

IDAHO WATER RESOURCE BOARD



MEETING NO. 8-15

November 16-17, 2015

Boise



Managed Aquifer Recharge Operations in the Twin Falls Canal,
October 28, 2015 (Photo Credit: Twin Falls Canal Company)



Construction at the Mile 28 Hydropower Plant recharge water
bypass structure, in the Milner-Gooding Canal. October 2015.
(Photo credit: Neal Farmer, IDWR)

MEDIA



AGENDA

IDAHO WATER RESOURCE BOARD MEETING NO. 8-15

November 17, 2015 at 8:00 am

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

C.L. "Butch" Otter
Governor

Roger W. Chase
Chairman
Pocatello
District 4

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

-
1. Roll Call
 2. Executive Session – Board will meet pursuant to Idaho Code § 74-206(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. Topics: Pabarcus Application, and Purcell/Big Timber Creek Water Users Company

Following adjournment of Executive Session -- meeting reopens to the public

3. Agenda and Approval of Minutes 7-15
 4. Public Comment
 5. Financial Status Update
 6. PBAC Aquifer Stabilization Funding Request
 7. ESPA Recharge
 8. Upper Salmon Basin Water Transaction Projects
 9. Water Supply Bank
 10. Storage Studies Update
 11. Bee Line Water Association Loan
 12. Ground Water Districts Loan & Aqualife Hatchery
 13. IDWR Director's Report
 14. Other Non-Action Items for Discussion
 15. Proposed 2016 Meeting Schedule and Adjourn
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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 Deborah.Gibson@idwr.idaho.gov or by phone at (208) 287-4800.



IDAHO WATER RESOURCE BOARD

MEETING MINUTES 7-15

September 17, 2015

Workshop Meeting on Efforts to Resolve Eastern Snake Plain Aquifer Issues

University of Idaho Aquaculture Research Institute/
Hagerman Fish Culture Experiment Station
3059F National Fish Hatchery Rd
Hagerman, ID 83332

C.L. "Butch" Otter
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District 1

Chairman Roger Chase called the meeting to order at approximately 8:30 am. Mr. Albert Barker was absent. All other Board members were present.

During the Workshop the following items were discussed:

- Introductory Remarks by Speaker Scott Bedke, Senator Steve Bair, Chairman Roger Chase
- Aquifer Decline Background by Mathew Weaver, IDWR Deputy Director
- Surface Water Coalition Settlement Overview by Speaker Scott Bedke
- IWRB Managed Recharge Program by Brian Patton, IDWR Planning Bureau Chief
- Proposed Hagerman Valley Settlement by Clive Strong, Deputy Attorney General
- Aquifer and Springflow/reach gain modeled response to recharge and settlement actions by Michael McVay, IDWR Technical Hydrogeologist
- Wrap-Up by Speaker Scott Bedke and Senator Steve Bair

No action was taken by the Board during the Workshop.

September 18, 2015

IWRB Meeting

Hampton Inn
Canyon Room
1658 Fillmore Street, Twin Falls, ID 83301

At 8:30 am the Chairman called the meeting to order. Mr. Chuck Cuddy was absent. All other Board members were present.

Agenda Item No. 1, Roll Call

Board Members Present

Roger Chase, Chairman
Vince Alberdi, Secretary
Bert Stevenson
Dale Van Stone

Jeff Raybould, Vice-Chairman
Pete Van Der Meulen
Albert Barker

Staff Members Present

Gary Spackman, IDWR Director
Cynthia Bridge Clark, Section Manager
Neeley Miller, Senior Planner
Mandi Pearson, Administrative Assistant

Brian Patton, Bureau Chief
Wesley Hipke, Recharge Project Manager
Remington Buyer, Water Supply Bank Coordinator

Guests Present

Jake Robertson, Pivotrac Monitoring
Bret McKenzie, Water User
Hal Anderson, Idaho Water Engineering
Jon Bowling, Idaho Power
Sarah Higar, Idaho Power
Teresa Molitor, Great Feeder Canal Co
John J. Williams, Bonneville Power Co
Peter Anderson, Trout Unlimited

Douglas R. Jones, Idaho Water Engineering
Kathy McKenzie, Water User
Walt Poole, Idaho Dept. of Fish and Game
Nic Behrend, American Falls/Aberdeen Ground Water Dist
Lynn Tominaga, Idaho Ground Water Association
Keith Esplin, Recharge Development Corp
Representative Lance Clow, Idaho Legislature
Pat McMahon, Sun Valley Water & Sewer Dist

Agenda Item No. 2, Agenda and Approval of Minutes

Mr. Patton noted the amended agenda. Mr. Barker requested that the word “it’s” under the Last Chance Canal Company Loan Request in Minutes 6-15 be corrected to “its” on page 3 and page 6. Mr. Barker moved to approve Minutes 6-15 with the noted changes. Mr. Van Der Meulen seconded the motion. Voice Vote. All were in favor. Motion carried.

Agenda Item No. 3, Public Comment

Chairman Chase opened the meeting for Public Comment. Mr. Doug Jones addressed the Board regarding the Cat Creek Generation Station. Cat Creek Energy is proposing a pump-back hydropower project combined with a wind farm and solar operation northeast of Mountain Home. Mr. Jones discussed the benefits of the project. There was discussion among the parties regarding water rights, Cat Creek Energy, the wind power, transmission lines, and hydro-generation schedule.

Mr. Keith Esplin, representing the Recharge Development Corporation, addressed the Board. He discussed his background in agriculture and canal companies and informed the Board of a recharge opportunity with Aberdeen-Springfield Canal to meet mitigation needs. There was discussion among the parties regarding the recharge water right.

Mr. Nic Behrend of the American Falls/Aberdeen Ground Water District addressed the Board and expressed that he was in favor of approving the recharge water right for Aberdeen-Springfield Canal. There was discussion among the parties regarding mitigation requirements, the project timeline, Board involvement, and private/public cooperation.

Mr. John Williams of the Bonneville Power Administration provided an update to the Board on the Columbia River Treaty, the Fish Accords, and the timely annual US Treasury payment. There was discussion among the parties regarding the State Department negotiator for the Columbia River Treaty and Water Transactions Program funding related to the Fish Accords.

Agenda Item No. 4, Financial Status Update

Mr. Patton provided an update on the Board’s financial status. As of August 1st, the Board has total committed but not disbursed funds of about \$36.5 million, total loan principal outstanding of approximately \$20 million, and total uncommitted funds of approximately \$2 million. The total estimated uncommitted funds over the next 12 months amounts to \$8.5 million. Mr. Patton discussed potential

loans, including Ground Water Districts (GWD) on the Eastern Snake Plain and the Raft River Ground Water District.

There was discussion among the parties regarding the structuring of bonds and timelines for the Ground Water Districts loans.

Agenda Item No. 5, Groundwater Conservation Grants

Mr. Neeley Miller discussed the development of a ground water conservation grant to provide financial assistance to municipalities and other eligible entities interested in pursuing ground water conservation projects. The IWRB Water Resource Planning Committee and Finance Committees have reviewed the grant criteria and budget. There was discussion among the parties regarding private corporations eligible for a grant, ranking based on water savings and need, the opportunity to revise the criteria after one year, and recharge.

Mr. Barker moved to adopt the resolution in the matter of the Groundwater Conservation Grants. Mr. Raybould seconded the motion.

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

Agenda Item No. 6, Eastern Snake Plain Ground Water Districts Loan

Mr. Brian Patton discussed the interim loan request from the 10 Ground Water Districts (Districts) on the Eastern Snake Plain for \$6 million to pay for the recently constructed Rangen-Magic Springs Pipeline and the purchase of the Aqualife Hatchery from the IWRB. The IWRB Financial Programs Committee met and recommended approval of an interim loan of \$4 million and a promissory note between the IWRB and Districts for the Aqualife Hatchery rather than an interim loan.

There was discussion among the parties regarding the Aqua Life purchase and timeline for the loan repayment. Mr. Stevenson disclosed that he holds property within the district, but does not have any advantage over another district, and intends to vote. There was no objection among the Board members. Mr. Raybould suggested the addition of the words “as soon as the long-term financing is in place, but” in the resolution under the 8th “whereas” clause.

Mr. Raybould moved to adopt the resolution approving the loan with the noted change. Mr. Alberdi seconded the motion. Mr. Raybould disclosed that Fremont-Madison Irrigation District is listed, but will not be a part of the interim loan.

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

Agenda Item No. 7, Water Supply Bank

Mr. Remington Buyer provided a summary of the recent Water Supply Bank Committee meeting in August. The items discussed by the Committee include indefinite leases, selection of a contractor to develop software for the Water Supply Bank, review of the Wood River Valley interim ground water rental policy and call for renewal, prioritization or rental requests by Ground Water Districts during 2016, and adjustments proposed to current rental administrative procedures. There was discussion among the parties regarding rental rates and workload issues.

Mr. Buyer discussed renewal of the Water Supply Bank Interim Ground Water Rental Policy for the Wood River Valley. He reviewed the impacts of the interim ground water rental policy in 2015. Staff is seeking a reauthorization of the interim policy for an additional year with the following changes: providing a decision-matrix to explain the evaluation process for ground water rental requests, confirming if, when and how mitigation may be required through evaluation of ground water modeling, and allowing for multiple year rentals under the interim policy.

There was discussion among the parties regarding rental rate determination, the zone concept on surface water, private leases, multi-year contracts, and a timeline for completion of the model.

Mr. Barker moved to adopt the resolution approving the renewal of an Interim Ground Water Rental Policy for the Wood River Valley. Mr. Van Der Meulen seconded the motion. Voice Vote. All were in favor. Motion carried.

Agenda Item No. 8, Cloud Seeding Program Updates and Future Activities

Ms. Cynthia Bridge Clark discussed the Cooperative Cloud Seeding Program. Idaho Power Company has proposed to initiate a one-year pilot program for aircraft cloud seeding operations in the Upper Snake River Basin. The estimated expenses to implement the Aircraft Pilot Project for one year are approximately \$485,000. The Aquifer Stabilization Committee recommended Board participation not to exceed \$200,000 to assist with expenses associated with project operation.

There was discussion among the parties regarding financial participation by water users in the Upper Snake, the continuance and expansion of ground-based programs, and a recent history of cloud seeding in Idaho. Board members discussed the importance of participation by water users in the Upper Snake to ensure the longevity and success of the program.

Mr. Raybould moved to adopt the resolution to approve funds for the one-year Aircraft Pilot Project through the Cooperative Cloud Seeding Program. Mr. Van Der Meulen seconded the motion.

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

Agenda Item No. 9, ESPA Recharge

Mr. Wesley Hipke discussed the status of the ESPA Managed Recharge Program. At the recent Aquifer Stabilization Committee, committee members expressed the importance of ensuring that the projects provide value for the program. More data will be collected on the current proposed projects to ensure they align with the Board's goals. Mr. Lynn Tominaga discussed current recharge efforts by Eastern Snake Plain Ground Water Districts, along with water quality monitoring issues. There was discussion among the parties regarding which canals are involved, measuring devices, the Groundwater Conservation Grant, and collaboration needed to create a water quality policy related to recharge.

Mr. Hipke discussed the Great Feeder Canal Company recharge infrastructure funding. This funding is designated for replacement of the diversion structure head gates. This project will increase capacity to divert water for managed recharge.

Mr. Raybould moved to adopt the resolution to approve funds for recharge infrastructure improvements for the Great Feeder Canal Company. Mr. Van Stone seconded the motion.

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

Mr. Hipke discussed the Snake River Valley Irrigation Dist Monson Site. The funding will provide for monitoring equipment.

Mr. Alberdi moved to adopt the resolution to approve funds for recharge infrastructure improvements for the Snake River Valley Irrigation District Monson Site. Mr. Van Stone seconded the motion.

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

Agenda Item No. 10, MHAFB Water Supply Project

Ms. Cynthia Bridge Clark provided a status report on the Mountain Home Air Force Base (MHAFB) Water Supply Project (Project). The Project involves efforts by the State of Idaho to assist the Military in developing a sustainable water supply to the MHAFB. The water will be diverted out of the C.J. Strike Reservoir and delivered to the MHAFB to offset existing groundwater pumping. In July, the MHAFB noticed the intent to enter into a sole source water utility service agreement with the IWRB on the Federal Business Opportunities webpage. In August, staff issued the notice to proceed on the technical report detailing the project concept to assist both parties with their planning efforts. The report has an expected completion date of February 26, 2016 and will include a cost estimate and preliminary sizing and concept development of the water delivery and treatment systems. Staff will continue to coordinate with the MHAFB staff to monitor project planning activities required by the MHAFB. The IWRB has received letters indicating City of Mountain Home and Elmore County interest and desire to participate in the project. Staff will prepare response letters on behalf of the Board. There was discussion among the parties regarding the project timeline, the water source and additional supply, and water treatment.

Agenda Item No. 11, IDWR Director's Report

Director Spackman discussed the Priest Lake water levels and public response to Department actions regarding the lake level. According to statute, the Department will maintain lake levels regardless of impact to river flows. Currently, river flows are able to be maintained at 60 cfs. Director Spackman discussed staff participation in a zero-based budgeting process. The budget allows for 5 additional positions, including a Hydrogeologist position, water rights staff, and monitoring staff. Director Spackman also discussed the need for a new tenant in the Idaho Water Center and issues surrounding tenant improvements.

Agenda Item No. 12, Other Non-Action Items for Discussion

Chairman Chase and Mr. Raybould expressed appreciation for staff's efforts.

Agenda Item No. 13, Next Meetings and Adjourn

The next Board meeting is currently scheduled for November 16-17, 2015 which corresponds with the IWUA seminar scheduled for the same week. A Board meeting is also scheduled for January 21-22 in correspondence with the IWUA conference. A teleconference meeting may need to be scheduled in October. Mr. Barker made a motion to Adjourn, and Mr. Raybould seconded the motion. Voice Vote. All were in favor. Motion Carried.

The IWRB Meeting 7-15 adjourned at approximately 12:15 pm.

Respectfully submitted this _____ day of November, 2015.

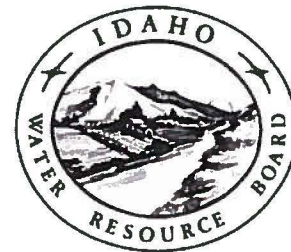
Vince Alberdi, Secretary

Mandi Pearson, Administrative Assistant II

Board Actions:

1. Mr. Barker moved to approve Minutes 6-15 with the noted changes. Mr. Van Der Meulen seconded the motion. Voice Vote. All were in favor. Motion carried.
2. Mr. Barker moved to adopt the resolution in the matter of the Groundwater Conservation Grants. Mr. Raybould seconded the motion. Roll Call Vote. 7 Ayes, 1 Absent. Motion passed.
3. Mr. Raybould moved to adopt the resolution approving the Eastern Snake Plain Ground Water Districts loan with the addition of the words “as soon as the long-term financing is in place, but” in the resolution under the 8th “whereas” clause. Mr. Alberdi seconded the motion. Roll Call Vote. 6 Ayes, 1 Abstain, 1 Absent. Motion passed.
4. Mr. Barker moved to adopt the resolution approving the renewal of an Interim Ground Water Rental Policy for the Wood River Valley. Mr. Van Der Meulen seconded the motion. Voice Vote. All were in favor. Motion carried.
5. Mr. Raybould moved to adopt the resolution to approve funds for the one-year Aircraft Pilot Project through the Cooperative Cloud Seeding Program. Mr. Van Der Meulen seconded the motion. Roll Call Vote. 6 Ayes, 1 Absent. Motion passed.
6. Mr. Raybould moved to adopt the resolution to approve funds for recharge infrastructure improvements for the Great Feeder Canal Company. Mr. Van Stone seconded the motion. Roll Call Vote. 6 Ayes, 1 Absent. Motion passed.
7. Mr. Alberdi moved to adopt the resolution to approve funds for recharge infrastructure improvements for the Snake River Valley Irrigation District Monson Site. Mr. Van Stone seconded the motion. Roll Call Vote. 6 Ayes, 1 Absent. Motion passed.

MEMO



To: Idaho Water Resource Board
From: Brian Patton
Subject: Financial Status Report
Date: November 4, 2015

As of **October 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 or earmarked but not disbursed	
Loans for water projects	\$3,594,063
Water storage studies	1,156,782
Aqualife Hatchery, HB644 2014	0
HB479 2014	
Mountain Home	1,487,774
Galloway	1,912,500
Boise/Arrowrock	1,149,926
Island Park	2,500,000
Water supply Bank	500,000
Total committed/earmarked but not disbursed	12,301,046
Loan principal outstanding	14,214,813
Uncommitted balance	(2,086,797)
Estimated revenues next 12 months	3,500,000
Commitments from revenues next 12 months	2,086,797
Estimated uncommitted funds over next 12 months	1,413,233

Rev. Dev. Acct. Bell Rapids Sub-Account

Committed but not disbursed	\$167,877
Estimated revenues next 12 months (1)	1,000
Commitments from revenues over next 12 months	1,000
Estimated uncommitted funds over next 12 months	0

Rev. Dev. Acct. Pristine Springs Sub-Account (5)

Committed but not disbursed	
Repair/Replacement Fund	\$1,007,428
To go to Aquifer Planning Fund	0
Loan principal outstanding	7,127,940
Uncommitted balance	0
Estimated revenues next 12 months	1,000,000
Commitments from revenues over next 12 months	1,000,000
Estimated uncommitted funds over next 12 months	0

Rev. Dev. Acct. Treasure Valley & Rathdrum Prairie CAMP Sub-Account

Committed but not disbursed	\$0
Available for RP and TV CAMP projects	173,745
Estimated revenues next 12 months (5)	200,000
Estimated Available funds over next 12 months	373,745

<i>Rev. Dev. Acct. Upper Salmon/CBWTP Sub-Account</i>		
Committed but not disbursed		\$3,237,624
(Upper Salmon flow enhancement/reconnect projects)		
Estimated revenues next 12 months (4)		10,000
Commitments from revenues over next 12 months		10,000
Estimated available funds over next 12 months		0
 <i>Rev. Dev. Acct. Water District 02 Water Smart Grant Sub-Account (6)</i>		
Committed but not disbursed		\$73,905
(Water District 02 Measurement Devices)		
Commitments from revenues over next 12 months		\$73,905
Estimated available funds over next 12 months		0
 <i>Rev. Dev. Acct. Water Supply Bank Sub-Account (7)</i>		
Committed but not disbursed		\$537,386
(Owners share – water bank lease/rentals)		
Estimated revenues next 12 months		1,000
Commitments from revenues over next 12 months		\$537,386
Estimated available funds over next 12 months		\$1,000
 <i>Rev. Dev. Acct. ESPA Sub-Account</i>		
Committed but not disbursed		
CREP	2,419,581	
Aquifer recharge	337,594	
Bell Rapids	361,620	
Palisades storage	10,000	
Black Canyon Exchange	485,749	
Total committed but not disbursed		\$3,614,643
Loan principal outstanding		266,589
Uncommitted balance		480,976
Estimated revenues next 12 months		100,000
Commitments from revenues over next 12 months		0
Estimated uncommitted funds over next 12 months		580,976
 <i>Rev. Dev. Acct. Dworshak Hydropower (2)</i>		
Committed but not disbursed (repair fund, etc.)		\$1,337,151
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
 <i>Water Management Account</i>		
Committed but not disbursed:		\$111,376
Loan principal outstanding		0
Uncommitted balance		9,915
Estimated revenues next 12 months		0
Commitments from revenues over next 12 months		0
Estimated uncommitted funds over next 12 months		\$9,915

Secondary Aquifer Management Fund

Committed or earmarked but not disbursed:

HB 479 2014 Northern Idaho Future Water Needs	299,274
Cloud Seeding	712,000
Public Information Services (Steubner)	39,659
Other	261,045
Loan – ESPA Ground Water Districts	2,740,000

FY2016 Budgeted Funds

ESPA managed recharge expenses	1,109,090
ESPA managed recharge infrastructure	4,934,005
ESPA managed recharge engineering	300,000
Administrative	47,566
GW conservation grants in priority aquifers	200,000
Reserved for projects in other priority aquifers	1,000,000

Total Committed or earmarked	\$11,643,638
Loan principal outstanding	1,260,000
Uncommitted balance	\$464,772
Estimated revenues next 12 months (Cigarette Tax)	5,500,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	5,964,772

Secondary Aquifer Fund Aquifer Mon. Meas. & Model Sub-Acct (8)

Committed but not disbursed	\$297,551
Commitments from revenues over next 12 months	\$297,551
Estimated available funds over next 12 months	0

Total committed/earmarked but not disbursed	\$34,503,370
Total loan principal outstanding	22,869,343
Total uncommitted balance	(957,388)
Total estimated uncommitted funds over next 12 months	8,343,641

(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 \$2,597,243.

(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) Excess funds generated by the Pristine Springs Project are deposited into the Revolving Development Account (Main Fund) or into the Rathdrum Prairie/Treasure Valley Sub Account.

(6) Pass-through for Bureau of Reclamation grant to assist with installation of measurement devices in Water District 02.

(7) Pass-through for owners share of Water Supply Bank lease/rentals. Interest earned accrues to IWRB.

(8) Source is Pristine Springs loan repayments of \$716,000.

The following is a list of potential loans:

Potential Applicant	Potential Project	Preliminary Loan Amount	Comment
IGWA/Ground Water Districts	Aqualife finance	\$3.2 million	Part of Magic Springs-Rangen Pipeline project
Bee Line Water Association	Increase existing loan by \$200,000	\$200,000	Loan already approved for \$400,000
Raft River Ground Water District	Ground water-to-surface water conversion pipeline	\$4 million	Project in planning. 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
Big Wood Canal Co.	Gravity pipeline	\$2 million	Project in planning

IDAHO WATER RESOURCE BOARD
Sources and Applications of Funds
as of September 30, 2015
REVOLVING DEVELOPMENT ACCOUNT

Original Appropriation (1969).....	\$500,000.00
Legislative Audits.....	(\$49,404.45)
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.....	\$7,345,538.31
Interest Earned State Treasury (Transferred).....	\$1,642,584.76
Filing Fee Balance.....	\$47,640.20
Bond Fees.....	\$1,469,601.45
Arbitrage Calculation Fees.....	(\$12,000.00)
Protest Fees.....	(\$670.00)
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.....	\$30,957.59
Attorney fees for Jughandle LID.....	(\$3,600.00)
Attorney fees for A&B Irrigation.....	(\$4,637.50)
Water Supply Bank Receipts.....	\$4,379,501.29
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.....	(\$1,229,460.18)
Weiser Galloway Study - US Army Corps of Engineers.....	(\$1,597,099.12)
Boise River Storage Feasibility Study.....	(\$333,000.00)
Geotech Environmental (Transducers).....	(\$6,402.61)
Legislative Appropriation 2014, HB 479 Sec 1 and 2.....	\$10,500,000.00
Appraisal (LeMoyné Appraisal LLC).....	(\$10,500.00)
Payment to JR Simplot Co for water rights.....	(\$2,500,000.00)
IWRB WSB Lease Application.....	(\$750.00)
Mountain Home Misc Costs.....	(\$4,103.11)
Galloway Dam & Reservoir Project (HB 479).....	(\$87,525.00)
Water District 02 Assessments for Mtn Home.....	(\$964.61)
Boise River (Arrowrock Enlargement) Feasibility Study (HB479).....	(\$490,073.61)
Aqua Life Hatchery, HB644, 2014.....	(\$1,885,000.00)
Aqualife Lease receipt from Seapac.....	\$99,840.00
Lemoyne Appraisal for Aqualife facility.....	(\$7,500.00)
Treasureton Irrigation Ditch Co.....	(\$5,000.00)
Bell Rapids Water Rights Sub-Account	
Legislative Appropriation 2005, HB392.....	\$21,300,000.00
Interest Earned State Treasury.....	\$692,523.54
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 Water District 02 Assessments.....	(\$12,506.10)
Payment for Ongoing Bell Rapids Finance Costs (trustee fees, water bank, etc.).....	(\$6,740.10)
Commitments	
Ongoing Bell Rapids Finance Costs (trustee fees, WD02).....	\$167,876.88
Committed for alternative finance payment.....	\$0.00
Total Commitments.....	\$167,876.88
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.....	\$34,118.98
Loan Interest.....	\$2,116,784.68
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.....	\$3,630,980.51
Appraisal.....	(\$25,500.00)
Insurance.....	(\$41,078.25)
Recharge District Assessment.....	(\$26,605.25)
Water District 130 Annual Assessment.....	(\$3,841.45)
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)
Payment to MWH Americas Inc.....	(\$11,326.27)
Payment to Dan Lafferty Construction.....	(\$16,846.68)

