



IDAHO WATER RESOURCE BOARD

AMENDED

MEETING NO. 2-13 OF THE IDAHO WATER RESOURCE BOARD

January 25, 2013, at 7:30 a.m.

C.L. "Butch" Otter
Governor

Idaho Water Center
Conf. Rm. 602 B, C & D
322 E. Front St., Boise, ID 83720

Roger W. Chase
Vice-Chairman
Pocatello
District 4

Bob Graham
Secretary
Bonnars Ferry
District 1

Charles "Chuck"
Cuddy
Orofino
At Large

Vince Alberdi
Kimberly
At Large

Jeff Raybould
St. Anthony
At Large

Peter Van Der Meulen
Hailey
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

-
1. Executive Session – The Board will meet pursuant to Idaho Code Section 67-2345(1)(f), for the purpose of communicating with legal counsel regarding legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Executive Session is closed to the public.
 2. Roll Call
 3. Elections
 4. Agenda and Approval of [Minutes 5-12, 6-12, 7-12, and 8-12](#)
 5. Public Comment – The Board will allocate a period of time for the public to address the Board.
 6. [Director's Report](#)
 7. Committee Reports
 - a. [Upper Snake Operations Forum](#)
 8. Rental Pool Procedures
 - a. [Water District 63](#)
 - b. [Water District 65](#)
 - c. [Water District 37- Wood River Enhancement](#)
 9. [Water Supply Bank Annual Report](#)
 10. [Water District 2](#)
 11. IWRB Financial Program
 - a. [Status Update](#)
 - b. [North Fremont Canal Systems](#)
 - c. [Water Transactions](#)
 12. Planning Activities
 - a. [State Water Plan Update](#)
 - b. [Rathdrum Prairie CAMP Implementation Funding Request](#)
 13. Discussion of Board Committees
 14. Other Non-Action Items for Discussion
 15. Next Meeting and Adjourn

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 Mandi Pearson, Administrative Assistant, by email mandi.pearson@idwr.idaho.gov or by phone at (208) 287-4800.

IDAHO WATER RESOURCE BOARD

Work Session in Preparation for IWRB Meeting No. 2-13

January 24, 2013 at 1:00 pm
Idaho Water Center
6th Floor, Conf Rms 602 B, C & D
322 E. Front St., Boise, Idaho 83702

AMENDED WORK SESSION AGENDA

1. Training on Open Meeting Law, Ethics, and Public Records
2. [Water Supply Conditions](#)
3. [Pristine Springs](#)
4. [Bell Rapids](#)
5. [ESPA Update](#)
6. [Aquifer Planning and Management Background](#)
7. [Storage Studies Update](#)

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 Mandi Pearson, Administrative Assistant, by email mandi.pearson@idwr.idaho.gov or by phone at (208) 287-4800.



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 5-12

C.L. "Butch" Otter
Governor

Best Western Burley Inn
800 N. Overland Ave.
Burley ID 83318
July 20, 2012

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

Chairman Uhling was absent. Vice Chairman Roger Chase called the meeting to order at 8:00 am. There were six Board members present. Mr. Cuddy and Mr. Uhling were absent. A quorum was present.

Agenda Item No. 1, Roll Call

Board Members Present

Roger Chase, Vice-Chairman
Vince Alberdi
Peter Van Der Meulen

Bob Graham, Secretary
Jeff Raybould
Leonard Beck

Staff Members Present

Brian Patton, Planning Bureau Chief
Diana Ball, Administrative Assistant
Mat Weaver, Engineer
Michael McVay, Hydrologist

Gary Spackman, Director
Matt Anders, UIC
Morgan Case, Biologist
Cynthia Bridge-Clark, Engineer

Guests Present

Sign in sheet not available

Agenda Item No. 2, Agenda and Approval of Minutes 4-12

Mr. Brian Patton requested that the UIC Proposed Rule Approval be moved up to item number 3 on the agenda, and that Pristine Springs Background immediately follow as item number 4. There were no objections to this.

Mr. Jeff Raybould moved to approve Minutes 4-12 as submitted. Mr. Vince Alberdi seconded the motion. Voice vote. All were in favor. Motion carried.

Agenda Item No. 3, UIC Proposed Rule Approval

Mr. Matt Anders from the Underground Injection Control program presented an update on the Proposed UIC rules. The rules are being changed to become

consistent with the State and Federal code and to regulate injection wells associated with oil and gas development in southwest Idaho. Five negotiated rule meetings have been held, and 103 written comments have been received. Responses have been made to all comments. Class V rule changes that have been proposed are updated definitions, removal of exemptions for roof and foundation drains and improved sinkholes, and relaxed permitting requirements for ground water source heat pumps injecting less than 50 gpm.

There are three types of Class II Injection Wells that will possibly be used in Idaho: disposal, pressure maintenance, and storage. To begin drafting the rules and to comply with federal regulatory requirements, UIC staff used existing federal rules and then adapted them to be Idaho specific. Examples of issues that are being addressed are: the protection of drinking water, permit application fees, public comment, aquifer re-categorization, mechanical integrity, and the well bonding provision.

Mr. Anders presented a resolution that approves the proposed rules, and discussed the timeline for the rules to go through Office of Administrative Rules and legislature. The Board and Mr. Anders further discussed the regulation of improved sinkholes, public response during the UIC negotiated rule-making meetings, and IDWR staff's ability to handle the additional responsibilities. Director Gary Spackman and Mr. Anders provided additional information regarding the regulation of improved sinkholes. The Board and Mr. Anders also further discussed the UIC proposed rule changes, including aquifer re-categorization, and the staffing costs and permit fees.

Lynn Tominaga from IGWA complimented IDWR staff for their efforts to work with the community and reach a consensus on the rule changes. He briefly spoke about EPA and the definition of a sinkhole, his support for the rule changes, and the need for proper well construction.

Mr. Raybould made a motion to accept the resolution adopting proposed negotiated rules. Mr. Graham seconded the motion. Voice Vote. All were in favor. Motion carried.

Agenda Item No. 4, Pristine Springs Background

Mr. Brian Patton gave a history of the Pristine Springs facility. The Board acquired the facility, located just north of Twin Falls, in 2008. The facility diverts fresh water from Alpheus Creek, and re-diverts water from Blue Lakes Trout Farm, and uses both of those water sources in fish production. Mr. Patton provided a description of the land and water rights, fish hatchery, hydropower, and farm facilities associated with the Pristine Springs facility. He also discussed partners associated with the facility's water use, as well financing and cash flow information. Mr. Patton discussed operational changes that have been made since the Board's purchase of the facility, as well as outcomes of the purchase.

Director Spackman introduced the College of Southern Idaho president, Mr. Jerry Beck. Mr. Jerry Beck introduced the Chairman of the College of Southern Idaho Board, Dr. Thad Scholes. Mr. Jerry Beck shared the College's interest in the Pristine Springs facility and their desire to work with the Board regarding the property. Mr. Alberdi encouraged the Board members to seriously consider moving this direction.

Agenda Item No. 5, Public Comment

Chairman Chase asked for public comment regarding any items not included on the agenda. There were no comments.

Agenda Item No. 6, Director's Report

Director Spackman addressed the Board with a written assignment from the Governor to develop a sustainability policy. Discussion followed regarding the responsibility of the IWRB Board in developing this policy, and the involvement of a sub-committee. Director Spackman also received a written assignment from the Governor to develop a succession plan with language to amend the requirement for the Director of IDWR to be a hydraulic or civil engineer.

Director Spackman also discussed his anticipation that there will be legislation proposed for water-banking of mitigation credits for present use of water or anticipated/future uses of water. This is due to recent efforts to divert water for managed recharge and an associated request for recognition of mitigation credits. Director Spackman suggested a discussion to clarify the management of recharge efforts and banking.

Director Spackman spoke about water supply banking and the limited resources of staff to handle the responsibilities of the program, and also discussed pressure from various entities to relax the temperature threshold of low-temperature geothermal resources in the state. There was discussion with the Board regarding the anticipated proposed legislation and the initiating body.

Agenda Item No. 7, IWRB Committee and Other Reports

a. Stream Flow Enhancement and Minimum Stream Flow

Ms. Helen Harrington stated that the Stream Flow Committee has not met recently but will be meeting immediately following the Board meeting. Morgan Case and Sarah Rupp (Friends of the Teton River) will present an update on the activities of Friends of the Teton River regarding opportunities for putting the water transactions program into that basin.

Ms. Harrington updated the Board regarding the Northern Idaho Adjudication Claims and filing status. The claims will be filed as the claim fees become available in the budget.

b. Upper Snake River Advisory (Operations Forum)

Mr. Mat Weaver reported on the last committee meeting which was well-attended. Presentations on reach gains above American Falls, and reports on the state of the water in the Upper Snake were given at that meeting. The next meeting will be scheduled for September 5th, in which fall operations will likely be discussed.

Agenda Item No. 8, Bear River Bond Update

Mr. Jim Wrigley provided an update on the Bear River Bond process. This project began in 2009 and bonds were issued in 2011 to repay interim financing that had been advanced by Ireland Bank for 5 local improvement districts that had been created in the Bear River Basin. A summary of the project costs and funding sources was provided, as well as the status of the loan payoff. There was discussion regarding the dates on the handouts.

Ms. Lyla Dittmer from Franklin Soil & Water Conservation District addressed the Board and introduced Scott Workman, a Franklin County Commissioner. Mr. Workman addressed the Board with concerns regarding the complications and seeming misrepresentation of the costs. There was further discussion among the parties regarding the unexpected fee amounts. Mr. Miles Gettis from Treasureton Irrigation Co also addressed the Board on this matter. Chairman Chase asked for a written request from them describing the action they would like the Board to take on this matter.

Agenda Item No. 9, Water Transactions Program

Ms. Morgan Case provided an update on the Alturas Lake Creek Appraisal, and discussed the steps to be taken following the completion of the appraisal. Ms. Case also reported on the CBWTP Spring Check-In Meeting. This meeting occurred on June 25th. The meeting agenda included discussions about the recent partnership with Friends of the Teton River, funding sources, development of strategic planning, as well as the expansion of the scope of the National Fish and Wildlife Foundation to include areas outside the Columbia River Basin.

Agenda Item No. 10, Financial Program

a. Status Report

Mr. Patton provided a quick status update on financial programs. As of June 1, the Board has a total uncommitted balance of approximately \$4,018,240. Robertson Ditch Company, Dalton Water Association, and Picabo Livestock Company have repaid their loans in full. Potential loans the Board may be considering include Consolidated Irrigation Company pipeline project, Point Springs Grazing Association pipeline replacement, Cub River Irrigation Company open lateral replacement, Marysville Canal Company Phase 3 gravity pressure pipeline project, and Canyon County Drainage District No. 2 drainage pipeline replacement project.

b. Consolidated Canal Co. Loan

Ms. Harrington addressed the Board with a loan request from Consolidated Irrigation Company for \$1,500,000 at 5% interest with a U.S. Bureau of Reclamation grant for \$1,468,181. The loan will be used to convert 6 miles of unlined canal to 3.5 miles of pressurized pipeline with a small hydro-plant at the end. It is estimated that the water savings from the installation of the pipeline will be approximately 9500 acre-feet per year upon project completion. Lyle Porter and other representatives from Consolidated Irrigation Company were present. There was discussion among the parties regarding the amount of water being delivered to each acre, the cost estimates, the hydropower facility, revenue stream, and federal grant funds. Mr. Alberdi made a motion to accept the resolution to make a funding commitment to Consolidated Irrigation Company in the amount of \$1,500,000 at 5.5% interest with a 20 year repayment term, contingent upon the fact that no monies go out until concrete cost estimates and the power sales contract are obtained. Mr. Beck seconded the motion. Further discussion ensued regarding the contingencies of the loan.

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

c. Point Springs Grazing Association Loan

Ms. Harrington addressed the Board with a loan request from Point Springs Grazing Association for \$48,276.62. The loan will be used to replace an existing 6 miles of pipeline. The pipeline is located on BLM ground in the Meadow Creek Canyon and is used for the watering of livestock. Ms. Harrington provided further information on the background of the Association and project, the proposed project, and financing. Several members of the Association were present at the meeting. There was discussion among the parties regarding the size of the pump and pipe, the cost estimate, other financing options, and security. Mr. Raybould made a motion to accept the resolution authorizing a loan for Point Springs Grazing Association in the amount of \$48,276.62 at 5.5% interest with a 10 year repayment term. Mr. Beck seconded the motion.

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

Agenda Item No. 11, RP CAMP Update

Ms. Harrington provided an update on the Rathdrum Prairie Comprehensive Aquifer Management Plan. At the RP CAMP Advisory Committee meetings, administrative concerns and implementation issues were addressed.

Agenda Item No. 12, TV CAMP Update

Ms. Harrington provided an update on the Treasure Valley Comprehensive Aquifer Management Plan. IDWR staff has been planning two public hearings and a public comment period.

Agenda Item No. 13, State Water Plan

Ms. Harrington provided an update on the Idaho State Water Plan, and provided a timeline of informational meetings and public hearings.

Agenda Item No. 14, ESPA CAMP and Aquifer Management Efforts

a. Modeling of Actual Recent Managed Recharge

Mr. McVay presented material summarizing modeling efforts and analysis of aquifer recharge sites. He covered additional sites not covered in his previous presentation and discussed impacts from Managed Aquifer Recharge efforts in the years 2007-2011. Mr. McVay also provided analysis of Lower Valley recharge locations in comparison to Upper Valley recharge locations. He discussed actual storage change due to recharge. Mr. Hal Anderson asked if there was information provided about reach gains and flows. There was further discussion among the parties regarding the data presented.

b. Update on ESPA Management Activities

Mr. Mat Weaver reported on Eastern Snake Plain Aquifer Management efforts. He discussed areas of activity, the status of the AWEPP project, conversion projects, water savings efforts in the Thousand Springs Area, End Gun Removal Project, and recharge efforts. Mr. Weaver compared lower valley recharge locations to upper valley recharge locations and described the benefit based on aquifer water levels and volume. Mr. Weaver recommended prioritization of the lower valley for future recharge sites over the next two years. There was discussion among the parties regarding the prioritization of the lower valley for future recharge and the consideration of the upper valley for recharge. Direction was given to IDWR staff to maximize the lower valley for future recharge and to distribute unused supply to the upper valley.

c. Idaho Power Cloud Seeding Efforts Update

Mr. Jon Bowling of Idaho Power presented Mr. Derek Blestrud, a meteorologist with Idaho Power. Mr. Blestrud gave a presentation on Idaho Power's Cloud Seeding Program. He described the process of cloud seeding for snowpack enhancement, using generators and also aircraft seeding. He also provided history of Idaho's Power involvement with cloud seeding, and also gave an overview of the organization's current cloud seeding projects, specifically in the Upper Snake area. Mr. Blestrud discussed the possible downwind effects of cloud seeding and the importance of well-designed and responsibly-run programs. There was discussion regarding aircraft as a method of cloud seeding and the cost as well as the regression equation for the Upper Snake.

Agenda Item No. 15, Water Storage Studies Update

Ms. Cynthia Bridge-Clark provided an update on the Henrys Fork Basin Study. The US Bureau of Reclamation has developed draft technical reports for alternatives to improve water supply conditions and made these reports available to stakeholders for comment. It plans to provide recommendations for a short list of alternatives to move forward for appraisal level analysis at an IWRB Storage Committee meeting in August 2012.

Ms. Clark also provided an update on the Lower Boise River Interim Feasibility Study. The US Army Corps of Engineers (Corps) has made a concerted effort to advance the study and scoping process. Some hurdles to overcome are lack of procedures to identify partners to work with and lack of prioritization with the division. Ms. Clark asked the Board for feedback regarding communication to the Corps headquarters and division expressing the importance of the study to the State.

Ms. Clark updated the Board on the Weiser-Galloway Project. A geologic investigation is currently underway. The Corps has begun drilling holes and collecting core samples. The Bureau of Reclamation will provide updates every 11 days. The Operational Analysis will be completed after the geologic survey. There was discussion among the parties regarding a possible pump-back site, as well as public opinion of the project.

Agenda Item No. 16, Other Items IWRB Members May Wish to Present

There were no other items presented by IWRB members.

Agenda Item No. 14, Next Meeting and Adjourn

A Storage Committee meeting is scheduled for August 20. All Board members are encouraged to attend. The next regular IWRB Meeting is scheduled for September 6 and 7 in Lewiston, Idaho. There are State Water Plan public hearings throughout August and September that various Board members will attend.

Mr. Raybould made a motion to Adjourn, and Mr. Beck seconded the motion. Voice Vote. All were in favor. Motion Carried.

The IWRB Meeting 5-12 adjourned at approximately 1:30 pm.

