IDAHO WATER RESOURCE BOARD

MEETING MINUTES 9-13

Idaho Water Center
Conference Rooms 602 B,C,D
322 East Front Street, Boise ID 83702

C.L. "Butch" Otter
Governor

Roger W. Chase
Chairman
Pocatello
District 4

Peter Van Der Meulen
Vice-Chairman
Hailey
At Large

Bob Graham
Secretary
Bonners Ferry
District 1

Charles "Chuck" Cuddy
Orofino
At Large

Vince Alberdi
Kimberly
At Large

Jeff Raybould
St. Anthony
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

July 18, 2013
Work Session

Chairman Roger Chase called the meeting to order at approximately 8:00 am. All Board members were present.

During the Work Session the following items were discussed: Overview of Swan Falls Agreement by Clive Strong; Swan Falls Agreement Streamflow Measurement Plan by Sean Vincent; Water District 02 Update by Tim Luke; Water Management Implications of Swan Falls Agreement by Brian Patton and Mike McVay; and Idaho Power Integrated Resource Plan by Jon Bowling, Mark Stokes, and David Blew. No action was taken by the Board during the Work Session.

July 19, 2013
IWRB Meeting

Chairman Roger Chase called the meeting to order at approximately 8:00 am. All Board members were present.

Agenda Item No. 1, Roll Call

Board Members Present

Roger Chase, Chairman
Peter Van Der Meulen, Vice Chairman
Bob Graham, Secretary
Jeff Raybould
Bert Stevenson
Vince Alberdi
Chuck Cuddy
Albert Barker

Staff Members Present

Brian Patton, Planning Bureau Chief
Clive Strong, Deputy Attorney General
Mandi Pearson, Administrative Assistant
Jennifer Cuhaciyan, Hydrologist Tech
David Hoekema, Technical Hydrologist
Harriet Hensley, Deputy Attorney General
Jack Peterson, Senior Advisor Emeritus
Mat Weaver, Deputy Director
Cynthia Bridge Clark, Engineer
Gary Spackman, Director

Guests Present

Jon Bowling, Idaho Power
Julia Pierko, U.S. Bureau of Reclamation
Ray Houston, Legislative Services
Liz Paul, Idaho Rivers United
Jerrold Gregg, US Bureau of Reclamation
Bob Lorkowski, LSRARD
Col. Chris Short, Mountain Home Air Force Base
Chief Ron Anderson, Mountain Home Air Force Base
Teresa Molitor, Great Feeder Canal Company
Jerry Rigby, Western States Water Council
Hal Anderson, Idaho Water Engineering
Walt Poole, Idaho Department of Fish and Game
Norm Semanko, Idaho Water Users Association
Barbara Hurt, Mountain Home Air Force Base

Agenda Item No. 2, Executive Session

This item was removed from the agenda.

Agenda Item No. 3, Agenda and Approval of Minutes

There were no additions or deletions from the agenda.

Mr. Raybould noted an error on the minutes for meeting 8-13, in which Mr. Graham was erroneously marked as abstaining from a vote. The correction will state that it was Mr. Barker who abstained from the vote. Mr. Raybould made a motion that the minutes for meetings 7-13 and 8-13 be approved with the noted changes. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion passed.

Agenda Item No. 4, Western States Water Council Report *(Jerry Rigby, WSWC)*

Mr. Rigby discussed issues that the Western States Water Council (WSWC) is currently addressing. He discussed federal issues that are affecting western states, including President Obama's climate change plan, drought issues, USGS stream gauge monitoring funding, the Bureau of Reclamation Small Conduit Hydro Development and Rural Jobs Act, and weather modification. Mr. Rigby discussed policies that were adopted by the Western Governors Association, including a 10-year energy policy. The WSWC strongly discourages a federal water policy.

Mr. Rigby discussed an analysis that Sandia came out with describing the states' extra water. Mr. Rigby stated that this description did not take important details into consideration. The WSWC has developed a program called the Water Data Exchange (WaDE) that takes these details into consideration. There was discussion among the parties regarding federal water policy, the USGS gauging stations, weather modification, and the Columbia River Treaty.

Chairman Chase noted that the agenda may need to be amended to accommodate the representatives of the Mountain Home Air Force Base.

Agenda Item No. 5, Public Comment

Chairman Chase opened the meeting to public comment. Ms. Liz Paul of Idaho Rivers United discussed two reports regarding the connection between energy and water. One of the reports was from the U.S. Department of Energy entitled "U.S. Energy Sector Vulnerabilities to Climate Change and Extreme Weather." The second report was entitled "Water-Smart Power: Strengthening the U.S. Electricity System in a Warming World." Ms. Paul encouraged the Board to be engaged in the energy policy arena.

