Funding Working Group Meeting #1

Draft Meeting Summary
June 30, 2009
Idaho Dept. of Environmental Quality
900 N. Skyline
Idaho Falls, Id. 83402

Overview

The Funding WG meeting discussed the following parameters/sideboards of the collection efforts:

- The Phase I funding participation targets, should be collected as outlined in the Plan

- The Water Resource Board, as articulated in the ESPA Plan, will serve as the governance mechanism to manage the overall Plan and projects. While interest was expressed in exploring potential local governance mechanisms, most of the group felt that the governance mechanism should be consistent with the Plan.

- Contributions to the ESPA Plan funding targets include 'sweat equity' and other 'in-kind' contributions, e.g. Idaho Power expertise and staffing with cloud seeding and others.

- Collection mechanism(s) for the Plan must be mandatory, not voluntary, and be implemented without a larger public vote. Based on this approach the remaining options for consideration are collection of fees through the counties or through the Water Districts. However, legal opinion/advice will be sought regarding how to most appropriately collect the aquifer user fee.

- Issues regarding what Plan elements to encourage, including incidental recharge, should be examined and determined in the management specific working groups, not the Funding Working Group.

Meeting Summary

The timeframe for the Funding Working Group products was reinforced (Fall of 2009). It was noted that the Implementation Committee emphasized that identifying a collection mechanism was the single most important priority for the Plan. In addition, the issue of how and whether to incentivize incidental recharge was discussed.

Recognition and Encouragement of Incidental Recharge

Lloyd Hicks presented on the issue of encouraging incidental recharge. Lloyd provided a short history of the role of incidental recharge and the importance of continuing the flood irrigation practices in the Great Feeder. It was noted that there are numerous programs to encourage conservation efforts that would have negative impact on the aquifer (sprinklers, lining of canals). Lloyd also indicated his

concern that the Great Feeder, along with other high loss canals, would be charged more than others in Plan implementation. It was clarified that the ESPA Plan is based on acres not diversion rates. Lloyd identified a specific proposal to 'recognize and encourage' incidental recharge including a $.50/ac-ft credit for every ac-ft of diversion above 5 ac-ft average diversion for surface water users, subtracting return flows.

Randy Bingham presented an alternative proposal entitled "Credit for Recharge". Randy suggested an approach where incidental recharge would be measured annually and have demonstrated hydrologic benefit, for a financial incentive to be provided. The annual information required includes acres irrigated, urban acres, dry acres, commercial acres, farmstead acres, the amount of water diverted, the water returned to the river or drains, water lost to evaporation and water lost into the aquifer. Recharge credit would be $1/ ac-ft although likely a much smaller amount of recharge is anticipated. The proposal also suggested that the Recharge WG address this issue rather than the Funding WG.

The Funding WG decided to discuss the collection mechanism and the distribution of credits in the management specific Working Groups. Others in the WG raised the issue of providing a credit for ground water users if ground water users don't use as much water, and spring owners wanted a credit for water they could no longer acquire. Spring users suggested that if a water right holder is not receiving his water right, that water right holders be given a credit for not receiving his water right. Jonathan Bartsch highlighted the challenge of pursuing the use of credits since it opens a wide range of claims for credit. It was also noted that the Board supports an approach that emphasises benefits versus the use of credit approach.

The WG suggested that the incidental recharge credit issue be given to the Recharge WG to discuss. The WG decided that the recharge WG needed to make the determination of whether to provide credits and how much credit should be given. Key questions include what are the consequences of reducing incidental recharge? Where and when does the incidental recharge water show up in the system? What is the resident time?

Collection Mechanisms

The legal mandatory mechanism to collect the ESPA Plan participation levels was discussed. The alternatives outlined in January of 2009 were reviewed including the pros and cons in a document entitled "ESPA CAMP Funding Alternatives." Lyle Swank provided a explanation on the challenges of collecting the user fee by WD 01. The discussion of the WG centered on a mandatory process where a public vote is not required. One WG member noted that it is easier to convince 100 people than 100,000 people to support the collection of the aquifer user fee. The Plan envisions the Board as the final decision maker and having the legal authority to collect ESPA Plan resources and that a Conservancy District or Aquifer Protection District was not consistent with Plan intent. The role of the Implementation Committee would be to continuously provide oversight on the Plan implementation and ensure water user participation.

In addition, the option of the entire use of state general funds instead of user fees from the ESPA was raised by Representative Raybould. He noted that the annual allocations for the ESPA plan were a very small part of the state budget that is heavily dependent on ESPA revenues. It was noted that the Governor's Office would need to be consulted regarding this proposal. The question of whether to develop a state-wide water management project or focus only on the ESPA was discussed.

Next Steps
Hal Anderson and IDWR will pull together an outliine of principles for the Attorney General's office and the Governor's office to explore the legal aspects of the collection mechanism.

Next Meeting
The next Funding WG meeting will be held on July 10th with a telephone conference from 10 a.m.-noon to discuss the state funding option suggested as well as the legal issues regarding the remaining collection mechanism options (mandatory, a vote is not necessary and has Board as final decision makers).

MEETING ATTENDEES *telephone participation

Funding Working Group Members			
1.	Hal	Anderson	IDWR
2.	John	Chatburn*	Governor's Office
3.	Lance	Clow*	Municipalities/Counties
4.	Tim	Deeg	Groundwater Users
5.	Harriet	Hensley*	AGs Office
6.	Lloyd	Hicks	Surface Water Users
7.	Alex	LaBeau*	Business
8.	Randy	MacMillan	Spring Water Users
9.	Jeff	Raybould	Surface Water Users
10.	Dean	Stevenson	Groundwater Users
11.	Clive	Strong	AGs Office
Ex Officio Members and Other Attendees			
12.	Jonathan	Bartsch	CDR Associates
13.	Craig	Evans	Groundwater Users
14.	Jared	Fuhriman*	Municipalities/Counties
15.	Stan	Hawkins	
16.	Tebbin	Johnson	WD 01
17.	Dell	Raybould	Idaho Representative
18.	Steven	Serr	County
19.	Lyle	Swank	WD 01
20.	Lynn	Tominaga	IGWA
21.	James	Tucker	Hydropower