



IDAHO WATER RESOURCE BOARD

MEETING NO. 5-11 OF THE IDAHO WATER RESOURCE BOARD

C.L. "Butch" Otter
Governor

October 7, 2011, at approximately 9:00 a.m.

Following a joint meeting with Western States Water Council (WSWC)

Shiloh Inn – River View Room
780 Lindsay Blvd. Idaho Falls, Idaho 83402

Terry T. Uhling
Chairman
Boise
District 2

Roger W. Chase
Vice Chairman
Pocatello
District 4

Bob Graham
Secretary
Bonners Ferry
District 1

**Charles "Chuck"
Cuddy**
Orofino
At Large

Leonard Beck
Burley
District 3

Vince Alberdi
Kimberly
At Large

Jeff Raybould
St. Anthony
At Large

Peter Van Der Meulen
Hailey
At Large

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1. Roll Call
 2. Agenda and Approval of [Minutes 4-11](#)
 3. Public Comment – The Board will allocate a period of time (not to exceed 30 minutes) for the public to address the Board on subjects not specifically shown as an agenda item.
 4. IWRB Committee and Other Reports
 - a. [Water Resource Planning Committee](#)
 - b. [Streamflow Enhancement and Minimum Streamflow Committee](#)
 - c. [Upper Snake River Advisory Committee \(Operations Forum\)](#)
 - d. [Interim Natural Resources Legislative Committee](#)
 5. IWRB Financial Program
 - a. [Status Report](#)
 - b. [Foothill Ranch HOA Loan](#)
 - c. [Ground Water Districts Bonds Progress Update](#)
 6. Planning Activities
 - a. [ESPA CAMP and Aquifer Management Efforts Update](#)
 - (1) [High Country RC & D Funds Request](#)
 - (2) [Aquifer Recharge Discussion](#)
 - b. [Rathdrum Prairie CAMP](#)
 - c. [Treasure Valley CAMP](#)
 7. [Water Storage Studies Update](#)
 8. [WD 1 Rental Pool Procedures](#)
 9. [Director's Report](#)
 10. Other Items Board Members May Wish to Present
 11. Next Meeting and Adjourn

Committee Meeting to be held upon Adjournment of IWRB Regular Meeting
[Streamflow Enhancement and Minimum Streamflow Committee Meeting](#)

IDAHO WATER RESOURCE BOARD

Work Session in Preparation for Meeting No. 5-11

October 6, 2011 at approximately 1:00 p.m.

Shiloh Inn – River View Room
780 Lindsay Blvd. Idaho Falls, Idaho 83402

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October 5, 2011	11:45 a.m. – 5:00 p.m.	Board will attend Field Trip to INL with WSWC
October 6, 2011	8:00 a.m. – 11:00 a.m.	Board will attend WSWC meetings – Hilton Garden Inn
	11:30 a.m. – 12:30 p.m.	Board Executive Session – Shiloh Inn
	1:00 p.m. – 4:00 p.m.	Board Work Session – Shiloh Inn

Work Session Agenda

1. EXECUTIVE SESSION – The Board will meet pursuant to Idaho Code Section 67-2345(1)(c) and (f) to communicate with legal counsel regarding pending litigation. Executive Session is closed to the public.
2. WD 1 Procedures and Updates
 - a. [Background Presentation](#) (WD 1 Watermaster)
 - b. [Supplemental Pool – Update on 2011 Operations](#) (WD 1 Watermaster & Idaho Power)
 - c. [Procedures Change](#)
3. Financial Action Items
 - a. [Foothill Ranch HOA Loan](#) (Tab **5b** in Board Book)
4. Presentation on [Proposal for Managed Recharge on Behalf of Several Upper Snake River Basin Irrigation Entities](#) – Idaho Water Engineering
5. ESPA CAMP and Management Efforts Update
 - a. [High Country RC & D Funds Request](#) (Tab **6a(1)** in Board Book)
 - b. [Managed Aquifer Recharge Discussion](#) (Tab **6a(2)** in Board Book)

AMERICANS WITH DISABILITIES

The meeting will be held in facilities that meet the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Diana Ball, Administrative Assistant, by email diana.ball@idwr.idaho.gov or by phone at (208) 287-4800.



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 4-11

C.L. "Butch" Otter
Governor

Idaho Water Center
Boise, Idaho
July 29, 2011

Terry T. Uhling
Chairman
Boise
District 2

Chairman Uhling called the meeting to order at approximately 8:40 a.m. and asked for roll call. All 8 members were present.

Agenda Item No. 2, Roll Call

Roger W. Chase
Vice-Chairman
Pocatello
District 4

Board Members Present

Terry Uhling, Chairman
Bob Graham
Chuck Cuddy
Peter Van Der Meulen

Vince Alberdi
Roger Chase
Jeff Raybould
Leonard Beck

Bob Graham
Secretary
Bonners Ferry
District 1

Staff Members Present

Charles "Chuck" Cuddy
Orofino
At Large

Gary Spackman, Interim Director
Helen Harrington, Planning Section Manager
Jack Peterson, Federal Liaison
Cynthia Bridge Clark, Engineer
Bill Quinn, Engineer
Morgan Case, Biologist

Brian Patton, Planning Bureau Chief
Diana Ball, Administrative Assistant
Rich Rigby, Federal Liaison
Neeley Miller, Planner
Dan Nelson, Hydrologist

Leonard Beck
Burley
District 3

Guests Present

Vince Alberdi
Kimberly
At Large

Lynn Tominaga, IGWA
Jon Bowling, Idaho Power
Rex Barrie, Water District 63
Liz Paul, Idaho Rivers United
Sarah McCormack, IWUA
Lyla Dettmer, Franklin SWCD
Mark Mendenhall, USACE
Walt Poole, Idaho Fish and Game
Rob Sampson, NRCS
Rick Skinner, Skinner Fawcett
Sarah Rupp, Friends of the Teton

Travis Thompson, Barker Rosholt & Simpson
John Williams, Bonneville Power
Lesa Stark, Bureau of Reclamation
Robert Schattin, Bureau of Reclamation
Dean Stevenson, Magic Valley GWD
Lisa Transtreen, Bear Lake SWCD
Joann Taylor, Franklin / Bear Lake SWCD
Ron Shurtleff, Lake Reservoir Company
Chris Robinson, Portneuf Irrigating Company
Jim Wrigley, Wedbush Securities Inc.
Hal Anderson, Idaho Water Engineering

Jeff Raybould
St. Anthony
At Large

Peter Van Der Meulen
Hailey
At Large

Agenda Item No. 3, Agenda and Approval of Minutes 3-11

There were no changes to the agenda. Mr. Vince Alberdi moved to approve Minutes for Meeting 3-11 as submitted. Mr. Bob Graham seconded the motion. Voice vote. All were in favor. Motion carried. Minutes for Meeting 3-11 were approved as submitted.

Agenda Item No. 4, Election of Officers

Mr. Jeff Raybould made a motion to reappoint Mr. Terry Uhling as Chairman. Mr. Graham seconded the motion. Voice vote. All were in favor. Motion carried.

Mr. Alberdi made a motion to appoint Mr. Roger Chase as Vice Chairman. Mr. Chuck Cuddy seconded the motion. Voice vote. All were in favor. Motion carried.

Mr. Roger Chase made a motion that Mr. Graham be reappointed as Secretary. Mr. Cuddy seconded the motion. Voice vote. All were in favor. Motion carried.

Agenda Item No. 5, IWRB Committees and Committee Assignments

The IWRB committee structure was changed to allow for fewer committees with more members participating on each committee. Committees were previously referred to as subcommittees but will now be correctly referred to as IWRB committees.

Mr. Brian Patton provided a preliminary outline of committee assignments based on discussions he had with Chairman Uhling. One change was made after a brief discussion of proposed assignments. Mr. Alberdi requested that Mr. Leonard Beck be moved to the Water Supply Planning committee since he has more institutional knowledge of the State Water Plan and process. Chairman Uhling suggested that Mr. Alberdi be moved to the Water Supply Bank committee as chair and Mr. Beck be moved to the Water Supply Planning committee as chair. Mr. Beck and Mr. Alberdi were in agreement.

Mr. Peter Van Der Meulen made a motion that the Board Committee appointments be approved with the recommended changes. Mr. Raybould seconded the motion. Voice vote. All were in favor. Motion carried.

The committee list was changed and posted to the Board's web page for public reference. No other committee changes were made however changes may take place over time, and those changes will be reflected in updates on the web page.

Agenda Item No. 6, Public Comment

Chairman Uhling asked for public comment regarding any items not included on the agenda.

Mr. Dean Stephenson, Magic Valley Ground Water District, addressed the Board regarding the possibility of a recharge site near Minidoka Dam. The project would be done in conjunction with A&B Irrigation District and is supported by surface water users in the area, particularly below American Falls. At some point, they will be looking for support from the Board in developing this site. The ground water district is committed to paying the operating costs over the long-term but will likely look to the Board for help in permitting and possibly cost-share financial assistance. He stated the stretch of the river between American Falls and Milner is unique since the Board's recharge water right is on through most of the winter and is disconnected in winter so would be a good recharge storage possibility. The preliminary options for moving the water to the Minidoka site would be direct conveyance through the canal system and the other would be pumping directly to the reservoir all winter at an estimated 100 cfs each day the water right is on. They understand it may be an expensive project but feel it is a great recharge site and the district is committed to covering costs for this project.

Mr. Hal Anderson, Idaho Water Engineering, briefed the Board on a project they are working on in the Upper Snake basin that they feel fits Board recharge needs and will help meet CAMP targets. Their company has been retained by a group of irrigation districts, including Fremont Madison, New Sweden, and Idaho Irrigation Districts, and most recently nine Blackfoot area canals, to look at recharge opportunities in the Upper Snake basin. These districts are willing to spend their own money on recharge projects based on the benefits of recharge. He

stated they are specifically looking at what mechanisms would be the best – creating recharge districts or some other organizational structure – to facilitate the accomplishment of recharge, how they might benefit both financially and providing water to the needs of their constituents who pump ground water, as well as the ability to provide water in excess of constituent needs that might be associated with credits and how those might be incorporated into a mitigation bank system.

Mr. Anderson requested time at the October Board meeting work session to provide modeling analysis and results to the Board. Chairman Uhling asked Mr. Anderson to work with Mr. Patton and Mr. Rigby in coordinating the technical review of the data that Mr. Anderson intends to share at the October meeting.

Ms. Sarah Rupp, Friends of the Teton River Stream Flow Restoration Director, addressed the Board about minimum stream flow and species preservation projects in the upper Teton watershed, including preservation of Yellowstone cutthroat trout. Ms. Rupp asked the Board to consider expanding their minimum stream flow program to include the upper Teton area. Mr. Patton suggested that this subject be deferred to the newly formed Stream Flow Enhancement and Minimum Stream Flow Committee for further discussion and future recommendations to the Board. Mr. Patton also commented that the NPCC and Office of Species Conservation should be consulted. Chairman Uhling asked that the Stream Flow Committee provide an update to the full Board at either the October or November Board meeting.

Ms. Liz Paul, Idaho Rivers United, addressed the Board on concerns over water management issues in the State, and specifically those related to reducing demand for water across the State and increasing efficiency. She proposed that water conservation measures be considered rather than building new storage options. Ms. Paul provided education materials from her organization that promote a reduced carbon footprint, demand reduction, and improved efficiency.

Mr. John Williams, Bonneville Power Administration, updated the Board on activities at the power facilities, current legal actions, BPA funding issues, and the high-wind high-flow scenario that occurred at the plant earlier this year. Mr. Williams commented that he was in agreement with Mr. Patton's comment on the previous issue regarding minimum stream flow projects in the upper Teton watershed and the need to consult with the NPCC and the Office of Species Conservation before the Board considers any future stream flow projects.

Agenda Item 7, Financial Items

a. Financial Program Status Report

Mr. Brian Patton presented the Financial Program status report update as of July 1, 2011. Total IWRB funds committed but not disbursed are approximately \$11.1 million. The outstanding loan principal balance is \$18.3 million. The total uncommitted balance is approximately \$6.5 million, which includes \$2.2 million that have been transferred into the Secondary Aquifer Management Account pursuant to Board direction and legislative direction to be used for ESPA projects. The \$2.2 million previously showed as uncommitted, and now shows as committed in the Secondary Aquifer Management Account.

Mr. Patton informed the Board that the New Plymouth Water Users Association has repaid their loan.

In September, \$1.2 million repayment on the Pristine Springs acquisition is expected from the ground water users. Board's direction is needed if those funds are to be included in the Department's budget to be presented to the legislature this coming year. Those funds would be going into the Secondary Aquifer Fund as has occurred the previous two years.

Mr. Chase made a motion to include the \$1.2 million Pristine Springs payment in the Department's budget for the next fiscal year. Mr. Alberdi seconded the motion. Voice vote. All 7 present were in favor. Motion carried.

b. Lake Reservoir Company Loan

Mr. Dan Nelson presented Lake Reservoir Company's loan application in the amount of \$594,000. The loan project is to upgrade the Lardo Dam at the outlet of Big Payette Lake located in McCall, Idaho. The Lardo Dam is used to regulate the storage in Big Payette Lake. The project includes equipping the six stop log bays with remote control gate, which will allow Lake Reservoir Company to maintain instantaneous and complete control of the facility from a remote location. This upgrade will assist in minimizing flooding while maximizing storage in the system.

Lake Reservoir Company was awarded \$297,000 in Water Smart grant funds from the Bureau of Reclamation and proposes to use these funds to pay down the \$594,000 Board loan with these grant funds at the completion of the project. The remaining \$297,000 Board loan would be paid back with a 10-year term at a 5.5% interest rate.

Mr. Ron Shurtleff, Lake Reservoir Company Secretary and Water District 65 watermaster addressed the Board regarding the payback plan for the loan. He stated that the first payment of \$297,000 would be made at the time the grant monies are received, which will likely be available prior to the start of the project and expects that only \$297,000 will actually be drawn from the Board loan.

Staff recommended approval of the Lake Reservoir Company's Revolving Development Account loan in the amount of \$594,000 with a 10-year repayment term at a 5.5% interest rate with conditions as specified in the resolution.

Mr. Graham made a motion to approve the Revolving Development Account loan to Lake Reservoir Company as proposed. The motion was seconded by Mr. Beck. Chairman Uhling called for a roll call vote. Mr. Cuddy was absent during the vote.

Roll Call Vote: Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Cuddy: Absent; Mr. Raybould: Aye; Mr. Beck: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 7 Ayes, 1 Absent. Motion carried.

c. Portneuf Irrigating Company Loan

Mr. Dan Nelson presented Portneuf Irrigating Company's loan application in the amount of \$1.3 million. The loan project is to replace an open canal system with a pipeline near Arimo in Bannock County. The loan amount is for 25% of the total project cost of \$5.2 million. Portneuf Irrigating Company received a Natural Resource Conservation Service (NRCS) Agricultural Water Enhancement Program (AWEP) grant in the amount of \$3.9 million (75% of total project cost). Portneuf Irrigating Company is requesting a 30-year loan at a 5.5% interest rate.

Mr. Christopher Robinson, Portneuf Irrigating Company, addressed the Board and provided a brief history of the project. Staff recommended approval of the Portneuf Irrigating Company's Revolving Development Account loan in the amount of \$1.3 million with a 15-year repayment term amortized over 30 years at a 5.5% interest rate with conditions as specified in the amended resolution.

Mr. Raybould made a motion to approve the Revolving Development Account loan to loan to Portneuf Irrigating Company as amended. The motion was seconded by Mr. Chase. Chairman Uhling called for a roll call vote. Mr. Graham was absent during the vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Absent. Chairman Uhling: Aye. Roll Call Vote: 7 Ayes, 1 Absent. Motion carried.

There was a short break in the meeting.

d. Ground Water Districts Bond Inducement Resolution

Mr. Jim Wrigley, Wedbush Securities Inc., presented an inducement resolution prepared by IWRB bond counsel Mr. Rick Skinner for the purpose of financing the purchase of aquaculture facilities, water rights, and related facilities in the Hagerman area by four ground water districts, American Falls-Aberdeen, Bingham, Magic Valley, and North Snake, and Southwest Irrigation District. The total of the inducement resolution is \$35 million. The financing needs to be in place by December 31, 2011. The inducement resolution is a requirement for tax-exempt financing with the IRS. It is unknown if the bonds will qualify for tax-exempt at this time. The water is to meet mitigation purposes, which has other ramifications to consider.

Mr. Skinner explained that the inducement resolution is the first step in approving a project and serves as a basis for official action for the IRS if bonds are to be tax-exempt. When the transaction is put together, a final resolution will be brought to the Board for consideration.

Mr. Beck made a motion to approve the Ground Water Districts Bond Inducement Resolution. The motion was seconded by Mr. Chase. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Abstain; Chairman Uhling: Aye. Roll Call Vote: 7 Ayes, 1 Abstained. Motion carried.

e. Bear River Bond Pool Issuance

Mr. Wrigley, Wedbush Securities Inc., presented a parameters resolution for the sale of bonds to fund four local improvement districts (LIDs) that have been created in the Bear River basin. The project started approx two years ago with 50% funds provided by the BOR, received in the form of grants for various ditch and canal companies in the Bear River area to make improvements to their system to modernize an older system. To create a credit security for the lending, the various canal and ditch companies were organized into LIDs through the counties. Franklin County organized LID #1, Nelson Ditch Company, and LID #2, Treasureton Irrigation Ditch Company. The Nelson Ditch Company original assessments were over \$200,000. They have prepaid down to \$32,000 and have since dropped out of the pool. Treasureton Irrigation's original assessment was about \$976,000 and was prepaid down to \$87,842. In Bear Lake County, LID#1 and #2 were organized: Liberty Ditch Company's original assessment was \$912,000 and was prepaid down to \$640,000. The Skinner Irrigation Canal Company original assessment of \$288,382 was prepaid down to about \$148,000. The Caribou County LID #1 is Farmers Land & Irrigation Canal Company. They had an original assessment of \$1,046,000 and prepaid down to \$1,040,000. Total acres involved are approximately 9,550 acres with 750 acres in Treasureton, 3,000 acres in Liberty, 1,800 acres in Skinner, and 4,040 acres in Farmers.

The contemplated size of the bond is \$2,215,400. Representatives of the Bear Basin LIDs were present and provided the Board with brief updates on their individual projects. Ms. Joann Taylor, Franklin Soil & Water Conservation District, administers the Caribou County and Bear Lake projects. She commented that the LID process was new to all of these counties and has been a difficult but interesting process. Caribou County Commissioners reported a 45 to 50% increase in water supply and are thrilled with the amount of water improvement. Skinner Irrigation District replaced a 38-year system. Most of their farmers on the end of the system have not been able to water, but the farmers are now receiving water through the improved system. The Liberty Irrigation system has water levels higher than they ever expected. Ms. Taylor expressed appreciation and thanks for all the work the Department and the Board has given them on these projects.

Ms. Lyla Dettmer, Franklin Soil & Water Conservation District in Preston, updated the Board on the two smaller LIDs in Franklin County. Treasureton Irrigation was the only one that continued into the bond process. The Nelson Ditch Company is much smaller and they were able to pay off all of their assessments in the prepayment period. The numbers Mr. Wrigley provided did not include the BOR numbers, which would be an additional 50% on these projects.

Chairman Uhling asked that they spread the word that the Board is in place to help entities through the State of Idaho and is doing good work in helping with these kinds of projects.

Mr. Wrigley stated that the resolution before the Board authorizes the Chairman, Director, or Administrator to move forward to close the sale of the bonds in an amount not to exceed \$2,500,000 for a maturity not to exceed 30 years and an interest rate not to exceed 8.5%. The sale is currently being negotiated with D.L. Evans, however a bank in the local area has also been considered and is in the due diligence process.

Mr. Alberdi made a motion to approve the Bear River Bond Pool Resolution. The motion was seconded by Mr. Van Der Meulen. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 8 Ayes. Motion carried.

f. Water Transactions Program Update

Ms. Morgan Case presented material related to a resolution to enter into an agreement with Big Springs Creek Ranch LLC for a water transaction on Patterson Big Springs Creek. This is a 20-year agreement for Big Springs Ranch not to divert with the Board compensating the Ranch for power incurred by eliminating their diversion off Patterson Big Springs Creek and installing a pumping station on Mayrick Creek approximately 5 miles downstream. Elimination of the diversion and the 7 cfs left in stream will provide upstream passage and enhanced habitat for threatened spring Chinook salmon and steelhead in the Pahsimeroi River basin.

Funding would come from BPA through the Idaho Fish Accord Water Transaction Fund and would be placed into the Board's Revolving Development Account for annual disbursement to Big Springs Creek Ranch. The total resolution amount is for \$222,370.91 for the 20-year agreement. The language of the resolution was corrected to reflect that "...the IWRB is entering into contracts with Big Springs Creek Ranch LLC not to divert with compensation in the amount of \$222,370.91".

Mr. Chase made a motion to approve the Patterson Big Springs Creek – Big Springs Creek Ranch Funding Commitment Resolution as amended. The motion was seconded by Mr. Alberdi. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 8 Ayes. Motion carried.

Ms. Case also provided Board members with copies of the Columbia Basin Water Transaction Program Annual Report.

Ms. Case informed the Board that the Department is now processing water right applications in the Upper Salmon River basin and some of these applications, if approved, could impact water transaction activities of the Board and their efforts to improve stream flow for ESA fish. Staff is requesting guidance on how to proceed. One suggestion is for staff to evaluate applications on a case by case basis and work with the Attorney General's office to file protests on those applications that are injurious to Board activities. Chairman Uhling agreed with that suggestion on behalf of the Board and recommended they proceed as they have with applications in other basins.

g. Weiser-Galloway Project

Mr. Jack Peterson, federal liaison, addressed the Board on the Weiser-Galloway (W-G) Study, which is a comprehensive review of earlier studies of the potential Galloway dam and reservoir site, and was recently completed as a combined effort between the Corps and the IWRB to identify gaps in earlier studies. The new study focuses on the future water supply and management needs of Washington and Adams Counties, City of Weiser, the State of Idaho, and the Snake River system. The report is designed to inform decision makers of

critical gaps that need to be addressed before deciding to move forward with a comprehensive new environmental engineering and economic feasibility study. Mr. Mark Mendenhall, Corps of Engineers, and Ms. Cynthia Bridge Clark, IDWR staff, also provided background about the project.

The 2008 Idaho Legislature directed the IWRB through House Joint Memorial 8 to investigate water storage projects statewide, including the W-G project. The W-G study examined 181 gaps in information in earlier studies. The analysis identified two critical gaps that must be resolved before moving forward with new environmental engineering and economic feasibility studies. The gaps are 1) determine the safety, suitability, and integrity of geologic structures at the potential dam and reservoir site; and 2) analyze a range of operating scenarios that seek to optimize operation of a range of new storage options on the Weiser River, including flood control, hydro, pumpback, storage, irrigation, recreation, and flow augmentation for anadromous fish recovery, while maximizing economic benefits.

The resolution before the Board will enable the Board and staff to move forward with analysis. The cost estimate to analyze those two gaps includes core drilling and analysis of \$1.5 million and an operation analysis of \$500,000. The time frame is dependent on cooperation between state and federal agencies prior to fall of 2012.

Chairman Uhling made a minor change to the text of the proposed resolution. He asked Mr. Patton for confirmation that funds are available to support this resolution, and Mr. Patton confirmed that they are.

Mr. Cuddy made a motion to accept the resolution to commit funds and provide signatory authority in the matter of the Weiser-Galloway geologic and operational investigations and analysis. The motion was seconded by Mr. Raybould. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 8 Ayes. Motion carried.

Ms. Clark recognized Mr. Peterson's role in the success of this study and evaluation. She commented that his level of energy, enthusiasm, and ability to become proficient in complex water management issues that are critical to the mission of the Department and the relevance of this project were instrumental in working through the project efficiently. Chairman Uhling also extended thanks to Mr. Peterson on behalf of the Board for his tremendous leadership and work on this project.

h. ESPA Managed Recharge Status Update

Mr. Bill Quinn provided the Board with an update on recharge as of July 25. Six canal companies or irrigation districts were under contract to the Board under the 2011 early season recharge program, which began in late February and continued uninterrupted through July 27. Water District 1 informed staff that 2011 had the greatest number of days that they have been able to fill all water right priorities, including the Board's Snake River recharge right, for the entire 100-year period of record.

Approximately 60,000 acre-feet were recharged at a cost of \$164,000. As set forth in the IGWA joint funding resolution adopted by the Board on May 13, 2011, IGWA funding will cover approximately \$50,000 of this amount, leaving approximately \$103,000 in the recharge account.