Agenda Item No. 6, Recharge Legislation Update *(Harriet Hensley, Deputy Attorney General)*

Mr. Patton reminded the Board of the Idaho Water Users Association working group that has been working on draft recharge legislation. Ms. Hensley updated the Board on the current draft. She

stated that there are not a lot of substantive changes, but reminded the Board of the primary components that are being considered. This draft retains the same focus on ensuring that managed groundwater recharge is consistent with the goals in the State Water Plan. It authorizes the Board to adopt rules governing the use of managed recharge rights and requires that they are consistent with aquifer credit rules and requires rules for the Eastern Snake Plain Aquifer (ESPA) that are consistent with ESPA CAMP objectives. There is considerable disagreement regarding the scope of the Director's authority to subordinate the water right. She encouraged the Board to think about this and work with staff regarding this issue. Ms. Henley further discussed components of the legislation regarding managed recharge and the aquifer credit program. There was discussion regarding which entity will submit the legislation, the timeline to submit the legislation, and new recharge applications.

Agenda Item No. 7, Water Right Accounting Program Update *(Jennifer Cuhaciyan, Staff)*

Mr. Patton discussed the effort to update the accounting programs that track the allocation of water rights and storage in the various basins and introduced Ms. Jennifer Cuhaciyan. Ms. Cuhaciyan provided a recap of the current status of the new accounting model and announced the completion of the development of the new accounting model. Staff is moving forward with making it operational this week. Staff has finished the Snake model and completed testing for the years of 2011 and 2012. The new and old models matched almost perfectly. Staff has finished the Payette and will be working on the Big Lost, Boise and Bear basins and hope to have those finished by 2014. A large effort to upgrade accounting databases from Access to SQL servers is underway. The Committee of Nine has formed a WRA Technical Subcommittee to review and evaluate the new Snake River accounting model and accounting policy. There was discussion among the parties regarding the timeline for the switch to the new program, the plan for rollout in the rest of the State, the engagement of the watermasters in the other basins, and the development of the model for the Payette. Mr. Spackman recognized the efforts of Ms. Cuhaciyan and Mr. Zach Maillard and their work on this program.

Agenda Item No. 8, Storage Studies Update *(Cynthia Bridge-Clark, Staff)*

Ms. Bridge-Clark reminded the Board of the Minidoka Dam Special Raise Study. The U.S. Bureau of Reclamation (BOR) completed the study in May 2010. Results from the study indicated the dam raise was feasible and would result in an additional storage capacity of approximately 67,115 acre-feet. The total cost would be approximately 205 million, which includes repair of the spillway. Further action on the dam raise has been postponed.

Ms. Bridge-Clark discussed the Weiser-Galloway Project. The final report for the Geologic Investigation is scheduled for September 2013. A presentation of the final results will be provided at the November IWRB meeting, and will include a revised project cost estimate. The U.S. Army Corps of Engineers (Corps) continues to refine the riverware model for the Weiser River basin. The Corps is coordinating with Idaho Power Company, BOR, and IDWR staff in this effort. It was decided that the Eastern Snake Plain river planning model would be used in conjunction with the Weiser River reservoir model to evaluate impacts to the system upstream of the Hells Canyon Complex. Completion of the Operational Analysis is scheduled for spring 2014. There was discussion among the parties regarding the geologic survey, the decision to hold off the Corps' presentation to the Board until the November meeting, the need to increase the Weiser River to carry the additional water, and hydropower production.

Ms. Bridge-Clark discussed the Henrys Fork Basin Study. The study is scheduled to be completed by December 2013. BOR and staff are meeting with stakeholders to identify which alternatives have technical promise and public support. The IWRB Water Storage Projects Committee meeting will meet on August 8, 2013 in Rexburg to review the study process, findings to date, and discuss how promising alternatives might be advanced. A draft report is anticipated in October 2013. Ms. Bridge-Clark encouraged the Board to begin considering which of the alternatives might be carried forward.

Ms. Bridge-Clark discussed the Boise Feasibility Study. She introduced Mr. Tim Fleeger of the Corps who is now Project Manager of the study. Study work to date has indicated that enlarging the Arrowrock Reservoir is the preferred storage option. The Corps recently secured approximately $125,000 for use in federal fiscal year 2013 to advance the study. The proposed Project Management Plan (PMP) and federal cost share agreement will be presented to the Water Storage Projects Committee and the full Board as the project progresses. Ms. Bridge-Clark discussed the study budget and the timeline for review of the study scope and potential cost share agreement. There was discussion among the parties regarding the engagement of potential partners. Mr. Fleeger discussed the revision of the PMP, funding for the study, as well as coordination with the Board. There was discussion among the parties regarding the potential of Arrowrock Reservoir and other alternatives, water supply measures, and flood risk management measures.

