



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 6-11

C.L. "Butch" Otter
Governor

Idaho Water Center
322 E. Front Street
Boise, Idaho 83702

November 2, 2011

Terry T. Uhling
Chairman
Boise
District 2

Chairman Uhling was absent. Vice-Chairman Chase conducted as Chairman. The meeting was called to order at approximately 9:15 am. There were 7 members present.

Agenda Item No. 1, Executive Session

Roger W. Chase
Vice-Chairman
Pocatello
District 4

The Board convened into Executive Session at approximately 8:00 am pursuant to Idaho Code Section 67-2345(1) (c) and (f) to communicate with legal counsel regarding pending litigation and acquisition of property not owned by the state. Executive Session is closed to the public. No action was taken

Bob Graham
Secretary
Bonners Ferry
District 1

Agenda Item No. 2, Roll Call

Board Members Present

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

Roger Chase, Vice-Chairman
Chuck Cuddy
Peter Van Der Meulen
Leonard Beck

Vince Alberdi
Jeff Raybould
Bob Graham
Terry Uhling, *Absent*

Staff Members Present

Leonard Beck
Burley
District 3

Brian Patton, Planning Bureau Chief
Rich Rigby, Federal Liaison
Dan Nelson, Hydrologist
Bill Quinn, Engineer
Diana Ball, Administrative Assistant

Helen Harrington, Planning Section Manager
Gary Spackman, Interim Director
Cynthia Bridge Clark, Staff Engineer
Tom Neace, GW Protection Section Manager

Vince Alberdi
Kimberly
At Large

Guests Present

Jeff Raybould
St. Anthony
At Large

Lynn Tominaga, IGWA
Walt Poole, Idaho Fish and Game
Peter Anderson, Trout Unlimited
Linda Lemmon, LSRARD
Matt Howard, USBR
Ellen Berggren, USACE

Jon Bowling, Idaho Power Co
Hal Anderson, Idaho Water Engineering
Mr. Ron Shurtleff, WD 65 Watermaster
Jim Wrigley, WedBush Securities Inc.
Shelley Davis, Barker, Rosholt, & Simpson
Robert Schattin, USBR

Peter Van Der Meulen
Hailey
At Large

Agenda Item No. 3, Agenda and Approval of Minutes 5-11

There were no changes to the agenda. Mr. Vince Alberdi made a motion to approve Minutes 5-11 as submitted. Mr. Raybould seconded the motion. Voice vote. All in favor. Motion carried.

Agenda Item No. 4, Public Comment

Vice-Chairman Chase asked for public comment regarding any items not included on the agenda.

Mr. Ron Shurtleff, WD 65 Watermaster, addressed the Board to request the Board's consideration for a temporary rule change to allow Idaho Power to rent up to 25,000 ac-ft excess storage water for power production in the months of December and January. The rental would be for a different purpose than the storage water is typically used for. Any changes to the rental pool rules must be approved by the IWRB. Mr. Shurtleff consulted the USBR who recommended adding a stipulation of "last of last to fill", and Mr. Shurtleff agreed with this recommendation.

Ms. Linda Lemmon, Lower Snake River Aquifer Recharge District, addressed the Board on behalf of the recharge district board to provide an update on recharge efforts. She stated that members were assessed this year for the first time in 10 years. The district has been maintaining the Shoshone site per an agreement with the IWRB but would like to leverage funds to look at additional recharge sites below Milner. She discussed possible recharge at several sites, including the Nielson A site along the X Canal. Ms. Lemmon also expressed concerns over the district's ability to pay wheeling fees.

Mr. Hal Anderson, Eastern Snake Plain Recharge Alliance (ESPRA), a group of canal companies and irrigation entities above American Falls, briefed the Board on recharge activities and proposed a recharge program for fall 2011. He stated that they would be moving forward with recharge mainly through existing canal structures. ESPRA plans to develop technical and measurement details, while their primary objective is to develop a process for mitigation credits. This plan would be submitted to the Director of IDWR using the IGWA-approved mitigation plan to implement the mitigation credits.

