AGENDA

IDAHO WATER RESOURCE BOARD
MEETING NO. 10-14

September 23, 2014 at 8:00 am

Idaho Water Center
Conference Rooms 602 B,C,D
322 East Front Street, Boise, Idaho 83720

1. Roll Call
2. Executive Session – Board will meet pursuant to Idaho Code § 67-2345 (1) subsection (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.
   Following adjournment of Executive Session -- meeting reopens to the public
3. Agenda and Approval of Minutes 8-14 and 9-14
4. Public Comment
5. Project and Program Tracking and Reporting
6. State-Protected River- Fall River Fishery Enhancement Project
7. ESPA Recharge
8. Weiser-Galloway Project
9. Cloud-Seeding
10. Bee Line Water Association Loan
11. IDWR Director's Report
12. Other Non-Action Items for Discussion
13. Next Meetings and Adjourn

STREAMFLOW ENHANCEMENT AND MINIMUM STREAMFLOW COMMITTEE MEETING 2-14

September 23, 2014 upon adjournment of IWRB Meeting 10-14

1. Teton Basin Transactions
2. Upper Salmon Basin Transactions
3. Discussion of Transactions Expansion
4. 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 Department staff by email Mandi.Pearson@idwr.idaho.gov or by phone at (208) 287-4800.

MEMORANDUM

To: Streamflow Enhancement and Minimum Stream Flow Committee

From: Sarah Lien, Friends of the Teton River

Date: September 11, 2014

Re: Teton River Basin – South Leigh Creek – Osagia, LLC Lease Renewal

Background and Ecological Significance of South Leigh Creek

South Leigh Creek is a tributary to the Teton River located in the upper Teton Valley. The tributary runs from east to west, originating in the Teton Range and flowing towards the Teton River. The tributary offers excellent fish and wildlife habitat and supports a genetically pure population of Yellowstone cutthroat trout (YCT) in the perennial, mountain reaches of the stream.

Currently, irrigation withdraws and the natural stream hydrology result in the annual dewatering of the stream. Pervasive yearly dewatering serves to restrict fish movement and migration, reduce valuable habitat, and elevate stream temperatures. As such, restoring flow to specific portions of South Leigh Creek has a positive impact on the YCT fishery in that tributary, serving to create valuable habitat, allowing for fish passage and migration, decreasing stream temperatures, and ultimately helping to encourage the recovery of YCT populations in the upper Teton Valley.

A great deal of effort has been committed to resorting and improving fish habitat and preventing fish entrainment in canal diversions on South Leigh Creek. Friends of the Teton River (FTR) has conducted three stream restoration projects on South Leigh Creek, restoring and stabilizing over 1,350 feet of stream and re-vegetating over 6,755 square feet of stream bank. Substantial stream restoration work has also been conducted by private landowners. Additionally, FTR recently worked with irrigators to rebuild the Hog Canal diversion, which is the largest diversion on South Leigh Creek. The rebuild not only incorporated new headgates but also solar operated fish screens, thereby addressing fish entrainment issues. Commencing in October of 2014, FTR will commence construction of a similar project with irrigators on the Desert Canal diversion.

South Leigh Creek is listed under Section 303(d) of the Clean Water Act. The stream is currently listed for sediment and for failing to support one of its designated beneficial uses, cold water aquatic life. Flow restoration efforts in South Leigh Creek will help address sediment and

stream temperature issues, as well as increase available habitat for aquatic species, all of which are important to restoring water quality in this stream.

Overall, the flow restoration strategy on South Leigh Creek aims to provide additional in stream habitat for native YCT, as flow is the primary limiting factor preventing development of a more robust YCT population in this particular tributary. However, it is critically important that flow restoration efforts are conducted in close coordination with IDF&G to ensure that the genetically pure population of YCT that resides in the mountains on US Forest Service land is not jeopardized by non-native fish invasion. It is agreed that the transaction discussed below reaches those goals.

Description of Proposed Transaction

A. Osagia, LLC

In 2014 Osagia, LLC entered into a one year water lease and agreement not to divert through the Idaho Water Transactions Program, to help restore flow in the upper reach of South Leigh Creek. Osagia, LLC proposes renewing the lease and agreement not to divert for an additional one year term.

Osagia, LLC has one surface water right (22-13817) with an April 1, 1889 priority date. This surface water right is one of five water rights with an April 1, 1889 priority date, the most senior priority on the stream, and is therefore deliverable throughout the irrigation season. Through this transaction 37 acres of land will be fallowed during the one year term. This transaction will add 0.74 cfs of flow to South Leigh Creek.

Osagia, LLC also has a groundwater right (22-13815). Osagia, LLC proposes leasing this water right into the Idaho Water Supply Bank for an additional one year term as well. This will serve to protect the water right from claims of forfeiture and ensure that neither ground nor surface water sources are utilized to irrigate the property.

As a result of the 2014 Osagia, LLC lease stream flow was maintained in South Leigh Creek from the stream's headwaters down to the Desert Canal diversion throughout the entire irrigation season. This served to open up about a mile of additional habitat for YCT. Additionally, during the summer of 2014, the first fluvial YCT was captured in South Leigh Creek just upstream of the Desert Canal diversion. This seems to indicate that the transaction has had a positive impact on the YCT fishery in South Leigh Creek and is worth renewing in 2015.

Bob Loucks valued the water rights at $87.65/acre, amounting to a payment of $3,243.05 to the water right holder. The valuation is based upon the historical use of the water rights, which included generating one cutting of hay and then pasturing the aftermath. The valuation was presented to the water right owner and found acceptable. This is the same valuation and pricing structure utilized to value the water rights in 2014.

If authorized by the Committee, a proposal to fund the transaction will be submitted to the Columbia Basin Water Transaction Program in the amount of $3,769.00. The requested funds

will be placed into the Board's revolving development water transaction subaccount which will be used to compensate the water right owner and cover the Water Supply Bank lease and recording fees, as follows: Payment to Water Right Holder ($3,244.00); Water Supply Bank Lease Application Fee ($500); and Recording Fee ($25.00).