Chairman Uhling asked if the remaining funds would be spent or allocated for fall recharge. Mr. Quinn answered that they likely would if based on historical numbers. Fall recharge is typically less than spring but based on conditions this year there could be an additional 50,000 ac-ft of recharge.

Mr. Lynn Tominaga, IGWA executive director, addressed the Board on the recharge issue. He thanked the Board for allowing them to participate in recharge this year. Mr. Tominaga also expressed IGWA's concern that the State is stepping away from trying to manage water in the State because of non-funding from the Legislature. He has heard from people throughout the State asking why there isn't more recharge, and he realizes the simple answer is the need for more money. Mr. Tominaga expressed his concern that there doesn't seem to be any

leadership from the appropriate entities, including the Governor's office, telling the Legislature that there is a commitment. IGWA will continue with their committed funds of \$2.00 / acre, but the longer the CAMP process goes on without leadership the ground water districts may commit funds to other projects.

Agenda Item No. 8, Planning Activities

a. Rathdrum Prairie CAMP

Ms. Helen Harrington presented the final Rathdrum Prairie Comprehensive Aquifer Management Plan for formal adoption by the Board. For the Rathdrum Prairie area, this is the culmination of the 2008 Idaho Legislative action creating the Aquifer Planning and Management Effort. The Board-appointed advisory committee began meeting in December 2009 and were very committed to the process. The committee presented a recommended management plan to the Board in January 2011. The Board accepted that plan in March 2011, and it was distributed for public comment. A public hearing was held in May 2011, along with a 60-day public comment period. Comments and testimony were compiled and reviewed by the advisory committee in June 2011, and only two substantive changes were made to the Plan.

The first change was to Objective 1, Action Item 1, related to water conservation measures. There were concerns expressed during the public comment period about the regulatory language being suggested and the authority and implications.

The other change was related to language about the Aquifer Protection District, which is an entity created through Idaho Code and is specific to Kootenai County. The District Board was concerned about language in the draft Plan. The language has been revised to eliminate confusion over the authorities and overlapping responsibilities between the Board, the CAMP, and the interaction between the two entities.

Mr. Bob Graham made a motion to adopt the final RP CAMP as submitted. Mr. Alberdi seconded the motion. Voice vote. All were in favor. Motion carried.

Chairman Uhling expressed commendation on behalf of the Board for the fantastic job and successful process. Ms. Harrington expressed her appreciation to Board members Mr. Graham and Mr. Cuddy and stated their involvement in the process provided the advisory committee with a recognition of the important that the Board placed on this activity.

Ms. Harrington requested that the additional action item of considering appointing Mr. Bob Haynes, retired IDWR Northern Region Manager, to the Rathdrum Prairie advisory committee be removed, as Mr. Haynes has requested that his appointment no longer be considered.

b. Treasure Valley CAMP Status Update

Mr. Neeley Miller updated the Board on the progress of the TV CAMP. A drafting group was established in February 2011. They completed a preliminary draft TV CAMP and distributed the draft to the full advisory committee on June 30. A copy of the draft plan was provided to the Board members. The advisory committee was given until August 12 to compile comments and submit them to the drafting group for consideration and revision. It is anticipated a revised draft will be circulated in early fall.

Mr. Miller stated that during development of the initial plan, comments were received from Idaho Water Users Association (IWUA) regarding language related to the language of the Municipal Water Act of 1996. As a result, the drafting group proposed two alternatives for the advisory committee to consider. Those two options are included in the draft plan. IWUA also made a public comment at the June 30 meeting and reiterated lingering concerns they may have with those two options. Additional comments from IWUA and the advisory committee received by August 12 will be considered and will assist them in revising the language to come to a consensus as to what the language in the final plan should be.

Chairman Uhling commented that they need to continue to carefully consider statewide implications for policies and regional plans during this process.

c. ESPA CAMP and Management Effort Update

Mr. Rich Rigby, federal liaison, informed the Board that an Operations Forum has been scheduled in accordance with the resolution passed by the Board in May for August 11, 2011, at the Chubbuck City Council Chambers. Mr. Rigby stated that the members of the committee identified by the Board and other interested parties were informed of the meeting.

Mr. Rigby commented that ESPA CAMP goals were well thought out and after extensive discussion, goals and issues were identified that need to be pursued at this time. He also commented that CAMP funding continues to be an issue that is not likely to be resolved in the near future.

Mr. Rigby informed the Board of a 5,200-acre ground water to surface water conversion project in the Hazelton Butte area. Mr. Nelson and Mr. Rigby plan on traveling to the basin for further discussion about future opportunities.

Mr. Rigby commented that if an additional 54,000 acre-feet is recharged this fall, the annual average for the last three years will be near 100,000 acre-feet. He also commented that the remaining funds will be close to being used up with fall recharge. Mr. Rigby suggested reviewing the Board resolution and the limits identified in the resolution, apply CAMP targets of 50% above and 50% below American Falls Reservoir and find a way to even the balance. He has had conversations with Mr. Dean Stephenson, A&B Irrigation District, and the BOR about the recharge site north of Minidoka. He agreed with Mr. Stephenson that it is a lot of work and there are lots of issues to be resolved, but it does have good recharge potential. Mr. Rigby is currently working on organizing a meeting with BOR to bring everyone together to start identifying concerns and issues that need to be addressed.

Chairman Uhling asked for Mr. Rigby's opinion of where this site ranks for potential recharge. Mr. Rigby replied that it is a great site and ranks near the top.

Mr. Rigby commented that work is continuing on demand reduction issues, primarily through AWEF. He also recognized the value of weather modification and Idaho Power's efforts and participation.

Agenda Item No. 9, Water Storage Studies Update

Lower Boise River Interim Feasibility Study

Ms. Cynthia Bridge Clark provided a brief historical review of the Lower Boise River Interim Feasibility Study. She stated that in August 2010 the Corps of Engineers completed the Water Storage Screening Analysis, which is available on the Corps website. Alternatives were identified and the top three ranked site are 1) raise of Arrowrock Dam, which involves a new potential dam just below the existing site, 2) Alexander Flats on the middle fork of the Boise River, and 3) Twin Springs, also on the middle fork of the Boise River. Ms. Clark stated the intent of the study was to move the short list of these three sites forward for a more detailed engineering and costs analysis. However, study activities were suspended after completion of the screening analysis due to a lack of Federal match funds. The remaining anticipated study budget is approximately \$1.1 million. In June 2011, the Corps did secure \$30,000 for work on the study. While this amount is critically short of the total amount needed to complete the tasks, Ms. Clark said the Corps indicated that continuing study activities even on a small scale is an important step to securing additional Federal funds in future years. The Corps has consulted with the Department and the Board and has agreed to use the \$30,000 to perform additional engineering analysis on the top-ranked storage concept at Arrowrock Dam. Ms. Clark stated the Corps plans on developing that concept further and identifying any fatal flaws. That work is expected to be completed by the end of the Corps fiscal year.

Henrys Fork Basin Study

Ms. Clark provided a brief overview of the purpose of the Henrys Fork Basin Study. The BOR and the State are conducting a study of water resources in the Henrys Fork River basin to develop alternatives to improve water supply conditions in the Eastern Snake Plan aquifer and Upper Snake River basin. The intent of the study is to identify opportunities for development of water supplies and improvement of water management while sustaining environmental quality. The BOR developed a list of potential storage sites and other water management alternatives to move forward with for “reconnaissance level” evaluation. Potential alternatives were presented to the Board during the work session held July 28. The water management alternatives are divided into four categories: 1) surface water storage, 2) ground water recharge, 3) water market concepts, and 4) conservation management alternatives. Seven surface water storage alternatives were identified, four of which are in the Teton / Falls Creek drainage and three in the upper Henrys Fork basin. The last three options are expected to be combined with the potential enlargement of the cross cut canal in hopes of enabling exchange of natural flows in the upper Teton. Potential alternatives identified for managed recharge include exploring potential expansion of the Egin Bench recharge site. Potential recharge options in the lower Teton include the use of irrigation canals for recharge.

Ms. Clark stated that the BOR will scope and more clearly define potential opportunities for market-based use of water, including principles that exist in water markets, water banks, transactions, transfers, and water-based incentives. Conservation and management alternatives could include agricultural conservation and management alternatives such as canal automation projects, on-farm conservation practices, and piping and lining projects. The BOR will also consider municipal and industrial conservation scenarios. This reconnaissance phase is expected to be completed by December 2011. Additional feedback from the Board may be required at that time to resolve which alternatives will be selected for the appraisal level stage.

Agenda Item No. 10, Minimum Stream Flow (MSF) Program / NIA Claim Fees

Ms. Helen Harrington presented a resolution to the Board to submit a budget request to the Idaho Legislature for the next budget cycle for an appropriation in the amount of \$464,800 to pay for filing fees associated with the IWRB minimum stream flow water rights in Phase 1 of the North Idaho Adjudication (NIA). The NIA is divided into three phases. The Board holds six water licenses for minimum stream flows in Phase 1 basins and 12 in Phase 3 basins; the Board does not hold any water rights in Phase 2 basins. The Director submitted a budget request for FY2012 for the Board’s Phase 1 NIA claim fees, however the Governor did not recommend the request and the legislature did not act on an appropriation. According to the Department schedule, Phase 1 claims will need to be filed prior to the end of calendar year 2012. After that time, late fees may be assessed that could greatly increase the filing fees.

Chairman Uhling commented that this is the same procedure followed in the SRBA and that these claim fees do need to be paid for. Ms. Harrington reiterated that the \$464,800 is only for Phase 1. The total fees for Phase 3 will be \$1,259,400. The resolution before the Board is only for the Phase 1 claim fees of \$464,800. Ms. Harrington stated that the Board should know well in advance when Phase 3 fees are due.

Mr. Raybould made a motion that the Board adopt the resolution to submit a request to the Idaho Legislature to pay North Idaho Adjudication Phase 1 claim fees in the amount of \$464,800 for minimum stream flow water rights held by the Board. Mr. Alberdi seconded the motion. Voice vote. All were in favor. Motion carried.

Agenda Item No. 11, Rental Rule Procedures

a. WD 63

Ms. Harrington presented a resolution to the Board on behalf of Water District 63 to amend the 2012 Water District 63 Rental Pool Procedures. The current procedures were adopted in 2005. IWRB appointed the advisory committee of Water District 63 as the local committee for the Boise River Rental Pool and to operate the

Boise River Rental Pool. The revised procedures are intended to bring the Boise River Rental Pool Procedures more in line with the Upper Snake and Payette River Rental Pool Procedures. Two substantive changes have been proposed:

1. Section 4.3.104 Deadline for Application
A deadline of October 31 for receipt of applications to assign storage is imposed. The purpose of this language is to clarify the process and ensure correct allocation of assignments.
2. Change in the administrative fee collected to \$1.00 per acre foot for both in and out of basin use. The fee was previously set at \$.50 for in basin and \$.75 for out of basin use. The committee intends to charge the \$14.00 per acre foot rate through 2012 and will increase the rate to \$17.00 per acre foot in 2012 per the Snake River Water Rights Agreement of 2004 (also known as the Nez Perce Mediator's term sheet dated April 20, 2004). The rental price is inclusive of fees and surcharges.

Mr. Rex Barrie, Boise River watermaster, addressed the Board and expressed his gratitude to Mr. Matt Howard, BOR, who was in attendance, for attending all the rental pool meetings and assisting with the wording of the rental pool procedures to bring the verbiage in line with the Upper Snake River and Payette River Rental Pool Procedures. He stated the intent for the potential administrative fee increase is to continue the program for automating headgates on the Boise River. Chairman Uhling asked what percent of diversions have automation. Mr. Barrie responded that they are currently at 15% on the Boise River, and that he currently has 75 sites both for diversion and return below Lucky Peak that are monitored each week. The objective is to get all those sites automated so real time data for each diversion and return flow is available; several returns are credit returns so additional water doesn't need to be released to meet downstream demands.

Mr. Alberdi asked Mr. Patton if these are the same as Water District 1 current fees. Mr. Patton replied that they are in line with Water District 65, but he did not know about Water District 1.

Mr. Beck made a motion that the Board adopt the resolution to amend the 2012 Water District 63 Rental Pool Procedures as submitted. Mr. Van Der Meulen seconded the motion. Voice vote. All were in favor. Motion carried.

b. WD 1

Ms. Harrington presented a resolution to the Board on behalf of Water District 1 to amend Water District 1 Rental Pool Procedures to add Rule 8.0 and create a new Supplemental Pool. The Supplemental Pool will provide an opportunity for spaceholders to make their storage water available for Idaho Power to rent storage below Milner Dam. The Committee of Nine, the local committee appointed to manage the Water District 1 (Upper Snake) Rental Pool, adopted a new section, Rule 8.0 Supplemental Pool, on June 27, 2011. Proposed changes are required to be submitted by April 1 for amendments to be implemented within the accounting year according to Water Supply Bank Rules, however the Committee has proceeded in a timely manner to draft the new section and submit it to the Board.

The Committee is requesting approval by the Board at this time so the new section can be implemented immediately during the current accounting year. Idaho Power has submitted a request to lease 15,000 acre-feet from the Supplemental Pool at an offer of \$13.82/acre-foot to spaceholders. The Committee issued an announcement to spaceholders on July 5, 2011, to solicit contracts to fill the request. The announcement included a deadline of July 12, 2011, for submission of contracts. The Supplemental Pool will be a last-to-fill category. Spaceholders will be able to move their storage into the Supplemental Pool but moving rented space to the Supplemental Pool ensures that spaceholders who choose not to participate in the Supplemental Pool do not have their refill impacted by the release of storage water below Milner Dam.

Additional proposed changes not associated with the new section are under review and will be brought to the Board at a later date.

Chairman Uhling asked for confirmation that the Attorney General had reviewed the resolution. Ms. Harrington confirmed that John Homan had reviewed it. Mr. Patton commented that Clive Strong was also familiar with the resolution.

Mr. Travis Thompson, Barker Rosholt & Simpson, advisor to the Committee of Nine, explained that the new Rule 8.0 Supplemental Pool is a unique rule in that it has to be approved by the Committee of Nine each year. The Rule is only applicable when there are certain hydrologic conditions, and the Committee sets the quantity and limits of what can be allowed. There were approximately 98,000 acre-feet offered into the Supplemental Pool, however the limit was set at 15,000 acre-feet for the current year. Each entity that contributed to the 15,000 will get a reduced prorated share.

Mr. Raybould clarified that Rule 8.0 Supplemental Pool will become a permanent approved rule in the Water District 1 Rental Pool Procedures but when the Rule is used or applied will depend on hydrologic conditions and will be determined by the Committee of Nine. The BOR will also have to certify that there is sufficient supply for flow augmentation before the water can be released.

Mr. Beck made a motion that the Board adopt the resolution to amend the Water District 1 Rental Pool Procedures to create a new Rule 8.0 Supplemental Pool. Mr. Cuddy seconded the motion. Voice vote. All were in favor. Motion carried.

Agenda Item No. 12, Director's Report

Mr. Gary Spackman addressed the Board and informed them that there is an August 1 deadline for submitting proposed legislation for the next legislative session. Mr. Spackman stated that he may propose that the Department get out of recreational dredge mining and recognized that the Board is involved in recreational dredge mining rules. He commented that it is becoming increasingly difficult for the Department to issue one-stop permits, and Idaho is becoming a focus of that activity as many of the neighboring states close their states to recreational dredge mining. Mr. Spackman is not interested in proposing increased fees for the amount of time spent on issuing these permits.

Mr. Spackman stated that the Department is starting to look at protests for water right filings in the Salmon basin. Over the last several years, it has a long and twisted history with many entities looking at how the State should be involved with Fish & Game, Office of Species Conservation, and the Northwest Power and Conservation Council. The Department is moving ahead with processing many of those applications that have been held and notices are being published. The applicant bears the burden of meeting the public interest criterion but if they establish the burden the Department may see some friction in some of those streams where the Department may be approving water right applications and there may be a desire for transactions in those drainages in the future.

Mr. Spackman also commented that there are several people who have been indispensable to the Department, including Mr. Jack Peterson. Mr. Peterson's two-year assignment is expiring within the month, and Mr. Spackman emphasized his desire to retain Mr. Peterson's services. Mr. Spackman also expressed his appreciation for Mr. Rich Rigby, and commented that both individuals have helped tremendously in furthering the efforts of the Board and the Department.

Chairman Uhling agreed that Mr. Peterson's and Mr. Rigby's work has been great, and the Board will work on figuring something out to retain the services of these individuals, emphasizing that it is a budget issue.

Agenda Item No. 13. Other Items IWRB Members May Wish to Present

Mr. Cuddy commented that much more has been accomplished on the ESPA than credit has been given. Chairman Uhling agreed and recommended putting together an accounting of all the projects that the Board has facilitated.

Mr. Chase expressed his concern over fracking in Idaho in looking for natural gas and would like to get a report on where it will take place and how it may potentially affect the aquifers. Chairman Uhling recommended that a presentation on fracking be scheduled for a future Board meeting. Mr. Patton stated that the Land Board, who is also the Oil and Gas Board, is dealing with this issue and Department personnel who are involved in well drilling rule making are also participating in the process.

Chairman Uhling expressed his appreciation on behalf of the Board for Mr. Gary Chamberlain's contributions to the Board. He commented that Gary was a terrific Board member and was committed to State water issues and the commissions of the Board.

Agenda Item No. 14, Next Meeting and Adjourn

The next regular IWRB meeting is scheduled for October 6 and 7, 2011, in Idaho Falls, Idaho. The location has not been determined. The IWRB meeting was scheduled to coincide with the Western States Water Council Fall Meeting in Idaho Falls, and there have been ongoing discussion with WSWC delegates on how to make this more of a joint meeting to allow for interaction between the members. On Wednesday, October 5, there will be a field trip to INL and possibly Teton, and the invitation to attend has been extended to IWRB members. On Thursday, October 6, there will likely be one joint session between the IWRB and WSWC followed by the IWRB work session. On Friday, October 7, the hosting state typically addresses the WSWC, and Chairman Uhling has been selected to speak at the WSWC morning session. The IWRB will hold their regular meeting at approximately 9:30 am.

Mr. Patton also stated that the following Board meeting will be held November 2, 2011, in Boise, Idaho, in conjunction with the IWUA Law Seminar. This will be a one-day meeting, with the work session in the morning and regular meeting in the afternoon.

Mr. Patton informed the Board of the Interim Legislative Committee scheduled for August 29 and 30. The main issue will be endowment land issues, but the Board has been asked for updates on the progress of the various storage studies, as well as some of the CAMP efforts.

The IWRB Meeting 4-11 was adjourned at approximately 12:30 pm.

Respectfully submitted this ____ day of _____, 2011.

Bob Graham, Secretary

Diana Ball, Administrative Assistant II

Board Actions:

1. Mr. Vince Alberdi moved to approve Minutes for Meeting 3-11 as submitted. Mr. Bob Graham seconded the motion. Voice vote. All were in favor. Motion carried. Minutes for Meeting 3-11 were approved as submitted.
2. In the matter of IWRB Officer elections:

Mr. Jeff Raybould made a motion to reappoint Mr. Terry Uhling as Chairman. Mr. Graham seconded the motion. Voice vote. All were in favor. Motion carried.

Mr. Alberdi made a motion to appoint Mr. Roger Chase as Vice Chairman. Mr. Chuck Cuddy seconded the motion. Voice vote. All were in favor. Motion carried.

Mr. Roger Chase made a motion that Mr. Graham be reappointed as Secretary. Mr. Cuddy seconded the motion. Voice vote. All were in favor. Motion carried.
3. Mr. Peter Van Der Meulen made a motion that the Board Committee appointments be approved with the recommended changes. Mr. Raybould seconded the motion. Voice vote. All were in favor. Motion carried.
4. Mr. Chase made a motion to include the next \$1.2 million Pristine Springs payment received from the ground water districts in the Department's budget for the next fiscal year. Mr. Alberdi seconded the motion. Voice vote. All 7 present were in favor. Motion carried.
5. Mr. Graham made a motion to approve the Revolving Development Account loan to Lake Reservoir Company as proposed. The motion was seconded by Mr. Beck. Chairman Uhling called for a roll call vote. Mr. Cuddy was absent during the vote.

Roll Call Vote: Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Cuddy: Absent; Mr. Raybould: Aye; Mr. Beck: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 7 Ayes, 1 Absent. Motion carried.
6. Mr. Raybould made a motion to approve the Revolving Development Account loan to loan to Portneuf Irrigating Company as amended. The motion was seconded by Mr. Chase. Chairman Uhling called for a roll call vote. Mr. Graham was absent during the vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Absent. Chairman Uhling: Aye. Roll Call Vote: 7 Ayes, 1 Absent. Motion carried.
7. Mr. Beck made a motion to approve the Ground Water Districts Bond Inducement Resolution. The motion was seconded by Mr. Chase. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Abstain; Chairman Uhling: Aye. Roll Call Vote: 7 Ayes, 1 Abstained. Motion carried.
8. Mr. Alberdi made a motion to approve the Bear River Bond Pool Resolution. The motion was seconded by Mr. Van Der Meulen. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 8 Ayes. Motion carried.

9. Mr. Chase made a motion to approve the Patterson Big Springs Creek – Big Springs Creek Ranch Funding Commitment Resolution as amended. The motion was seconded by Mr. Alberdi. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 8 Ayes. Motion carried.

10. Mr. Cuddy made a motion to accept the resolution to commit funds and provide signatory authority in the matter of the Weiser-Galloway geologic and operational investigations and analysis. The motion was seconded by Mr. Raybould. Chairman Uhling called for a roll call vote.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Aye; Chairman Uhling: Aye. Roll Call Vote: 8 Ayes. Motion carried.

11. Mr. Bob Graham made a motion to adopt the final RP CAMP as submitted. Mr. Alberdi seconded the motion. Voice vote. All were in favor. Motion carried.

12. Mr. Raybould made a motion that the Board adopt the resolution to submit a request to the Idaho Legislature to pay North Idaho Adjudication Phase 1 claim fees in the amount of \$464,800 for minimum stream flow water rights held by the Board. Mr. Alberdi seconded the motion. Voice vote. All were in favor. Motion carried.

13. Mr. Beck made a motion that the Board adopt the resolution to amend the 2012 Water District 63 Rental Pool Procedures as submitted. Mr. Van Der Meulen seconded the motion. Voice vote. All were in favor. Motion carried.

14. Mr. Beck made a motion that the Board adopt the resolution to amend the Water District 1 Rental Pool Procedures to create a new Rule 8.0 Supplemental Pool. Mr. Cuddy seconded the motion. Voice vote. All were in favor. Motion carried.

Memorandum



To: Idaho Water Resource Board
From: Helen Harrington
Date: September 26, 2011
Re: Committee Report: Water Resource Planning

Purpose: Develops policy and direction from the IWRB's planning programs, including State Water Plan, Basin Plans, and CAMPs. Oversees progress and completion of State Water Plan, Basin Plans and CAMPs. Oversees plan implementation progress. Makes recommendations about new planning efforts and approaches.

At the July 2011 IWRB meeting, the Board appointed members to the newly restructured Water Resource Planning Committee. On August 19, a meeting was held and attended by committee members Leonard Beck (Chairman), Bob Graham, Roger Chase Chuck Cuddy and Jeff Raybould.

Presentations from staff on the various IWRB planning programs were given to the committee members. The members were provided with information on the State Water Plan policies, Comprehensive Basin Planning and Comprehensive Aquifer Management Planning. Following these background presentations, the agenda moved into the ongoing effort to update the current State Water Plan. The most recent revision effort began in 2007 and has resulted in a partially complete draft revision. The primary section which remains to be revised is the Snake River Basin section. Mr. Clive Strong discussed the status of the work and events which have impacted the completion of the draft revisions.

The committee set a follow-up meeting for November 1. At that meeting, committee members will bring forward their concerns on the current draft and review sections in the draft revision which needs further work. Additionally, Mr. Strong will discuss the Snake River Basin section.

Anticipated timeline:

2012	Jan-Feb	Completion of full draft revision
	March	Submission of draft revision to IWRB for acceptance for public comment
	May-Sept	Public Hearings across state (Tentatively: Coeur d'Alene, Lewiston, Boise, Twin Falls, Preston, Salmon, and Idaho Falls) Formal Public Comment Period (minimum 60 days)
	Sept-Nov	Committee Revision based on public comment
	November	Consideration by IWRB for adoption of State Water Plan Revision
2013	January	Submission to Idaho Legislature for adoption

Memorandum



To: Idaho Water Resource Board

From: Helen Harrington

Date: September 26, 2011

Re: Committee Report: Streamflow Enhancement and Minimum Streamflow

Purpose: Develops policy and direction for the Upper Salmon Streamflow Enhancement (Water Transactions) Program together with program partners, including review of project proposals. Develops policy and direction for the IWRB's minimum streamflow program, including development of new MSF water rights and protection and administration of existing minimum streamflow water rights.

