



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 2-12

C.L. "Butch" Otter
Governor

Idaho Water Center
322 E. Front Street
Boise, Idaho 83702

Terry T. Uhling
Chairman
Boise
District 2

January 27, 2012

Chairman Terry Uhling called the meeting to order at 8:30 am. Board member Chuck Cuddy was absent. A quorum was present.

Roger W. Chase
Vice-Chairman
Pocatello
District 4

Agenda Item No. 1, Roll Call

Board Members Present

Bob Graham
Secretary
Bonners Ferry
District 1

Terry Uhling, Chairman
Bob Graham, Secretary
Vince Alberdi
Peter Van Der Meulen

Roger Chase, Vice-Chairman
Leonard Beck
Jeff Raybould
Chuck Cuddy, *Absent*

Charles "Chuck" Cuddy
Orofino
At Large

Staff Members Present

Brian Patton, Planning Bureau Chief
Gary Spackman, Interim Director
Jack Peterson, Federal Liaison
Cynthia Bridge Clark, Engineer
Dan Nelson, Hydrologist
Diana Ball, Administrative Assistant

Helen Harrington, Planning Section Manager
Rich Rigby, Federal Liaison
Rick Raymondi, Technical Bureau Chief
Neeley Miller, Planner
Bill Quinn, Engineer

Leonard Beck
Burley
District 3

Vince Alberdi
Kimberly
At Large

Guests Present

Jim Wrigley, Wedbush Securities
Candice McHugh, IGWA Counsel
Peter Anderson, Trout Unlimited
Ralph Isom, IGWA Palisades
Janet Reis, Jughandle HOA
Warren Drake, Jughandle HOA
Hal Anderson, Idaho Water Engineering
Dale Swenson, Fremont Madison Irrigation District
Keith Esplin, Eastern Snake Plain Recharge Alliance

Shelley Davis, Barker, Rosholt & Simpson
Brian Olmstead, Twin Falls Canal Company
Lynn Tominaga, IGWA
Bill Block, J-U-B Engineers
Wayne Solomon, Jughandle HOA
Walt Poole, IDFG

Jeff Raybould
St. Anthony
At Large

Peter Van Der Meulen
Hailey
At Large

Agenda Item No. 2. Agenda and Approval of Minutes

There were no changes to the agenda.

Mr. Roger Chase made a motion to accept Minutes 6-11, 7-11, 8-11, and 1-12 as submitted. Mr. Bob Graham seconded the motion. Voice vote. All were in favor. Motion carried.

Agenda Item No. 3. Public Comment

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

Mr. Keith Esplin, Eastern Snake Plain Recharge Alliance (ESPRA) and Blackfoot area canals, addressed the Board about the goals of ESPRA and provided graphs showing ESPRA fall recharge efforts and Egin recharge site projections.

Mr. Ralph Isom, IGWA and president of Palisades Water Group, addressed the Board regarding mitigation solutions using aquifer recharge and recharge credits.

Mr. Brian Olmstead, Twin Falls Canal Company manager, addressed the Board concerning potential recapture of the canal system water and the desire to improve system efficiencies, possibly with the help of Board funds to assist in aquifer recharge.

Mr. Lynn Tominaga, IGWA, thanked the IWRB for allowing IGWA to partner last year for aquifer recharge and expressed their intent to partner again this year.

Mr. Dale Swenson, Fremont Madison Irrigation District, thanked the IWRB for their \$20,000 contribution to the upper valley cloud seeding program. They allocated \$2,000 for public relations to expand their donation base and hired a public relations individual, which has been a big help for long-term effort of the program. Chairman Uhling thanked Mr. Swenson for working with the Board on this program.

Agenda Item No. 4. IWRB Committee and Other Reports

a. Water Resource Planning (*Leonard Beck, Chair; Helen Harrington, Staff*)

The Committee held two meetings since the last Board meeting and there will be another Committee meeting immediately following this Board meeting. The Committee has reviewed all of the draft policies with exception of the Snake River basin. They are currently working with the Attorney General's office and Department staff to finalize the Snake River Basin revisions for review by the full Board and public comment. A meeting will be planned for public comment on the Snake River Basin policies. The Department received extensive public comments on the Snake River Basin policies. The Department will hold public hearings across the state after the Board accepts the proposed State Water Plan revision.

b. Stream Flow Committee (*Roger Chase, Chair; Helen Harrington, Staff*)

The Committee met on December 5 to review and make recommendations on several water transactions. The full Board will consider the recommended transactions for approval.