Monitoring and Contract Compliance

Monitoring and contract compliance will be conducted by the local water district (WD 01) and Friends of the Teton River. It is anticipated that the point of diversion associated with this water right, as well as all other diversions on the tributary, will be monitored by WD 01 on a weekly basis to ensure that the water rights remain instream. Ecological and fisheries benefits will be monitored by Friends of the Teton River, in conjunction with Idaho Fish and Game.

Letters of Support and Public Outreach

Water District 01: The proposed transaction was reviewed by Lyle Swank and Tony Olenichak of WD 01 in 2013. No concerns were identified from either a water delivery or an injury perspective.

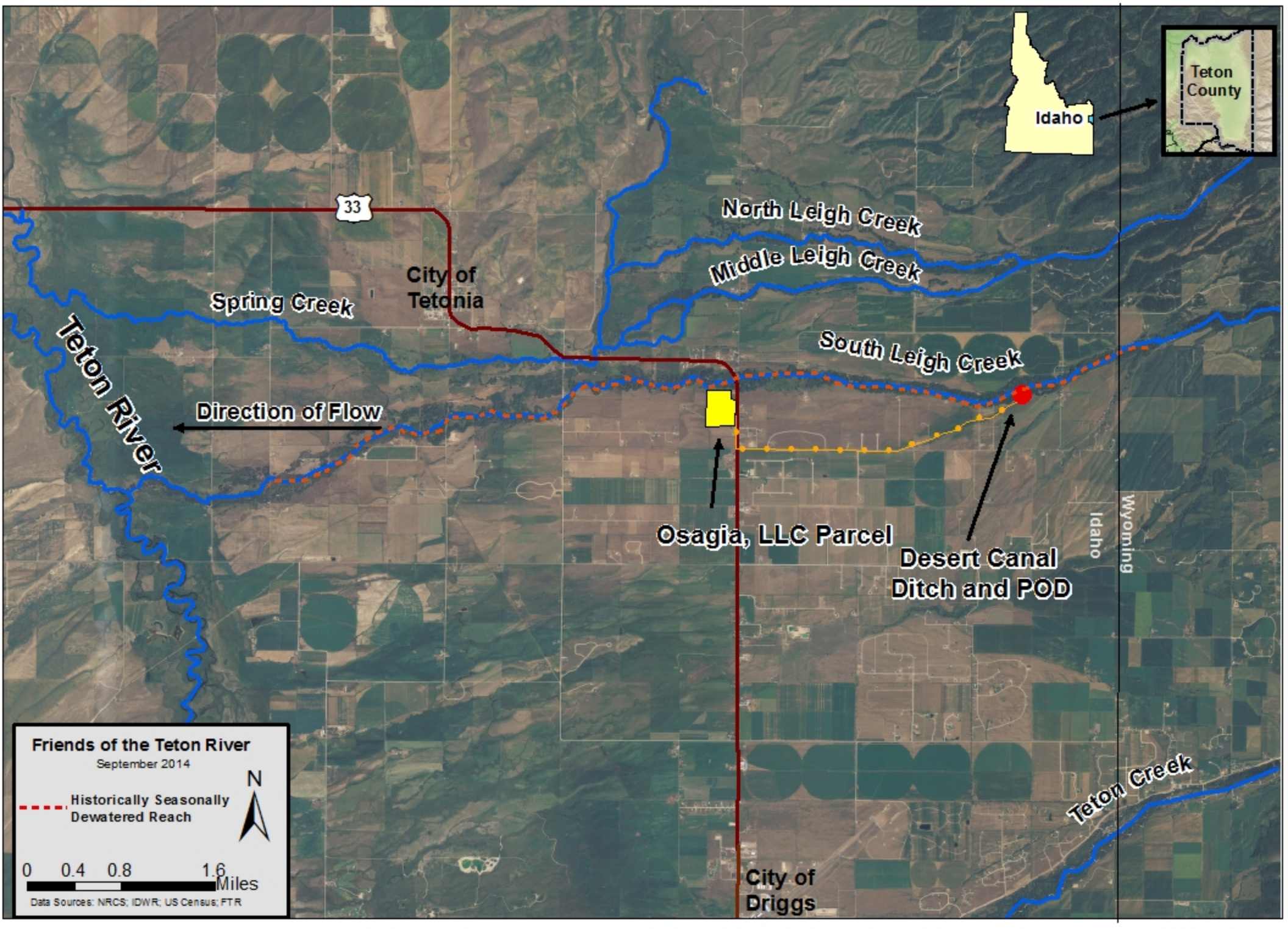
Idaho Fish and Game: The water transaction was reviewed by Dan Garren, Regional Fisheries Manager for Idaho Fish and Game, in 2013. Mr. Garren submitted a letter of support at that time.

Informational Open House: FTR hosted an informational open house on Wednesday, December 4, 2013 in Driggs, Idaho at the Driggs City Center to provide members of the public with an opportunity to learn about the specific water lease discussed in this memorandum. The event was publicized in the Teton Valley Citizen on November 27, 2013. The Teton Valley Citizen is one of Teton Valley's local newspapers, and is made available to the public free of charge at venues throughout Driggs, Victor, and Tetonia. FTR received no inquiries in regard to this lease, either at the 2013 open house or otherwise. Another open house was recently held at the same venue on Tuesday, September 9, 2014, to once again provide the public with an opportunity learn about the Idaho Water Transaction Program. FTR did not receive any inquiries as a result of this outreach event either.

Committee Action

At this time it is requested that the Committee determine if it supports the proposed transaction. If so, the transaction will be submitted to the Columbia Basin Water Transaction Program in advance of the November submission deadline, and a funding resolution will be presented to the Idaho Water Resource Board for consideration in November.

South Leigh Creek - Osagia, LLC Transaction Map



MEMORANDUM

To: Streamflow Enhancement and Minimum Stream Flow Committee

From: Sarah Lien, Friends of the Teton River

Date: September 11, 2014

Re: Teton River Basin – Badger Creek Transactions

Background and Ecological Significance of Badger Creek

Badger Creek is a tributary to the Teton River located in the upper Teton Valley, north of Tetonia, Idaho. The tributary runs from east to west, originating in the Teton Mountain Range and flowing towards the Teton River.