Telemetry Station Equipment.....	(\$15,193.92)	
Rein Tech LLC (Satellite phone annual payment).....	(\$1,485.00)	
Standley Trenching (Trac system for communication equip).....	(\$2,863.99)	
Property Taxes and other fee assessments (Jerome County).....	(\$6,939.15)	
Rental Payments.....	\$1,506,486.66	
Payments to Scott Kaster.....	(\$104,017.35)	
Utility Payments (Idaho Power).....	(\$37,748.06)	
Costs for property maintenance.....	(\$193,171.70)	
Travel costs for property maintenance.....	(\$374.63)	
Pipeline repair (IGWA).....	(\$170,000.00)	
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)	
Transferred to Secondary Aquifer Fund (2013 Legislature; HB 270).....	(\$716,000.00)	
Transferred to Secondary Aquifer Fund (2014 Legislature; HB 618).....	(\$716,000.00)	
Transferred to Aquifer Planning Fund (2015 Legislature; HB 273).....	(\$716,000.00)	
Pristine Springs Hydropower Projects		
Net power sales revenues.....	\$535,522.41	
Pristine Springs Committed Funds		
ESPA CAMP (to be transferred to Secondary Fund).....	0.00	
Repair/Replacement Fund.....	\$1,007,427.96	
TOTAL COMMITTED FUNDS.....	\$1,007,427.96	
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	\$271,672.34	
Pristine Springs Revenues Into Main Revolving Development Account.....		\$37,301.24
Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account		
Pristine Springs Hydropower and Rental Revenues.....	\$271,672.34	
Interest Earned State Treasury.....	\$573.11	
Spokane River Forum.....	(\$8,000.00)	
Treasure Valley Water Quality Summit.....	(\$500.00)	
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station.....	(\$20,000.00)	
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study (CON00989).....	(\$70,000.00)	
Committed Funds.....		
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station.....	\$0.00	
Spokane River Forum.....	\$0.00	
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study.....	\$0.00	
Treasure Valley Water Quality Summit.....	\$0.00	
TOTAL COMMITTED FUNDS.....	\$0.00	
Balance Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account.....	\$173,745.45	
Upper Salmon/CBWTP Sub-Account		
Water Transaction Projects Payment Advances from CBWTP/Accord	\$2,846,320.47	
PCSRF Funds for Administration of Non-Diversion Easements on Lemhi River.....	\$237,807.26	
Interest Earned State Treasury.....	\$96,880.17	
Transfer to Water Supply Bank.....	(\$64,801.33)	
Change of Ownership.....	(\$600.00)	
Alturas Lake Creek Appraisal.....	(\$8,989.23)	
Payments for Water Acquisition	(\$627,423.03)	
Committed Funds		
Administration of Non-Diversion Easements on Lemhi River.....	\$148,686.69	
Alturas Lake Creek (Breckenridge).....	(\$0.00)	
Bayhorse Creek (Peterson Ranch).....	\$34,748.18	
Beaver Creek (DOT LLP).....	\$0.00	
Big Hat Creek.....	\$0.00	
Big Timber Tyler (Leadore Land Partners).....	\$521,949.64	
Canyon Creek/Big Timber Creek (Beyeler).....	\$479,809.99	
Fourth of July Creek (Vanderbilt).....	\$18,437.16	
Iron Creek (Phillips).....	\$0.00	
Iron Creek (Koncz).....	\$259,273.22	
Kenney Creek Source Switch (Gail Andrews).....	\$26,363.56	
Lemhi - Big Springs (Merrill Beyeler).....	\$65,133.50	
Lemhi River & Little Springs Creek (Kauer).....	\$23,004.68	
Little Springs Creek (Snyder).....	\$307,687.37	
Lower Eighteenmile Creek (Ellsworth Angus Ranch).....	\$1,777.78	
Lower Lemhi Thomas (Robert Thomas).....	\$2,100.00	
P-9 Bowles (River Valley Ranch).....	\$331,363.86	
P-9 Charlton (Sydney Dowton).....	\$21,933.08	
P-9 Dowton (Western Sky LLC).....	\$262,827.99	
P-9 Elzinga (Elzinga).....	\$325,096.74	
Patterson-Big Springs (PBSC9).....	\$201,170.12	
Spring Creek (Richard Beard).....	\$1,628.64	
Spring Creek (Ella Beard).....	\$2,387.07	
Whitefish (Leadore Land Partners).....	\$202,244.87	
Total Committed Funds.....	\$3,237,624.14	
Balance CBWTP Sub-Account.....	(\$758,429.83)	
Water District 02 WaterSmart Grant Sub-Account		
Received from BOR.....	\$127,263.55	
Payments made to contractors.....	(\$127,263.55)	
Committed Funds:		
Grant Approval.....	\$73,904.81	
Total Committed Funds.....	\$73,904.81	
Balance WaterSmart Grant Sub-Account.....	\$0.00	
Water Supply Bank Sub-Account		
Interest Earned State Treasury.....	\$494.97	
Payments received from renters for 2013 season.....	\$529,823.25	
Payments received from renters for 2014 season.....	\$609,120.41	
Payments received from renters for 2015 season.....	\$560,943.54	
Payments received from renters for 2016 season.....	\$5,811.12	

Payments made to owners for 2013 season.....	(\$522,645.12)
Payments made to owners for 2014 season.....	(\$599,422.75)
Payments made to owners for 2015 season.....	\$0.00
Water Supply Bank Sub-Account Subtotal	\$584,125.42
Committed Funds:	
Owners Share.....	\$537,386.02
Total Committed Funds.....	\$537,386.02
Balance Water Supply Bank Sub-Account.....	\$46,739.40

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.....	\$1,891,700.96
Loan Interest.....	\$222,926.89
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.....	(\$3,515,891.11)
Reimbursement from BOR for Palisades Reservoir.....	\$2,381.12
W-Canal Project Costs.....	(\$326,834.11)
Black Canyon Exchange Project Costs.....	(\$115,276.00)
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)
Additional recharge projects preliminary development	(\$12,405.89)
Pristine Springs Cost Project Costs.....	(\$6,863.91)

Loans and Other Commitments

Commitment - Remainder of Bell Rapids Water Rights Purchase (1).....	\$361,620.00
Commitment - CREP Program (HB392, 2005).....	\$2,419,580.50
Commitment - Additional recharge projects preliminary development.....	\$337,594.00
Commitment - Palisades Storage O&M	\$10,000.00
Commitment - Black Canyon Exchange Project (fund with ongoing revenues)	\$485,848.95
Total Loans and Other Commitments.....	\$3,614,643.45

Loans Outstanding:

American Falls-Aberdeen GWD (CREP).....	\$87,332.55
Bingham GWD (CREP).....	\$0.00
Bonneville Jefferson GWD (CREP).....	\$52,873.39
Magic Valley GWD (CREP).....	\$83,345.10
North Snake GWD (CREP).....	\$43,038.87
TOTAL ESP LOANS OUTSTANDING.....	\$266,589.91

Uncommitted Balance Eastern Snake Plain Sub-Account..... \$480,976.47

Dworshak Hydropower Project

Dworshak Project Revenues		
Power Sales & Other.....	\$6,539,006.49	
Interest Earned State Treasury.....	477,457.25	
Total Dworshak Project Revenues.....		\$7,016,463.74
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.....	\$1,958,325.45	
Powerplant Repairs.....	\$58,488.80	
Capital Improvements.....	\$318,366.79	
FERC Payments.....	\$57,795.61	
Total Dworshak Project Expenses.....		(\$3,082,069.46)
Dworshak Project Committed Funds		
Emergency Repair/Future Replacement Fund.....	\$1,314,575.00	
FERC Fee Payment Fund	\$22,576.30	
Total Dworshak Project Committed Funds.....		\$1,337,151.30

Excess Dworshak Funds into Main Revolving Development Account.....	\$2,597,242.98
TOTAL.....	\$24,429,062.18

	Amount Loaned	Principal Outstanding
Loans Outstanding:		
A&B Irrigation District (18-July-14; pipeline and conversion project).....	7,000,000	\$7,000,000.00
Aberdeen-Springfield Canal Company (WRB-491; Diversion structure).....	\$329,761	\$126,593.43
Boise City Canal Company (WRB-492)...Grove St Canal Rehab.....	\$110,618	\$16,830.43
Bonnie Laura Water Corporation (14-Jul-06; Well repairs).....	\$71,000	\$15,890.80
Canyon County Drainage District No. 2 (28-Nov-12; Drain tile pipeline.....	\$35,000	\$29,362.87
Challis Irrigation Company (28-Nov-07; river gate replacement).....	\$50,000	\$15,331.99
Chaparral Water Association.....	\$90,154	\$0.00
Chaparral Water Association (21-Jan-11; Well deepening & improvem.....	68,000	\$19,945.53
Clearview Water Company.....	50,000	\$50,000.00
Cloverdale Ridge Water Corp. (Irrigation system rehab 25-sep-09).....	106,400	\$52,672.97
Consolidated Irrigation Company (July 20, 2012; pipeline project).....	2,000,000	\$2,000,000.00
Country Club Subdivision Water Association (18-May-07, Well Project).....	\$102,000	\$35,855.03
Cub River Irrigation Company (18-Nov-05; Pipeline project).....	\$1,000,000	\$0.00
Cub River Irrigation Company.....	\$500,000	\$0.00
Enterprise Irrigation District (14-Jul-06; Pipeline project).....	\$37,270	\$9,073.06
Enterprise Irrigation District (North Lateral Pipeline).....	\$105,420	\$36,135.10
Firth, City of.....	\$112,888	\$19,814.64
Foothills Ranch Homeowners Association (7-oct-11; well rehab).....	\$150,000	\$115,604.39

Harvest Valley Homeowners Association (22-Mar-13; Pump Replacement)	4,500.00	\$1,329.43
Jefferson Irrigation Company (well deepening)	\$207,016	\$0.00
Jefferson Irrigation Company (9-May-2008 Well Replacement)	\$81,000	\$41,020.66
Jughandle HOA/Valley County Local Improvement District No. 1 (well p	\$907,552	\$664,623.59
King Hill Irrigation District (24-Sep-10; Pipeline replacement)	\$300,000	\$89,351.27
Lake Reservoir Company (29-July-11; Payette Lake-Lardo Dam Outle	\$594,000	\$146,009.05
Last Chance Canal Company (WRB-497)	\$500,000	\$28,326.23
Lava Hot Springs, City of	\$347,510	\$111,313.81
Lindsay Lateral Association (22-Aug-03)	\$9,600	\$0.00
Lindsay Lateral Association (Engineering Design Project & Pipeline Stu	\$19,700	\$14,390.00
Live-More Lake Community (9-Jun-04)	\$42,000	\$13,432.26
Lower Payette Ditch Company (2-Apr-04; Diversion dam replacement)	\$875,000	\$0.00
Marsh Center Irrigation Company (13-May-05; Hawkins Dam)	\$236,141	\$116,524.33
Marysville Irrigation Company (18-May-07; Pipeline Project Phase 1)	\$625,000	\$238,164.82
Marysville Irrigation Company (9-May-08; Pipeline Project Phase 2)	\$1,100,000	\$384,440.08
McGuire Estates Water Users Association (4-Mar-05)	\$60,851	\$0.00
Meander Point Subdivision Homeowners Association (7-Sep-07; com	\$330,000	\$20,283.69
Mores Creek Rim Ranches Water District	\$221,400	\$0.00
North Fremont Canal Systems (25-Jan-13; Marysville Project)	\$2,500,000	\$2,000,000.00
Pinehurst Water District (23-Jan-15)	100,000	\$95,031.11
Point Springs Grazing Association (July 20, 2012; stock water pipeline)	48,280.00	\$39,899.82
Preston-Whitney Irrigation Company (29-May-09; Fairview Lateral Pipe	\$800,000	\$61,122.93
Producers Irrigation Company (17-Mar-06; well replacements)	\$185,000	\$22,766.04
Ranch Subdivision Property Owners Assoc	\$24,834	\$5,654.31
Riverside Independent Water District	\$350,000	\$122,045.42
Skin Creek Water Association	\$188,258	\$63,137.75
Spirit Bend Water Association	\$92,000	\$25,855.17
Sunset Heights Water District (17-May-13; Exchange water project)	\$48,000	\$35,035.30
Twin Lakes Canal Company (Winder Lateral Pipeline Project)	\$500,000	\$297,061.24
Twin Lakes Canal Company (Bear River Narrows)	\$90,000	\$23,119.83
Whitney-Nashville Water Company	\$225,000	\$11,764.94
TOTAL LOANS OUTSTANDING		\$14,214,813.32
Loans and Other Funding Obligations:		
Legislative Appropriation 2014, HB 479 Sec 1 and 2		
Mountain Home AFB Water Rights (HB479)		\$1,487,774.07
Galloway Dam & Reservoir Project (HB 479)		\$1,912,500.00
Boise River (Arrowrock Enlargement) Feasibility Study (HB479)		\$1,149,926.39
Island Park Enlargement (HB479)		\$2,500,000.00
Water Supply Bank Computer Infrastructure (HB 479)		\$500,000.00
Aqua Life Hatchery, HB644, 2014		\$0.00
Senate Bill 1511 - Teton Replacement and Minidoka Enlargement Studies		\$678,161.82
Boise River Storage Feasibility Study		\$17,000.00
Weiser-Galloway Study (28-May-10)		\$461,620.87
A&B Irrigation District (18-July-14; pipeline and conversion project)		\$0.00
Bee Line Water Association (Sep 23, 2014; System Improvements)		\$400,000.00
Clearview Water Company (5-Nov-14)		\$0.00
Clearwater Water District - pilot plant (13-Jul-07)		\$0.00
Consolidated Irrigation Company (July 20, 2012; pipeline project)		\$0.00
Dover, City of (23-Jul-10; Water Intake project)		\$194,063.00
Lindsay Lateral Association		\$0.00
Last Chance Canal Company (14-July-2015; diversion dam rebuild)		\$2,500,000.00
North Fremont Canal Systems (25-Jan-13; Marysville Project)		\$0.00
Pinehurst Water District (23-Jan-15)		\$0.00
Point Springs Grazing Association (July 20, 2012; stock water pipeline)		\$0.00
St. Johns Irrigating Company (14-July-2015; pipeline project)		\$500,000.00
TOTAL LOANS AND OTHER FUNDING OBLIGATIONS		\$12,301,046.15
Uncommitted Funds		(\$2,086,797.29)
TOTAL		\$24,429,062.18

(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 September 30, 2015
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.....	\$120,475.04
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	\$4,497,489.85

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.....		\$121,290.57
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	\$0.00
Roberts, City of.....	\$23,750	\$0.00
Victor, City of.....	\$23,750	\$0.00
TOTAL LOANS OUTSTANDING.....		\$0.00
Uncommitted Funds.....		\$9,915.02
CURRENT ACCOUNT BALANCE.....		\$121,290.57

Idaho Water Resource Board
Sources and Applications of Funds
as of September 30, 2015

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
Legislative Appropriation (HB270, Sec 3).....	716,000.00
Legislative Appropriation (HB479, Sec 1).....	4,500,000.00
Legislative Appropriation (HB547).....	5,497,047.22
Legislative Appropriation (SB1190, Sec 3)Aquifer Recharge Section 42-1780 (2).....	500,000.00
Legislative Appropriation (HB479, Sec 1) Managed Recharge Infrastructure Expenses.....	(761,386.09)
Legislative Appropriation (HB479, Sec 1)Northern Idaho Future Water Needs Studies.....	(200,726.91)
Legislative Appropriation (HB547) Expenditures.....	(700.59)
Legislative Appropriation (SB1190, Sec 3)Aquifer Recharge Section 42-1780 (2) Expenditures.....	(123,089.82)
Interest Earned State Treasury (Transferred).....	47,123.34
ESPA Managed Recharge Operations.....	(753.94)
Administrative expenses.....	(899.00)
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)
American Falls Res. Dist#2 - MP31 Recharge Site Construction.....	(34,435.44)
Bond issuer Fees.....	(3,500.00)
Payments for 2012 Recharge.....	(260,031.02)
Payments for 2013 Recharge.....	(8,133.00)
Payments for 2014 Recharge.....	(19,297.00)
Payment for Recharge.....	(80,000.00)
Payment for High Country RC&D Cloud Seeding.....	(20,000.00)
Payment for Idaho Irrigation District.....	(13,200.00)
Payment for Magic Valley GWD and A&B Irrig. Dist. - Walcott Recharge Engineering.....	(113,163.84)
Public Information Services (Steubner).....	(18,151.25)
Loan - Magic Valley & North Snake GWDs (Magic Springs Pipeline).....	(1,260,000.00)

Aquifer Monitoring, Measurement, and Modeling Sub-Account

Legislative Appropriation/Funds Transfer (HB618, Sec 3).....	716,000.00
Interest Earned State Treasury (Transferred).....	260.92
Personnel Costs.....	(203,612.77)
Professional Services.....	(167,745.70)
Equipment Purchases.....	(31,955.53)
Travel Expenses.....	(8,583.29)
Supplies.....	(3,219.42)
Miscellaneous Expenses.....	(3,593.39)
Total Expenses.....	(418,710.10)

Balance Aquifer Monitoring, Measurement, and Modeling Sub-Account..... \$297,550.82

Loans Outstanding

North Snake & Magic Valley Ground Water Districts (Magic Springs Pipeline).....	\$1,260,000.00
---	----------------

Committed Funds

Northern Idaho Future Water Needs Studies (HB479).....	299,273.09
Measurement devices for AWEP conversion projects.....	183,544.79
High Country RC&D Cloud Seeding.....	20,000.00
Cooperative Weather Modification Program (Cloud Seeding).....	492,000.00
Public Information Services (Steubner).....	39,658.75
GWD Bond Preparatory Expenses.....	37,500.00
Fremont-Madison Irrigation District Egin Recharge.....	40,000.00
Upper Snake Aircraft Cloud Seeding Pilot project.....	200,000.00

Loan Funds Committed - ESPA Ground Water Districts (Magic Springs Pipeline)..... 2,740,000.00

Committed - FY2016 Budgeted Funds

ESPA Managed Recharge Operations.....	1,109,090
ESPA Managed Recharge Infrastructure.....	
Milner-Gooding Recharge Capacity Projects (Flume, MP31, Road, 28 hydro).....	1,110,000
Twin Falls Canal recharge improvements.....	500,000
Northside canal hydro plant bypasses.....	2,000,000
Great Feeder Canal recharge improvements.....	500,000
Milner Pool Development and other Projects.....	325,005
Egin Recharge Enlargement.....	500,000
Investigation/engineering for further ESPA recharge capacity improvements.....	300,000
Administrative expenses.....	47,566
Ground water conservation grants in priority aquifers (Roger's proposal).....	200,000
Amount reserved for projects in other priority aquifers.....	1,000,000
TOTAL FY2016 BUDGETED FUNDS.....	7,591,661

Total Committed Funds..... \$11,643,637.60

TOTAL UNCOMMITTED FUNDS..... \$464,771.76

CURRENT ACCOUNT BALANCE..... \$12,405,960.18

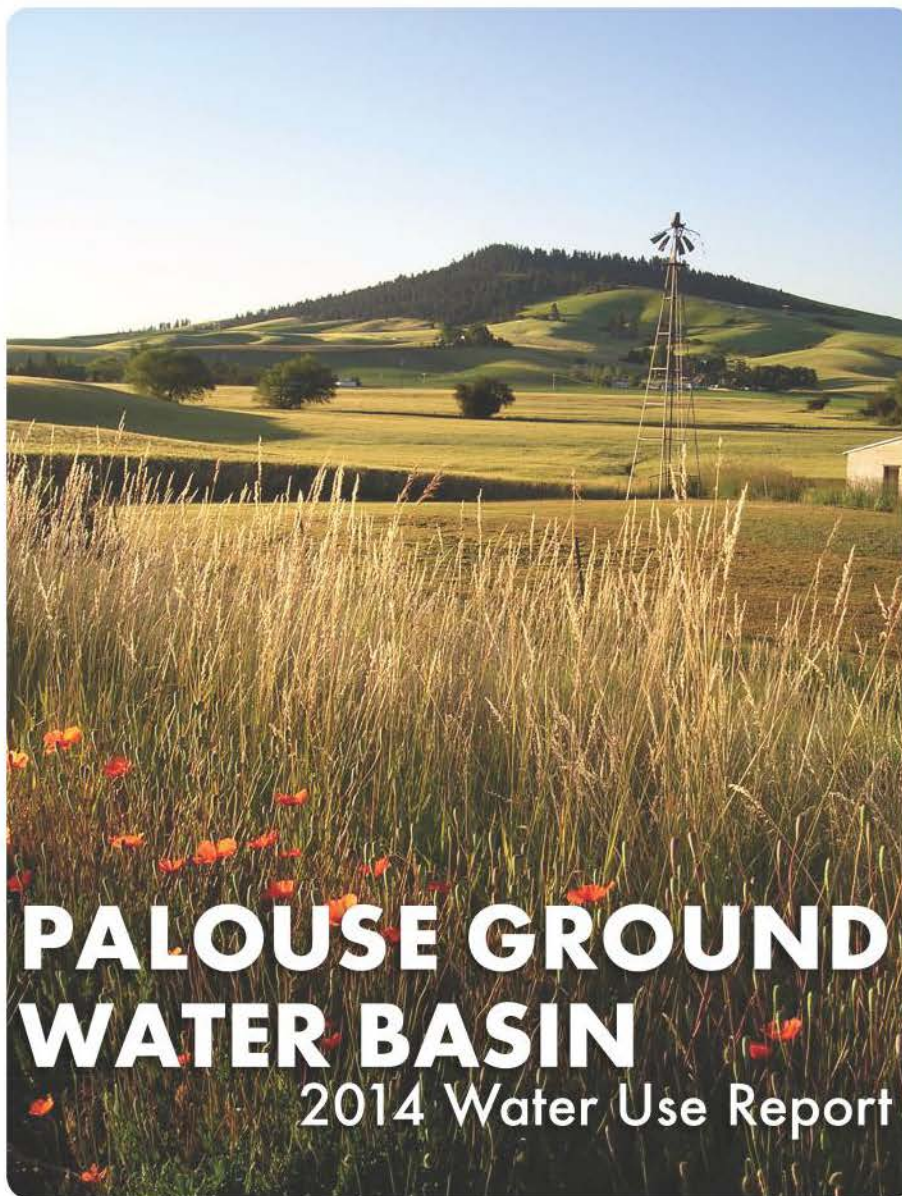


Palouse Groundwater Basin Water Supply Alternatives Project
Idaho Water Resource Board

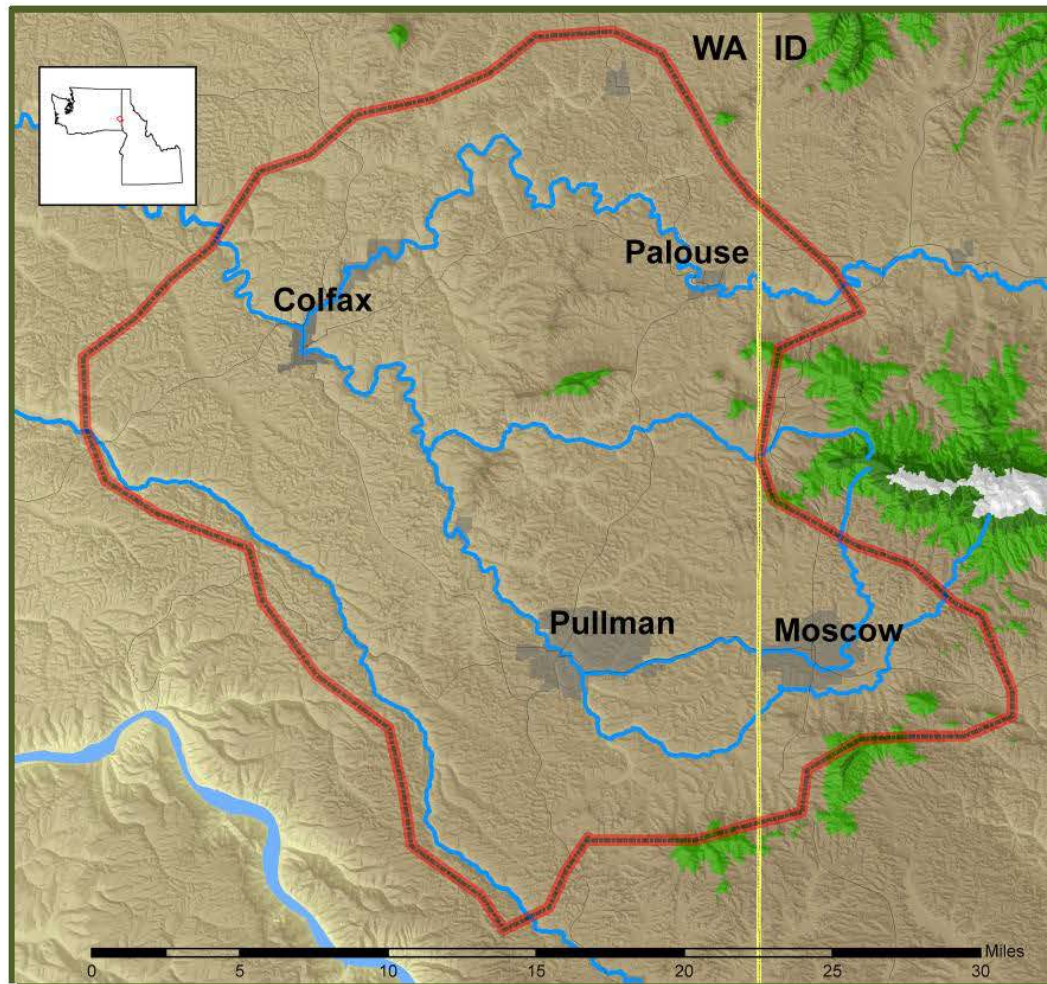
Tuesday, November 17, 2015

Paul J. Kimmell, PBAC Chair

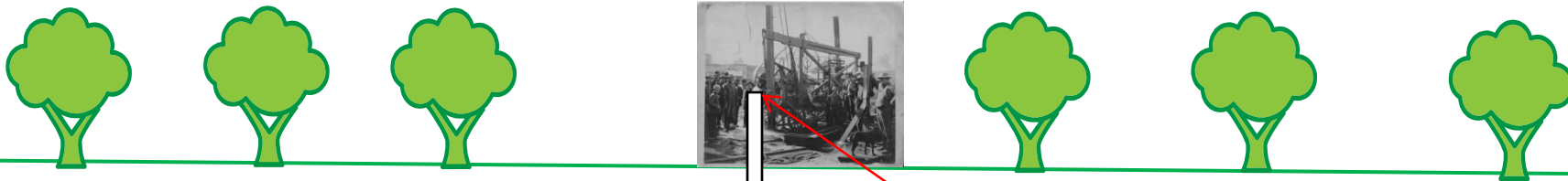
Thank You!