Matt Howard, USBR, addressed the Board about Idaho Power's proposal to rent storage water from WD 65 and WD 63 and addressed the last of last to fill stipulation recommended by the USBR.

Agenda Item 5, IWRB Committees and Other Reports

a. Water Resource Planning Committee

Ms. Helen Harrington provided the update. The committee meeting originally scheduled for November 1 was cancelled. Additional work is needed on the Snake River Basin policies. The committee anticipates having a meeting in early December. The Snake River section and statewide policies still need to be revised and will be addressed at the next meeting.

b. Stream Flow Enhancement and Minimum Stream Flow Committee

Ms. Helen Harrington provided the update. The committee held a meeting on October 7, 2011, in Idaho Falls, following the regular Board meeting. The primary purpose of the meeting was to consider a proposal by Friends of the Teton to expand the water transaction program beyond the Upper Salmon River basin into the Teton River basin. Expanding the program would open up funding opportunities for resident fish species. Ms. Harrington reviewed the three issues that were discussed at the Committee meeting: funding through the CBWTP for both anadromous and resident fish, limited staff resources, and benefits of expanding the program.

Ms. Harrington presented the Stream Flow Committee's recommendation to the Board to actively expand and support the Idaho Water Transactions Program to the Teton River basin.

Mr. Alberdi made a motion to accept the proposal to consider expanding the water transaction programs in the Teton basin. Mr. Raybould seconded the motion. Voice vote. All were in favor. Motion carried.

c. Upper Snake River Advisory Committee (Operations Forum)

Mr. Rich Rigby provided the update. The last meeting was held on October 6 in Burley. The next meeting will be a teleconference scheduled for November. Mr. Chase added that the Operations Forum is meeting to address needs that may arise over the winter.

Agenda Item 6, Financial Items

a. Financial Program Status Report

Mr. Brian Patton presented the Financial Program status report updated as of October 1, 2011. Total IWRB funds committed but not disbursed are approximately \$16.66 million. The outstanding loan principal balance is \$18.1 million. The total uncommitted balance is approximately \$3.2 million. Mr. Patton informed the Board that there was a partial payment received from the ground water districts on the Pristine Springs \$1.2 million loan. The partial payment of \$762,000 was made by Magic Valley Ground Water District; North Snake Ground Water District has asked for additional time to make their payment, which is permissible per the loan agreement and subject to interest and late payment fees. The payment is expected to be received prior to the Legislative session.

Mr. Patton informed the Board that the Bear River Pool Bonds were issued on October 7, 2011, in the final issuance amount of \$2.2 million at 5.95% with a 20-year maturity and an automatic reset built in at the 10-year mark. The loan was made with D.L. Evans Bank headquartered in Burley. From the Bond proceeds, loans were made to five individual improvement districts (LIDs) to finance the match for stimulus grants funds that were awarded by USBR to make improvements to irrigation systems.

b. Ground Water Districts Bond Update

Mr. Patton provided a copy of the Order Approving Notice of Petition and Hearing from Judge Stephen Dunn. The order approves the petition by the Ground Water Districts to enter into the debt. With the order, everything is on schedule for the issuance to occur in January 2012.

Mr. Patton also provided several refinancing options that the North Snake and Magic Valley Ground Water Districts are considering for the existing \$10 million Pristine Springs loan, which would result in a lower payment to make their repayment option more affordable. No action is required on this item at this time. Mr. Raybould asked that this matter be deferred to the Finance Committee and a recommendation be brought back to the Board for consideration.

There was a short break in the meeting.

Agenda Item No. 7. ESPA CAMP and Aquifer Management Efforts Update

Mr. Patton provided a brief update on the Treasure Valley and Rathdrum Prairie CAMPs. The TV CAMP drafting group and staff are currently considering comments on the draft document provided to the TV CAMP Advisory Committee for review. In the RP CAMP, working groups are being established, several meetings are scheduled for November, and framework is being established for the development of regional cooperation and for conservation measures.

