knowledge regarding available supplies, existing use, competing economic and social demands, and future needs. Planning and management actions to promote water sustainability must be designed and implemented to ensure that existing water rights are protected and the economic vitality of Idaho is optimized.

The goal of sustainable use of water resources of the State must recognize that the goals of sustainable economic growth and protection of existing rights must coexist and are enhanced by measures that protect and maintain surface and ground water resources and the aquatic, riparian and human resources that depend on these water resources. Recognizing these needs will

Proposed Sustainability Section to be added to the Idaho State Water Plan

promote economic and environmental security and enhance the quality of life for the people of the State of Idaho.

Implementation Strategies:

- Ensure that all actions taken toward a sustainable water future protect and respect private property rights, both in the land and water rights
- Inventory Idaho's water supply, current uses, and future water supply needs
- Evaluate long-term and short-term trends in water availability for present and future uses
- Identify areas where present water supplies are either inadequate for present uses or not sustainable, and develop management plans to address supply in an appropriate timeframe respecting private property rights
- Identify management alternatives and projects that optimize existing and future water supplies without compromising water quality
- Prioritize and implement management alternatives and projects where competing demands and future needs are most critical
- Enhance water transfer mechanisms in Idaho law, policy and regulations to allow future economic opportunities to utilize existing water supplies, while protecting existing uses
- Utilize the Idaho Water Resource Board's Funding Program and prioritize allocation of funds for projects that ensure water sustainability across the state
- Identify water conservation measures that water users, municipalities, governmental agencies and other entities can undertake to help protect the water resources of the State and provide guidance to those entities on best practices to implement those conservation measures
- Recognize that conservation measures may reduce water supplies utilized by others in other parts of the resource
- Identify and provide funding for aquifer stabilization strategies throughout the state with due regard to the priorities of basin specific Comprehensive Aquifer Management Plans
- Pursue enhancement of surface water storage supply as a mechanism for meeting Idaho's future water needs
- Use a grassroots approach to identify problems and developing optimal solutions. The needs of individual basins must be taken into consideration in how the resource should be managed while recognizing the potential for decisions in one basin to affect the resources of another basin. An integrated and collaborative approach to water resource management is critical for the sound and efficient use of Idaho's water resources. The State of Idaho when appropriate should work together with, water users, tribes, local communities, neighboring states, and the federal government to resolve water issues

Proposed Sustainability Section to be added to the Idaho State Water Plan

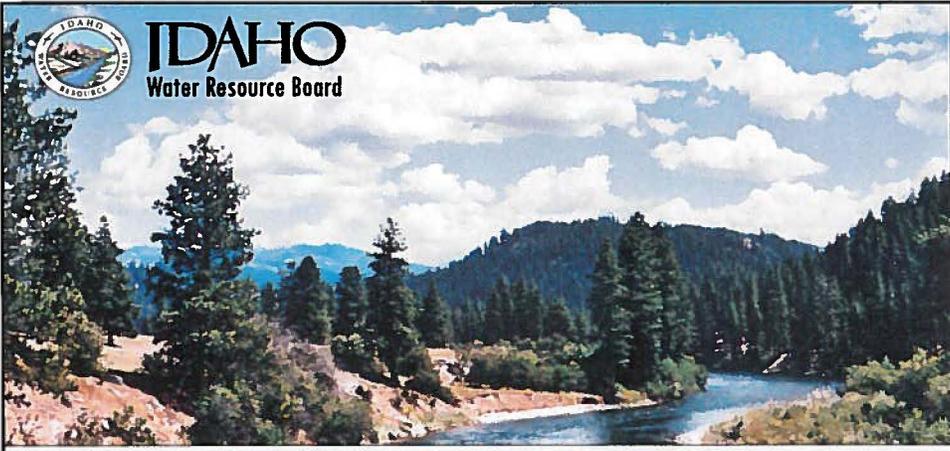
- Protection of the quality of existing water supplies, particularly those ground water resources that are used for drinking water supplies, to ensure the vitality of local communities. This goal requires other state and local agencies to exercise their appropriate authorities to protect the water resources and to assist in meeting the goal of sustainable economic growth

