



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 3-11

Best Western Coeur d'Alene Inn
Coeur d'Alene, Idaho
May 13, 2011

C.L. "Butch" Otter
Governor

Chairman Uhling called the meeting to order at approximately 8:40 a.m. and asked for roll call. Seven members were present; Leonard Beck was absent.

Terry T. Uhling
Chairman
Boise
District 2

Agenda Item No. 1, Roll Call

Bob Graham
Secretary
Bonners Ferry
District 1

Board Members Present

Terry Uhling, Chairman
Bob Graham
Chuck Cuddy
Peter Van Der Meulen

Vince Alberdi
Roger Chase
Jeff Raybould
Leonard Beck, *absent*

Charles "Chuck" Cuddy
Orofino
At Large

Staff Members Present

Gary Spackman, Interim Director
Helen Harrington, Planning Section Manager
Jack Peterson, Federal Liaison

Brian Patton, Planning Bureau Chief
Diana Ball, Administrative Assistant
Rich Rigby, Federal Liaison

Leonard Beck
Burley
District 3

Guests Present

Roger W. Chase
Pocatello
District 4

Lynn Tominaga, IGWA
Brenda Tominaga, IGWA
Candice McHugh, IGWA
Norm Semanko, IWUA
Walt Poole, Idaho Fish and Game
John Simpson, Barker Rosholt & Simpson LLP

Jim Markley, City of Coeur d'Alene
Clinton Pline, Nampa & Meridian Irrigation
Daren Coon, Nampa & Meridian Irrigation
Alan Miller, Hayden Lake Irrigation District
Vern Case, Wilder Irrigation District

Vince Alberdi
Kimberly
At Large

Jeff Raybould
St. Anthony
At Large

Agenda Item No. 3, Agenda and Approval of Minutes 2-11

There were no changes to the agenda. Mr. Graham moved to approve Minutes for Meeting 2-11 as submitted. Mr. Alberdi seconded the motion. Voice vote. All were in favor. Motion carried. Minutes for Meeting 2-11 were approved as submitted.

Peter Van Der Meulen
Hailey
At Large

Agenda Item No. 4, Public Comment

Chairman Uhling asked for public comment regarding any items not included on the agenda.

Mr. Jim Markley, City of Coeur d'Alene, addressed the Board on the Draft RP CAMP. Chairman Uhling asked Mr. Markley to stay in contact with the RP Advisory Committee as the process moves forward into the implementation stage.

Mr. Norm Semanko, IWUA, addressed the Board about his concerns on the RAFN portion of the TV CAMP. He also reminded the Board that the IWUA Law Seminar will be held June 27 & 28 in Sun Valley and provided a brief overview of topics and presenters, including IDWR interim director, Gary Spackman, and previous IWRB member, Jerry Rigby.

Mr. Clinton Pline, Nampa & Meridian Irrigation District Board of Directors, addressed the Board about his concerns on the RAFN portion of the TV CAMP. As a member of the TV CAMP Advisory Committee, he feels the focus of the TV CAMP process should be on the aquifer. He also commented that the TV CAMP Advisory Committee is not a rule making body but as a group is looking at the issues and making recommendations.

Mr. Daren Coon, Nampa & Meridian Irrigation District Board of Directors, addressed the Board about his concerns on the RAFN portion of the TV CAMP. He referred to IMAP legislation enacted about 15 years ago and commented that it seems inappropriate for RAFN to be a part of the TV CAMP process since there are other methods within statutes, such as IMAP, to address those issues.

Mr. Vern Case, Wilder Irrigation District, addressed the Board about his concerns on the RAFN portion of the TV CAMP. As a member of the TV CAMP Advisory Committee, he suggested that RAFN should be addressed by the full Advisory Committee rather than the Drafting Group that has been meeting.

Chairman Uhling assured Mr. Case that the Board understands the concerns and is committed to addressing those concerns in a productive way.

