

# IDAHO WATER RESOURCE BOARD

#### **MINUTES OF MEETING NO. 2-09**

January 23, 2009 Boise, Idaho

L. "Butch" Otter
Governor

Jerry R. Rigby Chairman Rexburg At Large

Chairman Rigby called meeting 2-09 to order at 8:30 a.m. and requested roll call.

### **Terry T. Uhling** Vice Chairman

Boise District 2

## Bob Graham Secretary

Bonners Ferry At Large

# Charles "Chuck" 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

#### Agenda Item No. 1, Roll Call

#### **Board Members Present**

Jerry Rigby, Chairman Gary Chamberlain Chuck Cuddy Terry Uhling Vic Armacost Claude Storer Bob Graham Leonard Beck

#### Staff Members Present

Brian Patton, Bureau Chief Helen Harrington, Section Manager Patsy McGourty, Admin. Asst. Bill Quinn, Engineer Stephanie Painter, Planner Morgan Case, Biologist Hal Anderson, Administrator Dave Tuthill, Director Cynthia Bridge Clark, Engineer Sandra Thiel, Planner Bob McLaughlin, Public Info.

#### Guests Present

John Chatburn, Governor's Office Lynn Tominaga, IGWA Sean Maupin, NFCS Kent Lauer, Idaho Farm Bureau Peter Anderson, Trout Unlimited David Blew, Idaho Power Dan Wimberly, Boise State Radio Alan Kelsch, Committee of Nine Jeff Raybould, FMID

Stephen Goodson, Governor's Office Lon Atchley, NFCS Harriet Hensley, Deputy Attorney General Kevin Lewis, Idaho Rivers United John Williams, Bonneville Power Admin. EllenBerggren, USACE Jim Tucker, Idaho Power Jim Wrigley, Wells Fargo Jerry Gregg, USBR Mr. Anderson stated that item 6d. Restructuring the Board Loan needed to be eliminated since parties were not ready. A new item Minimum Streams flows needed to be added under 7e.

#### Agenda Item No. 2, Election of Officers

Mr. Anderson stated it was time to elect new officers to the Board since it is the first meeting of the odd numbered year. Chairman Rigby said he was not running for chairman. He expressed appreciation for everyone's support during his tenure. Mr. Chamberlain complimented Mr. Rigby on the fine job he had done. Mr. Chamberlain nominated Terry Uhling for Chairman. Mr. Armacost moved for a unanimous ballot for Mr. Uhling. Mr. Beck seconded. There was no discussion. Chairman Rigby called for a voice vote. All were in favor. Mr. Uhling was elected Chairman.

Chairman Uhling introduced Mr. Rigby's wife who was present and asked Mr. Rigby to continue to chair the meeting. Mr. Chamberlain agreed.

Chairman Rigby opened nominations for Vice-chairman. Mr. Beck nominated Gary Chamberlain for Vice-Chairman. Mr. Armacost moved for a unanimous ballot for Mr. Chamberlain. There was no discussion. Chairman Rigby called for a voice vote. All were in favor. Mr. Chamberlain was elected Vice-Chairman.

Mr. Beck nominated Mr. Graham for Secretary. Mr. Armacost moved for a unanimous ballot. Mr. Uhling seconded. There was no discussion. Chairman Rigby called for a voice vote. All were in favor. Mr. Graham was elected Secretary.

#### Agenda Item No. 3, Agenda and Approval of Minutes

Mr. Anderson noted that there were four sets of minutes, 13-08, 14-08, 15-08 and 16-08, submitted for review and approval. Mr. Chamberlain moved that minutes for meetings 13-08, 14-08, 15-08 and 16-08 be approved. Mr. Storer seconded. Chairman Rigby called for a voice vote. All were in favor.

#### Agenda Item No. 4, Public Comment

Chairman Rigby asked for public comment. Sean Maupin from the North Fremont Canal Company addressed the Board. He thanked the Board for assisting them with the first two phases of their project. He discussed the projects and the water savings they expect to get for their members. He stood for Board questions. He pointed out that the new system was able to support the new high school in Ashton and also addressed a safety issue in the village of Marysville by eliminating open canals. Residents are very happy. In addition, sediment pollutants going to the river were eliminated.

A new phase of their system will be started in about 18 months with funds from NRCS and others. Phase III estimated cost will be \$6-7.5 million covering 3800 acres; Phase IV estimated cost will be \$2-2.5 million covering 3300 acres; and Phase V estimated cost will be \$6.3-8 million

covering 5500 acres. Mr. Maupin expressed hope in continued support from the Board. He stood for additional Board questions. He asked if current loans could be refinanced with lower interest rates. Chairman Rigby responded that the Board may address interest rates later this year.