The Board's Cocolalla minimum lake level application was discussed. The Department held a public hearing and issued a permit for this minimum lake level during the process. Legislation was introduced in the current legislative session to approve the permit. Mr. Bob Graham commented that a hearing was held in northern Idaho for the minimum lake level application and there was no opposition. Ms. Harrington confirmed that the permit was unanimously supported at that hearing.

There are currently two pending protests that were filed by the IWRB for transfer applications in the Big Wood Basin. All these protests have been resolved either through conditions on the permit or the protests were withdrawn. The two pending protests are located in the Salmon River Basin.

c. Water Supply Bank and Rental Pools (Vince Alberdi, Chair; Monica Van Bussum, Staff)

The Water Supply Bank Committee met twice since the last regular Board meeting. On December 22, 2011, the Committee met and discussed an amendment to the WD65 rental pool procedures to allow Idaho Power to rent water. The IWRB held a meeting immediately after the Committee meeting to consider taking action on the Committee's recommendation for changes to the WD65 Rental Pool procedures. Another Committee meeting was held in January 2012 to update the Board on general Water Supply Bank activities.

Water Supply Bank rental activity increased last year resulting in increased funding for the Bank. The lease application fee was approved by the Legislature in April 2011, which also resulted in increased funding for the Bank. The Committee discussed lease renewal terms. The Department has been processing new leases and lease renewals for maximum 5-year terms with subsequent 5-year renewal periods. The Committee also discussed the opportunity for adding additional revenue by increasing the administrative fee for the Department, mostly through changing the rental fee structure. The Committee requested several rental fee structures be presented at a later date for assessment. The Committee is recommending the current rental rate of \$14 / ac-ft be increased to be consistent with the Nez Perce Agreement for flow augmentation. That fee is due to increase to \$17 / ac-ft in 2013. The Committee recommended increasing the current Water Supply Bank rental fee to \$17 / ac-ft, which will likely be brought before the full Board for action at the March meeting.

d. Financial Programs (Bob Graham, Chair; Brian Patton, Staff)

The Financial Committee met on November 2, 2011, and reviewed current IWRB policy on grants and interest rates and loan terms. The Committee recommends that both of those remain unchanged at this time. The Committee also discussed modifying the terms of the Pristine Springs loan. Those modifications were acted on by the full IWRB at a special meeting on January 11, 2012. The Committee recommended that up to \$200,000 per year from the Pristine Springs hydropower revenues and rental income and / or Dworshak hydropower income be directed to provided seed money to undertake projects related to the RP CAMP or TV CAMP or potentially future CAMPS that may be completed, with the conditions that the income balance above that amount from those two sources should be placed in a fund and be reviewed at the end of three years by the Finance Committee. The full IWRB would approve individual project expenditures. If the reserve accounts need to be drawn down for repair or replacements, the reserve funds would be built up again before money was used for the CAMP projects.

Mr. Graham commented that lowering loan interest rates was discussed, but the Committee recommended the loan interest rate remain unchanged at this time.

Mr. Patton confirmed that the CAMP funds would be placed in an interest-bearing account, likely the Revolving Development Account or the Secondary Aquifer fund. Staff will research the best mechanism for those funds.

e. Upper Snake River Advisory (Operations Forum) (Roger Chase, Board; Rich Rigby, Senior Advisor)

Several Operations Forum meetings have been held, and a recommendation was made that the Bureau of Reclamation could back off on releases above Milner. Another meeting is scheduled for next Wednesday, February 1. There has been a 20 percent increase in snowpack in the past week in the Boise area. As of Monday, January 23, the upper Snake has been in the 80s. As of January 26, approximately 1,054,000 ac-ft of space remained unfilled in the reservoirs, with about 100,000 ac-ft in Ririe and Lake Walcott for operational and flood control reasons to comply with requirements. Jackson is about 9,000 ac-ft down more than needed for flood control. Between American Falls, Jackson, and Palisades, there is about 930,000 ac-ft available; Palisades is only 163,000 ac-ft from full at 86%; American Fall is at 67%.

Mr. Jeff Raybould asked when the Bureau of Reclamation will make releases out of Palisades for flood control. Mr. Rigby replied that space requirements must be met by March / April.