Milestones:

- Respect for private property rights in accordance with State law and policy
- Identify number of basins where water supply and demand have been inventoried
- Identify number of basins where management alternatives have been identified and implemented to optimize existing and future water supplies, including surface water storage, ground water recharge, conservation measures and weather modification
- Obtain more accurate water supply, water measurement, and forecasting information
- Disseminate water supply forecasts to water users in cooperation with other federal and state agencies
- Measure utilization of water bank and transfer procedures to allow sustainable use of the resource
- Determination and implementation of measures and policies to enhance the utility of the water bank and transfer procedures
- Financial programs and funding strategies that meet the future water resource needs of the State of Idaho. Secure funding and resources in cooperation with the Governor and legislature. Reliable on-going, long-term funding will be needed to enable and support active stewardship of Idaho's water resources.
- Basin aquifer stabilization - stabilization of ground water levels in basins where declines are occurring to restore and maintain sustainable aquifer levels
- Initiate and facilitate construction of additional surface water storage to meet current and future needs
- Use of adaptive management to identify and address uncertainties for success, including those related to data, modeling, and impacts of climate variability
- Balance water supply and demand – supply and demand must be in balance to support current and future use within a particular basin
- Improve data management – accurate and abundant data is necessary to assist with ensuring stewardship of Idaho's water resources to satisfy current and future uses
- Coordination with State and local entities on measures to protect and enhance ground water and surface water resources so that these resources are available for use by the people of the State of Idaho



IDAHO Water Resource Board



Water Sustainability Policy

Neeley Miller, IDWR, Planning & Projects Bureau
September 14, 2016



C. L. "Butch" Orpin
Chairman
September 5, 2012

Idaho Water Resource Board
1217 East Front St.
Boise, ID 83725-4098

Chairman Orpin and Board Members,

I want to first and foremost thank you for your hard work and dedication to protecting the precious water resources of the State of Idaho.

The lives and livelihoods of Idahoans depend upon a reliable supply of water. Pre-statehood development along Idaho's vast river valleys and canyons began a dependence on water and reliance on property rights that created a foundation for the economic growth Idahoans have enjoyed for over 150 years. Looking ahead to the future, economic development and job creation is dependent upon the sustainability of our water supply.

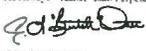
The responsibility for planning for the optimum use of Idaho's water resources is constitutionally vested in the Idaho Water Resource Board. By developing visionary procedures and policies that will sustain the reliability of water supplies in the future, the Board can ensure water is available to meet both present and future needs. As an Idahoan, I believe we should never forget where we came from or the values such as property rights that are the backbone of our Idaho way of life.

Therefore, I request that the Idaho Water Resource Board define water sustainability in a way that ensures our values are respected and the unique qualities of our resources are protected. It is my hope that the Board will develop and adopt a policy to guide management and development of Idaho's water resources to maximize their sustainability. The Board's activities should be an inclusive process which involves stakeholders statewide. I will continue my office to assist and participate throughout this very important project.

I believe that formally incorporating such a policy will enable the Board to identify areas in Idaho where achieving sustainability needs more focused attention. Once identified, the Board can recommend activities that will enhance the reliability of water in these areas. The State, through the Idaho Water Resource Board, needs to proactively establish long-term goals to address today's issues and tomorrow's challenges.

Again, thank you for your dedicated service to the State of Idaho and I look forward to working with you as we address this important issue.

As Always - Idaho, "Esto Perpetua"



C. L. "Butch" Orpin
Governor of Idaho

"Therefore, I request that the Idaho Water Resource Board define water sustainability..."

"I believe that formally incorporating such a policy will enable the Board to identify areas where achieving sustainability needs more focused attention."