Yellowstone cutthroat trout (YCT) are currently listed as a "species of greatest concern" for the Teton River Basin in the Idaho Comprehensive Wildlife Conservation Strategy (February 2006), and by consequence garner management priority throughout their historic range, including the Teton Basin. Badger Creek offers excellent fish and wildlife habitat and supports a *genetically pure* YCT population.

The natural stream hydrology and geology of the Badger Creek drainage results in the annual dewatering of the stream, a problem that is exacerbated by irrigation withdraws. Specifically the middle section of Badger Creek dries up each year, whereas both the upper and lower reaches flow perennially. (See attached map, titled "Badger Creek.") YCT in the Badger Creek system have adapted to the annual dewatering of the stream by either: (1) migrating to the lower reaches of Badger Creek and into the Teton River canyon; or (2) migrating upstream onto US Forest Service land. Often fish, particularly those attempting to migrate upstream onto US Forest Service land, are stranded in isolated pools.

One particular location where YCT are commonly stranded in isolated pools is between two irrigation structures, the Badger Splitter and the Ricks Diversion. In recent years each of these diversions has been retrofitted to be more fish friendly. Historically the Badger Splitter (located at the upper end of the dewatered reach) served to entrain a great number of YCT each year. This issue was resolved in 2010 when FTR and the local irrigators worked to rebuild that diversion structure, installing two new headgates and rotating belt fish screens. The Ricks Diversion (located downstream of the Badger Splitter) was subsequently retrofitted in 2012. The check structure associated with the diversion historically served as a fish passage barrier and was structurally compromised by high water in 2010 and 2011. These issues were addressed by FTR

and the local irrigators by rebuilding the wing wall of the check structure, and installing a fish ladder allowing fish to move upstream past the check structure. (See attached map titled "Badger Creek Transaction Overview.")

With the barrier and entrainment issues resolved, water availability is the single factor preventing the successful movement of YCT into perennially flowing reaches of the stream late summer, when water becomes short and the middle reach of Badger Creek begins to go dry. Recently FTR has identified two water right holders interested in committing their rights instream. One is interested in pursuing a 5 year lease and the other is interested in selling the water rights such that they are permanently committed instream.

The purpose of the proposed transactions is to increase the quantity of water in stream between the Badger Splitter and the Ricks Diversion, approximately a 0.55 mile stretch of stream. Increasing the quantity of water in this stream reach will increase the probability that YCT can successfully migrate upstream onto US Forest Service land when Badger Creek becomes dewatered. This will help ensure that YCT do not become stranded in isolate pools of water, becoming subject to bird predation or death when the pools dry up.

Description of Proposed Transactions

a. Old West Business Park – 5 Year Lease

Old West Business Park has one water right (22-12775) that it proposes leasing in stream through the Idaho Water Transactions Program for a period of 5 years. Through this transaction 108.3 acres of land will be fallowed or dry land farmed. This transaction will add 1.91 cfs of flow to Badger Creek.

The water right held by Old West Business Park is one of twelve water rights with a June 1, 1891 priority date. These twelve water rights are the most senior water rights on Badger Creek. Because of its relative seniority on the stream, the water right owned by Old West Business Park is deliverable throughout the entire irrigation season.

It is proposed that the IWRB enter into an agreement not to divert with Old West Business Park and lease the water right into the Water Supply Bank throughout the 5 year term. This transactional structure will ensure that the water right is legally deliverable to the historic point of diversion (the Badger Splitter), regardless of whether the stream is dewatered or not, and protect the right from risk of forfeiture. Coupling the Water Supply Bank lease with an agreement not to divert will ensure that the water subsequently stays in stream, past its historic point of diversion, thereby achieving the desired in stream flow benefits. This is the same transactional structure used for the South Leigh Creek, Osagia, LLC lease in 2014, and it proved effective.

The water has been valued at $75/acre. The valuation is based upon irrigated vs. non-irrigated land rental values, the difference between the two being the proposed value of the water. University of Idaho's Teton County Extension Agent, Ben Eborn, and University of

Idaho's District Extension Economist, Paul Patterson, determined that in the Teton area, dryland grain rent generally ranges from $50-$75/acre, while irrigated grain rent generally ranges from $100-$175/acre. Given those numbers, the water would have a value ranging between $50-$100/acre. The median value of $75/acre was presented to the water right holder and found acceptable. At $75/acre the landowner will receive an annual payment of $8,122.50, amounting to $40,612.50 over the course of the lease term. Given the seniority of the water right and the direct environmental benefit associated with the transaction this seems reasonable.

Committee Action: At this time it is requested that the Committee determine if it supports the proposed transaction. If so, the transaction will be submitted to the Columbia Basin Water Transaction Program in advance of the November submission deadline, and a funding resolution will then be presented to the IWRB for consideration in November.

b. Later – Permanent Acquisition

Kolene Later has three stacked water rights that she proposes permanently committing to the Idaho Water Transactions Program – two surface water rights and a groundwater right. Through this transaction 10.8 acres of land will be permanently retired from production.

One of the surface water rights held by Kolene Later, water right # 22-13376, has a June 1, 1891 priority date. This water right allows for the diversion of 0.24 cfs. As discussed above, there are twelve water rights on the stream with this priority date and they comprise the most senior water rights on Badger Creek. Because of its relative seniority on the stream, this water right is deliverable throughout the entire irrigation season.

The other surface water right held by Kolene Later is water right # 22-13379. This water right has a January 18, 1905 priority date, and allows for the diversion of 0.24 cfs. This is effectively a high water right which is only deliverable through approximately early to mid-July of each year. Nonetheless, permanent acquisition of this water right will help restore a more natural hydrograph to Badger Creek, something which favors native Yellowstone cutthroat trout.