#### Agenda Item No. 5, IWRB Hydropower Status Report

Mr. Patton presented the Hydropower Status Report. The Dworshak plant produced 167 million kwh for sale to the Bonneville Power Administration. The two Pristine Springs plants continue to generate power that is sold to Idaho Power Company. During a routine inspection of the Dworshak plant it was noted that the hydraulic fluid needed to be changed resulting in down time for the plant. It was also discovered that the lining in the storage tanks needed replacing. The large turbine was shut down for 2-3 weeks for repairs costing about \$40,000 in lost revenue and \$20,000 in repair costs. Mr. Patton explained that the wrong lining for the tanks was delivered and installed when the plant was built. The decision was made to accept them due to the contract deadlines. Mr. Uhling asked if the problem is cured at this point. Mr. Patton responded yes. He went on to explain the repairs in great detail.

Mr. Patton stated that at Dworshak in 2009 the kwh rate increases to 3%. At the Pristine Springs plants the sales rate increases 2.3%. He stated that cash flow from Dworshak this fiscal year to date is \$111,191 deposited into the Revolving Development Account. \$49,641 has been deposited into the Repair Replacement Account. The two Pristine Springs plants have generated \$39,215 deposited into the Repair/Replacement Funds. He also noted charts showing production from the plants.

#### Agenda Item No. 6, IWRB Financial Program

#### a. Status Report

Mr. Patton stated that as of January 21<sup>st</sup> the Board has \$437,303 available to loan or for other projects. \$12.3 million has been committed but not spent. The Board has \$20.8 million in outstanding loan principal. He noted several loans have been paid off by the Cub River Irrigation Company, the Malad Valley Irrigation Company and the Teton Island Feeder Canal Company. The Dalton Water Association project has been completed. The Board has received \$11,636 from the Boise River Basin Rental Pool (Water District 63). The report has been received from Water District 01 and will be presented at the next regular board meeting. Mr. Patton stood for questions.

Mr. Graham asked if a cap was needed on the Water Management account which is now at \$45,000. Mr. Patton stated the funds could be transferred to the Revolving Development Account. Mr. Anderson noted that this is the only fund that can provide grant money for emergencies. At one time, the Board liked to keep \$50,000 in the account. Money can be moved from the Revolving Development Account back to the Water Management account. Mr. Chamberlain moved that \$20,000 be left in the Water Management Account and the rest moved to the Revolving Development Account. Mr. Graham seconded. Chairman Rigby asked for a voice vote. All were in favor.

#### b. Annual Report

Mr. Anderson noted that this report is required to be submitted to the Governor, the Legislature and the trustees for the Board bonds. Mr. Chamberlain moved to accept the Annual Report for 2008 and submit it to the legislature. Mr. Uhling seconded. Chairman Rigby asked for a voice vote. All were in favor.

#### c. Loan Requests

Mr. Patton presented the loan requests.

#### **Big Wood Canal Company**

The Big Wood Canal Company has submitted a loan request for \$90,000 to repair the Thorn Creek Flume and rehabilitate two miles of delivery canal. This company delivers natural flow and storage water to about 105,000 acres in Gooding and Lincoln Counties. Past loans to this company have resulted in good repayment. Staff recommended this loan to the Board.

Mr. Lynn Harmon from Big Wood Canal Company addressed the Board. He stated the Thorn Creek Flume is in bad need of repair and replacement. The company has assessed the water loss in the canals this past summer. There is a 50 foot channel that needs reengineering to curb water loss. He stood for Board questions.

Mr. Patton noted that the resolution needed changing in the bottom paragraph 2) to change CRIC to BWCC. Mr. Uhling moved to adopt the resolution authorizing a \$90,000 loan to the Big Wood Canal Company at 5.5% interest over 10 years. Mr. Beck seconded. Chairman Rigby called for a roll call vote.

Roll Call Vote:

Mr. Cuddy: Aye; Mr. Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Uhling: Aye; Chairman Rigby: Aye. 8 Ayes. Motion Passed.

#### **New Hope Water Corporation**

Mr. Patton presented a loan request for \$151,460 to install a new well that will tie into their community water system. The New Hope system is located on a bench above Ahsaka near Orofino. It provides water service to 40 existing homes with 52 homes projected for the area. One of the wells on the system has gone dry resulting in a violation of DEQ standards that requires two wells for their system. The New Hope group has a good track record repaying Board loans and the staff recommended this project. There was discussion about the area near Orofino and other water uses. Mr. Patton stood for Board questions. Mr. Patton added that this is pricey and appears to result in a high debt load.

Mr. Graham moved to loan the New Hope Water Corporation \$151,460 at 6% interest over a 15 year repayment term. Mr. Cuddy seconded. Chairman Rigby called for a roll call vote.