C.L. "Butch" Otter
Governor
May 1, 2015

Roger Chase
Chairman, Water Resources Board

Dear Roger:

I applaud your efforts to develop a management program designed to facilitate the use of available water to maintain superior levels and address declining spring flows in the reaches of the Snake River above Swan Falls. Recent reports on the Murphy flow minimums emphasize the value of your work and additional efforts to sustain and restore the water resource to protect our State economy. I will continue to support funding efforts to encourage partnerships with water users to develop effective large scale projects to conserve and maximize the waters of the State. Such actions should be implemented in such a manner that allows the State to measure success through groundwater level changes and river flows. Your attention on the Eastern Snake Plan provides the template for projects throughout the State.

With respect to sustainability, in September of 2012, I requested that the Board develop a working definition of "water resource sustainability" recognizing existing uses and the law, but not foreclosing future opportunities. This definition was then intended to guide policy development and action. Since that time I am aware of the preliminary steps that the committee has taken. These steps have been useful in developing the Board's understanding of the concept of sustainability and how that concept is becoming a bigger part of our daily lives. As we look across the West at our neighboring states, drought, climate variability, growth and other water resource related subjects command the headlines. A Western Governors Association meeting doesn't go by where water isn't at the top of the agenda. As Idahoans we still have the opportunity to protect and ensure our heritage, but we need to move forward.

In an effort to provide further guidance on this important subject, I would submit that the following definition of sustainability as the term relates to Idaho's water resource to be the guiding definition as the Board moves forward with its policy development, planning and management of water:

Sustainability is "the active stewardship of Idaho's water resources to satisfy current uses and assure future uses of this renewable resource in accordance with State law and policy."

Such stewardship encompasses management, administration, and immediate action to sustain the resource, and by necessity includes reversal of the declining trends with the goal being overall enhancement of the State's water resources. We will must be good stewards of the natural resources of the State realizing that if we sustain our water supplies, future development will necessarily follow. I would request that the Board move forward expeditiously to achieve sustainability of the State's water resources through the development of explicit criteria and goals with the input from Idaho's water users. Our previous resource is in your expert hands.

As always - Idaho, "The Perpetual"



C.L. "Butch" Otter
Governor of Idaho

"As we look around the West...drought, climate variability, growth and other water resource related subjects command the headlines."

"...we need to move forward."

"Sustainability is the active stewardship of Idaho's water resources to satisfy current uses and assure future uses of this renewable resource in accordance with State law and policy."



IDAHO WATER RESOURCE BOARD

August 4, 2015

The Honorable C.L. "Butch" Otter, Governor
State Capitol
P.O. Box 83720
Boise, Idaho 83720

RE: Sustainability

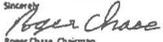
Dear Governor Otter,

By letter dated May 1, 2015, you provided the Idaho Water Resource Board (IWRB) with a definition of sustainability as the term relates to Idaho's water resources in an effort to provide further guidance on development of a statewide water sustainability policy.

You indicate in your letter that "Sustainability is the active stewardship of Idaho's water resources to satisfy current uses and assure future uses of this renewable resource in accordance with State law and policy." Additionally, you say that "stewardship requires management, administration and immediate action to sustain the resource, and by necessity includes reversal of the declining trends with the goal being overall enhancement of the State's water resources."

Over the next year, the IWRB Planning Committee will work to incorporate your guidance into the development of a statewide water sustainability policy that includes explicit criteria and goals with the long term objective of adding the sustainability policy to the State Water Plan.

The State Water Plan provides the framework for the conservation, management and optimum use of the water resource and waterways of Idaho in the public interest. The IWRB looks forward to working closely with your staff as we continue to plan for the optimum use of Idaho's water resources. Should you have any questions or concerns please contact Brian Patton of our staff at 787-4833.