Agenda Item 5, Financial Items

a. Financial Program Status Report

Mr. Brian Patton presented the Financial Program Status Report. As of April 1, 2011, total IWRB funds committed but not disbursed totaled approximately \$13.6 million. The outstanding loan principal balance is \$19.1 million, and the total uncommitted balance is approximately \$2.7 million. The committed but not disbursed includes the \$2.4 million shown as committed for the ESPA CAMP under the Pristine Springs subaccount. It will be transferred to the Secondary Aquifer Fund pursuant to legislative direction. A balance sheet will be provided showing that deposit once the transfer has taken place.

Mr. Patton provided a brief explanation to the new Board members regarding the source of the \$2.4 million, which is attributed to the loan made to the two ground water districts for their participation in the Pristine Springs acquisition. Each ground water district is responsible for making approximately \$1.2 million annual payments. The Board committed the first two payments to the ESPA CAMP process to fund projects. There was concern over spending those funds directly from the Revolving Development Account, so the legislature created the Secondary Aquifer Fund for those funds to be deposited to. The fund can also accept dollars from water users.

Mr. Patton referred to the list of potential loan applications being considered and stated there are no loan applications before the Board for consideration at this meeting. He also stated the Bear River Canals Bond Pool is still on track for early summer issuance. He provided a brief summary for the benefit of the new Board members, explaining that Bear River Canals received \$2.46 million in federal stimulus grant money through BOR for canal improvements and came before the Board to ask for matching funds. The bonds would be in the amount

of approximately \$2.4 million, and they would be non-recourse to the Board. This has been a challenging project for staff and Mr. Wrigley.

Mr. Patton provided a list of individuals who have paid Board loans in full in recent months, including Fall River Irrigation Company, Cougar Ridge Water & Sewer District, Howe Water District, and Point Springs Grazing Association.

Mr. Patton provided a chart showing Rental Pool Surcharge Revenues per the Board's request at the last meeting. Of the \$3.33 million surcharge received to date, \$841,800 has been deposited into the Water Management Account and the rest into the Revolving Development Account. About 60% is a direct result of BOR leasing storage water for salmon flow augmentation.

b. Revenue Bond Request – ESPA Ground Water Districts

Mr. Patton provided information regarding the revenue bond request from three ESPA ground water districts: Magic Valley, North Snake, and Southwest Irrigation. The bond amount is still unknown pending evaluations by the Districts.

No action at this time.

c. ESPA Managed Recharge

1) Status Update

Mr. Rich Rigby provided an update of current recharge estimates, totaling approximately 40,000 ac-ft of recharge year-to-date. He stated that Milner is operating at 9,000 cfs, which is 4,000 cfs above hydropower capacity, indicating there is more water available for recharge if funding is available.

Mr. Rigby recommended an amended resolution for the Board's consideration in the matter of 2011 ESPA managed recharge operations to accept funding from IGWA and to authorize an expenditure of funds. The resolution provides that funds provided by IGWA will be deposited into the Secondary Aquifer Fund until expended for the specified purpose, and recharge conducted in 2011 under contracts with the Board will be apportioned between the Board and IGWA according to terms specified in the resolution.

Chairman Uhling stated it is important that the Board's position is to encourage recharge consistent with the goals of the CAMP and consistent with the goals to help the state from a state water perspective. He stated it is not the Board's role in relationship to the administrative issues, which are appropriately left to the Director and to the Department (IDWR). Chairman Uhling stated that from his perspective it is important to move forward with aquifer recharge in a way that is constructive and to work with ground water users and others who want to participate in the process, and it is critical to recharge in the right spots to the extent possible for maximum retention, especially with the limited funds. Chairman Uhling asked Mr. Rigby for clarification that there is approximately \$115,000 allocated for recharge remaining in the recharge account.

Mr. Rigby stated that was correct, however based on the discussion during the work session and the amended resolution, that amount would be increased, and there should be some funds available for fall recharge and possibly some for next spring.

Mr. Raybould asked for clarification on the 50 / 50 funding provision in paragraph c of the resolution, specifically asking if there was a possibility that the Board funding could be exhausted before all the IGWA funding was used up and would that limit utilizing all the IGWA funding.