#### Roll Call Vote:

Mr. Cuddy: Aye; Mr. Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Uhling: Nay; Chairman Rigby: Aye. 7 Ayes and 1 nay. Motion Passed.

#### d. Restructuring Groundwater District Loan (Deleted)

#### e. Aquifer Recharge Program Update

Mr. Bill Quinn provided an update to the Board's recharge activities. Mr. Quinn stated that after a dye test at the W Canal Project results were positive that the water did percolate into the aquifer. However, this site will not develop into a large recharge project. Mr. Quinn added that this would be a good test site. Staff are prepared to present some testing ideas in the future with a modest budget requiring Board funding. Shallow injection wells could be built to enhance infiltration and there could be additional dye studies over the next 1-2 years. The monitoring program would be closed out by about mid-March. Some wells need plugged and abandoned.

Mr. Uhling stated that he would like to stop the W Canal project and proceed with other projects that have better prospects. He agreed that the site would need some wrapping up.

Mr. Anderson stated that the recharge does work at the W Canal site, but not at the quantities that were expected. However, with larger ponds and additional testing capacity recharge could be increased and that's why staff wants to conduct more tests. This testing could also be valuable for other recharge sites. Test results might also show that the W Canal site capacity could be increased and become justifiable.

Mr. Chamberlain stated he would be interested in receiving proposals for testing in the future. Mr. Armacost added that keeping it as a test site would be a good idea. Chairman Rigby urged the staff to bring ideas back to the Board for future consideration. Mr. Cuddy asked if the information obtained at W Canal would benefit staff in the future. Mr. Quinn responded yes that data gathered would be useful in future recharge efforts. Mr. Uhling asked for a comparison of what was attempted and what was actually achieved for the Board to consider future expenditures. Mr. Quinn agreed to provide a detailed report at the next Board meeting.

Mr. Beck asked staff to communicate with North Side Canal Company on the canal cleaning to find out if that would be feasible. Mr. Quinn stated that would be done. Mr. Cuddy asked if the testing would be done in conjunction with the shut down. Mr. Quinn responded that specified studies, if approved, would be outlined and completed before shut down. Mr. Graham asked if staff would provide a report on costs of doing more testing at this site and the costs of finding other sites. Mr. Quinn agreed to do that. Mr. Uhling asked what the costs to date were for W Canal. Mr. Patton responded that to date \$317,000 has been spent on the project; of which \$81,000 came from the Department of Commerce appropriation. \$389,000 remains available that is committed to W Canal. Mr. Anderson noted that this is a recharge demonstration project. Chairman Rigby stated that final reporting may help the Board decide whether to spend more money there or move to other sites.

Mr. Storer asked for a report on recharge in the upper valley to show where the water comes out at in the aquifer. Director Tuthill responded that there is a contract with IWRRI for the Egin Bench Recharge Project. Staff were onsite taking measurements last fall. The Eastern Idaho Water Rights Coalition and the department paid for this effort. The Jensen's Grove recharge is also involved. The results of this study will be available through modeling results. There was discussion about this project. The Director expressed hope that IWRRI could study local phenomena to give answers as to where the water actually goes.

Mr. Quinn stated that between October and December, 2008, the Egin Bench Recharge Project was conducted. Approximately 4860 acre feet were recharged at 30 cfs. The cost was approximately \$14,579. Monitoring is continuing. There are 15 monitoring wells being measured. A final report will be generated summarizing the results. Mr. Quinn stood for Board questions.

Mr. Quinn added that canal seepage will be a large part of staff recharge activities in 2009 in line with CAMP. Staff are inviting canal companies and irrigation districts to participate in aquifer recharge programs by means of canal seepage.

Director Tuthill stated that there was an ongoing effort to transfer title of the Milner-Gooding Canal Company to the American Falls Reservoir District #2. This has finally happened and this will give the canal company more flexibility to participate in recharge efforts.

#### Agenda Item No. 7, Planning Activities

#### a. ESPA CAMP Plan Approval

Mr. Anderson stated that the Board needs to consider the final draft plan for the ESPA CAMP. He asked Jonathan Bartsch to lead this discussion.

The Chairman called for a short break.

After the break, Mr. Bartsch addressed the Board. He stated that additional changes to the plan from yesterday's work session need approval. Mr. Bartsch covered each page of the draft plan noting the changes.

Page 4 contained a new statement under 1.0 Executive Summary suggested by Mr. Armacost.

Minor changes were made on pages up to page 13.