Sincerely,

 Roger Chase, Chairman

CC: Idaho Water Resource Board members
 Gary Spackman, Director IWRB

Roger W. Chase
Chairman
Paradise
District 4

Jeff Raybould
Vice Chairman
St. Andrew
At Large

Vince Albers
Secretary
Caldwell
At Large

Peter Van Der Heulen
Halter
At Large

Charles "Chuck"
Cuddy
Orofino
At Large

Albert Barker
Boise
District 2

Jake "Bert" Stevenson
Rupert
District 3

Dale Van Stone
Hope
District 1

322 East Front Street, Boise, Idaho 83720 Tel: (208) 287-4908 Fax: (208) 387-4700

"Over the next year, the IWRB Planning Committee will work to incorporate your guidance into the development of a statewide water sustainability policy that includes explicit criteria and goals with the long-term objective of adding the sustainability policy to the State Water Plan."

Governor Otter's State of the State Address January 11, 2016



"Sustainability is a central value throughout Idaho, from the Treasure Valley to the Rathdrum Prairie and from Bear Lake to Hells Canyon. That's why I'm proud to announce that the Water Resource Board has drafted a statewide sustainability policy. The Board will conduct public meetings throughout Idaho in the coming year to gather suggestions on incorporating its findings into our Comprehensive State Water Plan."



C. L. "BUTCH" OTTER
GOVERNOR
January 25, 2016

Joint Finance and Appropriations Committee
Dear Legislator,

Active management, data-driven administration and immediate action are required to sustain Idaho's precious water resources, including reversing the decline in aquifer levels. We must exercise responsible stewardship of the resources to ensure the opportunity for future growth, development and prosperity. Our objective must be maintaining the long-term health of water resources throughout Idaho.

After additional discussions with the Idaho Department of Water Resources on the funding necessary to meet the State's commitment under the settlement agreement for the Eastern Snake Plain Aquifer (ESPA), I am revising my budget recommendation to fully fund its accelerated implementation.

The revised recommendation in my Executive Budget includes:

- Transferring \$6.5 million in one-time funding to the Secondary Aquifer Planning, Management and Implementation Fund - increasing the total transfer to that fund to \$16.3 million
- Increasing ongoing funds for water sustainability projects by \$3 million - increasing the total for these projects to \$5 million

Joel Revier, Administrator of DFM, will present these and other revisions to the committee and will answer any questions you may have.

As ground water reductions meet the benchmarks and goals of the water settlement agreement, the State's sustainability projects coupled with this funding will advance the needs of the water users and sustain Idaho's water resources.

As Always - Idaho, "Esto Perpetua"

C.L. "Butch" Otter
Governor of Idaho

"...the State's sustainability projects coupled with this funding will ... sustain Idaho's water resources."



Article XV, Section 7 Idaho Constitution

- Additionally, the State Water Resource Agency [board] shall have power to formulate and implement a state water plan for optimum development of water resources in the public interest.
- “[A]ny change in the state water plan shall be submitted to the Legislature . . . and the change shall become effective unless amended or rejected by law within sixty days of its admission to the Legislature.”



Idaho State Water Plan

Idaho Code Chapter 42, Section 1734A:

The board shall, subject to legislative approval, progressively formulate, adopt and implement a comprehensive state water plan for conservation, development, management and optimum use of all unappropriated water resources and waterways of this state in the public interest.



Idaho State Water Plan

First Plan: Objectives 1974
 Policies 1976

Subsequent revisions

1982, 1986, 1992, 1996, 2012



Idaho State Water Plan

- Proposed changes are adopted by the IWRB; changes submitted to the Idaho Legislature and shall become effective unless amended or rejected by law within sixty days of submission
- All state agencies are required to exercise their duties in a manner consistent with the Plan
- Provides guidance and direction for water planning, management, conservation and development



2016 Proposed Sustainability Policy

Sustainability Policy:

Sustainability is the active stewardship of Idaho's water resources to satisfy current uses and assure future uses of this renewable resource in accordance with State law and policy



2016 Proposed Sustainability Policy

Policy Narrative (excerpt #1)

Sustainable water management strategies to meet current and future needs must be based on adequate knowledge regarding available supplies, existing use, competing economic and social demands, and future needs. Planning and management actions to promote water sustainability must be designed and implemented to ensure that existing water rights are protected and the economic vitality of Idaho is optimized.