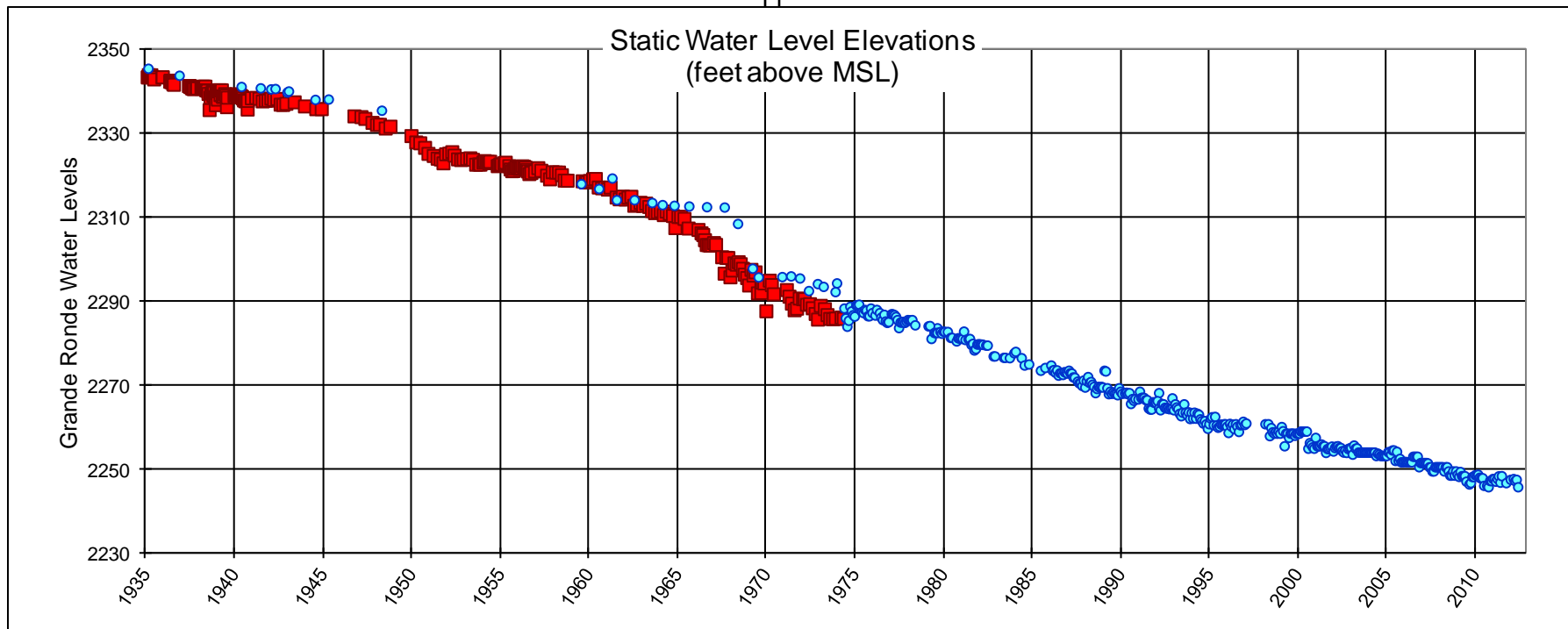
Palouse Basin Boundaries





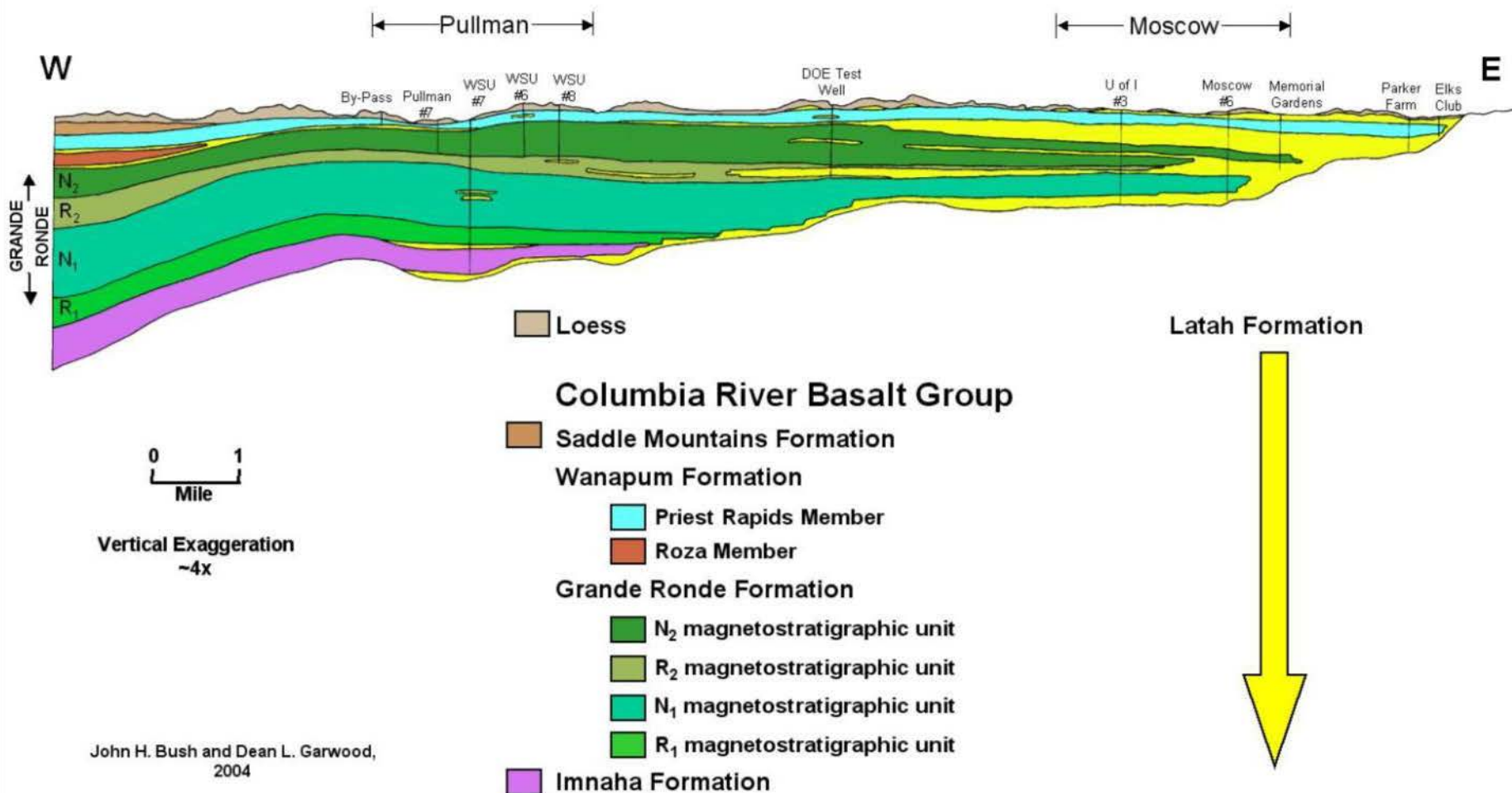


1890 Water Level



2015 Water Level

GEOLOGIC CROSS-SECTION MOSCOW-PULLMAN, IDAHO-WASHINGTON



Ground Water Management Plan

Pullman-Moscow
Water Resources
Committee

September 1992

Palouse Basin Aquifer Committee

*"To ensure a long-term, quality water supply for the Palouse Basin region"
A Committee (now known as PBAC) was formed in 1967 because of declining groundwater levels in our municipal wells. The Palouse groundwater basin is the sole source of water for over 60,000 residents of [Pullman, Washington](#) and [Moscow, Idaho](#) and outlying areas in both [Whitman County \(Washington\)](#) and [Latah County \(Idaho\)](#). Also included among our groundwater users are [Washington State University](#) and the [University of Idaho](#). We are a multi-jurisdictional, cooperative group with the mission of ensuring a safe and sustainable supply of water for the future".*

Palouse Basin Aquifer Committee

12 Representatives – 2 from each of the 6 entities

City of Moscow

City of Pullman

Latah County

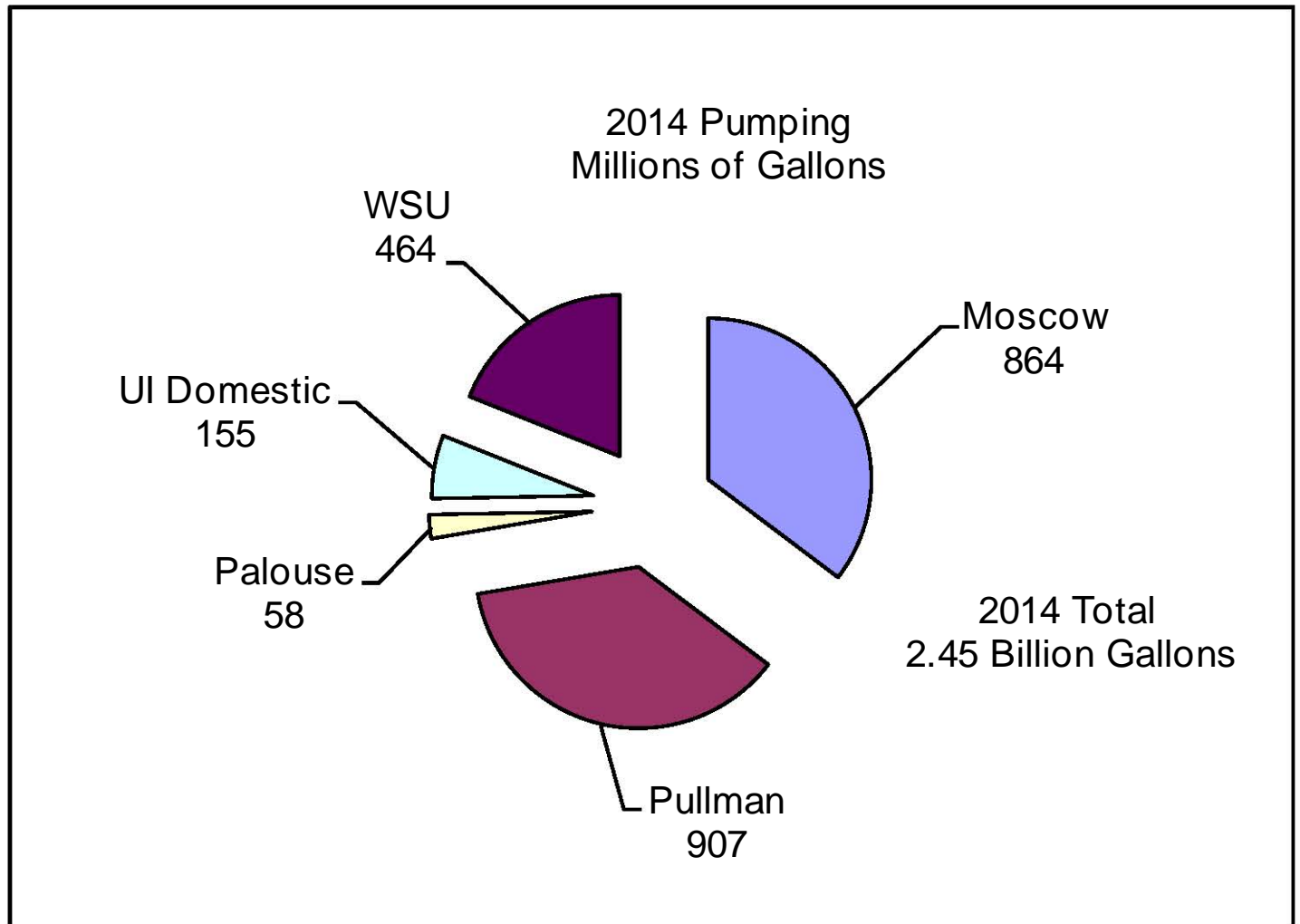
Whitman County

University of Idaho

Washington State University

Ex-Officio Members: IDWR and WA Ecology

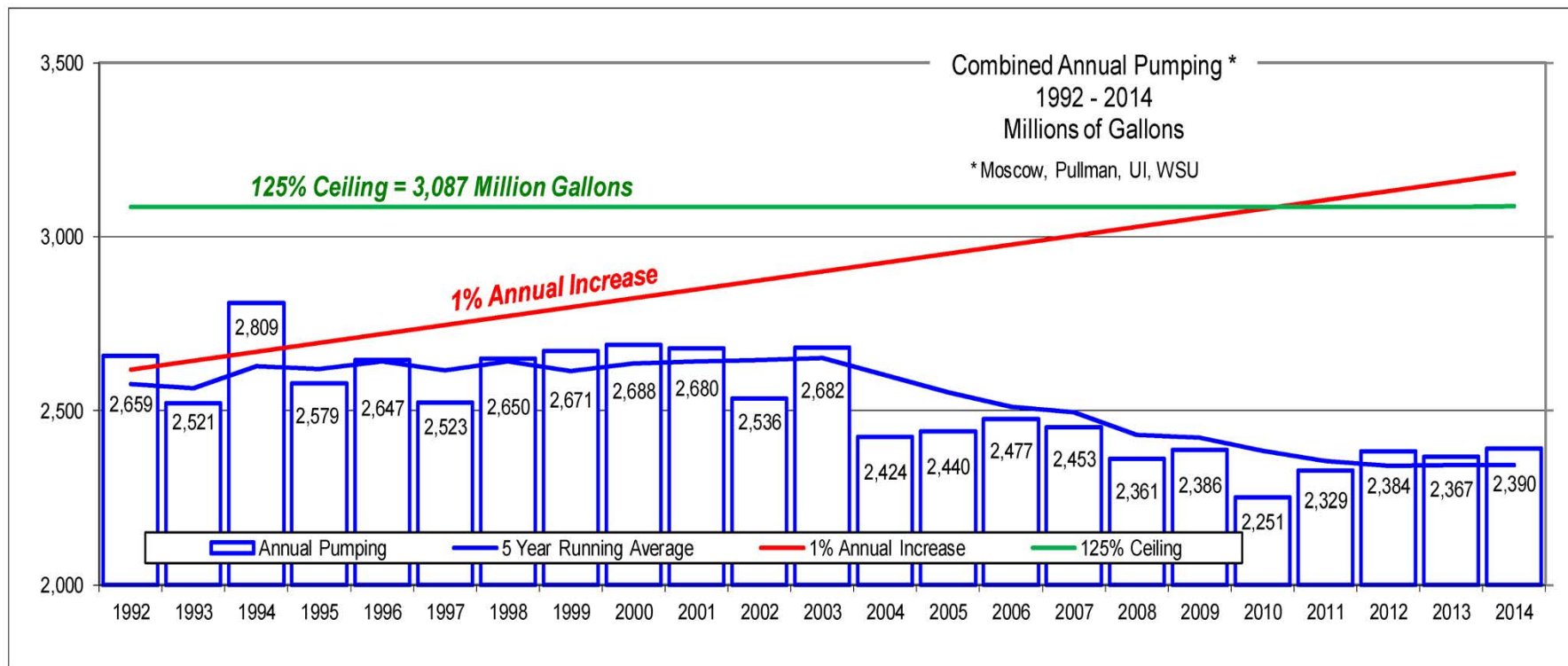
Executive Manager: Steve Robischon



- GOAL -

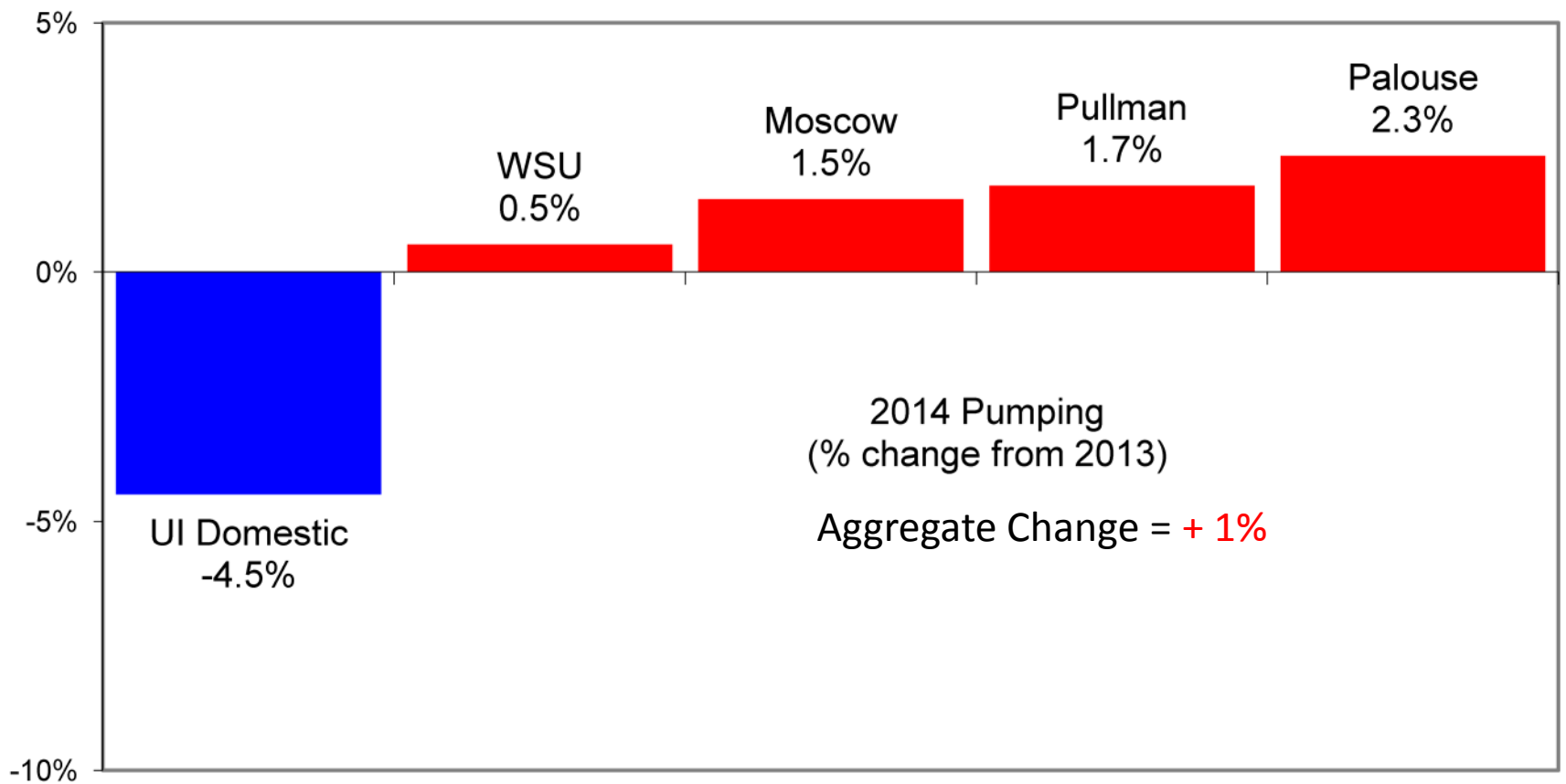
- TO PROVIDE FOR FUTURE BENEFICIAL USE OF THE BASIN GROUND WATER WITHOUT DEPLETING THE BASIN AQUIFERS WHILE PROTECTING THE QUALITY OF THE WATER.

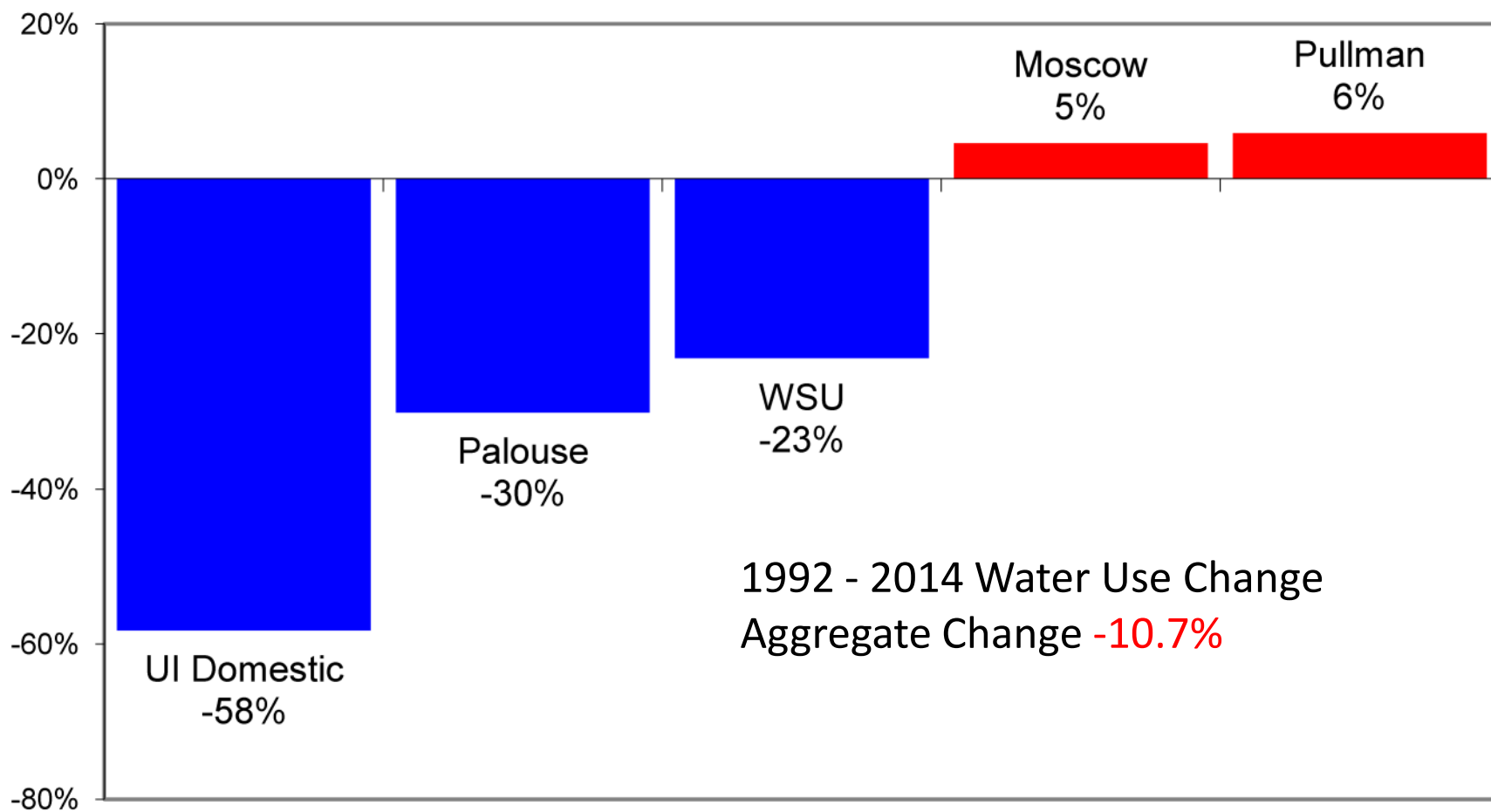
The primary goal is to insure that a stable ground water level is maintained in the BASIN aquifers. The COMMITTEE adopts the standard that the two universities and the two cities shall attempt to limit their annual aquifer pumping increases to one percent (1.0%) of their pumping volume based on a five (5) year moving average starting with 1986. At no time shall the accumulated total pumping exceed 125% of the 1981-1985 average for the two universities and the two cities. These initial limits on pumping rates are based upon historical data and water levels predicted by the MODEL. An estimate of the dispersed county pumping will be made based on an average per capita use for all county residences within the BASIN boundaries. Latah and Whitman counties will attempt to limit pumping increases from the BASIN aquifers to 125% of the estimated 1990 pumping levels. Further refinement of the MODEL will be necessary to establish acceptable limits on long term pumping rates which will confirm a stable water level for future users. The COMMITTEE will update the MODEL periodically and