Respectfully submitted this _____ day of _____, 2013

Bob Graham, Secretary

Mandi Pearson, Administrative Assistant

Board Actions:

1. Mr. Jeff Raybould moved to approve Minutes 4-12 as submitted. Mr. Vince Alberdi seconded the motion. Voice vote. All were in favor. Motion carried.
2. Mr. Raybould made a motion to accept the resolution adopting proposed negotiated rules for the construction and use of injection wells. Mr. Graham seconded the motion. Voice Vote. All were in favor. Motion carried.
3. Mr. Alberdi made a motion to accept the resolution to make a funding commitment to Consolidated Irrigation Company, contingent upon the fact that no monies go out until concrete cost estimates and the power sales contract are obtained. Mr. Beck seconded the motion. Roll Call Vote. Motion Carried.
4. Mr. Raybould made a motion to accept the resolution authorizing a loan for Point Springs Grazing Association. Mr. Beck seconded the motion. Roll Call Vote. Motion Carried.



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 6-12

C.L. "Butch" Otter
Governor

Red Lion Hotel
Port 6 Conference Room
621 21st Street, Lewiston, Idaho

September 7, 2012

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

Chairman Terry Uhling called the meeting to order at approximately 7:30 am. All Board members were present.

Agenda Item No. 1, Executive Session

At 7:30 am the Board resolved into Executive Session by unanimous consent pursuant to Idaho Code Section 67-2345(1)(f), for the purpose of communicating with legal counsel regarding legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. No action was taken by the Board during the Executive Session. The Board resolved out of Executive Session and into Regular Session at approximately 8:45 am.

Agenda Item No. 2, Roll Call

Board Members Present

Terry Uhling, Chairman
Bob Graham, Secretary
Jeff Raybould
Leonard Beck

Roger Chase, Vice-Chairman
Vince Alberdi
Peter Van Der Meulen
Chuck Cuddy

Staff Members Present

Brian Patton, Planning Bureau Chief
Cynthia Bridge Clark, Engineer
Mat Weaver, Engineer
Diana Ball, Administrative Assistant

Helen Harrington, Planning Section Manager
Morgan Case, Biologist
Brian Ragan, Hydrologist

Guests Present

Jon Bowling, Idaho Power
Walt Poole, IDFG
Vanessa Grieve, Idaho State Journal

John Tracy, University of Idaho
Dick Wyatt, Clearwater Water Dist.

Agenda Item No. 3, Agenda and Approval of Minutes 5-12

Mr. Patton requested that Agenda Item No. 5, the IWRRI Advisory Committee Appointment, be moved ahead of Public Comment, to accommodate Mr. John Tracy's schedule. Minutes 5-12 were not available for approval.

Agenda Item No. 4, IWRRI Advisory Committee Appointment (*John Tracy, IWRRI Director*)

Mr. Tracy presented a copy of a letter he sent to the IWRB on August 3, 2012, requesting that the IWRB consider appointing a member or designee to the IWRRI External Advisory Board (EAB). The purpose of the IWRRI EAB is to provide direction to IWRRI in initiating research activity that could be important to the future of the State of Idaho and to provide a mechanism for the research to be utilized to initiate discussion and educate the next generation of water users. Mr. Tracy provided information regarding the makeup of the Board and the time commitment. He requested that an appointment be made by the end of September. There was discussion among the parties regarding the history of IWRB members serving on the IWRRI EAB.

Agenda Item No. 5, Public Comment

Chairman Uhling asked for public comment regarding any items not included on the agenda. Mr. Dick Wyatt, representing Lyle Smith, discussed a project by the Clearwater Water District to remove colloidal material in their water. Mr. Wyatt discussed the possibility of applying for a loan from the Board to complete this project. There was discussion among the parties regarding the current Board loan rates and a need to review loan rates.

Agenda Item No. 6, Director's Report (*Gary Spackman, IDWR Director*)

Director Gary Spackman discussed his desire to collaborate with the Board on future actions regarding water user violations. The Director also discussed draft legislation on municipal water rights and minimum stream flows. There was discussion among the parties regarding initiating legislation by the deadline. Director Spackman discussed legislation regarding the licensing of hydropower rights. He shared with the Board his desire for help from the Board in developing qualifications for the Director's position, as well ongoing recreational mining issues. Director Spackman discussed his meeting with the Nez Perce County Commission regarding water level problems and possibly a larger area of ground water management in the area.

Agenda Item No. 7, IWRB Committee and Other Reports

- a. **Stream Flow Enhancement and Minimum Stream Flow Committee** (*Roger Chase, Chair ; Helen Harrington, Staff*)

Ms. Harrington provided a status report on the July 20th committee meeting. The committee made positive recommendations on two proposed water transactions in the Upper Salmon River Basin, which will be addressed later in the meeting. At the committee meeting, Ms. Sarah Rupp with Friends of the Teton River presented a status update on water transactions efforts underway in the Teton River Basin. Ms. Harrington also discussed a draft appraisal for the Alturas Lake Creek water rights.

- b. **Water Storage Projects** (*Terry Uhling, IWRB; Cynthia Bridge Clark, Staff*)

Ms. Bridge Clark provided a status update on the August 20th storage committee meeting. The agenda included an update on the Henry's Fork Basin study by the US Bureau of Reclamation and a field trip to view the drilling activities at the Weiser-Galloway project site.

- c. **Upper Snake River Advisory (Operations Forum)** (*Roger Chase, IWRB; Rich Rigby, Senior Advisor; Mat Weaver, Staff*)

Mr. Weaver provided an update on the September 5th Upper Snake Advisory committee meeting. The agenda included discussion on climate conditions for the 2012/2013 winter season; a presentation from Mr. Mike Beus of US Bureau of Reclamation regarding low carry-over at the end of the season; discussion on natural flows; minimum pool volumes in the American Falls Reservoir; a report from Watermaster Lyle Swank on the rental pool; an update from Jon Bowling on Idaho Power Operations; and recharge goals. The next meeting is scheduled for November 8th.

Agenda Item No. 8, Water Transactions Program (*Morgan Case, Staff*)

- a. **Status Report**

Ms. Case provided a status report on the overall water transactions program.

b. Kenney Creek

Ms. Case provided an update on Kenney Creek water transactions. Projects are in development to remove some of the small water right users from Kenney Creek in order to simplify the management of the easement and remove any other high flow diversions that might adversely impact the creek. The Nature Conservancy has been working with Ms. Gail Andrews on a project to put a small pumping station on a wastewater ditch that runs along the Andrews property. In order to protect the flows instream and minimize the financial impact of pumping waste water, staff proposes entering into a 20-year agreement not to divert. The cost of the agreement would be based on pumping cost estimates over 20 years - \$10,219.79. The funds would be requested from the Idaho Fish Accord to be placed into the Board's revolving development water transaction subaccount to be paid out annually.

Mr. Roger Chase made a motion to approve the resolution to make a funding commitment in the matter of the Kenney Creek Transaction. Mr. Bob Graham seconded the motion.

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. Motion carried.

c. Big Springs Creek (Lemhi)

Ms. Case also reported on a Big Springs Creek (Upper Lemhi) transactions. Staff has been working with The Nature Conservancy on a potential water transaction that would increase flows by 1.36 cfs in Big Springs Creek and 1.36-4.54 cfs in a 3.6 mile reach of the Upper Lemhi River. In order to accomplish those flow benefits, Beyeler Ranches would consolidate some of its Lemhi River water rights and all of its Big Springs water rights into one diversion. In order to protect the flows instream and minimize the financial impact of pumping water, staff proposes entering into a 20-year agreement not to divert. The cost of the agreement would be based on pumping cost estimates over 20 years plus a small annual payment of \$500 to Y Livestock Ranch for the increased burden of maintenance on the LBSC 5 diversion ditch. Total project cost would be \$69,438.50. The cost would be requested from the Idaho Fish Accord to be placed into the Board's revolving development water transaction subaccount to be paid out annually. There was discussion among the parties regarding the range in increased flows in the Upper Lemhi River.

Mr. Jeff Raybould made a motion to approve the resolution to make a funding commitment in the matter of the Big Springs Creek and Upper Lemhi Transaction. Mr. Vince Alberdi seconded the motion.

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. Motion carried.

Agenda Item No. 9, IWRB Financial Program

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

As of July 1, the Board has approximately \$17.4 million in funds committed but not yet disbursed, approximately \$16.4 million in loan principle outstanding, and a total uncommitted balance of approximately \$4 million. During the month of July, the Board committed about \$1.5 million in loans. There was discussion among the parties regarding the Bear River loan, and the interest rate on the revolving development fund.

b. Ground Water District Revenue Bonds (*Brian Patton, Staff*)

Mr. Patton provided an update on the ESPA Ground Water District Revenue Bonds. The Southwest Irrigation District (SWID) has completed its purchase of 15% interest in the trout farms that were purchased by four ESPA ground water districts utilizing the proceeds of revenue bonds issued by IWRB. There was discussion among the parties regarding the interest rates on the loans.

c. Bear River Bonds (*Brian Patton, Staff*)

Mr. Patton provided an update on the Bear River Bond issuance. Treasureton Irrigation Company submitted a letter with a proposed resolution concerning the bond issue process. There was discussion among the Board members and Mr. Patton regarding the financing structure of the bonds, communication occurring between the parties involved, and suggestions to improve the process.

Agenda Item No. 10, UIC Rules Update *(Brian Ragan, Staff)*

Mr. Ragan provided an update on the proposed UIC Rule Revision. New language regarding aquifer exemptions has been added to the proposed Underground Injection Control (UIC) rules since the last presentation to the Board. He summarized the negotiated rule-making meetings that have occurred and provided a timeline for future meetings and deadlines. Mr. Ragan discussed aquifer categorization and the process for aquifer exemptions. There was discussion among the parties regarding the rules to be submitted in November and resources needed to handle the agencies' involvement.

Agenda Item No. 11, Proposed State Water Plan *(Helen Harrington, Staff)*

Ms. Harrington provided an update on the public hearings and information meetings that are being held around the state as the public comment period progresses for the Proposed Revisions of the State Water Plan. It is anticipated that recommendations for final revisions will be provided for consideration to the IWRB accompanied by a recommendation of adoption of the Revised State Water Plan at the November Board meeting. There was discussion among the parties regarding written comments received and the number of attendees at previous meetings.

Agenda Item No. 12, RP CAMP *(Helen Harrington, Staff)*

Ms. Harrington provided an update on the Rathdrum Prairie Comprehensive Aquifer Management Plan (RP CAMP). The RP CAMP Advisory Committee met on July 9th and the goal of the meeting was to establish a process and procedures for CAMP implementation. Due to the small number of attendees, the meeting primarily focused on prioritizing actions and discussing the funding which the IWRB recently made available for RP CAMP implementation. The Advisory Committee will be meeting on a quarterly basis.

Agenda Item No. 13, TV CAMP *(Helen Harrington, Staff)*

Ms. Harrington provided an update on the Treasure Valley Comprehensive Aquifer Management Plan (TV CAMP). The public comment period for the proposed TV CAMP is currently open and continues through September 30, 2012. Public comment hearings are scheduled for Caldwell (Monday, September 10) and Boise (Tuesday, September 11). The Treasure Valley Partnership submitted a request for \$500 toward funding a Treasure Valley Water Quality Summit. Matching funds are being requested from other organizations. Discussion ensued regarding other funding sources.

Mr. Roger Chase made a motion to approve the resolution to allocate funds in the matter of the projects associated with the recommended Treasure Valley Comprehensive Aquifer Management Plan. Mr. Vince Alberdi seconded the motion.

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. Motion carried.

Agenda Item No. 14, ESPA CAMP and Aquifer Management Efforts Update *(Mat Weaver, Staff)*

Mr. Weaver provided an update on recent ESPA-related activities. The future of AWEF past 2013 is unknown. The ESPA is not likely to be recognized as a project within the Revised Farm Bill, so staff will need to apply for funding through it. He also provided an update on the End Gun Removal Program. Staff has met with the NRCS to discuss revising or increasing incentive funding for end gun removal. Staff is requesting that NRCS look at a 2007-2011 average, which would increase the incentive to \$150-\$175 per acre.

Mr. Weaver discussed the Board's recharge water right applications. Staff is currently preparing for the hearing on the Board's contested applications. They have held four meetings with stakeholders and are planning on at least two more meetings. The next status conference meeting with Director Spackman will be held on October 29th.

Mr. Weaver updated the Board on the Lake Walcott recharge site. Currently there is discussion with US Bureau of Reclamation (US BOR) and Magic Valley Ground Water District regarding power generation revenue and water supply for recharge above Minidoka Dam. There was discussion among the parties regarding the Lake Walcott recharge site.

Mr. Weaver updated the Board on the Mile Post 31 Recharge site. Construction improvements are being recommended by staff not to exceed \$35,000 or the 40% of actual project costs. American Falls Reservoir District No. 2 will fund the remaining project costs. There was discussion among the parties regarding the Mile Post 31 recharge site and the quantity of water to be diverted for recharge.

Mr. Leonard Beck made a motion to approve the resolution to allocate funds in the matter of Eastern Snake Plain Aquifer managed recharge program Mile Post 31 recharge site. Mr. Roger Chase seconded the motion.

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. Motion carried.

Mr. Weaver also updated the Board on late season recharge. To date in 2012 we have recharged 107,371 acre feet of water in the ESPA. This is above the average annual goal. In anticipation of a potentially dry water year in 2013, staff suggests the Board should continue to recharge in 2012 to “bank” as much recharge as possible. To this end we are targeting a late season recharge goal of approximately 20,000 acre feet.

Agenda Item No. 15, Water Storage Studies Update *(Cynthia Bridge Clark, Staff)*

Weiser-Galloway Project

Ms. Bridge Clark provided an update on the Weiser-Galloway Project. The US Bureau of Reclamation is performing the drilling and testing activities in coordination with the US Army Corps of Engineers. It is estimated that drilling activities may extend into November. Results of core tests are scheduled for completion by December 2012. The Operational Analysis is expected to be completed in the fall of 2013.

Lower Boise River Interim Feasibility Study

Ms. Bridge Clark also updated the Board on the Lower Boise River Interim Feasibility Study. The Corps is making an effort to streamline and modernize the feasibility process (Planning Modernization initiative). As a result of this initiative the Corps advised the Board that federal support of the study may be contingent on a revision of the agreement to include completion of a full feasibility study. A scoping effort is currently being scheduled by the Corps for this fall and will include a comprehensive technical team. In the interim, the Corps and IDWR staff has been briefing Treasure Valley community leadership on the study and opportunities to participate in the study process. There was discussion among the parties regarding the estimated cost of the study.

Henrys Fork Basin Study

The IWRB and the US Bureau of Reclamation (Reclamation) 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. In August 2012, Reclamation staff presented results of the technical analyses to the IWRB Storage committee. The alternatives recommended for further study include surface water storage projects, agricultural conservation and management, and market based alternatives in conjunction with conservation and storage alternatives. A breakdown of potential study costs to assist with prioritization of the alternatives was provided to the Board. There was discussion among the parties regarding the alternatives.

Agenda Item No. 16, Other Items IWRB Members May Wish to Present

Chairman Uhling mentioned the written request from Governor Otter to take up sustainability, and stated that the Board will give the issue due consideration. There were no other items presented by IWRB members.

Agenda Item No. 14, Next Meeting and Adjourn

The next regular IWRB Meeting is scheduled for November 28 in Boise, Idaho, and is scheduled as a work session in the morning with regular meeting and Executive Session in the afternoon. There was discussion about the potential for committee meetings on the afternoon of November 27. During that week, Idaho Water Users' Association will also be holding their annual convention.

The IWRB Meeting 6-12 adjourned at approximately 12:30 pm.

Respectfully submitted this ____ day of _____, 2013.

_____, Secretary

Mandi Pearson, Administrative Assistant II

Board Actions:

1. Mr. Roger Chase made a motion to approve the resolution to make a funding commitment in the matter of the Kenney Creek Transaction. Mr. Bob Graham seconded the motion. Roll Call Vote. Motion carried.
2. Mr. Jeff Raybould made a motion to approve the resolution to make a funding commitment in the matter of the Big Springs Creek and Upper Lemhi Transaction. Mr. Vince Alberdi seconded the motion. Roll Call Vote. Motion carried.
3. Mr. Roger Chase made a motion to approve the resolution to allocate funds in the matter of the projects associated with the recommended Treasure Valley Comprehensive Aquifer Management Plan. Mr. Vince Alberdi seconded the motion. Roll Call Vote. Motion carried.
4. Mr. Leonard Beck made a motion to approve the resolution to allocate funds in the matter of Eastern Snake Plain Aquifer managed recharge program Mile Post 31 recharge site. Mr. Roger Chase seconded the motion. Roll Call Vote. Motion carried.