Mr. Rigby stated that it should not be a problem through the spring, and they can revisit it in the fall.

Ms. Candace McHugh, legal representative for IGWA, asked for clarification on recharge locations. She stated that the resolution does not set forth specific locations but that it would likely be determined jointly between the ground water users and the Department technical staff determining where the water is located and what canals are available. Chairman Uhling confirmed that was correct.

Mr. Chase made a motion to accept the resolution to accept funding and to authorize an expenditure of funds in the matter of 2011 ESPA managed recharge operations as amended. The motion was seconded by Mr. Raybould. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Absent; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 7 Ayes. 1 Absent. Motion carried.

d. Water Transactions Program Update

Ms. Helen Harrington provided a brief update on the Water Transactions Program and provided background on the program for the new Board members. This Board program is intended to be voluntary, cooperative, and market based to keep local communities and economies viable in the face of potential endangered species actions in the Salmon basin. There are a number of different funding sources used to leverage the activities that the Board sponsors in that area. One source is the Columbia Basin Water Transactions Program (CBWTP) funded through the Bonneville Power Administration (BPA). This program identifies Qualified Local Entities (QLEs) who carry out this program in different states; IWRB is the only qualified QLE in Idaho. Board works with local agencies as well as private organizations such as The Nature Conservancy to coordinate and cooperate to make these transactions occur. The program began in 2003 and has been continuing successfully over time.

Twice a year staff meets with the program managers of the CBWTP to assess the program and discuss issues and concerns, and it also provides an opportunity for staff to showcase work that has been accomplished. Staff recently met with CBWTP and there were no concerns or issues. CBWTP will be having their fall QLE meeting in Salmon and Stanley, which will primarily be a field trip that will showcase the activities that have been going on. Ms. Harrington invited the Board to attend the field trip and encouraged Board members to contact Ms. Morgan Case, who is the primary IDWR staff person that oversees the program, with any questions they might have regarding the program. The plan is to spend one night in Stanley and two nights in Salmon.

Chairman Uhling added background for new Board members, stating that this has been a very successful program, and a cooperative basis with the land owners in the area, and speaks well of the Board and the State and those working to get this done. He also emphasized that the program funding is a pass-through funding and is not coming directly from the Board.

Ms. Harrington stated that the funds come from the Bonneville Power Administration to fund projects.

Chairman Uhling stated again that the program has been very successful and extended the Board's appreciation to Ms. Case for all her work on the program. He noted that the dates for the field trip are September 12 to 14. Mr. Harrington stated they are still finalizing plans and will update the Board on final dates.

Ms. Harrington stated the last couple of years the Department has been holding the processing of new water right applications in the Salmon basin. Recently the Department has been working with the Water Transactions Program and a number of agencies to develop steps to move forward with the processing of those applications. The Department is going to begin processing those new applications. With the processing of those applications, the Board may want to consider how to respond, similar to protection of MSFs in other basins, there is potential for injury to some of the projects that the Board has facilitated or implemented in the Upper Salmon basin, meaning there is money being expended and there is potential for new diversions to negatively impacts where those projects have occurred. Staff will be tracking those applications to determine the impact and will share concerns with the Board; there are also concerns from the funding agencies for these projects.

Mr. Alberdi asked what kind of projects may be impacted. Ms. Harrington stated that the goal of the Water Transaction Program is primarily to get flows back in stream and to reconnect streams. There is concern that some applications may be to divert water from those reaches in which the Board has paid to put water back in the stream.

Chairman Uhling stated that from a process standpoint it would make sense to keep in touch with the AG office on this matter and receive recommendations on any potential applications that would have a negative impact.