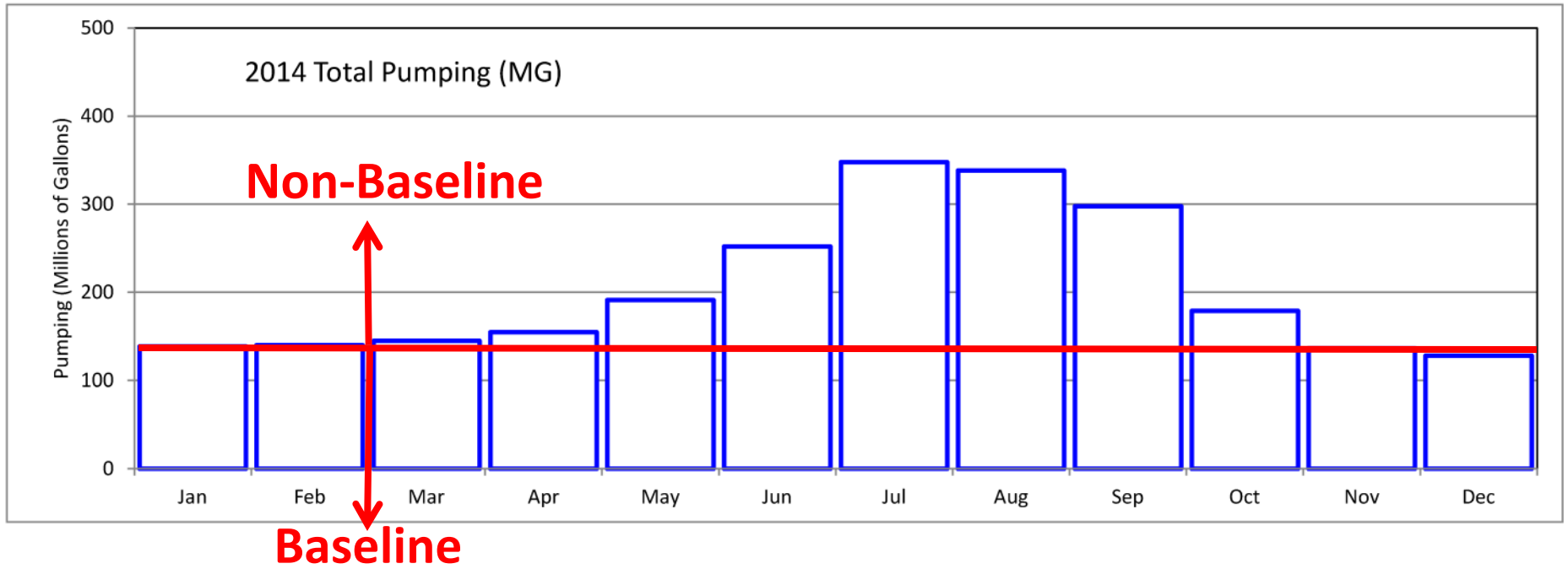


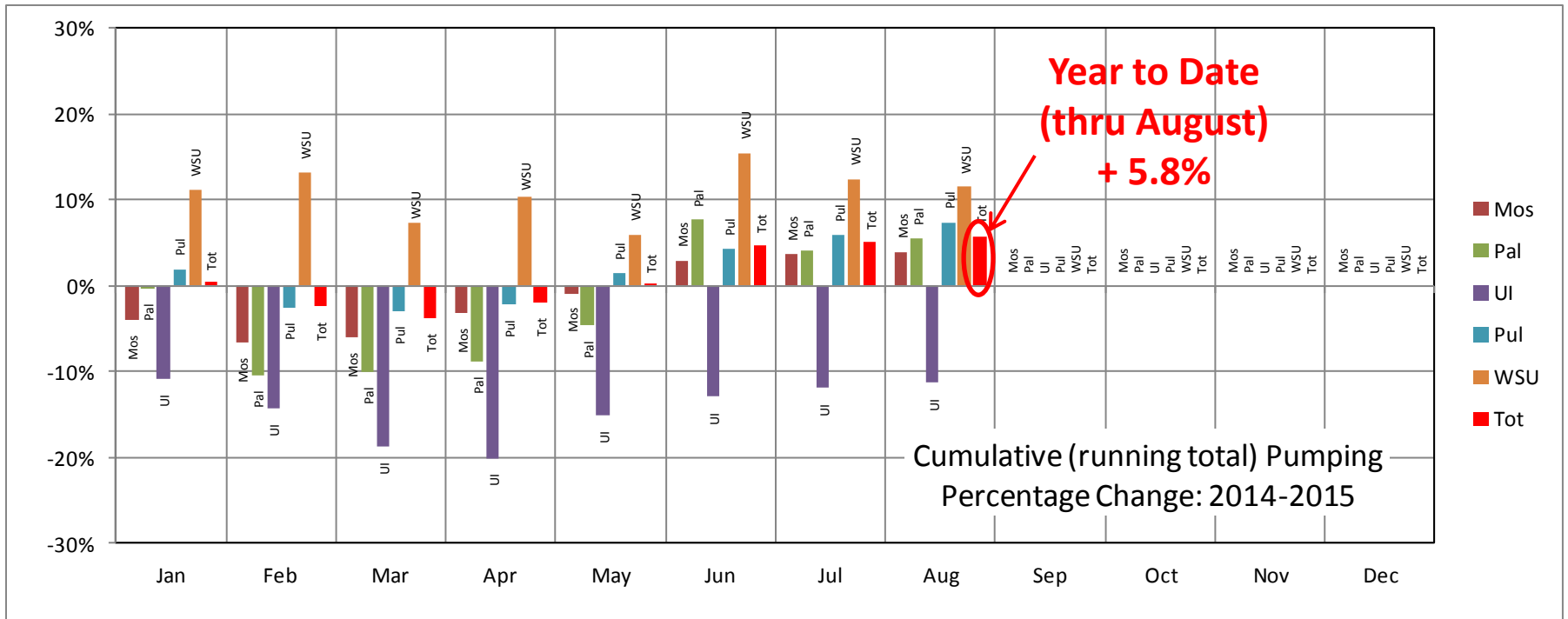


PALOUSE BASIN
AQUIFER
committee

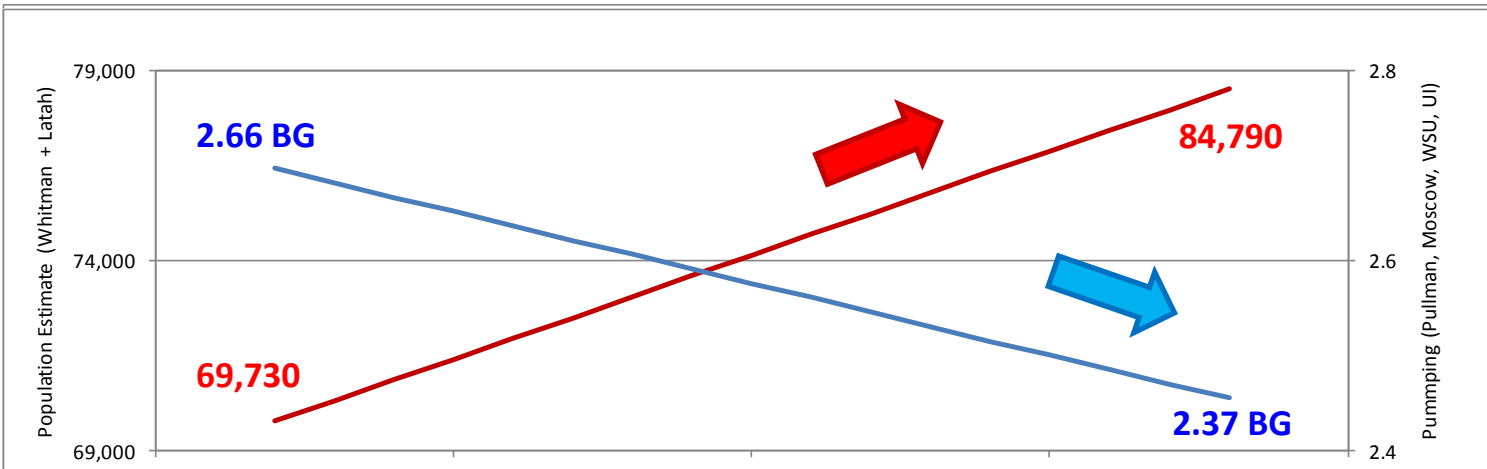








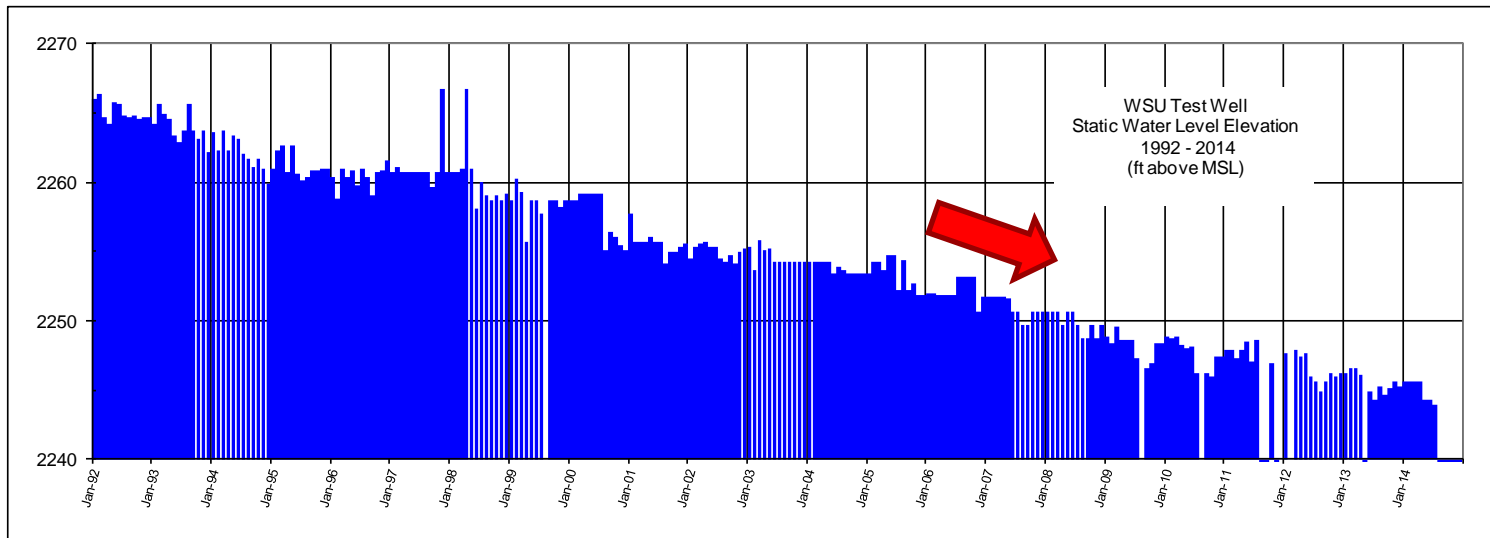
Trends: 1992 - 2014



Population  22%

Pumping  11%

Water Levels  21 ft



Ground Water Management Plan – Chapter 6 - 2011 Mission and Goals

- **Mission: To ensure a long-term, quality water supply for the Palouse Basin region.**
- **Consistent with the Palouse Basin Groundwater Management Plan, develop and Implement a balanced basin wide Water Supply and Use Program by 2025.**
- **Create and maintain an action plan for aquifer system sustainability, enhancement and/or alternate water supply development.**
- **Direct research and implement pilot projects necessary to understand the basin hydrogeology in a manner sufficient to support the Water Supply and Use Program and the affiliated supply projects.**
- **Encourage and facilitate entities in meeting their specific pumping, conservation, efficient use, water recycling and other goals.**
- **Educate entities and the public on the state of the basin water supply and the status of PBAC's mission and goals.**
- **Maintain harmonious and effective working relationships across the state line to fairly meet the needs of all entities.**

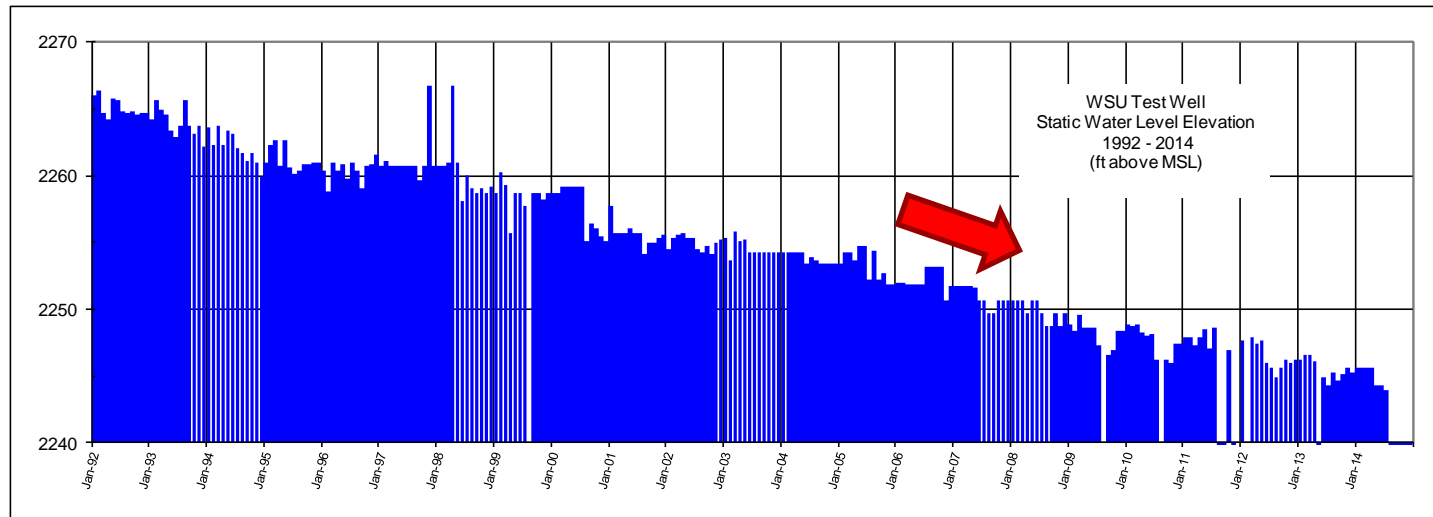
Ground Water Management Plan – Chapter 6 - 2011 Mission and Goals

- **Mission: To ensure a long-term, quality water supply for the Palouse Basin region.**

- **Consistent with the Palouse Basin Groundwater Management Plan, develop and Implement a balanced basin wide Water Supply and Use Program by 2025.**

- **Create and maintain an action plan for aquifer system sustainability, enhancement and/or alternate water supply development.**

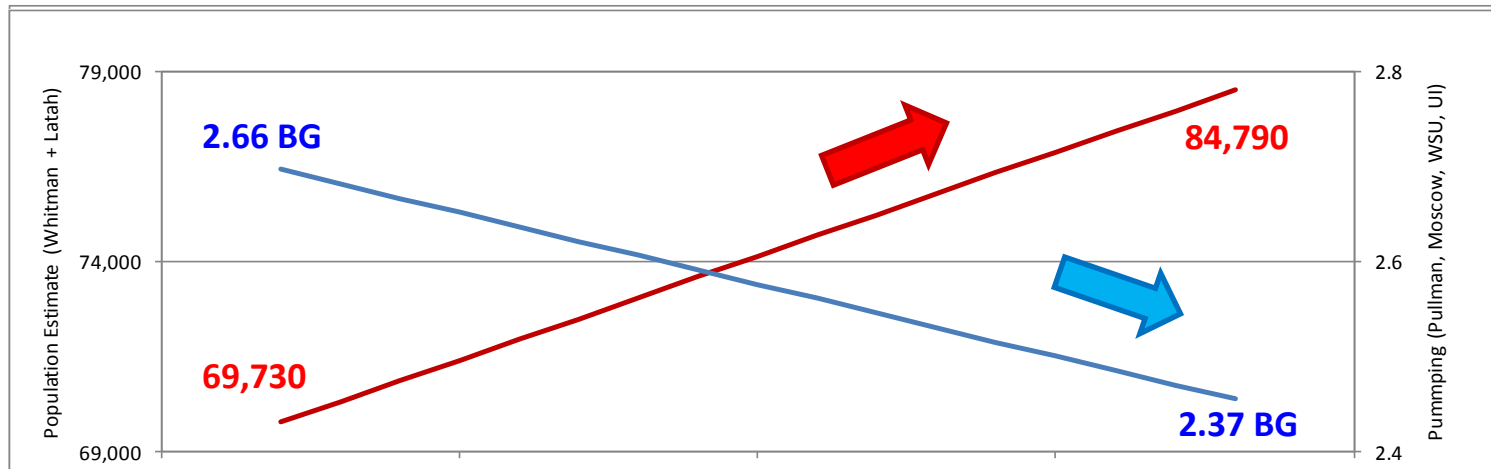
- **Direct research and implement pilot projects necessary to understand the basin hydrogeology in a manner sufficient to support the Water Supply and Use Program and the affiliated supply projects.**



What to Do?

- **Use Less**
 - Inside
 - Outside
- **Reuse Some**
- **Find More**
- **Communicate**

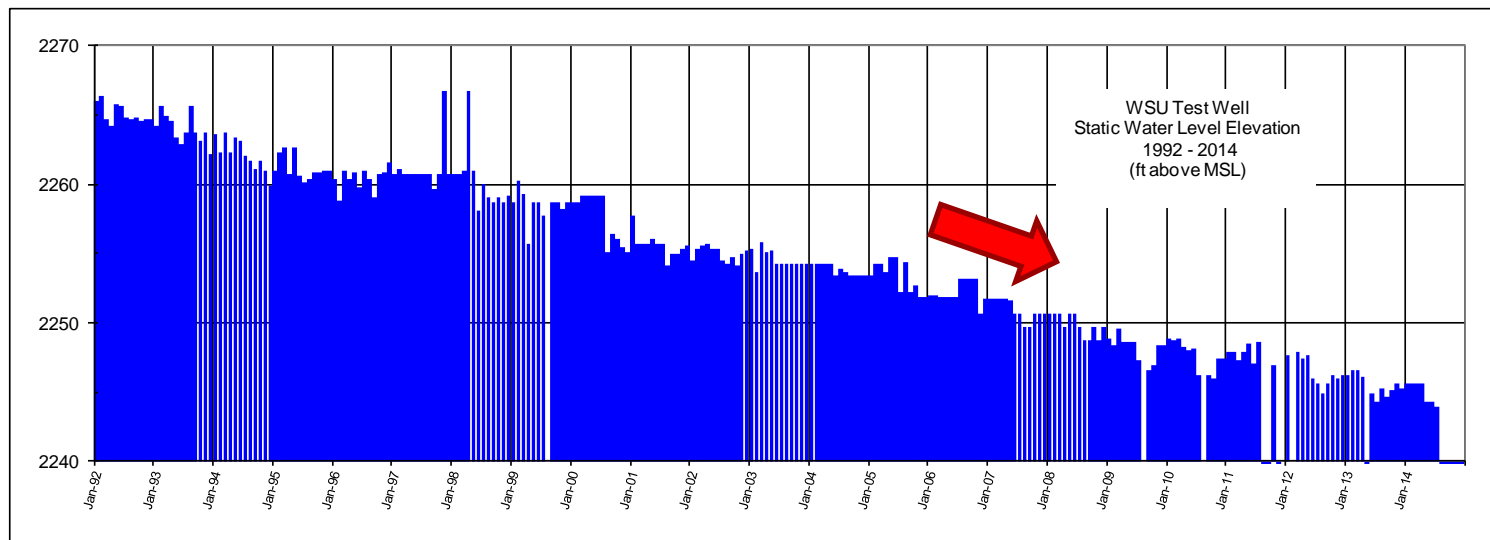
Trends: 1992 - 2013



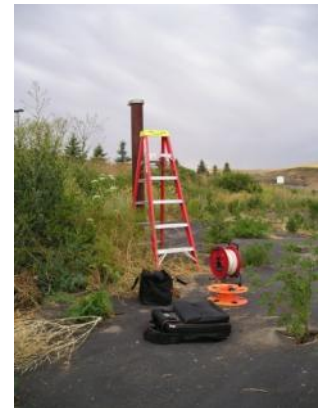
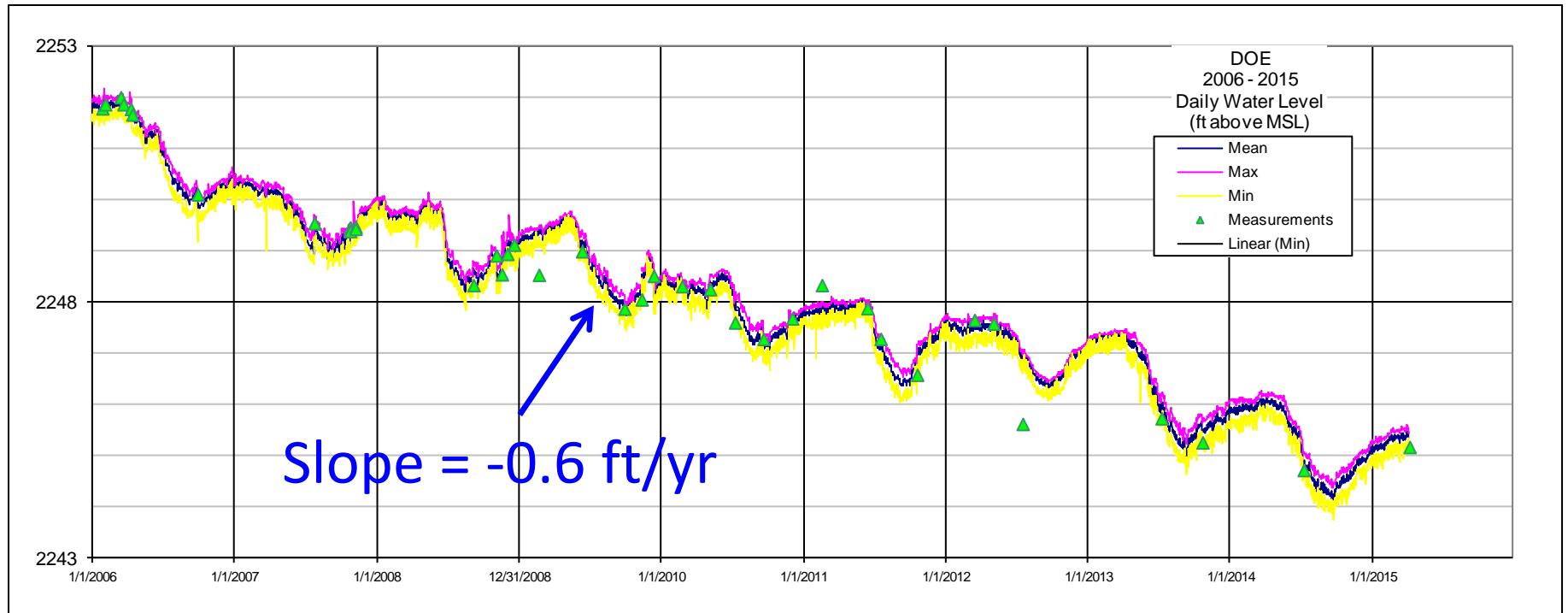
Population  22%

Pumping  11%

Water Levels  21 ft



Water Levels – Grande Ronde Short-Term



What's next?

- **Use Less**
 - Inside
 - Outside
- **Reuse Some**
- **Find More**
- **Communicate**

Find More....

Create and maintain an action plan for aquifer system sustainability, enhancement and/or alternate water supply development.

Palouse Basin Water Supply Alternatives Study_(circa 2015)

- using today's metrics, science and legal framework
- create a menu of water supply alternatives

Supply Studies

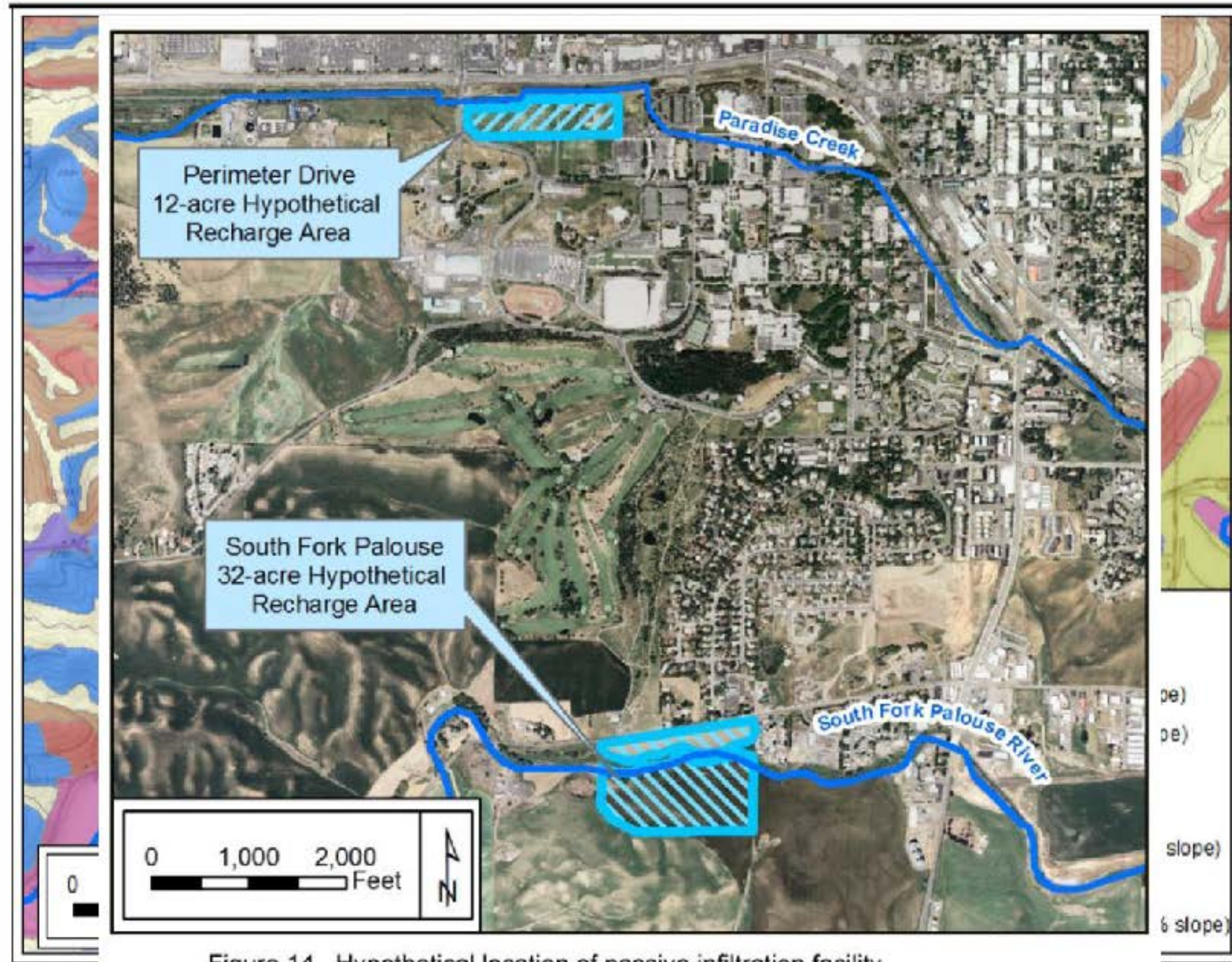


Figure 14. Hypothetical location of passive infiltration facility.

Source: GIS data from 2000 USGS Survey Geographic Database.