Mr. Roger Chase commented on mild winter conditions in eastern Idaho and asked if there would be an opportunity to recharge the aquifer sooner this year. Mr. Rigby replied that if there is a low snowpack, the reservoirs should fill. The Board's recharge right will likely be on in March / April.

Mr. Raybould stated that technically the Board's right would be on now. Mr. Patton confirmed that it is, but there's no way to deliver it.

Agenda Item No. 5. IWRB Financial Program (*Brian Patton, Staff*)

The Ground Water Districts Bond update was moved to the front of the order to accommodate Mr. Jim Wrigley's schedule.

Mr. Bob Graham made a recommendation on behalf of the Financial Committee to move \$200,000 into the Revolving Development Account when Pristine and Dworshak reserve funds exceed the reserve limit to be allocated to the Rathdrum Prairie and Treasure Valley CAMPs and future CAMPs. Mr. Chase made a motion to move an amount up to \$200,000 subject to the recommended conditions. Mr. Jeff Raybould seconded the motion. Chairman Uhling called for a voice vote. All were in favor. Motion carried.

a. Status Report (*Brian Patton, Staff*)

Photos were provided showing progress on the Lardo Dam Upgrade Project. The IWRB loaned approximately \$700,000 for this project.

There is currently approximately \$16 million committed but not yet disbursed, approximately \$17.7 million in loan principle outstanding, and a total uncommitted balance of approximately \$4.3 million.

Packsaddle HOA paid their Board loan in full.

b. 2011 Annual Report (*Brian Patton, Staff*)

A draft report was provided for review. The final report will be sent to Board members prior to distribution to the Legislature.

c. Ground Water Districts Bonds Update (*Jim Wrigley, Advisor*)

The Series 2012A and 2012B Ground Water Districts Bonds sold on January 18. This was the first time that a rated irrigation bond is in the market in Idaho. The 2012 Series A is tax-exempt for years 2024-2032, with a total amount of \$17,960,000; the 2012 Series B is taxable for years 2012-2024. Idaho entities purchased approximately \$9.8 million, with the possibility of another Idaho institution purchasing an additional \$500,000.

Mr. Wrigley distributed pages from the closing numbers set, along with a breakdown of the impact to the ground water districts. He also discussed bond insurance options that were considered but not pursued.

d. Jughandle HOA Estates Loan (*Dan Nelson, Staff*)

A loan request in the amount of \$907,552 for Valley County LID #1, aka Jughandle Estates HOA, for new well and delivery system was presented for consideration. At March 26, 2010, IWRB meeting, Jughandle Estates HOA requested a loan for \$881,000 for this project. The IWRB requested that Jughandle form an LID to provide additional security for this loan. Staff recommended a loan in the amount of \$907,552 at 6% interest for a 20-year term with the conditions listed in the resolution.

Warren Drake, Jughandle HOA president, addressed the Board and answered questions from the Board regarding the number and values of the homes and loan terms and rates.

Janet Reis, Jughandle HOA, addressed the Board to thank them for their consideration of the loan and emphasized the importance of the project for the value of their properties.

Mr. Leonard Beck made a motion to approve the loan with the conditions of the resolution for 20 years at 6%. Mr. Vince Alberdi seconded the motion.

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

e. Water Transactions Program (*Helen Harrington, Staff*)

Six separate water transaction projects were presented to the Board for consideration.

Lower Lemhi Cerise

The State of Idaho has committed to maintaining flows between 25 and 35 cfs at the L-6 diversion. The 35 cfs flows provide for out-migration in the spring and 25 cfs provides for in-migrating adults in the mid- to late-summer. Staff proposes purchasing the easement using CBWTP and Accord funding, at a price of \$86,000 per cfs and \$11,500 per cfs for permanent administration. The total cost would be \$371,500 for the water and \$49,680 for the administration. The administration funding would be placed into the Board's Revolving Development Water Transactions sub-account for contracting with WD74.

Mr. Jeff Raybould made a motion to approve the Lower Lemhi Cerise resolution as presented. Mr. Peter Van Der Meulen seconded the motion.

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

Lower Lemhi Annual

This annual agreement proposes to meet the flow target of 35 cfs at the L6 diversion. Staff proposes another set of one-year agreements not to divert 11.9 cfs to meet the target. Payment is based on the number of days the irrigators are turned off. Compensation is \$80.65/24-hour cfs. Funds are provided to the Board from the Idaho Fish Accord (Accord) Water Transactions Fund. Funding for administration by the WD 74 Watermaster will come from the Accord and funds placed in the Board's Revolving Development Water Transactions sub-account, in proportion to the flows secured by each method (\$4,077 for the annual and \$8,723 from the Revolving Development Account). The agreements not to divert contracts will not exceed \$47,583.50 with no more than \$12,800 in administration costs.