The groundwater right held by Kolene Later is water right # 22-13382. It allows for the diversion of 0.16 cfs, or 37.7 acre-feet annually, and has an October 31, 1960 priority date. While acquisition of this water right will not directly result in increased stream flow in Badger Creek, retirement of the right: (1) will likely support flow restoration goals in Badger Creek, due to the adverse impact that groundwater withdraws can have on surface water flows; and (2) is consistent with the goals and actions outlined in the Eastern Snake Plain Aquifer Management Plan.

A purchase price of $3,000/acre has been proposed by the water right holder. This would make for a total purchase payment of $32,400, and would allow for acquisition of all three water rights. It is my understanding that there has been a comparable sale in the Badger Creek area in the past year which supports the proposed purchase price.

Should the Committee determine that it would like to move forward with this proposal, it will be necessary to have an appraisal conducted by a licensed Idaho appraiser. The IWRB has contracted with Henri LeMoyne in the past, and staff has indicated that it may be appropriate to

have him perform an appraisal for this transaction as well. It is estimated that the appraisal will cost between $6,500 - $7,000. The relative high cost reflects the fact that Mr. LeMoyne has not previously performed any water right appraisals in the Teton Basin area and, therefore, it is expected to take him a bit of time to get up to speed. Morgan Case and Sarah Lien have been corresponding with Columbia Basin Water Transaction Program (CBWTP) staff and it appears that CBWTP funds may be used to cover the cost of the appraisal.

Committee Action: At this time it is requested that the Committee determine if it supports the proposed transaction. If so, the transaction will be submitted to the Columbia Basin Water Transaction Program in advance of the November submission deadline, and a funding resolution will be presented to the IWRB in November to consider authorization of an appraisal.

Monitoring and Contract Compliance

Monitoring and contract compliance will be conducted by the local water district (WD 01) and Friends of the Teton River. It is anticipated that the point of diversion associated with these water rights, as well as all other diversions on the tributary, will be monitored by WD 01 on a weekly basis to ensure that the water rights remain instream. Ecological and fisheries benefits will be monitored by Friends of the Teton River, in conjunction with Idaho Fish and Game.

Public Outreach

FTR hosted an informational open house on Tuesday, September 9, 2014 in Driggs, Idaho at the Driggs City Center to provide members of the public with an opportunity to learn about the water transactions discussed in this memorandum. The event was publicized in the Teton Valley Citizen on September 3, 2014, one of Teton Valley's local newspapers. This paper is published weekly and made available to the public free of charge at venues throughout Driggs, Victor, and Tetonia. FTR did not receive any inquiries in regard to the Badger Creek transactions discussed in this memorandum, at the meeting or otherwise.

Badger Creek Transaction Overview

Ricks Diversion: FTR installed a fish ladder and new wing wall on the check dam structure in 2012

Direction of Flow

Badger Creek

Purchased and leased water will increase flow in this seasonally dewatered reach of stream between the Badger Splitter and Ricks Diversion (~ 0.55 miles). Transaction will prevent stranding of YCT attempting to move upstream onto the forest where Badger flows year round.

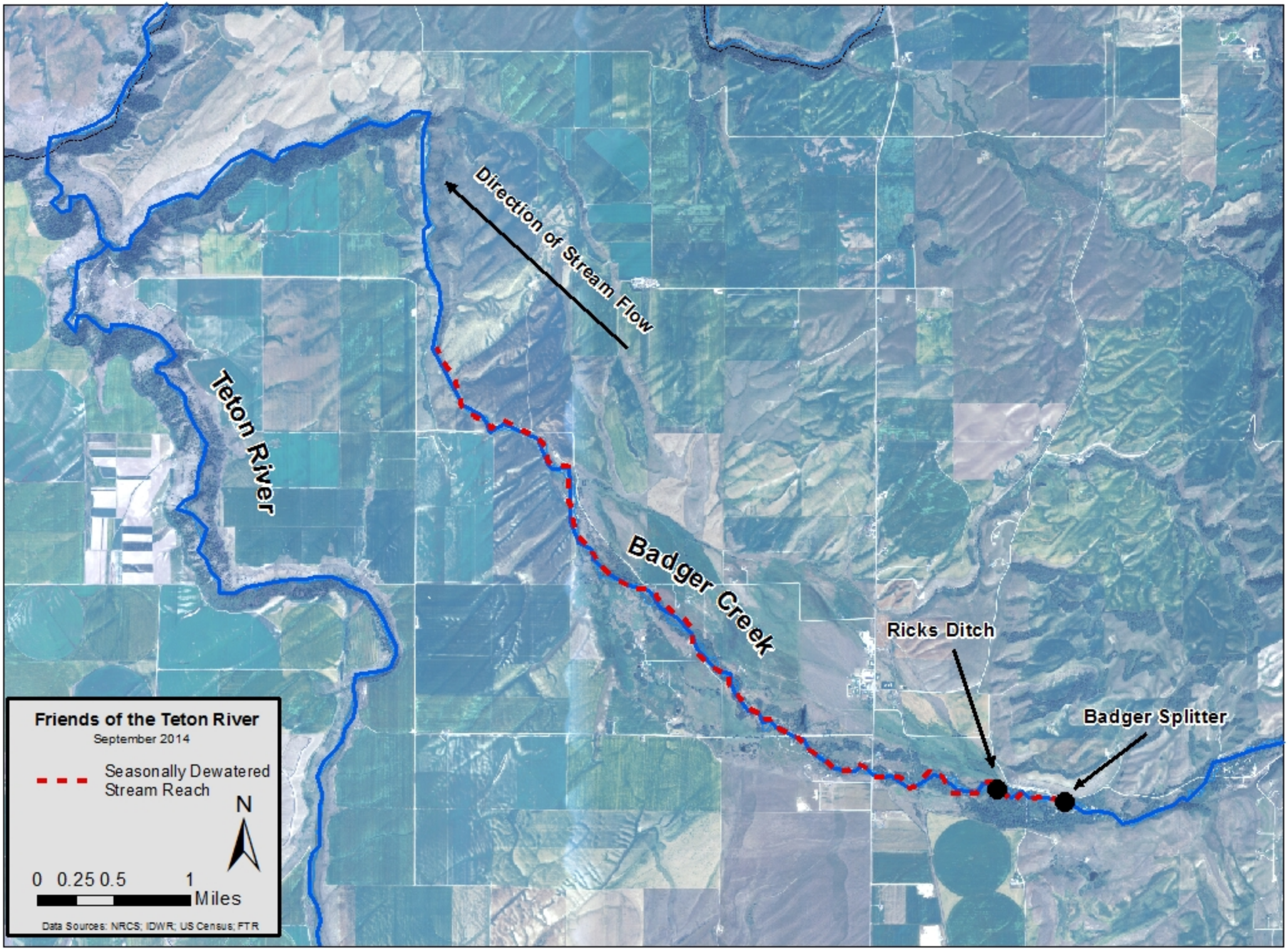
~3 miles from Badger Splitter to Forest Boundary

