IDAHO WATER RESOURCE BOARD

MEETING MINUTES 10-13

National Oregon/California Trail Center
Allinger Community Theatre
320 North 4th Street, Montpelier, Idaho 83254

C.L. "Butch" Otter
Governor

Roger W. Chase
Chairman
Pocatello
District 4

Peter Van Der Meulen
Vice-Chairman
Hailey
At Large

Bob Graham
Secretary
Bonners Ferry
District 1

Charles "Chuck" Cuddy
Orofino
At Large

Vince Alberdi
Kimberly
At Large

Jeff Raybould
St. Anthony
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

September 19, 2013
Work Session

Chairman Roger Chase called the meeting to order at approximately 9:00 am. Bert Stevenson was absent. All other Board members were present.

During the Work Session the following items were discussed: Bear River Compact by Jack Barnett and Liz Cresto; Operation of Bear Lake by Connely Baldwin; and Future of Idaho's Compact Allocation by Hal Anderson. No action was taken by the Board during the Work Session.

September 20, 2013
IWRB Meeting

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

Agenda Item No. 1, Roll Call

Board Members Present

Roger Chase, Chairman
Peter Van Der Meulen, Vice Chairman
Bob Graham, Secretary
Jeff Raybould
Albert Barker
Vince Alberdi
Chuck Cuddy

Staff Members Present

Brian Patton, Planning Bureau Chief
Mandi Pearson, Administrative Assistant
Harriet Hensley, Deputy Attorney General
Helen Harrington, Planning Section Manager
Mat Weaver, Deputy Director
Gary Spackman, Director
Cynthia Bridge Clark, Engineer

Guests Present

Jack Barnett, Barnett Intermountain Water
Claudia Cottle, Bear Lake Watch
Hal Anderson, Idaho Water Engineering
Kerry Romrell, Bear River Commission
Tim Fleeger, US Army Corps of Engineers
Walt Poole, Idaho Department of Fish and Game

Agenda Item No. 2, Executive Session

At approximately 8:00 am the Board resolved into Executive Session by unanimous consent pursuant to Idaho Code Section 67-2345 subsection (1)(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. No action was taken by the Board during the Executive Session. The Board resolved out of Executive Session and into Regular Session at approximately 9:15 am.

Agenda Item No. 3, Agenda and Approval of Minutes

There were no additions or deletions from the agenda.

Mr. Van Der Meulen noted an error on the minutes for meeting 9-13, on page 4. The correction will state "The Air Force Base would then purchase the water as though they are purchasing from a utility." Mr. Raybould made a motion that the minutes for meeting 9-13 be approved as corrected. Mr. Cuddy seconded the motion. Voice Vote. All were in favor. Motion passed.

Agenda Item No. 4, Public Comment

Chairman Chase opened up the meeting for public comment. Mrs. Claudia Cottle, representing Bear Lake Watch, addressed the Board. She discussed the importance of Bear Lake to the residents and businesses that live near it. She expressed her appreciation for the Board's work and thanked the Board for visiting the area.

There was discussion among the Board members regarding the time limits on the Public Comment period.

Agenda Item No. 5, Committee Reports

a. Water Storage Projects *(Cynthia Bridge Clark, Staff)*

Ms. Clark discussed the Water Storage Projects Committee meeting held in Rexburg on August 8th. She listed the participants of the meeting and the tour of Henrys Fork Basin earlier that day. During the tour they visited potential surface water storage sites as well as the Egin Lakes recharge site. During the committee meeting Board members and staff discussed the Henrys Fork Basin Study and the Boise River Feasibility Study. Mr. Cuddy stated that the tour gave the Board an opportunity to see good short term and long term storage sites in the area.

