



Eastern Snake Plain Aquifer (ESPA) Comprehensive Aquifer Management Plan

Advisory Committee

MEETING SUMMARY Wednesday July 23, 2008 10 am – 5 pm Best Western Inn, Burley

MEETING AGENDA

1. Welcome, Introductions, Agenda Review and Meeting Note Finalization

2. Presentation and Discussion: CAMP Funding Mechanisms

- Hal Anderson - IDWR

Goal: Committee review and discussion of CAMP funding alternatives; Committee direction on funding mechanisms based on input from Interim Legislative Committee and Economic Sub-Committee.

3. Presentation and Discussion: Fish and Wildlife Sub-Committee Analysis and Observations

Goal: Committee understanding of Fish and Wildlife Sub-Committee analysis, results and CAMP implementation opportunities.

4. Discussion: Management Actions and Alternative Packages

Goal: Committee direction regarding CAMP options and alternatives, including short-term actions and long-term vision.

5. Public Comment

Welcome, Agenda Review, Meeting Note Finalization and Advisory Committee Status Discussion

Jonathan Bartsch, CDR Associates, welcomed the Committee, summarized the work of the various sub-committees and shared his view of the status of the CAMP Committee. Jonathan highlighted the efforts of the Economic Sub-Committee, noting that it had focused on providing input to the cost-effectiveness study and identifying viable funding mechanisms for the CAMP. The Fish and Wildlife Sub-Committee modeled the hydrologic impact of identified CAMP alternatives (small, medium and large with the various emphases) and developed a platform for addressing Fish and Wildlife issues in the CAMP. Jonathan reiterated the Committee goal of developing a CAMP for public review by mid-September.

Jonathan outlined the goals for the meeting, pointing out the need for direction on both the ESPA long-term vision and immediate/short-term actions. The CAMP will need to simultaneously meet individual water user needs as well as the ESPA goals. To achieve this, he encouraged participants to advocate for their own interests and seek agreement on a broader set of activities for the overall good of the ESPA.

Discussion

- A member agreed that the Committee is at a critical phase in terms of integrating funding options, hydrologic results and environmental impacts. For some, implementation of a large package of alternatives is too expensive, for others a smaller package has insufficient hydrologic results. Others have concerns regarding environmental impacts. Ultimately, the Committee needs to come to terms with these trades-offs and recommend a viable, implementable plan. The CAMP process was put forward as an alternative to the litigation processes and a viable CAMP is necessary to move in that direction. Two questions to consider are: does this plan give hope that the adversarial processes can be resolved, and does it lead us to a different place than we are today?
- Multiple members added that the Committee must discuss impacts/results and what effect they are going to have on pending administrative and legal matters (including pending calls) since they implicate funding. If we will be asking participants to assist in long term funding, they will likely ask, “What effect would this have on short-term obligations including mitigation responsibilities? Do I have to pay for long term management as well as continue with mitigation?” The accuracy of our cost estimates is going to be a critical consideration. Ultimate funding/decisions will be made with the support of the legislature and they are likely to want to know how close our estimates are.
- What is the Committee’s responsibility regarding funding recommendation?. Are we charged with recommending a specific funding mechanism or recommending a range of options to the legislature, for their consideration? How far do we take the funding mechanism piece? This is a question for us to consider.

Agenda Review

Jonathan reviewed the agenda for the meeting, reminding participants of the meeting focus on examining CAMP funding mechanisms, laying the foundation for a recommendation regarding package level, and providing direction on funding mechanisms.

Note Finalization

A clarifying question was posed regarding the overall purpose of the meeting notes, as some specifics weren’t captured from the previous meeting. Jonathan replied that the meeting notes are intended to convey general views about the issues and the direction of the Committee, not to serve as a transcript of the proceedings. He added that the notes are to serve an external audience as well as to focus Committee efforts and internal deliberation. If at any point a participant

believes an important point was missed or was inaccurately recorded, he/she should let Jennifer Graham (jgraham@mediate.org) or Jonathan know and the notes will be revised.