Badger Splitter: FTR installed a new headgate & fish screens at this location in 2010

Teton River

Friends of the Teton River
January 2014
N
0 0.025 0.05 0.1
Miles
Data Sources: NRCS; IDWR; US Census; FTR

Badger Creek



Memorandum

To: Idaho Water Resource Board – SFEMSF Committee

From: Morgan Case and Amy Cassel

Date: 9/23/2014

Re: Water Transactions Program – 2015 Hat Creek

The Hat Creek Basin supports the spawning, migration and rearing of ESA-listed resident bull trout. Big Hat Creek, a tributary of Hat Creek, and Hat Creek provide thermal refuge and rearing habitat for juvenile bull trout. The only diversion on Big Hat Creek can dewater the stream, thereby blocking the movement of bull trout and decreasing rearing habitat. The lower section of Hat Creek provides thermal refuge for adult Chinook salmon, and flows left instream from the higher, colder reaches of the Hat Creek basin may provide the necessary cooler temperatures for Chinook spawning habitat.

Erik Storlie and Tamara Kaiser have the only water rights from Big Hat Creek (75-2137 and 75-4199 - 1.23 cfs irrigating 43.6 acres). From 2004 to 2008, the Board rented 0.52 cfs from the Storlie-Kaisers for delivery to a minimum stream flow downstream for $1850 or $71.15 per acre. In 2009, the irrigators leased their water rights into the Idaho Water Supply Bank for an indefinite period of time. In 2010, the Board passed a resolution to make a funding commitment to cover the fees associated with a five year rental of Water Rights Nos. 72-2137 and 72-4199 for delivery to minimum stream flow on Hat Creek, but declined to approve funding for water right owner compensation.

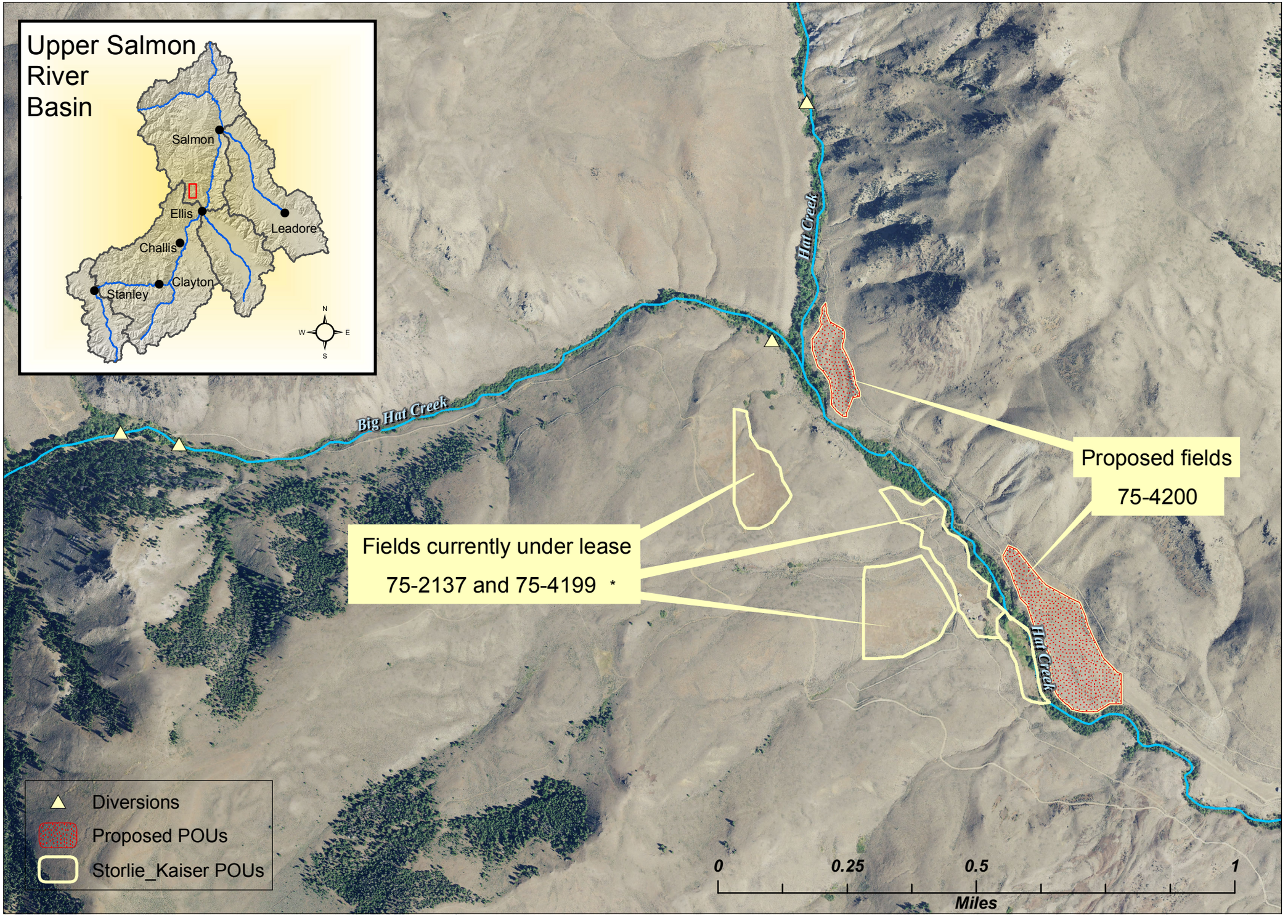
The Storlie-Kaisers want to continue to keep their water instream and would like to lease an additional water right (Hat Creek 75-4200 - 1.28 cfs irrigating 24.7 acres) to the Idaho Water Supply Bank for delivery to a minimum stream flow downstream. The water right owners are interested in more long-term options, so staff is exploring the possibility of a purchase or long-term rental of all three water rights (75-2137, 75-4199, and 75-4200). While the risk of resumption of use is small if the rights are only rented from the current owners, a change in property ownership could result in resumption of use. A purchase would permanently protect the flows in Big Hat Creek and Hat Creek and potentially affect the value of the property. If the Board is interested in a purchase of the water rights, an appraisal would be necessary.

