



# IDAHO WATER RESOURCE BOARD

## MEETING MINUTES 6-15

**C.L. "Butch" Otter**  
Governor

Red Lion Templin's  
Chief Seltice/Margaret Post Conference Room  
414 East First Avenue, Post Falls ID 83854

**Roger W. Chase**  
Chairman  
Pocatello  
District 4

July 13, 2015  
**Work Session**

**Jeff Raybould**  
Vice-Chairman  
St. Anthony  
At Large

**Vince Alberdi**  
Secretary  
Kimberly  
At Large

**Peter Van Der Meulen**  
Hailey  
At Large

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

**Albert Barker**  
Boise  
District 2

**John "Bert" Stevenson**  
Rupert  
District 3

**Dale Van Stone**  
Hope  
District 1

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:

- Priest Lake Cold Water Siphon Concept  
*Chip Corsi, Idaho Department of Fish and Game*
- Recharge Update
- Update from Bonneville Power Administration  
*John Williams*
- Albeni Falls Dam Operations  
*Joel Fenolio, US Army Corps of Engineers*
- Water Transactions Update Report
- Last Chance Canal Company Loan Request
- St. John's Irrigating Company Loan Request
- Rathdrum Monitoring Network Update

No action was taken by the Board during the Work Session.

July 14, 2015  
**IWRB Meeting**

At 8:00 am the Chairman called the meeting to order. All Board members were present.

### **Agenda Item No. 1, Roll Call**

#### *Board Members Present*

Roger Chase, Chairman  
Vince Alberdi, Secretary  
Chuck Cuddy  
Albert Barker

Jeff Raybould, Vice-Chairman  
Pete Van Der Meulen  
Bert Stevenson  
Dale Van Stone

#### *Staff Members Present*

Gary Spackman, IDWR Director  
Brian Patton, Bureau Chief

Mat Weaver, Deputy Director  
Cynthia Bridge Clark, Section Manager

Neeley Miller, Senior Planner  
Clive Strong, Deputy Attorney General

Mandi Pearson, Admin. Assistant

*Guests Present*

Lane Peirce, Franson Civil Engineers	Paul Kimmell, Palouse Basin Aquifer Committee
Ron Blaisdell, St. John's Irrigating Co	Mark Mathews, Last Chance Canal Co
Walt Poole, Idaho Dept of Fish and Game	Loyd Briggs, St. John's Irrigating Co
Keith Jorgensen, Last Chance Canal Co	Spencer Tresslor, Franson Civil Engineers
Mike Galante, North Kootenai Water Dist	

**Agenda Item No. 2, Executive Session**

At approximately 8:00 am the Board resolved into Executive Session by unanimous consent pursuant to Idaho Code Section 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. Topics discussed were the North Idaho Adjudication and Shoshone-Bannock Water Bank. Mr. Raybould and Mr. Barker excused themselves during the Shoshone-Bannock Water Bank discussion. No action was taken by the Board during the Executive Session. The Board resolved out of Executive Session and into Regular Session at approximately 9:00 am.

**Agenda Item No. 3, Agenda and Approval of Minutes**

Mr. Raybould made a motion that the agenda be amended so that item 6, Swan Falls Minimum Flows, follow item 8, St. John's Irrigating Company Loan Request, and that the minutes for meeting 5-15 be approved as printed. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion passed.

**Agenda Item No. 4, Public Comment**

There was no public comment.