b. Streamflow Enhancement and Minimum Streamflow *(Helen Harrington, Staff)*

Ms. Harrington discussed the Lemhi River Basin Tour and Streamflow Committee Meeting held in Salmon on August 29th. During the meeting, Mr. Clive Strong provided an overview and history of the Water Transactions program efforts in the Lemhi Basin. Mr. Mike Edmondson of the Governor's Office of Species Conservation gave a presentation regarding the Office of Species Conservation programs and their involvement with the efforts in the Lemhi and Upper Salmon basins, and Ms. Morgan Case spoke to the committee about a recent review of the Water Transactions program by the Independent Scientific Review Panel. Ms. Case also discussed with the Committee a proposed adjustment to compensation for power for one of the water transactions that was approved in the past. Ms. Harrington further discussed the Lemhi River Basin Tour and the positive feedback of landowners as well as participation from the Governor's Office, Office of Species Conservation, Office of the Attorney General, the local water master, as well as Representative Terry Gestrin.

The week following the field tour, Ms. Harrington and Ms. Case gave a tour to members of the Columbia Basin Water Transactions Program and Bonneville Power Administration in the Lemhi Basin as well as upstream from Stanley. During the visit, they met with Director Spackman and Idaho

members of the Northwest Power and Conservation Council. There was discussion among the Board members regarding the success of the Water Transactions Program and various ways to get this information out to the public.

Agenda Item No. 6, Recharge Legislation Update *(Harriet Hensley, Deputy Attorney General)*

Ms. Hensley provided the Board with an update on the status of the recharge legislation. She discussed the recent version of the draft legislation. The general fundamentals include: the appropriation of groundwater recharge rights and the promulgation of rules, the deleted provision for subordination, provisions relating to managed ground water recharge or aquifer credits, as well as a rules governing the aquifer credit program. The proposed legislation does not address Idaho Code § 42-1737, which gives the Board approval of projects in excess of 10,000 acre-feet on an average annual basis. There was discussion among the parties regarding current private recharge applications, language in the legislation relating to the Eastern Snake Plain Aquifer (ESPA), and the importance that the legislation language makes it clear that it is for statewide use- not just relating to the ESPA. Ms. Hensley also suggested that the Board should think about how to proceed in terms of recommendations/support for the legislation. There was further discussion regarding details surrounding the submission of the legislation, as well as discussion regarding the subordination clause.

Agenda Item No. 7, Financial Program *(Brian Patton, Staff)*

As of July 1, the Board had approximately $19.9 million in funds committed but not yet disbursed, about $15.1 million in loan principle outstanding, and a total uncommitted balance of about $3.7 million. There was discussion among the parties regarding commitments and revenues over the next 12 months and potential loans and/or bonds, as well as clarification of specific figures in the status report and funding for the CAMP sub-accounts. There was also discussion regarding the potential Emmett Irrigation District canal repair.

Mr. Patton brought to the Board's attention a resolution to approve a supplemental trust indenture to deal with various concerns in the 2011 Pooled Bond, also known as the Bear River bonds. This resolution would approve a supplemental indenture that would allow reserve amounts exceeding 10% of the outstanding bonds to be returned back to the borrower districts as those bonds are paid down. It would also allow for redemptions in any amount where they were previously limited to defined nominations. There was discussion regarding the Attorney General's staff's review of the resolution, communication with the affected groups, and specific details regarding the supplemental indenture.

Mr. Raybould moved to adopt the resolution regarding the 2011 Pooled Bonds. Mr. Van Der Meulen seconded the motion.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Stevenson: Absent; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Mr. Barker: Aye; Chairman Chase: Aye. Motion carried.

Mr. Patton stated that Moody's Investors Service has affirmed the A2 rating on the Board's Dworshak Project Bonds.

Agenda Item No. 8, Planning Programs

a. Update *(Helen Harrington, Staff)*

Ms. Harrington discussed the 2012 Idaho State Water Plan. The Water Resource Planning Committee will be meeting to review areas which may need amendment. Additionally, the Governor requested the IWRB develop a policy on Sustainability. Background research and development of a draft policy for committee review is underway.

Ms. Harrington updated the Board on the status of the Treasure Valley CAMP. Board staff is reviewing comments received on the plan and will bring a revised draft to the Water Resource Planning Committee this fall.