Agenda Item No. 9, Pristine Springs Update *(Brian Patton, Staff)*

Mr. Patton discussed a letter submitted to the Board by the College of Southern Idaho (CSI) regarding their interest in Pristine Springs. Mr. Patton also provided photos of construction on the Blue Lakes Pipeline. Mr. Alberdi discussed the letter and CSI's interest in the property and the appraisal that is currently in process.

Mr. Graham and Mr. Alberdi were absent for the rest of the meeting.

Mr. Barker moved to amend the agenda and discuss Item No. 13 before moving onto Item No. 10. Mr. Stevenson seconded the motion. Voice Vote. All were in favor.

Agenda Item No. 13, Mountain Home Area Water Supply *(Jack Peterson, Senior Advisor Emeritus)*

Mr. Peterson provided a brief history of the long-term drawdown of the Mountain Home regional aquifer. He introduced the panel of speakers as Senator Bert Brackett, Col. Chris Short, Col. Byron Anderson, Col. Billie Ritchie, Mayor Tom Rist, Commissioner Bud Corbus, and Director Gary Spackman. Mr. Peterson discussed a possible solution to the problem which entails bringing surface water to the area and coordination among all the stakeholders.

Senator Brackett discussed the economic importance of the Mountain Home Air Force Base, the importance of sustainable water supply to the Air Force Base, and recommended the Board take an active role in promoting a water supply solution for this area of the state.

Col. Short discussed the role of the Air Force Base in national security. He discussed three options to convert the water supply from groundwater to surface water. There was discussion among the parties regarding the conversion of gray water for certain uses and the water usage at the Air Force Base including possible future needs.

Mayor Rist discussed the economic impact a water shortage would have on Mountain Home. There was discussion among the parties regarding the city's potential shortfall, the city's water rights, the city's availability to help with cost, the logistics of the pipeline, and partnerships and funding.

Director Spackman discussed the importance of water supply to the growth of the Mountain Home Air Force Base and his role in finding a solution. Col. Short discussed the importance of partnerships in solving this problem. Mr. Peterson discussed an alternative solution, which is a public-private partnership without Air Force Base dollars using bonding authorities, etc. The Air Force Base would then purchase the water as though they are purchasing a utility. There was discussion among the parties regarding the possibility of AWEP funding, the Board's participation in the project, the acquisition of water rights, and the need for timeliness.

Mr. Stevenson made a motion to make this issue the highest priority, reassign staff and collaboratively work together to get this done. Mr. Barker seconded the motion. Voice Vote. All were in favor.

Agenda Item No. 10, Planning Program Update *(Brian Patton, Staff)*

Mr. Patton discussed a letter to the Governor addressing the Governor's request for the Board to develop a statewide water sustainability policy. The plan is for the Water Resource Planning committee to develop it over the next year and bring it before the Board for approval and inclusion into the State Water Plan. Mr. Patton also discussed a letter from Chairman Chase to legislative leadership regarding the State Water Plan issues that were raised during the 2013 legislative session. The interim Natural Resources Legislative Committee meeting is scheduled for August 6, 2013, and Chairman Chase and Mr. Patton will be addressing the committee regarding these matters.

Agenda Item No. 11, Financial Program *(Brian Patton, Staff)*

a. Status Report

As of June 1, the Board had approximately $19.9 million in funds committed but not yet disbursed, just under $15 million in loan principle outstanding, and a total uncommitted balance of about $4.5 million. Pursuant to the Board's direction regarding Water Supply Bank monies, the owner's share of these funds has been moved from the IDWR Fee Account into the Board's Revolving Development Account. Mr. Patton also discussed a situation with Emmett Irrigation District that may require a substantial amount of financing. There was discussion among the parties regarding the Bell Rapids annual commitment.

b. Treasureton Irrigation

The Financial Programs Committee drafted a resolution for the matter with Treasureton Irrigation. There was discussion among the parties regarding admission of liability and the determination that this was a unique situation and does not set a precedent. Mr. John Homan does not believe that the resolution would be an admission of liability, but advised the Board to solicit a promise that they would agree not to bring any further lawsuits. He discussed the possibility that other parties may request the same payment. There was further discussion among the parties regarding this issue. Mr. Barker suggested changes to the language of the resolution. There was discussion among the parties regarding the language of the resolution.

Mr. Cuddy made a motion to approve the resolution regarding Treasureton Irrigation with the agreed upon changes. Mr. Raybould seconded the motion.