Ms. Harrington also informed the Board that the U.S. Forest Service has been considering how to deal with water rights they hold in the Sawtooth National Forest, specifically in the Busterback Ranch area, that they purchased a number of years ago. Staff continues to meet with the U.S. Forest Service to discuss opportunities for how they may want to deal with those water rights, how to protect them, and perhaps accomplish the goals they have within the programs that currently exist.

e. Pristine Springs

Mr. Patton informed the Board that the North Snake Ground Water District (NSGWD) and Magic Valley GWD are requesting that the Board consent to the sale of 0.2 cfs of Pristine Springs water right 36-2603C to the Carey Valley GWD. The Board's consent is required because of 1) the terms of the loan contract between the Board and the two districts, and 2) the Board is the trustee for the Water Trust for Water Right 36-2603C. This is the first proposed sale to any of the other ground water districts. Staff has been working with these districts and their attorneys to structure this sale. It is important that the existing loan agreement remain unchanged and that the terms of the Trust remain unchanged. Mr. Patton presented a Consent to Sale for the Board to consider in this matter.

Ms. McHugh addressed the Board and stated that with that background it is also important to understand that the ground water districts 10 cfs that they purchased under this agreement has been supplied as mitigation to Blue Lakes since the purchase. The ground water districts have been leasing some of the water and have covered Carey GWD under the mitigation plan that was approved for direct delivery to Blue Lakes. Carey Valley GWD exercised their option to purchase a portion of the Pristine Springs water right and earlier this year, or late last year, they chose to exercise their purchase option. It was originally proposed that Carey Valley pay the Board directly, but it was understood that the Board prefers the two original ground water districts make payments to the Board under the terms of the original purchase contract. A revised Consent to Sale before was presented to the Board for consideration to allow Carey Valley GWD to purchase the 0.2 cfs of the Pristine Springs water right from the North Snake and Magic Valley GWDs.

Mr. Alberdi asked for clarification as to whether the mitigation requirements were less than 10 cfs. Ms. McHugh responded that the actual total mitigation under all the orders of the Director is over 10 cfs, approximately 12 cfs including Water District 140. She stated that the individual obligation of North Snake and Magic Valley is approximately 8.8 or 9.2 cfs. Mr. Alberdi asked if the sum is less than 10 cfs, then could the ground water districts sell the balance up to 10 cfs? Ms. McHugh responded that the ground water districts only own, or are purchasing 10 cfs from the Board. Mr. Alberdi asked if that would compromise the ground water districts ability to supply mitigation to Blue Lakes if they have 10 cfs of mitigation water and are selling a portion of that off. Ms. McHugh responded that the ground water districts could not provide direct delivery of more than 10 cfs to Blue Lakes hence they have the Hardy purchase. The amount of water owed to Blue Lakes has increased, but the 10 cfs is sufficient at this time to meet the ground water districts obligation to Blue Lakes, in addition to their other mitigation plans, which have been approved for voluntary curtailment and recharge that they have done in the past. The districts entered into the agreement with Hardy because they needed a long-term solution for all the facilities including Blue Lakes. Mr. Alberdi asked if something were to happen to the Hardy agreement and they sell this portion off, and their requirements are greater than the 10 cfs, would they be willing to take that responsibility? Ms. McHugh responded that, yes, in fact, there are ongoing discussions with the City of Twin Falls to establish a buffer if necessary for any increased obligation that may occur to Blue Lakes.

Mr. Raybould made a motion to adopt the Consent to Sale and Transfer. The motion was seconded by Mr. Alberdi. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Absent; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 7 Ayes. 1 Absent. Motion carried.

There was a short break in the meeting.

Agenda Item No. 6, Planning Activities

a. Rathdrum Prairie CAMP

Ms. Harrington provided a brief update on RP CAMP program. A public hearing was held May 12, 2011; the process has been timely. Advisory Committee started meeting in December 2009 and submitted draft Recommended Plan to IWRB in January 2011. The Advisory Committee has taken the task very seriously and submitted the draft Plan and is now discussing implementation. Three primary objectives related to meeting future water needs, preventing and resolving conflicts, and to protect the aquifer, primarily related to the water quality.

Draft Plan is currently out for public comment to meet statutory requirements for the IWRB to consider adopting the Plan. Public comment period runs from April 10 to June 10, 2011. Testimony was taken at the public hearing. That testimony along with public comments will be compiled and reviewed by the subcommittee, IWRB members, Mr. Cuddy and Mr. Graham, and the Advisory Committee, and a subcommittee meeting will be held to review any suggested changes. Anticipated that will occur this summer.