At the July 2011 IWRB meeting, the Board appointed members to the newly restructured Streamflow Enhancement and Minimum Streamflow Committee. On August 19, a meeting was held and attended by committee members Roger Chase (Chairman), Bob Graham, Vince Alberdi and Peter Van Der Meulen.

Presentations from staff on the various IWRB streamflow programs were given to the committee members. The members were provided with information on the origin, history, purpose and technical aspects of the minimum streamflow program and the Idaho Water Transactions Program.

The committee set a follow-up meeting for October 7, following the IWRB meeting. At that meeting, committee members will be focusing on the concept of expanding the current Transactions program beyond the Upper Salmon River drainage. The committee will be meeting with representatives from the Friends of the Teton. This organization has approached the IWRB to consider using the Board's Columbia Basin Water Transactions Program Qualified Local Entity status to fund transactions in the Teton River basin.

Idaho hosted the Columbia Basin Water Transactions (CBWTP) Fall Qualified Local Entity (QLE) meeting the week of September 12th. Attendees from Montana, Oregon, Washington, Idaho, and Australia toured the Upper Salmon Basin visiting transaction sites (Pole Creek, Little Springs Creek, Big Timber Creek), observing spawning chinook and redds (Salmon and Lemhi Rivers), and discussing transactions strategies in the Northwest. IWRB member Peter Van Der Meulen attended the meeting along with Morgan Case, IDWR staff biologist.

The tour received lots of positive feedback. Participants were appreciative of the clarification of IDWR vs. IWRB roles and responsibilities. They were also impressed with the level of partnership with the Upper Salmon Basin Watershed Program technical team and the approach to address all limiting factors on transaction streams. The 2012 Fall QLE meeting will be in Washington.



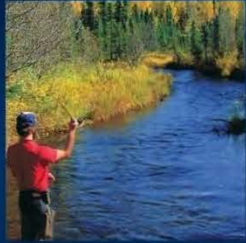
Update on Water Storage Studies and Aquifer Management Efforts

Interim Legislative Committee on Natural Resources

Brian Patton

August 29, 2011





Overview

Water Storage Studies – directed by HJM8 (2008 Legislature)

- Minidoka Enlargement Study
- Boise River Interim Feasibility Study
- Henrys Fork (Teton) Basin Study
- Weiser-Galloway Project Studies

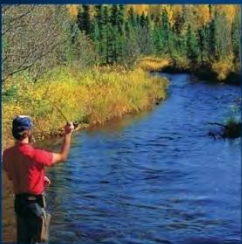
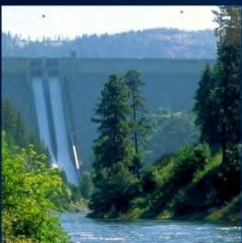
Aquifer Planning and Management - directed by Idaho Code 42-1779

- Rathdrum Prairie Comprehensive Aquifer Management Plan
- Treasure Valley Comprehensive Aquifer Management Plan
- Eastern Snake Plain Aquifer CAMP and Management Efforts

Why investigate new water storage and undertake aquifer management efforts?

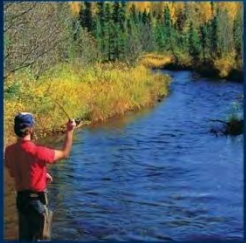
Adequate water supplies are critical to all aspects of Idaho's economy:

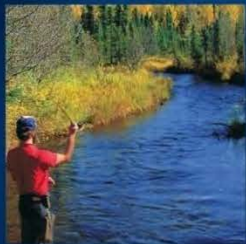
- Agricultural economy
- Agricultural products industry
- Cities and towns
- Businesses and industries
- Recreational and environmental amenities
- Hydro-electric power



Why investigate new water storage and undertake aquifer management efforts?

“Water use conflicts, population growth, continued unprecedented drought, population growth and urban development, conjunctive administration, Endangered Species Act requirements and other additional demands are being placed on the already scarce water resources of the state” (House Joint Memorial No. 8, 2008 Legislature)



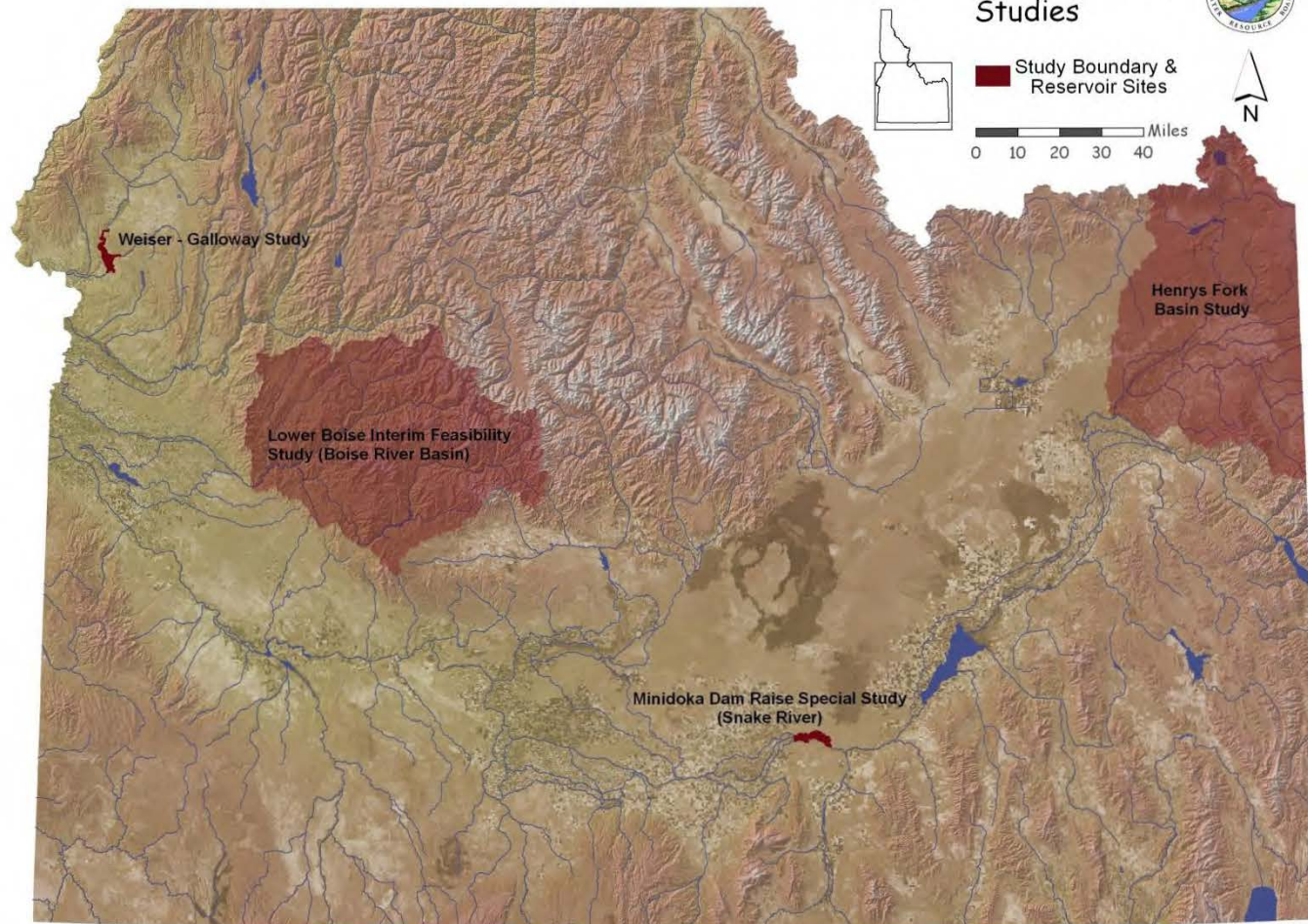


Surface Water Storage Studies



Study Boundary & Reservoir Sites

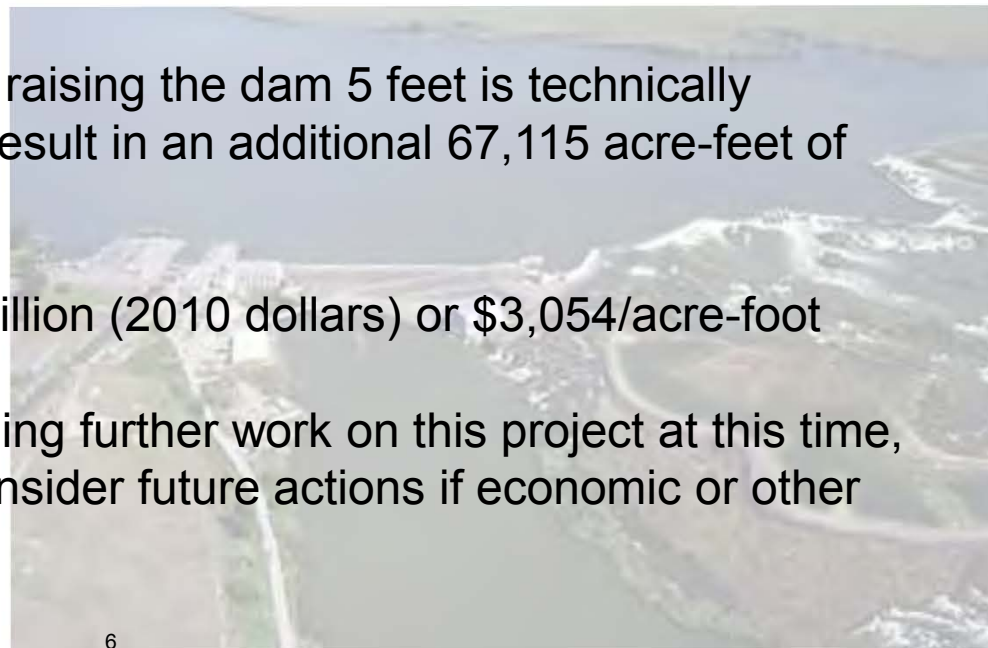
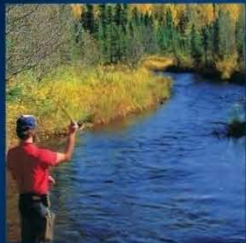
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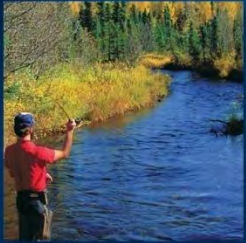
Water Storage Investigations: Minidoka Dam/Lake Walcott Enlargement Study

- Undertaken through cooperative agreement with U.S. Bureau of Reclamation
- Study was accelerated due to planned rehabilitation of Minidoka Dam (could rehabilitation and raise be done at same time?)
- Study determined that raising the dam 5 feet is technically achievable and would result in an additional 67,115 acre-feet of storage
- Cost would be \$205 million (2010 dollars) or \$3,054/acre-foot
- The IWRB is not planning further work on this project at this time, however IWRB may consider future actions if economic or other conditions change



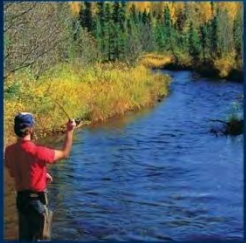
Water Storage Investigations: Boise River Interim Feasibility Study

- IWRB partnered with U.S. Army Corps of Engineers – Corps received authority from Congress to study flood protection for Treasure Valley and IWRB was awarded \$500,000 credit toward study
- Study is evaluating water storage options that could both reduce flooding and provide additional water supplies
- “Water Storage Screening Analysis” was completed which identified the top three alternatives as
 - 1) Enlargement of Arrowrock 317,000 Acre-Feet (additional)
 - 2) Alexander Flat 68,000 Acre-Feet
 - 3) Twin Springs 304,000 Acre-Feet
- Proceeding with engineering analysis of Arrowrock Enlargement to determine if there are any fatal flaws
- Later in the study the Corps will be required to evaluate non-storage alternatives for flood protection



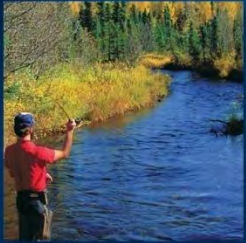
Water Storage Investigations: Henrys Fork Basin Study

- IWRB partnered with U.S. Bureau of Reclamation which provided funds and expertise through its Basin Study Program
- The Basin Study Program requires evaluation of more than storage options – IWRB agreed to this approach
- Options being evaluated in study:
 - ✓ Surface Water Storage -
 - Island Park Enlargement 8,000 AF (additional)
 - Ashton Dam Enlargement 40,000 AF (additional)
 - Moose Creek 60,000 AF
 - Lane Lake 70,000 AF – 180,000 AF
 - Spring Creek/Canyon Creek 30,000 AF
 - Moody Creek 50,000 AF
 - Upper Badger Creek 50,000 AF
 - ✓ Compare with updated costs for rebuilding Teton (288,000 AF)



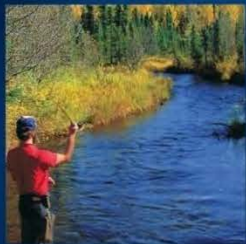
Water Storage Investigations: Henrys Fork Basin Study

- Comparison with non-storage alternatives required through Basin Study:
 - ✓ Compare with water marketing alternatives
 - ✓ Compare with water conservation alternatives
 - ✓ Compare with managed recharge
- Alternatives will be evaluated for meeting the state's needs and federal viability
- The most promising alternatives (or package of alternatives) will be selected for further engineering and cost analysis, and recommendations for path forward
- Study to be complete in Fall 2012



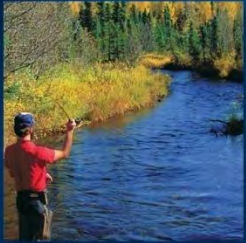
Water Storage Investigations: Weiser-Galloway

- Would be a 900,000 acre-foot reservoir on Weiser River
- Project was extensively studied by Corps of Engineers in 1980's as a flow augmentation project with few other benefits to Idaho or the Weiser Basin.
- Idaho's flow augmentation requirements are now formalized, providing a potential opportunity to construct a project to provide significant benefits to the Weiser Basin and Idaho, as well as downstream.
- Potential benefits
 - In-Basin: water supply and irrigation, flood control, recreation, economic development
 - State-wide: replace flow augmentation coming from Upper Snake and Boise Rivers; power generation at dam and increased generation through Hells Canyon
 - Downstream: improve reliability of flow augmentation; increased downstream power generation through Lower Snake and Columbia dams



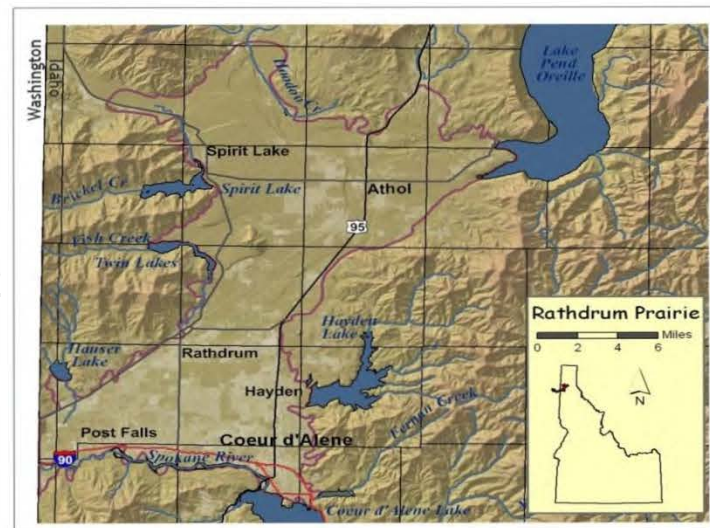
Water Storage Investigations: Weiser-Galloway

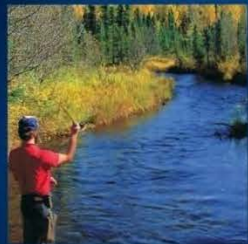
- IWRB and Corps of Engineers completed review of past work and documented two remaining questions that must be addressed prior to moving ahead with further work:
 - Core drilling at dam site to supplement drilling done in 1980's to rule out questions about dam abutment material
 - Hydrologic and operational analysis, together with other interested parties including IPCo, BOR, BPA, and others, to verify and quantify the project benefits
- IWRB just approved spending up to \$2 million to evaluate these critical items
- IWRB will continue to coordinate with the Corps of Engineers and other interested parties to complete these evaluations.



Rathdrum Prairie Comprehensive Aquifer Management Plan

- Lays out strategies to avoid interstate conflict with Washington over use of the aquifer, while preserving Idaho's ability to permit new water uses for economic growth:
 - Improved coordination with Washington interests
 - Promote water conservation and efficiency for water uses from aquifer in Idaho
 - Promote establishment of Reasonably Anticipated Future Needs water rights by Idaho municipalities from aquifer as soon as possible
- Developed with assistance of 18-member local advisory committee
- Adopted by IWRB in July 2011, to be submitted to Legislature in January 2012 for approval as a component of the State Water Plan



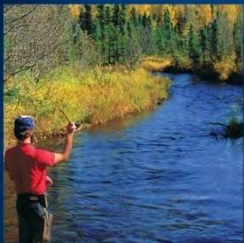
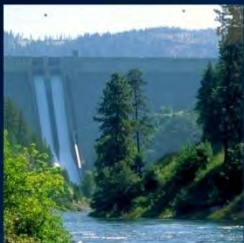


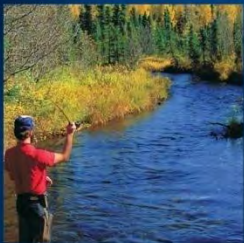
Treasure Valley Comprehensive Aquifer Management Plan

- 41-member advisory committee began work in spring 2010 – draft of plan document currently being reviewed by committee members
- Key challenges documented in current draft plan:
 - The need for additional water supplies will increase (estimates vary)
 - The aquifer and surface water system is connected – complex interconnection
 - Future needs can not be met solely with ground water
 - Wet years are getting wetter and dry years are getting drier, and our water storage capacity is not large enough to hold increased wet-year flows to meet needs in dry years
- Key actions in current draft plan:
 - Investigate new storage and other water supply solutions
 - Promote water conservation measures where they would not impact incidental recharge to aquifer
 - Maintain irrigation infrastructure in place as land use changes occur to supply outdoor needs
 - Encourage long-range water planning for municipal providers
 - Develop technical tools for management and administrative needs, including transient ground water model
- Plan is on track to be submitted for IWRB review this fall

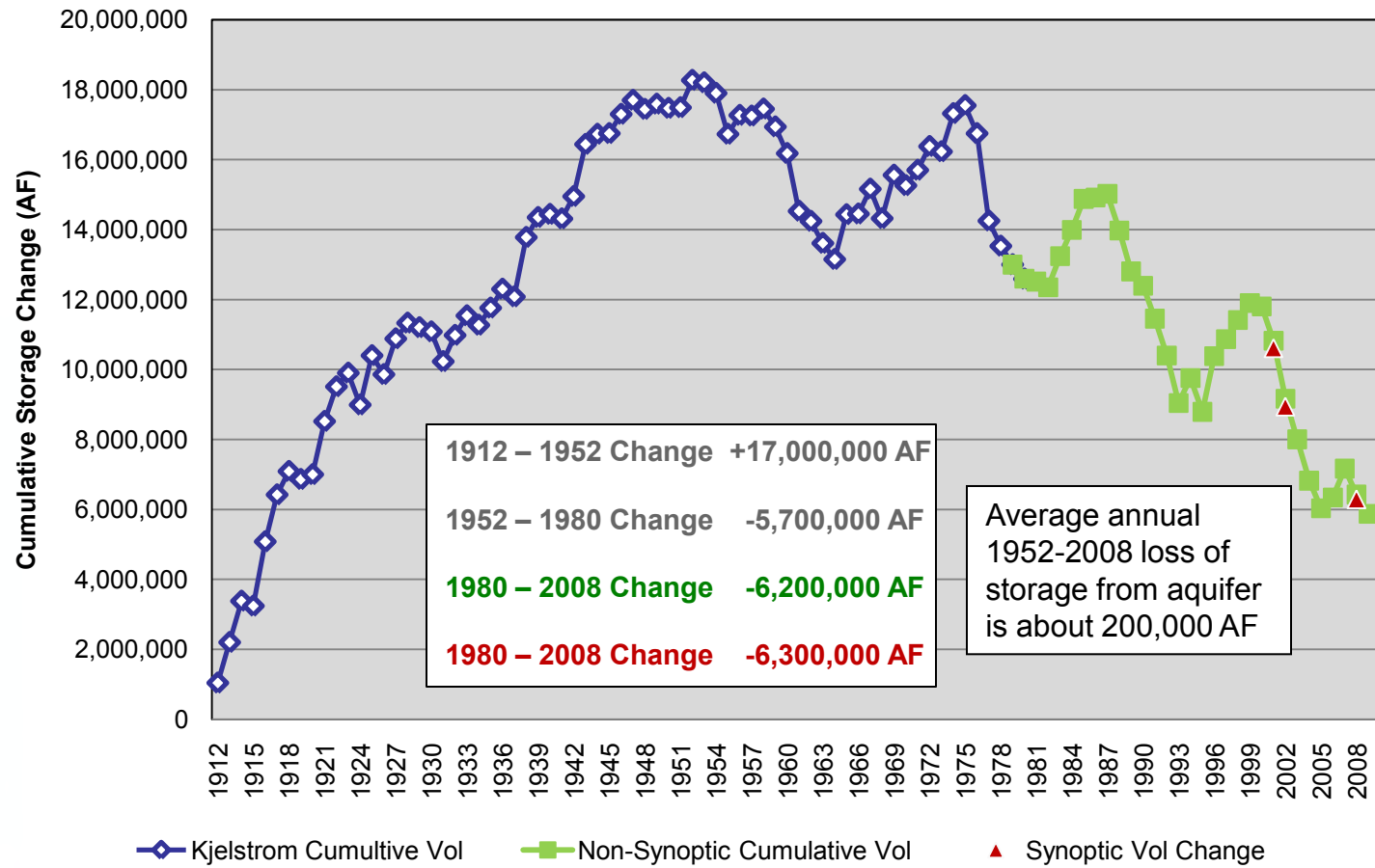
Eastern Snake Plain Aquifer CAMP and Management Efforts

- ESPA CAMP was approved by the 2009 Legislature (HB 264) as a component of the State Water Plan
- Sets out goals for management of the ESPA
- CAMP Implementation Committee discussions have been high-centered on funding, and it is not likely that movement will occur on this issue
- However, much progress has been made with cooperation of the Federal Government, Idaho Power, and water users on a project-by-project approach





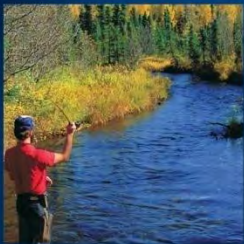
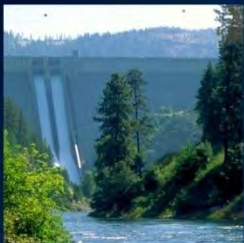
ESPA - Cumulative Change in Aquifer Storage



Eastern Snake Plain Aquifer CAMP and Management Efforts

ESPA CAMP lays out four main strategies:

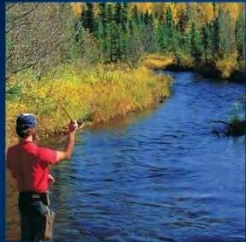
Strategy	Goal	Progress Since Plan Approval (early 2009)
Managed recharge	100,000 acre-feet/yr	Average of 93,000 acre-feet/yr since 2009
Conversions: GW to SW	100,000 acre-feet/yr	6,380 acres converted, with a 5,257 acre project on deck for construction, together totaling 14,000 acre-feet/yr
Demand reduction	95,000 acre-feet/yr	34,000 acre-feet through CREP, 26,000 acre-feet through structural improvements in the Thousand Springs area.
Weather Modification (cloud seeding)	5-year pilot program with analysis of results	Idaho Power has installed 15 remote operated ground generator stations with operations since 2009 (one more being installed for this coming winter)

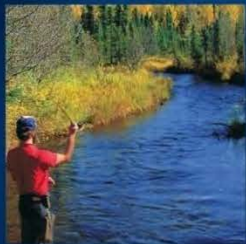


Eastern Snake Plain Aquifer CAMP and Management Efforts

Summary of expenditures since plan approval (early 2009):

Strategy	State (IWRB)	Federal	Idaho Power	Water Users	TOTALS
Managed Recharge	\$752,000			\$100,000	\$852,000
Conversions: GW to SW	\$2,000	\$3.98 Million		\$1.33 Million	\$5.3 Million
Demand Reduction		\$5.71 Million		\$487,000	\$6.2 Million
Weather Modification (Cloud Seeding)			\$600,000		\$600,000
Aquifer Monitoring	\$667,000				\$667,000
TOTALS	\$1.4 Million	\$9.7 Million	\$600,000	\$1.9 Million	\$13.6 Million





Eastern Snake Plain Aquifer CAMP and Management Efforts Moving Forward:

Strategy	Water Board Policy
Managed recharge	The IWRB is considering policy questions regarding priorities for location and how cost-sharing should occur. Utilize IWRB funds as a catalyst to build coalitions to undertake recharge infrastructure projects in high-priority locations.
Conversions: GW to SW	Maximize federal (NRCS) funds through 2013 for conversions. Utilize IWRB funds as a catalyst to build coalitions to undertake projects that can't be done through NRCS funds.
Demand reduction	Maximize federal (NRCS) funds through 2013 for structural demand reduction projects in Thousand Springs area. Due to high crop prices, de-emphasize efforts to increase CREP enrollment or other set-aside type programs.
Weather Modification (cloud seeding)	Rely on Idaho Power to complete 5-year pilot program and evaluate results, after which a future course can be decided.