Mr. Uhling asked if a review time after ten years should be added in the plan somewhere. Mr. Anderson stated it was implied because this plan did not mention Phase II. There are no Phase II actions. Chairman Rigby wanted input from Advisory Committee members. Mr. Bartsch suggested adding it under 4.3 Legislative Reporting and Review. Chairman Rigby asked for comments. Mr. Tucker from Idaho Power responded that he didn't think it was a problem. This plan is dynamic and will evolve during that ten-year period.

Mr. Uhling liked the idea of adding a simple statement to 4.3 for Board review after ten years and make recommendations to the Legislature and the Governor. Mr. Bartsch agreed that this made sense.

Mr. Bartsch discussed page 13 under paragraph 3.2 Phase I Hydrologic Targets where another sentence was added to clarify the hydrographs.

Page 15 more clarifications were added.

Page 17 the first bullet discussing Egin Bench recharge was reworked to reflect that this has already taken place. Language was discussed and amended.

Page 25 Funding Recommendation has been changed again in 3.3 to reflect the Board has developed a funding plan. Mr. Bartsch read the new language to everyone that came out of yesterday's discussion.

Page 26 contained a new paragraph added regarding fees and assessments collected. Mr. Bartsch read the paragraph to everyone.

Page 27 contained minor clarifications.

Page 32 had a new paragraph 4.3 Legislative Reporting where Mr. Bartsch would add new language to incorporate a ten-year review. There was discussion about the appropriate language to be added. The suggestion was made to use other legislative language. There was discussion about the process to be followed.

Mr. Bartsch stated the plan was submitted for discussion. Chairman Rigby asked Board members for their input. Mr. Chamberlain moved to approve the resolution approving the ESPA CAMP Plan and was asked to review the resolution. He read it aloud. Chairman Rigby called for discussion.

Director Tuthill stated that a tremendous amount of work had been done on this plan. The one issue that remains is funding. As this plan moves forward and recognizing financial challenges of the state this year, he asked what type of flexibility the Board would be placing in the plan for the Legislature's consideration.

Chairman Rigby stated that it was the Legislature's job to fund the plan. He added that the state is truly in financial crisis and the plan may not be funded this year. As a Board member, he stated the Board's job was to come up with the plan and this is a good plan. He recognized the funding portion is not complete. He did not want to tie the Legislature's hands by insisting on certain funding. He added the plan needs to be submitted anyway perhaps with a letter recognizing the funding issues.

Director Tuthill expressed that funding is his major concern. Chairman Rigby agreed but the Board can recognize the funding problems and still submit the plan for approval.

Mr. Anderson noted there was a motion on the table with no second. Mr. Storer seconded the motion.

Mr. Uhling stated that there has been tremendous work done but that he was concerned about the structure of the draft plan. There are questions of how much could be funded. He suggested taking section 3.3, 3.3.1 through 3.3.3, pages 25 through 29, changing 3.1 to Phase I Implementation Plan instead of funding. He suggested other language for 3.2. He also suggested adding as an appendix the Water User Categories and Phase I Funding Contribution Targets. This would allow the legislature to approve the plan with the knowledge that the implementation stage would further define the funding mechanisms.

Chairman Rigby asked if this would remove funding consideration for this year. Mr. Uhling responded that the Legislature could still fund it to the extent that they wanted. Mr. Graham stated that this would separate the approval of the plan from the funding of the plan. This would eliminate risking losing the whole plan. Mr. Uhling agreed. Mr. Graham asked if the plan could be approved in whole rather than in part. Chairman Rigby agreed that Mr. Uhling's suggestion could alleviate the funding issue.

Mr. Uhling stated that the Board would be approving the implementation process with the funding mechanisms. This provides flexibility to allow the Legislature to fund whatever they can. There are a lot of negotiations to be done with funding mechanisms. This will help the plan move forward and continue to develop.

Mr. Chamberlain asked if Mr. Uhling could meet with Ms. Harrington and Mr. Bartsch and put these ideas in writing for the Board to consider. Mr. Beck asked if a short break could be taken to do this. He commented that if the Legislature cannot fund what is committed in the plan, could the water users also ask to fund less. Chairman Rigby agreed by stating that the stakeholders had come up with the numbers. Mr. Beck added that the Advisory Board had brought these funding mechanisms before the Board and he wanted to see Mr. Uhling's proposal in writing for the Board to consider.

Mr. Anderson noted that a motion was on the table. If the movant and the second were in agreement, the motion could be tabled. Mr. Armacost stated that the main issue is to find a way to collect the local share. He added that bigger questions remain on the funding mechanisms. Chairman Rigby stated that there are many questions unanswered on the funding portion. Mr. Cuddy added that Mr. Uhling's idea is a good one and will aid the Legislature. The movant and the second agreed to table the motion. The Chairman called for a break.