Funding is available through the Columbia Basin Water Transactions Program (CBWTP) to cover the costs of the lease and rental fees or the purchase of the water rights. Funding for an appraisal would need to be negotiated with CBWTP staff. Currently CBWTP only requires appraisals for water rights valued at greater than $500,000. The State of Idaho appraisal requirement for purchase of real property is independent of value.

Staff is requesting Subcommittee guidance on the following:

Obtain an appraisal for a purchase of all three water rights (75-2137, 75-4199, and 75-4200).
OR
Renew rental of the Big Hat Creek Water Right nos. 75-2137 and 75-4199, with CBWTP funding to cover lease and rental fees.
Pursue a rental of the Hat Creek Water Right nos. 75-4200, with CBWTP funding to cover lease and rental fees.

Hat Creek - Big Hat Creek Transaction Potential 2014



Memorandum

To: IWRB – Streamflow Enhancement and Minimum Streamflow Committee

From: Morgan Case

Date: September 23, 2014

Re: Water Transactions Program – Carmen Creek Reconnect

Carmen Creek is a tributary that flows into the Salmon River north of Salmon, Idaho. It is seasonally de-watered due to irrigation withdrawals. It has been identified as a high priority stream for flow restoration efforts, to provide high quality habitat for anadromous Chinook salmon and steelhead and resident bull trout. Partner agencies have been working on a project with water users (William and Derrold Slavin) who divert from the Carmen Creek 3 diversion to move the point of diversion downstream in Carmen Creek to a point just above the confluence with the Salmon River (map below).

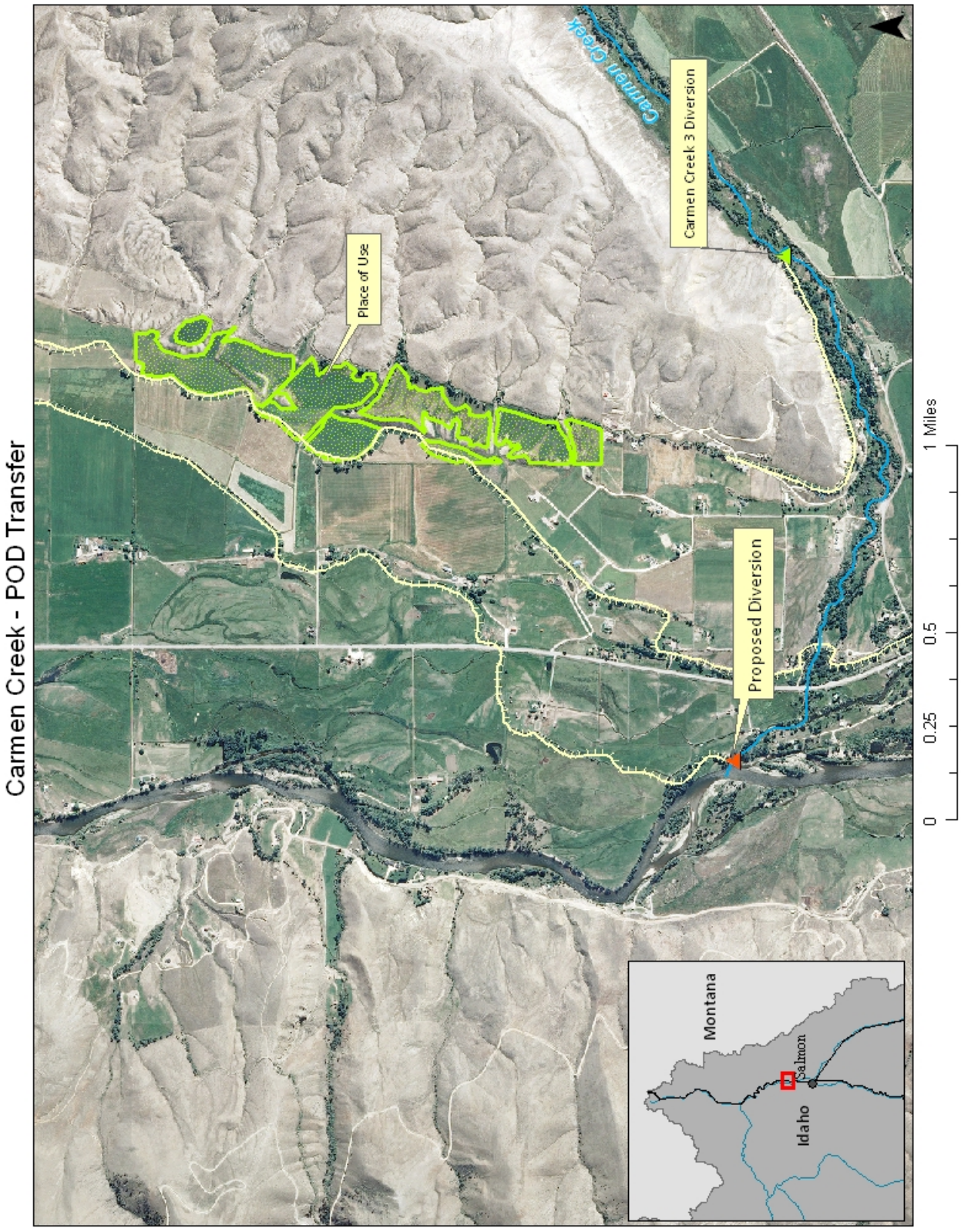
Moving the point of diversion would allow up to 4 cfs to remain instream in Carmen Creek from the Carmen Creek 3 diversion to the new diversion near the mouth of Carmen Creek. The lowest reaches of Carmen Creek are not dewatered due to the addition of approximately 1 cfs from a Salmon River diversion fish screen return and the reach gains in the Carmen Slough. Improving flows in the dewatered reach will protect incubating steelhead eggs early in the season and improve habitat for Chinook salmon, steelhead, and bull trout in the basin. Flow improvements would also complement passage, screening, and irrigation efficiency project implemented by partners.