MEMO

To: Idaho Water Resource Board
From: Brian W. Patton
Subject: Water Resource Projects Funding Program Status Report
Date: September 20, 2011

As of **September 1st** the IWRB's available and committed balances in the Revolving Development Account, Water Management Account, and the Secondary Aquifer Management Account are as follows:

Revolving Development Account (main fund)

Committed but not disbursed	
Loans for water projects	\$3,924,927
Water storage studies	2,924,868
Total committed but not disbursed	6,219,795
Loan principal outstanding	9,069,437
Uncommitted balance	558,478
Estimated revenues next 12 months	2,000,000
Commitments from revenues next 12 months	0
Estimated uncommitted funds over next 12 months	2,448,478

Rev. Dev. Acct. ESPA Sub-Account

Committed but not disbursed	
CREP	2,419,581
Aquifer recharge	406,918
Bell Rapids	361,620
Palisades storage	10,000
Black Canyon Exchange	441,485
Loan for water project	250,000
Total committed but not disbursed	\$3,889,604
Loan principal outstanding	424,172
Uncommitted balance	100,596
Estimated revenues next 12 months	172,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	272,596

Rev. Dev. Acct. Bell Rapids Sub-Account

Committed but not disbursed (finance costs)	\$178,376
Estimated revenues next 12 months (1)	2,000
Commitments from revenues over next 12 months	2,000
Estimated uncommitted funds over next 12 months	0

Rev. Dev. Acct. Dworshak Hydropower (2)

Committed but not disbursed (repair fund, etc.)	\$1,268,084
Estimated revenues next 12 months (3)	200,000
Commitments from revenues over next 12 months	200,000
Estimated uncommitted funds over next 12 months	0

Rev. Dev. Acct. Pristine Springs Sub-Account

Committed but not disbursed	
Repair fund	\$1,053,160
Total committed but not disbursed	\$1,053,160
Loan principal outstanding	8,652,165
Uncommitted balance	0
Estimated revenues next 12 months	1,732,000
Commitments from revenues over next 12 months	1,732,000
Estimated uncommitted funds over next 12 months	0

Rev. Dev. Acct. Upper Salmon/CBWTP Sub-Account

Committed but not disbursed	\$2,007,224
(Upper Salmon flow enhancement/reconnect projects)	
Estimated revenues next 12 months (4)	30,000
Commitments from revenues over next 12 months	30,000
Estimated uncommitted funds over next 12 months	0

Water Management Account

Committed but not disbursed:	\$111,376
Loan principal outstanding	12,726
Uncommitted balance	3,181
Estimated revenues next 12 months	2,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	\$5,181

Secondary Aquifer Management Fund

Committed but not disbursed:	\$287,441
Uncommitted balance	2,217,854
Estimated revenues next 12 months	27,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	2,244,854

Total committed but not disbursed	\$15,015,071
Total loan principal outstanding	18,158,500
Total uncommitted balance	2,880,109
Total estimated uncommitted funds over next 12 months	4,971,109

(1) Exclusive of pass-through payments made by the U.S. Bureau of Reclamation.

(2) Excess funds generated by the Dworshak Hydropower Project are deposited into the Revolving Development Account (Main Fund) on a monthly basis. To the date of this report this has totaled \$1,870,157.

- (3) This line item includes power sales and interest income after removing debt service. Debt service is paid prior to the funds being deposited in the Revolving Development Account.
- (4) Exclusive of project funds provided by Bonneville Power Administration or federal appropriation sources. These funds are provided to the Board based on individual project proposals and so are not included in the income projection.

Summary of Financial Action Items:

The IWRB will be considering funding for the following loan requests:

Applicant	Project	Request	Recommendation
Foothills Ranch Homeowners Association	Well repair and system improvement	\$150,000 loan	\$150,000 loan from Revolving Development Account

In addition there is a request from the High Country Resource Conservation and Development Council for ESPA CAMP cost-share funds. In the past, Resource Conservation and Development Councils were funded by the USDA-NRCS in order to coordinate with local partners in rural areas. For several years the High Country RCD has run a cloud seeding program on a modest budget in the Upper Snake Basin. The council reports that its cloud seeding program has been funded through voluntary donations of local governments, surface water delivery organizations, ground water districts, and others. Through the ESPA CAMP, Idaho Power has been establishing a professionally-run cloud seeding program in the Upper Snake beginning with the 2008-2009 winter. An open question has been how the two programs would cooperate and coordinate going forward, or even if the High Country program would continue after Idaho Power fully develops its program. The High Country RCD is asking for \$58,292 or 40% of the estimated annual budget of \$145,730.

The Harpster Water District and the Preston-Riverdale & Mink Creek Canal Company have both repaid their loan to the IWRB.

The following is a list of potential loans that we know about:

Potential Applicant	Potential Project	Preliminary Loan Amount	Comment
Cub River Irrigation Company	Replace open lateral with pressure pipeline	\$300,000	Have received federal (BOR) grant, but Cub River Irrigation serves lands in both Idaho and Utah so waiting on outcome of Utah Water Board loan request.
Marysville Canal Company	Phase 3 of gravity pressure pipeline project	\$1,000,000	Waiting on outcome of federal (NRCS) grant request; IWRB has financed Phases 1 & 2 with \$1.725M in loans to match prior federal grants.
Point Springs Grazing District	Pipeline replacement	\$25,000	
Ohio Match Road Water District	Back-up generator at well	\$35,000	
Jughandle Estates Homeowners Association	Community water supply	\$800,000	Forming LID and building project with interim financing. Once LID is complete and costs are known, may do this a Revolving Account loan or a as a small stand-alone revenue bond.

IDAHO WATER RESOURCE BOARD
Sources and Applications of Funds
as of August 31, 2011
REVOLVING DEVELOPMENT ACCOUNT

Original Appropriation (1969).....	\$500,000.00
Legislative Audits.....	(\$42,264.45)
IWRB Bond Program.....	(\$15,000.00)
Legislative Appropriation FY90-91.....	\$250,000.00
Legislative Appropriation FY91-92.....	\$280,700.00
Legislative Appropriation FY93-94.....	\$500,000.00
IWRB Studies and Projects.....	(\$249,067.18)
Loan Interest.....	\$5,240,413.21
Interest Earned State Treasury (Transferred).....	\$1,536,845.55
Filing Fee Balance.....	\$47,640.20
Bond Fees.....	\$1,474,173.20
Arbitrage Calculation Fees.....	(\$9,000.00)
Protest Fees.....	(\$250.00)
Series 2000 (Caldwell/New York) Pooled Bond Issuers fees.....	\$43,657.93
Water Supply Bank Receipts.....	\$2,580,656.38
Legislative Appropriation FY01.....	\$200,000.00
Pierce Well Easement.....	\$2,000.00
Transferred to/from Water Management Account.....	\$317,253.80
Legislative Appropriation 2004, HB843.....	\$500,000.00
Legislative Appropriation 2009, SB 1511 Sec 2, Teton/Minidoka Studies.....	\$1,800,000.00
Legislative Appropriation 2009, SB 1511 Sec 2, Teton/Minidoka Studies Expenditures.....	(\$921,838.18)
Weiser Galloway Study - US Army Corps of Engineers.....	(\$58,367.01)

Bell Rapids Water Rights Sub-Account

Legislative Appropriation 2005, HB392.....	\$21,300,000.00
Interest Earned State Treasury.....	\$690,016.96
Bell Rapids Purchase.....	(\$16,006,558.00)
Bureau of Reclamation Principal Amount Lease Payment Paid.....	\$8,294,337.54
Bureau of Reclamation Interest Paid.....	\$179,727.97
Bureau of Reclamation Remaining Amount Lease Payment Paid.....	\$9,142,649.54
First Installment Payment to Bell Rapids.....	(\$1,313,236.00)
Second Installment Payment to Bell Rapids.....	(\$1,313,236.00)
Third Installment Payment to Bell Rapids.....	(\$1,313,236.00)
Fourth Installment Payment to Bell Rapids.....	(\$1,040,431.55)
Interest Credit due to Bureau of Reclamation (Part of Fourth Installment).....	(\$19,860.45)
Fifth Installment Payment to Bell Rapids.....	(\$1,055,000.00)
Transfer to General Fund - Principal.....	(\$21,300,000.00)
Transfer to General Fund - Interest.....	(\$772,052.06)
BOR payment for Bell Rapids.....	\$1,040,431.55
BOR payment for Bell Rapids.....	\$1,313,236.00
BOR prepayment for Bell Rapids.....	\$1,302,981.70
BOR prepayment for Bell Rapids.....	\$1,055,000.00
BOR payment for Alternative Financing Note.....	\$7,117,971.16
Payment to US Bank for Alternative Financing Note.....	(\$7,118,125.86)
Payment for Ongoing Bell Rapids Finance Costs (trustee fees, etc.).....	(\$6,240.10)

Commitments

Ongoing Bell Rapids Finance Costs (trustee fees, etc.).....	\$178,376.40
Committed for alternative finance payment.....	\$0.00
Total Commitments.....	\$178,376.40

Balance Bell Rapids Water Rights Sub-Account..... (\$0.00)

Pristine Springs Project Sub-Account

Legislative Appropriation 2008, SB1511, Pristine Springs.....	\$10,000,000.00
Legislative Appropriation 2006, HB870, Water Right Purchases.....	\$5,000,000.00
Interest Earned State Treasury.....	\$19,290.99
Loan Interest.....	\$779,431.25
Transfer from ESP Sub-Account.....	\$1,000,000.00
Payment for Purchase of Pristine Springs (3).....	(\$16,000,000.00)
Payment from Magic Valley & Northsnake GWD for Pristine Springs.....	\$1,686,387.63
Appraisal.....	(\$15,000.00)
Insurance.....	(\$10,475.00)
Recharge District Assessment.....	(\$3,003.00)
Hydro Plants Engineering Certification (Straubhar).....	(\$1,500.00)
Property Taxes and other fee assessments (Jerome County).....	(\$5,598.99)
Rental Payments.....	\$898,634.32
Transferred to Secondary Aquifer Fund (2011 Legislature; HB 291).....	(\$2,465,300.00)

Pristine Springs Hydropower Projects

Net power sales revenues.....	\$170,292.48
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Pristine Springs Committed Funds

ESPA CAMP.....	0.00
Repair/Replacement Fund.....	\$1,053,159.68
TOTAL COMMITTED FUNDS.....	\$1,053,159.68

Loans Outstanding

North Snake and Magic Valley Ground Water Districts.....	\$8,652,165.33
Total Loans Outstanding.....	\$8,652,165.33

Balance Pristine Springs Sub-Account..... \$0.00

Upper Salmon/CBWTP Sub-Account

Water Transaction Projects Payment Advances from CBWTP/Accord.....	\$1,934,932.78
PCSRF Funds for Administration of Non-Diversion Easements on Lemhi River.....	\$161,079.26
Interest Earned State Treasury.....	\$61,130.41
Transfer to Water Supply Bank.....	(\$22,236.94)
Payments for Water Acquisition.....	(\$127,681.42)

Committed Funds

Administration of Non-Diversion Easements on Lemhi River.....	\$161,258.32
Alturas Lake Creek (Breckenridge).....	\$2,100.77
Beaver Creek (DOT LLP).....	\$21,803.35
Big Hat Creek.....	\$365.42

Big Timber Tyler (Leadore Land Partners).....	\$476,625.97	
Fourth of July Creek (Vanderbilt).....	\$18,750.38	
Iron Creek (Phillips).....	\$241,900.85	
Lower Eighteenmile Creek (Ellsworth Angus Ranch).....	\$7,784.80	
Lower Lemhi M Olson (Mark Olson).....	\$11,124.13	
Lower Lemhi Thomas (Robert Thomas).....	\$2,947.92	
P-9 Bowles (River Valley Ranch).....	\$307,651.70	
P-9 Charlton (Sydney Dowton).....	\$20,363.56	
P-9 Dowton (Jim Dowton Ranch).....	\$244,020.21	
P-9 Elzinga (Elzinga).....	\$301,833.04	
Whitefish (Leadore Land Partners).....	\$188,693.66	
Total Committed Funds.....	\$2,007,224.09	
Balance CBWTP Sub-Account.....		\$0.00
Eastern Snake Plain Sub-Account		
Legislative Appropriation 2005, HB392.....	\$7,200,000.00	
Legislative Appropriation 2005, HB392, CREP Program.....	\$3,000,000.00	
Interest Earned State Treasury.....	\$1,838,062.88	
Loan Interest.....	\$139,658.80	
Bell Rapids Water Rights Closing Costs.....	(\$6,558.00)	
First Installment Payment to Bell Rapids Irr. Co. (Partial).....	(\$361,800.00)	
Second Installment Payment to Bell Rapids Irr. Co. (Partial).....	(\$361,800.00)	
Third Installment Payment to Bell Rapids Irr. Co. (Partial).....	(\$361,800.00)	
Fourth Installment Payment to Bell Rapids Irr. Co. (Partial).....	(\$614,744.00)	
Fifth Installment Payment to Bell Rapids Irr. Co. (Final).....	(\$1,675,036.00)	
Reimbursement from Commerce & Labor W-Canal.....	\$74,709.77	
Transfer to Pristine Springs Sub Account.....	(\$1,000,000.00)	
Reimbursement from Magic Valley GWD - Pristine Springs.....	\$500,000.00	
Reimbursement from North Snake GWD - Pristine Springs.....	\$500,000.00	
Reimbursement from Water District 1 for Recharge.....	\$159,764.73	
Palisades (FMC) Storage Costs.....	(\$3,508,224.83)	
Reimbursement from BOR for Palisades Reservoir.....	\$2,381.12	
W-Canal Project Costs.....	(\$326,834.11)	
Black Canyon Exchange Project Costs.....	(\$35,840.00)	
2008 Recharge Conveyance Costs.....	(\$14,580.00)	
2009 Recharge Conveyance Costs.....	(\$355,253.00)	
2010 Recharge Conveyance Costs.....	(\$370,871.82)	
Pristine Springs Cost Project Costs.....	(\$6,863.91)	
Loans and Other Commitments.....		
Commitment - ESPA Comprehensive Aquifer Management Plan - CDR Contract.....	\$0.00	
Commitment - North Snake & Magic Valley GWD Loan - Mitigation Pipeline.....	\$250,000.00	
Commitment - Remainder of Bell Rapids Water Rights Purchase (1).....	\$361,620.00	
Commitment - CREP Program (HB392, 2005).....	\$2,419,580.50	
Commitment - Recharge Conveyance.....	\$56,918.09	
Commitment - Additional recharge projects preliminary development.....	\$350,000.00	
Commitment - Palisades Storage O&M.....	\$10,000.00	
Commitment - Black Canyon Exchange Project (fund with ongoing revenues).....	\$441,484.95	
Commitment - W-Canal Aquifer and Recharge Conveyance.....	\$0.00	
Total Loans and Other Commitments.....	\$3,889,603.54	
Loans Outstanding:		
American Falls-Aberdeen GWD (CREP).....	\$121,950.13	
Bingham GWD (CREP).....	\$46,808.06	
Bonneville Jefferson GWD (CREP).....	\$75,932.93	
Magic Valley GWD (CREP).....	\$116,841.90	
North Snake GWD (CREP).....	\$62,639.36	
TOTAL ESP LOANS OUTSTANDING.....	\$424,172.38	
Uncommitted Balance Eastern Snake Plain Sub-Account.....		\$100,595.71
Dworshak Hydropower Project		
Dworshak Project Revenues.....		
Power Sales & Other.....	\$5,123,706.87	
Interest Earned State Treasury.....	429,606.24	
Total Dworshak Project Revenues.....		\$5,553,313.11
Dworshak Project Expenses (2).....		
Transferred to 1st Security Trustee Account.....	\$148,542.63	
Construction not paid through bond issuance.....	\$226,106.83	
1st Security Fees.....	\$314,443.35	
Operations & Maintenance.....	\$1,313,157.49	
Powerplant Repairs.....	\$58,488.80	
Capital Improvements.....	\$318,366.79	
FERC Payments.....	\$35,956.16	
Total Dworshak Project Expenses.....		(\$2,415,062.05)
Dworshak Project Committed Funds.....		
Emergency Repair/Future Replacement Fund.....	\$1,238,093.00	
FERC Fee Payment Fund.....	\$30,001.49	
Total Dworshak Project Committed Funds.....		\$1,268,094.49
Excess Dworshak Funds into Main Revolving Development Account.....		\$1,870,156.57
TOTAL.....		<u>\$15,847,710.02</u>
Loans Outstanding:	Amount	Principal
Aberdeen-Springfield Canal Company (WRB-491; Diversion structure).....	Loaned \$329,761	Outstanding \$220,628.06
Bee Line Water Association.....	\$157,500	\$9,094.00
Big Wood Canal Company (23-Jan-09; Thorn Creek Flume).....	\$90,000	\$44,541.67
Boise City Canal Company (WRB-492)...18th St Canal Rehab.....	\$82,362	\$31,581.42
Boise City Canal Company (WRB-492)...Grove St Canal Rehab.....	\$110,618	\$62,125.33
Bonnie Laura Water Corporation (14-Jul-06; Well repairs).....	\$71,000	\$46,273.64
Caribou Acres Water Company.....	\$88,769	\$5,539.93
Carlin Bay Property Owners Association.....	\$115,609	\$8,465.96
Challis Irrigation Company (28-Nov-07; river gate replacement).....	\$50,000	\$35,474.42
Chaparral Water Association.....	\$90,154	\$22,735.64
Chaparral Water Association (21-Jan-11; Well deepening & improve).....	68,000.00	\$49,534.84

Cloverdale Ridge Water Corp. (irrigation system rehab 25-sep-09).....	106,400.00	\$95,954.25
Conant Creek Canal Company.....	\$239,615	\$17,030.10
Country Club Subdivision Water Association (18-May-07, Well Project).....	\$102,000	\$76,890.49
Cub River Irrigation Company.....	\$35,000	\$0.00
Cub River Irrigation Company (18-Nov-05; Pipeline project).....	\$1,000,000	\$881,018.35
Cub River Irrigation Company.....	\$500,000	\$454,549.88
Dalton Water Association (14-Mar-08; Water main replacement).....	\$375,088	\$155,836.20
Deep Creek Property Owners Association.....	\$25,115	\$6,064.63
Enterprise Irrigation District (14-Jul-06; Pipeline project).....	\$37,270	\$24,686.77
Enterprise Irrigation District (North Lateral Pipeline).....	\$105,420	\$67,709.02
Evergreen Terrace Water Association (water study; 25-sep-09).....	15,000.00	\$13,683.91
Firth, City of.....	\$112,888	\$55,700.46
Garden Valley Ranchettes Homeowners Association (25-Jan-05).....	2,716.00	\$1,928.48
Genesee, City of (Storage tank, 22-Jan-10).....	250,000.00	\$250,000.00
Georgetown, City of.....	\$278,500	\$114,444.43
Harbor View Water & Sewer District (Combined Loans).....	\$602,819	\$286,143.24
Harpster Water District.....	\$9,000	\$6,541.63
Howe Water District (5-Aug-05).....	\$10,000	\$0.00
Hoyt Bluff Water Association (Rathdrum Prairie Well).....	\$273,029	\$59,838.54
Jefferson Irrigation Company (well deepenings).....	\$110,780	\$0.00
Jefferson Irrigation Company (well deepenings).....	\$207,016	\$94,963.43
Jefferson Irrigation Company (9-May-2008 Well Replacement).....	\$81,000	\$71,530.68
King Hill Irrigation District (24-Sep-10; Pipeline replacement).....	300,000.00	\$175,000.00
Kulleyspell Estates Property Owners Assoc.....	\$219,510	\$13,851.88
Last Chance Canal Company (WRB-497).....	\$500,000	\$227,476.12
Lakeview Water District.....	\$45,146	\$10,409.37
Lava Hot Springs, City of.....	\$347,510	\$213,581.53
Lindsay Lateral Association (22-Aug-03).....	\$9,600	\$4,274.14
Lindsay Lateral Association.....	19,800.00	\$19,700.00
Live-More Lake Community (9-Jun-04).....	\$42,000	\$22,122.48
Lower Payette Ditch Company (2-Apr-04; Diversion dam replacement).....	\$875,000	\$550,550.34
Marsh Center Irrigation Company (13-May-05; Hawkins Dam).....	\$236,141	\$176,991.40
Marysville Irrigation Company (18-May-07, Pipeline Project Phase 1).....	\$625,000	\$414,501.22
Marysville Irrigation Company (9-May-08, Pipeline Project Phase 2).....	\$1,100,000	\$787,125.75
Meander Point Subdivsion Homeowners Association (7-Sep-07; comrr).....	\$330,000	\$99,942.16
Meridian Heights Water & Sewer Association (18-May-07).....	\$350,000	\$310,983.33
McGuire Estates Water Users Association (4-Mar-05).....	\$60,851	\$45,948.73
Monument Ridge Homeowners Association (20-Mar-09; irrigation syst).....	\$360,000	\$136,352.55
Mores Creek Rim Ranches Water District.....	\$221,400	\$97,673.35
New Hope Water Corporation.....	\$42,000	\$4,738.88
New Hope Water Corporation.....	\$151,460	\$67,112.12
Oakley Valley Water Company.....	\$138,331	\$41,764.52
PPRT Water System.....	\$70,972	\$29,901.31
Packsaddle Water Corporation.....	\$49,600	\$6,495.13
Picabo Livestock Co (Picabo town water system new well).....	\$38,000	\$4,744.11
Pinehurst Water District (14-mar-08; Water Storage tank).....	\$160,000	75,349.03
Powder Valley-Shadowbrook Homeowners Assoc.....	\$201,500	\$10,522.95
Preston Riverdale & Mink Creek Canal Co.....	\$400,000	\$28,877.50
Preston-Whitney Irrigation Company (29-May-09; Fairview Lateral Pipel).....	\$800,000	\$763,029.69
Producers Irrigation Company (17-Mar-06; well replacements).....	\$185,000	\$94,249.70
Ranch Subdivision Property Owners Assoc.....	\$24,834	\$16,229.15
Riverside Independent Water District.....	\$350,000	\$221,757.40
Robertson Ditch Co.....	\$30,000	\$3,731.08
Skin Creek Water Association.....	\$188,258	\$117,423.09
Sourdough Point Owners Association (23-Jan-07; water supply & treatr).....	\$750,000	\$205,450.09
Spirit Bend Water Association.....	\$92,000	\$62,866.82
Thunder Canyon Owners Association (6-Feb-04).....	\$92,416	\$63,476.69
Twenty-Mile Creek Water Association.....	\$104,933	\$10,585.19
Twin Lakes Canal Company - Winder Lateral Pipeline Project (13-Jul-07).....	\$500,000	\$401,840.34
Twin Lakes Canal Company (2-Apr-04).....	\$90,000	\$64,090.95
Twin Lakes-Rathdrum Fld Cont Dist (24-Oct-02; Twin Lakes Dam).....	\$399,988	\$107,203.73
Whitney-Nashville Water Company.....	\$225,000	\$91,003.32
TOTAL LOANS OUTSTANDING.....		\$9,069,436.54
Loans and Other Funding Obligations:		
Senate Bill 1511 - Teton Replacement and Minidoka Enlargement Studies.....	\$878,161.82	
Weiser-Galloway Study (28-May-10).....	\$2,046,706.61	
Canyon Creek Canal Company (14-Mar-08; Pipeline project).....	\$133,599.00	
Chaparral Water Association (21-Jan-11; Well deepening & improvement).....	\$18,465.16	
Clearwater Water District - pilot plant (13-Jul-07).....	\$80,000.00	
Dover, City of (23-Jul-10; Water Intake project).....	\$194,063.00	
Evergreen Terrace Water Association (water study; 25-sep-09).....	\$1,316.09	
Garden Valley Ranchettes Homeowners Association (25-Jan-05).....	\$8,183.69	
Kulleyspell estates Property Owners Association (water line replacements; 25-sep-09).....	\$500,000.00	
Lake Reservoir Company (29-July-11; Payette Lake-Lardo Dam Outlet Gates).....	\$594,000.00	
Lindsay Lateral Association.....	\$15,300.00	
North Snake & Magic Valley GWD Loan - Mitigation Pipeline.....	\$250,000.00	
Monument Ridge Homeowners Association (20-Mar-09; irrigation system rehab).....	\$0.00	
Portneuf Irrigating Company (29-July-11; Pipeline project).....	\$1,300,000.00	
Preston-Whitney Irrigation Company (29-May-09; Fairview Lateral Pipeline).....	\$0.00	
Sourdough Point Owners Association (23-Jan-07; water supply & treatment).....	\$0.00	
South Liberty Irrigation Company (28-May-10; Pipeline project).....	\$200,000.00	
TOTAL LOANS AND OTHER FUNDING OBLIGATIONS.....		\$6,219,795.37
Uncommitted Funds.....		\$558,478.11
TOTAL.....		\$15,847,710.02

(1) Actual amount needed may vary depending on final determination of water actually purchased and interest income received.