Ms. Harrington discussed Wood River Valley planning activities. The Wood River Valley Groundwater Flow Model Project was initiated to help provide a scientific foundation for future planning efforts and management of aquifers underlying the Wood River Valley. A technical advisory committee has been established to provide the United States Geological Survey and Idaho Department of Water Resources modeling team with input during model construction. There was discussion among the parties regarding the priorities of the planning in relation to the Sustainability Initiative.

Ms. Harrington mentioned a news release from the Bureau of Reclamation regarding a WaterSMART grant awarded to Friends of the Teton River to develop a restoration plan to improve water quality and ecological resiliency of the Teton River watershed. This is in part a result of the Board's guidance to Friends of the Teton River to ensure that the work they do has full public involvement and support.

Ms. Harrington reported that the Water Supply Bank Coordinator position will soon be filled and staff is looking forward to advancing the Water Supply Bank program.

Staff recently attended the Colorado Water Congress Summer Conference to discuss the Idaho State Water Plan. The panel discussion provided an opportunity to learn about state water planning in other states and assist the state of Colorado with lessons learned through Idaho's experience.

b. RP CAMP *(Helen Harrington, Staff)*

Ms. Harrington provided an update on the Rathdrum Prairie CAMP (RP CAMP). The RP CAMP Advisory Committee met on July 24, 2013 to discuss implementation activities and review several funding requests. Three funding requests have been received over the past several months. The first is the Rathdrum/Spokane Aquifer Technology Project, sponsored by the Kootenai-Shoshone Soil and Water Conservation District. Ms. Harrington provided details regarding this funding request. The Advisory Committee and staff recommended $20,000 in funding for the Rathdrum/Spokane Aquifer Technology Project. There was discussion among the parties regarding the duration of the project, commitment to future funding, and other participants in the project.

Mr. Graham moved to adopt the resolution to fund the recommended RP CAMP project. Mr. Van Der Meulen seconded the motion.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Stevenson: Absent; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Mr. Barker: Aye; Chairman Chase: Aye. Motion carried.

The second funding request is the Evaluation of Alternative Ground-Water Pumping Schemes as an Approach to Mitigating Problems of Critical Low Flow in the Spokane River at Spokane, Washington, sponsored by Ralston Hydrologic Services. The Advisory Committee also recommended funding for the Evaluation of Alternative Ground-Water Pumping Schemes in the amount of $70,000 with efforts to obtain local support for the project. However, the Advisory Committee and applicant have requested delay in IWRB consideration of this funding request until November to allow for applicant and RP CAMP Advisory Committee members to be present during the discussion.

The third funding request is the Spokane Valley-Rathdrum Prairie Aquifer Water Level Water Quality Response Model, sponsored by the University of Idaho. The Advisory Committee recommended that the Board not fund this project at this time. The Advisory Committee will be developing a protocol and framework to work through funding requests. Until this occurs, funding requests will not be accepted. Should this applicant wish to resubmit the funding request at that time, it will be reconsidered.

Ms. Harrington addressed the issue of RP CAMP Advisory Committee membership. Stimpson Lumber Company recently requested that the current appointed representative, Hal Keever, be replaced with Mr. Ed Squires. Staff recommended this request be delegated to the Planning Committee for consideration and recommendation. There was discussion regarding others the Board may wish to appoint to this vacancy.

Additional Public Comment

At this time, Chairman Chase again opened the meeting for Public Comment, due to a misunderstanding regarding the earlier Public Comment period. Mr. Kerry Romrell, a member of the Bear River Commission as well as the Soil and Water Conservation District in Montpelier. He notified the Board that legal counsel is being sought regarding the Local Improvement District (LID) that was formed in the Bear River area. There was discussion among the parties regarding communication with the LID.