Chairman Uhling commented that they are halfway through the comment period and to date no written comments have been received. Ms. Harrington, that was correct, but several who attended the public hearing stated they would be submitting written comments.

RP Advisory Committee members, Mr. Dale Peck, Panhandle Health District, and Mr. Alan Miller, Hayden Lake Irrigation District, addressed the Board. Mr. Peck provided positive feedback on the RP CAMP Plan and the process. Mr. Peck stated his intent to assist the Board in the implementation phase. Chairman Uhling expressed his appreciation for Mr. Peck's willingness to sit on the committee and work on the project. Mr. Miller thanked the Board for their proactive approach to the CAMP process and future support of implementation. Chairman Uhling thanked Mr. Miller for his participation on the RP CAMP.

b. ESPA CAMP / ESPA Activities

Mr. Rich Rigby presented a copy of a letter dated April 14, 2011, from the Governor to the Secretary of State regarding H318, which may help the ground water users fund their acquisition of the Blue Lakes properties. At the July Board meeting there will be an in-depth discussion about the ESPA, CAMP, and funding issues to assist the Board in making decisions.

Mr. Rigby briefly updated the Board on the AWEP program, which is in year 3 of the 5-year funding authorization. In years 1 and 2, a total of 23 ground and surface water conservation projects were approved involving approximately 65,400 acres with \$1.9 million from federal funding and \$644,000 from non-federal. Potential water saving on the aquifer is up to 9,600 acre-feet annually on the rim. On the plain below the rim in the Thousand Springs area, 19 assist and improve projects were approved with \$1.8 million from federal funding, \$453,000 non-federal cost-sharing, and an estimated reduction demand for spring flows of approximately 10,000 acre-feet. Recently the Board passed a resolution authorizing funding of \$200,000 for measurement devices that are required for AWEP projects and that has been applied with a 60/40 split.

There is approximately \$1.25 million dollars allocated and available from federal funds for current year projects, and there are more projects than there is money, which is a good sign. In Hazelton Butte area, there are conversion projects covering approximately 4,685 acres. There is an application for a reregulating reservoir on the Twin Falls Canal, three additional projects in the Thousand Springs area, and some additional demand reduction projects.

Mr. Alberdi asked for updates on the J8 pumpback project, the Fremont-Madison Study project, and the Idaho Canal Measurement project. Mr. Rigby responded that the J8 project is still under discussion, and there has been no further progress on the proposal. Mr. Patton responded that no Board monies have been disbursed on either the Idaho Canal Measurement or the Fremont-Madison projects to date.

Mr. John Simpson, Barker, Rosholt, Simpson, LLP, addressed the Board with respect to the J8 pumpback and conversion of ground water lands on the Northside system. He stated they are still working with the ground water districts and the State in an effort to try and ensure the project moves forward. This has been part of the negotiations that spring users have been having with the ground water districts to find ways to improve ground water levels in spring flows.

c. Treasure Valley CAMP

Ms. Harrington provided a brief update on current activities of the Treasure Valley CAMP Advisory Committee (AC). The AC recognized that it would be difficult for all 41 members to produce a draft document, so the full AC established a drafting group to develop a framework and draft language for the CAMP plan. The drafting group consists of Rex Barrie, Russ Dane, Matt Howard, Chris Jones, Brian Patton, Kathy Peter, Rick Ward, Paul Woods, and Mark Zirschky.

In response to the Board's direction at the last meeting to include a member of the surface water irrigation community to ensure that perspective was a part of the drafting process, Mr. Zirschky was added to the drafting group and has been participating since that time. There are concerns over how the drafting is done. The intent is to take whatever materials the drafting group develops to the full AC for review.