(2) Debt service on the Dworshak Project bonds is paid before the Dworshak monies are deposited into the Revolving Development Account and is therefore not shown on this balance sheet.

Idaho Water Resource Board
Sources and Applications of Funds
as of August 31 , 2011
WATER MANAGEMENT ACCOUNT

Original Appropriation (1978).....	\$1,000,000.00
Legislative Audits.....	(\$10,645.45)
IWRB Appraisal Study (Charles Thompson).....	(\$5,000.00)
Transfer funds to General Account 1101(HB 130, 1983).....	(\$500,000.00)
Legislative Appropriation (6/29/1984).....	\$115,800.00
Legislative Appropriation (HB988, 1994).....	\$75,000.00
Turned Back to General Account 6/30/95, (HB988, 1994).....	(\$35,014.25)
Legislative Appropriation (SB1260, 1995, Aquifer Recharge, Caribou Dam).....	\$1,000,000.00
Interest Earned.....	\$118,967.24
Filing Fee Balance.....	\$2,633.31
Water Supply Bank Receipts.....	\$841,803.07
Bond Fees.....	\$277,254.94
Funds from DEQ and IDOC for Glenns Ferry Water Study.....	\$10,000.00
Legislative Appropriation FY01.....	\$200,000.00
Western States Wate Council Annual Dues.....	(\$7,500.00)
Tranfer to/from Revolving Development Account.....	(\$317,253.80)
Legislative Appropriation (SB1239, Sugarloaf Aquifer Recharge Project).....	\$60,000.00
Legislative Appropriation (HB 843 Sec 6).....	\$520,000.00
Legislative Appropriation (SB1496, 2006, ESP Aquifer Management Plan).....	\$300,000.00
Legislative Appropriation (HB 320, 2007, ESP Aquifer Management Plan).....	\$849,936.99
TOTAL	\$4,495,982.05

Grants Disbursed:

Completed Grants.....	\$1,291,110.72
Arco, City of.....	\$7,500.00
Arimo, City of.....	\$7,500.00
Bancroft, City of.....	\$7,000.00
Bloomington, City of.....	\$4,254.86
Boise City Canal Company.....	\$7,500.00
Bonnars Ferry, City of.....	\$7,500.00
Bonneville County Commission.....	\$3,375.00
Bovill, City of.....	\$2,299.42
Buffalo River Water Association.....	\$4,007.25
Butte City, City of.....	\$3,250.00
Cave Bay Community Services.....	\$6,750.00
Central Shoshone County Water District.....	\$7,500.01
Clearwater Regional Water Project Study, City of Orofino et al.....	\$10,000.00
Clearwater Water District.....	\$3,750.00
Cottonwood Point Water and Sewer Association	\$7,500.00
Cottonwood, City of.....	\$5,000.00
Cougar Ridge Water & Sewer.....	\$4,661.34
Curley Creek Water Association.....	\$2,334.15
Downey, City of.....	\$7,500.00
Fairview Water District.....	\$7,500.01
Fish Creek Reservoir Company, Fish Creek Dam Study.....	\$12,500.00
Franklin, City of.....	\$6,750.00
Grangeville, City of.....	\$7,500.00
Greenleaf, City of.....	\$3,000.00
Hansen, City of	\$7,450.00
Hayden Lake Irrigation District.....	\$7,500.00
Hulen Meadows Water Company.....	\$7,500.00
Iona, City of.....	\$1,425.64
Kendrick, City of.....	\$7,500.00
Kooskia, City of.....	\$7,500.00
Lakeview Water District.....	\$2,250.00
Lava Hot Springs, City of.....	\$7,500.00
Lindsay Lateral Association.....	\$7,500.00
Lower Payette Ditch Company.....	\$5,500.01
Maple Grove Estates Homeowners Association.....	\$5,020.88
Meander Point Homeowners Association.....	\$7,500.00
Moreland Water & Sewer District.....	\$7,500.00
New Hope Water Corporation.....	\$2,720.39
North Lake Water & Sewer District.....	\$7,500.00

Northside Estates Homeowners Association.....	\$4,492.00	
North Tomar Butte Water & Sewer District.....	\$3,575.18	
North Water & Sewer District.....	\$3,825.00	
Parkview Water Association.....	\$4,649.98	
Payette, City of.....	\$6,579.00	
Pierce, City of.....	\$7,500.00	
Potlatch, City of.....	\$6,474.00	
Preston Whitney Irrigation Company.....	\$7,500.00	
Preston & Whitney Reservoir Company.....	\$3,606.75	
Preston & Whitney Reservoir Company.....	\$7,000.00	
Roberts, City of.....	\$3,750.00	
Round Valley Water.....	\$3,000.00	
Sagle Valley Water & Sewer District.....	\$2,117.51	
South Hill Water & Sewer District.....	\$3,825.00	
St Charles, City of.....	\$5,632.88	
Swan Valley, City of.....	\$5,000.01	
Twenty-Mile Creek Water Association.....	\$2,467.00	
Valley View Water & Sewer District.....	\$5,000.02	
Victor, City of.....	\$3,750.00	
Weston, City of.....	\$6,601.20	
Winder Lateral Association.....	\$7,000.00	
TOTAL GRANTS DISBURSED.....		(\$1,632,755.21)
IWRB Expenditures		
Lemhi River Water Right Appraisals.....	\$31,000.00	
Expenditures Directed by Legislature		
Obligated 1994 (HB988).....	\$39,985.75	
SB1260, Aquifer Recharge.....	\$947,000.00	
SB1260, Soda (Caribou) Dam Study.....	\$53,000.00	
Sugarloaf Aquifer Recharge Project (SB1239).....	\$55,953.69	
ESPA Settlement Water Rentals (HB 843 2004).....	\$504,000.00	
ESP Aquifer Management Plan (SB1496, 2006).....	\$300,000.00	
ESP Aquifer Management Plan (HB320, 2007).....	\$801,077.75	
TOTAL IWRB AND LEGISLATIVE DIRECTED EXPENDITURES.....		(\$2,732,017.19)
WATER RESOURCE BOARD RECHARGE PROJECTS.....		(\$11,426.88)
CURRENT ACCOUNT BALANCE.....		\$119,782.77
Committed Funds:		
Grants Obligated		
Cottonwood Point Water & Sewer Association.....	\$0.00	
Preston - Whintey Irrigation Company.....	\$7,500.00	
Water District No. 1 (Blackfoot Equalizing Reservoir Automation).....	\$35,000.00	
Legislative Directed Obligations		
Sugarloaf Aquifer Recharge Project (SB1239).....	\$4,046.31	
ESPA Settlement Water Rentals (HB 843, 2004).....	\$16,000.00	
ESPA Management Plan (SB 1496, 2006).....	\$0.00	
ESP Aquifer Management Plan (HB320, 2007).....	\$48,829.24	
TOTAL GRANTS & LOANS OBLIGATED & UNDISBURSED.....		\$111,375.55
Loans Outstanding:	Amount Loaned	Principal Outstanding
Arco, City of.....	\$7,500	\$0.00
Butte City, City of.....	\$7,425	\$1,969.94
Roberts, City of.....	\$23,750	\$5,095.22
Victor, City of.....	\$23,750	\$5,660.70
TOTAL LOANS OUTSTANDING.....		\$12,725.86
Uncommitted Funds.....		(\$4,318.64)
CURRENT ACCOUNT BALANCE.....		\$119,782.77

Idaho Water Resource Board
Sources and Applications of Funds
as of August 31, 2011

SECONDARY AQUIFER PLANNING, MANAGEMENT, & IMPLEMENTATION FUND

Legislative Appropriation (HB 291, Sec 2).....	\$2,465,300.00
Interest Earned State Treasury (Transferred).....	\$5,653.65
Water Users Contributions.....	\$100.00
Conversion project (AWEP) measurement device payments.....	(\$3,258.90)
Contribution from GWD for Bond Expense.....	\$37,500.00

Committed Funds	
Measurement devices for AWEP conversion projects.....	\$196,741.10
GWD Bond Preparatory Expenses.....	\$37,500.00
Idaho Irrigation District Recharge Phase 1.....	\$13,200.00
Fremont-Madison irrigation District Egin Recharge.....	\$40,000.00
Total Committed Funds.....	\$287,441.10

TOTAL UNCOMMITTED FUNDS..... \$2,217,853.65

CURRENT ACCOUNT BALANCE..... \$2,505,294.75

MEMO



To: Idaho Water Resource Board

From: Daniel Nelson, Staff Hydrologist

Date: September 12, 2011

Subject: Foothill Ranch HOA – Well Repair and Water System Improvement

Action Item: \$150,000 loan request

1.0 INTRODUCTION

The Foothill Ranch Homeowners Association (FRHOA) is requesting a \$150,000 loan at 6% interest with a 15 year term to repair an existing well with new casing, screens, filters, and pump with motor. The loan will also be used to install 2 new 20,000 gallon underground water storage tanks. The well is currently inoperable and is needed to provide fire suppression water and irrigation water for the residences.

2.0 BACKGROUND

The FRHOA governs the Foothill Ranch Subdivision that is made up of 30 properties of approximately 2 to 3 acres each. The subdivision is located south of Nampa, Idaho on the south side of Lake Lowell. The subdivision covers approximately 80 acres and is comprised of 20 homes and 10 lots with no improvements. The 20 developed lots average assessment value is between \$80,000 and \$300,000, and the annual assessment value for the non-residential lots is between \$30,000 and \$35,000. Residential water is provided by individual well on each property with irrigation and fire suppression provided by the Association. (see attached map)

Per the By-Laws and per requirement of the Upper Deer Flat Fire Department, the FRHOA is required to maintain an availability of 500 gallons per minute for a period of 2 hours at any fire hydrant for fire suppression this system also delivers irrigation water for the property owners. FRHOA has the authority to discontinue irrigation water delivery during fire fighting and to any property that becomes delinquent in payment of its water bill.

According to the SPF Engineering report, the well that is used for irrigation and fire suppression was originally developed in 1980 solely for standard crop irrigation purposes. The pump size in the well was reduced when the subdivision was developed. The irrigation well was poorly designed with screens located above the pumping water level that caused the well screens to clog and eventually collapsed the well leaving the subdivision without fire protection or irrigations water. An attempt was made at the time that the subdivision was developed to reduce the well pump size from a 100 Hp pump to a 75 Hp pump, but the 75 Hp pump could not provide the needed water for the subdivision. The subdivision was faced with the option of re-drilling the well and returning to the higher horse power pump or to incorporate storage tanks into the system. FRHOA determined that the storage tanks would be the best option financially in the long term.

The FRHOA has been looking into means of financing to repair the well but has been turned down by banks and the USDA. The Board loan is their only option to complete this project at this time.

3.0 PROPOSED PROJECT

The proposed project would repair the existing inoperable well with new casing, screen, filter, and pump. It would include the installation of 2, 20,000 gallon underground storage tanks, for the purpose of fire protection and high irrigation demand. The cost estimate was developed by SPF Engineering for the FRHOA.

Description	Project Costs
Cleanout of existing well	\$50,000
Excavation and backfill for storage tanks	\$15,000
New casing, screen, pump etc.	\$57,512
(2) storage tanks with delivery	\$17,265
Contingencies	\$10,223
TOTAL	\$150,000

4.0 BENEFITS

This project will provide the FRHOA the ability to provide the residences and property owners fire protection and irrigation water. Local fire districts place a rating on rural subdivisions that directly relate to the amount of insurance required for the individual homeowners. Without a suitable water supply for fire suppression, the individual homeowner's will be required to pay a higher insurance premium. The system will give the homeowners a better fire rating and lower insurance costs. It will assist with keeping the sales of home or property viable in the current down market as well as for future sales.

5.0 FINANCIAL ANALYSIS

The FRHOA is requesting funding in the amount of \$150,000 at 6% interest with a 15 year term. Table 1 below describes the estimated payment options for the \$150,000 loan at an interest rate of 6%:

Table 1. Estimated Payment Options

The annual payment options are based on an average cost per lot. The average lot size was calculated by dividing the 80 acre subdivision by the 30 lots or an average lot size of 2.7 acres. The assessments are based on a per acre amount, so the actual cost per lot may vary.

Term	Estimated Annual Payment - Revolving Account Loan	Current Assessment Cost / Yearly	After Assessment Cost /Yearly
10 years	\$20,380	\$263	\$942
15 years	\$15,444	\$263	\$778

Table 2. Financial Ratios

FRHOA currently has no current debt. The Financial Ratios are based on 6% interest:

Indicator	Before Project	10-year term 6%	15-year term 6%
Revenues/Expenses Strong: greater than 1.20 Average: 1.0 – 1.2 Weak: less than 1.0	2.44 (Strong)	1.40 (Strong)	1.49 (Strong)
Debt Service Coverage Ratio Strong: 1.20 or greater Average: 1.0 – 1.20 Weak: less than 1.0	N/A	1.56 (Strong)	1.74 (Strong)
Cash Reserves/Annual Expenses Strong: greater than 1.0 Average: 0.5 – 1.0 Weak: less than 0.5	1.44 (Weak)	1.12 (Strong)	1.15 (Strong)
Water Cost per Home Strong: less than \$400/Home Average: \$400 - \$500/Home Weak: greater than \$500/Home	\$21.90 (Strong)	\$78.51 (Strong)	\$64.80 (Strong)
Overall Rating	Strong-	Strong-	Strong-

6.0 WATER RIGHTS

FRHOA water right is as follows:

Water Right	Water Right Type	Priority Date	Source	Amount
63-2911	Decreed	8/27/1952	Groundwater	1.3 cfs/ 360 a.f.a.

7.0 SECURITY

FRHOA is offering its water rights, the repaired well; well house and storage tanks for collateral should this loan if approved.

8.0 CONCLUSION AND RECOMMENDATION

This loan will be used to rehabilitate an inoperable well and provide for storage tanks to supply water for fire protection and irrigation.

Staff recommends approval of the Foothill Ranch Homeowners Association's Revolving Development Account loan in the amount of \$150,000, with conditions as specified in the attached resolution.

Lake Reservoir Company Project Area



BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE)	A RESOLUTION TO MAKE
FOOTHILL RANCH)	A FUNDING COMMITMENT
HOMEOWNERS ASSOCIATION)	
_____)	

WHEREAS, the Foothill Ranch Homeowners Association (Association) has submitted an application to the Idaho Water Resource Board (IWRB) requesting a loan in the amount of \$150,000; and

WHEREAS, the Association currently provides irrigation and fire protection water to a total of 30 properties near Nampa, Idaho; and

WHEREAS, the Association's well used for fire protection and irrigation has collapsed and can no longer provide the required 500 gallons per minutes; and

WHEREAS, the loan would be used to reconstruct the well and make other improvements; and

WHEREAS, the Association is a qualified applicant and registered with the State of Idaho and the proposed project qualifies for a loan from the Revolving Development Account; and

WHEREAS, the project is in the public interest and in compliance with the State Water Plan.

NOW THEREFORE BE IT RESOLVED that the IWRB approves a loan not to exceed \$150,000 from the Revolving Development Account at 6% interest with a _____ year repayment term and provides authority to the Chairman of the Idaho Water Resource Board or his designee, to enter into contracts with the Association on behalf of the IWRB.

BE IT FURTHER RESOLVED that this resolution and the approval of the loan is subject to the following conditions:

- 1) The Association shall comply with all appropriate Federal, State, and Local rules and requirements including Association bylaws that may apply to the proposed project and the borrowing of funds.
- 2) The Association shall provide adequate security to the Board for this loan.
- 3) The Association shall establish a reserve account in the amount equal to one annual payment within one year of the completion of project construction.

DATED this 7th day of September, 2011.

TERRY T. UHLING, Chairman
Idaho Water Resource Board

ATTEST _____
BOB GRAHAM, Secretary

FOOTHILL RANCH HOMEOWNERS ASSOCIATION

Board of Directors

Douglas Rosecrans
President

Jake Zebell
Vice President

David Adams
Secretary/Treasurer

Engineering and Technical Support
SPF WATER Engineering
Terry M. Scanlan, P.E., P.G.

Introduction:

The Foothill Ranch Homeowners Association (FRHOA) governs the Foothill Ranch Subdivision and is currently registered with the State of Idaho. The subdivision is comprised of thirty properties of approximately 2-3 acres per property. The total acreage is 80 acres which includes roadways, easements, water system, and two small common areas with unlighted signage. Currently there are 20 completed homes with 16 property owners in residence, 3 unoccupied homes (1 has an accepted offer to buy), and one leased, occupied home. 10 parcels are bare land properties.

The Association is expected to provide fire suppression water and irrigation water for property owners. The current well and pump are inoperable. The Board has researched several potential long term solutions. In addition, the Board contracted services from SPF Water Engineering to conduct a feasibility study of potential solutions. See Appendix C. While several excellent “technical” choices were presented, FRHOA Board considers that only one choice is “economically” and “financially” feasible for our relatively small Association.

Project Sponsor

The Foothill Ranch HOA Board of Directors is the entity that governs the Foothill Ranch Subdivision. The Foothill Ranch Subdivision HOA is registered with the State of Idaho. The HOA Board has the power to discontinue water delivery to the residences if they fail to pay their bill. A copy of the incorporation and by-laws are included in Appendix A.

Project Service Area and Facilities

The Foothill Ranch HOA provides fire suppression and irrigation water to 30 properties. There are 20 year round residences and 10 bare land properties located in Canyon County, Idaho encompassing a total area of 80 acres. A map of the subdivision is located in Appendix C and Back Pocket.

Hydrology and Water Rights

The source of water that serves the Foothill Ranch subdivision is a groundwater well. The water right for the well has an appropriation date of 8/17/1952. A summary of the water rights is found in Appendix B.

From: Rick Skinner [<mailto:rskinner@skinnerfawcett.com>]
Sent: Wednesday, September 14, 2011 1:15 PM
To: Randy Budge; Perry Israel; Jim Wrigley; Bruce Allred; Patton, Brian; Homan, John; Strong, Clive
Cc: Candice M. McHugh; carlquil@yahoo.com; desteve@pmt.org; deegt@aol.com; Lynn Tominaga; Jonathon S. Byington; csearle@pmt.org; Craig Evans; Don Parker; nsfinc@safelink.net; Wendy Murphy; William A Parsons
Subject: RE: Ground Water District - IWRB Financing

All--As we are working to wrap up the initial structuring of the bond issue and before beginning the preparation of the bond documents, etc., I wanted to be sure that we have the bond structure confirmed here. Below is a summary of where I think we are at this point and what can be used as a basis for documentation. At the end are a few issues that I think we need to resolve.

1. There will be a tax exempt bond series and a taxable series, with the tax exempt series funding the acquisition of the senior water rights available to be used for mitigation and the taxable series funding the acquisition of the fish farm real and personal property and the water rights which are subordinated to the water rights mentioned above. The latter assets may be leased or sold to a fish farmer or otherwise transferred. The senior water rights would only be sold or transferred in order to accomplish the mitigation goals of the districts. The assets would be held jointly by the districts, most likely under a joint powers agreement, but not as an LLC unless an LLC is used to hold the fish farm subordinated rights and property separately.

2. The security for the bonds would be the annual assessment by each ground water district for its proportionate share of the debt service on the loan/bonds and the district's agreement to assess an amount sufficient to provide 125% coverage of its share of the annual debt service. The annual assessment of each district would cover debt service, other debt payments, if any, and operation and mitigation expenses. Each district would covenant to deposit from the total assessment levied and collected, first the 125% amount to its "debt service account" prior to any other assessment monies being applied or used. The balance of the 125% amount after payment of annual debt service would be released annually upon the payment of the debt service then due from the district for payment of the district's other expenses. Each assessment would be a lien on the property of a district member prior to all other encumbrances except for property taxes. Failure to pay the assessment would result in the district requesting the Director of IDWR to cause the water of the member to be turned off by curtailment order, the district withholding other mitigation benefits (what "other mitigation benefits" and how does this work??) and ultimately foreclosure of the lien under the provisions of Idaho Code. Further, the districts would be jointly and severally liable to pay the debt service if one of the districts fails to pay its share of the debt service in any year. I am assuming that this would be accomplished by each district paying a share of the delinquency in the same proportion as its share of the annual debt service. There would be no real or personal property given as security for the loan or bonds.

3. The above security provisions and the payment provisions could either be set forth in one loan agreement signed by all of the districts or a separate loan agreement for each district. I think Jim's preference is for one loan agreement signed by all with the joint and several and joint payment percentages, etc. included in that agreement.

4. I believe this approach deals with the tax concerns raised by Perry Israel, but will let him comment if there are further issues to be resolved here. Because of the intricate and complex tax issues of this particular financing, I also would recommend that Perry be engaged to deliver the tax opinion on the bonds.

5. There are a couple of issues that I am not sure we have completely resolved. First is the payment by the governmental entities who are part of the ground water districts. Because there are questions regarding the ability to foreclose on the property of a governmental entity, I am assuming that the assessment for the bond debt service would be levied on only the nongovernmental property and that the governmental entities would be billed and their payments would go to pay the operations of the district and be used to reduce the operational assessment obligations of the nongovernmental entities. Second, I also am assuming that a similar approach would be used for those who are not "members" of the district for assessment purposes but who pay to get mitigation benefits. In that case the assessment for the bond debt service would all go against the property of the members and the payments received from the non-members would go to offset operational costs of the districts.

6. Perry, can we assume that it is OK to pledge the lease payments from the fish farm operators to the bonds, both taxable and tax exempt, or do we need have those go only to the payment of taxable bonds? Can we also include the payments made by governmental entities and by "non-members" of the districts in pledged revenues?

Please let me know if you have other thoughts here. There may be other issues that arise as we get into the drafting.

Rick

Rick Skinner
Skinner Fawcett LLP
P.O. Box 700, 515 So. 6th Street, Boise, Idaho 83701 (P.O. Box)
e-mail: rskinner@skinnerfawcett.com <<mailto:rskinner@skinnerfawcett.com>>
Phone: (208) 345-2663 Fax: (208) 345-2668

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RECEIVED
MAY 10 2011
DEPARTMENT OF
WATER RESOURCES

May 6, 2011

Mr. Terry T. Uhling, Chairman
Idaho Water Resource Board
P.O. Box 83720
Boise, ID 83720-0098

Dear Chairman Uhling:

The High Country Resource Conservation and Development Area, Inc. (Council) respectfully submits this letter as a proposal to the Idaho Water Resource Board (Board) to cost share in the Council's cloud seeding program through the ESPA Comprehensive Aquifer Management Plan(CAMP). We understand that CAMP has recognized cloud seeding can enhance water levels in the Eastern Snake Plain Aquifer (ESPA) and the Board is seeking proposals to cost share in CAMP projects on a 40%/60% ratio (Board/Applicant).

The Council's cloud seeding program was formalized in 2007 and has been funded through voluntary donations from a broad range of interested entities including counties, cities, canal companies, irrigation districts, water districts, utilities, recreation entities, soil conservation districts, and others. The budget for 2010-2011 was \$145,730.00. The Board's annual contribution (\$58,292) would stabilize the funding and ensure that the program will continue into the future. Depending on the outcome of evaluations there could be opportunities to expand the program to increase its effectiveness which of course would require additional funding.

We appreciate the Board's consideration of our proposal and look forward to your response.

We have enclosed a fact sheet about our project, and a proposed use of the cost share. North American Weather Consultants, Inc. independent evaluations of each year's results are also available upon request.