Mr. Bill Quinn provided an update on the Board's late season recharge program on the Eastern Snake River Plain. The information is current through October 26. The Board's recharge program is focused on recharge below American Falls. A limited amount of recharge may occur above American Falls if there are unspent funds. There is currently \$132,736 remaining in the Board's 2011 recharge budget, enough to pay for 44,245 acre-feet. Through October 30, approximately 12,000 acre-feet were recharged at a cost of approximately \$36,000.

Mr. Rich Rigby briefed the Board on the progress of the recharge project north of Minidoka. Negotiations with the USBR are continuing. Mr. Rigby also provided a summary of progress on ESPA CAMP Goals, including managed recharge, conversions of ground water to surface water, demand reduction, and weather modification (cloud seeding). A breakout was provided for the total \$13.8 million spent on CAMP-related expenditures since the Plan approval in April 2009; \$852,000 for managed recharge, \$5.3 million for conversions, \$6.2 million for demand reduction, \$808,000 for weather modification, and \$667,000 for aquifer monitoring. The request for the next two years is \$3.5 million each year. Last year, the program received only 40% of the funds requested.

Several of the projects being considered are the recharge site north of Minidoka Dam and a project to convert some of the lands in the southwest part of the B unit of A&B Irrigation. Mr. Rigby suggested that the Board discuss recharge projects and funding at the January Board meeting.

Agenda Item No. 8, Water Storage Studies Update

Lower Boise River Interim Feasibility Study

Ms. Cynthia Bridge Clark provided the update. In August 2010, the USBR published the Water Storage Screening Analysis identifying the top three ranked sites. Study activities were suspended due to lack of federal match funding. In June 2011, \$30,000 of federal match funding was secured to resume study activities. IDWR and Board staff along with the USBR agreed to use the funds on a continued study of the top identified site. The results are provided in the *Lower Boise River Interim Feasibility Study, Preliminary Evaluation of Arrowrock Site, October 2011*.

Ms. Ellen Berggren, USACE, provided a brief background update on the analysis and an update on the Arrowrock report. The report outlines the advantages and disadvantages and focuses on risks. Both of the concepts have uncertainties and risk associated that translate into potential cost risks. Both concepts are feasible and there are no red flags related to the geologic or engineering perspective based on the data they have available. There are several uncertainties that would be addressed in future studies and data collection efforts. The report recommends that the best option at this point may be the raising of Arrowrock Dam based on the cost savings on the quantity of materials vs. materials needed to construct a new dam. The next identified steps would be a construction materials survey to identify location and source of materials, conduct geologic field investigations, hydrologic and hydraulic analysis, and environmental analysis.

Henrys Fork Basin Study

A study of water resources is being conducted by the USBR and IWRB to develop alternatives to improve water supply conditions in the ESPA and Upper Snake River basin. Reconnaissance level evaluation and technical analysis of alternatives have been identified. There are 17 alternatives that fall into 5 categories: new or existing surface water storage projects, managed ground water recharge, agricultural conservation and management, municipal and industrial conservation, and water market concepts. Technical memorandums will be prepared by the USBR and distributed to stakeholders to assist in comparison of alternatives. A short list of alternatives and summary is expected to be complete by June 2012.

Weiser Galloway

On July 29, 2011, the IWRB authorized expenditure of up to \$2 million to study two major data gaps: understanding the integrity of the geologic structures at the dam site and an evaluation of the potential project benefits. The potential benefits include flood control, hydropower, water storage, pump back, irrigation, recreation, and flow augmentation requirements for anadromous fish recovery.

The geologic analysis is currently underway and focus is on the drilling plan. This effort is being coordinated with BLM and other agencies. Staff is also coordinating efforts with USBR to acquire LiDAR and other imagery. The bulk of the operational analysis will be delayed until the results of the geologic analysis. Both studies are expected to be complete by fall 2013.