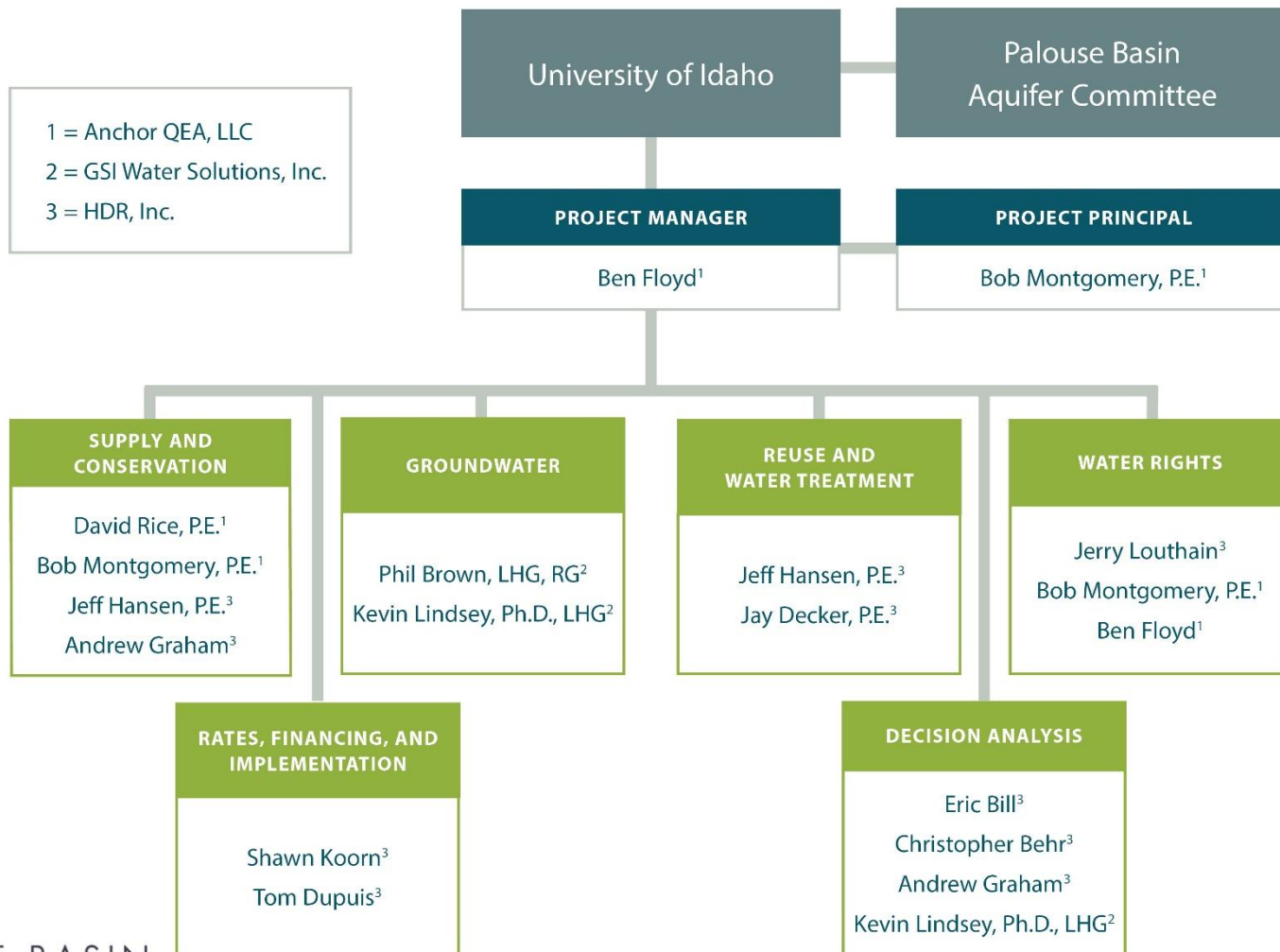


Palouse Ground Water Basin Water Supply Alternatives Project

PALOUSE BASIN
AQUIFER
committee

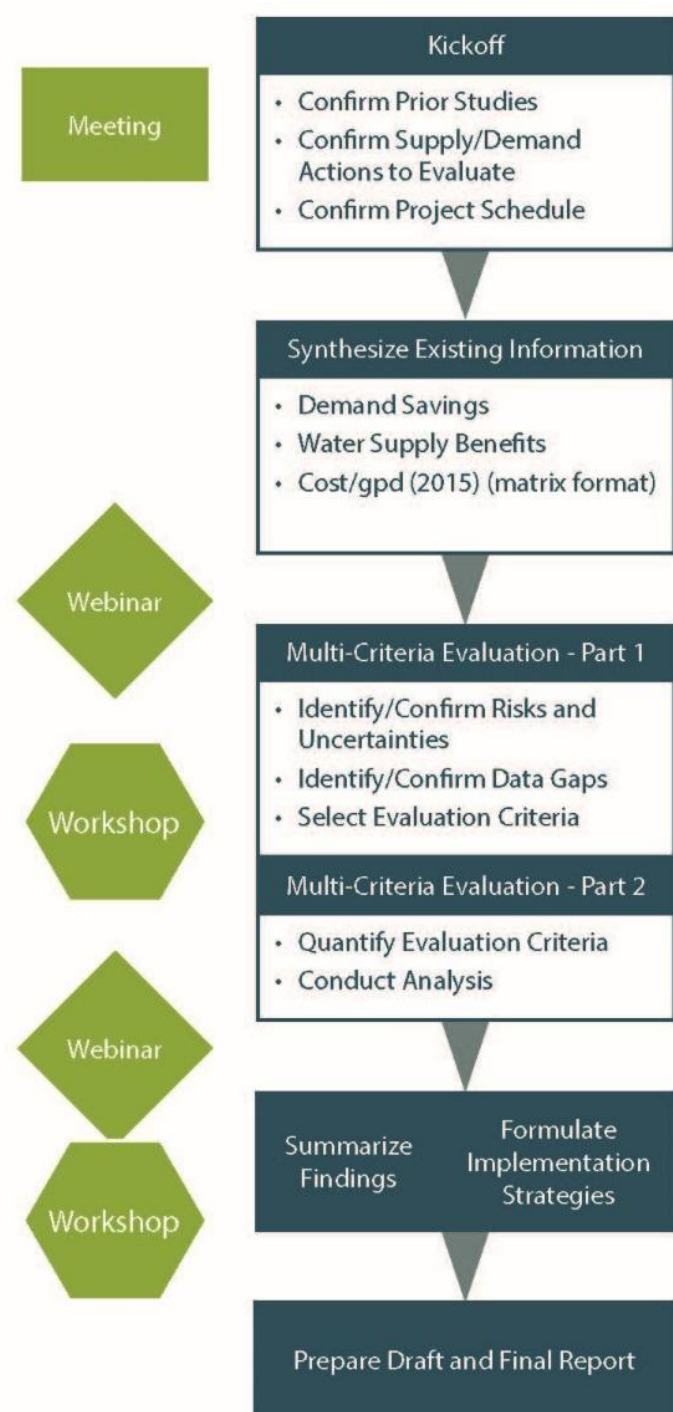


Organizational Chart



Approach Overview

- Kickoff/discuss goals
- Confirm actions to evaluate
- Synthesize Existing Information
- Confirm data gaps; quantify risk and uncertainty
- Conduct benefit/cost analysis
- Summarize findings
- Implementation strategies
- Document results
- Starting in Fall 2015 - now



Potential Actions to Evaluate

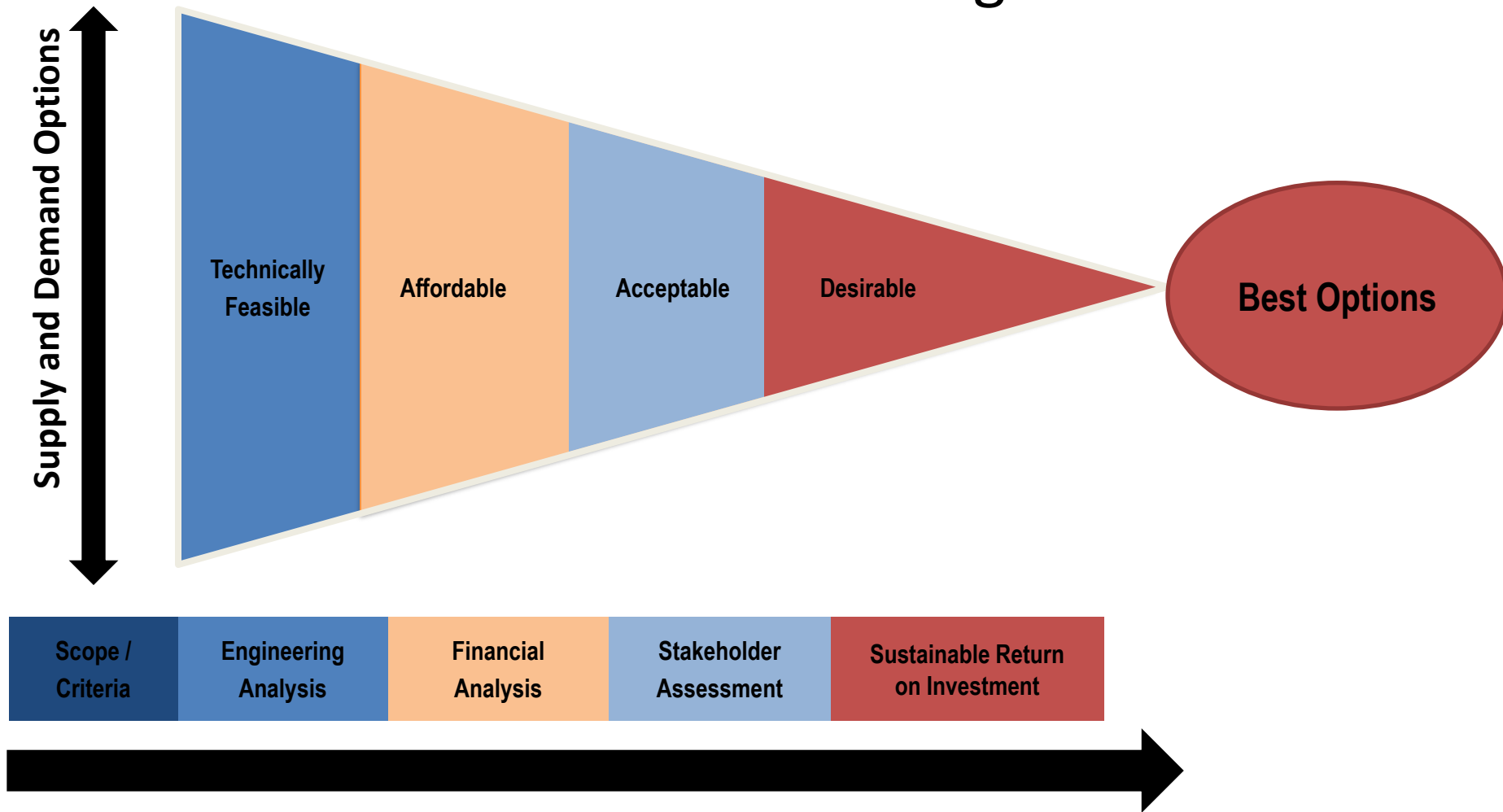
- Surface water storage
 - build on City of Moscow studies
- Water reuse/reclamation
- Aquifer storage and recovery
- Other supply options
- Demand management
 - Household conservation measures
 - Irrigation practices
 - Xeriscape landscaping
 - Other conservation measures

Moscow Comprehensive Water System Plan

Future Water Supply Alternatives

Alternative	Estimated Yearly Water Savings/ Supply (MG)	Estimated Yearly Water Savings/ Supply (AF)	Estimated Water Savings/ Supply 2020–2060 (MG) ¹	Estimated Water Savings/ Supply 2020- 2060 (AF) ¹	Capital Cost to Implement (\$) ²	Annual Operating Cost (\$) ²	Present Worth Cost (\$) ³	PW Cost per 1,000 gallons ³	PW Cost per AF ³
New Well ⁴	578	1,774	23,126	70,977	\$1,500,000	\$88,200	\$3,163,000	\$0.14	\$45
Conservation ⁵					\$0				
Package A	43.6	134	1,744	5,354	-	\$22,600	\$509,000	\$0.29	\$95
Package C	87.5	268	3,499	10,739	-	\$126,800	\$2,853,000	\$0.82	\$266
Reuse – Irrigation ⁶	44.4	136	1,774	5,446	\$7,100,000	\$35,000	\$6,366,000	\$3.59	\$1,169
ASR ⁷	360	1,105	14,400	44,195	\$12,000,000	\$58,000	\$10,734,000	\$0.75	\$243
Surface Water Storage ⁸	1,433	4,400	57,329	176,000	\$53,664,000	\$2,340,000	\$94,821,000	\$0.65	\$210
Regional Water Supply ⁹	8,150	25,000	326,000	1,000,000	\$92,318,000	\$17,351,000	\$462,969,000	\$1.42	\$463

Selecting the Alternative/Actions that Provides the Best Value for Meeting Goals



PBAC Budget Details

Local Contributions 2006-2015 = \$1,600,000

Local Expenditures 2006-2015 = \$900,000

WA Ecology Contributions = \$500,000 *

IDWR Contributions = \$350,000 *

Total research investment in Basin = \$1,750,000 *
(Roughly 50% local – 50% agencies)

Current Research Budget Balance = \$529,000

Palouse Basin

Water Supply Alternatives Project

Funding Options:

- Fully funded from PBAC
- Potential cost-share with IDWR and Ecology
- Fully funded from IDWR
- Other combinations
- Future studies funding

Thank You!

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF PROJECTS ASSOCIATED)	
WITH JOINT WATER NEED STUDIES IN)	A RESOLUTION
COORDINATION WITH NORTHERN IDAHO)	TO ALLOCATE
COMMUNITIES TO ENSURE WATER AVAILABILITY)	FUNDS
FOR FUTURE ECONOMIC DEVELOPMENT)	
_____)	

WHEREAS, the Idaho Legislature passed HB 479 in 2014 to provide a one-time appropriation in the amount of \$15 million from the General Fund and transfers that money to two funds administered by the Idaho Water Resource Board (IWRB); and

WHEREAS, the bill provides for the transfer of \$10.5 million to the Revolving Development Fund and \$4.5 million to the Secondary Aquifer Planning, Management and Implementation Fund; and

WHEREAS, projects from the Secondary Aquifer Planning, Management and Implementation Fund include \$500,000 to conduct joint water need studies in coordination with Northern Idaho communities to ensure water availability for future economic development; and

WHEREAS, on July 18, 2014, the IWRB adopted a resolution approving the expenditure of a total of \$201,000 from the IWRB's Secondary Aquifer Management Account for the Rathdrum Prairie Future Water Demand Study leaving a remaining balance from the \$500,000 Northern Idaho allocation of \$299,000; and

WHEREAS, the Palouse Basin Aquifer is a significant resource for Idaho providing water supply to Latah County, the City of Moscow, and the University of Idaho. In addition, the aquifer extends into Washington providing water supply to Whitman County, the City of Pullman, and Washington State University; and

WHEREAS, the Palouse Basin Aquifer levels have been declining since the early 1900's; and

WHEREAS, in 1992 the Palouse Basin Aquifer Committee (PBAC) in conjunction with the Idaho Department of Water Resources and the Washington Department of Ecology enacted a ground water management plan for the basin; and

WHEREAS, PBAC consists of representatives from the City of Moscow and Pullman, Latah and Whitman counties, the University of Idaho, and Washington State University; and

WHEREAS, implementation of the ground water management plan resulted in an 11% decline in basin pumping; and

WHEREAS, although the rate of aquifer decline has lessened, aquifer levels continue to decline; and

WHEREAS, PBAC developed a proposal of work to 1) compile information from existing studies on various Palouse Basin water supply alternatives, 2) to provide a methodology for reasonable and effective comparison between alternatives, and 3) with the goal of assisting decision makers in determining the most promising alternatives to ensure a long-term water supply; and

WHEREAS, the proposal developed by PBAC meets the Legislature's intent included in HB 479; and

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the expenditure of a total of \$_____ from IWRB Secondary Aquifer Planning, Management and Implementation Fund for the Palouse Ground Water Basin Water Supply Alternatives Project.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Palouse Ground Water Basin Water Supply Alternatives Project shall include a recommended course of action regarding future water supplies for the Palouse Basin area.

DATED this 17th day of November, 2015.

Roger Chase, Chairman
Idaho Water Resource Board

ATTEST _____
Vince Alberdi, Secretary

Memorandum

To: Idaho Water Resource Board
From: Wesley Hipke, Brian Patton, Cynthia Bridge Clark, Neal Farmer
Date: November 4th, 2015
Re: ESPA Managed Recharge Program Status Report



Progress/Status of ESPA Managed Recharge Program

Contents

I. Introduction	2
II. ESPA Managed Recharge 2015-2016 Season.....	3
III. Budget Summary.....	7
IV. Recharge Delivery Operations Summary	9
V. Monitoring and Measurement Program.....	10
VI. ESPA Recharge Program Projects.....	11

I. Introduction

The Idaho Water Resource Board (IWRB) has been tasked with developing a managed recharge program in the Eastern Snake Plain Aquifer (ESPA) capable of recharging 250,000 acre-feet per year to stabilize the ESPA. The ESPA has been losing approximately 200,000 acre-feet annually from aquifer storage since the 1950s resulting in declining ground water levels and spring flows from the aquifer. Stabilizing the ESPA will assist in maintaining the minimum flow requirements on the Snake River and reduce conflicts between the water users.

The strategy of the IWRB is to maximize managed recharge to the ESPA using natural flow of the Snake River. The current IWRB recharge water right (approximately 1,200 cfs) authorizes diversion of water from the Snake River above the Milner Pool (Milner) including the Henry's Fork and the South Fork. Between American Falls Reservoir and Milner the IWRB water right is generally in priority during the winter months between irrigation seasons. The IWRB water right is junior to the refill of American Falls Reservoir (1921 priority) and the unsubordinated hydropower rights at Minidoka Dam (1909/1912 priority). Therefore, the IWRB's right is generally in priority and available for recharge only during flood control releases from the Upper Snake Reservoir System.

Water spills past Milner (minimally 500 cfs) every year during non-irrigation season and is available for recharge under the IWRB's current recharge water right resulting in a reliable "base-load" for recharge. To ensure this "base-load" is captured the IWRB is pursuing various plans to maximize non-irrigation season recharge including:

- a. Long-term delivery agreements (5 years) with canals that divert from the Milner Pool.
- b. Infrastructure modifications to improve recharge capacity over the winter months of the non-irrigation season.
- c. Developing new winter-operational recharge facilities that divert from the Milner Pool.

The volume and timing of water available for recharge during flood control releases can be very sporadic, but during above average water years, this water provides a "surplus supply" for recharge. The IWRB has developed the following plan to maximize opportunities to divert this water supply for recharge while ensuring that managed recharge does not interfere with filling the reservoir system:

- a. Execution of agreements for the delivery of water for recharge when the IWRB's recharge water right is in priority.
- b. Investigations of infrastructure modifications to improve late-winter/spring-time recharge capabilities and develop off-canal recharge sites.

- c. Continue current opportunistic recharge efforts throughout the basin and manage adaptively to address changing circumstances.

The following report provides a summary of the current activities of the ESPA Managed Recharge Program.

II. ESPA Managed Recharge 2015-2016 Season

The IWRB 1980 recharge water right is “in priority” during different periods of the year in the Upper and Lower Snake River Valley (upstream and downstream of American Falls Reservoir respectively). The irrigation season in the Eastern Snake River Plain has historically ended in the latter part of October. Usually, after irrigation diversions have stopped, water passing below Milner Dam is available for recharge under the IWRB’s recharge water right in the Lower Valley. For the 2015-2016 recharge season Water District 01 deemed the IWRB’s recharge water right in priority starting October 23rd.

In the Upper Valley, the IWRB’s recharge water right is limited by the unsubordinated hydropower water rights at Minidoka Dam for 2,700 cfs and the refill water rights at American Falls Reservoir. The IWRB has also taken the position that managed recharge through the IWRB’s program shall not impact reservoir fill. These constraints generally limit water available for recharge by the IWRB in the Upper Valley to flood releases by the Bureau of Reclamation (BOR) usually in the spring.

The following section provides a summary of the current recharge and a projection for the 2015-2016 recharge season based on conversation with the various canal operators and historic recharge capacities.

Lower Valley (below American Falls Reservoir)

Table 1 provides a summary of the IWRB managed recharge that has been conducted as of the date of this report. The volumes reported are preliminary and subject to change. Most of the canals did not start on October 23rd due to normal canal maintenance or other canal projects.

The IWRB managed recharge projections for the Lower Valley for the 2015/2016 recharge season are summarized in Table 2. The projections assume there would be sufficient volume of water available to maximize the recharge capacity. The number of months and the recharge rate were derived from estimates provided by canal operators and historical performance. The projections in Table 2 are only for recharge during the non-irrigation/recharge season in the Lower Valley. The projections in Table 2 only reflect IWRB managed recharge and do not account for any recharge of storage water by others. Figure 1 provides a daily accounting the amount of water available for recharge and of the IWRB managed recharge by entity.

Table 1. ESPA IWRB Managed Recharge from October 23rd to November 6th, 2015

ESPA Area	Canal System	5-Year Retention Time ¹ (%)	Median Recharge Rate (cfs)	Days Recharged	Volume Recharged ² (Acre-feet)
Lower Valley	American Falls Reservoir District No. 2 (Milner-Gooding Canal)	~40	0	0	0
	North Side Canal Company	~55	50	13	1,289
	Southwest Irrigation District	~50	0	0	0
	Twin Falls Canal Company	~50	62	10	1,145
TOTAL					2,434

¹ 5-year retention rate determined by the ESPAM2.1 groundwater model.

² Recharge Volumes are preliminary and subject to change upon verification of days and volumes delivered for recharge.

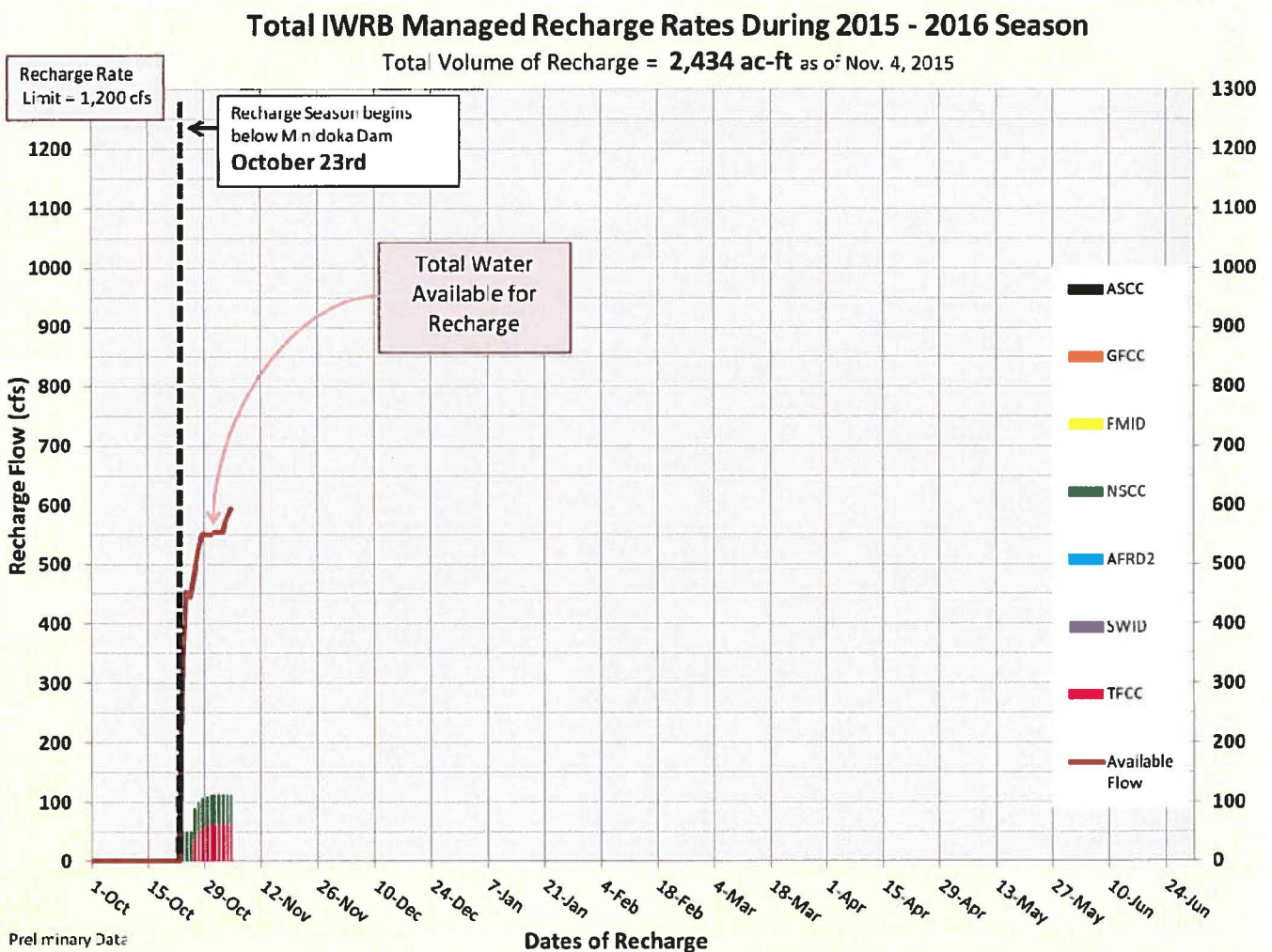


Figure 1. IWRB ESPA managed recharge.

The IWRB's recharge right may be in priority during the irrigation season if flows in the river exceed irrigation demand and not retained in the reservoir system. In that scenario, only off-canal sites could be used for recharge. Currently the only off-canal sites are on the Milner-Gooding Canal (MP31 and Shoshone Recharge Sites) in the Lower Valley. The volume that can be delivered to these sites is limited by the capacity of the canal above the volume required for normal operations (estimated by AFRD2 to be approximately 200 cfs).

Table 2. Projected Managed Recharge 2015/2016 – Lower Valley				
Canal System	Months Available for Recharge	Projected Recharge Rate (cfs)	Projected Volume Recharged (Acre-feet)	Projected Conveyance Costs (\$)
American Falls Reservoir District No. 2 (Milner-Gooding Canal)	4	200	48,000	\$327,000
North Side Canal Company	3	130	23,000	\$129,000
Southwest Irrigation District	2	25	2,900	\$13,000
Twin Falls Canal Company	5	50	15,000	\$123,000
TOTAL			88,900	\$592,000

American Falls Reservoir District #2 (AFRD2) suspended irrigation deliveries on October 8th to facilitate various planned construction projects. The MP28 hydro plant project started construction in mid-October and is expected to be completed by December. This will allow AFRD2 to deliver the IWRB's recharge water to the MP31 recharge site. During this recharge season, the flow into the MP31 recharge site will be increased from last year to determine the maximum capacity of the site. The data obtained will be used for determining the appropriate method to maximize the recharge capacity at this site. The current plan is to deliver recharge from the beginning of December until the start of the irrigation season (estimated to be the end of March for the projections).

The Shoshone recharge site is not scheduled to be used this year due to various construction projects that were begun in October and are scheduled to be completed by the spring of 2016.

The North Side Canal Company (NSCC) suspended irrigation operations on October 15th and started recharge on October 23rd. NSCC plans to continue recharge through the month of November. Infiltration tests were conducted in the spring of 2015 as part of an ongoing study to assess infrastructure improvements necessary to support wintertime recharge. Results of

the tests indicated that approximately 130 cfs could be recharge in the NSCC system. However, at the start of this recharge season only 50 cfs has been diverted into the system related to the lack of water level decline in Wilson Lake. Depending on weather conditions and required canal maintenance recharge will cease over December and January. Recharge will begin again through the months of February and March, depending on temperatures being above freezing conditions.

Based on the preliminary results from the infrastructure improvements study, NSCC is considering the various options for bypassing the hydro plants on the main canal. The intent is to begin the design of selected improvements this winter.

Twin Falls Canal Company (TFCC) suspended irrigation operations on October 23rd and started recharging on October 26th. TFCC is planning to conduct recharge through the winter until the start of the irrigation season in 2016. Various infrastructure improvements are planned for this winter, however, these improvements will not affect managed recharge. Most of the improvements are relatively minor except for a check structure for the Point Spill below Murtaugh Lake. This structure is required to mitigate potential damage below Murtaugh Lake if emergency releases of water are required when managed recharge is occurring.

Southwest Irrigation District (SWID) suspended irrigation operations on October 23rd and will begin recharge in early November depending on system maintenance. SWID is planning to deliver the IWRB's recharge water if conditions stay above freezing. For projection purposes it was assumed that they would recharge for the months of November and March.

Upper Valley (above American Falls Reservoir)

Managed recharge in the Upper Valley is dependent on the availability of water to recharge. Reservoir fill has precedence over the IWRB's natural flow recharge water right during the non-irrigation season. Therefore, in the Upper Valley the IWRB's recharge water is generally available only during high-flow years. Historically the majority of water available for recharge in the Upper Valley is during the irrigation season (May through June). Occasionally water is available prior to the irrigation season in the months of February or May.

Conditions in the reservoir system and on the Snake River will be monitored for potential opportunities to utilize the IWRB's recharge water right in the Upper Valley.

III. Budget Summary

Table 3 provides a summary of the Fiscal Year 2016 (FY16), July 2015 to June 2016, ESPA Managed Recharge budget approved by the IWRB (Statewide Aquifer Stabilization Fund Resolution passed on May 22nd, 2015). Budget line items were based on the best available information and may be adjusted with IWRB approval. The table also provides a summary of the contracted funds and the current disbursements (expenditures). Most of the expenditures to date have been for operations preparing for the recharge season and the infrastructure construction projects that were started in October.

A more detailed summary of the status of the infrastructure projects is provided under the ESPA Recharge Program Projects (Section V). Additional projects are being developed and will be included in future reporting.