Mr. Roger Chase made a motion to approve the Lower Lemhi Annual resolution not to exceed \$47,583.50 with no more than \$12,800 in administration costs. Mr. Vince Alberdi seconded the motion.

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

Sulphur Creek

Sulphur Creek is a tributary in the Pahsimeroi Basin currently occupied by sculpin and rainbow/steelhead. The Nature Conservancy will purchase an easement that permanently commits the new owners to protect and restore habitat on the ranch. One component of the restoration plan includes the permanent retirement of a portion of the Sulphur Creek water rights. Approximately 100 acres of irrigated ground (1.07 cfs) will be retired with the purpose of removing pivot crossings, making ranch operations more efficient, and restoring stream flow in Sulphur Creek.

In order to protect the flow instream, the water right owners intend to donate the rights to the IWRB to put into the Water Supply Bank. If approved, the IWRB can then rent the water rights out for delivery to the Pahsimeroi River minimum stream flow right. While the rights are a donation, the Deputy Attorney General has advised that the IWRB will need to purchase the rights for a nominal fee of \$10.00 to make the contract legal. The IWRB will also need funding to pay for permanent administration of the rented water.

Staff proposes that the Board accept the water right donation (purchase the right) and seek \$12,305 (\$11,500 per cfs as in similar transactions) in funding through the Idaho Fish Accords for permanent administration of the rental. Those funds can be used to pay the annual assessment to WD73 or for a one-time payment to the District for permanent administration.

Mr. Roger Chase made a motion to approve the resolution to pay the nominal fee of \$10.00 for the water right with the conditions of the resolution. Mr. Jeff Raybould seconded the motion.

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

Mr. Jeff Raybould made a motion to approve the resolution to expend \$12,305 for permanent administration of the rental of this water right. Mr. Peter Van Der Meulen seconded the motion.

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

Bayhorse

Bayhorse Creek is a Salmon River tributary upstream of Challis, Idaho, which supplies cold-water refugia for juvenile salmonids and cold water plume into the Salmon River. Bayhorse Creek also provides habitat for spawning and rearing summer steelhead and resident westslope cutthroat trout.

In order to protect the flows instream and minimize the financial impact of pumping ground water on the Ranch, staff proposes entering into a 20-year agreement not to divert. The cost of the agreement is based on pumping cost estimates over 20 years – \$38,410.20. Funds would be requested from CBWTP to be placed into the Board's Revolving Development Water Transactions sub-account to be paid out annually.

Mr. Roger Chase made a motion to approve the Bayhorse Creek resolution to enter into a 20-year agreement to pay pumping costs for \$38,410.20. Mr. Vince Alberdi seconded the motion.

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

Alturas Lake Creek

Staff requests the Board consider entering into an agreement to expend up to \$18,000 in interest funds from the Revolving Development Account – Water Transaction subaccount to complete an appraisal on the purchase of a portion of two water rights owned by Katie Breckenridge and Rob Struthers. The Board has had contracts on these water rights since 2006. The water right owners are considering selling the water rights appurtenant to 45 acres, approximately 2.66 cfs. There were initial discussions to try to come to an agreement on the value of the water rights to determine if the Board wanted to pursue purchasing the water rights. The estimated cost of the appraisal is between \$13,000 and \$18,000.

There was discussion on the current diversion, the appraisal cost, and the value of the water rights to the Board's water transaction program.

Mr. Roger Chase made a motion to not approve the resolution to expend funds for an appraisal of the Alturas Lake Creek water rights at this time pending further information on this matter. Chairman Uhling deferred the matter to the Stream Flow Committee for further discussion.

Pole Creek

Staff is requesting the Board approve an extension of the 2011 contract to allow the water right owner, Salmon Falls Land & Livestock, time to complete development of a flow and habitat restoration plan for consideration. No funds were expended last year and the funds are still available to fund another one-year transaction.

Mr. Peter Van Der Meulen made a motion to approve the resolution to extend the 2011 Pole Creek transaction for \$50,000. Mr. Roger Chase seconded the motion.

