



## Eastern Snake Plain Aquifer (ESPA) Comprehensive Aquifer Management Plan

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### Conversions Working Group Meeting

#### Draft Meeting Summary September 1, 2009 Teleconference

#### Overview

The Conversions Working Group (WG) discussed the following at the September 1, 2009 meeting:

- Update on AWEP Contracts
- Administrative Mechanism for Conversions Projects
- IDWR Progress on Identified Sites
- Next Steps
- Next Meetings

#### Update on AWEP Contracts

Cynthia Bridge Clark and Brian Patton updated the Conversions WG on the 2009 AWEP contracts for conversions projects. A great deal of information surrounding these applications and contracts is still unknown to IDWR staff, largely due to the expedited process for the 2009 fiscal year. There are approximately 15 conversion projects spread throughout the ESPA that far exceed the \$595K for conversions projects. NRCS is hopeful that all AWEP funds for 2009 will be committed.

Additionally, Cynthia provided an overview of and requested comments and feedback on a draft of the “Cooperative Agreement between the Idaho Water Resource Board and the Agricultural Water Enhancement Program Participant”. The “Cooperative Agreement” is intended to provide some protections to the AWEP participant and ensure only conversion projects that are technically feasible and consistent with the goals of CAMP are funded through the AWEP.

1. The “Cooperative Agreement” delays AWEP fund allocation and project construction until the Conversions Working Group, the Implementation Committee, and the IWRB review and approve individual projects to move forward, and a Memorandum of Agreement between the participant, the IWRB and the canal company is executed to clarify responsibilities.
2. The “Cooperative Agreement” also provides protection to the applicant from the financial consequences of cancelling the contract with the NRCS if it is determined that the conversion project is not feasible for technical, legal or administrative constraints, or if it is not approved by the Conversions WG/Implementation Committee/IWRB.
3. The “Cooperative Agreement” is being utilized for 2009 AWEP contracts *only*. Due to the expedited nature of Fiscal Year 2009 AWEP awards, the Agreement puts the projects on hold until further actions are taken to evaluate the proposed projects. In the future, IDWR proposes that project approval by the Implementation Committee and the IWRB, as well as execution of the MOU take place PRIOR to the applicant entering into any agreement with the NRCS.
4. Also, the “Cooperative Agreement” is intended to accompany the contract signed between NRCS and the participant.

Conversions WG comments included:

- The agreement, overall, is confusing for its intended purposes. The language needs to be clearer to get these critical points (particularly the contingency on the ESPA Plan review of the project)

across to the property owner signing the agreement. It shouldn't steer them away from signing the AWEP contract.

- The connection between AWEP and the ESPA Plan is not entirely clear. The application demonstrated a clear connection, but the agreement needs to be clear about Plan oversight of these conversions projects.
- With EQIP, there is a 20% financial penalty for not completing a contracted project. The NRCS indicated that if it is determined that an AWEP agreement must be cancelled because the proposed AWEP project is not viable for reasons outside the applicant's control, including technical limitations, legal constraints (e.g. water right limitations), or because it is determined the project is not consistent with ESPA CAMP goals, the applicant will not be responsible for liquidated damages. This needs to be included in a clearer way in the agreement.
- The agreement (and/or other agreements related to this one) should include that the property owner is responsible for the additional 25% cost share, unless funds become available through the Plan. The hope is that funds will become available to help leverage AWEP funds.
- In "B" of the Guidelines, WG members suggested that other reasons than "not technically feasible" be included as possible reasons for not approving a project. Some may be technically feasible, yet not meet other criteria.
- If and when CAMP funds become available, some WG members suggested funding projects at varying levels based on certain ranking criteria (i.e. benefit to the aquifer or distance from the canal) instead of a single percentage provided to each project.
- Other funds that can be used to leverage AWEP funds were suggested including: low interest loans, grants and power funds.

IWRB staff included these and additional suggestions made after another draft of the Cooperative Agreement was circulated among the WG members. The agreement was sent to NRCS on Wednesday, September 2<sup>nd</sup>. Moving forward in 2010 and beyond, the AWEP process will be intertwined with the ESPA process. WG members and the Implementation Committee will have more input on the front-end in upcoming years.

Additionally, Cynthia informed the group that a next step is to develop/draft an MOU that will be between the participant, the conveyance company and the IWRB. The draft will come through the ESPA Plan process before finalization. One suggestion included a clear outline of consequences for pulling out a project – what if you don't complete the project or change it? Additionally, the project needs to be tied to the property, and conditions of the MOU transferable to new owners. Another point of inclusion is who will take ownership and be liable for the project. Finally, Cynthia and Brian pointed out that each MOU will be unique to the project. Some issues will need to be addressed on a case by case basis.