Presentation and Discussion: CAMP Funding Mechanisms

Hal Anderson, IDWR, provided an overview of the Board's financial program and the funding options developed by the Board's financial advisor Jim Wrigley. The Board has a robust financing program that has been in place since the inception of the Water Board in the 1970's. The Board's legal authority in this regard has been tested by the Supreme Court and has an institutional history and market recognition. Hal noted that the Economic Sub-Committee had been examining funding alternatives and outlining goals. The sub-committee's goals for a funding mechanism incorporate the following attributes:

- Broad based
- Equitable (equal benefits derived)
- Universal to all (hydrologically connected) water uses and users
- Provide minimum interest expense
- Efficient revenue collection
- Transparent governance
- Flexible Revenues

Hal presented a suite of potential funding alternatives and examined the pros and cons associated with each option. He highlighted interest rates as a key issue. The funding mechanisms discussed include:

- **IWRB Contract** – Potentially Taxable (Uses Existing Board Bonding Authority)
- **Water Management Improvement District** – Tax Exempt (Requires Local Improvement District authority obtained from Legislature)
- **Water Management District** – Tax Exempt (Uses General Obligation Bonds with authority from a new form of Public Water District)
- **State Water Management Project** - Tax-Exempt (General Fund Appropriations from kilowatt per hour Franchise Fee, a State Sales or Property Tax, Special Product or Service Tax, etc.)

The Committee discussed the pros and cons of funding approaches and indicated support for further examining a combination of approaches along with a 'pay as you go' alternative. A number of Committee members shared their opinion that an Improvement District was the most practical and implementable option when examining the alternatives.

Discussion

- Q: Could a combination of different funding tools be used together? A: Yes, a combination of approaches could be developed of the various approaches.

- Comment: In Idaho is there no way a levy or assessment against residential and commercial properties would work.
- Comment: The State Water Management Project alternative suggests assessing a kilowatt hour tax as a collection mechanism. There are reservations from a power company's standpoint (Jim Tucker). Normally payers won't differentiate a tax which is coming from Idaho Power versus one from the State, which could be an issue.
- Comment: One of the challenges is determining how to include the cities in the funding mechanisms.
- Comment: At first blush, the options have some potential. Whether they are politically viable or feasible is another question. The details need to be fleshed out and vetted by a larger group.
- Comment: None of the presented options comes close to addressing the equity question. How do we work backwards and determine first the amount of money we need and then figure out which proportion gets paid by which entity? The really equitable way to do this is based on water use. For example, if you own a residence and you flush your toilet, you should pay some amount of money for the pumping of that water. Property evaluations seem to be inequitable from the start.
- Comment: We need to talk about use because that is the measure of your benefit. How much money do you have to pay per cfs of use?
- Comment: There is going to be extensive economic benefit to the entire state from this, so the state should participate generally (later clarification from Committee member - we need to calculate what that benefit is) while to extent that there are local benefits, those people need to participate specifically. The state must recognize that they have a role in solving the problem and for the water users to contribute. In addition the specific beneficiaries need to be defined and determine how all who benefit or impact the aquifer can participate.
- Question: What kind of reaction is appropriate from the Committee? Is this not a larger political question, and our job is to outline the options, issues and challenges of each option?
- Comment: It is clear that raising the money, even for the smallest package, is a large challenge and yet this package is unsatisfactory to many from a hydrologic perspective.

Jonathan Bartsch closed the plenary discussion by commenting on equity, suggesting that there are significant on-going challenges around determining who pays, how much and under what mechanism. He noted that there will likely be general and specific obligations and the funding approaches will reflect this thinking. Jonathan invited the participants to work in groups to reflect upon the following questions:

- Are there other alternatives that haven't been considered?
- Refinements to pros and cons?
- Are there some alternatives that are more attractive than others? Why?
- Any other funding goals (refinements)?

The comments resulting from the four small group work are captured below.