After the break, Mr. Bartsch passed out two documents; Option 1 and Option 2 stating a new section 3.3 Phase I Implementation Plan. Option 1 stated 3.3 rewritten as Phase I Implementation Plan with the Water User Categories Phase I Funding Contribution Targets taken out and added as Appendix B. Option 2 had Appendix B but it included the Water User Categories and Phase I Funding Contribution Targets in section 3.3. He asked Mr. Uhling to explain this again.

Mr. Uhling stated the goal is for the successful implementation of the CAMP process to place the draft funding proposal as Appendix B. This is not to suggest that the Board or Advisory

Committee does not agree with the Phase I Funding Contribution Targets. He stated that Option 1 states that the implementation plan will be developed in the first year, finalized and approved by the Board. It set out the funding ideas as outlined in Appendix B. This would maintain the integrity of the Advisory Committee and outline the development of the funding mechanisms over the next year. Option 2 has the Phase I Funding Contribution Targets in the body under section 3.3 and also in Appendix B.

Mr. Graham asked what the purpose of the appendix was under Option 2. Mr. Uhling responded that there are other implementation concepts in Appendix B. Chairman Rigby stated that concerns about splitting it apart are that moving the funding targets out of the plan may make them not part of the plan. Mr. Uhling stated that under Option 2 the funding mechanisms are in the document and added as Appendix B which addresses concerns of the Advisory Committee. Mr. Beck asked for clarification on the first year of the implementation plan. A clarification was added.

Mr. Armacost asked why Mr. Uhling did not like section 3 as it was first discussed. Mr. Uhling stated there are going to be serious problems with legislators considering funding. When they look at the funding ideas, there is much work to be done to make them workable. Chairman Rigby asked if the plan could be passed as is with a letter offering Option 2 to let the legislature know that the Board understands they need flexibility. He was concerned that taking out the Funding Targets was going to change what the Advisory Committee had recommended to the Board.

Mr. Uhling stated that this was his best idea to make this a success with the Legislature. It is a distinction of approach. He said he was not saying his approach was right or wrong. Mr. Cuddy agreed. Mr. Beck stated he had had too many water users who expressed a desire to move to adopt it as it is written. He commented that on the Executive Summary a sentence should be added about the \$10 billion economic impact of the ESPA.

Mr. Jeff Raybould addressed the Board. He expressed appreciation for the time, attention and concerns. He stated he knew the legislature's stress. In regard to the funding, he stated the Advisory Committee worked hard on how much each entity would or could provide to support the plan. He expressed concern about moving the Funding Targets out of the plan to an Appendix that some of the consensus may be lost. He stated the plan should be kept together. He didn't think there were expectations that the state could fund at \$3 million this year. A level of funding would keep the plan moving forward to work out funding strategies. Mr. Jeff Raybould stated the Funding Targets need to be part of the package going to the Legislature to keep it moving forward. He stood for questions.

Mr. Graham asked if the risk of losing legislative support turning down the entire package is great without the financial package in there. Mr. Jeff Raybould responded that the risk of losing the support of water user groups was greater. Mr. Graham asked how to recognize the financial problems of the state while submitting the plan requesting funding. If stakeholders are going to be upset about moving the Financial Targets to an appendix, Mr. Graham wanted to know. Mr. Jeff Raybould responded that he could not speak for all groups; however, he thought attempts might be made to unwind the support for the plan. This would create huge problems for the future negotiations.

Mr. Tucker of Idaho Power stated that the CAMP process has been great to bring groups together to negotiate and agree to a certain funding package. The package is not precise and needs

Chairman Rigby asked if there were any more questions about Option 2. There were none. He stated there is a motion on the table. Mr. Uhling preferred a conference call next week. Mr. Armacost didn't think there was much to discuss. Chairman Rigby asked if there was any more outside input and did the Board want to hear that. Ms. Hensley recommended that the Board have a completed draft before them with the changes to make a decision. Mr. Chamberlain did not wish to withdraw the motion to approve the plan today the way it is. The Chairman called for a roll call vote.

#### Roll Call Vote:

Mr. Cuddy: Nay; Mr. Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Nay; Mr. Uhling: Nay; Chairman Rigby: Nay. 4 Ayes; 4 Nays. Motion Failed.

Mr. Beck asked where Appendix A was and Mr. Anderson stated that it is a list of the Advisory Committee members and was left off this draft.

Mr. Uhling moved to schedule a meeting for Wednesday January 28<sup>th</sup> at 9:00 a.m. to approve the ESPA CAMP Plan with Option 2 as modified. Mr. Beck asked if this included the duplication and it was stated that Option 2 did include the duplication of the Phase 1 Funding Contribution Targets. Mr. Cuddy seconded the motion. Chairman Rigby called for a voice vote. All were in favor.