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

Agenda Item No. 6. RP CAMP Update (Helen Harrington, Staff)

The Board approved the RP CAMP in July 2011. The Plan was submitted to the 2012 Legislature and introduced as HB 396. Mr. Patton gave a brief overview of the RP CAMP and process to the House Resource Committee prior to the bill being introduced.

Mr. Bob Graham commented that in the first paragraph, last sentence, the phrase “is required” implies the Legislature must be adopted. Staff agreed that the language should be changed to reflect that the plan should be “considered” by the Legislature.

There is an H2O Breakfast meeting scheduled to be held in Coeur d’Alene on February 9 at the Coeur d’Alene Resort. This is a locally driven effort to bring together the two states and have a keynote talk about regional cooperation and collaboration. This event is planned by members from both Idaho and Washington. There are several members of the RP CAMP Advisory Committee participating, and Interim Director Gary Spackman will also be participating.

Chairman Uhling requested that any materials provided at the meeting be shared with the Board.

Agenda Item No. 7. TV CAMP Update (*Helen Harrington, Staff*)

The TV CAMP Advisory Committee has been meeting since 2010. At the last Advisory Committee meeting on January 5 resulted in a review of the entire draft TV CAMP document with consensus on the entire plan with the exception of the portion related to the Municipal Water Rights Act 1996 also known as RAFN (Reasonably Anticipated Future Needs). Two actions were presented to the Board for consideration.

Staff requested the Board appoint Vern Case to the Advisory Committee as a permanent replacement for Gayle Batt who was permanently appointed to the Idaho Legislature.

Staff requested the Board appoint Ben Kennedy to the Advisory Committee as a permanent replacement for Michelle Atkinson. Ben replaced Michelle in her position at Micron Technology and the request was made for Ben to replace Michelle on the TV CAMP Advisory Committee.

Mr. Leonard Beck made a motion to appoint Vern Case and Ben Kennedy as permanent members of the TV CAMP Advisory Committee. Mr. Bob Graham seconded the motion. Voice vote. All in favor. Motion passed.

Agenda Item No. 8. ESPA CAMP and Aquifer Management Efforts Update (*Rich Rigby, Senior Advisor*)

At the work session on January 27, staff proposed identification and reservation of funds for managed recharge. Deputy Attorney General Clive Strong suggested that \$3.00 / ac-ft is not an absolute; the resolution states \$300,000 / year, not \$3.00 / ac-ft. There was a discussion on historical and future recharge fees. Chairman Uhling emphasized that the goals of the Board are to try to make it as reasonable as possible to fund the cost of wheeling water. He also stated that the Board’s goal is to help the communities and the SPA have a long-term, generational, sustainable water supply. He emphasized the need to work together to solve as many problems as possible as efficiently as possible, and the Board will help to the extent that it makes sense in the Board’s fiduciary capacity. The Board is working to be constructive on the SPA program and long-term, sustainable projects and it requires the help of the participants. Mr. Rigby emphasized that they need active participation from the water users.

Mr. Van Der Meulen asked about a cost plus basis for wheeling fees. Mr. Rigby stated they would be looking at that option. The resolution identifies implementation of the CAMP goal of 100,000 ac-ft on average for 5 years, the pilot program, and IWRRI’s role to advise where to recharge to create the best benefits for the SPA. IWRRI was selected because they are independent scientists that can provide unbiased recommendations. This program only involves natural flow water not stored water and does not compete with the rental pool program. Nothing in this decision precludes independently funded recharge efforts consistent with Idaho state law.

There is a need to emphasize the AWEP program on the SPA. There is \$2 to \$4 million in funds for projects this year, and they need to be identified by March. Chairman Uhling emphasized the benefit of the 75 / 25 split to the state and encouraged identifying those projects.

The Board is signaling to the water user community that the Board is trying to meet the target of 100,000 ac-ft of recharge, allocating dollars over a 5-year period for a pilot project, measure, monitor, and select good sites using a scientific based process that will help the Board make good decisions. Future recharge conversations

should focus on good projects providing good benefits on the ESPA that the Board can take up in a timely manner.

When the IWRRI report is complete, the full Board will make a final decision after considering a number of factors. The funding allocation is \$300,000 per year for a 5-year period and the Board will decide the best way to utilize the dollars to provide the best benefit to the state on the ESPA.

Mr. Peter Van Der Meulen made a motion to approve the ESPA pilot program resolution. Mr. Vince Alberdi seconded the motion.

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

Chairman Uhling stated that in the second bullet point of the resolution there should be a period after the 100,000 ac-ft per year. The resolution was changed.