Group 1

- In terms of other funding options, the group should explore the possibility of outside funding through agencies such as the USDA, or Idaho Power WIF/WAF funds. With a base of funds, additional money can be leveraged.
- In terms of demand reduction, if there is a funding stream you can count on, your flexibility increases, as you have resources available to entice people to do things.
- Parties are currently paying lawyers and technical experts to fight the legal and administrative issues, so we are currently paying for water management.
- How to tap into various funding sources is the issue. A key question centers on statewide funding versus local funding. The concern of statewide funding is the potential perception by those outside of the ESPA that this isn't their problem. Local funds would offer more control of options while broader funds would be dictated by larger considerations and issues. The preponderance of funding needs to be local.
- The Water Management District Option (3) is the least attractive, as it requires a 2/3 vote to access the general obligation fund. This is unlikely to occur.
- The most attractive option is a mixture of concepts. It should be a mix that is do-able/achievable. The Committee still needs to struggle with the information before the answer becomes apparent. The funding should be broad-based, focusing on ESPA area funding in addition to other sources (raise money to leverage state resources and others). Look for some sort of hybrid. Could draw in federal funds on a cost share basis, although where those federal funds are is unclear.

Group 2

- There is no equitable way to fund the CAMP. Everyone and every group can bring up an equity issue. Rather, we should be looking for what is 'palatable/sell-able' versus equitable. What option is acceptable enough so it won't be blocked?
- From an urban perspective—how do you manage domestic well users?
- The more options we give the legislature, the better off we are. We do not want to dictate the source of the funding to the legislature.

- We need to add language on water user fee/usage fee...talking about the fact the people who benefit pay.
- General Obligation funds/State Water Plan is not the way to go.
- We should leverage ESPA water usage fee with state contributions and other potential sources of funds to develop something palatable.
- The option that seems most acceptable is the improvement district (even though it has slightly higher interest rates). We should provide a variety of ways to move forward to the legislature.

Group 3

- We examined each of the four alternatives and in each case we considered how to avoid high interest costs. This led to favoring a State Wide Program (SWP). The challenge is to get the state to realize that this is a statewide issue. To do that, we would have to illustrate in any report that goes to the Board: 1) what happens if we don't do anything to manage the water resources; 2) demonstrate the risk to the state and economy in the long term of doing nothing, and 3) demonstrate the scope of benefits, especially the statewide component.
- The group also discussed the ESPA user fees and how to assess users of the water in an equitable/palatable manner. No consensus on who would pay emerged.
- Idaho Power is still working with the DEQs (Idaho and Washington) on the watershed improvement program. The concept of leveraging is essential and if users put money on the table it opens up a range of funding options. Once we get started it may be possible to get federal money for programs that benefit the springs, aquifer and river. We must have enough baseline data to make the case.
- A 'pay as you go program' with bonds should be considered. This type of mechanism was used to fund the other projects and is a way to eliminate interest entirely.
- Water users/irrigators need to demonstrate that they are willing to pay a portion themselves. Irrigation pumping being assessed a kilowatt/hour (kwh) tax would cover surface and groundwater pumpers. It is not perfect, but would be easy to collect. Response: a kwh fee penalizes the deep well pumpers more so than other pumpers and causes disparity between users. This would be a tiered system that would depend on pumping level.
- A combination of items is going to be needed to reach goals. We need to consider several questions, such as, "What funding level do we need to go to?" How do the funding sources fit into that picture? Where do we start? Overall vision?

Group 4

- Our group didn't get into the mechanics particularly, but rather looked at combination of revenue sources.
- The benefit/fairness issue is critical. A combination of revenue sources based on local approach and statewide approach is essential. We tried to break out what would be equitable/fair because it doesn't lend itself to a solution.
- A flat household fee/tax at \$10 per household generates 1.2 million dollars in the ESPA. When applied to a city's water system, a connection fee could generate close to 2 million dollars.
- We could tax bottled water and include educational messages on the water bottles regarding the importance of fixing the aquifer.
- Discussed a tier-based structure for kwh usage. The revenue based program is not new and the kwh fees are pretty accurate.
- Need to have more conversation about funding. An ESPA-centered scheme with cost share might be better than a statewide program.
- USDA farm Program includes wetland and fisheries funding that fit nicely into what we are trying to do.