If you have any questions feel free to call our Projects Coordinator – Sabrina Lear at the number above or 541-250-9532 (cell).

Sincerely,

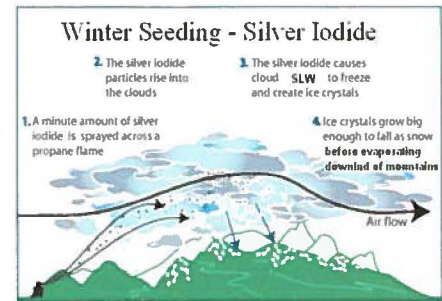
Dave Radford
Chair



High Country RC&D
302 Profit Street
Rexburg, ID. 83440
www.hcountryrcd.org
Phone: (208) 356-5213 ex 5
hcountryrcd@gmail.com

EASTERN IDAHO CLOUD SEEDING PROJECT

Augmenting snow to increase ground and aquifer water supplies.



Cloud Seeding uses silver iodide and Propane to form snow crystals.

Eastern Idaho 2010-2011: Eastern Idaho's surface and ground water resources of the Snake River Basin have been stressed by drought, population growth, and increasing demands by agriculture, cities, and recreational activities. Severe drought conditions have reinforced the need to use all potential water management tools, including cloud seeding, to enhance the low water supplies.

Cloud Seeding for Eastern Idaho counties officially began in December of 2003. These were annual programs that fluctuated based on budgets. During 2007/2008 the program significantly ramped up under the leadership of the HCRC&D Council. A commitment by the Council was made to operate a five-year cloud seeding program that includes a monitoring component to scientifically evaluate the programs benefits. The project is managed by a High Country RC&D Cloud Seeding Committee. The committee manages the program by determining the placement of generators, conducting fund raising, developing budgets and paying bills, and monitoring the results of the project. The current operating budget is raised from 45 sponsors including cities, counties, water districts, conservation districts, local land owners, private companies, power companies, etc.

We are currently operating a winter cloud seeding program for the 2010/2011 season. The project includes 25 ground based generators and 15 remote controlled generators placed in Bingham, Bonneville, Clark, Fremont, Madison, and Teton Counties. The generator locations are above 6,000 feet and placed to impact a target area down range. Let it Snow, a contractor based in Clark County, and Idaho Power Company monitor weather conditions including storm patterns, wind speeds, and cloud temperatures to determine when to turn specific generators on and off. To assure a non-biased evaluation, a independent third party, North American Weather Consultants Inc., is retained to provide an analysis of the impact.

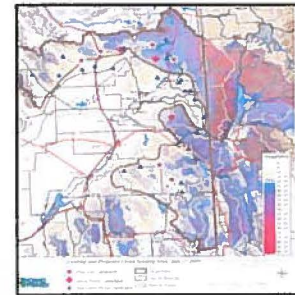
The results of the 2007/2008 season showed an estimated 0.29 to 0.93 inches of additional water content depending on the site. The preliminary estimated average increases in the March – July stream flow on Willow Creek near Ririe, Idaho were equivalent to an increase in an 8.1% stream flow or 4937 acre feet. The current cost of an acre-foot of water is \$20.00; thus the value of this one increased stream flow could be valued at \$98,740.00. The 2008/2009 results showed a 0.29 to 0.84 inches of additional water content depending on the site.



Snotel Sites: NRCS employees check snow depth, precipitation, temperature, and soil moisture.



Ground based generators are turned on and off by local landowners.



Map of all generator locations during the 2009-2010 season.

Project Funding:

- \$113,866.67 Local Donors (2007-2008)
- \$127,975.00 Local Donors (2008-2009)
- \$102,677.42 Local Donors (2009-2010)
- \$105,699.00 Local Donors (2010-2011)

Project Partners: High Country RC&D, Idaho Power, A&B Irrigation District, New Sweden Irrigation District, Bingham Ground Water District, Enterprise Irrigation District, Fremont-Madison Irrigation District, Progressive Irrigation District, Water District 1, Clark County Water District #32-C, Jefferson-Clark Ground Water District, Southwest Irrigation District, Idaho Irrigation District, East Cassia SWCD, Mud Lake SWCD, East Side SWCD, North Bingham SCD, Central Bingham SWCD, West Side SWCD, Clark SCD, Madison SWCD, Bannock, Bingham, Bonneville, Fremont, Power, Clark, Madison, and Jefferson Counties, Cities of Ammon, Arimo, Idaho Falls, Iona, Rexburg, St. Anthony, and Sugar City, North Fremont Canal Systems Inc., North Side Canal Company, LTD., Reno Ditch Company, Teton Irrigation & Manufacture Co., Birch Power Company, Fall River Rural Electric Cooperative, Idaho Falls Power, Fremont County Snowmobile Club, Madison County Farm Bureau.

**Proposed Use
Of
Idaho Water Resources Board
Cost Share
For the
Eastern Idaho Cloud Seeding Project**

High Country would use the proposed cost-share support from the Idaho Water Resources Board for the following:

Repair and Maintenance of 25 manual ground based generators - \$45,000

The Counties bought these generators about 10 years ago, they are aging and need some repair and adjustment.

Renew 5-year commitments of existing sponsors, and recruit additional sponsors - \$5,000

The 2011-2012 cloud seeding season is the last season of our original 5-year commitment. We need to renew these commitments and recruit additional sponsors. The \$5000 will cover informational brochure development, postage, and phone and mileage reimbursements for the volunteer steering committee members working to secure these commitments.

Purchase of cloud seeding chemicals and silver iodide - \$8,292

Support the sponsors donations for purchase of the materials necessary for cloud seeding for the 2011-2012 season.

MEMO



To: Idaho Water Resource Board

From: Bill Quinn, Recharge Coordinator 

Subjects: 2011 Early Season ESPA Recharge Summary and
Late Season Outlook

Date: September 22, 2011

Early season ESPA managed recharge ended on July 27 when the Board's Snake River recharge right dropped from priority. Six canal companies or irrigation districts participated in the program. The final recharge volume was 59,288 acre-feet at a cost of \$164,147. Above American Falls, Aberdeen-Springfield Canal Company, Fremont-Madison Irrigation District, and United Canal Company accounted for 36,239 acre-feet. Below American Falls, American Falls Reservoir District No. 2, Big Wood Canal Company and Southwest Irrigation District accounted for 23,049 acre-feet.

Per the Water Board / IGWA Joint Funding Resolution of May 13, 2011, IGWA has contributed \$48,224 toward early season recharge.

2011 late season recharge: Several canal companies or irrigation districts have expressed interest in participating in the late season recharge program. With abundant water expected to be available for recharge, it appears that funding will be the most significant constraint. The funding partnership with IGWA will increase recharge opportunities. A total of \$100,960 remains unobligated from the Board's recharge account. Adding the remaining \$31,776 from IGWA provides a total of \$132,736. At the standard wheeling fee of \$3.00/a-f, this is enough to recharge 44,245 acre-feet.

Attached table and figures:

Table 1 is a tabulation of all Board-sponsored ESPA managed recharge from 2008 through July 27th 2011.

Figure 1 is a map indicating where the early season recharge occurred and the recharge volumes at each canal or recharge site.

Figure 2 indicates total recharge volume since 2008 and aquifer retention after five years.

Figure 3 compares 2008-2011 Water Resource Board-sponsored ESPA managed recharge with recharge retained in the aquifer after 5 years.

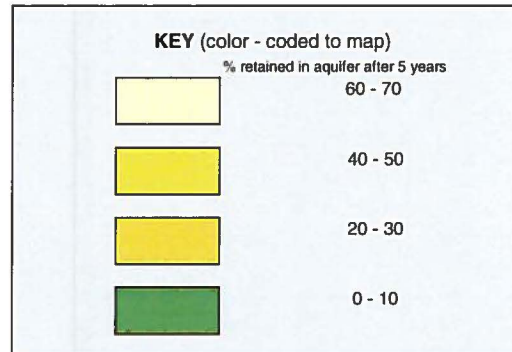
Annual ESPA Managed Recharge and Yearly Totals 2008 - 2011 (through 7-27-11)

Year	ASCC a-f	AFRD2 a-f	BWCC a-f	FMID a-f	Grt Fdr a-f	IID a-f	NSCC a-f	SRVID a-f	SWID a-f	United a-f	Total a-f	above Am Fis a-f	below Am Fis a-f	% above Am Fis a-f	% below Am Fis a-f
2008	0	0	0	4,860	0	0	0	0	0	0	4,860	4,860	0	100	0
2009	18,563	38,698	0	37,317	20,944	1,004	6,519	0	1,491	0	124,536	77,828	46,708	62	38
2010	5,322	2,002	157	49,466	0	0	0	1,125	3,436	0	61,508	55,913	5,595	91	9
2011 to 7/27/11	15,213	18,630	3,025	18,286	0	0	0	0	1,394	2,740	59,288	36,239	23,049	61	39
Total AF	39,098	59,330	3,182	109,929	20,944	1,004	6,519	1,125	6,321	2,740	250,192	174,840	75,352		
% of total AF	16	24	1.3	44	8	0.4	3	0.4	3	1.1				70	30

all recharge listed above sponsored by Idaho Water Resource Board

all figures except percentages in acre-feet

ASCC	Aberdeen-Springfield Canal Co.
AFRD2	American Falls Res. Dist. No. 2 (Milner-Gooding Canal)
BWCC	Big Wood Canal Co.
FMID	Fremont-Madison Irr. Dist. (includes 562 a-f from Silkey Canal)
Grt Fdr	Great Feeder Canals
IID	Idaho Irr. Dist
NSCC	North Side Canal Co.
SRVID	Snake River Valley Irr. Dist.
SWID	Southwest Irr. Dist.
UNITED	United Canal Co.



UPDATED through 7-27-11

2011 Early Season ESPA Recharge

— Recharge Canals

⬭ ESPA Boundary

0 10 20 30 Miles



Recharge Below American Falls

23,049 acre feet

Recharge Above American Falls

36,239 acre feet

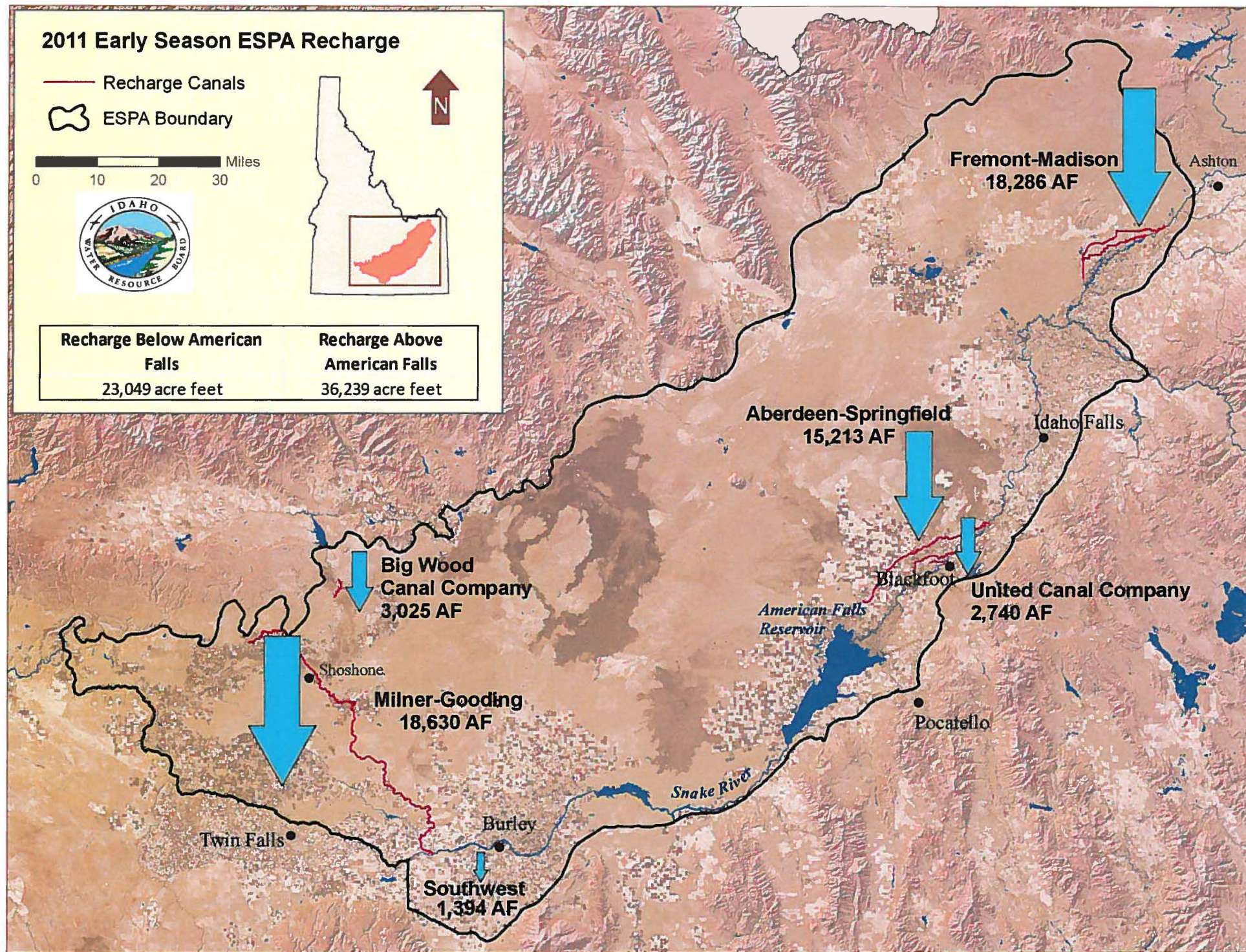
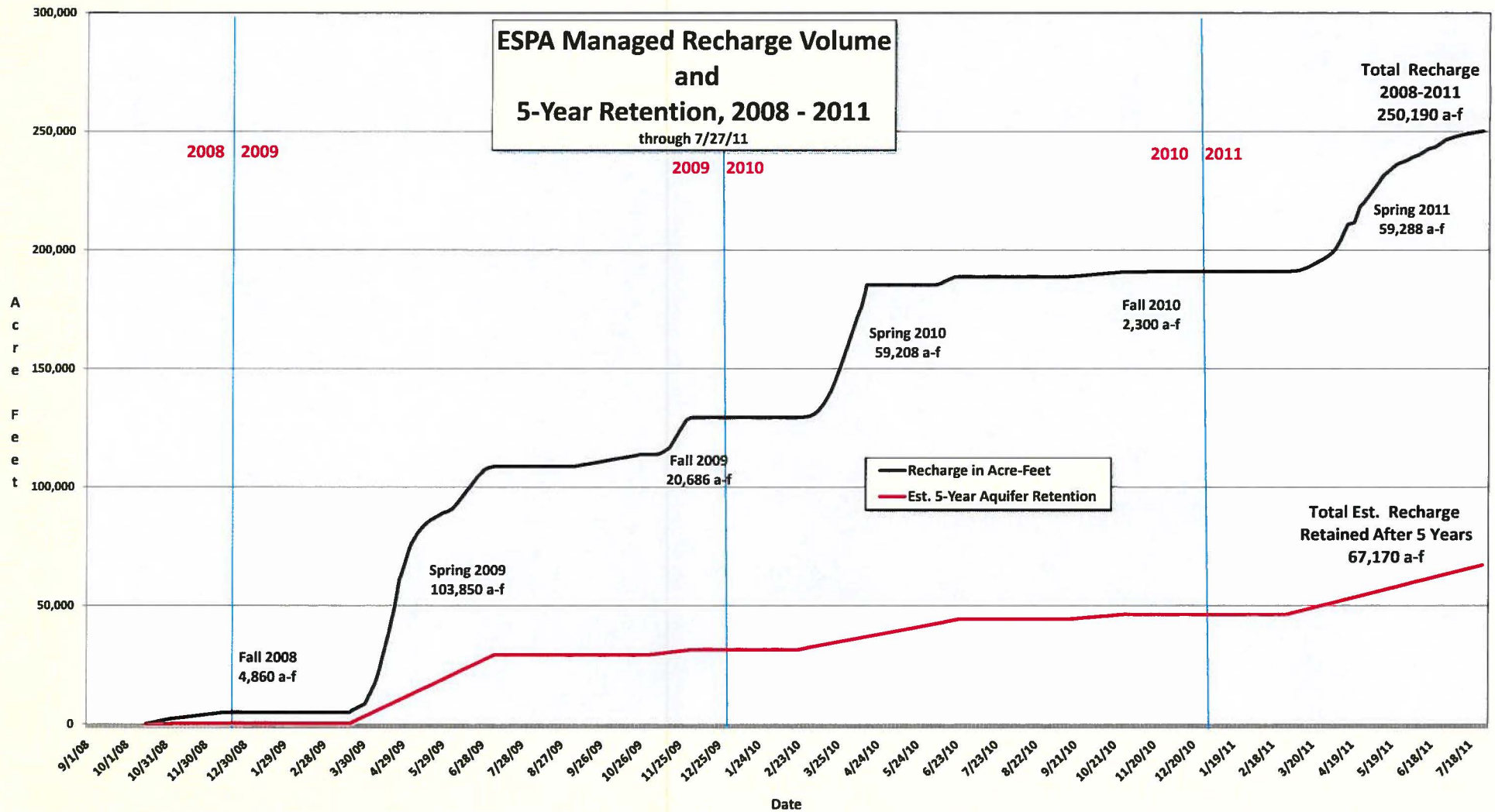


FIGURE 1

ESPA Managed Recharge Volume and 5-Year Retention, 2008 - 2011 through 7/27/11



All ESPA Recharge Since 2008

Total Recharged = 250,192 acre-feet

69.9 % Above American Falls

30.1 % Below American Falls

All ESPA Recharge Retained* Since 2008

Total Estimated Retention = 67,170 acre-feet

18.8 % Above American Falls

81.2% Below American Falls

* after 5 years



IDAHO WATER RESOURCE BOARD

September 14, 2011

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At Large

Jeff Raybould
St. Anthony
At Large

Peter Van Der Meulen
Hailey
At Large

Mr. Chris Ketchum
Assistant Area Manager
U.S. Bureau of Reclamation
Snake River Area Office
1359 E Hansen Avenue
Burley, ID 83318-1821

Dear Mr. Ketchum:

The Magic Valley Ground Water District, A&B Irrigation District, and the Idaho Water Resource Board here approach you to formally initiate proceedings leading to a right of way agreement for a pump station and pipeline on Federal lands adjacent to Lake Walcott. The purpose of the facilities is managed recharge to benefit the Eastern Snake Plain Aquifer (ESPA). The ESPA is a vital resource that provides irrigation water to over one million acres of land served by ground water pumping, including unit B of the A&B Irrigation District. In addition several aquiculture facilities rely on springs discharging from the aquifer between Twin Falls and Hagerman. Two of these aquiculture facilities are managed by the U.S. Fish and Wildlife Service. The ESPA also interacts with the Snake River at various locations and supports natural flows at critical locations, including the Near Blackfoot to Neeley reach of the River. In recent years aquifer levels and spring discharge have declined significantly. Water users on the plain and the State of Idaho are committed to actions to improve aquifer conditions. The proposed recharge site has the potential to impact aquifer levels, spring discharge below Twin Falls, and spring discharge above American Falls Reservoir. We are advised by modelers of the ESPA that the benefits of recharge radiate outward in all directions and recharge at this location is well situated to benefit areas of concern.

The managed recharge project would consist of a pumping plant adjacent to Lake Walcott, a buried pipeline, and injection wells located in the southwest corner of Section 36 north of Minidoka Dam. Section 36 is State land. In addition to a right of way agreement from the United States, the project will require a right of way from the Idaho Department of lands and injection well permits from the Idaho Department of Water Resources. This is an ambitious undertaking and we believe we are under no illusions as to the effort involved, but we are committed to undertaking actions to improve the ESPA.

We expect to rely mainly on the Idaho Water Resource Board's recharge water right for a water supply. The right has the potential to be in priority between late October in the fall and the end of the following spring freshet. It may not always be in priority during that period and is not in priority during the peak recreation season on Lake Walcott, which we understand typically runs from near the end of the spring freshet into early September.

The exact location of the pumping plant is subject to consultation with you and other interested parties. In a recent site visit with you, a location some 100 yards east of the boat docks was identified. The area is in the undeveloped portion of Reclamation lands and is located in a swale which should provide a degree of isolation from recreation facilities. Pumps with a capacity of several hundred horsepower may ultimately be installed. At final build out the project could have the capacity to recharge 100 cfs.

We request that you advise us of the anticipated steps needed in order to complete a right of way agreement. We understand that Reclamation will require an Environmental Assessment (EA) as a preparatory step and that the applicant is required to cover the expense of the EA. Please advise whether Reclamation is in a position to prepare an EA and the estimated cost. The Magic Valley Ground Water District has agreed to cover the cost and will likely approach the Idaho Water Resource Board for a cost sharing grant. In addition, the Board would be pleased to provide you with modeled hydrologic benefits that are anticipated from the proposed recharge, as well as further details on operations.

We appreciate your willingness to entertain this request and look forward to an early reply. If possible we would like to inform the Water Resource Board of Reclamation's response in its meeting of October 7, 2011, in Idaho Falls.

Sincerely,

Richard M. Rigby,
Senior Advisor
Idaho Department of Water Resources

cc: Dan Temple, Manager, A&B Irrigation District
414 11th Street
Rupert ID 83350-1423

Dean Stevenson, Director, Magic Valley Ground Water District
600 N 575 W
Paul ID 83347

Travis Thompson, Barker Rosholt & Simpson
113 Main Ave W # 303
Twin Falls ID 83301-6167

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF 2011 ESPA MANAGED)	A RESOLUTION TO ACCEPT
RECHARGE OPERATIONS)	FUNDING AND TO AUTHORIZE
)	AN EXPENDITURE OF FUNDS

WHEREAS, House Bill 373 passed and approved by the 2005 Legislature directed the Idaho Water Resource Board (IWRB) to establish a program of managed recharge of the Eastern Snake Plain Aquifer (ESPA); and

WHEREAS, managed recharge of the ESPA is one of the aquifer management goals laid out in the Comprehensive Aquifer Management Plan for the ESPA, which was approved as part of the State Water Plan by the 2009 Legislature through House Bill 264; and

WHEREAS, the Idaho Ground Water Appropriators, Inc., (IGWA) by letter dated April 27, 2011, has offered to provide up to \$80,000 to the IWRB to supplement the limited funds the IWRB has allocated for managed recharge operations in 2011; and

WHEREAS, IGWA by letter dated April 27, 2011, has also offered to provide up to \$20,000 to the Aberdeen-Springfield Canal Company for infrastructure improvements to help facilitate additional managed recharge in that canal system; and

WHEREAS, the 2010 legislature created the Secondary Aquifer Planning, Management, and Implementation Fund (Secondary Aquifer Fund) to be used by the IWRB to accomplish aquifer management objectives, and which may accept funds from water users; and

WHEREAS, other organizations have also expressed interest in providing funds to the IWRB to accomplish additional ESPA managed recharge; and

WHEREAS, further accomplishment of aquifer management objectives is in the public interest and in compliance with the State Water Plan.

NOW THEREFORE BE IT RESOLVED that the IWRB approves the acceptance of funds from IGWA and expenditure of those funds to supplement the limited funds the IWRB has allocated for 2011 ESPA managed recharge operations, and provides authority to the Chairman or his designee to enter into agreements with IGWA on behalf of the IWRB.

BE IT FURTHER RESOLVED that this resolution is subject to the following conditions:


- 1) The funds provided by IGWA shall be deposited into the Secondary Aquifer Fund until expended for the specified purpose.
- 2) Recharge conducted in 2011 under contracts with the Board will be apportioned as follows:
 - a. All recharge through April 24 under contracts with the Board will be paid from Board funds.
 - b. The cost of recharge after April 24 will be split 50/50 up to the limits in existing contracts.

- c. Future recharge beyond the limits in existing contracts will be paid 100 percent by IGWA provided that 50/50 cost sharing will apply to recharge below American Falls Dam at locations that result in retention in the aquifer of at least 50 percent of the water recharged after 5 years.
- 3) This is a pilot program and does not create a precedent for the future.
- 4) Any funds that are provided for the above purposes that are unused during 2011 will be returned to IGWA.
- 5) IGWA will be provided with a report reflecting the results of 2011 ESPA aquifer recharge including expenditures, locations, quantities, and other relevant information.
- 6) The IWRB also authorizes the acceptance and expenditure of funds from other organizations for ESPA managed recharge.

DATED this 13th day of May, 2011.