2016 Proposed Sustainability Policy

Policy Narrative (excerpt #2)

Stewardship of Idaho's water resources begins with the realization that the water resources of the State are not inexhaustible and therefore it is necessary to manage, administer, and take action to sustain, maintain and enhance the resource. Stewardship, by necessity, also includes taking affirmative steps to address declining trends in the resource where those trends exist and to establish policies that will prevent future unsustainable declines. The goal must be overall stewardship of the State's water resources for the good of the people of the State of Idaho.



2016 Proposed Sustainability Policy

Policy Narrative (excerpt #3)

The goal of sustainable use of water resources of the State must recognize that the goals of sustainable economic growth and protection of existing rights must coexist and are enhanced by measures that protect and maintain surface and ground water resources and the aquatic, riparian and human resources that depend on these water resources. Recognizing these needs will promote economic and environmental security and enhance the quality of life for the people of the State of Idaho.



State Water Plan Policy Sections

1. Optimum Use
2. Conservation
3. Management
 - River Basins
4. Snake River Basin
5. Bear River Basin
6. Panhandle Basins
7. Salmon-Clearwater Basin
8. Sustainability

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8. SUSTAINABILITY

Sustainability focuses on the overall stewardship of the State's water resources for the good of the people of the State of Idaho.

8A - SUSTAINABILITY OF IDAHO'S WATER RESOURCES

Sustainability is the active stewardship of Idaho's water resources to satisfy current uses and assure future uses of this renewable resource in accordance with State law and policy.

Discussion:

Water is the foundation of Idaho's economy and culture, the lives and livelihoods of Idahoans depend on a reliable supply of water. Stewardship of Idaho's water resources begins with the realization that the water resources of the State are not inexhaustible and therefore it is necessary to manage, administer, and take action to sustain, maintain and enhance the resource. Stewardship, by necessity, also includes taking affirmative steps to address declining trends in the resource where those trends exist and to establish policies that will prevent future unsustainable declines. The goal must be overall stewardship of the State's water resources for the good of the people of the State of Idaho.

The State of Idaho encompasses some of the most diverse and awe inspiring physical and geological features in the country. From the depths of Hell's Canyon to the peak of Mount Borah, from sage brush deserts, to the extensive agricultural farm and ranch land, to alpine forests and meadows, to the cities and towns, the ecosystems of each of these varied areas all rely on the water resources of the State. The people of the State interact with and depend upon the water resources in these different landscapes in many different ways. Therefore, the water sustainability policy of the state of Idaho must embrace the diversity of the State, while recognizing the potential for a use or activity in one place to affect the water resources in another part of the State.

Sustainable water management strategies to meet current and future needs must be based on adequate knowledge regarding available supplies, existing use, competing economic and social demands, and future needs. Planning and management actions to promote water sustainability must be designed and implemented to ensure that existing water rights are protected and the economic vitality of Idaho is optimized.

The goal of sustainable use of water resources of the State must recognize that the goals of sustainable economic growth and protection of existing rights must coexist and are enhanced by measures that protect and maintain surface and ground water resources and the aquatic, riparian and human resources that depend on these water resources. Recognizing these needs will

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promote economic and environmental security and enhance the quality of life for the people of the State of Idaho.

Implementation Strategies:

- Ensure that all actions taken toward a sustainable water future protect and respect private property rights, both in the land and water rights
- Inventory Idaho's water supply, current uses, and future water supply needs
- Evaluate long-term and short-term trends in water availability for present and future uses
- Identify areas where present water supplies are either inadequate for present uses or not sustainable, and develop management plans to address supply in an appropriate timeframe respecting private property rights
- Identify management alternatives and projects that optimize existing and future water supplies without compromising water quality
- Prioritize and supplement management alternatives and projects where competing demands and future needs are most critical
- Enhance water transfer mechanisms in Idaho law, policy and regulations to allow future economic opportunities to utilize existing water supplies, while protecting existing uses
- Utilize the Idaho Water Resource Board's Funding Program and prioritize allocation of funds for projects that ensure water sustainability across the state
- Identify water conservation measures that water users, municipalities, governmental agencies and other entities can undertake to help protect the water resources of the State and provide guidance to those entities on best practices to implement those conservation measures
- Recognize that conservation measures may reduce water supplies utilized by others in other parts of the resource
- Identify and provide funding for aquifer stabilization strategies throughout the state with due regard to the priorities of basin specific Comprehensive Aquifer Management Plans
- Pursue enhancement of surface water storage supply as a mechanism for meeting Idaho's future water needs
- Use a grassroots approach to identify problems and developing optimal solutions. The needs of individual basins must be taken into consideration in how the resource should be managed while recognizing the potential for decisions in one basin to affect the resources of another basin. An integrated and collaborative approach to water resource management is critical for the sound and efficient use of Idaho's water resources. The State of Idaho when appropriate should work together with water users, tribes, local communities, neighboring states, and the federal government to resolve water issues

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- Protection of the quality of existing water supplies, particularly those ground water resources that are used for drinking water supplies, to ensure the vitality of local communities. This goal requires other state and local agencies to exercise their appropriate authorities to protect the water resources and to assist in meeting the goal of sustainable economic growth

Milestones:

- Respect for private property rights in accordance with State law and policy
- Identify number of basins where water supply and demand have been inventoried
- Identify number of basins where management alternatives have been identified and implemented to optimize existing and future water supplies including surface water storage, ground water recharge, conservation measures and weather modification
- Obtain more accurate water supply, water measurement, and forecasting information
- Disseminate water supply forecasts to water users in cooperation with other federal and state agencies
- Measure utilization of water bank and transfer procedures to allow sustainable use of the resource
- Determination and implementation of measures and policies to enhance the utility of the water bank and transfer procedures
- Financial programs and funding strategies that meet the future water resource needs of the State of Idaho. Secure funding and resources in cooperation with the Governor and legislature. Reliable on-going, long-term funding will be needed to enable and support active stewardship of Idaho's water resources
- Basin aquifer stabilization - stabilization of ground water levels in basins where declines are occurring to restore and maintain sustainable aquifer levels
- Initiate and facilitate construction of additional surface water storage to meet current and future needs
- Use of adaptive management to identify and address uncertainties for success, including those related to data, modeling, and impacts of climate variability
- Balance water supply and demand – supply and demand must be in balance to support current and future use within a particular basin
- Improve data management – accurate and abundant data is necessary to assist with ensuring stewardship of Idaho's water resources to satisfy current and future uses
- Coordination with State and local entities on measures to protect and enhance ground water and surface water resources so that these resources are available for use by the people of the State of Idaho



Public Comment

The public comment period commenced on Friday, May 20 and will remain open through the close of business on Friday, September 30, 2016.

Comments can be submitted:

- Through e-mail to SWP@idwr.idaho.gov;
- Through mail to IWRB, ATTN: SWP, PO Box 83720-0098, Boise, ID 83720-0098;
- Through testimony at any of the scheduled public hearings.
- More information found at:
http://www.idwr.idaho.gov/waterboard/WaterPlanning/StateWaterPlanning/State_Planning.htm

Sustainability Policy Public Hearing Schedule

Hearing #	Dates	Time	Location	City
1	June 7	6:30 pm	Idaho Water Center; Rm 602 C & D	Boise
2	June 13	6:30 pm	Community Campus, Minnie Moore Rm	Hailey
3	June 28	6:30 pm	CSI Campus, Shields Bldg., Rm 118	Twin Falls
4	July 20	6:30 pm	Edgewater Resort	Sandpoint
5	August 23	6:30 pm	TBD	Lewiston
6	August 30	6:30 pm	City Council Chambers, City Annex	Idaho Falls
7	September 14	6:30 pm	City of Chubbuck, City Council Chambers	Chubbuck

**MATERIALS MAY BE PROVIDED AT THE
IWRB MEETING**