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 7-12

C.L. "Butch" Otter
Governor

Idaho Water Center
Director's Conference Room
IWRB Members May Participate by Phone
322 E. Front St., Boise, ID 83702

Terry T. Uhling
Chairman
Boise
District 2

November 1, 2012

Roger W. Chase
Vice-Chairman
Pocatello
District 4

Chairman Terry Uhling called the meeting to order at approximately 7:30 am. There were six Board members present. Mr. Cuddy and Mr. Chase were absent. A quorum was present.

Bob Graham
Secretary
Bonners Ferry
District 1

Agenda Item No. 1, Roll Call

Board Members Present

Terry Uhling, Chairman
Leonard Beck
Vince Alberdi

Bob Graham, Secretary
Jeff Raybould
Peter Van Der Meulen

Charles "Chuck" Cuddy
Orofino
At Large

Leonard Beck
Burley
District 3

Staff Members Present

Brian Patton, Planning Bureau Chief
Helen Harrington, Planning Section Manager
John Homan, Deputy Attorney General
Harriet Hensley, Deputy Attorney General

Gary Spackman, Director
Rich Rigby, Federal Liaison

Vince Alberdi
Kimberly
At Large

Jeff Raybould
St. Anthony
At Large

Guests Present

No guests attended.

Peter Van Der Meulen
Hailey
At Large

Agenda Item No. 2, Executive Session

At approximately 7:45 am the Board resolved into Executive Session by unanimous consent pursuant to Idaho Code Section 67-2345(1)(f), for the purpose of communicating with legal counsel regarding legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. No action was taken by the Board during the Executive Session. The Board resolved out of Executive Session and into Regular Session at approximately 8:30 am.

Agenda Item No. 3, Pristine Springs

This item was removed from the agenda per Mr. Patton's suggestion.

Agenda Item No. 4, Recharge Water Rights

This item was removed from the agenda per Mr. Patton's suggestion.

Agenda Item No. 5, Next Meeting and Adjourn.

Mr. Cuddy made a motion to Adjourn, and Mr. Raybould seconded the motion. Voice Vote. All were in favor. Motion Carried.

The IWRB Meeting 7-12 adjourned at approximately 8:30 am.

Respectfully submitted this _____ day of _____, 2013.

_____, Secretary

Mandi Pearson, Administrative Assistant II



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 8-12

C.L. "Butch" Otter
Governor

Idaho Water Center
Conference Rooms 602C&D
IWRB Members May Participate by Phone
322 E. Front St., Boise, ID 83702

November 12, 2012

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

Chairman Terry Uhling called the meeting to order at 10:00am. There were seven Board members present. Mr. Bob Graham was absent. A quorum was present.

Agenda Item No. 1, Roll Call

Board Members Present

Terry Uhling, Chairman

Leonard Beck

Vince Alberdi

Chuck Cuddy

Roger Chase, Vice-Chairman

Jeff Raybould

Peter Van Der Meulen

Staff Members Present

Brian Patton, Planning Bureau Chief

Helen Harrington, Planning Section Manager

John Homan, Deputy Attorney General

Harriet Hensley, Deputy Attorney General

Gary Spackman, Director

Rich Rigby, Federal Liaison

Guests Present

No guests attended.

Agenda Item No. 2, Executive Session

At approximately 10:00 am the Board resolved into Executive Session by unanimous consent pursuant to Idaho Code Section 67-2345(1)(f), for the purpose of communicating with legal counsel regarding legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. No action was taken by the Board during the Executive Session. The Board resolved out of Executive Session and into Regular Session at approximately 10:30 am.

Agenda Item No. 3, Next Meeting and Adjourn.

Mr. Alberdi made a motion to Adjourn, and Mr. Van Der Meulen seconded the motion. Voice Vote. All were in favor. Motion Carried.

The IWRB Meeting 8-12 adjourned at approximately 10:30 am.

Respectfully submitted this _____ day of _____, 2013.

_____, Secretary

Mandi Pearson, Administrative Assistant II

MATERIALS MAY BE AVAILABLE AT THE MEETING

Memorandum



To: Idaho Water Resource Board
From: Helen Harrington
Date: January 11, 2013
Re: Water District No. 63 Rental Pool Procedures
Request for Approval of Revised Procedures

Action Item

Consider attached resolution to amend the Water District No. 63 Rental Pool Procedures effective 2013.

Background

The IWRB has appointed the Advisory Committee of Water District No. 63 as the local committee for the Boise River Rental Pool and to operate the Boise River Rental Pool. The Committee submitted amendments to the Water District 63 Rental Pool Procedures effective 2013 for consideration and approval by the Idaho Water Resource Board.

The current procedures were adopted in 2005 and amended in 2011. The revised procedures are intended to bring the Boise River Rental Pool Procedures into compliance with the Nez Perce Settlement Term Sheet. There are two substantive changes proposed:

1. Rule 2.3
Rental Pool Administrative Fee: A fee of One Dollar Thirty Cents (\$1.30 per acre foot assessed by the District on all storage rented through the Rental Pool.
2. Rule 6.2
Rental Price: The Rental Price per acre-foot (af) of storage rented from the Rental Pool is \$17.00.

Currently, the Committee assessment for Rental Pool administration is \$1.00; the IWRB administration fee is \$1.18 and return to space holders is \$11.82. If the requested changes are approved, Rental Pool administration will increase to \$1.30; IWRB administration will increase to \$1.43 and return to space holders will be \$14.27.

The proposed changes were approved by the Water District 63 Advisory Committee. Additionally, the proposed procedures were reviewed by staff of the Attorney General's Office for legal consistency.

Recommendation:

Staff recommends approval of the amended Water District 63 Rental Pool Procedures.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE)
WATER DISTRICT NO. 63)
RENTAL POOL PROCEDURES)
AMENDMENT)
_____)

RESOLUTION

WHEREAS, Section 42-1765, Idaho Code, authorizes the Idaho Water Resource Board (IWRB) to appoint a local committee whose responsibilities include, among other responsibilities, adoption of procedures for the orderly operation of rental pools and such procedures must be approved by the IWRB; and

WHEREAS, the IWRB has previously appointed the Advisory Committee of Water District No. 63 as the local committee to operate the Boise River Rental Pool; and,

WHEREAS, the local committee submitted procedures to the IWRB which were approved on April 15, 2005, and the local committee has reviewed and proposes changes to the existing procedures to become effective in 2013; and

WHEREAS, the local committee proposes the following changes:

- A. Increase the Rental Pool administrative fee from \$1.00 to \$1.30; and
- B. Increase the out of basin rental price from \$14 to \$17.

WHEREAS, the Department of Water Resources has reviewed the proposed revised Procedures and has determined it to be in substantial compliance with the IWRB Water Supply Bank Rules, IDAPA 37.02.03.040; and

WHEREAS, the IWRB has determined that the proposed changes are appropriate and should be accepted.

NOW THEREFORE BE IT RESOLVED that the proposed 2012 Water District No. 63 Rental Pool Procedures be accepted and approved.

DATED this 25th day of January 2013.

Chairman
Idaho Water Resource Board

ATTEST _____
Secretary

Memorandum



To: Idaho Water Resource Board
From: Helen Harrington
Date: January 11, 2013
Re: Water District No. 65 Rental Pool Procedures
2013 Amendments

Action Item

Consider attached resolution to amend the Water District No. 65 Rental Pool Procedures.

Background

Water District 65 Local Committee, appointed by the IWRB to operate the Payette River Rental Pool, has submitted a request to revise their Rental Pool Procedures effective upon approval. There are four significant changes:

1. The rules have been reorganized and modified to be consistent with the structure and format of other rental pool procedures. The district worked with staff at the USDI Bureau of Reclamation who has worked with other rental pool procedures in WD 01 and 63. This modification included the addition of the "Arbitrage" section, consistent with other rental pool procedures. Arbitrage refers to leasing and renting storage in the same calendar year.
2. The in-base rental rate is increased from \$3.20 to \$3.50
3. The out-of-basin rental rate increases from \$14 to \$17. This is consistent with the Nez Perce Settlement Term Sheet. This rate is dictated for the rental of water for flow augmentation water; these procedures apply the out-of-basin rental rate to all out-of-basin transactions. The Rental Pool Committee decided to leave it at a single rate rather than separate flow augmentation from other uses.
4. The Rental Pool Administration Fee will increase from \$1.00 to \$1.30. This increased fee is also consistent with other rental pools.

Recommendation:

Staff recommends approval of amended Water District 65 Rental Pool Procedures.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE)
WATER DISTRICT NO. 65)
RENTAL POOL PROCEDURES)
AMENDMENT)
_____)

RESOLUTION

WHEREAS, Section 42-1765, Idaho Code, authorizes the Idaho Water Resource Board (IWRB) to appoint a local committee whose responsibilities include, among other responsibilities, adoption of procedures for the orderly operation of rental pools and such procedures must be approved by the IWRB; and

WHEREAS, the IWRB has previously appointed the Advisory Committee of Water District No. 65 as the local committee to operate the Payette River Rental Pool; and,

WHEREAS, the local committee submitted procedures to the IWRB which were approved in 2005 and added Addendum 1-1 temporarily in 2011; and

WHEREAS, the local committee proposes the following amendments:

- A. Restructure Procedures for consistency with other local rental pools; and
- B. Increase in-base rental rate from \$3.20 to \$3.50; and
- C. Increase out-of-basin rental rate from \$14 to \$17; and
- D. Increase Rental Pool Administration Fee from \$1.00 to \$1.30.

WHEREAS, the Idaho Department of Water Resources has reviewed the proposed amendments to Water District No. 65 Rental Pool Procedures and has determined it to be in substantial compliance with the IWRB Water Supply Bank Rules, IDAPA 37.02.03.040; and

WHEREAS, the IWRB has determined that the proposed changes are appropriate and should be accepted.

NOW THEREFORE BE IT RESOLVED that the proposed revisions to Water District No. 65 Rental Pool Procedures be accepted and approved.

DATED this 25th day of January 2013.

Chairman
Idaho Water Resource Board

ATTEST: _____
Secretary

Memorandum



To: Idaho Water Resource Board
From: Helen Harrington
Date: January 11, 2013
Re: Wood River Basin Enhancement Water Supply Bank and Minimum Stream Flow Water Rights

For information; no action needed

In 2007, the Idaho Legislature passed Idaho Code 42-1508 which directed the IWRB to appropriate two minimum stream flow water rights in the Big Wood and Little Wood rivers. The legislation stated that these minimum flows would be satisfied through the donation of existing water rights. The legislation also directed that the IWRB establish a local rental pool to facilitate donations of water rights to meet these flows (Idaho Code 42-1765B).

The Board filed applications for both legislatively-directed minimum stream flow water rights (37-22262 and 37-22263 respectively, see page 2). IDWR approved the applications on May 10, 2010; the permits have been pending submission of Proof of Beneficial Use with no action by IWRB.

A local operating committee was appointed, a local rental pool was created (known as the Wood River Basin Enhancement Water Supply Bank) and operating procedures were approved by the local committee and the IWRB.

The legislation enacted in 2007 included a "sunset clause" which implemented the legislation effective through December 31, 2012. Additionally, the permits included a condition which states:

Pursuant to the provisions of 2007 Idaho Sess. Laws, ch. 2562, this water right shall be null and void as of December 31, 2012 unless the act is extended by the Legislature.

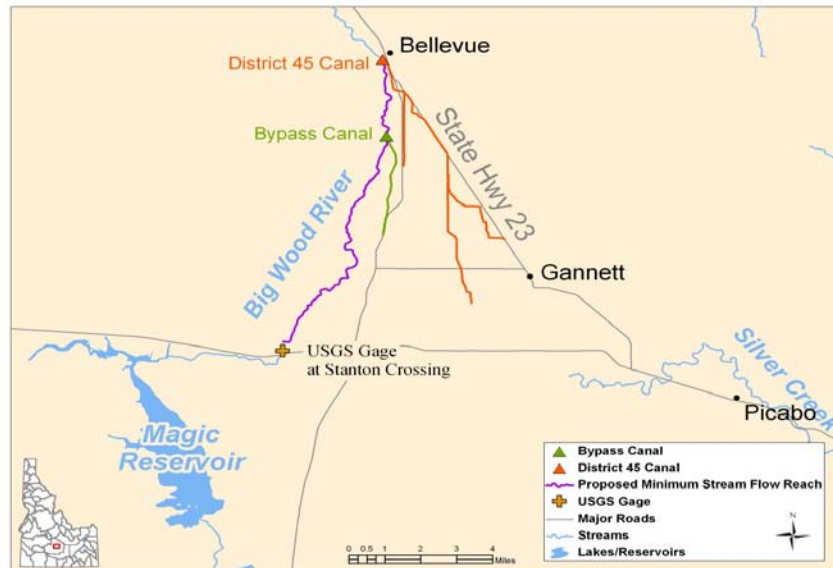
As no action was taken by the Idaho Legislature prior to December 31, 2012, the water right permits are null and void and the local rental pool known as the Wood River Basin Enhancement Water Supply Bank has been deactivated. No water rights which were donated into the local rental pool extend beyond the 2012 date.

The Board holds three existing minimum stream flow water rights which are not affected by this action (see page 3).

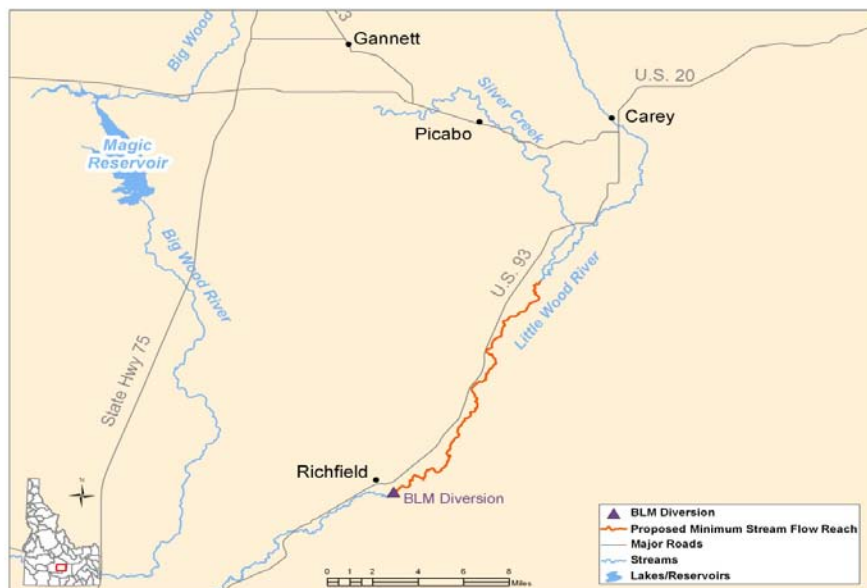
Idaho Code 42-1508 directed the following appropriations:

- Big Wood River, 60 cfs, in the reach immediately below the Bellevue diversion (45 district canal) downstream to the USGS gage station number 13140800, located below Stanton Crossing and above Magic Reservoir, and
- Little Wood River, 74 cfs, from the confluence of Silver Creek downstream to the USBLM diversion located near the city of Richfield.
- These are null and void as of December 31, 2012

37-22262



37-2226



The Board holds three existing minimum stream flow water rights which have been established over the years and are not affected by this action. The existing rights are:

- 37-8258 Priority Date: 1/16/1986 Quantity: 200.0 cfs
From the Sawtooth National Recreation Area boundary downstream approximately 9 miles to the confluence with Warm Springs Creek.
- 37-7919 Priority Date: 6/19/1981 Quantity: 70.0 cfs
From Warm Springs Creek downstream approximately 18 miles to the Bellevue Canal diversion.
- 37-8307 Priority Date: 10/16/1987 Quantity: 119.0 cfs
From Warm Springs Creek downstream approximately 18 miles to the Bellevue Canal diversion.



Memorandum



To: Idaho Water Resource Board (IWRB)

From: Tim Luke and Neeley Miller

Date: January 14, 2013

Re: IWRB WaterSMART grant application to USBOR for measurement devices on behalf of newly created Water District 02

ACTIONS TO BE CONSIDERED:

1. Consider adoption of attached resolution in support of the WaterSmart application.
-

Water District 02 (WD 02) is a water district created by the Director of the Idaho Department of Water Resources (Director, Department or IDWR) pursuant to Idaho Code § 42-604. Attached is a map depicting the general location of the water district. The Final Order Creating WD 02 was signed by the Director on July 10, 2012.

WD 02 held its first annual meeting on January 15, 2013. A district watermaster was elected and an advisory committee selected for 2013. WD 02 will provide for the administration of water rights from the Snake River between Milner and Swan Falls Dams. Water right administration includes delivery and regulation of water rights, and measuring and reporting of water diversions. Measurement of water diversions is a critical and necessary function of the water district. IDWR anticipates issuing an order in 2013 requiring the installation of water measuring devices. IDWR estimates that there are about 150 active irrigation diversions in Water District 02 that serve developments ranging in size from several acres to over 10,000 acres. Water users will be responsible for the cost of purchasing and installing measurement devices.