Roll Call Vote: Mr. Cuddy: Aye; Mr. Alberdi: Absent; Mr. Stevenson: Aye; Mr. Raybould: Aye; Mr. Van Der Meulen: Aye; Mr. Graham: Absent; Mr. Barker: Aye; Chairman Chase: Aye. Motion carried.

Agenda Item No. 12, ESPA Management

a. Update *(Mat Weaver, Staff)*

Mr. Weaver discussed the status of 2013 NRCS AWEP projects. This is the last year for funding. Staff has completed water right reviews for all projects submitted and determined the projects are eligible for funding. NRCS is in the process of providing funds to these projects. The most notable was the A&B pipeline for conversion. There were three other conversion projects, two water savings projects, eight projects in Teton County, and three end-gun removal projects.

Mr. Weaver discussed the Board's water right applications for recharge. Staff is continuing settlement negotiations with protestants of the lower valley recharge applications. Currently staff has not initiated settlement negotiations with any of the protestants regarding upper valley applications. Mr. Weaver also discussed new recharge applications from private entities.

Mr. Weaver discussed the Lake Walcott Recharge Project. CH2MHill has signed a contract for preliminary design and environmental assessment. Staff also has a signed contract in place with W&H Pacific for survey services. A formal request has been submitted to BOR to be the lead agency in the environmental assessment process. Staff is developing a geologic and hydrologic understanding of the

Lake Walcott area to help guide engineering and planning efforts.

Mr. Weaver updated the Board on prospects for fall recharge efforts. Due to a low water year, recharge anywhere above Minidoka Dam is not likely to occur. Staff will concentrate on recharge below Minidoka Dam. Contracts with American Falls Reservoir District 2, Southwest Irrigation District, and Big Wood Canal Company are in place.

b. Effects of 2012 Magic Reservoir releases on ESPA *(David Hoekema, Staff)*

Mr. Patton gave a brief history of the 2012 Magic Reservoir releases and discussed staffs' interest in the effect of the releases on the aquifer. He introduced Mr. David Hoekema. Mr. Hoekema provided a background on the November recharge on the Big Wood River. He discussed stream gage data and the recharge rate data that was used to quantify the recharge. He discussed modeled impacts to the aquifer. Mr. Hoekema also discussed the impacts to the Snake River, including recharge distribution among area springs and storage.

Agenda Item No. 14 Director's Report *(Gary Spackman, Director)*

Director Spackman recapped the Mountain Home area water supply issue. There was discussion among the parties regarding new applications in the Mountain Home groundwater area. Director Spackman discussed the Sandia lab analysis of available water for appropriation. The analysis identified Idaho as a state with a lot of water available for appropriation. Director Spackman discussed staff efforts to review water availability in hydrologic basins in the state, including the identification of groundwater and surface water restrictions and moratoriums that were not taken into account in Sandia's analysis. There was discussion among the parties regarding the importance of this study.

Agenda Item No. 15, Other Non-Action Items for Discussion

There were no items for discussion.

Agenda Item No. 16, Next Meeting and Adjourn

An interim legislative committee meeting is scheduled for August 6, 2013. Several Board members are planning to attend. The next regularly scheduled meeting is set for September 17-18, 2013 in Montpelier. There was discussion among the parties regarding these dates, and it was decided to move the meeting to September 19-20, 2013. The other scheduled meeting is November 21-22, 2013, which conflicts with the Idaho Water Users Association Winter Law Seminar. There was discussion among the parties regarding these dates, and it was decided to move the meeting to November 20, with a work session tentatively scheduled for the 19th. The Water Storage Projects Committee meeting and Henrys Fork tour is scheduled for August 8th, and a Streamflow Enhancement and Minimum Streamflow Committee meeting and Lemhi basin tour is scheduled for August 29th. Mr. Barker made a motion to Adjourn, and Mr. Stevenson seconded the motion. Voice Vote. All were in favor. Motion Carried.

The IWRB Meeting 9-13 adjourned at approximately 12:30 pm.

Respectfully submitted this _____ day of September, 2013.

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Bob Graham, Secretary

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Mandi Pearson, Administrative Assistant II

Board Actions:

1. Mr. Raybould made a motion that the corrected minutes for meetings 7-13 and 8-13 be approved as printed. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion carried.

2. Mr. Barker moved to amend the agenda and discuss Item No. 13 before moving onto Item No. 10. Mr. Stevenson seconded the motion. Voice Vote. All were in favor. Motion carried.

3. Mr. Stevenson made a motion to make the Mountain Home area water supply issue the highest priority, to reassign staff and collaboratively work together to get this done. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion carried.

4. Mr. Cuddy made a motion to approve the resolution regarding Treasureton Irrigation with the agreed upon changes. Mr. Raybould seconded the motion. Roll Call Vote. Motion carried.