



IDAHO WATER RESOURCE BOARD

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At Large

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District 2

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At Large

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Cuddy**
Orofino
District 1

Leonard Beck
Burley
District 3

L. Claude Storer
Idaho Falls
District 4

**Gary M.
Chamberlain**
Challis
At Large

**Lawrence "Vic"
Armacost**
New Meadows
At Large

MINUTES OF TELECONFERENCE MEETING NO. 07-08

Idaho Department of Water Resources
Idaho Water Center, Boise Idaho
April 24, 2008, 8:00 a.m.

Chairman Rigby called meeting 07-08 to order at 8:00 a.m. and requested roll call.

Agenda Item No. 1, Roll Call

Board Members and Staff by Phone

Jerry Rigby, Chairman	Hal Anderson, Rexburg
Brian Patton, Rexburg	Leonard Beck
Vic Armacost	Gary Chamberlain
Claude Storer	Chuck Cuddy
Bob Graham	Terry Uhling, absent

Staff Members and Guests Attending

Patsy McGourty, Admin. Asst.	John Homan, Dep. Attorney General
Clive Strong, Dep. Attorney General	

Guests by Phone

Lynn Tominaga, Idaho Ground Water Appropriators

Agenda Item No. 2, Public Comment

There was no public comment.

Agenda Item No. 3, Palisades Storage Water

Mr. Anderson stated that the opportunity to acquire storage water in Palisades Reservoir came up when Mr. Strong was negotiating with the City of Twin Falls for the Pristine Springs Facility. The city had been negotiating with FMC to purchase their storage contract in Palisades Reservoir. After some discussions staff inquired if FMC would be interested in selling their storage contract in Palisades to the state. The Legislature has provided funds for Eastern Snake Plain Projects to help solve issues there. A letter of intent was signed by FMC and a copy of a draft resolution has been provided to all Board members. An executed letter of intent has been received from FMC.

Staff have met with Mr. Chatburn from the Governor's Office, Mr. Strong from the Attorney General's Office, Terry Uhling and a local consultant representing FMC about one month ago. Mr. Anderson introduced Clive Strong, Deputy Attorney General, to address the Board about the purchase.

Mr. Strong stated that this storage space is the only space that is currently known to be available to meet long-term obligations and resolve issues in the ESPA. This storage water would be a wonderful asset for the Board to own. Chairman Rigby asked if there were questions or concerns of Board members.

Mr. Strong answered various questions from Board members about the resolution. Mr. Beck asked about an amendment to the FMC storage contract in 1988. Mr. Homan responded that the amendment in 1988 was for multi-year leases.

At this time, Mr. Bob Graham joined the teleconference.

Mr. Armacost asked if staff had met with the Bureau of Reclamation and Mr. Strong responded that he had spoken with Rich Rigby. NEPA requirements will need to be met and problems are not anticipated because this transaction only involves a change in ownership. Mr. Armacost also asked about the terms of the sale.

Mr. Homan explained that the letter of intent is contingent upon approval by the Bureau of Reclamation and \$25,000 earnest money will be paid with a follow-up long-term purchase agreement. Other questions of Board members were answered. The storage water is an asset that the Board will be able to provide water for many different groundwater mitigation purposes for the state. The Board and the state will benefit in the long-term by having this storage water.

Mr. Beck noted that the sale price had risen from \$3 million to \$3.5 million and he wondered where the funds would come from in the Board's budget. Mr. Patton stated that the \$3.5 would come from the Eastern Snake Plain sub-account, and the Bell Rapids Sub-Account. The Black Canyon Exchange Agreement costs could cover part of it. Mr. Beck noted that this would leave the Board without more money for acquisitions without legislative appropriation. Mr. Patton agreed with that except for revenues coming in from various sources. If the storage water is leased out, the Board would have the discretion where to put those incoming funds.

Mr. Anderson noted that in the agreement with FMC, the Board can use this water this year. Mr. Homan added that the \$3.5 million would cover the sales price and there would be closing costs split between buyer and seller. The price quoted was \$650.

Mr. Tominaga asked if this water would be put in the state rental pool or would it come under Water District 01. There was discussion about this issue. Mr. Strong stated that the Board would be able to make that decision later. Other questions were answered.

Mr. Chamberlain stated that he had every confidence that the Legislature would provide monies needed to manage the ESPA for storage water. Chairman Rigby agreed and thanked Mr. Strong and his office staff for all their work on these negotiations. Everyone is doing a great job. The Legislature is providing support and groups are working together. The Board has a trusting relationship with the Legislature.

Mr. Chamberlain moved that the resolution authorizing the FMC purchase be approved as written. Mr. Beck seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Uhling: Absent; Chairman Rigby: Aye. 7 Ayes, 1 Absent. Motion passed.

Agenda Item No. 4, Other Items Board Members May Wish to Present

Mr. Anderson stated that the meeting coming up in Twin Falls on May 8 and 9th will offer a tour of the Pristine Springs Facility in the afternoon of the work session.

Mr. Chamberlain asked about the invitation to attend a ribbon cutting ceremony for the North Fremont Canal System pipeline project. Mr. Patton stated that a staff member would attend the ceremony on behalf of the Board who financed the project if a Board member could not attend. Mr. Chamberlain and Mr. Rigby both said they may be able to attend.

Chairman Rigby noted that he had received a letter from Water District 01 who asked for the Board's support for their use of a Bureau of Reclamation 2025 grant to upgrade a computer system. Mr. Anderson offered to call the watermaster to verify this issue. Mr. Strong noted that the item was not on the agenda and it is a formal action. Chairman Rigby stated that it could be brought up at the next meeting with the letter ready to go.

Mr. Storer moved to adjourn. Mr. Cuddy seconded. All were in favor. The meeting was adjourned.

Dated this _____ day of _____, 2008.

Secretary

Patsy McGourty, Administrative Assistant II

Board Actions:

1. Mr. Chamberlain moved that the resolution authorizing the FMC purchase be approved as written. Mr. Beck seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Uhling: Absent; Chairman Rigby: Aye. 7 Ayes, 1 Absent. Motion passed.