# b. Progress Report on Treasure Valley and Rathdrum Prairie CAMP

Ms. Harrington stated that progress is being made in the other CAMP processes. Several presentations have been made at several working group meetings and technical workshops by Ms. Harrington and Director Tuthill. Information is getting out to interested stakeholders. Technical studies are underway in the Treasure Valley Basin that will provide hydrologic information for the plan. Two Requests for Proposals have been issued for facilitation and future water needs studies. The closing date is February 6. Ms. Harrington stood for Board members questions.

#### c. State Water Plan Sub-Committee Update

Ms. Harrington noted that a sub-committee meeting on January 20<sup>th</sup> produced good results on policy revisions. All policies have been reviewed and revised except for the Snake River policies. The work on those policies should be completed by mid-February. Mr. Chamberlain stated that he wanted to get what was already done to the whole Board and then provide the Snake River policies at the March meeting for the Board to study. Chairman Rigby expressed appreciation for all the hard work.

Ms. Harrington stated that public hearings will be held later this summer. Mr. Chamberlain proposed that all Board meetings be held in Boise this year to save money. Mr. Uhling agreed. Due to the traveling with the State Water Plan public meetings, it would be a cost savings to hold Board meetings in Boise this year.

more work and study. The concern of Mr. Beck is a good concern. If the Legislature takes the plan and cuts out the funding or funds only partially, other funding mechanisms will back up. He discussed other ideas. In Phase I implementation is critical and could be done for less than \$3 million. The Legislature could approve the plan and fund the Phase I implementation to keep the group together to discuss and mobilize the funding mechanisms. He stated that there are some groups that may want to drop out if the state does not fund \$3 million. He thought it was good to give the Board the ability to move forward with an implementation plan and partial funding. That would be confirmation from the state. He stood for Board questions.

Mr. Cuddy asked if the group could be held together for 2-3 years without funding. Mr. Tucker responded that he did not know, but that there is a core group of committed parties.

Mr. Beck disagreed that the groups would fall apart without funding. He thought that all the groups are committed and want to move forward. Mr. Tucker agreed.

Mr. Tominaga of Idaho Ground Water Users stated that he was not an official member of CAMP, but he agreed with both Mr. Jeff Raybould and Mr. Tucker that there was a nucleus that would go forward. Some might find an excuse to fall off including people in his group. He stated that the state has to come forward with some funding at least for the implementation phase to keep the group together. The concern is if the state does not fund the whole \$3 million. Mr. Tominaga thought the funding section of the plan should be there. He stood for Board questions and discussion.

Mr. Bartsch stated that he thought the group was favoring Option 2 which included the water user categories in the body and in the appendix. Chairman Rigby asked if the Advisory Committee members favored Option 2. Mr. Tucker responded that the Board would want to make it clear that the Legislature could fund the implementation phase and then after a year, provide more funding for the plan. It should be clear to the Legislature that they are committing to \$3 million per year. There was further discussion about language.

Mr. Bartsch went over the language in Option 2 in detail with more suggestions from the group. Mr. Beck asked that the water user targets not be duplicated in the appendix. Mr. Armacost was not concerned about duplicating the water user categories in the document and the appendix. Chairman Rigby was coming around to putting the water user categories and Phase I Funding Contribution Targets in both the body of the document and the appendix. Mr. Beck asked to remove the statement "this plan covers all water users" since it does not cover all water users. The group agreed to strike that statement.

Director Tuthill stated this is one of the most important things the Board has done in a long time. He asked if a final draft could be completed with all changes, circulate the final draft and have a final telephonic meeting to approve it. Chairman Rigby agreed. Mr. Bartsch suggested making the proposed changes to Option 2 and adding it to the website. There was discussion about completing the review today or setting a teleconference next week.

Mr. Chatburn asked the Board to prepare a response to the public comments to post on the website. Mr. Anderson stated that the information has been compiled with summary responses.

#### d. Idaho Water Transactions Program

Ms. Case discussed the project at Fourth of July Creek. A long term lease is in the works with the Vanderbilts for 2.97 cfs. She requested Board guidance on a proposed lease price that is estimated at \$1185 and \$1840. This water would be valuable for juvenile salmon and resident bull trout. She stood for Board questions and discussion. Mr. Chamberlain advised that the lease rate should be \$1185 and lease payments could be applied to a purchase price. There was discussion about past lease prices that were much higher. Mr. Uhling suggested that the best deal be struck.