**Agenda Item No. 5, Financial Status update**

Mr. Patton provided an update on the Board's financial status. As of July 1<sup>st</sup>, the Board has total committed but not disbursed funds of \$32,805,000, total loan principal outstanding of approximately \$18,900,000, and total uncommitted funds of approximately \$3,700,000. Mr. Patton discussed potential loan applications, including Ground Water Districts (GWD) on the Eastern Snake Plain. The Ground Water Districts have received judicial confirmation to incur up to \$15 million in debt for projects to carry out the Hagerman Valley Settlement. The plan is for the 10 districts to finance the \$15 million package through IWRB-issued revenue bonds. In the interim, the North Snake GWD and Magic Valley GWD would like to extend the term of the \$1.26 million loan that is currently outstanding and add to it, up to a total of \$4 million, that would be repaid upon completion of the long-term financing in 6 months. Staff suggested convening a Finance Committee meeting to review the situation and provide a recommendation to the full Board in the next few weeks.

There was discussion among the parties regarding communication with the Governor's Office and Legislature, the time frame for the issuance of the revenue bonds and repayment of the loan, meeting the Board's financial commitments, and the need for final and specific numbers.

**Agenda Item No. 7, Last Chance Canal Company Loan Request**

Ms. Cynthia Bridge Clark discussed a loan request from Last Chance Canal Company (LCCC) for \$2,500,000 at 3.5% interest with a 20-year term for the replacement of an existing 100-year old timber crib diversion dam and concrete canal inlet structure. The company is located in Caribou County

and delivers irrigation water to irrigate 29,000 acres of agricultural land. The timber crib structure is severely deteriorated and the structural integrity of the dam is in question. This project will address badly needed infrastructure improvements, significantly reduce the operations and maintenance costs, and provide a reliable diversion dam and canal inlet structure for the LCCC and its shareholders.

Mr. Barker moved to adopt the resolution approving the loan with an amendment to the resolution adding the words “and its interest in the hydroelectric facility” to item number two under the “Be It Further Resolved” clause. Mr. Van Der Meulen seconded the motion. Mr. Raybould requested that LCCC report back to the Board at the September meeting.

Roll Call Vote: Mr. Alberdi: Aye; Mr. Barker: Aye; Mr. Cuddy: Aye; Mr. Raybould: Aye; Mr. Stevenson: Aye; Mr. Van Der Meulen: Aye; Mr. Van Stone: Aye; Chairman Chase: Aye. Motion passed.

#### **Agenda Item No. 8, St. John’s Irrigating Company Loan Request**

Ms. Clark discussed a loan request from St. John’s Irrigating Company (SJIC) for \$1,429,755 at 3.5% interest with a 20-year term to replace portions of an existing canal system with a 7-mile long gravity pressurized conveyance pipeline. The loan will provide matching cost-share funds for a \$1,000,000 US Bureau of Reclamation Water Smart Water and Efficiency Grant. The SJIC is located in Oneida County. The proposed pipeline is expected to reduce high rates of seepage loss and soil erosion. It will reduce operation and maintenance requirements caused by significant soil erosion and sedimentation problems throughout the system.

There was discussion among the parties regarding winter recharge and water savings.

Mr. Raybould moved to adopt the resolution approving the loan. Mr. Cuddy seconded the motion.

Roll Call Vote: Mr. Alberdi: Aye; Mr. Barker: Aye; Mr. Cuddy: Aye; Mr. Raybould: Aye; Mr. Stevenson: Aye; Mr. Van Der Meulen: Aye; Mr. Van Stone: Aye; Chairman Chase: Aye. Motion passed.

#### **Agenda Item No. 6, Swan Falls Minimum Flows**

Mr. Patton provided an update to the Board on the Swan Falls Minimum Flows on the Snake River near the Murphy Gage. The Adjusted Average Daily Flow value for July 12<sup>th</sup> is 5,148 cfs. Mr. Patton stated that the flows should stay above the minimum for the rest of the year. He discussed the difference between the Adjusted Average Daily Flow and the actual flow in the river.

There was discussion among the parties regarding the minimum of record, projections for the rest of the year, aquifer storage, and the Board’s storage water right.