Table 3. IWRB ESPA Managed Recharge Budget – FY16

Categories		Sub-Category	Budget ¹	Contracted Funds ²	Expenditure
Operations		Conveyance Cost	\$700,000	\$7,301 ³	\$0
		Equipment	\$81,000	\$14,089	\$14,089
		Site Monitoring	\$219,000	\$10,000	\$669
		Regional Monitoring	\$200,000	\$118,175	\$701
		TOTAL		\$1,200,000	\$134,764
Managed Recharge Infrastructure Projects	Budgeted Projects	Milner-Gooding Flume	\$700,000	\$700,000	\$0
		Milner-Gooding Dietrich Drop Hydro Plant	\$50,000	\$30,065	\$0
		Twin Falls Canal Recharge Improvements	\$500,000	\$0	\$0
		North Side Canal Improvements/Hydro Plant Bypasses	\$2,000,000	\$0	\$0
		Great Feeder Canal Recharge Improvements	\$500,000	\$500,000	\$0
		Egin Lakes Recharge Enlargement	\$500,000	\$0	\$0
		Sub-Total		\$4,250,000	\$1,230,065
	Other Projects ⁴	Milner-Gooding Expansion of MP31 Recharge Site	\$200,000	\$200,000	\$0
		Milner-Gooding Canal Road Improvements MP31 to Shoshone Recharge Site	\$150,000	\$120,000	\$0
		SRVID Monitoring	\$5,000	\$0	\$0
		Remaining Funds	\$1,645,000		
		Sub-Total		\$2,000,000	\$320,000
	TOTAL		\$6,250,000	\$1,550,065	\$0
	Managed Recharge Investigations		TOTAL	\$300,000	\$0
ESPA Managed Recharge TOTAL			\$7,750,000	\$1,684,829	\$15,459

¹ FY16 budget as approved by the IWRB in the Statewide Aquifer Stabilization Fund Resolution passed on May 22nd, 2015.

² Maximum funding as per the executed contract between the IWRB and the recharge site operator or vendor.

³ Conveyance Cost contracted funds were estimated based on current deliveries at the time of this report. Final cost will be determined at the end of the recharge season.

⁴ In the FY16 budget \$2,000,000 was set aside for unspecified projects in the ESPA related to managed recharge infrastructure projects. Specific projects will be added as the IWRB approves resolutions for them.

IV. Recharge Delivery Operations Summary

As a result of the differences in water availability for IWRB managed recharge in the Upper and Lower Valleys of the ESPA separate conveyance payment structures have been developed for the two areas.

Upper Valley ESPA Recharge

The contracts to deliver the IWRB's recharge water expire at the end of June 2015. The payment structure to convey the IWRB's recharge water in the Upper Valley will be evaluated for the 2015-2016 recharge season at the November Aquifer Stabilization Committee meeting. The spring 2015 payment schedule is outlined below:

- 1) **Base Rate** – determined by 5-year aquifer retention zone in which the contracted canal companies or irrigation district is located using ESPAM2.1:
 - Greater than 40% retained in aquifer at 5 years \$5.00/AF delivered
 - 20% to 40% retained in aquifer at 5 years \$4.00/AF delivered
 - 15% to Less than 20% retained in aquifer at 5 years \$3.00/AF delivered
- 2) **Added Incentive for Delivery** - percentage of days a canal delivers for recharge during the period when recharge right is "on" and IWRB issues a Notice to Proceed:
 - Greater than 75% \$3.00/AF delivered
 - 50% to less than 75% \$2.00/AF delivered
 - 25% less than 50% \$1.00/AF delivered

A separate memorandum has been developed for the November 2015 Aquifer Stabilization Committee meeting that goes into greater detail concerning the Upper Valley Conveyance Payment Structure.

Lower Valley ESPA Recharge

The payment structure for conveying the IWRB's recharge water stipulated in the 5-year conveyance contracts for the entities that recharge the IWRB's water is outlined in Table 4.

The following entities executed 5-year conveyance contracts in 2014:

- Twin Falls Canal Company (TFCC)
- American Falls Reservoir District 2 (ARFD2)
- Southwest Irrigation District (SWID)
- North Side Canal Company (NSCC)
- Big Wood Canal Company (BWCC)

Table 4. Lower Valley ESPA Payment Structure

Number of Days Recharge Water Delivered*	Payment Rate per AF Delivered	New incentivized payment structure was adopted to encourage canals to divert recharge water as long as possible during the non-irrigation season. * Number of days between when recharge permit turns on in fall and when it turns off following spring.
1-to-25 days	\$3/AF	
26-to-50 days	\$5/AF	
51-to-80 days	\$7/AF	
81-to-120 days	\$10/AF	
More than 120 days	\$14/AF	

V. Monitoring and Measurement Program

Development of a monitoring and measurement program is underway to assess results and impacts of recharge activities and address regulatory requirements. The program consists of regional and site-specific monitoring including measurement of ground water levels, surface water flows, recharge diversions, water quality, and data collection quality control.

Current activities include:

- **Water Quality Program**
 - Groundwater Quality Monitoring Program for MP31 and Shoshone Recharge Sites approved by IDEQ. The monitoring program includes a monitoring schedule, sample points, and a full suite of chemical, biological and physical elements that are analyzed to determine the source water and groundwater quality.
 - Idaho Bureau of Labs is currently under a 5-year contract (started in Dec. 2014) to conduct the water quality sampling at the MP31 and Shoshone Recharge Sites on an as needed basis.
 - Additional monitor well(s) are being established for the MP31 recharge site and our scheduled to be installed this year.
 - Sighting studies are being conducted for additional monitor wells at the Shoshone recharge sites and other key areas.
- **Water Level Monitoring:**
 - An evaluation of the effects of recharge on the aquifer is being conducted by IDWR staff and is scheduled to be complete in 2015.
 - Installed real time automated water level monitoring equipment at MP31 recharge site at one monitor well and in the basin.

- Flow measurements:
 - Quality assurance and control of recharge flow measurements were conducted with assistance by TFCC, AFRD2, NSCC, Idaho Power Co., Water District 01, and IDWR staff for the 2014/2105 recharge season. Similar co-operative monitoring is planned for the 2015/2016 recharge season.
 - Installed real time automated flow monitoring equipment at MP31 recharge site.
- Regional Monitoring Program:
 - IDWR Hydrology Section has contracted with the Idaho Water Resources Research Institute (IWRRI) to provide assistance with ground water level data collection and processing. IWRRI has provided two Hydrologic Technicians for this work that started work in the beginning of October. The Hydrologic Technicians will be responsible for conducting manual electric tape measurements, downloading data transducers, quality-checking all data, and loading manual measurements and transducer data in the IDWR database. With this additional assistance, the synoptic water level measurements for the ESPA are ahead of schedule.
 - Hydrology is working on filling a data gap in the ESPA water level monitoring network. A monitor well in a key area went dry five years ago due to declining water levels. A plan has been developed for deepening the well in 2015 to continue data in this key area.
 - Further analyses of groundwater level data gaps within the ESPA and development of potential solutions are also scheduled.

VI. ESPA Recharge Program Projects

A number of projects are in progress to enhance the IWRB's ability to recharge in the ESPA. The projects are summarized in Table 5 followed by a brief status report of the individual projects. Additional potential Upper Valley projects are currently in development and will be included in future updates. The projects identified in this report have been approved by the IWRB or are included as a line item in the FY16 budget.

For managed recharge projects in which the IWRB participates, a Memorandum of Intent (MOI) has been developed to document a long-term agreement (twenty years) between the IWRB and the entity implementing the project. The MOI acknowledges 1) that the IWRB has provided financial assistance for a project, and 2) that the entity agrees to recharge the IWRB's recharge water as compensation for IWRB financial assistance.

Table 5. ESPA Recharge Program Projects					
Project Type	Canal/Project	Project Type	Status	Cost Estimate	Completion Date
ESPA Infrastructure	Milner-Gooding Canal				
	Mile Post 28 Hydro Plant	CNST	Contracted	\$35,000*	Dec. 2015
	Concrete Flume Improvement	CNST	Contracted	\$700,000	April 2016
	Road Improvement MP31 to Shoshone Recharge Site	CNST	Contracted	\$120,000	Spring 2016
	Dietrich Drop Hydro Plant	Study	Contracted	\$30,065	Jan. 2016
	MP31 Expansion	Study/CNST	Contracted	\$200,000	Winter 2017
	North Side Canal				
	Wilson Lake/Canal Winter Recharge	Study	In-Progress	\$122,000*	Nov. 2015
	Hydro Plants (4) Improvements	CNST	Proposed	+\$2,000,000	TBD
	Twin Falls Canal				
	Canal Improvements	CNST	Under Development	\$20,000	Fall 2015
	Point Spill Check Dam	CNST	Under Development	TBD	TBD
	Southwest I.D.				
	Injection Well & Test	CNST	In-Progress	\$30,000*	Dec. 2015
	Pipeline Modification	Study	Proposed	\$50,000*	TBD
	Great Feeder Canal				
	Canal Improvements	CNST	In-Progress	\$500,000	Spring 2016
	Fremont-Madison I.D.				
	Expansion of Egin Lakes Recharge	Study/CNST	Under Development	TBD	Spring 2016
	SNAKE RIVER I.D.				
	Monitoring Improvements	CNST	Under Development	\$5,000	Spring 2016
	Injection Well & Test				
	Milner Dam Area	CNST	In-Progress	\$70,000*	Dec. 2015
ESPA Program	ESPA Program Review	Study	In-Progress	\$91,850*	Nov. 2015

CNST = Construction

* Original IWRB funds committed in FY15. Projects are in various stages of completion.

Project Status

1. **American Falls Reservoir District 2 (AFRD2)/Milner-Gooding Canal:**
 - a. **Concrete Flume Improvements** – This improvement is necessary for the winter-time delivery of the IWRB's recharge water to the Shoshone Recharge Site (200 cfs, estimated capacity). The canal's current ability to provide recharge flows to the site is limited due to the age and deterioration of the concrete flume portion of the canal. The lowest bid to do the crack sealing rehabilitation was \$1,372,000. A resolution was passed by the IWRB in July to authorize up to \$700,000 as part of a 50% cost share with AFRD2. Work started on the project in mid-October and will continue through the winter.
 - b. **Road Improvement MP31 to Shoshone Recharge Site** – Improvements to the access road along the Milner-Gooding Canal are necessary to allow AFRD2 personnel and IDWR staff adequate/safe roads to monitor canal operations and the recharge site during the winter months. Estimated cost for resurfacing portions of the canal road is \$120,000. A resolution was passed by the IWRB in July to authorize expenditure of the funds. The project will be ongoing during the recharge season and is scheduled to be completed by the spring of the 2016.
 - c. **Dietrich Drop Hydropower Plant** – The Dietrich Drop hydro plant is on the Milner-Gooding Canal between the MP31 and the Shoshone Recharge Site. A study has been initiated to determine the potential issues that would need to be addressed for winter-time deliveries of water to the Shoshone Recharge Site. The study is scheduled to be completed by January 2016. Depending on the results of the study, any improvements will be scheduled for completion by the spring of 2016, if possible.
 - d. **Expansion of the MP31 Recharge Site** – Capacity of the MP31 Recharge Site is currently limited by the maximum flow that can be diverted into the site. By installing a larger turnout structure, it is estimated the capacity of the site could be increased by over 100 cfs resulting in an estimated total capacity of 300 cfs. A resolution was passed by the IWRB in July to authorize expenditure up to \$200,000 to design and construct the project. The project was initially scheduled to begin in October, however, it was determined that additional data would be required. The additional data will assist in determining the optimum method for maximizing the capacity of the MP31 Recharge Site. During this recharge season, the volume diverted into the site will be maximized to determine the optimal diversion capacity and site capacity.
 - e. **MP28 Hydropower Plant** – The plant experienced complications from winter recharge flows. Construction on the bypass wall began in October 2015 that will be able to route flows under 400 cfs around the plant. The IWRB, by resolution,

has authorized \$35,000 for this project. The project is scheduled to be completed by December 2015.

2. North Side Canal Company (NSCC):

- a. **Winter-time infrastructure improvements** – NSCC’s assessment of the potential capacity of recharge at Wilson Lake and infrastructure improvements required for winter-time delivery of recharge water to Wilson Lake will be completed in November 2015. The assessment provides options and high-level cost estimates for infrastructure improvements to accommodate winter recharge delivery taking into account the canal and four hydro plants. A meeting is scheduled for early November for staff to meet with the NSCC manager to discuss the results and determine a path forward. Ideally, the design work will be completed in the spring of 2016 so that construction can be completed by the spring of 2017.

3. Twin Falls Canal Company (TFCC):

- a. **Winter-time infrastructure improvements** - TFCC plans to implement minor infrastructure modifications required to deliver recharge water after the 2015 irrigation season to the start of irrigation deliveries in the spring of 2016. TFCC is moving forward with the design and construction of a check dam at the Point Spill location. Recharge activities at Murtaugh Lake diminish the lake’s ability to regulate heavy run-off events. The check dam is needed to ensure emergency water releases out of Murtaugh Lake will not cause damage to the canal and associated property owners downstream of the lake. Estimated cost for this structure is to be determined (TBD) (official cost estimate has not been submitted by TFCC) with the work to be completed in the winter of 2015. The construction of the structure will not hinder recharge activities.

4. Southwest Irrigation District (SWID):

- a. **Test Injection Well** – A test injection well is scheduled to be drilled in the fall/winter of 2015 in the vicinity of SWID’s current pumping plant. This well will assist in determining the viability of an injection well recharge site in this vicinity. Estimated cost of drilling the well and testing is \$30,000.
- b. **Cassia Pipeline Winter Recharge** – An engineering study has been proposed to SWID to determine what would be required to make the pipeline capable of delivering recharge water during the winter months. The estimated cost of the study is \$50,000, initiation of the study is dependent on SWID’s schedule.

5. Great Feeder Canal Company (GFCC):

- a. **Recharge Conveyance Improvements** - GFCC has begun construction on replacing the out-dated headworks to the Great Feeder Canal. The headworks are an integral part of the Great Feeder Canal's ability to deliver the IWRB's recharge water to canals and potential off-canal sites. A resolution was passed by the IWRB in July to authorize expenditure up to \$500,000 as the IWRB's portion of the cost share for the construction of the project. The initial scheduled is to complete construction by the spring of 2016.

6. Fremont-Madison Irrigation District (FMID):

- a. **Expansion of the Egin Lakes Recharge Area** – FMID is proposing to improve the infrastructure to maximize the recharge potential at the Egin Lakes Recharge Area. A study to determine the maximum recharge capacity of the area and the required infrastructure to deliver the maximum volume of water was completed in September 2015. FMID will be presenting a proposal for the project with the intention of complete the project by the spring of 2016. IWRB's fiscal year 2016 budget allocated \$500,000 for this project.

7. Snake River Irrigation District (SRVID):

- a. **Monitoring Equipment for the Monson Site** – SRVID has requested \$5,000 for monitoring equipment on the Monson Site. This site is located in the Upper Valley where the volume and duration of the water available for IWRB recharge can be extremely variable. Monitoring equipment will assist in ensuring accurate measurements can be obtained in these highly variable conditions.

8. Other Projects:

- a. **Injection Well and Test** – Staff is evaluating numerous potential injection well recharge sites. For the current phase of testing \$70,000 has been budgeted. Estimated completion of this phase of work is the fall/winter of 2015. The areas being studied and current status include:
 - i. **A&B Pump Plant** – Conducted a dye test in the fall of 2014 to determine potential flow from injection well. To date, dye has not been detected at any of the sampling sites (nearby domestic wells). Sampling was conducted the fall of 2015; if dye is not detected in this round of sampling the sampling will be discontinued.

- ii. **USBOR Site (Upstream of A&B Pumping Plant)** - The drilling permit was received by BOR on March 4th, 2015. IDWR is processing an injection well test permit. However, nearby results from an injection well test in the fall of 2014 suggest this site would have low hydraulic conductivities that would not be conducive to an injection well site. This site is a low priority at this time.
 - iii. **Milner Dam Area** – Injection test well completed June 6th, 2015 to a depth of 500 ft. Observations during drilling and borehole video suggests very good conductivity for injection. An application has been submitted for an injection test, potentially in the late fall of 2015.
 - iv. **A&B at the Milner Pumping Plant** - A&B will evaluate test injection data from the BOR well to determine where to drill a test well at their Milner pumping plant. Initial analysis suggests this would not be an area conducive for an injection well site due to low hydraulic conductivities.
 - v. **Little Wood Recharge Site (State Land South of Richfield)** - A permit to drill a test injection well on state land south of the city of Richfield is complete. LSRARD is assisting with the permit and drilling process. This project is on hold until the engineering report is received concerning the 'Bifurcation' modification to divert Little Wood River water for recharge.
- b. **ESPA Managed Recharge Program Review** – IWRB contracted with CH2M to provide an independent review of the ESPA Managed Recharge Program for \$91,850. The results of this analysis is scheduled to be presented to the IWRB at the November 16th IWRB Work Session.

Memorandum



To: Idaho Water Resource Board
From: Morgan Case
Date: November 17, 2015
Re: Water Transactions Program – 2016 Lower Lemhi Annual Transaction

Background

The Lemhi River Basin is an important basin for the spawning, migration and rearing of Chinook salmon, summer steelhead, westslope cutthroat trout, and bull trout. During the irrigation season, low flows at the L-6 diversion can cause migration barriers for out-migrating juvenile Chinook salmon and in-migrating adult Chinook salmon and steelhead. The State of Idaho has committed to maintaining flows between 25 and 35 cfs at the L-6 diversion (See attached map) through the 2004 Snake River Water Rights Agreement. The 35 cfs flows are needed for out-migration in the spring and 25 cfs is needed for in-migrating adults in the mid- to late-summer.

For the past several years, the Board has been working to meet the 35 cfs target. Efforts have led to the following:

Flow Target:	35 cfs
Currently Protected:	
Permanent Easements	(15.53)
Thomas Agreement	(1.14)
TNC Donation	(0.30)
City of Salmon	(2.42)
Unmet Target	15.61

These agreements have been administered according to a contract between the Board and Water District 74. The annual leases have been done for several years. As permanent agreements have been acquired the amount needed from annual leases has decreased.

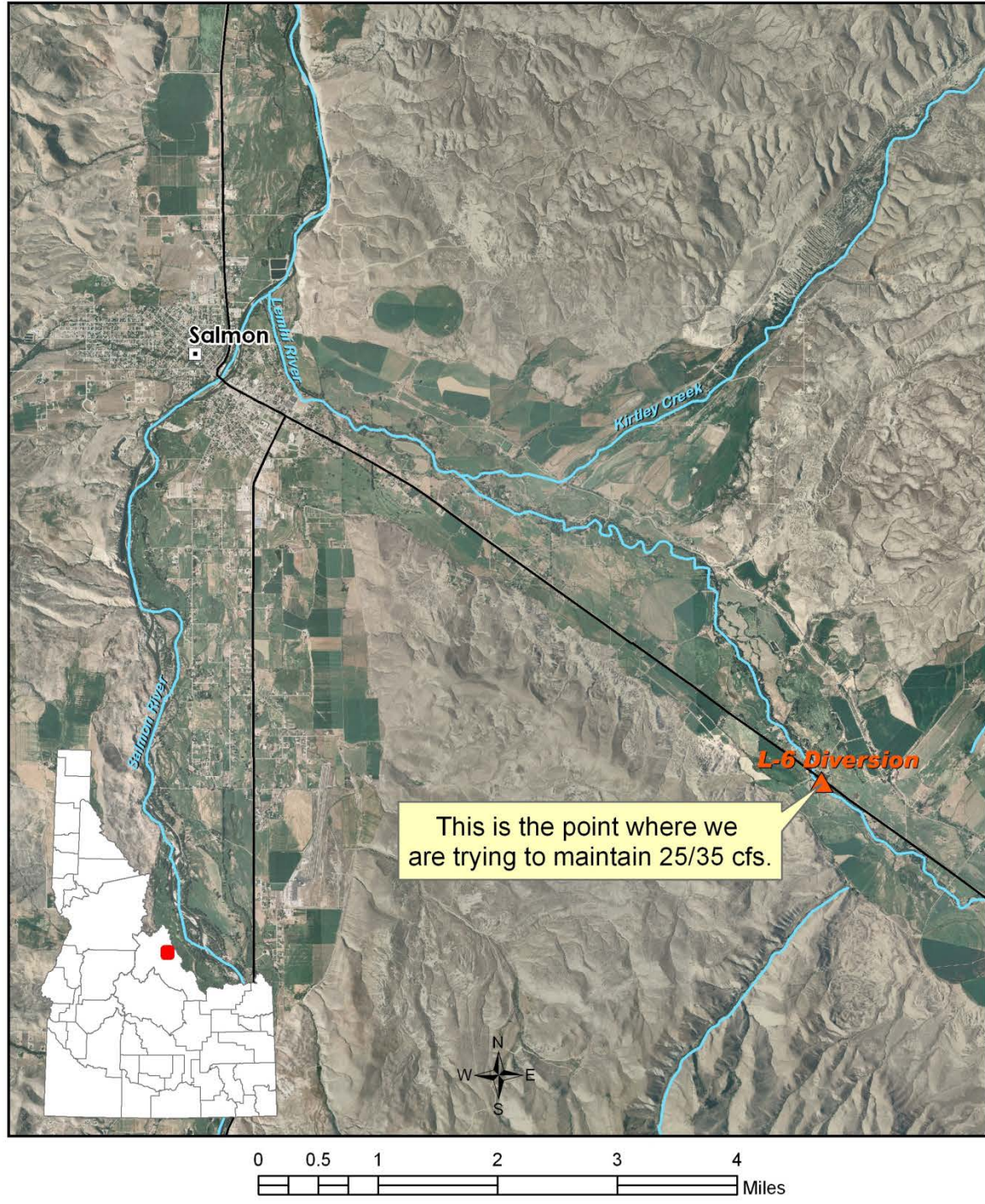
Staff proposes another set of agreements to meet the gap between the permanent transactions and the flow target. Funding is available through the BPA Idaho Fish Accord. The Board currently has a two-year contract to expend funds, so staff suggests entering into two-year agreements to minimize the administrative costs related to the deal.

As in previous years, payment would be based on the number of days the irrigators are turned off with compensation of \$80.65/24-hour cfs. Irrigators would only be curtailed when the flow targets are not being met. Funding for administration by the WD 74 Watermaster will come from the Accord and funds placed in the Board's Revolving Development Water Transactions sub-account, in proportion to the flows secured by each method.

Action Item

Before you is an expenditure of funds resolution for the annual Lower Lemhi 2016-2017 agreements not to divert in order to bridge to gap between the permanent acquisitions and the flow target in the Lower Lemhi River for **\$180,086.70**. The agreement not to divert contracts will not exceed **\$154,686.70 (\$77,343.35/year)** and the Water District 74 contract will not exceed **\$25,400 (\$12,800/year)**.

Lower Lemhi River Reach of Concern - L-6 to Salmon River



BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE LOWER)	A RESOLUTION TO MAKE
LEMHI 2016-2017 WATER RIGHT)	A FUNDING COMMITMENT
SUBORDINATION AGREEMENTS)	
<hr/>		

WHEREAS, Chinook salmon, steelhead, and bull trout habitat in the Lemhi River basin is limited by low flow in the Lower Lemhi River; and

WHEREAS, it is in the interest of the State of Idaho to permanently reconnect the Lower Lemhi River to encourage recovery of ESA-listed Chinook salmon, steelhead, and bull trout; and

WHEREAS, the State of Idaho committed to maintaining flows of 25 cfs to 35cfs at the L-6 Diversion on the Lower Lemhi River in the Lemhi Framework which was developed as part of the 2004 Snake River Water Rights Agreement; and

WHEREAS, the Lemhi Framework carries forward target goals which were included in earlier conservation agreements developed and approved by local water users, and state and federal agencies; and

WHEREAS, though enacting Idaho Code 42-1506 and 42-1765A, the Idaho Legislature directed the Board to establish a minimum streamflow water right of 35 cfs in the Lower Lemhi River to be met through water right rentals or other appropriate methods under state law; and WHEREAS, the Idaho Water Resource Board has the authority to enter into agreements to improve flow for anadromous and resident fish; and

WHEREAS, the Idaho Water Resource Board is authorized to expend Bonneville Power Administration funds for flow restoration through the Columbia Basin Water Transaction Program and the Bonneville Fish Accord Water Transaction Fund; and

WHEREAS, the Idaho Water Resource Board promotes water transactions that maintain the local agricultural economy by retaining irrigated agriculture; and

WHEREAS, staff has developed short-term subordination agreements to improve stream flow for anadromous and resident fish; and

WHEREAS, for all agreements, the water users have agreed to limit their diversions during times of low flow; and

WHEREAS, for all agreements, the water users will continue to irrigate their full place of use when flows exceed the flow targets; and

WHEREAS, \$180,086.70 is available through the Idaho Fish Accord – Idaho Water transactions Fund or the Columbia Basin Water Transaction Program to fund the cost of said agreements; and

WHEREAS, the Lemhi Subordination Agreements are in the public interest and in compliance with the State Water Plan.

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the Chairman to enter two-year Subordination Agreements with lower Lemhi River irrigators to not divert out of the Lemhi River, using an amount not to exceed \$154,686.70 over a two-year period.

NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB authorizes the Chairman to enter into contract with Water District 74 to administer said agreements and previous subordination easements using an amount not to exceed \$25,400.00 over a two-year period.

NOW THEREFORE BE IT FURTHER RESOLVED that this resolution is subject to the condition that the IWRB receives the requested funding from the Bonneville Power Administration through the Idaho Fish Accord – Idaho Water Transactions Fund or the Columbia Basin Water Transaction Program in an amount up to \$180,086.70 for a two-year period.

DATED this 17th day of November, 2015.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST: _____
VINCE ALBERDI, Secretary

Memorandum

To: Idaho Water Resource Board
From: Remington Buyer, Water Supply Bank Coordinator
Date: November 17, 2015
Re: Update on Initiatives within the Water Supply Bank



Action Item: The IWRB may approve a resolution to release from the Water Supply Bank water rights leased indefinitely to the Water Supply Bank.

This memo summarizes recent activities specific to the following Water Supply Bank initiatives:

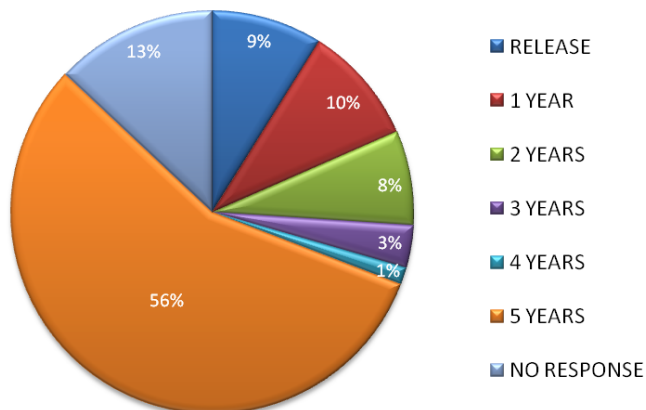
- 1) Addressing water rights leased indefinitely to the Water Supply Bank,
- 2) Development of software for the Water Supply Bank, and
- 3) Renting of water rights for the beneficial use of ground water recharge.