A letter was submitted by IWUA addressing concerns over the Reasonably Anticipated Future Needs (RAFNL) component, which is shorthand for the Municipal Water Rights Planning Act of 1996. An additional letter was submitted from Mr. Paul Woods who is a member of both the TV CAMP AC and the drafting group. The intent of the letter is to inform the Board how the drafting group is working and what their role is in the process.

Agenda Item No. 7, Water Storage Studies

Mr. Brian Patton provided a brief update on the status of the ongoing water storage studies.

Lower Boise River

The Lower Boise Feasibility Study is a joint study between the IWRB and the COE. Late last year, the COE completed an initial screening analysis and identified the top three sites for additional storage: 1) higher dam at Arrowrock, 2) new dam at Alexander Flats, and 3) new dam at Twin Springs. At this point, study activity is suspended until Federal match funding is made available.

Henrys Fork Basin

The Henrys Fork Basin Study is a joint effort between the IWRB and the BOR with both parties providing funding. There are 26 surface water storage sites that have been identified and discussed. An investigation of other water management alternatives is a requirement of BOR funding.

Mr. Jeff Raybould commented that the Henrys Fork Basin Study group developed a working group that includes many interests of the Study, including Henrys Fork Foundation, Trout Unlimited, Friends of the Teton Rivers and American Rivers, along with Fremont-Madison Irrigation, and it was determined that the Study was getting off-track. Stakeholder meetings have been suspended until the working group can refocus the Study and

identify how to get the process back on track. A full stakeholders meeting is scheduled to be held in June. There is a strong reluctance from some of the interest groups to have a storage component come out of the Study but they recognized that the State of Idaho wanted storage options to be considered.

Weiser-Galloway Project

The Weiser-Galloway Project is a 50/50 cost share agreement between the IWRB and the COE to identify a potential storage project on the Weiser River. The report has been finalized and a full briefing will be made to the IWRB at the July meeting. The Storage Subcommittee will likely convene prior to the July meeting to receive a briefing on this report.

Minidoka Dam Raise Special Study

This study is complete and indicated that a 5 foot rise at Minidoka Dam would yield an additional storage capacity of 67,000 acre-feet at a cost of \$205 million dollars. Further action on this project is on hold pending economic changes or other changes that might prompt the IWRB to address it at a future date.

Agenda Item No. 8, Minimum Stream Flow (MSF) Program

Ms. Helen Harrington provided a brief update in anticipation of future action that may be needed on behalf of the IWRB.

Kelso Lake Minimum Streamflow Lake Level – Several residents of the Kelso Lake area previously requested that the IWRB consider filing an application for a minimum lake level. In the State of Idaho, the IWRB is the only body that can hold a water right for a minimum streamflow or a minimum lake level. Staff met with interested parties and suggested that they conduct more background work before they approach the IWRB with a formal request. The interested parties do not have any water level data, and staff has encouraged them to install water monitoring devices to acquire water data, which will take at least a year. Kelso Lake is located between Coeur d'Alene and Sandpoint.

Pack River Minimum Streamflow – This is an existing permit, or license, with a 1992 priority date. An inquiry was received from a landowner who has property adjacent to the Pack River which is tributary to the Pend Oreille. The landowner was concerned that the minimum streamflow was not being met because a neighbor was diverting a junior water right. There are no gages that indicate if that is an accurate assessment. The IWRB may want to consider how and if it wants to address questions about whether the IWRB minimum streamflow water rights held by the IWRB are being met and whether they may want to implement any gaging.

Kootenai Minimum Streamflow Application – This application was filed by the IWRB in 1992 and is still in application status. The intent was to file for 5,340 cfs on the Kootenai River. The IDWR has been updating files and is contacting applicants to determine what their intent is. The IDWR will likely continue to contact the IWRB to determine if they want to continue to extend their request for a delay or take action, and the IWRB has several options to consider regarding this application.

Mr. Bob Graham strongly urged the IWRB to file for another delay and to delay as long as possible because there are very few water demands on the Kootenai River.