The Idaho Water Resource Board (IWRB or Board) supports the installation of measurement devices in WD 02 as evidenced by policy 1H of the Idaho State Water Plan adopted by the Board in 2012 which states, "Quantification and measurement of Idaho's water supply and use is essential for sound water resource planning, management, and administration." The Board recognizes that measurement, monitoring and regulation of diversions in the Snake River is one component of a management strategy to maintain Snake River minimum stream flows, including the minimum flows established by the Swan Falls Agreement.

Discussions took place within IDWR in late 2012 regarding how to offset the financial burden to water users associated with the cost of purchasing and installing measurement devices. A

suggestion was made to submit a WaterSMART grant application to the United States Bureau of Reclamation to cost-share in the purchase and installation of the measurement devices in WD 02.

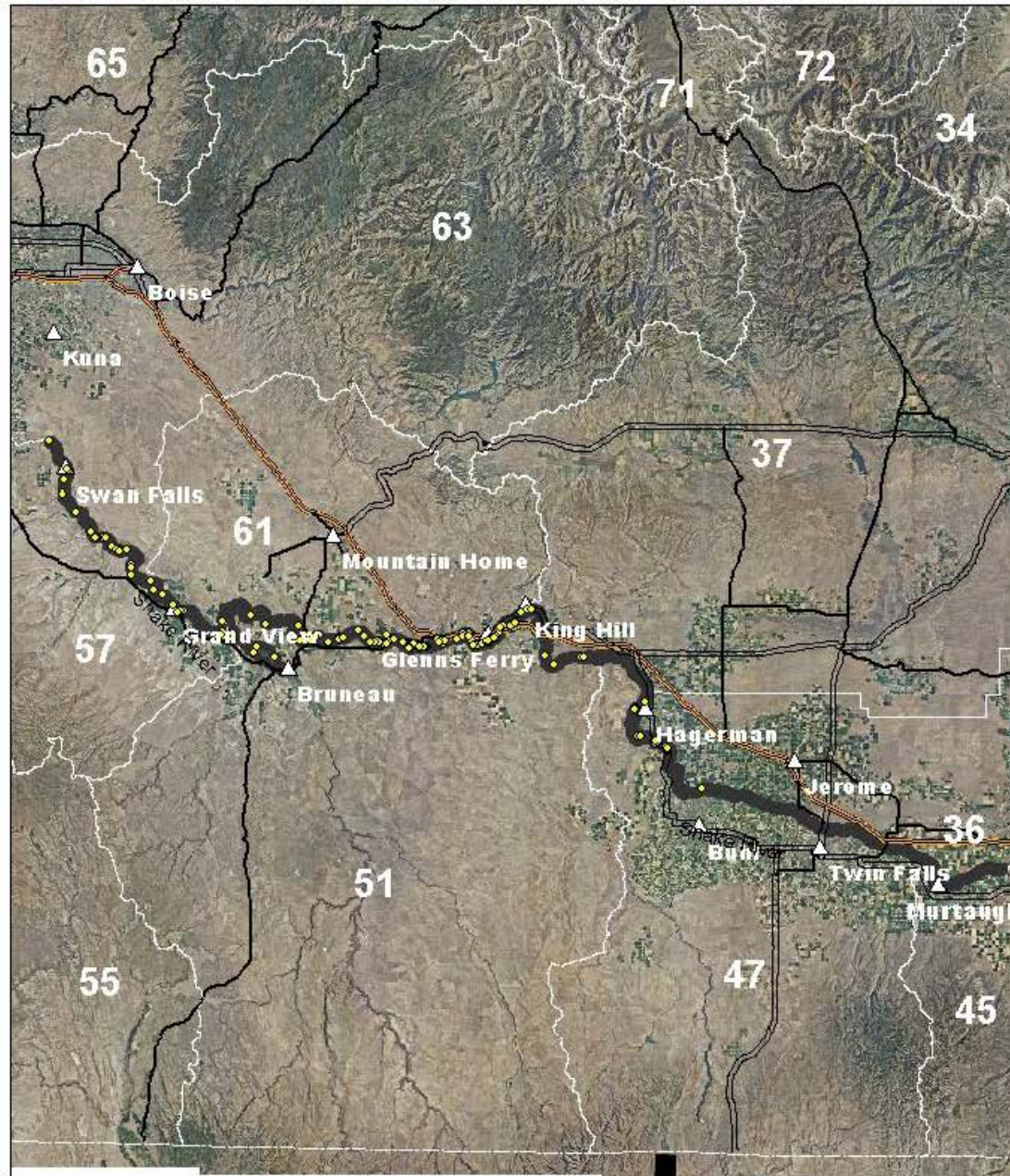
While IDWR created WD 02 in July 2012, the water district is not yet functional. WD 02 does not have the staff and resources at this time to draft and submit a WaterSMART grant application. The WD02 Advisory Committee has requested the IWRB serve as the applicant on behalf of WD02.

The WaterSMART application requires a 50+% match by the applicant. If the Board agrees to be the applicant the 50+% share of the cost will be carried by third party water users in WD 02. The WaterSMART application will include letters of commitment from these water users committing to provide the 50+% of the match. The WaterSMART grants application is requesting \$153,837, with the balance of the costs to be provided by the water users in WD 02. The Board will have no financial obligation other than the cost of staff time to file the application and work with WD 02 to administer the grant funds.

A requirement of the WaterSMART grant application is an official resolution adopted by the applicant's governing body in support of the application.

Attached to this memo are: 1) Map of Water District 02, Snake River from Milner Dam to Murphy Gage, and 2) a resolution for your consideration.

**Water District No. 2
Snake River from Milner Dam
to Murphy Gage below
Swan Falls Dam**



Legend

- ◊ Water Right Irig Diversion Points
- △ Cities
- ▬ WD 02: Snake R - Milner to Murphy
- ▬ IDWR Administrative Basins
- Major Roads**
 - ▬ Interstate
 - ▬ U.S.
 - ▬ State

0 4.75 9.5 19 28.5 38 Miles



Prepared by: IDWR/T Luke/Jan. 2013
Imagery: 2009 NAIP

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE PROPOSED)
WATERSMART APPLICATION TO) RESOLUTION
USBOR FOR MEASUREMENT DEVICES)
IN WATER DISTRICT 02)

WHEREAS, the Idaho Department of Water Resources (IDWR) created Water District 02 on July 10, 2012 pursuant to Idaho Code § 42-604; and

WHEREAS, Water District 02 has been created and held its first annual meeting on January 15, 2013, and it does not have staff or resources to function; and

WHEREAS, IDWR anticipates issuing an order in 2013 requiring the installation of water measuring devices; and

WHEREAS, the IWRB supports the installation of measurement devices in Water District 02 as evidenced by Policy 1H of the Idaho State Water Plan adopted by the Board in 2012 which states, "Quantification and measurement of Idaho's water supply and use is essential for sound water resource planning, management, and administration"; and

WHEREAS, the IWRB has an opportunity to assist Water District 02 and to apply for federal WaterSMART grants to offset costs to users; and

WHEREAS, the Board expects the affected water users to provide the remainder of the costs.

NOW, THEREFORE, BE IT RESOLVED the Board authorizes application to the United States Bureau of Reclamation for a WaterSMART grant for measurement devices in Water District 02 and authorizes the Chairman to enter into an agreement with the Bureau of Reclamation for the WaterSMART grant.

NOW, THEREFORE BE IT FURTHER RESOLVED that the affected water users shall provide the remainder of the project costs, and there shall be no financial obligation from the Board other than the cost of staff time.

NOW, THEREFORE BE IT FURTHER RESOLVED that the WaterSMART grant funds will be deposited in the Board's Revolving Development Account until expended for the measurement devices in Water District 02.

DATED this 25th day of January, 2013.

_____, Chairman
Idaho Water Resource Board

ATTEST _____
_____, Secretary



MEMO

To: Idaho Water Resource Board
From: Brian W. Patton
Subject: Water Resource Projects Funding Program Status Report
Date: January 13, 2013

As of **December 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	\$2,584,776
Water storage studies	1,679,783
Total committed but not disbursed	4,264,559
Loan principal outstanding	8,226,178
Uncommitted balance	3,961,538
Estimated revenues next 12 months	2,300,000
Commitments from revenues next 12 months	0
Estimated uncommitted funds over next 12 months	5,261,538

Rev. Dev. Acct. ESPA Sub-Account

Committed but not disbursed	
CREP	2,419,581
Aquifer recharge	350,000
Bell Rapids	361,620
Palisades storage	10,000
Black Canyon Exchange	519,445
Loan for water project	250,000
Total committed but not disbursed	\$3,910,645
Loan principal outstanding	347,893
Uncommitted balance	109,113
Estimated revenues next 12 months	172,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	281,113

Rev. Dev. Acct. Bell Rapids Sub-Account

Committed but not disbursed (finance costs)	\$179,673
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.)	\$1,344,276
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. Treasure Valley & Rathdrum Prairie CAMP Sub-Account

Committed but not disbursed	\$211,744
Estimated revenues next 12 months (5)	200,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	411,744

Rev. Dev. Acct. Pristine Springs Sub-Account

Committed but not disbursed	
Repair fund	\$1,164,228
ESPA CAMP	616,455 (to be transferred to Secondary
Aquifer Fund)	
Total committed but not disbursed	\$1,780,683
Loan principal outstanding	7,127,940
Uncommitted balance	0
Estimated revenues next 12 months	800,000
Commitments from revenues over next 12 months	800,000
Estimated uncommitted funds over next 12 months	0

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

Committed but not disbursed	\$2,710,094
(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	4,435
Uncommitted balance	4,756
Estimated revenues next 12 months	2,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	\$6,756

Secondary Aquifer Management Fund

Committed but not disbursed:	\$1,628,248
Uncommitted balance	1,872,756
Estimated revenues next 12 months	27,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	1,899,756

Total committed but not disbursed	\$15,959,855
Total loan principal outstanding	15,706,446
Total uncommitted balance	5,948,165
Total estimated uncommitted funds over next 12 months	7,860,907

- (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 \$2,219,858.
- (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.
- (5) From Pristine Springs hydropower and rental income.

The **Monument Ridge Homeowners Association** has repaid its loan in full ahead of schedule. Monument Ridge is located north of Star in Ada County, and borrowed \$360,000 to rebuild its irrigation system.

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 (Utah has lower interest rates).
Raft River Ground Water District	Ground water-to-surface water conversion pipeline	\$2 million	Project in planning and design. Applying for NRCS cost share grants.
Marysville Irrigation Company/North Fremont	Gravity pipeline system – next phase	\$1.5 million	Project in planning and design. Applying for NRCS cost share grants

IDAHO WATER RESOURCE BOARD
Sources and Applications of Funds
as of November 30, 2012
REVOLVING DEVELOPMENT ACCOUNT

Original Appropriation (1969).....	\$500,000.00
Legislative Audits.....	(\$45,834.45)
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.....	\$5,869,754.05
Interest Earned State Treasury (Transferred).....	\$1,603,207.68
Filing Fee Balance.....	\$47,640.20
Bond Fees.....	\$1,474,173.20
Arbitrage Calculation Fees.....	(\$9,000.00)
Protest Fees.....	(\$275.00)
Series 2000 (Caldwell/New York) Pooled Bond Issuers fees.....	\$43,657.93
2012 Ground Water District Bond Issuer fees.....	\$377,000.00
Bond Issuer fees.....	\$49,299.09
Attorney fees for Jughandle LID.....	(\$3,600.00)
Water Supply Bank Receipts.....	\$3,025,416.17
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.....	(\$1,121,960.18)
Weiser Galloway Study - US Army Corps of Engineers.....	(\$1,245,085.74)

Bell Rapids Water Rights Sub-Account

Legislative Appropriation 2005, HB392.....	\$21,300,000.00
Interest Earned State Treasury.....	\$691,813.60
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, water bank, etc.).....	(\$6,740.10)
Commitments	
Ongoing Bell Rapids Finance Costs (trustee fees, etc.).....	\$179,673.04
Committed for alternative finance payment.....	\$0.00
Total Commitments.....	\$179,673.04
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.....	\$30,199.47
Loan Interest.....	\$1,443,123.22
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.....	\$2,872,059.82
Appraisal.....	(\$15,000.00)
Insurance.....	(\$20,650.00)
Recharge District Assessment.....	(\$6,051.00)
Hydro Plants Engineering Certification (Straubhar).....	(\$3,000.00)
Payment to EHM Engineers for pipeline work.....	(\$1,200.00)
Payment to John Root for Easement Survey.....	(\$1,000.00)
Telemetry Station Equipment.....	(\$10,445.00)
Property Taxes and other fee assessments (Jerome County).....	(\$6,015.39)
Rental Payments.....	\$1,273,634.32
Transferred to Secondary Aquifer Fund (2011 Legislature; HB 291).....	(\$2,465,300.00)
Transferred to Secondary Aquifer Fund (2012 Legislature; SB 1389).....	(\$1,232,000.00)
Pristine Springs Hydropower Projects	
Net power sales revenues.....	\$216,136.06
Pristine Springs Committed Funds	
ESPA CAMP (to be transferred to Secondary Fund).....	616,454.72
Repair/Replacement Fund.....	\$1,164,227.96
TOTAL COMMITTED FUNDS.....	\$1,780,682.68
Loans Outstanding	
North Snake and Magic Valley Ground Water Districts.....	\$7,127,940.18
Total Loans Outstanding.....	\$7,127,940.18
Funds to RP CAMP & TV CAMP Sub-Account.....	\$211,671.34
Pristine Springs Revenues into Main Revolving Development Account.....	\$82,137.48

Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account

Pristine Springs Hydropower and Rental Revenues.....	\$211,671.34
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Interest Earned State Treasury.....	\$573.11	
Treasure Valley Water Quality Summit.....	(\$500.00)	
Committed Funds.....		
Treasure Valley Water Quality Summit.....	0.00	
Balance Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account.....		\$211,744.45
Upper Salmon/CBWTP Sub-Account		
Water Transaction Projects Payment Advances from CBWTP/Accord	\$2,840,997.65	
PCSRF Funds for Administration of Non-Diversion Easements on Lemhi River.....	\$161,079.26	
Interest Earned State Treasury.....	\$87,038.83	
Transfer to Water Supply Bank.....	(\$43,484.60)	
Change of Ownership.....	(\$600.00)	
Alturas Lake Creek Appraisal.....	(\$8,989.23)	
Payments for Water Acquisition	(\$337,190.65)	
Committed Funds		
Administration of Non-Diversion Easements on Lemhi River.....	\$158,532.38	
Alturas Lake Creek (Breckenridge).....	(\$0.00)	
Bayhorse Creek.....	\$28,992.56	
Beaver Creek (DOT LLP).....	\$15,756.01	
Big Hat Creek.....	\$270.85	
Big Timber Tyler (Leadore Land Partners).....	\$429,168.31	
Canyon Creek/Big Timber Creek (Beyeler).....	\$402,367.55	
Fourth of July Creek (Vanderbilt).....	\$17,581.57	
Iron Creek (Phillips).....	\$216,368.67	
Lemhi River & Little Springs Creek (Kauer).....	\$18,827.49	
Little Springs Creek (Snyder).....	\$251,817.65	
Lower Eighteenmile Creek (Elsworth Angus Ranch).....	\$6,058.63	
Lower Lemhi M Olson (Mark Olson).....	\$11,218.29	
Lower Lemhi Thomas (Robert Thomas).....	\$2,370.46	
P-9 Bowles (River Valley Ranch).....	\$278,581.23	
P-9 Charlton (Sydney Dowton).....	\$18,439.38	
P-9 Dowton (Jim Dowton Ranch).....	\$220,962.37	
P-9 Elzinga (Elzinga).....	\$273,312.38	
Patterson-Big Springs (PBSC9).....	\$167,848.67	
Sulphur Creek.....	\$12,305.00	
Whitefish (Leadore Land Partners).....	\$179,314.72	
Total Committed Funds.....	\$2,710,094.15	
Balance CBWTP Sub-Account.....		(\$11,242.89)
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.....	\$1,877,139.29	
Loan Interest.....	\$181,294.43	
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.....	(\$3,510,257.36)	
Reimbursement from BOR for Palisades Reservoir.....	\$2,381.12	
W-Canal Project Costs.....	(\$326,834.11)	
Black Canyon Exchange Project Costs.....	(\$71,680.00)	
Black Canyon Exchange Project Revenues.....	\$23,800.00	
2008 Recharge Conveyance Costs.....	(\$14,580.00)	
2009 Recharge Conveyance Costs.....	(\$355,253.00)	
2010 Recharge Conveyance Costs.....	(\$484,231.62)	
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.....	\$0.00	
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).....	\$519,444.95	
Commitment - W-Canal Aquifer and Recharge Conveyance.....	\$0.00	
Total Loans and Other Commitments.....	\$3,910,645.45	
Loans Outstanding:		
American Falls-Aberdeen GWD (CREP).....	\$113,814.73	
Bingham GWD (CREP).....	\$0.00	
Bonneville Jefferson GWD (CREP).....	\$67,469.03	
Magic Valley GWD (CREP).....	\$108,538.78	
North Snake GWD (CREP).....	\$58,070.56	
TOTAL ESP LOANS OUTSTANDING.....	\$347,893.10	
Uncommitted Balance Eastern Snake Plain Sub-Account.....		\$109,112.79
Dworshak Hydropower Project		
Dworshak Project Revenues		
Power Sales & Other.....	\$5,710,719.01	
Interest Earned State Treasury.....	463,264.71	
Total Dworshak Project Revenues.....		\$6,173,983.72
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.....	\$1,507,644.72	
Powerplant Repairs.....	\$58,488.80	
Capital Improvements.....	\$318,366.79	
FERC Payments.....	\$35,956.16	
Total Dworshak Project Expenses.....		(\$2,609,549.28)
Dworshak Project Committed Funds		
Emergency Repair/Future Replacement Fund.....	\$1,314,575.00	
FERC Fee Payment Fund.....	\$30,001.49	
Total Dworshak Project Committed Funds.....		\$1,344,576.49
Excess Dworshak Funds into Main Revolving Development Account.....		\$2,219,857.95
TOTAL.....		\$16,452,275.00
Loans Outstanding:	Amount Loaned	Principal Outstanding
Aberdeen-Springfield Canal Company (WRB-491; Diversion structure).....	\$329,761	\$198,967.51
Big Wood Canal Company (23-Jan-09; Thorn Creek Flume).....	\$90,000	\$30,382.31
Boise City Canal Company (WRB-492)...18th St Canal Rehab	\$82,362	\$21,422.81
Boise City Canal Company (WRB-492)...Grove St Canal Rehab	\$110,618	\$54,215.30
Bonnie Laura Water Corporation (14-Jul-06; Well repairs).....	\$71,000	\$39,259.29
Carlin Bay Property Owners Association.....	\$115,609	\$0.00
Challis Irrigation Company (28-Nov-07; river gate replacement).....	\$50,000	\$30,668.69
Chaparral Water Association.....	\$90,154	\$17,165.69
Chaparral Water Association (21-Jan-11; Well deepening & impreveme	68,000	\$32,625.39
Cloverdale Ridge Water Corp. (irrigation system rehab 25-sep-09).....	106,400	\$83,979.88
Country Club Subdivision Water Association (18-May-07, Well Project).....	\$102,000	\$67,563.71
Cub River Irrigation Company (18-Nov-05; Pipeline project).....	\$1,000,000	\$848,571.79
Cub River Irrigation Company.....	\$500,000	\$429,457.19
Dalton Water Association (14-Mar-08; Water main replacement).....	\$375,088	\$0.00
Deep Creek Property Owners Association.....	\$25,115	\$2,993.84
Enterprise Irrigation District (14-Jul-06; Pipeline project).....	\$37,270	\$21,242.66
Enterprise Irrigation District (North Lateral Pipeline).....	\$105,420	\$52,592.14
Evergreen Terrace Water Association (water study; 25-sep-09).....	\$15,000	\$0.00
Firth, City of.....	\$112,888	\$47,434.70
Foothills Ranch Homeowners Association (7-oct-11; well rehab).....	\$150,000	\$135,187.76
Garden Valley Ranchettes Homeowners Association (25-Jan-05).....	\$2,716	\$1,641.85
Genesee, City of (Storage tank, 22-Jan-10).....	\$250,000	\$170,517.05
Georgetown, City of.....	\$278,500	\$77,603.92
Harbor View Water & Sewer District (Combined Loans).....	\$602,819	\$187,051.41
Hoyt Bluff Water Association (Rathdrum Prairie Well).....	\$273,029	\$26,474.20
Jefferson Irrigation Company (well deepenings).....	\$110,780	\$0.00
Jefferson Irrigation Company (well deepenings).....	\$207,016	\$72,728.09
Jefferson Irrigation Company (9-May-2008 Well Replacement).....	\$81,000	\$64,668.15
Jughandle HOA/Valley County Local Improvement District No. 1 (well pr	\$907,552	\$810,295.00
King Hill Irrigation District (24-Sep-10; Pipeline replacement).....	\$300,000	\$161,434.51
Kulleyspell Estates Property Owners Assoc.....	\$219,510	\$0.00
Lake Reservoir Company (29-July-11; Payette Lake-Lardo Dam Outle	\$594,000	\$308,243.11
Lakeview Water District.....	\$45,146	\$0.00
Last Chance Canal Company (WRB-497).....	\$500,000	\$181,760.75
Lava Hot Springs, City of.....	\$347,510	\$190,259.92
Lindsay Lateral Association (22-Aug-03).....	\$9,600	\$3,215.63
Lindsay Lateral Association (Engineering Design Project).....	\$35,000	\$15,200.00
Lindsay Lateral Association (Pipeline Study).....	\$15,000	\$4,500.00
Live-More Lake Community (9-Jun-04).....	\$42,000	\$17,479.91
Lower Payette Ditch Company (2-Apr-04; Diversion dam replacement)	\$875,000	\$465,632.00
Marsh Center Irrigation Company (13-May-05; Hawkins Dam).....	\$236,141	\$163,043.88
Marysville Irrigation Company (18-May-07, Pipeline Project Phase 1)....	\$625,000	\$377,890.82
Marysville Irrigation Company (9-May-08, Pipeline Project Phase 2).....	\$1,100,000	\$721,216.76
McGuire Estates Water Users Association (4-Mar-05).....	\$60,851	\$25,725.37
Meander Point Subdivsion Homeowners Association (7-Sep-07; comrr	\$330,000	\$82,907.62
Meridian Heights Water & Sewer Association (18-May-07).....	\$350,000	\$279,271.42
Monument Ridge Homeowners Association (20-Mar-09; irrigation syst	\$360,000	\$0.00
Mores Creek Rim Ranches Water District.....	\$221,400	\$67,839.91
New Hope Water Corporation.....	\$42,000	\$0.00
New Hope Water Corporation.....	\$151,460	\$63,411.06
Oakley Valley Water Company.....	\$138,331	\$24,302.66
Packsaddle Water Corporation.....	\$49,600	\$0.00
Picabo Livestock Co (Picabo town water system new well).....	\$38,000	\$0.00
Pinehurst Water District (14-mar-08; Water Storage tank).....	\$160,000	\$6,678.73
Powder Valley-Shadowbrook Homeowners Assoc.....	\$201,500	\$5,039.12
PPRT Water System.....	\$70,972	\$29,901.31
Preston Riverdale & Mink Creek Canal Co.....	\$400,000	\$0.00
Preston-Whitney Irrigation Company (29-May-09; Fairview Lateral Pipel	\$800,000	\$314,103.12
Producers Irrigation Company (17-Mar-06; well replacements).....	\$185,000	\$80,197.32
Ranch Subdivision Property Owners Assoc.....	\$24,834	\$13,671.36
Riverside Independent Water District.....	\$350,000	\$198,952.97
Robertson Ditch Co.....	\$30,000	\$0.00
Skin Creek Water Association.....	\$188,258	\$106,754.52
Sourdough Point Owners Association (23-Jan-07; water supply & treatr	\$750,000	\$119,394.77
Spirit Bend Water Association.....	\$92,000	\$55,438.11
Thunder Canyon Owners Association (6-Feb-04).....	\$92,416	\$54,674.81
Twenty-Mile Creek Water Association.....	\$104,933	\$0.00
Twin Lakes Canal Company - Winder Lateral Pipeline Project (13-Jul-0	\$500,000	\$376,757.34
Twin Lakes Canal Company (2-Apr-04).....	\$90,000	\$19,328.88
Twin Lakes-Rathdrum Fld Cont Dist (24-Oct-02; Twin Lakes Dam).....	\$399,988	\$64,340.50
Whitney-Nashville Water Company.....	\$225,000	\$72,899.26
TOTAL LOANS OUTSTANDING.....		\$8,226,177.78
Loans and Other Funding Obligations:		
Senate Bill 1511 - Teton Replacement and Minidoka Enlargement Studies.....		\$778,161.82
Boise River Storage Feasibility Study.....		\$350,000.00

Weiser-Galloway Study (28-May-10).....	\$551,620.87	
Canyon Creek Canal Company (14-Mar-08; Pipeline project).....	\$133,599.00	
Canyon County Drainage District No. 2 (28-Nov-12; Drain tile pipeline replacement)	\$35,000.00	
Chaparral Water Association (21-Jan-11; Well deepening & improvement).....	\$18,465.16	
Clearwater Water District - pilot plant (13-Jul-07).....	\$80,000.00	
Consolidated Irrigation Company (July 20, 2012; pipeline project).....	\$1,500,000.00	
Dover, City of (23-Jul-10; Water Intake project).....	\$194,063.00	
Evergreen Terrace Water Association (water study; 25-Sep-09).....	\$1,316.09	
Foothills Ranch Homeowners Association (7-Oct-11; well rehab).....	\$14,812.24	
Garden Valley Ranchettes Homeowners Association (25-Jan-05).....	\$8,183.69	
Lake Reservoir Company (29-July-11; Payette Lake-Lardo Dam Outlet Gates).....	\$285,756.89	
Lindsay Lateral Association	\$15,300.00	
North Snake & Magic Valley GWD Loan - Mitigation Pipeline.....	\$250,000.00	
Point Springs Grazing Association (July 20, 2012; storck water pipeline).....	\$48,280.00	
Portneuf Irrigating Company (29-July-11; Pipeline project).....	\$0.00	
TOTAL LOANS AND OTHER FUNDING OBLIGATIONS.....		\$4,264,558.76
Uncommitted Funds.....		\$3,961,538.46
TOTAL.....		\$16,452,275.00

(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 November 30, 2012
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.....	\$119,751.04
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	\$4,496,765.85

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
Bonnors 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.....		\$120,566.57
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	\$2,465.22
Victor, City of.....	\$23,750	\$0.00
TOTAL LOANS OUTSTANDING.....		\$4,435.16
Uncommitted Funds.....		\$4,755.86
CURRENT ACCOUNT BALANCE.....		\$120,566.57

Idaho Water Resource Board
Sources and Applications of Funds
as of November 30, 2012

SECONDARY AQUIFER PLANNING, MANAGEMENT, & IMPLEMENTATION FUND

Legislative Appropriation (HB 291, Sec 2).....	\$2,465,300.00
Legislative Appropriation (SB 1389, Sec 5).....	\$1,232,000.00
Interest Earned State Treasury (Transferred).....	\$32,595.15
Water Users Contributions.....	\$100.00
Conversion project (AWEP) measurement device payments.....	(\$16,455.21)
Contribution from GWD's for 2011 ESPA Managed Recharge	\$71,893.16
Contribution from GWD's for Revenue Bond Prep Expenses.....	\$14,462.50
American Falls Res. Dist#2 - MP31 Recharge Site Engineering.....	(\$1,593.75)
Payments for 2012 Recharge.....	(\$205,031.84)
Payment for Recharge.....	(\$80,000.00)
Payment for High Country RC&D Cloud Seeding.....	(\$12,264.62)

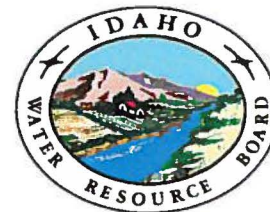
Committed Funds

Measurement devices for AWEP conversion projects.....	\$183,544.79
High Country RC&D Cloud Seeding	\$27,735.38
American Falls Res. Dist#2 - MP31 Recharge Site Engineering	\$4,406.25
American Falls Res. Dist#2 - MP31 Recharge Site Construction	\$35,000.00
Five-Year Managed Recharge Pilot Program	\$1,294,968.16
Contribution from GWD's for 2011 ESPA Managed Recharge	(\$8,106.84)
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.....	\$1,628,247.74

TOTAL UNCOMMITTED FUNDS..... \$1,872,757.65

CURRENT ACCOUNT BALANCE..... \$3,501,005.39

MEMO



To: Idaho Water Resource Board
From: Stuart VanGreuningen
Subject: North Fremont Canal System, Inc. – Phase 4 of Marysville Gravity Pressure Pipeline Project
Date: December 14, 2012

The North Fremont Canal System, Inc. is applying for a water project construction loan in the amount of \$2,500,000 to construct Phase 4 of Marysville project to convert open canals to gravity-pressurized pipelines. The estimated cost of the project is around \$9.2 million with the NRCS providing a cost share for the remainder of this project or over \$6 million for the project.

1.0 BACKGROUND

The North Fremont Canal System, Inc. (NFCS) was started in 1982 as an umbrella company over the three companies of Marysville Irrigation Company, Farmer's Own Ditch Company, Ltd. and Yellowstone Power and Irrigation Company. In 2006 the Board of Directors of Marysville and Farmer's started looking into constructing and managing gravity pressurized pipeline for the conservation of energy, water and administrative costs in their canal systems. Marysville started the process of building the pipelines and as the size of the project increased and crossed into Farmer's Own Ditch Company area NFCS has started to take over project management.

The pipeline project has 5 phases. Phases 1 and 2 were completed through Marysville and the remainder will be done through NFCS. This portion of the project called Phase 4 will encompass 34 shareholders servicing 4928 acres. This phase, called Phase 4, was chosen to correspond to the funding available from the NRCS. It was increased in size to incorporate some of Phase 3 so that it would match the available NRCS funding.

2.0 PROPOSED PROJECT

The proposed project is to install 81,000 feet of gravity pipeline to deliver water to 34 landowners for use on 4,928 acres. It is estimated that completion of this phase will reduce electrical consumption by permanently removing 1,935 hp using 2,100,000 kW-hrs of electricity annually. The completion of all phases is estimated to save approximately 3,840 ac-ft of water for NFCS.

3.0 PROJECT COST ESTIMATE

The following cost estimate was developed by the NRCS and reviewed by staff reflects the cost associated with Phase 4.

Pipeline 42" – 6" w/ install	\$5,850,225
Excavation	\$1,003,750
Fittings	\$101,000
Inlet Structures	\$295,000
Mobilization	\$145,004
Contingencies (25%)	\$1,848,994
TOTAL	\$9,243,973

4.0 PROJECT FINANCING PLAN

NRCS Cost Share Grants	\$6,000,000	Obligated
IWRB Loan	\$2,500,000	Pending
Canal Company Funds	\$743,973	
Total	\$9,243,973	

6.0 FINANCIAL ANALYSIS

This analysis is only for the funding requested this year.

NFCS is requesting financing for construction of **Phase 4** of the Marysville Pipeline Project. The contribution requested from IWRB in the form of a loan would be \$2,500,000. Assuming a loan of \$2,500,000 at 5.5%:

Term	Estimated Annual Payment	Before Project Assessment per acre	Estimated after project assessment per acre
10 years	\$331,669	\$6.75	\$74
15 years	\$249,063		\$57
20 years	\$209,198		\$49
30 years	\$186,373	↓	\$44

Note: The rate is only for the lands that will be serviced by Phase 4.

7.0 WATER RIGHTS

NFCS holds the following water rights:

Water Right	Stage	Priority Date	Source	Amount (cfs)
21 – 73B	Decree	11/1895	Falls River	4
21 – 73D	Decree	11/1895	Falls River	4
21 – 73F	Decree	11/1895	Falls River	3.92
21 – 73H	Decree	11/1895	Falls River	0.417
21 – 73J	Decree	11/1895	Falls River	317.66
21 – 48	Decree	4/1896	Falls River	34
21 – 49	Decree	5/1904	Falls River	12
21 – 50	Decree	5/1905	Falls River	40
21 – 75	Decree	6/1984	Falls River	3

Note: NFCS obtains its storage water from the Fremont-Madison Irrigation District, which holds all of the storage water in Grassy Lake and Island Park Reservoir.

8.0 SECURITY

The IWRB already holds a lien against water right 21-73B thru 21-73J, associated lands, and equipment with Marysville for the construction of Phase 1 and 2 of this project. This will be amended to include this loan. The additional water rights, lands, and equipment associated with this pipeline will be added to the lien.

9.0 PRIOR IWRB ASSISTANCE

The potential for converting canals in the Ashton/Marysville area to gravity-pressurized pipelines has long been recognized. In 1980 the IWRB, together with Marysville and other local canals, undertook a feasibility study, done by CH2M-Hill, evaluating this possibility. The Board provided grant money to assist with the study at that time. Funding options for the project at that time were not feasible and it languished. Interest from the NRCS revived the project, although on a smaller scale than contemplated in the CH2M-Hill report.