Agenda Item No. 9, WD02 WaterSMART Grant Update *(Brian Patton, Staff)*

Mr. Patton reminded the Board of the creation of Water District 02 and the coordinated effort among district water users and IDWR and IWRB staff to secure cost share funding through the US Bureau of Reclamation (BOR) WaterSMART program to assist with the installation of measuring devices and telemetry equipment for diversions in the district. Mr. Patton stated that the agreement with the BOR has been completed and executed and they will be providing up to $151,425. The installation of the measuring devices will begin this fall. There was discussion among the parties regarding the individuals involved.

Agenda Item No. 10, Pristine Springs

Mr. Patton updated the Board on the Blue Lakes pipeline replacement. The work is on track for November completion. Mr. Alberdi discussed communications with the College of Southern Idaho (CSI) regarding the acquisition of Pristine Springs. CSI hired an appraiser and the appraisal has been completed and reviewed, and Mr. Alberdi is expecting negations to begin. He requested that another Board member be included in these negotiations as well as a member of the Attorney General's office. There was discussion among the parties and it was decided that Mr. Van Der Meulen would participate and that the Board would request that John Homan from the Attorney General's office would assist the Board with the negotiations. There was further discussion among the parties regarding issues with construction of the pipeline and the Board's financial participation.

Agenda Item No. 11, Sustainability Initiative *(Brian Patton, Staff)*

Mr. Patton discussed the Water Sustainability Initiative that has grown out of discussions between Board members, representatives of the Idaho Water Users Association, and the Governor's office. It contains three parts: Proposed Aquifer Recharge/Credit Legislation, State Water Plan Sustainability Policy, and Proposed Funding Package for Water Sustainability Projects, Monitoring, and Planning. There was discussion among the parties regarding the funding and several editing suggestions.

Agenda Item No. 12, Storage Studies Update *(Cynthia Bridge Clark, Staff)*

Ms. Clark updated the Board on the Weiser-Galloway Project. The final report for the Geologic Investigation is scheduled for completion by the end of September 2013. Results indicate that a safe dam can be engineered and constructed at the site. The report will document technical issues that should be considered for final feasibility design and construction. The US Army Corps of Engineers (Corps) continues to refine the riverware model for the Weiser River basin. IDWR and Idaho Power are updating the Snake River Planning Model and coordinating the exchange of input data with the Corps. Completion of the Operational Analysis is scheduled for spring 2014. There was discussion among the parties regarding flow augmentation.

Ms. Clark updated the Board on the Henrys Fork Basin Study. She reminded the Board of the Water Storage Projects Committee meeting and tour of the Henrys Fork basin on August 8th. Over the course of the study, particular alternatives have been moved forward for evaluation. Technical analysis is underway at Island Park, Lane Lake, and the Teton site. Ms. Clark provided the Board with a document titled "Framework for a Path Forward" which outlines a proposal to generate two reports to

document the study findings, one of which would document the basin study findings while the other report would provide recommendations. Reclamation hopes to complete the Basin Study report by the end of the year. Ms. Clark discussed the draft recommendations and prioritization of options. There was discussion among the parties regarding the importance of the storage components of this study and the lack of support for the Teton site.

Ms. Clark updated the Board on the Boise River Feasibility Study. The primary objective has been to revise the federal cost share agreement (FCSA) to meet the Corps' new feasibility planning guidelines. Preliminary hydraulic, economic and other technical analyses are currently being performed to provide additional information about the measures identified for the study. Several Board members and staff participated in a tour of key locations on the Boise River on August 23, 2013. The Corps provided a summary of project tasks and discussed the feasibility study process at the Water Storage Projects Committee meeting on August 8, 2013. She introduced Mr. Tim Fleeger from the Corps to discuss the FCSA. He provided a summary of proposed amendments to the FCSA. He discussed a summary of project tasks from the revised Project Management Plan. He discussed deliverables of the feasibility study, and cost sharing for the Boise River General Investigation project. There was discussion among the parties regarding the cost sharing provisions. Ms. Clark requested feedback from the Board regarding the FCSA. Chairman Chase stated the Board would like to move forward with the project.