Agenda Item No. 9, IWRB Water Supply Bank (WSB) Update

Mr. Patton presented several charts showing that WSB staff has made a tremendous effort in reducing the backlog on both the lease and rental side of the program. Mr. Patton suggested the IWRB reconvene the WSB Subcommittee to address several issues: 1) forfeiture review of leased water rights and concerns over the staff spending too much time reviewing forfeiture and 2) whether the current rental fee is appropriate. It is currently set at \$14.00 / acre foot. The IWRB's original intent was to match the out of basin rental rate for the rental pools as set in the Nez Perce Agreement. Clarification was requested as to whether that is still the IWRB's intent and the rental pool fee will start escalating this year from \$14.00 to \$17.00 / acre foot. The IWRB will be required to take action if that is their intent.

Chairman Uhling agreed that the Subcommittee should be reconvened and that the Attorney General's office should be kept in the loop on any forfeiture issues.

Agenda Item No. 10, Wood River Basin Enhancement WSB

Ms. Harrington stated this is the local rental pool established through legislation through the Wood River Legacy Program. Water District 37 has been working with this WSB and has requested an amendment to the local operating procedures related primarily to the administration of the water rights donated to the rental pool that are used to meet minimum streamflows that were legislatively created. The resolution for amendment of the procedures was provided, along with a current list of donations that are in the rental pool. The legislation sunsets at the end of 2012.

Mr. Raybould made a motion to accept the resolution in the matter of the Wood River Basin Enhancement WSB. The motion was seconded by Mr. Alberdi. Chairman Uhling called for a voice vote. All were in favor. Motion carried.

Agenda Item No. 11, Director's Report

Mr. Gary Spackman addressed the IWRB and expressed his concern for flooding potential both in northern Idaho and across the state. He also stated he was visiting the northern region because of the ongoing superfund activities with EPA and DEQ and concerns of local residents. The IDWR oversees the national flood insurance program and is also producing flood insurance maps and RISK map, which has been implemented by FEMA. One of the big concerns in the Silver Valley is that the removal of contaminant materials from yards and other exposed land surfaces and the replacement with about a 12 inch cap of non contaminated material. A concern is that every flooding event ends up exposing and potentially remobilizing the contaminated material. Millions of dollars have been spent on remediation and there's potential much of that could be lost through a major flood event. The State is trying to implore some protective measures to protect the remediation.

Mr. Spackman discussed the proposal to divert water from streams and to transport ground water for treatment and there are questions over whether state water rights are needed. There are a lot of concerns over what is happening in Silver Valley right now.

Mr. Spackman also stated there are concerns over rising lake levels at Hayden Lake and the COE has requested that action be taken. Hayden Lake is rated as a low hazard dam because there is an area below the dam to catch the water. There are sewer and gas lines that run through the dam that could create a problem that may need to be addressed.

Mr. Spackman spoke briefly about the Priest Lake Outlet. Mr. Karl Duncan who has been the operator in the past has been contracted by the IDWR. Discussion needs to be initiated regarding report of lake levels and flow and deciding what to do for the current year and future years. Mr. Graham has been a facilitator in those discussions.

Mr. Spackman stated he received a question from Rep. Eskridge about a study that was completed by Washington State University and funded by Washington State Ecology. The report is an attempt by the state of Washington to look at maximizing the timing of water coming into the Spokane River. The proposed water would be coming from the Pend Oreille area, which is a concern to the residents of Idaho and moving water from basin to basin.

Mr. Spackman briefly updated the IWRB about the IDWR budget. It is anticipated that the IDWR will complete the fiscal year in the black. There is extra in the operating expense in the range of \$50 to \$100,000 that will be allocated towards new computers. It is anticipated that the IDWR will meet budget and that additional mandatory furloughs will likely not be incurred.