The Board's involvement to date has been:

Year	Financial Assistance	Project	Amount
1980	Marysville & others	feasibility study	\$10,000 grant
2007	Marysville	Phase 1	\$625,000
2008	Marysville	Phase 2	\$1,100,000

The current status of the loans is:

Year	Loan	Status	Amount remaining	Years remaining
2007	\$625,000	current	\$378,000	11
2008	\$1,100,000	current	\$738,000	12

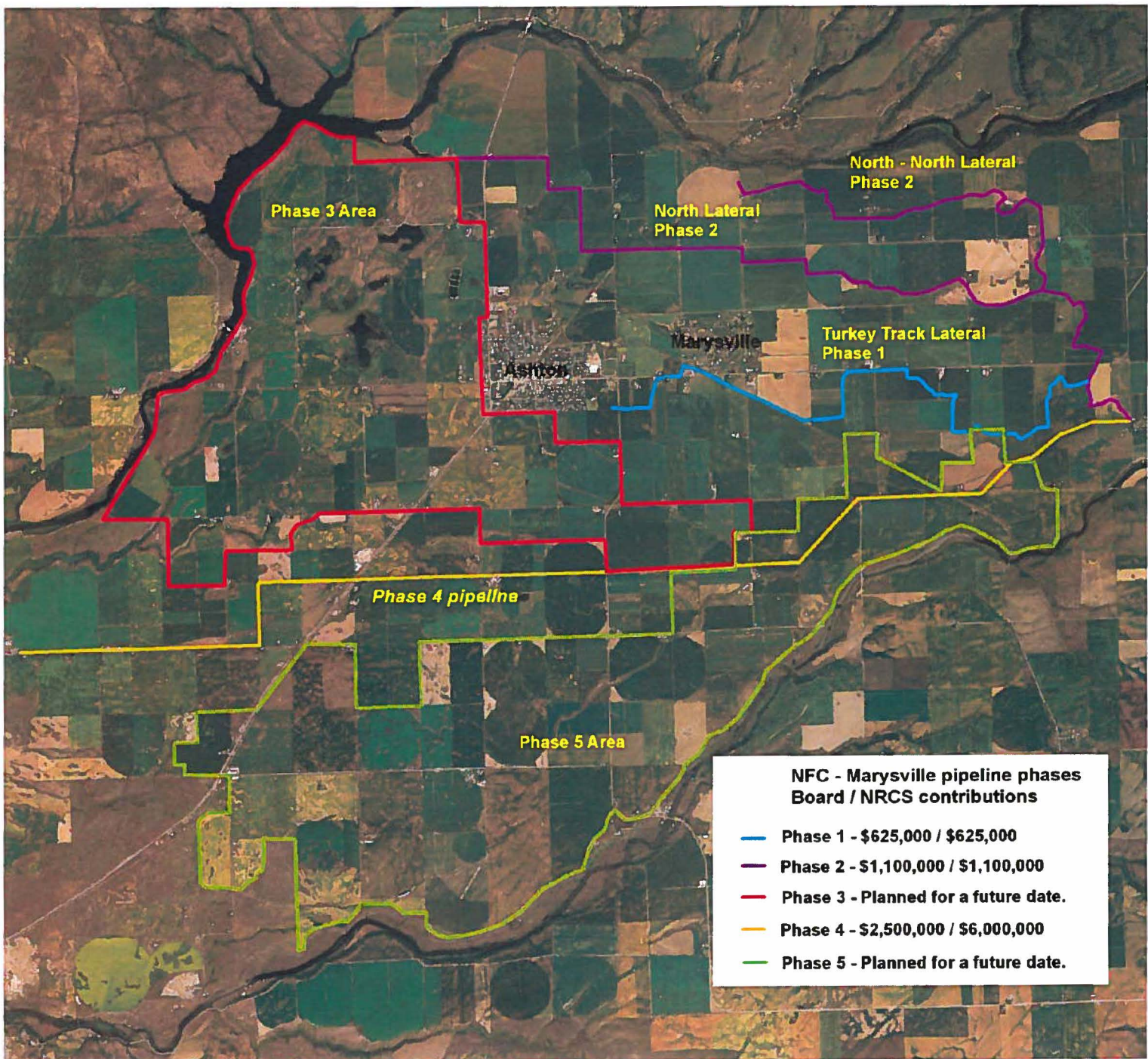
10.0 CONCERN ABOUT REDUCED AQUIFER RECHARGE

The concern about a reduction in aquifer recharge on the ESPA has been address in the previous loan memos to the Board. As a brief reminder the area where the pipeline project is being constructed sits on a perched aquifer. Although some of the perched water may percolate downward through the volcanic rocks to the main water table, the majority of the water discharge is to the Henrys Fork.

From the analysis that was provided Staff believes that this project, due to its location, will not have a significant effect on incidental recharge to the ESPA.

11.0 CONCLUSION AND RECOMMENDATION

This project will provide benefits to NFCS by reducing maintenance costs, lowering power costs and consumption, and eliminating water losses through the canal system. The NRCS has obligated a significant amount of federal money to this project. **Staff recommends approval of a loan for Phase 4 of the project in the amount of \$2,500,000, at 5.5 %, with a 15-year term.**



BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE NORTH FREMONT CANAL SYSTEM, Inc. _____)))	A RESOLUTION TO MAKE A FUNDING COMMITMENT
---	-------------	--

WHEREAS, as the North Fremont Canal System, Inc. (NFCS) has submitted an application to the Idaho Water Resource Board (Board) requesting a loan in the amount of \$2,500,000; and

WHEREAS, the NFCS operates and maintains an irrigation canal system for its members in Fremont county; and

WHEREAS, NFCS has requested funds to construct Phase 4 of a gravity pipeline system to serve approximately 4,928 acres and

WHEREAS, the proposed gravity pipeline system will have substantial benefits to the NFCS members due to reduction of sprinkler irrigation pumping, reduction of canal maintenance, and reduction of canal seepage losses; and

WHEREAS, total project cost is estimated to be about \$9.2 million dollars; and

WHEREAS, the Natural Resource Conservation Service has agreed to provide 75% grant for this phase of the project; and

WHEREAS, the Board provided \$625,000 AND \$1,100,000 in loans funds to the Company in 2007 and 2008 to construct Phase 1 and 2 of this project respectively; and

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

NOW THEREFORE BE IT RESOLVED that the Board approves a \$_____ loan from the Revolving Development Account, at _____% interest with a _____ year repayment term.

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

1. NFCS shall comply with all applicable rules and regulations that apply to the proposed project.
2. NFCS shall provide acceptable security for this loan.

DATED this 25th day of January, 2013.

Chairman
Idaho Water Resource Board

ATTEST _____
Secretary

**North Fremont Canal System, Inc.
PO Box 307
Ashton ID 83420**

Idaho Water Resource Board
Attn: Stuart Vangreuning
322 East Front Street, Statehouse Mail
Boise ID 83420

Dear Stuart,

Please find enclosed our application for a loan for Phase IV of the Marysville Pipeline Project. We have obtained the Federal portion of the funding, and are now requesting your assistance in obtaining an IDWR loan for the remainder of the construction costs. The NRCS engineers are putting the final touches on the construction plans, and we anticipate Phase IV to be built and completed in the late fall of 2013.

The package is pretty self explanatory, but when you get to the financials, you will note that the Farmer's Own Ditch Company, Ltd, and the Marysville Irrigation Company, Inc. each have a set of financials for the years 2009, 2010, and 2011. Those two companies comprise (along with the Yellowstone Power and Irrigation Company which is not a part of this effort) the North Fremont Canal System, Inc. They are separate companies for administrative purposes, but are together part of the North Fremont Canal System which serves as an umbrella company for the three canals. The balance sheet and income statement from the Farmer's Own Ditch and the Marysville Irrigation will need to be added together to obtain the numbers for the North Fremont Canal System for you to review.

We greatly appreciate the IDWR assistance in the construction of Phase I and II of our project. The results have been tremendous for the shareholders involved, and they know it couldn't have been done without IDWR help. We look forward to continuing our relationship with the implementation of the newest proposal, Phase IV.

Thank you for your consideration.

Lonnie S. Atchley

Lonnie. S. Atchley, Ass't Secretary
North Fremont Canal System, Inc
PO Box 307
Ashton ID 83420

Encl
Loan Application



IDAHO WATER RESOURCE BOARD

322 East Front Street, Statehouse Mail

Boise, Idaho 83720

Tel: (208) 287-4800

FAX: (208) 287-6700



APPLICATION FOR FINANCIAL ASSISTANCE FOR NON-POTABLE WATER SYSTEM CONSTRUCTION PROJECT

Answer the following questions and provide the requested material as directed. All pertinent information provided. Additional information may be requested by the Idaho Water Resource Board (IWRB) depending on the scope of the project and amount of funding requested. For larger funding amounts an L.I.D. may be required.

Incomplete documents will be returned and no further action taken will be taken by IWRB staff. All paperwork must be in twenty eight (28) working days prior to the next bi-monthly Board meeting.

Board meeting agendas can be found at: <http://www.idwr.idaho.gov/waterboard/>

I. Prepare and attach a "Loan Application Document".

The Loan Application Document requirements are outlined in the Water Project Loan Program Guidelines. The guidelines can be found at:

<http://www.idwr.idaho.gov/waterboard/Financial%20program/financial.htm>.

You can also obtain a copy by contacting IWRB staff.

II. General Information:

A. Type of organization: (Check box)

- ☐ Irrigation District
- ☒ Canal/Irrigation Company
- ☐ Lateral Association
- ☐ Flood Control District
- ☐ Homeowners Association

- ☐ Water User's Association
- ☐ Municipality
- ☐ Reservoir Company
- ☐ Other

Explain: _____

North Fremont Canal System, Inc

Organization name

PO Box 307

PO Box/Street Address

Ashton ID 83420

City, County, State, Zip Code

Sean Maupin, Vice President

Name and title of Contact Person

208-390-9897

Contact telephone number

ssmaupin@msn.com

e-mail address

Project location legal description

Phase IV, South lateral, Marysville Pipeline Project

B. Is your organization registered with the Idaho Secretary of State's office? Yes ☒ No ☐

IWRB Non-drinking loan form 2/08

C. Purpose of this loan application.

- ☐ New Project
☐ Rehabilitation or replacement of existing facility
☐ DEQ requirement
☒ Other: Continuation of next phase of the Marysville Pipeline Project

D. Briefly describe the project:

Install 81,000 feet of gravity irrigation pipeline to 34 landowners and 4928 acres of irrigated cropland in southeastern Idaho

III. WATER SYSTEM:

A. Source of water:

- ☒ Stream ☐ Groundwater
☐ Reservoir ☐ Other

B. Water Right Numbers:

Water Right	Stage	Priority Date	Source	Amount
13047575	Decree	Nov 5, 1895	Fall River	27,276

Note: Stage refers to how the water right was issued. (License, Decree, or Permit)

C. If irrigation/lateral system:

Number of acres served: 4928
Number of shareholders served: 34
Water provided annually (acre-feet) 9,000

D. If flood control system, drainage system, groundwater recharge, or other type of system:

Number of acres within District or service area: _____
Number of people within District or service area: _____

E. If an Association/Municipality the number of residences served by the system:

Number of residences served: _____
Number of hookups possible: _____

IV. USER RATES:

A. How does your organization charge users rates?

- ☐ Per acre ☐ Per hook up
☒ Per share ☐ Tax assessment

Explain what a share is: Voting share in the Marysville Irrigation Company and Farmer's Own Ditch Company
☐ Other, explain _____

B. Current rate? \$ \$6.75 per share per year, variable
(Share, hook-up, month, year, etc.)

C. When was the last rate change? 2011 (month/year)

D. Does your organization measure water use? Yes ☒ No ☐

If yes, explain how: Ditchriders computations and WD 1 reports

E. Does your organization have a regular assessment for a reserve fund? Yes ☐ No ☒

If yes, explain how it is assessed:

F. Does your organization have an assessment for some future special need? Yes ☒ No ☐

If yes, explain for what purpose and how it is assessed:

Marysville assesses for additional canal liner in selected locations of the canal

V. PROPOSED METHOD FOR REVENUE FOR REPAYMENT OF LOAN

How will you plan to assess for the annual loan payments?

Check revenue sources below:

☐ Tax Levies

☐ Capital Improvement Reserve Account or Sinking Fund

☒ User Fees and Tap/Hookup Fees

☒ Other (explain) per acre assessment up to \$400 per acre per participant

Will an increase in assessment be required? Yes ☒ No ☐

When will new assessments start and how long will they last?

Fall of 2014 after completion of the Phase, and continue for 15 years

VI. SECUREMENT OF LOAN

List all land, buildings, waterworks, reserve funds, and equipment with estimated value that will be used as collateral for the loan:

Property	Estimated Value
<u>Water shares for the Marysville Irrigation Company 23,300 AF</u>	<u>\$9,320,000</u>
<u>Water shares for the Farmer's Own Ditch Company 10,300 AF</u>	<u>\$4,120,000</u>

For property Securement, attach a legal description of the property being offered along with a map referencing the property.

VII. FINANCIAL INFORMATION:

A. Attach a copy of each of the last 3 year's financial statement. **(Copies must be attached)**

B. Reserve fund (current) Approx \$103,000 as of Dec 1 2012

C. Cash on hand Approx \$104,900 as of Dec 1 2012

D. Outstanding indebtedness:

To Whom	Annual Payment	Amt. Outstanding	Years Left
<u>Idaho Dept of Water Resources</u>	<u>\$62,000</u>	<u>\$378,000</u>	<u>11</u>
<u>Idaho Dept of Water Resources</u>	<u>\$111,000</u>	<u>\$738,000</u>	<u>12</u>

E. What other sources of funding have been explored to fund the project? (example: NRCS, USDA Rural Development, Banks, Local Government, etc.)

NRCS is funding approx. 75% of the estimated cost of construction, totaling \$6,000,000

VIII. ORGANIZATION APPROVAL:

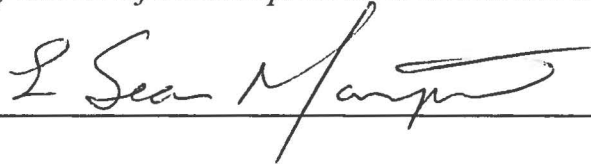
Is a vote of the shareholders, members, etc. required for loan acquisition? Yes ☐ No ☒

If yes, a record of the vote must be attached.

Amount of funds requested: \$2,500,000

By signing this document you verify that all information provided is correct and the document is filled out to the best of your ability.