1) Addressing water rights leased indefinitely to the Water Supply Bank

In January 2015 the Water Supply Bank sought from the Idaho Water Resource Board authorization to update the contract terms of water rights that are indefinitely leased to the Bank. Managing indefinitely leased water rights is difficult because if leased water rights are sold, split and transferred while in the Bank, the updated and changed elements of the actual water right are not recorded on updated lease contracts. It was the intent of the Bank to update as many indefinite lease contracts as possible before seeking a future resolution from the Board that would release any indefinitely leased water rights that the Bank was unable to update.

Originally, it was estimated that 200 water rights were indefinitely leased into the Bank. In reviewing the indefinitely leased rights closer however, it was discovered that only 146 water rights were indefinitely leased into the Bank, (54 duplicate entries were the result of many rights being held by multiple owners). Throughout the year, the Bank has contacted the owners of all indefinitely leased rights to provide them with an opportunity to update the terms of their lease contract while remaining in the Bank, or to request that their water rights released from the Bank. As of November 2015, 127 of the 146 indefinitely leased water rights have been updated. The Bank received requests to release 13 of the water rights, however the majority of responses (82 water rights = 65% of responses) have requested to have their lease contracts updated to a term of five years, until 2020. The table and graphic below outlines the results of the Bank's efforts to update all indefinitely leased water rights.

Lease Term Update Requested



Update Selection	
Release	13
1 year lease	14
2 year lease	11
3 year lease	5
4 year lease	2
5 year lease	82
No Response	19
Total	146

Nineteen indefinitely leased water rights remain to be updated. Of the 19, letters have been delivered to the six known owners of eight of these rights, though no responses have yet been received. The remaining 11 water rights appear to have undergone numerous ownership changes and the Bank has sent multiple letters to all known parties who may be the current owners of the properties to which these 11 water rights are appurtenant.

In light of the Bank's efforts to update indefinitely leased water rights, an Idaho Water Resource Board resolution is now being sought that establishes a deadline of December 31, 2015 as the date when the remaining indefinitely leased water rights that are not yet updated shall be released from the Water Supply Bank. A resolution has been prepared for consideration by the Board. If the Board by resolution authorizes the release of the remaining 19 indefinitely leased water rights, the Bank will immediately send a final notice to all known parties, to inform them of the pending deadline and to counsel that they may keep their water rights in the Bank if they contact the Bank prior to December 31, 2015. The Bank will then release the remaining un-updated indefinite leases in January 2016.

2) Development of software for the Water Supply Bank

The Department of Water Resources has successfully concluded its evaluation of all contractors who submitted their qualifications to develop software for the Water Supply Bank. Resource Data Incorporated (RDI), an Alaskan software development firm with a regional office in Boise, was selected as the contractor. Contracts have been signed with RDI to provide business analysis, project management, software architecting and software engineering services necessary to develop software for the Bank.

The total contract cost for software development services to be provided by RDI is three hundred, forty one thousand and six hundred, eighty dollars (\$341,680). Of the total sum, two hundred, forty two thousand, five hundred and sixty dollars (\$242,560) is dedicated to software architecting and software engineering services, while ninety-nine thousand, one hundred and twenty dollars (\$99,120) is dedicated to business analysis and project management services in support of software coding activities.

This project is being contract-managed through the use of cost-reimbursement work orders. IDWR has developed fixed-duration, task based work orders that are being issued to RDI. Each work order is for a fixed duration of time (approximately two to three weeks) and features a scope of work specific to the work order that calls out defined tasks, expected deliverables and time budgets for all deliverables. Expected contractor staffing is estimated on each work order, leading to an estimated and maximum cost per work order that is specific to each work order.

IDWR will issue work orders to RDI and no work will be undertaken by RDI until work orders are issued. RDI will be compensated upon the successful completion and invoicing of each work order, however no compensation will be provided by IDWR to RDI unless the work is authorized, accounted for and invoiced under a work order. Presently, twenty sequential work orders have been developed, which are scheduled to be issued over a period of ten months. Through the use of work orders, IDWR will maintain close oversight and control of all software development work and frequent reporting can be provided to the Board, detailing progress on all software development work.

The first work order, calling for process engineering business analysis and software architecting services, was issued in October and is scheduled to run through mid November. Deliverables for this initial work order include production by RDI of business workflow diagrams, a software development vision document, a project implementation plan and a software architectural vision. Time estimates required to accomplish all backlogged software engineering work is being provided. Upon conclusion of the initial work, and once IDWR is satisfied all necessary preliminary planning is in place, additional work orders will be issued for specific software engineering tasks. The project completion date is scheduled for July 2016.

3) Renting water rights for the beneficial use of ground water recharge

During summer and autumn 2015, the Water Supply Bank received numerous inquiries about renting natural flow water rights for the beneficial use of ground water recharge. To better assist water users who are contemplating renting water rights for ground water recharge, the Bank has begun development of an administrative memo to outline minimum requirements necessary to be provided when submitting a ground water recharge rental request. The Bank is working in close consultation with both the Water Rights section of the Department, as well as with the IWRB's Recharge Projects Manager, Wesley Hipke, to ensure the memo satisfies both IDWR and IWRB reporting requirements.

The Bank is targeting completing the memo this month, in advance of receiving any ground water rental requests that are anticipated for 2016. Though the memo is still in draft form, the following are key principles that will be guide the Bank's evaluation of ground water recharge rental requests:

Parameter	Context / Details
Beneficial Use	<p>Any request to rent natural flow water rights for ground water recharge must demonstrate that an aquifer will be replenished by the rental.</p> <p><i>The Bank will require evidence or credible information that demonstrates the use of rental water will directly benefit an aquifer—good intentions are insufficient evidence that actual recharge will occur.</i></p> <p>At the time of diversion of the rental, ground water recharge must be the primary beneficial use of water intended at the proposed place of use.</p> <p><i>If canals, laterals, ponds or other pre-existing water infrastructure will be the place of use for the rental, the rental application must confirm that ground water recharge will be the primary beneficial water use occurring in the infrastructure at the time that water is diverted into the infrastructure—in compliance with Idaho Code 42-234(5), renting additional water for delivery to a place of use that is already receiving water for non ground water recharge use may not be an acceptable rental request.</i></p> <p>A methodology for measuring the volume of water that will be diverted and dedicated to ground recharge is required.</p> <p><i>A measurement device, seepage studies, or other reports that calculate the volume of water recharged to an aquifer must be provided with a rental application.</i></p>
No Enlargement	<p>The consumptive volume (and corresponding diversion rate) of any water rights to be rented for ground water recharge must come from a confirmed beneficial use reduction occurring elsewhere.</p>
No Injury	<p>The recharge activity must not cause injury to other prior appropriators, nor foreseeable injury to other property owners.</p>
Local Public Interest	<p>The recharge activity must be recognized as being in the local public interest, or it shall be certain that recharge is not contrary to any local public interests. To address the local public interests on all ground water recharge rental applications, the Bank will solicit comments from IDWR regional staff, watermasters and Wesley Hipke.</p>

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF RELEASING)
FROM THE WATER SUPPLY BANK)
WATER RIGHTS THAT ARE)
INDEFINITELY LEASED TO THE)
WATER SUPPLY BANK)

WHEREAS, section 42-1761 Idaho Code provides that the Idaho Water Resource Board shall have the duty of operating a Water Supply Bank; and

WHEREAS, section 42-1762 Idaho Code provides that a water right leased to the Water Supply Bank may be retained in the Water Supply Bank for a period as determined by the Idaho Water Resource Board; and

WHEREAS, Water Supply Bank rule 25.08.C authorizes the Idaho Water Resource Board to release a water right from the Bank prior to the conclusion of the lease contract through the issuance of a resolution of the Board; and

WHEREAS, the Idaho Water Resource Board has authorized the Water Supply Bank to update indefinitely leased water right contracts, to contracts of fixed term duration; and

WHEREAS, the Water Supply Bank has contacted the owners of water rights that are leased indefinitely to the Bank, to provide all owners an opportunity to keep their water rights in the Bank by electing to update their contracts to fixed duration terms; and

WHEREAS, a limited number of water right holders have not yet responded to requests by the Water Supply Bank to have their water right contracts updated; and

WHEREAS, the Water Supply Bank desires to send a final notice to the owners of the remaining indefinitely leased water rights, to alert owners of a deadline by which they must respond and elect to update their lease contracts in order to keep their water rights in the Bank, prior to their water rights being released from the Bank by resolution of the Idaho Water Resource Board;

NOW THEREFORE BE IT RESOLVED that the Idaho Water Resource Board directs the Water Supply Bank to publish a formal public notice alerting water right owners of the Board's intent to release by resolution indefinitely leased water rights from the Water Supply Bank. The Board also directs the Water Supply Bank to send a final notice to the owners of water rights that remain indefinitely leased to the Water Supply Bank, to alert owners that they must elect to update their lease contracts to contracts of fixed term duration no later than January 22, 2016, in order to ensure that their water rights are not released from the Water Supply Bank.

NOW THEREFORE BE IT FURTHER RESOLVED that once formal public notice has been issued, and final notice sent to all water right holders, the Idaho Water Resource Board directs the Water Supply Bank to release indefinitely leased water rights from the Water Supply Bank on January 22, 2016.

Dated this 17th day of November, 2015.

ROGER W. CHASE
Idaho Water Resource Board Chairman

Attest: _____
VINCE ALBERDI
Secretary

Memorandum

To: Idaho Water Resource Board
From: Cynthia Bridge Clark, Randall Broesch
Date: November 6, 2015
Re: Status of Storage Water Studies



The following is a status report on the surface water storage studies initiated by the Idaho Water Resource Board (IWRB). This memorandum describes activities and progress since the last IWRB meeting in September 2015.

Weiser-Galloway Project

- Operations Analysis: The analysis includes evaluating different operation scenarios to optimize hydropower, reduce flood risk, provide recreation, provide additional water supply for the basin, and provide flows for anadromous fish recovery efforts. Staff has reviewed the preliminary findings of the operations analysis compiled by the U.S. Army Corps of Engineers (USACE). Staff is currently assessing the status of the project and how the conclusions of the operations analysis are tied to previous Planning Assistance to States (PAS) studies that have been prepared by the USACE over the last four years. In lieu of releasing the operations analysis as a standalone report, staff have determined that publication of a summary of the findings and conclusions of each of the PAS studies with the operations analysis findings would better inform the IWRB, the public and decision makers about what has been studied to date and how the project should move forward in the future. Staff is commencing with the preparation of a “planning summary document” and is planning a release date in early 2016.
- Galloway reservoir size optimization study: The study will capitalize on the Operations Analysis models (hydrologic, hydraulic, flood, operational, water demands, and hydropower) to optimize the dam size, develop a conceptual design layout, and revise construction costs. The intent is to provide a more refined project design while leveraging the project expertise of the technical study team who performed the Operations Analysis and previous PAS studies. The development of this study will provide additional screening criteria and alternatives to assist with decision making of the overall project. The study is scheduled to be complete in 2016 in conjunction with the Operations Analysis.
- Evaluation of Weiser River Trail: The Galloway Dam and Reservoir project as proposed would impact approximately 15 miles of the Weiser River Trail (WRT). This evaluation will seek public input to identify impacts and benefits of potential alternative trail alignments for the WRT. On July 29th staff and the consultant met with the Friends of the Weiser River Trail (FWRT) to discuss the history and background of the trail. After the meeting, staff and the consultant performed a field visit to investigate the existing conditions and the environment surrounding the WRT. Data from both the field investigation and the meeting with the FWRT will be used to document impacts from the Galloway Dam and Reservoir project and to evaluate potential trail relocation alternatives. Staff is planning a series of public meetings to gather input on screening criteria and considerations for developing alternative trail alignments. The public meetings are planned to occur after the release of the planning summary document in 2016.
- Federal Energy Regulatory Commission (FERC) preliminary permit: In accordance with preliminary permit requirements, Progress Report No. 2 was filed on October 5, 2015. IDWR staff is also developing a plan to compile a pre-application document (PAD) during the preliminary permit period. This includes a project schedule/timeline, a plan for stakeholder coordination, and will incorporate the information generated in the planning summary document referenced above. Staff will provide a recommended plan to

complete the necessary studies and actions during the preliminary permit period once the results of the ongoing project studies are complete.

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

Boise River Feasibility Study

- Evaluation and modeling of the water supply and flood risk reduction measures is nearing completion. Measures being considered in the evaluation include the Arrowrock Dam raise, managed aquifer recharge, upgraded irrigation headgates, replacement of push-up dams, bridge upgrades, controlled flooding of pits/ponds, temporary conveyance of water in the floodplain, flow split structure, and other non-structural measures.
- Reservoir modeling and refill frequency of the Arrowrock Dam measure has been completed to help determine an optimum size of a potential raise. Corresponding cost engineering, real estate impacts analysis and Environmental Impacts Statement (EIS) activities are ongoing.
- The USACE continues to hold regular meetings with state and federal agencies to evaluate potential impacts related to each measure. The USACE is also working with the cooperating agencies to explain and coordinate the environmental evaluation and compliance process the USACE will be following upon the release of the draft Environmental Impact Study and draft Feasibility Study.
- USACE identified impacts to local county and highway district roadways and has been coordinating with the corresponding authorities to develop mitigation alternatives associated with the proposed measures. A geotechnical engineer with USACE has developed an array of scenarios for the highway district and counties to consider. Coordination with the affected stakeholders continues as USACE incorporates their comments into the draft feasibility study.
- SPF Water LLC was contracted to develop a 50-year future water supply needs estimate and water budget for the Treasure Valley. This report will be used to support the water supply component being analyzed and modeled with the proposed measures. The report is expected to be completed in December and released to the public in early 2016.

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

Island Park Reservoir Enlargement Project

- Staff has initiated an assessment of potential impacts to land and real estate resulting from a potential raise of the normal reservoir water surface elevation of the Island Park Reservoir (assessment). The assessment includes two parts: 1) collection of airborne LiDAR and orthoimagery to provide high resolution elevation data and simultaneous imagery for the project area; 2) evaluation and quantification of potential impacts to land, real estate, roads, utilities, easements, and other appurtenant structures resulting from a 1 to 4 foot raise of the reservoir water surface elevation in one foot increments. The elevation data collected using LiDAR will be used in the evaluation of impacts.
- Aero-graphics, Inc. was contracted to collect airborne LiDAR and orthoimagery for the entire Island Park reservoir, including surrounding lands and islands within the reservoir. Staff intended to have the LiDAR collected this fall. Data collection is dependent on appropriate weather, and clear ground or “bare earth” conditions. Given the recent precipitation in the area, staff will work with the contractor to determine whether the collection effort will be delayed until next spring.

- Staff intends to issue a Request for Qualifications (RFQ) to complete the second part of the assessment and will coordinate the project with the availability of LiDAR data.
- The U.S. Bureau of Reclamation has expressed a willingness to cooperate in the assessment.

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

Other

- Staff will provide an update on the status of other potential surface storage project investigations at the November 17, 2015 IWRB meeting.

MEMO



To: Idaho Water Resource Board
From: Stuart VanGreuningen, Rick Collingwood
Subject: Bee Line Water Association – Loan Increase Request
Date: November 17, 2015

The Bee Line Water Association is requesting an increase of \$200,000 to an existing water project construction loan. The original loan was approved in the amount of \$400,000 for several needed water system improvements. No funds have been drawn to date. The new request will change the total loan amount to \$600,000.

1.0 BACKGROUND

The Bee Line Water Association (Bee Line) is located north of Bonners Ferry in Boundary County (see location map below). Bee Line provides water to approximately 189 residential connections. Water is supplied from wells and from Meadow Creek. The Meadow Creek water is processed through a slow-sand filter treatment plant.

In 2001, the Idaho Water Resource Board (Board) approved a \$157,500 loan to Bee Line for improvements to the distribution system, control building and well development. The loan was paid off in a timely manner.

On September 23, 2014, the Board approved a \$400,000 loan request from the Bee Line to upgrade its water treatment plant on Meadow Creek through replacement of water intake structure, slow sand filter, and other associated improvements. The original loan request of \$400,000 was based on the engineer's preliminary design and construction estimate. No funds have been drawn from the loan as Bee Line has been waiting for finalization of the plans. The design has now been finalized but changes since the preliminary estimate have increased the overall cost of the project from approximately \$400,000 to \$591,608 (see Project description below).

2.0 THE PROJECT

As proposed under the original loan, the project involves an upgrade to the water treatment plant at Meadow. It includes repair or replacement of the diversion dam, installation of a new slow sand filter, a contact chamber reservoir, and associated mechanical equipment. Engineering services are being provided by Mike Klaus, P.E., who acts as the engineer for many of the community water systems in the area.

The overall project cost increased as a result of several changes and refinements during final design: 1) changes in Idaho Department of Environmental Quality rules required additional controls and piping for continuous filtering of water which increased the required size of the slow sand filter; 2) the required filter sand is not longer available through local suppliers and must be transported from either southern Idaho or western Washington; 3) the price of structural concrete is higher than originally estimated; and 4) design modifications were made to optimize the available flow rate that increased the recommended filter size.

3.0 PROJECT COST ESTIMATE

The initial loan request was based on a preliminary cost estimate of \$399,168. The current 2015 bid for construction and equipment is \$591,608. A detailed breakout of the estimated cost is attached.

4.0 FINANCIAL ANALYSIS

The original loan of \$400,000 was approved at 3.5% interest and a 15-year payment period. The annual payment for a \$600,000 loan at 3.5% interest is the following:

Annual payment for 15-year term: \$52,095.04

The current monthly assessment is \$41.00 for 21,000 gallons per month with an incremental increase for every additional 1000 gallons of water. In reviewing Bee Line's revenues and expenses, it appears that Bee Line can absorb approximately half the annual loan payment under the current rate structure. Bee Line may need to modify the assessment rate structure to absorb the other half of the loan payment:

Year	Revenue	Expenditures
2014	\$117,371.50	\$110,176.79
2013	\$110,826.11	\$89,818.02

Reserve funds and cash on-hand total \$138,809.

6.0 WATER RIGHTS

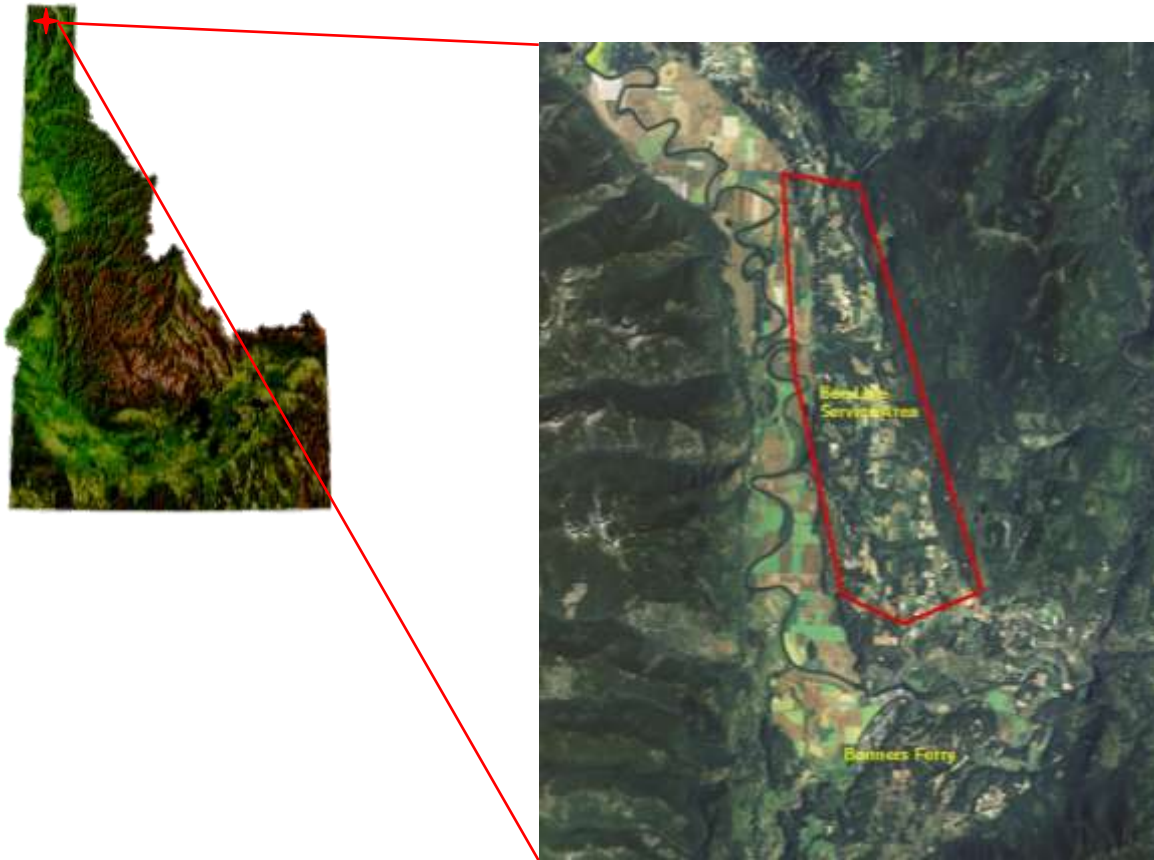
Bee Line holds water right no. 98-02133 for 0.8 cfs from Meadow Creek and water right no. 98-07309 for 1.01 cfs from the Busch Wells (jointly held with the 3-Mile Water Association). These rights have 1966 and 1979 priority dates, respectively. In addition to these water rights, Bee Line owns two ground water rights, 98-7625 (0.27 cfs) and 98-7819 (0.14 cfs), both with 1986 priority dates.

7.0 SECURITY

The Board will hold Bee Line Water Association's water rights and newly constructed features and equipment associated with this loan as security.

8.0 CONCLUSION AND RECOMMENDATION

This project will replace aging infrastructure and assure a reliable water supply from Meadow Creek for the Bee Line Water Association and its water users. Bee Line has a good track record with the Board on the previous loan made in 2001. **Staff recommends approval of an increase in the existing loan for the Bee Line Water Association in the amount of \$200,000 dollars for a total loan amount \$600,000 for a term of 15 years at 3.5% interest.** A resolution is attached for the Board's consideration.



Location Map – Bee Line Water Association service area

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE
BEE LINE WATER ASSOCIATION

)
)
)

A RESOLUTION TO MAKE
A FUNDING COMMITMENT

WHEREAS, the Bee Line Water Association (Association) needs to undertake several system improvements, including an upgrade of the water treatment plant on Meadow Creek through the replacement of the intake structure and slow sand filter; and

WHEREAS, the Association provides water service to approximately 189 connections in Boundary County; and

WHEREAS, on September 23, 2014, the Idaho Water Resource Board (IWRB) approved a loan in the amount of \$400,000 to the Association at 3.5 percent interest with a fifteen-year (15) payment term to complete the improvements; and

WHEREAS, on August 20, 2015, a Letter of Intent and Loan Application from the Association were submitted to the Board requesting an increase in the original loan by \$200,000 for a total loan amount of \$600,000; and

WHEREAS, the increased loan amount will address additional costs identified in the final project estimate resulting from design modifications, and the increased cost of the slow sand filter medium and other construction materials; and

WHEREAS, the funds will be used to undertake the needed improvements; and,


WHEREAS, the Association is a qualified applicant and the proposed project qualifies for a loan from the Revolving Development Account; and

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

NOW THEREFORE BE IT RESOLVED that the Board approves an increase of \$200,000 to the existing loan for a total loan not to exceed \$600,000 at 3.5% interest with a 15 - year repayment term, and provides authority to the Chairman of the Idaho Water Resource Board or his designee to enter into contracts with the Association on behalf of the Board.

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

1. The Association shall provide acceptable security for the loan to the Board including, but not limited to the Association's water rights, property, and facilities.

- 
2. The Association shall establish a reserve account in an amount equal to one annual payment.
 3. The Association shall comply with all applicable rules and regulations that apply to the proposed project.