Agenda Item No. 12, Western States Water Council (WSWC) Update

Mr. Simpson, Barker Rosholt Simpson, LLP, is an appointed representative for WSWC, along with Mr. Jerry Rigby. Mr. Simpson provided a brief update on recent WSWC activities. Mr. Simpson provided a copy of the report by the executive director of WSWC that will be provided to Governor Otter. Mr. Simpson also provided a position statement that he worked on with Mr. Rigby and Mr. Bill McDonald, former regional director for the Bureau, regarding the National Levy Safety Act of 2007 that arose out of the Hurricane Katrina disaster and how some of the implications of that Act could be applied to the canals and diversion structures for irrigation use. The broad application could impact measures and maintenance in those canals and substantially increase the cost to irrigation entities. WSWC adopted this position statement and supports the Act but requested that the provision of this Act not be applied to irrigation canals.

WSWC is also addressing a case study in which there is a real effort in the West to identify where there is water available for thermal production – cooling, thermal plants, and energy. Mr. Spackman along with the IDWR will be contacted by WSWC representatives for information regarding how much water is being diverted and how much water is being consumed. Various interest groups are also trying to identify where the water sources are for energy needs.

WSWC meeting locations vary and the last one was held in Santa Fe. In New Mexico they are also looking at managed recharge. Their projects range from 700 acre-feet on one project to 1,000 acre-feet on another project, and they are spending millions of dollars to save that water.

Mr. Simpson states that we are currently in a La Nina. New Mexico is experiencing on average 30% of average precipitation with some basins at 1 to 2%. Idaho is in a blessed state this year with a water supply, but when it flips to an El Nino, typically the southwest gets higher water levels and Idaho would face drier conditions. Idaho can learn from New Mexico's conditions in the El Nino to plan and prepare for a similar situation.

The last item Mr. Simpson presented is the WSWC Fall Meeting to be held October 5 – 7 in Idaho Falls and suggested coordinating the IWRB Meeting with the WSWC Meeting.

Agenda Item No. 13. Other Items IWRB Members May Wish to Present

Mr. Graham stated that both the Moyie and the Kootenai Rivers are predicted to be at an all time high and will likely hit flood stage next week.

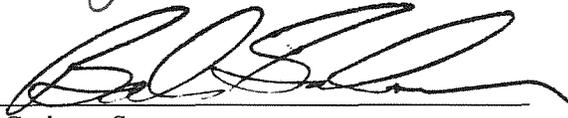
Chairman Uhling discussed the timing of the next IWRB meeting, which is scheduled for July 28 & 29 in Boise, and rescheduling of future meeting dates. The IWRB meeting scheduled for September 8 & 9 was rescheduled for October 6 & 7 to coincide with the WSWC Fall Meeting in Idaho Falls. The November 1 & 2 meeting was changed to a one-day meeting on November 2 in Boise.

Chairman Uhling welcomed two new Board members: Jeff Raybould and Peter Van Der Meulen. He also congratulated Bob Haynes, Northern Regional manager, on his retirement and 43 years with the State.

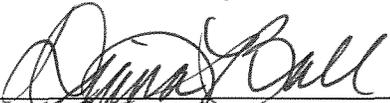
Agenda Item No. 14, Next Meeting and Adjourn

Meeting was adjourned at approximately 11:20 a.m. The next regular IWRB meeting is scheduled for July 28 and 29, 2011, at the Idaho Water Center, in Boise, Idaho.

Respectfully submitted this 29 day of July, 2011.



Bob Graham, Secretary



Diana Ball, Administrative Assistant II

Board Actions:

1. Mr. Graham moved to approve Minutes for Meeting 2-11 as submitted. Motion was seconded by Mr. Alberdi. All were in favor. Motion carried.
2. Mr. Chase made a motion to accept the resolution to accept funding and to authorize an expenditure of funds in the matter of 2011 ESPA managed recharge operations as amended. The motion was seconded by Mr. Raybould. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Absent; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 7 Ayes, 1 Absent. Motion carried.

3. Mr. Raybould made a motion to adopt the Consent to Sale and Transfer. The motion was seconded by Mr. Alberdi. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Absent; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 7 Ayes. 1 Absent. Motion carried.

4. Mr. Raybould made a motion to accept the resolution in the matter of the Wood River Basin Enhancement WSB. The motion was seconded by Mr. Alberdi. Chairman Uhling called for a voice vote. All were in favor. Motion carried.