Authorized signature& date:





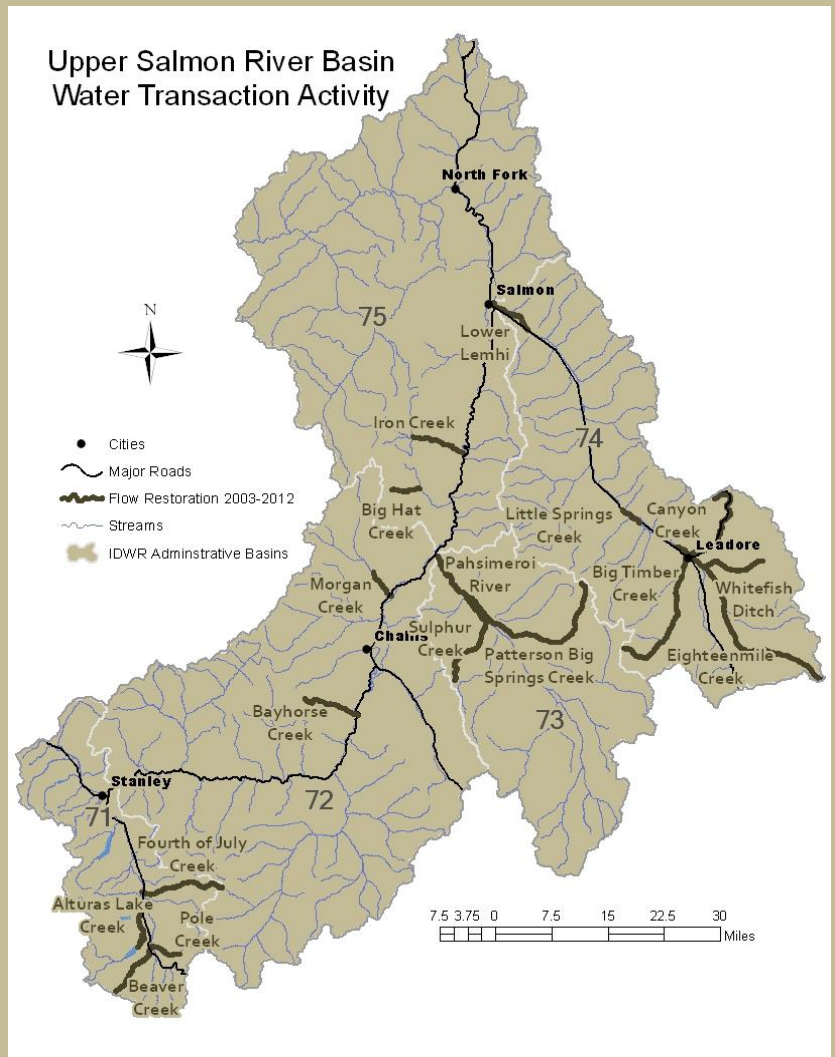
IDAHO Water Transactions PROGRAM

Progress Report: Overview and Accomplishments 2003-2012

Introduction and Background:

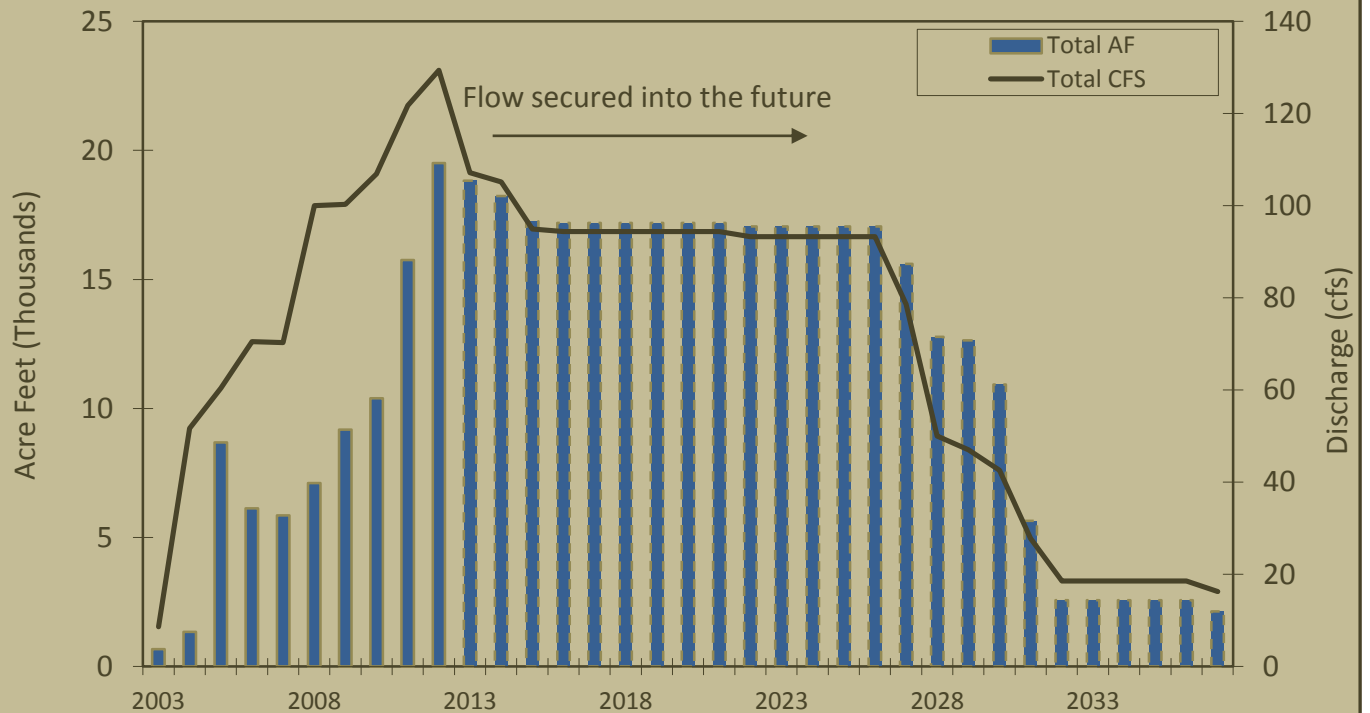
With committed partners in the Upper Salmon River Basin, the Idaho Water Resource Board implements the Idaho Water Transactions Program. The program is restoring water to our streams and rivers, revitalizing the habitats that imperiled salmon, steelhead, and native trout need for survival and recovery, and building resilience in tributaries facing a changing climate, while protecting the local agricultural community.

Mission: To support innovative, voluntary, grassroots water transactions that improve flows to tributary streams and rivers in the Upper Salmon River



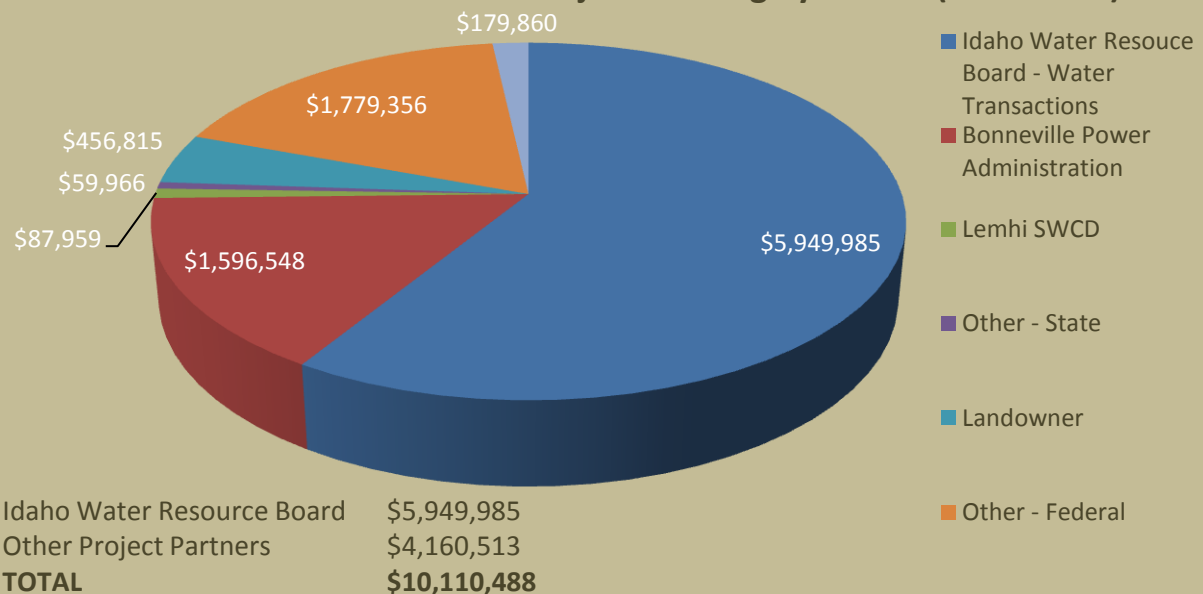
Funding for the Idaho Water Transactions Program comes from the Bonneville Power Administration through the Columbia Basin Water Transactions Program, as administered by the National Fish and Wildlife Foundation; and the Idaho Fish Accords, as administered by the Idaho Governor's Office of Species Conservation. For more information contact the Idaho Water Resource Board at 208.287.4800 or www.idwr.idaho.gov/waterboard/

Idaho Water Transaction Protected Flow 2003-2012



The Idaho Water Resource Board has completed 66 transactions protecting almost 130 cfs of flow and 19,500 AF annually.

Idaho Water Transaction Project Funding by Source (2003-2012)



In addition to the \$5.9 million the Board has used to fund water transactions, over \$4.1 million has been spent by project partners from a variety of Federal, State, private, and non-profit sources. Those funds are often used to install on-the-ground infrastructure as part of improved irrigation systems.

2012 Highlights

In 2012, the Board completed 5 transactions that protected 32.5 cfs of flow and 3931 AF in Upper Salmon tributaries.



2000



July 31, 2012

Lemhi River: Six one-year minimum flow agreements ensured that the State met its commitment to maintain 25-35 cfs in the Lower Lemhi River.



September 2, 2011



August 8, 2012

Patterson Big Springs Creek: Working with the Custer Soil and Water Conservation District, Idaho Fish and Game, the National Resource Conservation Service, and the water user, a diversion on Patterson Big Springs Creek was removed and a new pump was installed in a small non-fish bearing creek. A 20-year **source switch agreement** will protect 6 cfs in Patterson Big Springs Creek for high quality Chinook salmon spawning habitat.

Memorandum



To: Idaho Water Resource Board
From: Helen Harrington
Date: January 11, 2013
Re: Rathdrum Prairie Comprehensive Aquifer Management Plan (RP CAMP)
Spokane River Forum Request for Funding

Action Item: Consideration of request for \$3,000 to support Spokane River Conference

The Spokane River Forum has submitted a request for \$3,000 to support the Spokane River Conference scheduled for March 26th and 27th, 2013. Copies of the request, draft agenda and budget are attached.

The Spokane River Forum (SRF) is a clearinghouse of information about the Spokane River and more recently has been involved with the regional water issues, including the Spokane Valley-Rathdrum Prairie Aquifer. Andy Dunau, Executive Director of the SRF, is an active member of the RP CAMP Advisory Committee and is familiar with the RP CAMP goals and objectives.

The 2013 Spokane River Conference will be the third annual conference which brings together the public, technical experts and researchers, water users and government representatives from all levels to learn about and discuss regional water issues and solutions.

The conference supports several RP CAMP objectives including:

1. Objective #2: Prevent and Resolve Water Conflicts
 - a. A regional discussion and encouraging cooperation for Spokane Valley-Rathdrum Prairie Aquifer water issues;
 - b. Encourage mechanisms that resolve local issues before they become conflicts;
2. Objective #3: Protect the Aquifer, through bringing the key agencies in an effort to address overlapping jurisdictions with the goal of improving efficiency and sharing knowledge; and
3. Adaptive Management, Monitoring and Data Gathering: Present information about the development and maintenance of state-of-the-art monitoring and evaluation tools that provide the information necessary to make sound planning decisions for the future.

The total budget for the conference is \$31,000. The meeting sponsor is sensitive to ensuring that any funding supports the substance of the conference, so the budget shown in the request states \$24,000 which excludes meals and refreshments from the requested budget support. Those costs are covered by registration fees. The requested funding will be used for planning and development of the conference activities related to water resource sessions directly linked to RP CAMP implementation. The balance of the budget will be provided through matching funds from the Kootenai County Aquifer Protection District, Washington Department of Ecology, Spokane Tribe and other business and industry sponsorships. The requested amount and budget meets the RP CAMP policy of sharing implementation costs among partners. Additionally, this proposal addresses the plan's encouragement to take advantage of opportunities to combine resources and leverage existing programs with CAMP implementation.

The funding request and supporting documents was circulated to the RP CAMP Advisory Committee via e-mail for their recommendation. As of this time, I have received four recommendations from AC members and there is unanimous support for funding this proposal. I anticipate additional comments from AC members and will provide that information at the Board meeting. A draft resolution is attached for consideration.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF PROJECTS ASSOCIATED)
WITH THE RATHDRUM PRAIRIE)
COMPREHENSIVE AQUIFER MANAGEMENT)
PLAN)
_____)

A RESOLUTION
TO ALLOCATE FUNDS

WHEREAS, the Idaho Water Resource Board (Board), pursuant to its planning authorities in Article XV, Section 7 of the Idaho Constitution, and Idaho Code 42-1779, and as directed by House Bill No. 428 passed and approved by the 2008 Idaho Legislature, has undertaken the development of a comprehensive aquifer management plan for the Rathdrum Prairie Aquifer; and

WHEREAS, the Board adopted the Rathdrum Prairie Aquifer Comprehensive Aquifer Management Plan on July 29, 2011; and

WHEREAS, the Spokane River Forum has requested financial support in the amount of \$3,000 to match other funding to support the Spokane River Conference, scheduled for March 26-27, 2013; and,

WHEREAS, the Spokane River Conference supports several actions described in the Rathdrum Prairie Comprehensive Aquifer Management Plan, including:

1. Objective #2: Prevent and Resolve Water Conflicts
 - a. Regional discussions and encouraging cooperation for Spokane Valley Rathdrum Prairie Aquifer water issues;
 - b. Encourage mechanisms that resolve local issues before they become conflicts;
2. Objective #3: Protect the Aquifer, through bringing the key agencies together in an effort to address overlapping jurisdictions with the goal of improving efficiency and sharing knowledge; and
3. Adaptive Management, Monitoring and Data Gathering: Present information about the development and maintenance of state-of-the-art monitoring and evaluation tools that provide the information necessary to make sound planning decisions for the future.

NOW, THEREFORE, BE IT RESOLVED that the IWRB hereby approves the expenditure of a total of \$3,000 from the IWRB Revolving Development Account's Rathdrum Prairie/Treasure Valley CAMP Subaccount, to the Spokane River Forum.

DATED this 25th day of January, 2013.

Chairman
Idaho Water Resource Board

ATTEST

Secretary

Memorandum



To: Idaho Water Resource Board
From: Helen Harrington
Date: January 11, 2013
Re: 2012 Comprehensive State Water Plan Update

Update

At the November 28, 2012 IWRB meeting, the 2012 Comprehensive State Water Plan was adopted, replacing the previous plan adopted in 1996. As required by Idaho Code 42-1734B, the adopted plan was transmitted to the Idaho Legislature, the Governor, and IDWR Director Gary Spackman.

It is anticipated that the legislature's relevant committees will take up consideration of approving the plan during the 2013 legislative session. Staff is prepared to provide the committees with presentations about the plan and background associated with its development and implementation. Board members will be notified when the committee presentations are scheduled and would be welcome to attend the committee meetings.

At this time, the draft legislation is being prepared in coordination with the Office of Legislative Services and the Office of the Attorney General. A draft version of the legislation is attached.

Governor Otter mentioned the recently adopted Comprehensive State Water Plan in his State of the State Address on January 7, 2013. Those portions of his remarks regarding the plan are:

Another example of our Idaho preference for actively managing our precious natural resources is the newly revised State Water Plan being submitted for your approval this session.

It's the first update since 1996, and it reflects use of the latest technology in better evaluating our needs and the status of our water supplies.

Just as importantly, for the first time the plan is about more than our goals – it also includes strategies and milestones for executing our management policies and evaluating their effectiveness.

It goes to the very heart of the data-driven policy making I've been promoting throughout my administration.

My thanks to Water Resources Director Gary Spackman and members of the Water Resource Board, the water-user community and the public at large for participating in this important work. It will help guide how we use, protect and replenish our water supplies for a more sustainable future.

DRAFT

DRKAG033

LEGISLATURE OF THE STATE OF IDAHO
Sixty-second Legislature First Regular Session - 2013

IN THE _____

BILL NO. _____

BY _____

AN ACT

RELATING TO THE COMPREHENSIVE STATE WATER PLAN; RATIFYING AND APPROVING THE COMPREHENSIVE STATE WATER PLAN AS ADOPTED BY THE IDAHO WATER RESOURCE BOARD ON NOVEMBER 28, 2012; AND TO PROVIDE THAT ALL STATE AGENCIES SHALL EXERCISE THEIR DUTIES IN A MANNER CONSISTANT WITH THE COMPREHENSIVE STATE WATER PLAN; AND DECLARING AN EMERGENCY.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That pursuant to Section 42-1734B(6), Idaho Code, the Comprehensive State Water Plan (Part A) adopted by resolution of the Idaho Water Resource Board on November 28, 2012, is ratified and approved. The Comprehensive State Water Plan (Part A) shall read as follows:

1A - STATE SOVEREIGNTY

The State asserts sovereignty over the development and use of Idaho's water resources for the benefits of its citizens. Any action by the federal government or other states that would impair Idaho's sovereignty over its water resources is against state policy.

1B - BENEFICIAL USE OF WATER

The concept of beneficial use must necessarily evolve with changing conditions.

1C - CHANGE IN USE

Changes in the use of a water right should be allowed to meet changing needs and to provide for optimum use of the state's water resources.

1D - WATER SUPPLY BANK

The sale or lease of water is critical to the efficient management and optimal use of the state's water resources. Thus, use of the state's Water Supply Bank should be expanded to meet traditional and emerging needs for water.

1E - CONJUNCTIVE MANAGEMENT

Where a hydraulic connection exists between ground and surface waters, they should be conjunctively managed to maintain a sustainable water supply.

1F - GROUND WATER WITHDRAWALS

Withdrawals from an aquifer should not exceed the reasonably anticipated average rate of future natural recharge to that aquifer.

1G - INTERSTATE AQUIFERS

Cooperative arrangements with neighboring states should be developed for shared aquifers to avoid water supply conflicts and to optimize utilization of the resource for the citizens of Idaho.

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1 1H - QUANTIFICATION AND MEASUREMENT OF WATER RESOURCES

2 Quantification and measurement of Idaho's water supply and use is essential
3 for sound water resource planning, management, and administration.

4 1I - AQUIFER RECHARGE

5 Aquifer recharge should be promoted and encouraged, consistent with state
6 law.

7 1J - WATER QUALITY

8 The citizens of Idaho will be best served by a cooperative effort involving
9 public and private entities to assure that the state's surface and ground wa-
10 ter sources meet state water quality standards and maintain designated bene-
11 ficial uses.