In summing up the contributions from the groups, Jonathan remarked that there is a recognized need for ESPA water users to raise money within the ESPA in order to tap into other sources of funds. To leverage state and other resources, the ESPA must be a part of the funding solutions. We need to demonstrate to the state, federal agencies and others that we are taking responsibility for the problem that is occurring in the ESPA. The ESPA is going to have to generate a large amount of new money. The questions remains: "What is an acceptable way to raise the funds? What is the appropriate percentage of state vs. local funding?"

Jonathan suggested that a smaller subset of participants meet to flesh out the details of the ESPA water user funding options and further think through options. In the meantime, he encouraged participants to discuss these ideas with their constituents and colleagues and try to develop palatable options.

Presentation and Discussion: Fish and Wildlife Sub-Committee Analysis and Observations

David Blew, Idaho Power, presented the modeling results from the medium packages. Eight scenarios were modeled to determine the hydrologic impact of the alternatives. Targeted demand reductions were analyzed to determine the impact of these activities on the Eastern Snake River Plain. The areas targeted were the lower valley, middle valley and upper valley. Sub-Committee members outlined observations and considerations based on the model results. The model runs included:

- Medium Package Recharge Emphasis
 - No Target for Demand Reduction
 - Lower Target for Demand Reduction
 - Mid Target for Demand Reduction
 - Upper Target for Demand Reduction
- Medium Package Demand Reduction Emphasis
 - No Target for Demand Reduction
 - Lower Target for Demand Reduction
 - Mid Target for Demand Reduction
 - Upper Target for Demand Reduction

Discussion

- Q: Soft conversions were given priority over recharge; what does that mean? A: If water was available, we provided water for soft conversions before recharge. That can be extrapolated for other hydrologic evaluations if needed.
- Q: What is meant by drain cells? A: Spring discharge cells.
- Q: Does recharge reduce flow at Thousand Springs? Does the recharge scenario improve spring flows? A: Recharge puts more water into underground storage which has a benefit to the springs. The scenario increases groundwater elevations and spring flows. In a cumulative discharge graph you need look at the slopes of the lines.
- Q: Is the recharge timed in the model runs? A: These are monthly average diversions with recharge beginning from March 1 to October 1 in the lower basin and April 1 to October 30 in the upper basin.
- Comment: I am concerned that the difference between recharge and demand reduction results is an artifact of the model – 1:1 demand reduction (1 acre foot reduction) recharge and demand reduction are treated exactly the same. Sometimes there is no recharge water available, while demand reduction is available regardless of the water supply.
- Q: Has the Environmental Sub-Committee looked to see if the medium package matches up with expectations, i.e. improving spring flows? A: No; without an underlying trend then we don't know where we are in terms of stabilizing spring flows.
- Q: Are there any plans for recharge in the event that BOR has to evacuate water out of the upper basin this fall? Would you exercise fall recharge? A: The contracts are in place for wheeling recharge water and we are prepared to move ahead, if the Board's water right comes into priority. Renting of water is also an option that is being considered and was proposed by EIWRC.