#### **Agenda Item No. 9, Recharge**

Ms. Clark discussed Milner-Gooding canal improvements for Eastern Snake Plain Aquifer recharge. This includes resurfacing of canal roads from the Milepost 31 recharge site to the Shoshone recharge site to allow safe access year-round for Department staff and those operating the system. The second project is an expansion of the Milepost 31 recharge site which includes installing a second turnout structure. The third project involves repair and rehabilitation of the concrete flume along the system that will allow water to be delivered during winter months for recharge. The total estimated cost of these activities is \$1,050,000.

There was discussion among the parties regarding clarification of the authorized expenditure, contributions by the parties involved, aquifer storage losses, future improvements needed, and agreements with the canal companies. Mr. Barker suggested an amendment to the resolution to read that the expanded recharge capacity will allow “up to 300 cfs”.

Mr. Raybould moved to approve the resolution to approve funds for recharge infrastructure improvements with the proposed amendment, as well as an amendment to the final clause, to state “that

approval of this expenditure is contingent on the Idaho Water Resource Board and AFRD2 entering into a twenty year agreement....” Mr. Barker seconded the motion.

**Roll Call Vote:** Mr. Alberdi: Aye; Mr. Barker: Aye; Mr. Cuddy: Aye; Mr. Raybould: Aye; Mr. Stevenson: Aye; Mr. Van Der Meulen: Aye; Mr. Van Stone: Aye; Chairman Chase: Aye. Motion passed.

#### **Agenda Item No. 10, Storage Studies Update**

Ms. Clark provided a status report on the surface water studies initiated by the Idaho Water Resource Board. She discussed the current status of the Weiser-Galloway Project. A final report and results of the Operations Analysis will be presented at an IWRB Storage Committee meeting to be scheduled in fall of 2015. Results from the reservoir size optimization study will be coordinated with the Operations Analysis. Initial data gathering for the Evaluation of Weiser River Trail impacts and relocation options have commenced and will continue for the next six months. Staff will file necessary updates to fulfill the obligations of the Federal Energy Regulatory Commission (FERC) preliminary permit. There was discussion among the parties regarding the landowners impacted by the inundation and the timeline for FERC licensing.

The Boise Feasibility Study is ongoing. A draft EIS is expected for public review in February 2016. An evaluation of the selected water supply and flood risk reduction measures appears to be on schedule. There was discussion among the parties regarding additional water available for flow augmentation or other uses, the increased capacity of the reservoir, and stakeholder meetings regarding the Anderson Ranch Dam.

The Island Park Reservoir Enlargement Project is ongoing. Staff is preparing to issue a Request for Qualifications to complete an assessment of potential impacts to land and real estate. An agreement with the US Bureau of Reclamation to cooperate on the Assessment is being developed. There was discussion among the parties regarding public concerns and the potential of Board-owned water.

#### **Agenda Item No. 11, Surface Water Coalition Settlement Update**

Mr. Mathew Weaver provided an update on the Surface Water Coalition (SWC) Settlement Agreement. He provided a background on the SWC Delivery Call and the decline of aquifer storage content. He discussed the settlement negotiations and outreach to the involved entities. Mr. Weaver discussed the primary objectives of the agreement and near-term and long-term practices as identified in the agreement. There was discussion among the parties regarding non-participants in the agreement and the ultimate goal, benchmarks, and indicators of compliance with the agreement. Mr. Weaver discussed the additional terms of the agreement, including adaptive water management measures. There was further discussion among the parties regarding observation wells, goals of the agreement, new development, Water Supply Bank involvement, the Board’s recharge program, and the impact on flows at Swan Falls.

#### **Agenda Item No. 12, Palouse Ground Water Basin Water Supply Alternatives Project**

Mr. Paul Kimmell provided a description of the Palouse Groundwater Basin and aquifer decline and a background of the Palouse Basin Aquifer Committee (PBAC). PBAC is studying alternative water supply development. Mr. Kimmell discussed PBAC budget details and funding options for the Water Supply Alternatives Project and discussed the opportunity for the Board to participate in the study. There was discussion among the parties regarding the reduction in pumping and impacts to the aquifer, participation from the State of Washington, water uses in the basin, water quality, and a timeline for completion.