ATTEST


BOB GRAHAM, Secretary


TERRY UHLING, Chairman
Idaho Water Resource Board

Memorandum



To: Idaho Water Resource Board
From: Helen Harrington
Date: July 13, 2011
Re: Rathdrum Prairie Comprehensive Aquifer Management Plan (RP CAMP)

Discussion

Following adoption of the RP CAMP at the July 2011 IWRB meeting, staff began the task of formulating a plan to move forward with the strategies identified in the Plan.

The Plan directs that the Board will provide leadership and coordination for the implementation of the Plan. The first steps will be to work with the advisory committee and local communities to encourage support and participation in implementing the plan. To this end, presentations were made to the Northern Idaho Mayors' Coalition and the Aquifer Protection Council. These presentations are intended to explain the purpose of the Plan and to develop partnerships to accomplish the Plan's objectives.

In addition to meeting with elected officials and develop interagency partnerships, staff proposes coordinating small working groups to work on specific aspects of Plan implementation. For example, Objective 2, Action Item #1, directs "*Develop a framework for regional discussion and cooperation for SVRPA water issues.*" The Plan describes that this action should be accomplished through development of a framework for a bi-state regional cooperative forum. A working group would help with initial drafting of a framework. This same format can be used on several other aspects of the Plan, if the Board supports this strategy.

Gary Spackman, Interim Director of IDWR, will be meeting with state of Washington water management officials in October. The states of Washington and Idaho have a memorandum of agreement which is primarily related to cooperation on hydrogeologic technical tools and data management. The memorandum also directs the states to meet to discuss SVRPA water management issues. Planning staff are assisting with the organizing of the meeting and will participate to ensure RP CAMP issues are on the agenda.

Memorandum



To: Idaho Water Resource Board
From: L. Neeley Miller
Date: September 26, 2011
Re: Treasure Valley Comprehensive Aquifer Management Plan (TV CAMP)

Status Report and Background

The Treasure Valley Comprehensive Aquifer Management Plan Advisory Committee has been meeting since April 2010. A copy of the current advisory committee membership is attached.

In early February 2011, the full Advisory Committee established a drafting group to develop the text for the CAMP plan. The drafting subgroup consists of:

- Rex Barrie (Boise River Watermaster WD #63)
- Russ Dane (Keller Williams Realty)
- Matt Howard (Bureau of Reclamation)
- Chris Jones (Trout Unlimited)
- Brian Patton (IDWR)
- Kathy Peter (former Director of USGS Idaho Water Science Program)
- Rick Ward (Idaho Dept of Fish and Game)
- Paul Woods (Boise City Public Works Dept)
- Mark Zirschky (Pioneer Irrigation)

The Drafting Group completed a preliminary draft TV CAMP and distributed the draft to the full Advisory Committee on June 30th. The Advisory Committee was given until August 12th to compile comments and submit them to the Drafting Group for consideration and revision.

The Drafting Group is in the process of reviewing all comments and anticipates that a revised draft will be circulated this fall. Once a revision is completed, the full Advisory Committee will have an opportunity to review and comment.

TV CAMP ADVISORY COMMITTEE	
<u>MEMBER</u>	<u>AFFILIATION</u>
Abramovich, Ron	NRCS
Adamson, Brent	Boise County Assessor
Amick, Doug	City of Greenleaf Public Works Director
Anderson Jamie	Boise County Commissioner
Atkinson, Michelle	Micron Technology, Inc.
Barrie , Rex	Boise River Watermaster WD #63
Batt, Gayle (Vern Case)	Wilder Irrigation District
Berggren, Ellen	Army Corps of Engineers
Bowling, Jon	Idaho Power Company
Burnell, Barry	Idaho Dept of Environmental Quality
Dane, Russ	Keller Williams Realty
Decker, Kevin	Idaho Wildlife Federation, Treasurer
Deveau, Paul	Boise Project Board of Control
Dixon, Dave	Owner, Greenleaf Farms Inc.
Duspiva, Gary	Canyon County P&Z Commission
Echeita, Mike	City of Eagle Public Works Director
Funkhouser, Allen	Drainage District # 2
Fuss, Michael	Nampa Public Works Director
Goodson, Stephen	Governor's Office
Howard, Matt	Bureau of Reclamation
Jones, Chris	VP Ted Trueblood Chapter, Trout Unlimited
Larson, Bill	Treasure Valley Partnership
Leatherman, Megan	Ada County
McKee, Lynn	Vice Chair, Ada Cty. SWCD
Nelson, Greg	Farm Bureau member, former mayor of Kuna
Patton , Brian	Idaho Department of Water Resources
Peter, Kathy	Unaffiliated, former Dir. Of USGS Idaho Water Science Program
Pline, Clinton	Board, Nampa-Meridian Irrigation District
Prigge, John	Sorrento Lactalis, Wastewater Treatment Manager
Rhead, Scott	Director Engineering for United Water
Ronk, Jayson	VP of Idaho Assn of Commerce & Industry
Schmillen, Bob	City of Middleton Public Works Director
Shoemaker, Gary	City of Caldwell Water Dept.
Stewart, Lon	Sierra Club
Stewart, Warren	Engineering Manager, City of Meridian Public Works Dept
Telford, Craig	Mayor of Parma
Thornton, John	N. Ada Cty. GW users; N. Ada Co Foothills Assoc; Member of N. Ada Cty. Tech. Working Group
Ward, Rick	Idaho Dept of Fish and Game
Woods, Paul	Boise City Public Works Dept.
Yerton, Janice	Water System Operator, Kuna
Zirschky, Mark	Pioneer Irrigation District

Memorandum

To: Idaho Water Resource Board
From: Cynthia Bridge Clark
Date: September 26, 2011
Re: Status of Ongoing Storage Water Studies



Lower Boise River Interim Feasibility Study

A *Water Storage Screening Analysis* was completed by the U.S. Army Corps of Engineers (Corps) in August 2010 which identified the top three ranked sites as a raise of Arrowrock Dam, Alexander Flats, and Twin Springs. The IWRB recommended the top three ranked sites be carried forward for more in-depth analysis as called for in the Interim Feasibility Study agreement.

Study activities were suspended after completion of the screening analysis pending availability of Federal match funding. In June, 2011, \$30,000 was assigned by the Corps to resume activities. This was not sufficient funding to perform engineering and cost analyses on any one of the top ranked sites. Therefore, after consultation with IDWR/IWRB staff, the Corps performed additional engineering analysis of the storage concept proposed at Arrowrock Dam, the top ranked site in the *Water Storage Screening Analysis* with the intent to identify any potential fatal flaws. Results of this analysis are expected to be presented at the November IWRB meeting.

Henrys Fork Basin Study

The Bureau of Reclamation (Reclamation) and the State of Idaho are conducting a study of water resources in the Henrys Fork River basin to develop alternatives to improve water supply conditions in the Eastern Snake Plain aquifer and Upper Snake River basin. The study will identify opportunities for development of water supplies and improvement of water management while sustaining environmental quality.

In consultation with participating stakeholders, Reclamation developed a list of potential storage sites and other water management alternatives to move forward for "reconnaissance level" evaluation, a more comprehensive scoping and analysis. The list of alternatives was presented to the IWRB at the July 28, 2011 work session (see Attachment 1).

Reclamation will provide an update on the technical analysis at the October 25, 2011 Henry's Fork Watershed Council meeting and expects to complete the reconnaissance phase by December 2011. The study ultimately calls for an appraisal level analysis of a short-list of alternatives.

Weiser-Galloway Project

The *Weiser-Galloway Gap Analysis, Economic Evaluation and Risk-Based Cost Analysis Project* (Gap Analysis) was completed March, 2011. The Gap Analysis was a reexamination of specific components of the previously identified Galloway Dam and Reservoir site (U.S. Army Corps of Engineers studies from 1987-1994) based on current conditions, and was intended to be used by decision makers in determining whether to move forward with a full feasibility level study. The analysis was completed through a partnership between the

Corps and IWRB. It examined 181 gaps in information in earlier studies and identified two critical gaps that must be resolved before deciding to move forward with comprehensive new feasibility, environmental and engineering studies. The two critical gaps include:

1. Determining the safety, suitability and integrity of geologic structures at the potential dam and reservoir site.
2. Determining whether benefits would be realized from the Weiser-Galloway project by analyzing a series of operating scenarios. Potential benefits include flood control, hydro, storage, pump back, irrigation, recreation and flow augmentation requirements for anadromous fish recovery.

Results of the gap analysis were presented at the July 28 and 29, 2011 IWRB meetings. The IWRB subsequently passed a resolution authorizing expenditure of up to \$2 million dollars to study the two foregoing gaps. On August 26, 2011, the IWRB entered into cost-sharing partnership agreements with the Corps to complete two new technical studies: 1) the Weiser River Geologic Investigation and Analysis Project, and 2) the Snake River Operational Analysis Project. Similar to Gap Analysis, both studies are being conducted under the Corps' Planning Assistance to States (PAS) Program allowing the Corps to use its technical expertise to support the State's planning efforts and to share a portion of the study costs.

The studies are expected to be complete by fall 2013. For additional project details, see the attached Joint News Release between the IWRB and the Corps (Attachment 2) and *Executive Summary of Gap Analysis and Next Steps, September 26, 2011* (Attachment 3).

RECLAMATION

Managing Water in the West

In cooperation with:



**Idaho Water
Resource Board**

&



**Henry's Fork
Watershed Council**

Henry's Fork Basin Study

Reconnaissance-level Alternatives

Existing and New Surface Storage Alternatives (CH2M HILL)

1. Lane Lake
2. Spring Creek (Canyon Creek)
3. Moody Creek
4. Upper Badger Creek
5. Island Park Enlargement – with Cross Cut Canal Enlargement
6. Ashton Dam Enlargement - with Cross Cut Canal Enlargement
7. Moose Creek Surface Storage - with Cross Cut Canal Enlargement

Managed Ground Water Recharge

8. Expansion of Managed Recharge in Egin Basin (CH2M HILL)
9. Evaluate Recharge in the Lower Teton through Development of New Facilities (CH2M HILL)
10. Recharge Using Existing Irrigation Canals (Reclamation & Dr. Van Kirk)

Agricultural Conservation and Management (Reclamation & Dr. Van Kirk)

11. Canal Automation
12. On Farm Conservation Practices
13. Piping and Lining
14. Demand Reduction

Municipal and Industrial Conservation Alternatives (CH2M HILL)

15. Municipal and Industrial Conservation Alternatives

Market Based Alternatives (WestWater Research)

16. Evaluate Existing and Potential Market Based Mechanisms

Note: Teton Dam - A detailed analysis has been completed for this site (Teton Dam Reappraisal Document 1991). As part of the reconnaissance evaluation, a summary of previous work and the cost estimate will be provided. The 1991 cost estimate will be updated to current costs using cost indexing; no additional analysis will be conducted.



U.S. ARMY CORPS
OF ENGINEERS
BUILDING STRONG®

JOINT NEWS RELEASE



Contact:
Walla Walla District
Public Affairs Office
509-527-7020

For Immediate Release:
Aug. 26, 2011
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Contact:
Cynthia Bridge Clark
Idaho Department of Water Resources
208-287-4817

Corps, Idaho Water Resource Board partner on Weiser-Galloway geological and operational studies

WALLA WALLA, Wash. – The U.S. Army Corps of Engineers (Corps) and the Idaho Water Resource Board (IWRB) signed two partnering agreements today, Aug. 26, to conduct geological and operational studies of the Weiser River located near the City of Weiser, Idaho.

The Weiser River Watershed encompasses a large area in southwestern Idaho. The headwaters for the Weiser River, a tributary to the Snake River, originate in the southern end of the Seven Devils Mountain Range and the west central mountains of Idaho.

Creating additional storage of water on the major tributaries of the Snake River in Southwest Idaho, including the Weiser River, has been the subject of studies by private, state and federal parties for more than 50 years – for benefits resulting from flood risk management, water supply for irrigated agriculture, system and site hydropower production, ecosystem restoration, flow augmentation for fish and recreation. Specifically, the U.S. Army Corps of Engineers comprehensively studied the Weiser River basin from 1987 through 1994. In March 2011, the Corps' Walla Walla District completed a gap analysis study in partnership with the Idaho Water Resource Board – the Weiser-Galloway Gap Analysis, Economic Evaluation and Risk-Based Cost Analysis Project.

The 2011 gap analysis identified two critical gaps that must be resolved before IWRB can decide to move forward with comprehensive new feasibility, environmental and engineering studies.

Today's partnership-agreement signing will team up IWRB with the Corps to conduct two new technical studies that will address those critical gaps:

1) The **Snake River Operational Analysis Project** will study a range of potential river-operating scenarios that seek to optimize system operations with incremental volumes of new water storage on the Weiser River, including flood control, irrigation, hydropower production, storage, recreation and flow augmentation requirements while maximizing economic benefits.

2) The **Weiser River Geologic Investigation and Analysis Project** will study the safety, suitability and integrity of the geologic structures at the proposed dam and reservoir site. Study activities will include mapping, core-sampling and analysis to identify or rule out potential structural weaknesses or seepage potential of a proposed dam and reservoir at this location.

These two technical studies are being conducted under a cost-sharing agreement authorized by Section 22 of the Water Resources Development Act of 1974, as amended, which provides authority for the Corps to provide planning assistance to states and tribes. The Planning Assistance States (PAS) Program, permits the Corps to use its technical planning expertise to supplement and support state and Indian tribe efforts to undertake broad, statewide,

comprehensive water resources planning. This program is cost shared on a 50 percent federal and 50 percent non-federal basis.

“We just completed one of the most successful projects ever done between the Corps and the Idaho Water Resource Board,” said Jack Peterson, senior advisor to the Idaho Water Resource Board. “Our extraordinary partnership with the Corps in Walla Walla during the past two years working on the gap analysis is the reason we want to partner with them again on these new studies that are vital to future of Idaho’s water resources.”

“We’re excited to be working with the State of Idaho again on the Weiser-Galloway studies,” said Rebecca Kalamasz, chief of Planning Branch for the Corps’ Walla Walla District. “The technical analysis to be conducted during these two studies is essential to help Idaho make future water-planning decisions.”

The Corps and IWRB will work together to develop two project management plans to more specifically develop the scope and schedule of the studies to be conducted.

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Executive Summary and Next Steps
Weiser-Galloway Study
September 26, 2011

Background: *The Weiser-Galloway Gap Analysis, Economic Evaluation and Risk-Based Cost Analysis Project, March 2011* (Gap Analysis), is a comprehensive review of earlier studies of the potential Galloway Dam and Reservoir site by the U.S. Army Corps of Engineers from 1983-1994. It is an analysis of gaps in information in the earlier studies and incorporates events, knowledge and information affecting Idaho and the Snake River Basin that has developed since the earlier studies were performed. Its focus is on the future water supply and management needs of Washington and Adams Counties, the City of Weiser, the State of Idaho, and the Weiser and Snake Rivers. It is designed to inform decision makers of critical gaps that need to be addressed before deciding whether to move forward with comprehensive new environmental, engineering and economic feasibility studies. The Gap Analysis was accomplished through a partnership between the Idaho Water Resource Board (IWRB) and the U.S. Army Corps of Engineers (Corps).

The Weiser River and Galloway site have been studied for more than sixty years -- in 1954 the Corps first received a study authorization resolution for the Galloway Project from the U.S. Senate Public Works Committee; and, in the early 1970s Federal lands for the potential Galloway dam and reservoir site were classified and withdrawn for hydro power purposes by the Federal Power Commission (now the Federal Energy Regulatory Commission). In 2008, the IWRB was directed by the Idaho Legislature through House Joint Memorial 8 to investigate water storage projects statewide, including the Weiser-Galloway Project.

The Gap Analysis: The Weiser-Galloway Gap Analysis examined 181 gaps in information in earlier studies. The analysis identified two critical gaps that must be resolved before deciding to move forward with comprehensive new feasibility, environmental and engineering studies. They include:

1. Determine the safety, suitability and integrity of geologic structures at the potential dam and reservoir site.
2. Evaluate whether benefits would be realized by analyzing a series of operating scenarios that seek to optimize system operation with a range of new storage options on the Weiser River. Potential benefits include flood control, hydro, storage, pump back, irrigation, recreation and flow augmentation requirements for anadromous fish recovery.

Next Steps: On July 29, 2011, the Idaho Water Resource Board authorized expenditure of up to \$2 million to analyze the forgoing gaps. The following actions are underway to answer the two key questions raised in the Gap Analysis:

1. A Geologic Analysis will be conducted jointly between the IWRB and Corps to determine the safety, suitability and integrity of the geologic structures at the potential dam and reservoir site:
 - A. Core and analyze the geologic structure: Clays, tuffs, and ash were found by the Corps during limited 1984 core drilling of dam site abutment structure. It is critical to rule out potential structural weakness and seepage potential for the dam and reservoir site.
 - B. Identify Critical Faults: Core, locate and analyze faults. A potential fault in the center of the Weiser River at the potential dam site was identified in early geologic investigations and again by the study team in 2011. It is critical to determine if a fault exists at the potential dam location and, if so, how it would affect the structural viability of a dam at this site.
2. An Operational Analysis will be performed to analyze a range of operating scenarios that seek to optimize system operation with 900,000 acre-feet of new water storage on the Weiser River -- including optimizing flood control, hydro, storage, irrigation, recreation and flow augmentation requirements while maximizing economic benefits. The analyses will emphasize the needs of the Hells Canyon Hydro Complex, Snake River System, and the Weiser River Basin including Washington and Adams Counties. They will be conducted jointly by the IWRB and the Corps with validation by IPCO, BOR, BPA and NOAA, and will schedule and shape 900,000 AF of new storage to maximize:

- A. Flood control, irrigation, recreation and hydropower benefits for Weiser, and Washington and Adams Counties, including reducing seasonal water supply risk for local canal and irrigation companies;
- B. Economic benefits to the water storage systems on the Boise, Payette and Upper Snake Rivers through potential substitution and relief of up to 40,000, 160,000 and 200,000 acre-feet of water currently released respectively from those basins to meet anadromous fish flow augmentation requirements;
- C. Flow augmentation benefits for the Lower Snake, including reducing Dworshak drawdowns, and firming up availability of water for flow augmentation and fish recovery;
- D. Hydropower benefits for the Middle Snake and Hells Canyon Complex generating facilities and Lower Snake/Columbia River system;
- E. Flexibility in the flood control rule curves at Brownlee Dam, possibly resulting in additional power generation;
- F. Integration with State water management policy including obligations set forth in: the 2004 Snake River Water Rights Agreement (Nez Perce Agreement) regarding salmon flow augmentation, the 2009 Swan Falls Reaffirmation, and the Hells Canyon relicensing criteria.

Costs and Timeline: The following are estimated costs and a time frame to address the forgoing Gaps through Geologic and Operations analyses:

- A. Core drilling and analysis: \$1.25 - \$1.50 million. (Corps and IWRB partnership)
- B. Operational analysis: \$250,000 - \$500,000. (Corps and IWRB partnership)
- C. Time Frame: Tasks can be completed by fall 2013 if funding is available and full cooperation is received from all State, Federal and private partners.

Quick Project Facts (based on original 1987-89 USACE studies):

- 1. Located on the Weiser River, approximately 13.5 miles east of Weiser, Idaho, and its confluence with the Snake River.
- 2. Project consisted of a potential 300 foot high, 1,200 foot long, earth and rock-fill embankment dam, and approximately 900,000 acre-feet of water storage.
- 3. Reservoir at full capacity would potentially inundate 6,918 acres of land (4,608 acres of private lands, 2,017 acres of federal lands, and 293 acres of former Northern Pacific Railroad -- now Friends of the Weiser River, National Scenic Trail).
- 4. Primary purposes: Flood control, irrigation, hydropower, recreation, and economic development for Weiser, Midvale and Washington and Adams Counties, and flow augmentation for the Snake River.
- 5. The total current project cost is estimated to be \$502 million (2011). Some 78% of this cost is for contingencies per the Corps cost-risk calculation methodology. Without contingencies, the costs are estimated to be some \$310 million. (Very low costs per acre-foot of storage - approximately \$350 to \$550 per acre-foot capital cost).

Additional Information

- 1. The Weiser River Rails to Trails, managed by the Friends of the Weiser River Trail and recognized as a National Scenic and Recreational Trail, would be relocated to enable its continued recreational use.
- 2. Geothermal exploration will likely occur in the general project area as evidenced by several geothermal leases on private and federal lands in the area.
- 3. The former Idaho Almaden Mine which overlooks the project area was opened in 1939 and closed in 1972. It functioned as a mercury mine, mill and refinery. Comprehensive reports on the history of the mine, and analysis of residual mercury contamination, were completed by the Idaho Geological Survey and the Idaho Department of Environmental Quality in 2000 and 2007. The reports found no migration of mercury from the mine site.
- 4. Exploratory drilling for gold has continued at the old Almaden Mine site. Some 900 core holes totaling 100,000 feet of core have been drilled over the past ten years.
- 5. IWRB staff is examining the potential impact of climate variability on water supplies in the Weiser and Snake River Basins based on the 2011 study by the Bureau of Reclamation, *Climate Change and Water*.

Memorandum

To: Idaho Water Resource Board
From: Helen Harrington
Date: September 26, 2011
Re: Water District 1 Rental Pool Procedures



Action Item

Consider approval of proposed changes adopted by the Committee of Nine to Water District 1 Rental Pool Procedures.

Discussion

The Committee of Nine, the local committee appointed to manage the Water District 1 (Upper Snake) Rental Pool, adopted changes adopted in March 2011 to the 2011 Water District 1 Rental Pool Procedures. The Committee worked with the Bureau of Reclamation staff to review the procedures to clarify language, address inadvertent omissions, and insert sections related to new or emerging needs.

No changes to rental fees are included in the revisions.

Key areas which are reflected in the revisions are:

Application Process: Several new sections have been added in Rule 4 which describe deadlines during the application acceptance and approval process. Additionally, the revision includes clarification of when application fees become non-refundable.

Rental Price Determination: Rule 5.5.104 has been added to provide a timeframe for determination of Tier 1, 2 or 3 Rental Price and the refund process. This has been added to provide for an improvement in how funds are administratively handled.

Private Leases: Rule 6 has been revised to clarify how private leases are managed and to protect against arbitrage (leasing and renting in the same year), unless an exception is granted. A new section has been added to this Rule which clarifies how leases for recharge will be handled. Subsection 6.6 has been added which clarifies that storage used for recharge will be treated as a lease.

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WATER DISTRICT 1

RENTAL POOL PROCEDURES

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~~2011~~²⁰¹⁹
WATER DISTRICT 1
RENTAL POOL PROCEDURES

RULE 1.0 LEGAL AUTHORITY

- 1.1 These procedures have been adopted by the Water District 1 Committee of Nine pursuant to Idaho Code § 42-1765.
- 1.2 These procedures shall not be interpreted to limit the authority of the Idaho Department of Water Resources, the Idaho Water Resource Board, or the Watermaster of Water District 1 in discharging their duties as prescribed by statute or rule.
- 1.3 These procedures shall be interpreted consistent with Idaho Code, rules promulgated by the Idaho Water Resource Board, and relevant provisions of spaceholder contracts with the United States.
- 1.4 The operation of the Rental Pool shall in no way recognize any obligation to maintain flows below Milner or to assure minimum stream flows at the USGS gaging station on the Snake River near Murphy.