Agenda Item No. 13, ESPA Update *(Mat Weaver, Staff)*

Mr. Weaver updated the Board on AWEP projects. The A&B conversion project will likely begin construction in the fall of 2014, and is estimated to be in operation by the spring of 2015. A summary has been requested from NRCS of the status of the AWEP projects and they hope to have those to us by the end of the fiscal year. The future of AWEP is uncertain; however a list of projects is being developed that could be put towards an application in the future, if and when that time is appropriate.

Mr. Weaver provided a summary of 2013 recharge. Both North Side Canal Company and American Falls Reservoir District 2 (Milner-Gooding Canal) have informed IDWR that they have maintenance and construction projects and will not be able to assist with recharge this fall. Southwest Irrigation District indicates they will attempt to recharge. He discussed the need to be able to recharge during good water years and what components need to be in place for the Board to maximize their ability to recharge during wet years.

Mr. Weaver discussed the progress of the Walcott Recharge Site. WH Pacific completed the survey work. CH2M Hill has finalized an economic alternatives analysis. Mr. Weaver described the alternative that was agreed upon by the parties involved. A&B Irrigation District has drilled two wells for recharge purposes. IDWR staff were onsite to assist and record information. Mr. Weaver discussed the results of the test and the next steps. There was discussion among the parties regarding the recharge wells and water quality issues.

Mr. Weaver provided a status of the Board's applications for recharge. Staff conducted a tour with the applicants in July 2013. The water rights have been advertised and a timeline for protest and interventions has expired. Meetings will be held and/or are ongoing with protestants to address their concerns.

Agenda Item No. 14, IDWR Director's Report *(Gary Spackman, Director)*

Director Spackman discussed the Bear River and Bear Lake and the additional depletions that are allowed for Idaho and Utah. Utah is moving forward with the development of that allocation and Idaho has not focused on this yet. Director Spackman stated that Idaho should be considering the development of the water resources that we have in the basin. He suggested that IDWR had a responsibility to promote an adjudication in the Bear River basin. There was further discussion among the parties regarding concerns in the Bear River basin.

Director Spackman discussed recharge legislation. He discussed the need for the legislation and how the legislation has changed as those involved have begun to reach compromise.

Agenda Item No. 15, Other Non-Action Items for Discussion

Mr. Barker discussed the status of the Columbia River Treaty. He recommended that staff develop a resolution for the Board to consider that would express the Board's opinion on what needs to be done to protect the water resources and the water supply in Idaho. There was discussion among the parties regarding the resolution and a letter to the legislators involved.

Mr. Barker also commented on a report by TetraTech regarding issues caused by reduced flows in the mid-Snake. He discussed the importance that water supply decisions continue to enhance spring flows that maintain flows in the mid Snake. He also requested that staff contact DEQ to coordinate efforts. There was further discussion among the parties regarding these issues.

Agenda Item No. 16, Next Meeting and Adjourn

The next regularly scheduled meetings are set for November 19-20, 2013 in Boise, and January 23-24, 2014 in Boise. Both of these meetings are scheduled to coordinate with the Idaho Water Users Association seminars. Mr. Cuddy made a motion to Adjourn, and Mr. Van Der Meulen seconded the motion. Voice Vote. All were in favor. Motion Carried.

The IWRB Meeting 10-13 adjourned at approximately 12:30 pm.

Respectfully submitted this _____ day of November, 2013.

_____
Bob Graham, Secretary

_____
Mandi Pearson, Administrative Assistant II

Board Actions:

1. Mr. Raybould made a motion that the corrected minutes for meetings 9-13 be approved. Mr. Cuddy seconded the motion. Voice Vote. All were in favor. Motion carried.

2. Mr. Raybould moved to accept the resolution approving a Supplemental Indenture and authorizing various matters in connection with the Board's Pooled Loan Program Revenue Bonds 2011 Series A. Mr. Van Der Meulen seconded the motion. Roll Call Vote. All were in favor. Motion carried.

3. Mr. Graham made a motion to approve the resolution to allocate funds for RP CAMP projects. Mr. Alberdi seconded the motion. Roll Call Vote. All were in favor. Motion carried.