- Q: What about renting water? If water is available, can you? A: My intuition is that if water is released then it is likely to be Board's water right.
- Q: Which emphasis provides the most benefit? Does demand reduction have more benefit than recharge? A: With demand reduction, location matters. For example, there is much more impact in the lower area and there it probably makes sense to focus on demand reduction. Recharge is dependant on a water supply and is complimentary with system conversions. While there is a different response, demand reduction is closer to the baseline.
- Comment: What is the feasibility of runs/assumptions? Aquifer recharge is of limited availability. 400 kaf is a pie in the sky number; 150 kaf is more likely. Full conversion of A&B will likely not work from financial perspective. A better assumption is what we reasonably can expect in terms of use and discrimination within the packages. Response: An average 150 kaf is a lot of water and we would need to double the infrastructure capacity to 'average' 150 kaf (need 300 kaf of capacity). The reality is that we need to work toward building facilities that give us the capacity to recharge, such as injection wells.
- Comment: Last year's fall recharge effort came close to meeting its objectives. If you open up the entire system to recharge efforts a lot could be accomplished. The issue, however, is that there are wildly different expectations are widely different about amount of recharge. Our canals run better in the fall than in the spring.
- Q: Is 150 kaf the number that we should work towards for recharge? A: Many Committee members agreed that a 150kaf of recharge is a goal to work toward.
- Comment: The issue of feasibility of recharge regarding soil types should be considered. We need to consider the value of recharge to demand reduction. What other possibilities exist beyond recharge? There is more flexibility in the demand reduction and placement of that in areas to benefit springs and other geographically specific areas.
- Comment: It is not clear what the feasibility of 150 kaf means. When one looks at the hydrologic impacts of a big recharge effort, the environmental concerns become sharper. Demand reduction can be expensive and social impacts have to be weighed. However, I am drifting toward the smaller end of the packages with a demand reduction focus.
- Comment: The actual numbers are not important. Instead, we need to consider what common sense dictates. With demand reduction there is long term benefit. As such we should be looking at looking at more demand reduction emphasis. In the no action scenario, 286 kaf average of recharge achieved needs an available capacity of 500 - 600 kaf . What does it cost to build recharge facilities versus demand reduction?
- Comment: Demand reduction may be the place to start – with a 150 kaf recharge effort and a 300 kaf capacity to reach the average.

Environmental Platform

Will Whelan presented a draft platform of the Environmental/Fish & Wildlife Subcommittee. Kim Goodman explained the collaborative process on the Henry's Fork/South Fork of the Snake used to address Yellowstone Cutthroat Trout issues as an example of the type of coordination and collaboration envisioned with CAMP implementation. The informal process involves meetings with irrigators, interest groups, agencies etc. and is based on sound science and adaptive management, which provides benefit for fish and farmers. Trout populations are on the increase. For the ESPA, Kim expressed an interest in creating a forum for input on alternatives to help fish and wildlife strategies.

The Environmental Platform includes the following:

CAMP General Policies and Provisions

- Establish a general goal to sustain the springs and link it to adaptive management;
- Evaluate, explain, and address environmental effects of ESPA actions;
- Protect ESPA and Snake River surface water quality; and
- Adopt a plan that balances increasing supply and reducing consumptive use.

Platform:

Integration: Integrate environmental considerations into decision-making by assessing environmental effects and developing measures to address impacts. Enhance conditions for fish and wildlife where possible. Include environmental issues in any future CAMP implementation processes.

Implementation and Coordination: Establish an annual coordination process to help inform river and reservoir managers on how to optimize outcomes for fish and wildlife, recreation, irrigation, aquifer management, and other uses. Involve key interested parties.

Incentives and Banking: Develop a system that provides financial incentives for voluntary reductions in water consumptive use that is flexible, market-based, adequately funded, and that allows irrigators a choice of options.

Tributary Recharge: Permit conversion of water rights for surface irrigation outside the ESPA to downstream aquifer recharge to further ESPA management objectives and instream flows with no injury to other water rights.

Storage: Fully evaluate the benefit, cost, impact, and alternatives (including aquifer storage) and provide for public involvement before endorsing new dams.

Measurement: Accurately measure all withdraws and diversions.

Education and Outreach: Develop a program to educate the public about how it can and should contribute to sound management of Idaho's limited water supply.

Conservation: Pursue water conservation opportunities that are consistent with ESPA recharge goals.

Discussion: Management Actions and Alternative Packages

Jonathan Bartsch asked the group to indicate preferences, for discussion purposes, regarding a package and emphasis to focus on developing further. The Committee agreed in concept to move forward with the Medium Package: a 600 kaf per year change over a 20-year period with a demand reduction emphasis. The Committee also shared initial thoughts on short-term actions. The meeting August will focus on finalizing the Committee recommendations.