In May of 2013, the Committee advised staff to pursue the development of transactions with Bill and Derrold Slaving to protect up to 4 cfs instream in the lower reaches of Carmen Creek. Since that time, staff and project partners have completed irrigation system design, assisted the water users with water right transfers, received approval for EQIP funding, and developed power estimates. With those power estimates the transaction can now be submitted to the Columbia Basin Water Transaction Program for Bonneville Power Administration funding.

The total transaction costs will be $148,605 ($54,999 for Derrold Slavin and $93,606 for Bill Slavin) to be received at a discounted rate from CBWTP and held in the Water Transaction Subaccount of the Board's Revolving Development Account for annual payment to the water right owner.

Action Item

With a recommendation from the Committee, staff will present a resolution authorizing the Board to enter into 20-year agreements not to divert out of Carmen Creek 3 and authorizing the Board to expend $148,605 upon approval from the CBWTP.


Carmen Creek - POD Transfer
Carmen Creek
Carmen Creek 3 Diversion
Place of Use
Proposed Diversion
Montana
Idaho
Salmon
0
0.25
0.5
1 Miles

Memorandum

To: IWRB – Streamflow Enhancement and Minimum Streamflow Committee

From: Morgan Case

Date: September 23, 2014

Re: Water Transactions Program – Beaver Creek Lease Renewal

Beaver Creek is a headwater tributary in the Upper Salmon River basin. The Upper Salmon Watershed Program technical team identified it as a priority tributary for restoration of Chinook salmon and bull trout habitat. Low flow, temperature, and degraded riparian habitat are limiting factors in the creek. In 2005, the IWRB entered into a 10-year rental for 9.38 cfs of water rights from Beaver Creek and the Salmon River, formerly irrigating 278.2 acres. The rental was intended to improve flows in Beaver Creek and the Upper Salmon River headwaters to address flow and temperature limitations for ESA-listed Chinook salmon and bull trout.

With flow improvements and a reduction in grazing, the Beaver Creek riparian habitat has seen a marked improvement in riparian vegetation (see photos), which contributes to bank stabilization and provides shade and cover.

DOT LLP has expressed interest in renewing the transaction for an additional 20 year period. The agricultural value of the property is fairly low due to high labor costs, pumping costs, and naturally limited flow later in the irrigation season. The 2005-2014 transaction compensated the water right owners at a price of $20 per acre, which remains fair compensation. Staff proposes using the same price for the 2015-2034 rental. To be consistent with the Board's 20-year water right rental on Fourth of July Creek, the rental agreement would contain language indicating that any rental payments would be credited towards a purchase price if the water rights were ultimately purchased by the Board.

The total transaction costs would be $135,789 ($111,280 rental payment, $23,759 rental fees, and $750 application fees) to be received at a discounted rate from CBWTP and held in the Water Transaction Subaccount of the Board's Revolving Development Account for annual payment to the water right owner through the Water Supply Bank.