Ms. Case discussed the Big Hat Creek project that had rented water for the last four years. The previous price \$1850 for 0.52 cfs has changed to \$872 for 1.23 cfs. The current irrigators want to protect their water right. She asked the Board for guidance since the water is needed, the price is low, and the irrigators have no plan to use the water. However, there is a risk that the property could be sold with the water right and then the water would not be available. Mr. Chamberlain said the likelihood of irrigation on this property is very low since the property is on the side of a hill. There was discussion about the different prices for the water and should the Board negotiate with people who aren't irrigating. Mr. Chamberlain noted that these owners could put their water in the water bank to alleviate their concern over forfeiture.

Ms. Case discussed the flow target on the Lower Lemhi River for juvenile Chinook Salmon. Seven conservation easements have been purchased which secured 13.97 cfs permanently using Pacific Coast Salmon Recovery funds. Administration funds of \$160,655 have been deposited in an account with Water District 74. The total goal is 35 cfs and Ms. Case noted that she would continue to work towards that number. In 2009 an additional 17.47 cfs is needed to meet the instream flow. Ms. Case asked the Board if they want to move forward to purchase 3.25cfs from Mr. Stokes and to approve a resolution to enter into a contract with Water District 74 to administer one-year agreements not to divert water from the Lemhi River in the amount of \$6,000 with the condition that the Board receives the requested funding from the Bonneville Power Administration through the Idaho Fish Accord in the amount of \$98,505.55. Ms. Case stood for Board member's questions and discussion.

Mr. Uhling moved to approve the Lower Lemhi 2009 Annual Water Transactions Contracts resolution. Mr. Chamberlain seconded. Chairman Rigby called for a roll call vote.

Roll Call Vote:

Mr. Cuddy: Aye; Mr. Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Uhling: Aye; Chairman Rigby: Aye. 8 Ayes. Motion Passed.

#### e. Minimum Streamflows

Ms. Harrington stated that three water right licenses with 1992 priorities have been received for the Clearwater River covering 74 miles to Lower Granite Dam. A license was recently issued for a stretch of the North Fork of the Clearwater between Kelly Creek and Beaver Creek. This license is part of the Nez Perce Agreement and a late claim was filed in the SRBA.

Ms. Harrington stated that applications are pending on the Big Wood River and Cocolalla Lake. Public meetings will be held in September in north Idaho and in March or April for the Big Wood River. Mr. Graham agreed to attend the Cocolalla Lake hearing in September. The Big Wood River hearing will be attended by Mr. Beck.

#### Agenda Item No. 8, Lower Boise Feasibility Study

Ms. Clark presented a resolution to the Board for the Lower Boise River Interm Feasibility study. A contract with the Corps of Engineers is being drafted. Total study costs are estimated at \$1,740,000. The Board is the sponsor and will provide 50% of the costs. Credit which was authorized by the Water Resource Development Act has been approved for \$500,000 for previous work on the Boise River drainage. The remaining funds were authorized in the CAMP process. The resolution gives authorization to spend \$350,000 and to authorize the chairman to execute the final contract document.

Mr. Uhling moved to approve the Lower Boise River resolution. Mr. Armacost seconded. Chairman Rigby called for a roll call vote.

Roll Call Vote:

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

#### Agenda Item No. 9, Director's Report

Director Tuthill passed out copies of slides from the water users meeting presentation. The Director stated he had been present at the Spokane River Conference. The USGS issued a technical report two years ago and this conference was a follow-up. There were more than 200 people in attendance. He met with his Washington counterpart and they were in agreement about the approach to the Rathdrum Aquifer. The outcome of the meeting is that parties are moving ahead nicely for the Rathdrum Basin process. The Legislature withdrew \$12 million from the CAMP program. The department agreed to keep \$8 million to complete the Rathdrum and Treasure Valley CAMP programs and continue work on the Eastern Snake Plain Aquifer. At this point, in talking with the Governor follow up funding will come in 2-3 years from the Legislature. Mr. Uhling asked what the allocation of the \$8 million was for the basins. Director Tuthill stated it was about the same as the original plan. There was some discussion about budgets and staffing. Mr. Anderson noted changes have been made in these budgets. Mr. Graham asked if the Big Wood was the next priority. Director Tuthill responded that the Palouse and Big Wood were the next priorities.

#### Agenda Item No. 10, Old Business

There was no old business.

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

Mr. Beck asked if there was any funding left in Mr. Bartsch's budget. Mr. Anderson responded that there will be little left. Mr. Bartsch's contract could be amended and extended for a year if needed. Mr. Beck asked if the recharge monies left from W Canal could be moved into another account. Mr. Anderson stated the Board could do whatever they wanted. Mr. Beck asked about the Minidoka Dam Raising and whether or not the dam could be raised 3 feet instead of 5 feet. Mr. Gregg responded that different levels could be studied. There wouldn't be much cost savings. There was further discussion about the engineering study on the Minidoka Dam. Mr. Gregg will contact the Denver staff to keep close watch on this. Mr. Beck asked him if he felt he had direction from the Board to consider other levels for the raise. Mr. Gregg stated that if there are critical points where they could consider different levels, he would make sure the staff considers that. To ask them to do three separate studies, there is not enough money.