The group discussed the following package criteria:

- Practicality including financing and public and political acceptance
- Timeframe and ease of implementation
- Environmental and economic impacts
- Ability to target actions to accomplish the desired hydrologic

The Committee agreed to the following:

- Implement a five-year weather modification pilot project, with a recommendation that the state, local and other agencies contribute resources to implementing the program.

Discussion

- Comment: Our best chance of getting through legislature is a medium package with demand reduction and limited recharge. It offers the biggest potential and the least adverse environmental impacts.
- Suggestion: We could start with a small package with a demand reduction emphasis, while working toward implementing a medium package with a demand reduction focus alongside a robust recharge program.
- Suggestion: We should consider a suite of options that include permanent buy outs, dry year leasing, crop mix changes, market based pumping.
- Q: What are the impediments/rules that need to change? A: Points of diversion and ability to recharge.
- Comment: There is a component we've not yet talked about: increasing storage outside the basin to exchange and provide increased useable water, such as Galloway dam.
- Comment: I am unsure if I would want to take A&B completely off the table. Is there an opportunity to take more water out of the river, as they have a three year storage supply and would take pressure off the aquifer? What would happen if we enlarged the piping system and put in more pumping stations? Why not pursue partial conversion further as it relates to infrastructure costs to be able to irrigate more acres from the river?

- Comment: If we are working toward the medium package, there will be other things to examine, such as a partial conversion of A&B...roll into the soft conversion category.
- Comment: We don't need to say we are going to limit re-charge. We need to explain that the near term opportunities are limited and that we are going to explore how best to manage a recharge program. We can pursue opportunities for recharge in the near term and pursue a demand reduction emphasis at the same time.
- Comment: On the demand reduction side, it should be targeted demand reduction, to increase the flows at the springs. The plan should list specific actions that would benefit the springs.

Jonathan Bartsch closed the discussion by summarizing the significance to the group of working toward a medium package with a demand reduction emphasis. He encouraged the Committee to think about issues, obstacles and challenges to gain clarity around what we are doing so that we can begin to look at implementation. What do we need to think about? How can we make recommendations that will be meaningful and stick?

Next Meeting: Thursday, August 28th in Jerome

Agenda Topics Include:

- Economic Analysis: Draft WestWater Research Report
- Committee Recommendation on Initial Implementation Package
- Committee Recommendation on Funding Mechanisms
- Energy Cost Projections
- Fall Recharge Efforts

Attendees:

Name	Affiliation
Albert Lockwood	WSCC
Barry Burnell	Idaho DEQ
Billy Thompson	MID
Brian Olmstead	Twin Falls Canal Company
Brian Patton	IDWR
Charles Connell	City of Jerome
Craig Evans	WD 120
Damien Miller	USFWS
Dave Parrish	Idaho Fish & Game
David Blew	Idaho Power
Dean Stevenson	WP 130-140
George Katseanes	Domestic Users
Hal Anderson	IDWR
Harriet Hensley	Attorney General's Office
Jeff Raybould	FMID
Jennifer Graham	CDR Associates
Jim Tucker	IPC
John Chatburn	Governor's office
Josh Tenalt	Governor's Division of Financial Management
Kim Goodman	Trout Unlimited
Lloyd Hicks	Grant/Burgess Canal
Lyle Swank	Water District 1
Lynn Tominaga	IGWA
Matt Howard	Reclamation
Patrick Naylor	MWH
Peter Anderson	Trout Unlimited
Randy Bingham	Burley Irrigation District
Randy MacMillan	Clear Spring Foods
Rich Rigby	USBR
Roger Chase	City of Pocatello
Stephen Goodson	Governor's office
Steve Howser	ASCC
Steven Serr	Bonneville County
Tim Deeg	IGWA
Vince Alberdi	TFCC
Walt Mullins	Milner Irrigation
Walt Poole	IDFG
Will Whelan	TNC