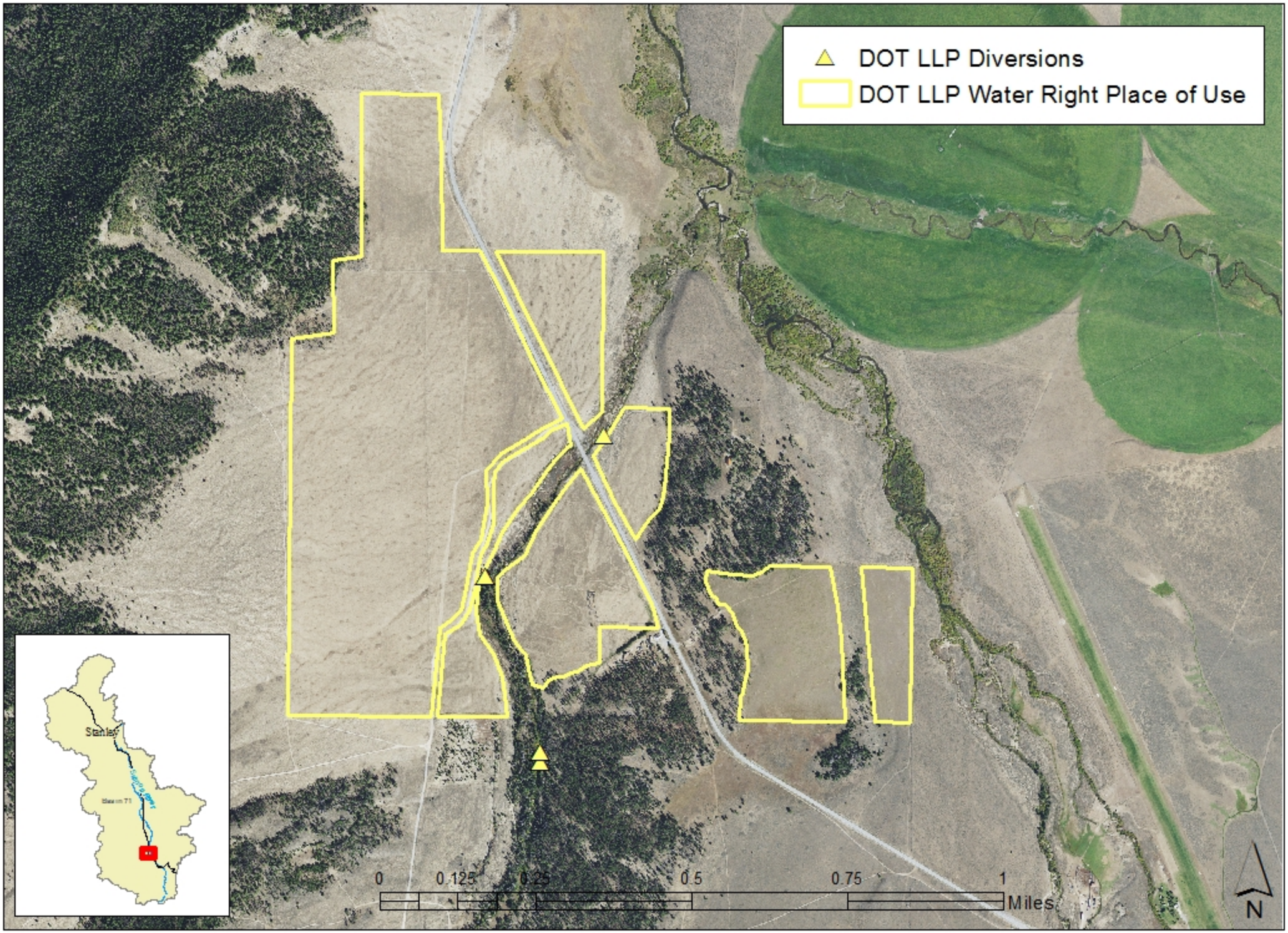
Action Item

With a recommendation from the Committee, staff will present a resolution authorizing the Board to enter into 20-year agreement and rental of the DOT LLP water rights from Beaver Creek and the Salmon River and authorizing the Board to expend $135,789 for that purpose upon approval from the CBWTP.

Beaver Creek above highway 2004

Beaver Creek above highway 2010.

Beaver Creek Rental



MEMORANDUM

To: **Streamflow Enhancement and Minimum Stream Flow Committee**

From: **Sarah Lien, Trout Unlimited**

Date: **September 11, 2014**

Re: **Expansion of Water Transactions Program to Blackfoot and Portneuf Basins**

Background

Recently Trout Unlimited (TU) has invested time in several of eastern Idaho's watersheds to determine if there are opportunities to restore stream flows for native fish, specifically Yellowstone cutthroat trout. TU has been working to address habitat issues throughout eastern Idaho for over a decade, focusing work in the South Fork of the Snake, Henrys Fork, Portnuef and Blackfoot Basins. In an effort to build on these successes, TU hired Sarah Lien in January of 2014 to begin exploring opportunities to restore flow to valued streams and rivers throughout this geography.

Over the past nine months, Sarah's work has focused largely on identifying and working with existing partnership groups (comprised of agricultural water users, State and Federal agencies, non-profits, canal companies, and municipal interests) to integrate water conservation strategies into land and water initiatives which benefit native YCT, water quality, stream health and resiliency, as well as other fish and wildlife. The response has been astounding. Not only is it clear that stream flow restoration is greatly needed to promote the success of YCT and the health of many river systems throughout eastern Idaho, but partners (including numerous water users and water right holders) have been receptive to begin working on stream flow related issues through the exploration of various water conservation strategies. Due to the perceived demand, TU is interested in partnering with the IWRB to expand the Columbia Basin Water Transaction Program (CBWTP) to include the Blackfoot and Portneuf Basins, thereby making CBWTP funding allocated to resident fish species available for water conservation projects in these areas.

TU perceives several potential benefits in expanding the CBWTP area to include the Blackfoot and Portneuf Basins. These benefits include the following:

- Expansion of the program will provide the IWRB with greater opportunity to compete for additional CBWTP funding made available specifically for recovery of resident fish species.
- Expansion of the program is a step towards proactively addressing regional declines in YCT, recovering the species to a level sufficient to avoid future ESA listing, and maintaining state sovereignty over fisheries and water management.
- Expansion of the program into these geographies increases the opportunity to harmonize the goals of Idaho's Water Transaction Program and the CBWTP, with several goals, actions, and issues identified in the Eastern Snake Plane Aquifer, Comprehensive Aquifer Management Plan. (Specifically, numerous goals in the Plan discuss acquiring upstream

surface water rights on flow-limited streams and transferring them downstream to achieve surface to groundwater conversions, stream flow restoration, and groundwater recharge.)

Maps of the Portneuf and Blackfoot Basins are included in these briefing materials to provide reference to the discussion outlined above. Sarah Lien will be available, and prepared to discuss, specific water transactional opportunities which have been identified in the Blackfoot and Portneuf Basins at the Committee meeting on September 23rd, 2014.

Committee Action: Consider expanding the Columbia Basin Water Transaction Program to include the Blackfoot and Portneuf Basins, thereby making funding available for water conservation projects which benefit resident fish in these areas. Identify follow up questions to address before making a recommendation or, if appropriate, make a Committee recommendation to be considered and voted on by the IWRB at the November board meeting.


Portneuf River Basin
American Falls Reservoir
Portneuf R near Tyhee
WWTF
Chubbuck
Siphon Rd
Batiste Rd
HWY 30 - Trail
Pocatello
Portneuf R at Pocatello
Rapid Creek
Edson Fichter
Portneuf River
Inkom
Lower Marsh Ck
Portneuf R above Marsh Ck
Mink Creek
Marsh Creek
Portneuf River
Bancroft
McCammon
Marsh Ck at McCammon
Portneuf R at Topaz
Lava Hot Springs
Arimo
Downey
Idaho
North
2 0 2 4 6 8 Miles
Legend
USGS Flow Gage
PMC Quality Monitoring Station
Waste Water Treatment Facility

Blackfoot River Watershed