At the next Conversions WG meeting, the AWEP conversions projects will be discussed and reviewed.

### **Administrative Mechanism for Conversions Projects**

Cynthia provided an overview of the draft administrative mechanism for conversions projects. Overall, WG members were supportive of the draft. Many would like to continue reviewing it and refine further at future Conversions WG meetings. General comments included:

- The WG would like to see a feedback loop at various steps in the overall process, so that the WG is always kept abreast of issues identified for specific proposals and how projects are operating in reality.

- One WG member inquired about the status of the Implementation Committee and the Working Groups after this year. The goal is for both the Committee and the Working Groups to be a permanent feature of the ESPA Plan.

The conversation focused on sub-process #1, the “Project Review Process”. Comments included:

- One WG member asked whether a project could be eliminated based on the ranking criteria, and not just eligibility criteria. A project can be eliminated based on either.
- Concern was expressed about the ability to provide water to all the conversions projects. Two suggestions were made:
  - A ranking criterion be included based on the ability for a property owner to supply their own water. The ranking criteria should also include the willingness to contribute funding toward the project and water supply.
  - The projects needed to be prioritized so that it is clear who gets water when supply is limited. It was suggested that the prioritized list be made available to property owners so that they do not construct a project that ultimately does not receive conversion water.
- The canal capacity is one of the critical pieces in selecting projects. One recommendation is to start slow, and this should guide the project review process. Ultimately, this group doesn’t want to incentivize construction and not be able to supply water.
- Another suggested criterion was the percentage of acreage the property owner is willing to convert.
- The WG would also like to include comparative analysis in the project review. There are some elements in decision making and assessing a project that cannot be allotted points.
- One WG member asked whether or not the property owner needs to identify a long-term water source. Brian Patton indicated that the IWRB is assessing this, and will likely put together information on this issue as they will be managing the priority.

The draft administrative mechanism will be refined throughout the process, and will be tested throughout the Conversions WG decision making process.

### **IDWR Progress on Identified Sites**

Cynthia also updated the WG on the progress that IDWR has made on assembling further analysis on the identified project sites. The information will be ready for the September 22<sup>nd</sup> meeting. The analysis will be available for all five project sites, but will be more specific for Hazleton Butte.

### **Next Steps**

Conversions WG members agreed to develop a prioritized list of projects that meet the criteria developed above. In order to begin the process of developing such a list, the following steps must be taken:

<b>Action</b>	<b>Responsible</b>
Continue to refine criteria for project selection before the September 22 <sup>nd</sup> meeting	Cynthia, Joan, and WG members
Continue discussion with property owners regarding potential conversions projects that could benefit the aquifer	All WG Members
Continue assembling analysis on identified project sites	Cynthia Bridge Clark/Brian Patton
Continue coordination with BOR on Milner Gooding costs and working	Rich Rigby

through rental pool	
Potential projects that meet criteria will be identified/listed (AWEP and identified project sites)	Next WG meetings

**Next Meeting:**

The next two meetings will be telephonic and will take place:

- Tuesday, September 22<sup>nd</sup> from 9:00am – 12:00pm
- Wednesday, October 7<sup>th</sup> from 9:00am – 12:00pm

**MEETING ATTENDEES**

**Conversions Working Group Members**

- |    |       |           |                                |
|----|-------|-----------|--------------------------------|
| 1. | Randy | Bingham   | Surface Water Users            |
| 2. | Linda | Lemmon    | Spring Water Users             |
| 3. | Roy   | Mink      | IWERRI                         |
| 4. | Brian | Olmstead  | Surface Water Users            |
| 5. | Dean  | Stevenson | Groundwater Users              |
| 6. | Dan   | Temple    | Mixed-Use                      |
| 7. | James | Tucker    | Hydropower                     |
| 8. | Will  | Whelan    | Environmental and Conservation |

**Ex Officio Members and Other Attendees**

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|-----|---------|--------------|---------------------------------------|
| 9.  | Dave    | Blew         | Idaho Power                           |
| 10. | Jon     | Bowling      | Idaho Power                           |
| 11. | Cynthia | Bridge Clark | IDWR                                  |
| 12. | Stephen | Goodson      | Governor’s Office                     |
| 13. | Joan    | Kathol       | CDR Associates                        |
| 14. | Brian   | Patton       | IDWR                                  |
| 15. | Chuck   | Pentzer      | Idaho Soil Conservation Commission    |
| 16. | Lynn    | Tominaga     | Idaho Ground Water Appropriators, Inc |