Staff developed a matrix and identified four projects: A&B Irrigation District ground water to surface water partial conversion, two Magic Valley Storage Conservation Projects, and an Upper Valley Cloud Seeding project. The chart should be changed to show Box # 16 as red to identify that the project does not have a stakeholder champion. Box 17 should be green.

Agenda Item No. 9. Water Storage Studies Update (Cynthia Bridge Clark, Staff)

Lower Boise Interim Feasibility Study

Results of the proposed Arrowrock Dam site concept, ranked #1 in the Water Storage Screening Analysis completed in August 2010. The Corps performed the new technical analysis to identify any fatal flaws in response to a minimal amount of federal funding received to continue progress on the project. There were no geologic or engineering constraints identified that would discount one concept over another, but the Corps did recommend that further study of raising the existing Arrowrock Dam would be a reasonable approach if only one of the concepts is pursued. Additional federal funding would fund evaluation of construction material survey and hydrologic and hydraulic analysis. Results of the analysis are reflected in the *Lower Boise River Interim Feasibility Study, Preliminary Evaluation of Arrowrock Site, October 2011* (report). The report is available on the Corps' website: <http://www.nww.usace.army.mil/boise/brifs/reports.asp>. Staff provided a project status fact sheet.

Weiser Galloway

Staff discussed two new technical studies to address questions raised by the data gaps identified by previous reports: 1) the Weiser River Geologic Investigation and Analysis Project, and 2) the Snake River Operational Analysis Project. The studies are expected to be complete by fall 2013.

Geologic investigation activities are ongoing and include: site visits by members of the project technical team to develop a drilling plan, contract development between the Corps and the U.S. Bureau of Reclamation's regional drill crew, coordination with land owners to identify access routes and agreements, and initiation of an Environmental Assessment in the areas impacted by drilling activities in coordination with the BLM.

The bulk of the Operational Analysis will be delayed until results of the Geologic Analysis are available. Preliminary tasks were initiated, including updating of basin hydrology; identification of appropriate system optimization models; and identification of operational constraints. Coordination with Idaho Power Company and Reclamation has also been initiated.

Under a contract with the IWRB, airborne LiDAR and orthophotography were collected for the project area. This data will support both of the studies and provide data for future flood mapping and other potential activities in the basin. High-resolution data was also collected at the potential dam site using a Terrestrial Laser Scanner (a powerful survey instrument designed to capture 3-D images of the earth's surface). This data was collected as part of a federal grant received by Idaho State University's Department of Geosciences and the Idaho National Laboratory to help develop and process remote-sensing technologies and to make that technology available to the public.

Henry's Fork Basin Study

Reclamation is currently performing a “reconnaissance level” evaluation and technical analysis of alternatives identified for further study. These include new or existing surface water storage projects, as well as managed ground water recharge, agricultural conservation and management, municipal and industrial conservation, and market based alternatives. Staff expects this evaluation will be complete and published by the end of July 2012.

Agenda Item No. 10. Water Supply Update (Rick Raymondi, Staff)

Current water levels for the state as of January 23 indicate a La Nina winter pattern, which normally brings wet, cool conditions in the Northwest. Most basins are less than 100% but conditions significantly improved since January 16. As of January 1, the stream flow forecast was at a range of 70 to 89% of normal for most of the state. Reservoir capacity in the Boise and Payette systems are at approximately 68%; most reservoirs are above normal for the year. If La Nina patterns continue, peak capacity should reach 800,000 ac-ft of storage in the Boise system and 700,000 ac-ft in the Payette system. The upper Snake is currently at 74% capacity and the releases below Milner is approximately 3,400 cfs.

Projections for the one-month outlook are for equal chances for above or below normal temperatures and above or below normal precipitation. The three-month outlook indicates above normal precipitation.

The Water Supply Committee meets monthly. The next meeting will be February 9 at 10:00 am at the Idaho Water Center. Presentations from the meetings are available on the website:

<http://www.idwr.idaho.gov/WaterInformation/WaterSupply/supply.htm>

Agenda Item No. 11. Director's Report (Gary Spackman, Interim Director)

Mr. Spackman recently presented Department accomplishments to the House Resources Committee and to the Idaho Water Users Association, emphasizing the accomplishments of the IWRB. The JFAC budget presentation will be January 31 and Board member Roger Chase will be presenting with Mr. Spackman. Mr. Chase also gave a presentation with Mr. Spackman to the co-chairs of JFAC on January 25.