12 1K - COMPREHENSIVE AQUIFER MANAGEMENT PLANS

13 The Idaho Water Resource Board will complete and implement comprehensive
14 aquifer management plans to address the changing demands on the state's wa-
15 ter supply.

16 1L - SURFACE WATER SUPPLY ENHANCEMENT

17 Surface water development will continue to play an important role in meeting
18 Idaho's future water needs.

19 1M - WEATHER MODIFICATION

20 Weather modification offers the possibility of augmenting water supplies.

21 1N - HYDROPOWER

22 Appropriation of water for hydropower should be subordinated to subsequent
23 upstream beneficial uses to assure an adequate supply of water for all future
24 beneficial uses and minimum stream flows for hydropower projects should be
25 established by state action.

26 2A - WATER USE EFFICIENCY

27 Water conservation and water use efficiency should be promoted.

28 2B - FEDERALLY LISTED AND OTHER AQUATIC SPECIES

29 The state asserts primacy over the management of its fish and wildlife and
30 water resources. Accordingly, any reintroduction or introduction of feder-
31 ally listed species or other aquatic species without state consultation and
32 approval is against the policy of the State of Idaho because it would impair
33 or impede the state's primacy over its water resources.

34 2C - MINIMUM STREAM FLOWS

35 The Idaho Water Resource Board will exercise its authority to establish and
36 to protect minimum stream flow water rights on those water bodies where it is
37 in the public interest to protect and support instream uses.

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2D - STATE PROTECTED RIVER SYSTEM

The Idaho Water Resource Board will exercise its authority to protect the unique features of rivers where it is in the public interest to protect recreational, scenic, and natural values.

2E - RIPARIAN HABITAT AND WETLANDS

Protecting the ecological viability of riparian habitat and wetlands within the state is a critical component of watershed planning.

2F - STREAM CHANNEL REHABILITATION

The Idaho Water Resource Board will support cost-effective stream channel rehabilitation where past activities adversely affect or could affect the ecological goods and services of the state's watersheds.

2G - SAFETY MEASURES PROGRAM

Owners of water distribution and storage facilities are encouraged to establish or continue safety initiatives including construction and maintenance of safety features and development of public awareness programs to educate residents about hazards associated with these facilities.

2H - FLOOD HAZARD AREAS

Protection of floodplains through effective floodplain management and pre-disaster mitigation is essential to reducing and preventing flood damages.

2I - FLOOD DAMAGE REDUCTION LEVEE REGULATION

Levees should be designed, constructed, and maintained to meet the intended purpose of reducing water and flood damage for the useful life of the levee.

3A - REVIEW OF FEDERAL RESERVOIR WATER ALLOCATION

It is in the state's interest that proposed water allocations and reallocations of water in federal reservoirs be consistent with the State Water Plan.

3B - HYDROPOWER SITING

The expansion of hydropower capacity and generation consistent with the state water plan can help meet the need for affordable and renewable energy resources.

3C - RESEARCH PROGRAM

Focused research is necessary to support water resource planning and collaborative solutions that address changing demands on the state's water supplies.

3D - FUNDING PROGRAM

Funding mechanisms to support the development, preservation, conservation, and restoration of the water resources of the state should be based on flexible strategies that provide equitable benefits.

3E - WATER RESOURCE PLANNING PROGRAM

Comprehensive water planning will help ensure sufficient water supplies to satisfy Idaho's future water needs.

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3F - WATER RIGHTS ADJUDICATION

Adjudication of water rights through the state courts should be completed to fully define and quantify all state, tribal, and federal water rights.

3G - CLIMATE VARIABILITY

Preparedness strategies should be developed to account for the impact of climate variability on the state's water supplies.

4A - SNAKE RIVER MINIMUM STREAM FLOWS

The main stem Snake River above Hells Canyon Dam will be managed to meet or exceed the following minimum average daily flows at the designated stream gaging stations:

<u>Gaging Station</u>	<u>Minimum Average Daily Flow</u>
Milner	0 cfs
Murphy	3,900 cfs (4/1 through 10/31)/5,600 cfs (11/1 through 3/31)
Weiser	4,750 cfs
Johnson Bar	5,000 cfs
Lime Point	13,000 cfs

These minimum stream flows provide the management framework for the optimum development of water resources of the Snake River Basin. The minimum stream flow water rights shall be administered in priority with other water rights.

4B - SNAKE RIVER MILNER ZERO MINIMUM FLOW

Water resource policy, planning, and practice should continue to provide for full development of the Snake River above Milner Dam recognizing that the exercise of water rights above Milner Dam has and may reduce flow at the Dam to zero.

4C - REALLOCATION OF SNAKE RIVER TRUST WATER

Water made available for reallocation to new uses in the Snake River trust water area pursuant to Idaho Code § 42-203B shall be allocated in accordance with criteria established by Idaho Code §§ 42-203A and 42-203C.

4D - CONJUNCTIVE MANAGEMENT OF THE ESPA AND SNAKE RIVER

The Eastern Snake Plain Aquifer and the Snake River below Milner Dam should be conjunctively managed to provide a sustainable water supply for all existing and future beneficial uses within and downstream of the ESPA.

4E - SNAKE RIVER BASIN NEW STORAGE

Development of new on-stream, off-stream, and aquifer storage is in the public interest; provided, however, applications for large surface storage projects in the Milner to Murphy reach of the Snake River should be required to mitigate for impacts on hydropower generation.

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1 4F - SNAKE RIVER BASIN AGRICULTURE

2 Development of supplemental water supplies to sustain existing agricultural
3 development is in the public interest.

4 4G - SNAKE RIVER DOMESTIC, COMMERCIAL, MUNICIPAL AND INDUSTRIAL USES (DCMI)

5 It is in the public interest to ensure the availability of water for future
6 DCMI uses in the Snake River Basin.

7 4H - SNAKE RIVER HYDROPOWER USE

8 Hydropower generation is a beneficial use of the flow of the Snake River, and
9 it is in the public interest to protect the minimum average daily flows set
10 forth in Policy 4A as a base flow for hydropower use.

11 4I - SNAKE RIVER NAVIGATION

12 The minimum stream flows set forth in Policy 4A are sufficient for commercial
13 and recreational navigation on the Snake River.

14 4J - SNAKE RIVER FISH, WILDLIFE, RECREATION, AND SCENIC RESOURCES

15 The minimum stream flows set forth in Policy 4A provide adequate flows for
16 Snake River fish, wildlife, recreation, and scenic values in the main stem
17 Snake River below Milner Dam. Protection for fish, wildlife, recreation,
18 and scenic uses in tributaries to the Snake River should be addressed through
19 Part B of the State Water Plan and the establishment of minimum stream flows
20 pursuant to Chapter 15, Title 42, Idaho Code. The Board finds that implemen-
21 tation of the collaborative agreements provide benefits for fish, wildlife,
22 recreation, and scenic values.

23 5A - BEAR RIVER COMPACT IN THE BEAR RIVER BASIN

24 Water use and management in the Bear River Basin shall conform to the alloca-
25 tions agreed to in the Bear River Compact.

26 5B - BEAR RIVER BASIN WATER MANAGEMENT IN THE BEAR RIVER BASIN

27 The Idaho Water Resource Board supports enhancing water supplies, increas-
28 ing water use efficiency, and implementing water supply bank mechanisms to
29 help meet future water needs in the Bear River Basin.

30 5C - INTERSTATE WATER DELIVERY IN THE BEAR RIVER BASIN

31 Idaho water users in the Lower Division of the Bear River Basin must be pro-
32 tected from inequitable water allocation in the event of a water emergency
33 and the scheduling of interstate water deliveries.

34 5D - BEAR LAKE IN THE BEAR RIVER BASIN

35 The outstanding recreational, aesthetic, and fish and wildlife resource
36 values of Bear Lake should be preserved, while recognizing the existing
37 storage allocations for irrigation and hydroelectric power generation.

38 6A - CONSERVATION PLANS IN THE SALMON/CLEARWATER RIVER BASINS

39 Voluntary, community-based conservation plans and strategies for the bene-
40 fit of ESA-listed species and other species of concern are key components of
41 water planning and management in the Salmon and Clearwater River Basins.

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1 6B - INSTREAM FLOW PROGRAM IN THE SALMON/CLEARWATER RIVER BASINS

2 The Idaho Water Resource Board will promote, provide, and where possible,
3 expand opportunities for voluntary, market-based transactions to improve
4 instream flow for the benefit of ESA-listed aquatic species.

5 7A - INTERSTATE AQUIFERS IN THE PANHANDLE RIVER BASINS

6 Completion of comprehensive aquifer management plans and the Northern Idaho
7 Adjudication and implementation of interstate agreements are central to the
8 optimum use of the Panhandle Basin's water resources.

9 7B - MINIMUM STREAM FLOWS IN THE PANHANDLE RIVER BASINS

10 The Idaho Water Resource Board will establish and protect minimum stream
11 flow and lake level water rights to preserve the scenic and recreational
12 water bodies in the Panhandle river basins.

13 7C - NAVIGATION, FISHERIES, AND RECREATION IN THE PANHANDLE RIVER BASINS

14 Water management decisions in the Panhandle Region should minimize, where
15 feasible, adverse effects on navigation, fisheries, and recreation.

16 SECTION 2. Pursuant to Section 42-1734B(4), Idaho Code, all state agen-
17 cies shall exercise their duties in a manner consistent with the Comprehen-
18 sive State Water Plan.

19 SECTION 3. An emergency existing therefor, which emergency is hereby
20 declared to exist, this act shall be in full force and effect on and after its
21 passage and approval.

**PRESENTATION MATERIALS WILL BE
PROVIDED AT THE MEETING**

Memorandum

To: Idaho Water Resource Board
From: Cynthia Bridge Clark
Date: January 11, 2013
Re: Status of Ongoing Storage Water Studies



Weiser-Galloway Project

BACKGROUND: Two studies are underway to investigate the viability of a dam at the previously proposed Galloway Dam site on the Weiser River: 1) The *Weiser River Geologic Investigation and Analysis Project* (Geologic Investigation) is intended to determine the safety, suitability and integrity of geologic structures at the potential dam and reservoir site; and 2) the *SNAKE RIVER OPERATIONAL ANALYSIS PROJECT* (Operational Analysis) will evaluate whether benefits would be realized from the Weiser-Galloway project by analyzing a series of operating scenarios (potential benefits include flood control, hydropower, water storage, pump back, irrigation, recreation and flow augmentation requirements for anadromous fish recovery). Both studies are being completed through a cost-sharing partnership with the U.S. Army Corps of Engineers (Corps) and are intended to help decision makers determine whether to move forward with comprehensive new feasibility, environmental and engineering studies of the Weiser-Galloway project.

PROGRESS SINCE LAST UPDATE:

Geologic Investigation:

- The U.S. Bureau of Reclamation (BOR) completed drilling activities at the site on November 9, 2012. Six holes and 1537.8 feet of core were drilled. Reclamation and reseeded of the access roads and drill pads will be delayed until the next steps of the project are determined. The cores are being stored temporarily at a BOR facility in Boise, Idaho.
- Strength and materials testing performed by the BOR on selected core samples and potential embankment materials are complete. The BOR plans to complete a final technical report on the core drilling and testing by the end of January, 2013. The Corps will include information from the report in geologic analysis.
- The Corps plans to complete the geologic report including updated basic project design and adjusted costs by March, 2013 at which time results will be presented to the IWRB.

Operational Analysis:

- The Corps developed initial diversion hydrographs for the Weiser River Basin and is completing reservoir yield, probable maximum flood, and sediment analyses.
- The Corps is also coordinating with Idaho Power Company (IPCO) and the BOR to obtain consensus on the baseline hydrologic data and will continue to coordinate with the two entities to identify study priorities and modeling assumptions.
- The Corps will provide an update on the Operational Analysis when the results of the Geologic Analysis are presented to the IWRB.
- Estimated timeline: Completion scheduled for spring 2014.

REQUIRED ACTIONS: No action is required by the IWRB at this time.

Lower Boise River Feasibility Study

BACKGROUND: The IWRB and the U.S. Army Corps of Engineers (Corps) began a partial feasibility study (Lower Boise River Interim Feasibility Study) on the Boise River in 2009. The study focused primarily on the evaluation of potential new surface water storage to help address water supply and flood risk reduction needs on the Boise River. A water storage screening analysis was performed which ranked sites based on a wide range of criteria including future water demand, flood risk reduction, hydropower potential, a relative cost index, social effects, and environmental effects.

The Interim Feasibility Study agreement provided for additional technical analysis of the top ranked site(s). However, study activities were suspended after completion of the screening analysis due to insufficient 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, a limited engineering analysis of the storage concept proposed at Arrowrock Dam, the top ranked site in the water storage screening analysis, was performed to identify any potential fatal flaws. Upon completion of this evaluation, study activities were again suspended and continue to be on hold.

Work completed to date includes:

- Publication of a *Water Storage Screening Analysis*, completed in August 2010, which identifies a raise or new dam at the existing Arrowrock Dam site as the top ranked potential project.
- Publication of the *Lower Boise River Interim Feasibility Study, Preliminary Evaluation of Arrowrock Site, October 2011* which provides additional engineering analysis of potential fatal flaws at the Arrowrock Dam site. The analysis did not identify any geologic or engineering constraints that would make a raise of the existing dam or construction of a new dam at the site unfeasible but identified additional issues that should be evaluated in order to better understand the viability of Arrowrock site.

The total study costs were estimated to be \$1.74 million. This includes an \$870,000 federal cost share, \$500,000 pre-agreement credit to the IWRB through WRDA 2007, \$37,000 in-kind services by IDWR staff, and \$333,000 provided by the IWRB. As of November 30, 2012, \$714,634.06 was expended. To date, the IWRB has contributed only in-kind services and pre-agreement credit.

Agreement Revision

In 2012, the Corps initiated an effort to modernize and streamline the feasibility process. The Corps Planning Modernization initiative requires that all ongoing and future feasibility studies be completed within 3 years, within a budget of \$3 million, and approved by the Corps 3 tiers of management (District, Division, and Headquarters). This is referred to as the “3x3x3 Framework”. The Corps advised the IWRB that federal support and continuation of the study would be contingent on a revision of the original agreement to meet the new 3x3x3 Framework guidelines. In May 2012, the IWRB directed IDWR staff to coordinate with the Corps to develop a feasibility study project management plan (PMP) with a scope of study, schedule and costs for its consideration.

PROGRESS SINCE LAST UPDATE:

- The re-scoping process and development of the PMP were initially expected to be complete by January, 2013 but are not yet completed.
- Evolution of planning guidance and requirements for approval of feasibility studies under the 3x3x3 Framework and challenges of meeting those requirements are likely to delay completion of a PMP until September, 2013 at the earliest. If the IWRB supports the modified agreement, initiation of the study will be subject to availability of federal funding. The Corps is currently seeking funding in FY 2014 but the outcome is uncertain.
- One of the Corps requirements for development of the feasibility scope and PMP is an intensive 4-5 day planning exercise (called a planning charette) with the study and technical team to clarify study objectives and possible alternatives to address water supply needs and flood risk reduction in the Treasure Valley. A planning charette for

the Lower Boise Feasibility Study was held at the Corps Walla Walla District Office from December 3-7, 2012. Participants included a technical team, project managers, and planners from the Corps Walla Walla District and Northwest Division offices, as well as representatives from IDWR and the Bureau of Reclamation. A final summary report of the ideas generated during the planning effort is intended to be complete by March, 2013.

- The re-scoping and PMP development will not begin until the completion of the summary report and are also dependent on receipt of additional federal funding.

REQUIRED ACTIONS: No action is required by the IWRB at this time.

Henrys Fork Basin Study

BACKGROUND: The IWRB and the Bureau of Reclamation (Reclamation) 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 is intended to identify opportunities for development of water supplies and improvement of water management while sustaining environmental quality.

Reclamation performed a “reconnaissance level” technical analysis on a range of water resource management alternatives which included surface water storage, water marketing, managed recharge, water marketing, conservation, water management and demand reduction. Comments from the public and stakeholders participating through the Henrys Fork Watershed Council were integrated into the analysis. Reclamation will complete the study with a more detailed “appraisal level” analysis of a short-list of alternatives. These include surface water storage, water marketing, and agricultural conservation alternatives.

PROGRESS SINCE LAST UPDATE:

- Reclamation is finalizing an interim report which documents the process of identifying and screening water management alternatives. It also includes a technical report for each alternative and other supplemental analyses such as a water supply and water needs assessment.
- Reclamation has initiated the appraisal analysis of the short list of alternatives beginning with technical issues specific to each alternative and a refined analysis of the water available for storage.
- Reclamation will provide updates to the IWRB as the appraisal analysis progresses.
- Estimated timeline: Completion scheduled for October 2013.

REQUIRED ACTIONS: No action is required by the IWRB at this time.