RULE 2.0 DEFINITIONS

- 2.1 **Accounting Year:** the Water District 1 accounting year that begins on November 1 and ends on October 31.
- 2.2 **Acre-foot:** a volume of water sufficient to cover one acre of land one foot deep and is equal to 43,560 cubic feet.
- 2.3 **Administrative Fee:** a fee of eighty cents (\$0.80) per acre-foot assessed on the total quantity of storage set forth in any rental or lease application, all storage rented or leased through the Rental Pool, disbursed to the District at the end of the irrigation season.
- 2.4 **Allocation:** the amount of stored water, including carryover, that has accrued to a spaceholder's storage space on the Date of Allocation that is available for the spaceholder's use in the same accounting year.
- 2.5 **Applicant:** a person who files with the Watermaster an application, accompanied by the required fees, to rent or lease storage through the Rental Pool.
- 2.6 **Assignment:** storage provided by an Assignor from the current year's storage allocation for rental through the Common Pool pursuant to Rule 5.3.
- 2.7 **Assignor:** a participant who assigns storage to the Common Pool pursuant to Rule 5.3 and subject to Rule 7.5.
- 2.8 **Board:** the Idaho Water Resource Board (IWRB).
- 2.9 **Board Surcharge:** a surcharge equal to ten percent (10%) of the Rental Price or Lease Price assessed on the total quantity of storage set forth in any rental or lease application

- ~~all storage rented or leased through the Rental Pool~~, disbursed to the Board at the end of the irrigation season.
- 2.10 **Bureau:** the United States Bureau of Reclamation (USBR).
 - 2.11 **Committee:** the Committee of Nine, which is the advisory committee selected by the members of Water District 1 at their annual meeting and appointed as the local committee by the Board pursuant to Idaho Code § 42-1765.
 - 2.12 **Common Pool:** storage made available to the Committee through participant contributions and/or assignments for subsequent rental pursuant to Rule 5.
 - 2.13 **Date of Allocation:** the date determined each year by the Watermaster on which the maximum accrual to reservoir spaceholders occurs.
 - 2.14 **Date of Publication:** the date on which the Watermaster publishes on the District website the storage allocation for the current accounting year.
 - 2.15 **Department:** the Idaho Department of Water Resources (IDWR).
 - 2.16 **District:** Water District 1 of the State of Idaho.
 - 2.17 **Impact Fund:** a fund maintained by the Watermaster for the mitigation of impacts to participants pursuant to Rule 7.3.
 - 2.18 **Infrastructure Fee:** a fee of five dollars (\$5.00) per acre-foot assessed on all storage rented through the Common Pool for purposes below Milner, excluding flow augmentation, disbursed to the Infrastructure Fund at the end of the irrigation season.
 - 2.19 **Infrastructure Fund:** a fund maintained by the Watermaster for the purposes outlined in Rule 4.5.
 - 2.20 **Lease:** a written agreement entered into between a Lessor and Lessee to lease storage through the Rental Pool pursuant to Rule 6.
 - 2.21 **Lease Price:** a price per acre-foot negotiated between a Lessor and Lessee as set forth in a Lease agreement.
 - 2.22 **Lessee:** a person who leases storage from a participant under a Lease.
 - 2.23 **Lessor:** a participant who leases storage to a person under a Lease pursuant to Rule 6 and subject to Rule 7.6.
 - 2.24 **Milner:** Milner Dam on the Snake River.
 - 2.25 **Net Price:** the average price per acre-foot of all rentals from the Common Pool, including flow ~~augmentation, and but excluding~~ rentals of assigned storage.
 - 2.26 **Net Proceeds:** the Net Price times the number of acre-feet rented from the Common Pool, excluding rentals of assigned storage.

- 2.27 **Participant:** a spaceholder who contributes storage to the Common Pool pursuant to Rule 5.2.
- 2.28 **Participant Contributions:** storage made available to the Common Pool by participants, with impacts accounted from next year's reservoir fill, which forms the supply for large rentals, small rentals, and flow augmentation, subject to the limitations in Rule 5.2.
- 2.29 **Person:** an individual, corporation, partnership, irrigation district, canal company, political subdivision, or governmental agency.
- 2.30 **Rent:** the rental of storage from the Common Pool.
- 2.31 **Rental Pool:** the processes established by these procedures for the rental and/or lease of storage, mitigation of associated impacts to spaceholders, and disposition of revenues.
- 2.32 **Rental Pool Subcommittee:** a subcommittee composed of the Watermaster, a designated representative from the Bureau, and three or more members or alternates of the Committee who have been appointed by the Chairman of the Committee.
- 2.33 **Rental Price:** the price per acre-foot of storage rented from the Common Pool, as set forth in Rule 5.5, excluding the Administrative Fee, the Board Surcharge, and the Infrastructure Fee.
- 2.34 **Renter:** a person who rents storage from the Common Pool.
- 2.35 **Reservoir System:** refers to American Falls, Grassy Lake, Henrys Lake, Island Park, Jackson Lake, Lake Walcott, Milner Pool, Palisades, and Ririe.
- 2.36 **Space:** the active capacity of a reservoir measured in acre-feet.
- 2.37 **Spaceholder:** the holder of the contractual right to the water stored in the space of storage facility.
- 2.38 **Storage:** the portion of the available space that contains stored water.
- 2.39 **Watermaster:** the watermaster of Water District 1.
- 2.40 **Water Supply Forecast:** the forecasted unregulated runoff for April 1 to September 30 at the Heise USGS gaging station, referred to in Table 1.

RULE 3.0 PURPOSES

- 3.1 The primary purpose of the Rental Pool is to provide irrigation water to spaceholders within the District and to maintain a Rental Pool with sufficient incentives such that spaceholders supply, on a voluntary basis, an adequate quantity of storage for rental or lease pursuant to procedures established by the Committee. These procedures are intended to assure that participants have priority over non-participants and non-spaceholders in renting storage through the Rental Pool.

- 3.2 To maintain adequate controls, priorities, and safeguards to insure that existing water rights are not injured and that a spaceholder's allocation is not impacted without his or her consent. To compensate an impacted spaceholder to the extent the impact can be determined by the procedures developed by the District.
- 3.3 To generate revenue to offset the costs of the District to operate the Rental Pool and to fund projects that fall within the parameters of Rule 4.5.

RULE 4.0 MANAGEMENT

- 4.1 **Manager.** The Watermaster shall serve as the manager of the Rental Pool and shall take all reasonable actions necessary to administer the Rental Pool consistent with these procedures, which include, but are not limited to:
- (a) determining impacts pursuant to Rule 7;
 - (b) calculating payments to participating spaceholders as prescribed by Rules 5.2 and 7.3;
 - (c) accepting storage into the Common Pool and executing rental agreements on behalf of the Committee;
 - (d) disbursing and investing Rental Pool monies with the advice and consent of the Rental Pool Subcommittee; and
 - (e) taking such additional actions as may be directed by the Committee.

- 4.2 **Rental Pool Subcommittee.** The Rental Pool Subcommittee shall exercise the following general responsibilities:
- (a) review these procedures and, as appropriate, make recommendations to the Committee for needed changes;
 - (b) review reports from the Watermaster regarding ~~rental~~**Rental Pool** applications, storage assignments to the Common Pool, and leases of storage through private leases;
 - (c) advise the Committee regarding Rental Pool activities;
 - (d) develop recommendations for annual Common Pool storage supplies and rental rates;
 - (e) assist the Watermaster in resolving disputes that may arise from the diversion of excess storage; and
 - (f) assume such additional responsibilities as may be assigned by the Committee.

4.3 Applications

- 4.3.101 Applications to rent or lease storage through the Rental Pool shall be made upon forms approved by the Watermaster and shall include:
- (a) the amount of storage sought to be rented or leased;
 - (b) the purpose(s) for which the storage will be put to beneficial use;
 - (c) the lease price (for private leases); and
 - (d) to the extent practicable at the time of filing the application, the point of diversion identified by legal description and common name; and ~~(e)~~ a description of the place of use.

- 4.3.102 Application Acceptance. Applications are not deemed accepted until received by the Watermaster together with the appropriate fees required under Rules 5.5 (rentals) or 6.4 (leases).

4.3.103 Application Approval. An application accepted under Rule 4.3.102 shall be approved after the Watermaster has determined that the application is in compliance with these procedures and sufficient storage will be available from the Common Pool and/or Lessor to provide the quantity requested in the

application. Upon approval of the application, the Watermaster shall send notice to the Renter/Lessor/Lessee and entity owning the point-of-diversion designated in the application of such approval and allocation of storage; provided, however, no allocation of storage shall be made until the applicant designates the point of diversion and place of use of the rented and/or leased storage in the application or pursuant to Rule 4.3.106.

4.3.104 ~~Deadline Timeframe for having Filing Rental Applications Accepted to Preserve Rental Priority.~~ Applications to rent ~~or lease~~ storage will not be accepted until April 5 of the year in which the storage will be used. Applications must be ~~accepted received~~ by the Watermaster within 15 days following the Date of Publication to preserve the applicant's priority under Rule 5.4.101.

4.3.105 Deadline for Accepting Applications to Rent or Lease Storage. All applications to rent or lease storage must be accepted by the Watermaster pursuant to Rule 4.3.102 not later than December 1 in order for the storage identified in such applications to be accounted for as having been diverted prior to October 31 of the same year. Applications accepted after December 1 will be accounted for from storage supplies in the following calendar year, unless an exception is granted by the Rental Pool Subcommittee.

4.3.106 Deadline to Designate Point of Diversion and Place of Use. If the point of diversion and/or place of use of the rented and/or leased storage was not previously designated in the application, the Renter and/or Lessee must make such designation in writing to the Watermaster not later than December 1 of the same year, unless an extension is granted by the Rental Pool Subcommittee. Failure to comply with this provision shall cause any unused storage to automatically revert back to the Common Pool and/or Lessor, respectively.

4.4 **Rental Pool Account**

4.4.101 All monies submitted by Applicants shall be deposited in an interest-bearing account known as the "Rental Pool Account" and maintained by the Watermaster on behalf of the Committee. Monies in the Rental Pool Account will be disbursed to Participants, the District, the Board, the Impact Fund, and the Infrastructure Fund in the proportions set forth in these Rules. Accrued interest to the Rental Pool Account shall be used to maintain the Impact Fund. Rental Pool funds shall be considered public funds for investment purposes and subject to the Public Depository Law, Chapter 1, Title 57, Idaho Code.

4.4.102 Monies deposited in the Rental Pool Account are non-refundable to the extent the rental and/or lease application is approved ~~and storage is allocated to the renter pursuant to Rule 4.3.103, regardless of whether the storage is used.~~

4.5 **Infrastructure Fund**

4.5.101 Monies in the Infrastructure Fund may only be used to fund District costs of projects relating to improvements to the District's distribution, monitoring, and gaging facilities, and other District projects designed to assist in the adjudication, conservation, or efficient distribution of water.

4.5.102 Disbursements from the Infrastructure Fund are subject to two-thirds (2/3) Committee approval.

4.5.103 If monies in the Infrastructure Fund accrue to one million dollars (\$1,000,000.00), the Infrastructure Fee shall be waived and the same amount (five dollars (\$5.00)) added to the Rental Price in Rule 5.5.105.

4.5.104 Monies in the Infrastructure Fund may be carried over from year to year.

RULE 5.0 COMMON POOL

5.1 **Scope.** The Common Pool consists of storage made available to the Committee through participant contributions and assignments. Participants make storage available to the Common Pool pursuant to the terms of Rule 5.2, with impacts accounted from next year's reservoir fill. Assignors provide storage to the Common Pool, pursuant to Rule 5.3, by assigning a portion of their current year's storage allocation. Rentals from the Common Pool are subject to the priorities and prices established under this Rule.

5.2 Participant Contributions

5.2.101 *Participants.* Any spaceholder may, upon submitting written notice to the Watermaster prior to February 1, elect to contribute storage to the Common Pool. Any spaceholder making such election shall be deemed a "Participant" for the current year and every year thereafter until the spaceholder provides written notice to the Watermaster prior to February 1 rescinding its participation. Upon election to participate, a spaceholder is eligible for all the benefits of a participant set forth in these procedures, excluding monetary payment for rentals or impacts associated with rentals from the prior year. If after February 1, less than seventy-five percent (75%) of the contracted storage space is committed to the Common Pool by participants, the Committee shall revise the rental pool procedures as necessary prior to April 1. ~~For 2009, the election/rescission date will be moved from February 1 to March 15.~~

5.2.102 *Non-Participants.* Spaceholders who are not participants shall not be entitled to supply storage to, or rent storage from, the Common Pool, or supply or lease storage through a private lease. Notwithstanding this restriction, the Bureau may rent water from the Common Pool for flow augmentation pursuant to Rule 5.2.105.

5.2.103 *Large Rentals.* The Common Pool will make available from participant contributions 50,000 acre-feet of storage for rentals, plus any assigned storage, subject to the priorities and limitations set forth in Rule 5.

5.2.104 *Small Rentals.* The Common Pool will make available from participant contributions 5,000 acre-feet for rentals of less than 100 acre-feet per point of diversion, subject to the priorities and limitations set forth in Rule 5. The Committee may approve on a case-by-case basis the additional rental of storage under this provision to exceed the 100 acre-feet limitation.

5.2.105 Flow Augmentation

5.2.105(a) *Table 1.* The amount of storage, from participant contributions to the Common Pool, available for rental for flow augmentation shall be determined by Table 1.

5.2.105(b) *Extraordinary Circumstances.* A greater amount of storage may be made available by the Committee, if it determines on or before July 1 that extraordinary circumstances justify a change in the amount of storage made available for flow augmentation.

5.2.106 *Additional Quantities.* In the event rental requests from participants impacted from the prior year's rentals exceed 50,000 acre feet and insufficient storage has been assigned to the Common Pool to meet such additional requests, the minimum amount of storage that will be available through the Common Pool will be the amount of storage necessary to meet the demand of those shown to have been impacted from the prior year's rentals. If additional storage is deemed necessary, any participant may elect not to participate in contributing such additional storage.

5.2.107 *Participant Payments.* Monies collected through the rental of the participant contribution portion of the Common Pool, including flow augmentation, shall be disbursed as follows:

- (a) seventy percent (70%) of the Net Proceeds disbursed to participants; and
- (b) thirty percent (30%) of the Net Proceeds disbursed to the Impact Fund.

5.2.108 *Participant Payment Formula.* Participants will receive payment for storage rented from the participant contribution portion of the Common Pool pursuant to the following payment formulas:

$$1^{\text{st}} \text{ Installment} = (R \times SP / TSP) / 2$$

$$2^{\text{nd}} \text{ Installment} = (R \times ST / TST) / 2$$

R = 70% of Net Proceeds

SP = Space of Participants

ST = Storage of Participants based on the preliminary storage allocation for the following year

TSP = Total participating space in system

TST = Total participating storage in system based on the preliminary storage allocation for the following year

If a specific reservoir's allocation has been reduced as a result of flood-control operations, the ST and TST values in the above formula for those reservoir spaceholders will reflect the values that otherwise would have occurred without any reductions for flood-control.

5.2.109 *Timing of Payments.* Payments to participants will be made in two installments. The first installment will be paid to participants immediately following the irrigation season in which the proceeds were collected. The second installment will be paid to participants within two weeks of the Date of Publication for the following irrigation season.

5.3 **Assignments**

5.3.101 *Assignors.* Any participant may assign storage to the Common Pool. An assignment of storage shall be made in writing on forms approved by the Watermaster.

5.3.102 *Purposes.* Storage assigned to the Common Pool may be rented only for purposes above Milner.

5.3.103 *Limitations.* Storage assigned to the Common Pool may be rented only after the participant contributions to the Common Pool have been rented. A participant may not assign storage and rent storage in the same accounting year unless an exception is granted by the Rental Pool Subcommittee.

5.3.104 *Assignor Payment.* The Assignor shall receive one-hundred percent (100%) of the ~~Net~~ Rental Price per acre foot of the assigned storage that is rented.

5.3.105 *Distribution of Assigned Storage.* Assignments can only be made between April 5 and 15 days after the Date of Publication in the year in which the storage is to be rented. Assignments shall initially be distributed on a pro-rata basis, with each pro-rata share based on the amount of storage assigned or 10% of the assignor's storage space, whichever is less. If, after this initial distribution, additional rental requests exist, the remaining assigned storage shall be distributed on a pro-rata basis.

5.4 **Priorities for Renting Storage**

5.4.101 *Priorities.* Storage rented from the Common Pool shall be pursuant to the following priorities:

5.4.101(a) *First Priority.* Rentals by participants whose storage is determined to have been impacted by the prior year's rental from the Common Pool not to exceed the amount of the impact. Rentals pursuant to existing long-term leases with the Committee, provided that such rentals be supplied first from any balance of the 5,000 acre-feet reserved for small rentals, then from any assigned water, and then from the 50,000 acre-feet reserved for large rentals.

5.4.101(b) *Second Priority.* Rentals by participants for agricultural purposes up to the amount of their unfilled space.

5.4.101(c) *Third Priority.* Rentals by participants for any purposes above Milner in excess of their unfilled space. Applications for such rentals will be reviewed by the Committee and may be approved on a case-by-case basis.

5.4.101(d) *Fourth Priority.* Rentals by non-spaceholders for any purposes above Milner.

5.4.101(e) *Fifth Priority.* Rentals for purposes below Milner, excluding flow augmentation; provided, however, such rentals are limited to 50,000 acre-feet per year or a lesser amount as set by the Committee. Rentals for purposes below Milner can only be filled with storage from the 50,000 AF of participant contributions described in Rule 5.2. To the extent that storage is assigned to the Common Pool, assigned storage will be used to fill the rentals of the First, Second, Third, and Fourth Priorities, allowing that portion of the participant contributions to be used for rentals below Milner. Rentals for purposes below Milner will only be approved to the extent the Renter provides written certification from the Bureau stating either 1) that the Bureau has sufficient flow

augmentation supplies for the year, or 2) that the storage to be released past Milner will count towards the Bureau's flow augmentation total.

5.4.102 *Priority for Late Applications.* Applications received after the deadline set forth in Rule 4.3.104 will be deemed last in priority and will be filled in the order they are received, only after all timely applications have been filled.

5.4.103 *Distribution Within Priority Classes.* If rental supplies are not sufficient to satisfy all of the timely applications within a priority class (those received within 15 days of the Date of Publication), the available rental supplies will be distributed to the applicants within that priority class on a pro-rata basis.

5.4.104 *Priority for Small Rentals.* Small rentals made pursuant to 5.2.104 are not subject to the priorities set forth in 5.4.101 and will be approved in the same order in which the rental applications are received by the Watermaster, so long as the total amount of all such applications does not exceed 5,000 acre-feet.

5.4.105 *Priority for Flow Augmentation.* Rentals for flow augmentation are not subject to the priorities set forth in 5.4.101 and shall be determined pursuant to Rule 5.2.105.

5.5 Rental Prices

5.5.101 *Tier 1:* If the storage system fills, the Rental Price for purposes above Milner shall be \$5.00 per acre-foot.

5.5.102 *Tier 2:* If the storage system does not fill but storage is provided for flow augmentation pursuant to Rule 5.2.105(a), the Rental Price for purposes above Milner shall be \$12.00 per acre-foot.

5.5.103 *Tier 3:* If the storage system does not fill and no flow augmentation water is provided pursuant to Rule 5.2.105(a), the Rental Price for purposes above Milner shall be \$18.00 per acre-foot.

5.5.104 *Determination of Tier 1, 2 or 3 Rental Price:* Unless the storage system has filled, the Watermaster shall designate on or before April 5 either Tier 2 or Tier 3 as the rental price for above-Milner rentals. If at any time during the same accounting year, the storage system should subsequently fill, the Watermaster shall designate Tier 1 as the rental price for above-Milner rentals and refund any excess rental fees within 30 days after the Date of Publication.

5.5.105 *Tier 4:* The Rental Price for storage rented for flow augmentation shall be \$12.00 per acre-foot.

5.5.106 *Tier 5:* The Rental Price for storage rented for purposes below Milner, excluding flow augmentation, shall be up to \$35.00 per acre-foot.

5.5.107 *Fees & Surcharges.* There shall be added to the Rental Price for all rentals the Administrative Fee and Board Surcharge. There shall also be added to the Rental Price for rentals below Milner, excluding flow augmentation, the Infrastructure Fee.

5.5.10~~8~~ *Storage System Fill.* For purposes of Rule 5.5 only, the storage system is considered full when all storage rights are filled in Jackson Lake, Palisades, American Falls, and Island Park.

RULE 6.0 PRIVATE LEASES

- 6.1 **~~General. Lessors.~~** All leases must be transacted through the Rental Pool. Only Any participants may lease storage to a Lessee subject to the provisions of these rules.
- 6.2 **Purposes.** Storage may be leased through the Rental Pool only for beneficial use purposes above Milner. A Lessor may not lease storage to a Lessee and rent storage from the Common Pool in the same accounting year unless an exception is granted by the Rental Pool Subcommittee.
- 6.3 **Payment to Lessor.** The Lessor shall receive one-hundred percent (100%) of the Lease Price.
- 6.4 **Fees & Surcharges.** There shall be added to the Lease Price the Administrative Fee and the Board Surcharge.
- 6.5 **Non-Applicability to Common Pool.** Storage leased pursuant to this rule does not count against the participant contribution volumes set forth in Rule 5.2.
- 6.6 **Recharge.** All storage used for the purpose of recharge must be transacted through the Rental Pool. Unless storage is rented pursuant to Rule 5.0, storage used for recharge, whether diverted by the storage spaceholder or another person, will be treated as a lease of storage.

RULE 7.0 IMPACTS

- 7.1 **Determination.** In any year in which the storage rights in the reservoir system do not fill, the Watermaster will determine the impacts to spaceholders, if any, associated with the prior year's rentals and leases. In making this determination, the Watermaster will use a procedure which identifies the following:
- (a) what each reservoir fill would have been had the previous year's rentals and leases not taken place;
 - (b) the storage space from which rented or leased storage was actually supplied for the previous year's rental or lease; and
 - (c) the amount of storage each spaceholder's current allocation was reduced by the previous year's rental or lease activities.
- 7.2 **Flood Control.** There are no impacts resulting from the previous year's rentals or leases for a specific reservoir when that reservoir's storage is released as a result of flood-control operations and water is spilled past Milner in the current year.
- 7.3 **Impacts to Participants due to Rentals from the Common Pool (excluding Assignments)**
- 7.3.101 *Impact Payment Formula.* Participants whose storage allocation is impacted from the prior year's rental of storage from the Common Pool, excluding assignments, will receive payment from the Impact Fund according the following formula:

Impact Payment = (Isp*RP) or ½ IF*(Isp/Ispt) (whichever sum is less)

Isp = Participant's impacted space in acre feet

RP = Rental Price

IF = Impact Fund

Ispt = Total of all Participants' impacted space in acre feet

7.3.102 *Timing of Payment.* Impact payments, which will be based on preliminary data, will be made to participants on or before July 15.

- 7.4 **Impacts to Non-Participants due to Rentals from the Common Pool (excluding Assignments).** If the rental of storage from the Common Pool, excluding assignments, caused impacts to non-participants, as determined by the Watermaster, the participants' storage allocation shall be limited to the storage available after such impacts have been mitigated.
- 7.5 **Impacts to Spaceholders due to Rental of Assigned Storage.** If the rental of assigned storage caused impacts, as determined by the Watermaster, the Assignor's storage allocation shall be reduced by an amount equal to such impacts, not to exceed the quantity of storage assigned by the Assignor, and reallocated to mitigate impacts to affected spaceholders. This reallocation will only occur in the year following the rental of assigned storage.
- 7.6 **Impacts to Spaceholders due to Private Leases.** If the lease of storage pursuant to a private lease caused impacts, as determined by the Watermaster, the Lessor's storage allocation shall be reduced by an amount equal to such impacts, not to exceed the quantity of storage leased by the Lessor, and reallocated to mitigate impacts to affected spaceholders. This reallocation will only occur in the year following the lease of storage.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF APPROVAL)	
OF THE LOCAL RENTAL POOL)	A RESOLUTION APPROVING
PROCEDURES FOR WATER DISTRICT)	LOCAL RENTAL POOL
NO. 01, UPPER SNAKE RIVER)	PROCEDURES
_____)	

WHEREAS, section 42-1761 of the Idaho Code authorizes the Idaho Water Resource Board (Board) to operate a Water Supply Bank; and

WHEREAS, the purposes of the Water Supply Bank are to encourage the highest beneficial use of water; provide a source of adequate water supplies to benefit new and supplemental uses; and provide a source of funding for improving water user facilities and efficiencies; and

WHEREAS, effective July 18, 2008, the Board has renewed the appointment of the Committee of Nine for a period of five (5) years to serve as the local committee to operate the rental pool for water stored in the Upper Snake River system, pursuant to sections 42-1765, Idaho Code; and

WHEREAS, the Water District 1 Committee of Nine adopted changes to the Water District 1 Rental Pool Procedures on February 28, 2011 and submitted the changes to the Board; and

WHEREAS, changes were made to edit and clarify language, address inadvertent omissions, and insert sections related to new or emerging needs, including addressing the following elements:

Application Process: Several new sections have been added in Rule 4 which describe deadlines during the application acceptance and approval process. Additionally, the revision includes clarification of when application fees become non-refundable.

Rental Price Determination: Rule 5.5.104 has been added to provide a timeframe for determination of Tier 1, 2 or 3 Rental Price and the refund process. This has been added to provide for an improvement in how funds are administratively handled.

Private Leases: Rule 6 has been revised to clarify how private leases are managed and to protect against arbitrage (leasing and renting in the same year), unless an exception is granted. A new section has been added to this Rule which clarifies how leases for recharge will be handled. Subsection 6.6 has been added which clarifies that storage used for recharge will be treated as a lease.

WHEREAS, the Board has determined that proposed changes should be approved to facilitate the purposes of the Water Supply Bank and Rental Pools.

NOW THEREFORE BE IT RESOLVED that the Board approves changes to the 2011 Water District 1 Rental Pool Procedures in the Upper Snake Rental Pool.

DATED this 7th day of October, 2011.

ATTEST _____
Bob Graham, Secretary

Terry Uhling, Chairman
Idaho Water Resource Board