There was a discussion on the \$1.2 million transfer from the Revolving Development Account to the Secondary Aquifer Management fund. Payment of fees for the Board's minimum flow rights will be paid from general funds designated for the North Idaho Adjudication. No additional funds will be allocated for the filing fees for these minimum flow rights. Federal stimulus program for the Board and the Department has come in the form of Jack Peterson, BLM, and Rich Rigby, BOR. Jack has retired from the BLM, but the Governor designated money in the Department budget for FY2012 and FY2013 to fund Jack's position as a temporary state employee. Jack will continue to support the Weiser-Galloway project and the Mountain Home water supply project. Rich's contract with the Department will expire the end of July 2012.

Current legislation from the Idaho Petroleum Council is proposing new language for redefining water, specifically ground water, and exemptions from permitting for activities in low temperature geothermal or geothermal waters. The Department is currently negotiating these issues.

There was a brief discussion on future CAMP activities, including the Wood River Basin and the Pullman-Moscow area.

Agenda Item No. 12. Other Items Board Members May Wish to Present

Chairman Uhling asked about tracking of water conservation measures by the Department. Mr. Patton stated that there are no current efforts directed to track these numbers, but staff will look at tracking possibilities and provide a report back to the Board.

Agenda Item No. 13. Next Meeting and Adjourn

The next regular IWRB Meeting is scheduled for March 16 at the Water Center in Boise, Idaho, with a work session scheduled for March 15 at the same location. The following meeting is scheduled for May 17 and 18 with a place not yet determined. A Water Resource Planning Committee will immediately follow the Board meeting. Three Board members are scheduled to be confirmed by the Senate: Bob Graham, Jeff Raybould, and Peter Van Der Meulen. The IWRB Meeting 2-12 was adjourned at 12:10 pm.

Respectfully submitted this 18 day of May, 2012.

/Bob Graham/
Bob Graham, Secretary

/Diana Ball/
Diana Ball, Administrative Assistant

Board Actions:

1. Mr. Roger Chase made a motion to accept Minutes 6-11, 7-11, 8-11, and 1 12 as submitted. Mr. Bob Graham seconded the motion. Chairman Uhling called for a voice vote. All were in favor. Motion carried.
2. Mr. Roger Chase made a motion to move an amount up to \$200,000 subject to the recommended conditions. Mr. Jeff Raybould seconded the motion. Chairman Uhling called for a voice vote. All were in favor. Motion carried.
3. Mr. Leonard Beck made a motion to approve the Jughandle Estates HOA loan with the conditions of the resolution for 20 years at 6%. Mr. Vince Alberdi seconded the motion.

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

4. Mr. Jeff Raybould made a motion to approve the Lower Lemhi Cerise resolution as presented. Mr. Peter Van Der Meulen seconded the motion.

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

5. Mr. Roger Chase made a motion to approve the Lower Lemhi Annual resolution as presented. Mr. Vince Alberdi seconded the motion.

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

6. Mr. Roger Chase made a motion to approve the Sulphur Creek resolution to pay a nominal fee of \$10.00 for the water right with the conditions of the resolution. Mr. Jeff Raybould seconded the motion.

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

7. Mr. Jeff Raybould made a motion to approve the Sulphur Creek resolution to expend \$12,305 for permanent administration of the rental of this water right. Mr. Peter Van Der Meulen seconded the motion.

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

8. Mr. Roger Chase made a motion to approve the Bayhorse Creek resolution to enter into a 20-year agreement to pay pumping costs for \$38,410.20. Mr. Vince Alberdi seconded the motion.

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

9. Mr. Roger Chase made a motion to not approve the resolution to expend funds for an appraisal of the Alturas Lake Creek water rights at this time pending further information on this matter. Chairman Uhling deferred the matter to the Stream Flow Committee for further discussion.

10. Mr. Peter Van Der Meulen made a motion to approve the resolution to extend the 2011 Pole Creek transaction for \$50,000. Mr. Roger Chase seconded the motion.

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

11. Mr. Leonard Beck made a motion to appoint Vern Case and Ben Kennedy as permanent members of the TV CAMP Advisory Committee. Mr. Bob Graham seconded the motion. Voice vote. All in favor. Motion passed.

12. Mr. Peter Van Der Meulen made a motion to approve the ESPA pilot program resolution. Mr. Vince Alberdi seconded the motion.

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