



Eastern Snake Plain Aquifer (ESPA) Comprehensive Aquifer Management Plan

Conversions Working Group Meeting

Draft Meeting Summary September 22, 2009 Teleconference

Overview

The Conversions Working Group (WG) discussed the following at the September 22, 2009 meeting:

- Identified Project Sites
- Fiscal Year 2009 AWEF Contracts
- Memorandum of Understanding for ESPA Conversions Projects
- Next Steps
- Next Meetings

Identified Project Sites

Cynthia Bridge Clark, IWRB Staff, reviewed preliminary costs for 3 of the 5 identified project sites. All three are below American Falls: Hazelton Butte, H & P Farms and the West End of A & B. The provided analysis is based on preliminary design.

Two designs were developed for the Hazelton Butte site to compare the costs of locating a diversion system at Milner Lake versus diversion from the Milner-Gooding Canal. Project costs were also developed for two different diversion rates. The service area for this evaluation was 8600 acres. The required rate of flow for full delivery was assumed to be 108 cfs based on a design flow rate of 1 cfs per 80 acres or 5/8 inches per acre. Costs were also developed for delivery of a reduced flow rate of 60 cfs due to concerns that the design for full capacity would be cost prohibitive, and, if diverted from the Milner-Gooding Canal, the project would consume the majority of the available excess canal capacity. The reduced flow rate would result in full delivery to approximately 4800 acres or delivery of a reduced rate per acre to the entire project site.

The least expensive design, based on a pump station located on the Milner-Gooding Canal for delivery of 60 cfs, was \$7.7 – 9.5 million. At the reduced delivery rate, the property owners in Hazelton Butte project likely would have to use wells during the months of high demand.

Canal managers estimate that the Milner-Gooding Canal has a potential excess capacity of 150 cfs. If the Hazelton Butte project is fully implemented, it would deliver approximately 108 cfs. Other potential conversion projects requiring capacity in the canal include the West End of A & B, H & P Farms and a project proposed through the AWEF. Development of all of the projects would exceed the capacity of the canal system. This should be considered in ranking the projects and determining whether a conversion project can be effective if designed to deliver surface water for only part of the season or to a reduced number of acres in the project.

The cost estimates were based on preliminary designs and will be refined if a project is selected for construction.

IWRB Staff is confident that all three of these projects will bode well in the Conversions WG draft criteria. Additionally, property owners in these areas are familiar with the ESPA Plan and AWEP, so implementation could be relatively easy.

In terms of funding, some costs may be paid through the ESPA Plan (funding and project priorities still need to be finalized). NRCS also is looking for guidance on how to award conversions funds. Therefore, this WG could provide information to NRCS on project selection and funding.

One WG member inquired about what is included in the preliminary costs for the three projects. It includes larger price tag items such as excavation, trenching, pump and piping costs, road crossing sites and engineering costs. Not included: easements, measuring and backflow devices and the costs of water (this was never meant to be included).

The Conversions WG is nearly ready to recommend these three projects to the Implementation Committee, but members first would like to see the preliminary cost information for the two identified project sites above American Falls – Rockford and Moreland. At the next Conversions WG meeting, these two projects will be discussed and reviewed, in addition to identifying other possible areas for larger-scale conversions (i.e. New Sweden). When all five projects are analyzed, they will be ranked and prioritized by the WG.

Fiscal Year 2009 AWEP Contracts

Cynthia provided an overview of the background, current contracts (15) and next steps for the Fiscal Year 2009 AWEP contracts. The information on the 15 contracts for conversion project implementation that can be made public is limited. Conversions WG members agreed to the next steps for 2009 AWEP projects. While the 2009 process is being expedited, the ESPA Plan process will have more input into future years of AWEP fund allocation. One suggestion for future years includes an agreement on who approves AWEP conversions projects (NRCS, the WG, the Implementation Committee, IWRB – some combination).

The issue of credits for mitigation was brought up, and the Conversions WG determined that the Director of IDWR is the person with the authority to approve or deny mitigation plans. AWEP funds were awarded to support ESPA Plan goals and mitigation credits are not included in either the AWEP proposal or the ESPA Plan itself. Therefore it is not under the umbrella of the ESPA Plan Implementation Committee process.

Memorandum of Understanding for ESPA Conversions Projects

Between the Property Owner/Water User and the IWRB

Cynthia also provided an overview of elements that may form the Memorandum of Agreement or Understanding (MOU/A) between the water users and the IWRB. She highlighted at the outset that these MOU/A would include boilerplate language, yet will be customized for each individual conversion project (i.e. different MOU/A will be utilized for a large-scale project entity – possible LLC - and a single-farm conversion). The WG supported the elements that Cynthia introduced in her Power Point. It was suggested that the MOU/A include similar rules to NRCS because of AWEP conversions projects (don't reinvent the wheel) on such issues as who pays for O&M.

The term of the agreement must be established clearly in the MOU/A, as they would like to see property owners make a long-term commitment to aquifer benefit and the Plan process. One recommendation was made to develop an agreement with a 10 year term give that 10 years is a typical

or “normal timeframe” for agreements of this nature and is the period selected for the first phase of the CAMP. The WG generally supported making the term of the agreement with the project user long-term, and suggested that the length of time might be dependent on the expense of the project.

The MOU/A needs to outline penalties for agreement termination and discontinued use of surface water. Several members of the WG suggested financial penalties that are on a sliding scale, dependent upon the number of years the contract was honored. Additionally, clear language needs to be included on what will happen if water is not available and the property owner must begin pumping groundwater.

Several members of the Conversions WG suggested that the MOU/A be developed and finalized with some degree of expeditiousness. A number of the property owners who were awarded 2009 AWEP funds would like to begin their conversions projects this fall (2009), otherwise they will have to wait until Fall 2010.

Between the Conveyance Company and the IWRB

The Conversions WG would like to see an additional and separate MOU/A between the conveyance companies and the IWRB for supplying water, to define compensation and operational requirements. This agreement would be “part and parcel” of any application and agreement made between the IWRB and a property owner. The suggested timeframe for this type of MOU/A is 2 years, as longer might be a difficult sell to any conveyance company board. Several members of the Conversions WG who represent surface water users indicated that the profits from these types of projects compose a significant part of their budgets, so there is an incentive to continue the projects and to renew the MOU/A. Essentially, if water is available, then the conveyance company will continue to supply water.

It was suggested that this agreement allow for annual fee adjustments (variable rate) because of O&M increases.

The conveyance companies would like to bring a draft MOU/A before the IWRB for their review. Randy Bingham will circulate a draft of the agreement as a first step. The next step for the Conversions WG in regards to this MOU/A is to revisit and recommend associated costs and who will pay. Finally, the conveyance companies indicated that, without a signed agreement, they are not committed to providing water for a conversion project.

Next Steps

Action	Responsible
Continue to refine criteria for project selection	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 through rental pool	Rich Rigby
Potential projects that meet criteria will be identified/listed (AWEP and identified project sites)	Next WG meetings

Develop an MOU/A between property owners and the IWRB for conversions projects	Cynthia Bridge Clark/Brian Patton
Develop an MOU/A between conveyance companies and the IWRB for conversions projects (Randy Bingham will circulate his draft)	Conveyance Companies/IWRB

Next Meeting:

- Wednesday, October 7th from 9:00am – 11:00am

MEETING ATTENDEES

Conversions Working Group Members

- | | | | |
|----|-------|-----------|--------------------------------|
| 1. | Randy | Bingham | Surface Water Users |
| 2. | Steve | Howser | Surface Water Users |
| 3. | Linda | Lemmon | Spring Water Users |
| 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 |