Agenda Item No. 9, Request for Consent to Propose Rule Changes for Injection Wells

Mr. Tom Neace addressed the Board about proposed rule revisions for the Underground Injection Control program. The majority of injections wells in Idaho are for disposal of excess irrigation and canal water. There are 5 classifications of wells in the UIC well program. Currently, only Class V wells are allowed in Idaho; there are no Class I through IV wells. The Idaho UIC program modified statutes in the last legislative session to make the statutes consistent with federal law. The intent of the current proposed rule change is to update the rules to match the federal and state statutes, which were last revised in 2003 for all Classes except Class IV. The two objectives are: 1) revise the Class V rules for consistency and 2) to develop Class II rules for development of oil and gas industry in Idaho. Mr. Neace clarified that there would be no rules for Class I, III, and IV.

Mr. Graham made a motion to accept the resolution to amend the rules for the construction and use of injection wells. Mr. Alberdi seconded the motion. Voice vote. All in favor. Motion carried.

Agenda Item No. 10, Director’s Report

Mr. Gary Spackman discussed the federal stimulus program for the IDWR and IWRB. No monies were received, but the Department and the Board benefited from the assistance of two federal advisors: Mr. Rich Rigby and Mr. Jack Peterson. Mr. Peterson’s original assignment was to expire July 2011. His contract was extended to the end of the calendar year. Mr. Rigby’s assignment is set to expire in July 2012. Mr. Spackman informed the Board that the Department is pursuing options to help fund these two positions.

Mr. Spackman informed the Board of his recent participation and ongoing discussions with state of Washington agencies as required by a Department MOU regarding the Rathdrum Prairie Aquifer and use of the aquifer water. Washington is currently working towards establishing minimum stream flows, and it may become an interstate issue that needs to be addressed by the Board in the future.

Mr. Spackman updated the Board on an updated contract for an operator at the Priest Lake Outlet. He also provided a brief update on draft legislation from the Idaho Petroleum Council. The proposed legislation is seeking to change the definition of “water” and “aquifer” and proposing to eliminate the definition of water if it is located in any hydrocarbon-bearing zone. It would no longer be defined as water for appropriation and the same would apply to the definition of aquifer.

Mr. Spackman expressed commendation and appreciation to Board staff for the quality of their work, specifically, Mr. Patton and Ms. Harrington. Mr. Spackman expressed appreciation for the Board and the manner that they address and manage water issues in the state of Idaho. He also recognized the Board’s assistant, Ms. Ball, for the professional manner that the meetings are conducted and for going above and beyond the requirements of the position.

Agenda Item No. 11, Other Items IWRB Members May Wish to Present

Mr. Cuddy thanked Ms. Harrington for keeping the Board apprised of ongoing water issues in northern Idaho.

Agenda Item No. 12, Next Meeting and Adjourn

Mr. Patton reminded the Finance Committee that their meeting would begin at 1:30 pm. The next regular IWRB meeting is scheduled for January 26 and 27, at the Idaho Water Center, 322 E. Front St., Boise, Idaho.

The IWRB Meeting 6-11 was adjourned at approximately 12:25 pm.

Respectfully submitted this ____ day of _____, 2011.

Bob Graham, Secretary

Diana Ball, Administrative Assistant

Board Actions:

1. Mr. Alberdi moved to approve Minutes for Meeting 5-11 as corrected. Mr. Raybould seconded the motion. Voice vote. All were in favor. Motion carried. Minutes for Meeting 5-11 were approved as submitted.
2. Mr. Alberdi made a motion to accept the proposal to consider expanding the water transaction programs in the Teton River basin. Mr. Raybould seconded the motion. Voice vote. All were in favor. Motion carried.
3. Mr. Graham made a motion to accept the resolution to amend the rules for the construction and use of injection wells. Mr. Alberdi seconded the motion. Voice vote. All in favor. Motion carried.