Mr. Anderson noted that he had received a letter from Home Federal Bank from Jim Wrigley. The Board will need to look at it and discuss it.

The meeting in May was scheduled for north Idaho in Coeur d'Alene or Post Falls with the State Water Plan. Mr. Anderson wanted to know if the Board still wanted to go there. Mr. Chamberlain did not think the State Water Plan would be ready for public meetings by May. Everyone agreed to have the meeting in Boise.

Mr. Anderson reminded Board members that there is a Joint State Water Plan and Storage Committee meeting directly after this meeting.

#### Agenda Item No. 12, Next Meeting and Adjourn

The next meeting is set for March 19<sup>th</sup> and 20<sup>th</sup> in Boise. Mr. Cuddy moved to adjourn. Mr. Storer seconded. All were in favor.

Dated this 27th day of Fibruary, 2009.

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Secretary

Patsy McGourty, Administrative Assistant II

#### Board Actions:

- Mr. Chamberlain nominated Terry Uhling for Chairman. Mr. Armacost moved for a unanimous ballot for Mr. Uhling. Mr. Beck seconded. There was no discussion. Chairman Rigby called for a voice vote. All were in favor. Mr. Uhling was elected Chairman.
- 2. Mr. Beck nominated Gary Chamberlain for Vice-Chairman. Mr. Armacost moved for a unanimous ballot for Mr. Chamberlain. There was no discussion. Chairman Rigby called for a voice vote. All were in favor. Mr. Chamberlain was elected Vice-Chairman.
- 3. Mr. Beck nominated Mr. Graham for Secretary. Mr. Armacost moved for a unanimous ballot. Mr. Uhling seconded. There was no discussion. Chairman Rigby called for a voice vote. All were in favor. Mr. Graham was elected Secretary.
- Mr. Chamberlain moved that minutes for meetings 13-08, 14-08, 15-08 and 16-08 be approved. Mr. Storer seconded. Chairman Rigby called for a voice vote. All were in favor.
- 5. Mr. Chamberlain moved that \$20,000 be left in the Water Management Account and the rest moved to the Revolving Development Account. Mr. Graham seconded. Chairman Rigby asked for a voice vote. All were in favor.
- 6. Mr. Chamberlain moved to accept the Annual Report for 2008 and submit it to the legislature. Mr. Uhling seconded. Chairman Rigby asked for a voice vote. All were in favor.
- Mr. Uhling moved to adopt the resolution authorizing a \$90,000 loan to the Big Wood Canal 7. Company at 5.5% interest over 10 years. Mr. Beck seconded. Chairman Rigby called for a roll call vote.

#### Roll Call Vote:

Mr. Cuddy: Aye; Mr. Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Uhling: Aye; Chairman Rigby: Aye. 8 Ayes. Motion Passed.

Mr. Graham moved to loan the New Hope Water Corporation \$151,460 at 6% interest over a 15 year repayment term. Mr. Cuddy seconded. Chairman Rigby called for a roll call vote.

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#### Roll Call Vote:

Mr. Cuddy: Aye; Mr. Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Uhling: Nay; Chairman Rigby: Aye. 7 Ayes and 1 nay. Motion Passed.

9. Mr. Chamberlain moved to approve the resolution approving the ESPA CAMP Plan for submission to the Legislature.

Roll Call Vote:

Mr. Cuddy: Nay; Mr. Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Nay; Mr. Uhling: Nay; Chairman Rigby: Nay. 4 Ayes; 4 Nays. Motion Dies.

- 10. Mr. Uhling moved to schedule a meeting for Wednesday January 28<sup>th</sup> at 9:00 a.m. to approve the ESPA CAMP Plan with Option 2 as modified. Mr. Cuddy seconded the motion. Chairman Rigby called for a voice vote. All were in favor.
- 11. Mr. Uhling moved to approve the Lower Lemhi 2009 Annual Water Transactions Contracts resolution. Mr. Chamberlain seconded. Chairman Rigby called for a roll call vote.

#### Roll Call Vote:

Mr. Cuddy: Aye; Mr. Armacost: Aye; Mr. Storer: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Uhling: Aye; Chairman Rigby: Aye. 8 Ayes. Motion Passed.

12. Mr. Uhling moved to approve the Lower Boise River resolution. Mr. Armacost seconded. Chairman Rigby called for a roll call vote.

#### Roll Call Vote:

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

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