#### **Public Comment**



Chairman Chase opened the meeting to public comment. Mr. Mike Galante of the Aquifer Protection District and Idaho-Washington Aquifer Collaborative (IWAC) addressed the Board regarding efforts of IWAC. He discussed the goal of avoiding conflict between Washington and Idaho regarding water issues as well as potential solutions on how to share the water resource.

**Agenda Item No. 13, IDWR Director's Report**

Director Spackman acknowledged the efforts of Mr. Kimmell and Mr. Galante. He also acknowledged the efforts of staff in presenting information for negotiations on ESPA issues. Director Spackman discussed water supply and drought conditions in Northern Idaho and impacts on minimum stream flows. Mr. Keith Franklin, the IDWR Regional Manager, has received complaints that stream flows have dropped below the minimum stream flows. Mechanisms are not in place to enforce curtailment. Mr. Franklin suggested a press release to the public with a request for voluntary curtailment. There was discussion among the parties regarding the Board's involvement in the issue and priority dates for the minimum stream flows.

Mr. Franklin also discussed issues regarding the Priest Lake elevation. Due to drought, the elevation of Priest Lake is in decline. IDWR has maintained the elevation by lowering gates at the dam, which cuts off flow to Priest River. An agreement is in place to maintain 60 cfs in the river. There was discussion among the parties regarding the nature of the statute to maintain the lake elevation, the outlet structure, communication with the public, the need for a permanent solution, and legislative action. The Board directed staff to issue a press release regarding the Priest Lake and Priest River issue, and to maintain the river at 60 cfs. There was further discussion among the parties regarding this issue.

**Agenda Item No. 14, Other Non-Action Items for Discussion**


There was discussion among the parties regarding a date for the Hagerman meeting. Mr. Van Stone stated that he would attend a meeting with the Lake Commission regarding the Priest Lake issue. Chairman Chase expressed appreciation for staff.


**Agenda Item No. 15, Next Meetings and Adjourn**

The next Board meeting is currently scheduled for September 17-18, 2015 in the Magic Valley. A Hagerman tour for the Board and legislators will be scheduled soon. A Board meeting is also scheduled for November 16-17 which corresponds with the IWUA seminar scheduled for the same week. A Financial Programs Committee meeting will be scheduled in the near future, and may be planned in conjunction with a Water Resource Planning Committee meeting. A Water Supply Bank Committee meeting will also be scheduled in the near future. Mr. Alberdi made a motion to Adjourn, and Mr. Cuddy seconded the motion. Voice Vote. All were in favor. Motion Carried.

The IWRB Meeting 6-15 adjourned at approximately 12:10 pm.

Respectfully submitted this 18<sup>th</sup> day of September, 2015.

  
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Vince Alberdi, Secretary

  
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Mandi Pearson, Administrative Assistant II

### Board Actions:

1. Mr. Raybould made a motion that the agenda be amended so that item 6, Swan Falls Minimum Flows, follows item 8, St. John's Irrigating Company Loan Request, and that the minutes for meeting 5-15 be approved as printed. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion passed.
2. Mr. Barker moved to adopt the resolution approving the loan to Last Chance Canal Company with an amendment to the resolution adding the words "and its interest in the hydroelectric facility" to item number two under the "Be It Further Resolved" clause. Mr. Van Der Meulen seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
3. Mr. Raybould moved to adopt the resolution approving the loan to St. John's Irrigating Company. Mr. Cuddy seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
4. Mr. Raybould moved to approve the resolution to approve funds for recharge infrastructure improvements with the proposed amendment, as well as an amendment to the final clause, to state "that approval of this expenditure is contingent on the Idaho Water Resource Board and AFRD2 entering into a twenty year agreement...." Mr. Barker seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.