DATED this 17th day of November, 2015.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

Bee Line Water Association

2015 Slow Sand Filter Project

Schedule of Values

	<u>Item</u>	<u>B.F. Builders</u>		<u>Engineers</u> <u>Estimate</u>
1	Mobilization	\$ 26,680	\$ -	\$ 10,000
2	Site Prep and Grading	\$ 15,410	\$ -	\$ 15,000
3	Yard Piping	\$ 37,300	\$ -	\$ 28,000
4	Control Room Piping	\$ 65,168	\$ -	\$ 47,000
5	Concrete-Filter Bay/Chamber Structure Concrete	\$ 247,690	\$ -	\$ 210,000
6	Filter Media	\$ 75,000	\$ -	\$ 30,000
7	Steel Building & Related Components	\$ 75,300	\$ -	\$ 150,000
8	Hatches, Vents, Stairs, Walkways, Misc.	\$ 15,600	\$ -	\$ 25,000
	Electrical	\$ 23,760		\$ 27,000
10	Engineering and Testing	\$ -	\$ -	\$ 20,000

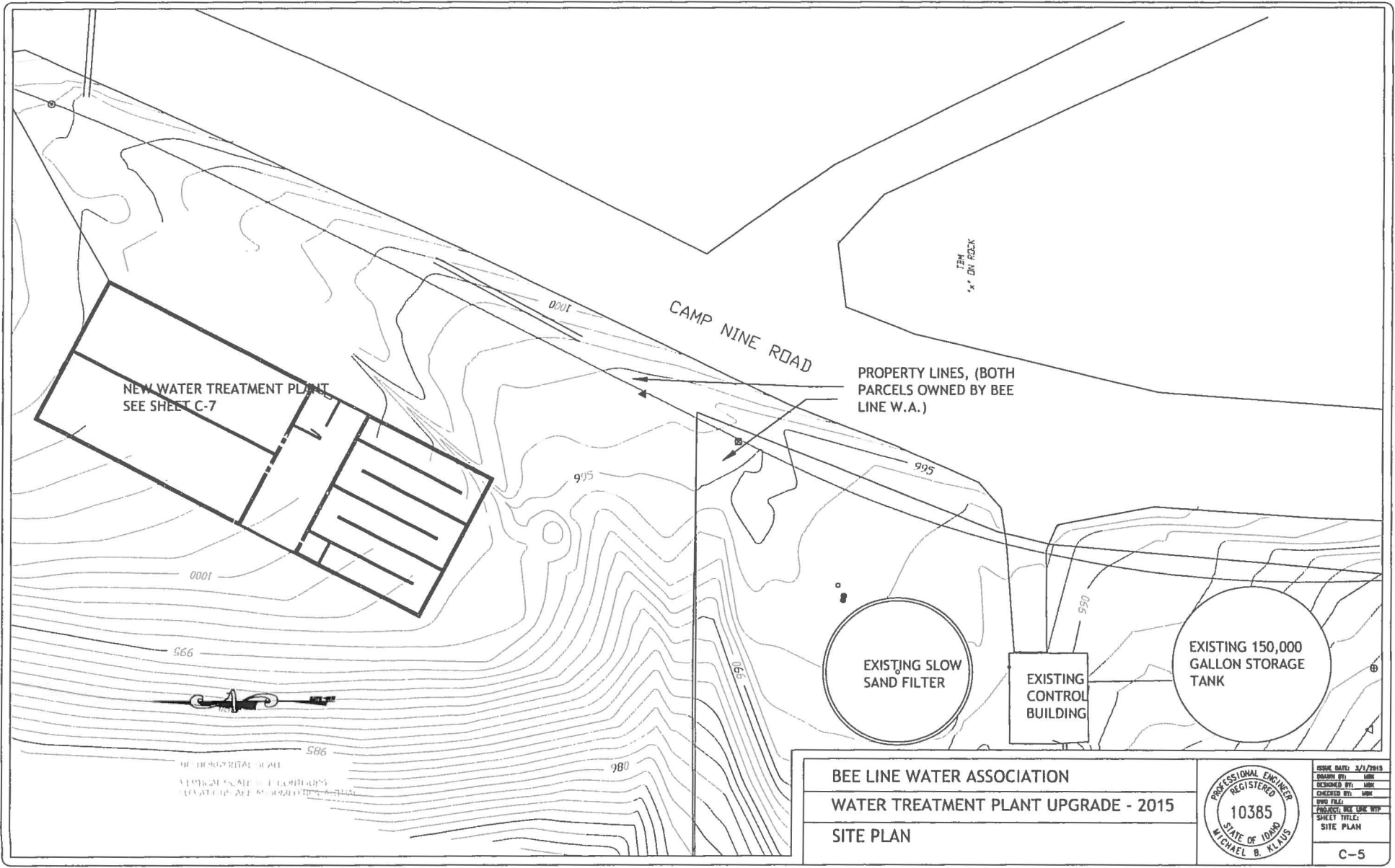
Sub Total	\$ 581,908	\$ -	\$ 562,000
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Add Alternate 1: Generator System	\$ 3,700	\$ -	\$ 3,500
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Add Alternate 2: Automated Control System	\$ 6,000	\$ -	\$ 6,000
Make/Model			

Total	\$ 591,608	\$ -	\$ 571,500
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Electrical Subcontractor	
Automated Control System-Subcontractor	



August 20, 2015

Idaho Department of Water Resource
Attn: Stuart VanGreuningen
322 East Front Street
Boise, Idaho 83720-9000

RE: Bee Line Water Association – Request for Additional Funds

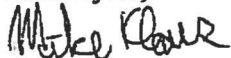
Dear Mr. VanGreuningen,

Last year IDWR approved a loan to Bee Line Water Association for \$400,000 for construction of a new slow sand filter plant. The bid for the new plant was \$591,608. The engineers estimate, after complete design, was \$551,000. I believe that the bid exceeded the requested amount for the following reasons:

1. Some DEQ rules have changed that require additional controls and piping. It is now required to have piping and controls to filter water to waste at all times. That additional cost was not accounted for during estimating.
2. The cost of filter sand has gone up dramatically because no local sources are available. This means that sand has to be transported from either southern Idaho or western Washington for the project.
3. The price of structural concrete is also much higher than I originally anticipated.
4. The basis of the preliminary design, by another firm, required some alteration in order to optimize Bee Line's available flow rate. The filter size was increased to utilize the all of the water available to the Association.

If you have any questions please call me at 208-946-9488.

Thank you,



Mike Klaus, P.E.

BEE LINE WATER ASSOCIATION

August 20, 2015

Idaho Department of Water Resources
ATTN:
PO Box 83720
Boise, ID 83720-0098

RE: Bee Line Water Association

Dear Mr. Van Greuningen,

Bee Line Water Association would like to ask for your consideration of an increased loan amount for improvements to the Bee Line Water Association system. On October 2nd, 2014 Bee Line Water Association was approved for \$400,000. After further review, an additional \$200,000 will be needed for improvements, for a total loan amount of \$600,000.

Please see the attached application and letter from Mike Klaus, Engineer; working with Bee Line Water Association on this project.

If you have any questions or would like to discuss this further, please contact Mike Klaus Engineer (208) 946-9488 or Mike Hanson Chairman (208) 610-0679.

Thank You,

Mike Hanson
Board Chairman

Mike Hanson 8-20-15



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 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)

- ☐ Municipality
☐ Water and/or Sewer District
☐ Non-Profit Water Company
☐ For-Profit Water Company

- ☐ Homeowner's Association
☒ Water Association
☐ Other

Explain: _____

Bee Line Water Association

Organization name

PO Box 676 / 7193 Main St

PO Box/Street Address

Bonnerr's Ferry, ID 83805

City, County, State, Zip Code

Project location legal description _____

Mike Hanson

Name and title of Contact Person

208-610-0679

Contact telephone number

mikefhanson@gmail.com

e-mail address

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

C. Purpose and name of project for this loan application.

- ☐ New Project
☒ Rehabilitation or replacement of existing facility
☐ DEQ requirement
☐ Other: _____

D. Briefly describe the existing water supply facilities and describe any existing operational or maintenance problems. Attach map of the service area and a separate sheet if necessary to complete the explanation.

Bee Line's existing slow sand filter needs to be replaced, while also providing additional treatment capacity.

III. WATER SYSTEM:

A. Source of water:

- ☒ Stream ☒ Groundwater
☐ Reservoir ☐ Other

B. Water Right Numbers:

Water Right	Stage	Priority Date	Source	Amount
98-2133	License	11/28/1966	Meadow Creek	0.8 CFS
98-7309	License	6/25/1979	Ground Water	1.01 CFS
98-7625	License	6/2/1986	Ground Water	0.27 CFS
98-7819	License	6/2/1986	Ground Water	0.14 CFS

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

C. Hook-ups on the system:

Approximate number of residential hook-ups: 189
Approximate number of commercial hook-ups: _____
Approximate number of industrial hook-ups: _____

D. On average, how much water is provided per day? 35,000 to 40,000 estimated

IV. USER RATES:

A. How does your organization charge user rates

- ☐ Per Hook up ☐ Other
☒ Per Volume Used Explain: _____

B. Current user rate? \$41.00 per 21,000 gallons per month
(gallons used, monthly, yearly, etc.)

If a graduated or progressive rate structure or different rates for different classes of users are used, attach a separate sheet with explanation.

C. When was the last rate change? April 2012 (month/year)

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

If yes, how?

- ☐ Meters at User Hook-ups
☐ Master Meter
☐ Other (explain) _____

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:

V. PROPOSED METHOD FOR PAYING LOAN PAYMENTS

How will you pay 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) _____

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

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

Jan. 2016 -Permanent

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
Slow sand Filter: Building, Tank	\$400,000
Wells and Well Property	\$200,000

Please attach a legal description of the property being offered along with a map referencing the property.

VII. PROOF OF OWNERSHIP

Please provide proof of ownership, easements or agreements that are held or can be acquired for the construction and operation of the project.

VIII. FINANCIAL INFORMATION:

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

B. Reserve fund (current) \$104,809

C. Current cash on hand \$34,000

D. Outstanding indebtedness:

To Whom	Annual Payment	Amt. Outstanding	Years Left
_____	_____	_____	_____
_____	_____	_____	_____

G. Have you done business with the Idaho Water Resource Board before? Yes ☒ No ☐

If yes what was the loan for? Well Development, Distribution, Building

How much was the loan for? \$157,500

Is the loan paid off? Yes ☒ No ☐

If no what is the payment and expected payoff date. _____

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

Idaho Department Water Resources Loan \$400,000 approved 10/2/2014

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: \$200,000

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: W. J. Gorman 8-20-15

Bee Line Water Association, Inc
Balance Sheet
August 31, 2015

ASSETS

Current Assets

Wells Fargo - Checking	\$ 37,330.80
Wells Fargo - Savings	104,811.73
Accounts Receivable - User	20,673.48
Accounts Receivable - Other	<u>1,963.74</u>

Total Current Assets

164,779.75

Property and Equipment

Office Equipment	5,210.89
Equipment	3,466.32
Water System: 1-Wheeler Road	13,732.80
Water System: 2-Wheeler Road	12,559.25
Water System: 3-Wheeler Road	15,773.00
Water System: Amoth Line Ext	6,189.00
Water System: Camp 9	28,246.81
Water System: Communication Sys	56,489.64
Water System: Dam Shut Off	11,086.15
Water System: Hops Well	35,966.66
Water System: Hop Well 2	31,888.39
Water System: Improvements	61,339.91
Water System: Intertie	1,820.29
Water System: Kings Row	61,516.03
Water System: Main Plant	2,615.79
Water Sysytems - Master Enginr	17,694.78
Water System: Road 41	26,217.04
Water System: Rock Creek	31,036.82
Water System: Thatcher Road	4,382.00
Water System: Wedel Subdivision	2,284.37
Water System: Weir	1,814.07
Water System: Turner Hill	3,448.04
Water System: Fawn Lane Water Main	39,703.74
Water System - Other	272,535.00
Wells- 50% Ground	53,046.00
Accumuated Depreciation	<u>(426,311.78)</u>

Total Property and Equipment

373,751.01

Other Assets

Prepaid Insurance	484.00
Land	20,509.61
Accrued DEQ Payable	<u>63.00</u>

Total Other Assets

21,056.61

Total Assets

\$ 559,587.37

Bee Line Water Association, Inc
Income Statement
For the Eight Months Ending August 31, 2015

	Year to Date	
Revenues		
Income - Water Charges Monthly	62,888.00	71.37
Income - Water - Fnance Chrgs	763.36	0.87
Discount / Credits	(433.00)	(0.49)
Income - Water - Overages	17,599.54	19.97
Income-Disconnect/Reconnect	100.00	0.11
New Membership	10,000.00	11.35
New Hookups Expenses	(2,820.30)	(3.20)
Income - Interest	20.93	0.02
Total Revenues	88,118.53	100.00
Cost of Sales		
Wages- Employees	7,260.00	8.24
Payroll Taxes & Work Comp	1,035.18	1.17
Total Cost of Sales	8,295.18	9.41
Gross Profit	79,823.35	90.59
Expenses		
Advertising / Notices	21.54	0.02
Accounting & Tax Prep	5,641.60	6.40
Bank & Finance Charges	65.50	0.07
Slow Sand Filter Project	11,174.50	12.68
Chemicals	2,072.45	2.35
Communication Wells	400.00	0.45
Drug Lab Testing	1,285.00	1.46
Dues & Subscriptions	1,385.00	1.57
Insurance	2,010.20	2.28
Locates	133.00	0.15
Meeting Expenses	750.57	0.85
Mileage	1,942.36	2.20
Office Expenses	369.63	0.42
Permits	665.57	0.76
Postage	621.60	0.71
Rent Expense	900.00	1.02
Repair & Maintenance	4,422.65	5.02
Small Tools	200.00	0.23
Subcontractors	5,058.14	5.74
Supplies	7,343.68	8.33
Telephone	504.82	0.57
Water System Operator	10,614.00	12.05
Utilities	2,276.15	2.58
Fawn Lane Water Main Project	16.24	0.02
Total Expenses	59,874.20	67.95
Net Income	\$ 19,949.15	22.64

Prepared By: Deborah Youngwirth, CPA

MEMO



To: Idaho Water Resource Board
From: Brian Patton
Subject: Ground Water Districts Interim Loan and Aqualife Hatchery
Date: November 13, 2015

Attached for your consideration is a resolution that would do the following:

- Authorize the sale of the Aqualife Hatchery to the 10 Ground Water Districts on the Eastern Snake Plain.
- Increase the amount of the \$4M interim loan to the 10 Ground Water Districts that was approved on September 18, 2015 by \$3.2M to include the cost of the Aqualife Purchase in the loan. *(NOTE: this would not require a cash disbursement from the IWRB, but the \$3.2M value of the facility would be added to the loan as ownership is transferred to the Districts).*

Background

The 10 Ground Water Districts on the Eastern Snake Plain have collectively received judicial confirmation to incur up to \$15M in debt to carry out the Hagerman Valley Settlement. This includes the cost of the \$4.3M Magic Springs-Rangen Pipeline, which has already been built, as well as several other projects.

As you may recall, on December 24, 2014 the IWRB approved loaning \$1.26M to the Magic Valley GWD and the North Snake GWD for the Magic Springs-Rangen Pipeline with those two districts covering the rest of the construction cost. The \$1.26M loan amount and the repayment date of September 30, 2015, was dictated by the extent of the Districts' previous borrowing authority.

On September 18, 2015 in Twin Falls, the IWRB approved increasing the loan amount to \$4M, with all 10 Districts as borrowers and a September 30, 2016 repayment date. The IWRB further committed to dealing with the Aqualife issue at a later date. The plan is for all 10 districts to finance the \$15M package through IWRB-issued revenue bonds (or other long-term financing as may be available).

The projects in the Hagerman Valley Settlement are as follows:

1	Magic Springs Rangen Pipeline	\$4.3M	Complete
2	Magic Springs-Billingsley Cr. tail water pipeline	\$4.3M	
3	Billingsley Bridge Diversion Pump	\$0.3M	
4	Pipeline easements	\$0.1M	
5	Sandy Pond measurement devices	\$0.05M	
6	Aqualife purchase from IWRB	\$2.0M	
7	Aquaculture subordination settlement agreements (4)	\$0.338M	Complete
8	Engineering	\$0.250M	
9	Legal	\$0.250M	
10	Contingency/unexpected expenses	\$3.112M	
	TOTAL	\$15.0M	

Aqualife Facility

The Aqua Life Hatchery is located in the Hagerman Valley along Billingsley Creek. The hatchery was developed in the 1950's and 1960's. It has been owned by the State of Idaho Department of Parks of Recreation since 2001, and was acquired by Parks as part of a larger land purchase for state park development (adjacent to this hatchery is the Vardis Fisher Pond and the site of Idaho author Vardis Fisher's home) The hatchery is currently functional, although somewhat deteriorated.

The Aqua Life hatchery utilizes water from the Big Spring complex and from Billingsley Creek. Water rights associated with the facility are as follows:

Water Right	Source	Priority Date	Rate (CFS)	Water Use
36-2338	Big Springs	1954	54.68	Fish Propagation
36-15476	Big Springs	1954	1.00	Aesthetic, recreation, wildlife (Vardis Fisher Pond)
36-2414	Tupper Spring (part of Big Springs complex)	1959	4.00	Fish Propagation
36-2734	Billingsley Creek	1965	100.00	Fish Propagation
36-4011	Billingsley Creek	1965	12.00	Fish Propagation

Current water available includes about 40 cfs from the spring and about 25 cfs from Billingsley Creek.

Pursuant to HB644 passed by the 2014 Idaho Legislature, the IWRB acquired Aqualife and the surrounding property from Parks for the purpose of using the facility and its assets to assist in resolving water delivery calls in the area. The IWRB paid Parks \$1.885M. Per HB644 Parks also received an ongoing increase in their general fund budget of \$250,000 annually.

Districts' Plan for Aqualife

Staff understands that the Districts intend to purchase the Aqualife Facility from the IWRB and transfer ownership to Seapac of Idaho. Seapac would get Aqualife in exchange for Seapac providing 10 cfs from its Magic Springs Hatchery to the Districts to deliver to Rangen through the Magic Springs pipeline. Further, Staff understands that this is to be done by the end of 2015. This appears to be consistent with the legislature's direction in HB644.

Appraised Valuation

The IWRB had an appraisal of Aqualife and the surrounding property done by Lemoyne Appraisal. As of August 14, 2015 Lemoyne appraised the value at **\$3,200,000**.

A prior appraisal was done in 2011 by Integra Realty Resources for Parks. As of July 5, 2011 Integra appraised the value at: Aquaculture Facility: \$1,635,000 and Surrounding Property: \$1,040,000 for a total of **\$2,675,000**.

Financing Plan

The plan is to add the \$3.2M purchase price for Aqualife to the \$4M interim loan that was approved at the September 18 IWRB meeting, for a total loan amount of \$7.2M. This would not require an additional cash disbursement from the IWRB, but the \$3.2M value of the facility would be added to the loan as ownership is transferred to the Districts. This interim loan is due on September 30, 2016 with 3.5% interest. The plan is to get the long-term financing in place by then.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE EASTERN SNAKE)
PLAIN GROUND WATER DISTRICTS)
_____)

A RESOLUTION

WHEREAS, a Letter of Request from the Aberdeen-American Falls Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, Southwest Irrigation District, Carey Valley Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Madison Ground Water District, Jefferson Clark Ground Water District, and the Fremont-Madison Irrigation District (Districts) has been submitted to the Idaho Water Resource Board (IWRB) requesting an interim loan in the amount of \$6,000,000; and

WHEREAS, the Districts are proposing to use the funds on a short-term basis to finance the construction of the Magic Springs-Rangen Pipeline which was recently completed at a cost of about \$4.3 million, and the purchase of the Aqualife Hatchery from the IWRB; and

WHEREAS, the Magic Springs-Rangen Pipeline Project is a key component of the Idaho Ground Water Appropriator's (IGWA's) "Fourth Mitigation Plan" for Rangen, which was approved by Director Spackman on October 29, 2014. IGWA submitted the "Fourth Mitigation Plan" on behalf of the Districts, which are members of IGWA; and

WHEREAS, both the Magic Springs-Rangen Pipeline Project and the Aqualife Hatchery purchase are key components of the proposed Hagerman Valley Settlement Agreement, currently being negotiated between the Districts and water users in the Hagerman Valley; and

WHEREAS, the total cost of the Hagerman Valley Settlement Agreement is estimated at \$15 million and is to be shared by the Districts; and

WHEREAS, on June 15, 2015, the Districts jointly received authority through judicial examination, Sixth Judicial District Case No. CV-2015-115, to incur indebtedness of up to \$15 million for the purpose of undertaking mitigation projects in the Hagerman Valley; and

WHEREAS, the plan for long-term financing is for the Districts to finance the entire \$15 million package of Hagerman Valley projects through IWRB-issued revenue bonds or other long-term financing as may be available; and

WHEREAS, on August 4, 2015 the IWRB's Finance Committee met and considered this request for an interim loan. The Finance Committee recommended approval of the loan in the amount of \$4 million to be repaid no later than September 2016. The Finance Committee further recommended that the purchase of the Aqualife Hatchery from the IWRB could be handled at a later date prior to the end of the calendar year; and

WHEREAS, on September 18, 2015 the IWRB met in Twin Falls and approved an interim loan in the amount of \$4 million at 3.5% to be repaid no later than September 30, 2016 or upon issuance of revenue bonds for long-term financing. The approved \$4 million loan provides for refinancing of the

outstanding\$1.26 million loan to the Magic Valley & North Snake Ground Water Districts approved by resolution dated December 24, 2014, and \$2.74 million from the Secondary Aquifer Planning, Management, and Implementation Fund.

WHEREAS, the IWRB committed to addressing the Aqualife Hatchery issue at a later date prior to the end of the calendar year; and

WHEREAS. House Bill 644 passed and approved by the 2014 Legislature directed the sale of the Aqualife Hatchery from the Department of Parks and recreation to the IWRB for the purpose of utilizing the assets of the facility to assist in resolving water delivery calls; and

WHEREAS, the Districts intend to purchase the Aqualife Hatchery from IWRB for exchange to Seapac of Idaho in return for Seapac providing water from its Magic Springs Hatchery to the Districts for delivery to Rangen through the Magic Springs-Rangen Pipeline; and

WHEREAS, an appraisal of the Aqualife Hatchery dated August 14, 2015 estimated the value of the facility at \$3.2 million; and

WHEREAS, the projects to be financed by this interim loan are in the public interest, in conformance with the State Water Plan, and will assist in resolving significant water use conflicts.

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the sale of the Aqualife Hatchery, including facilities, land, and water rights to the Districts at the August 14, 2015 appraised value of \$3.2 million.

NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB approves increasing the amount of the interim loan approved on September 18, 2015 from \$4 million to \$7.2 million, plus outstanding interest, to include the cost of the Aqualife Hatchery Purchase. All other terms and conditions of the loan approval remain unchanged.

NOW THEREFORE BE IT FURTHER RESOLVED that the water rights appurtenant to the Aqualife Hatchery be conditioned to preclude a delivery call by the owner of said water rights against the Eastern Snake Plain Aquifer.

NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB provides authority to the Chairman or his designee to execute all necessary contracts and loan documents with the Districts on behalf of the IWRB and to execute a quitclaim deed conveying the Aqualife Hatchery Facility to the Districts .

DATED this 17th day of November, 2015.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST

VINCE ALBERDI, Secretary



RACINE
OLSON
NYE
BUDGE
BAILEY

201 E. Center St.
P.O. Box 1391
Pocatello, ID 83204
OFFICE 208.232.6101
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racinelaw.net

RANDALL C. BUDGE
rcb@racinelaw.net

July 10, 2015

Idaho Water Resource Board
Roger Chase, Chairman
Vince Alberdi, Finance Committee Chairman
Brian Patton, Secretary
322 East Front Street
State House Mail
Boise, Idaho 83720
brian.patton@idwr.idaho.gov
rwchase33@gmail.com

Sent Via Email

Re: Ground Water District Loan Request

Dear Roger, Vince, Brian and other Board Members:

This letter is written on behalf of North Snake Ground Water District, Magic Valley Ground Water District, Carey Valley Ground Water District, Southwest Irrigation District, Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Madison Ground Water District, Jefferson-Clark Ground Water District and Fremont Madison Irrigation District (collectively "Districts") to request an interim loan from the Board in the amount of up to \$6 million to cover costs incurred pertaining to the Districts' obligations under the Hagerman Valley Global Settlement Term Sheet.

The loan amount will be used to (a) refinance and share among all the Districts the \$1.25 million loan taken out earlier this year by North Snake and Magic Valley Ground Water District pertaining to the construction of the Magic Springs Pipeline Project to Rangen; (b) pay the estimated \$1.7 million cost of acquiring Aqualife from the Board for transfer to SeaPac of Idaho, Inc. before year-end; and (c) subordination purchased and other related costs.

Attached is the information reflecting what was spent by North Snake and Magic Valley to date on the Hagerman Global Settlement efforts. All of this relates to the Rangen Pump Project, excepting the subordinations of the four water rights on the other 2014 delivery calls. The totals are as follows:

North Snake - \$653,179.90
Magic Valley - \$3,726,216.88



These amounts were paid directly by these two Districts and do not include legal and engineering paid through IGWA. The supporting details were provided with my letter of June 29, 2015 to Brian Patton.

Attached is a copy of the Judgment and Decree approving Petition for Judicial Examination entered in Power County Case No. CV-2015-115 on June 15, 2015. This authorizes the Districts to incur indebtedness of up to \$15 million funded by a loan from the Board or other lenders to pay for present and future mitigation projects and acquisitions in the Hagerman area, to levy assessments against the members sufficient to repay the loan which should be first priority liens against the lands of the Districts' members, second only to liens for payment of the real property taxes.

Also attached is a copy of the Districts' Petition for Judicial Confirmation to the Court which was the basis for the Judgment. Please note that Exhibit A attached provides a break down of the estimated \$15 million estimated total Hagerman mitigation cost. Exhibit B attached reflects the manner in which a \$15 million loan and mitigation costs will be allocated between and paid by the Districts, together with the cost per cfs total and on an annual basis if amortized over 20 years at 4%.

The additional costs that will be incurred to complete the Hagerman mitigation projects are uncertain at this time. Engineering work is ongoing as are discussions with various parties in the Hagerman area. We anticipate having agreements in place near year-end with project construction in 2016. Upon completion, it is anticipated the interim loan will be refinanced with the remaining project costs into a long term loan.

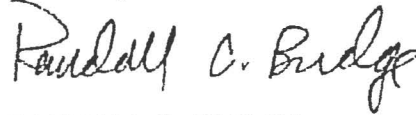
Financial statements have been provided by North Snake and Magic Valley. Their estimated average pumping costs range from \$80 to \$130 per acre.

The Districts propose to grant the Board a security interest in the Magic Springs Pump Project assets consisting of the pumps, motors, pipelines, and the associated easements. The loan will be repaid by assessments levied by the Districts against their members. These assessments create binding and enforceable liens against the members' property.

It is our understanding that the Board's Finance Committee will convene a meeting the week of July 20-24, 2015 to review this interim loan request. Please confirm where and when this meeting will be held and we will arrange to have representatives of the Districts and IGWA present to discuss this request and answer any questions you may have.

Thank you for your cooperation and assistance. If you have any questions or need additional information, please don't hesitate to contact me.

Sincerely,



RANDALL C. BUDGE

RCB:ts

Enclosures

c: District Chairmen
IGWA

Tim Deeg, President

Lynn Tominaga, Executive Director

EXHIBIT A

Hagerman Mitigation Cost Estimates April 15, 2015		
	Description	Cost (est.)
1	Rangen/Magic Springs Pump/Pipeline Project ¹	\$3,900,000
2	Billingsley Creek/Magic Springs Pump Project ²	\$4,300,000
3	Billingsley Creek - Bridge Diversion Pump Station	\$300,000
4	Pipeline Easements	\$100,000
5	Sandy Pond Measuring Devices ³	\$50,000
6	Aqualife Purchase from IWRB for exchange to SeaPac ⁴	\$2,000,000
7	(4) Aquaculture Subordination Settlement Agreements ⁵	\$338,000
8	Engineering ⁶	\$250,000
9	Legal ⁷	\$250,000
10	Other Mitigation Projects and Contingency	\$3,512,000
	Total:	\$15,000,000

1. Cost includes approximately \$700K associated with the large pump station improvements (Billingsley Creek) and engineering oversight through construction.
2. Includes design, pump station, piping across Magic Springs, and remaining piping to Sandy Pipeline at the Sandy Ponds.
3. Anticipated 50/50 cost share with Association of Cities.
4. Estimated price subject to legislative and IWRB approval.
5. Cost of acquiring Subordination Settlement Agreements of four 2014 spring users delivery calls.
6. This planning, design, and suveying (Engineering) will support on-going efforts in the Hagerman Valley for foreseeable 2015 projects.
7. Part of past/future legal fees re: Rangen Delivery Call.

EXHIBIT B

IGWA DISTRICTS

PROPOSED SHARE OF ESTIMATED COSTS

ALLOCATED PER CFS

Lower Valley Districts	Irrigated Acres	CFS of Water Rights	% of Total CFS	\$8.25M (55%) Hagerman Mitigation Allocated by CFS	Total Cost Per CFS	Annual Payment Amortized 20 Yrs. at 4%	Annual Cost Per CFS
North Snake GWD	87,399.0	1,728	31.79%	\$2,622,517	\$1,517.66	\$190,703.22	\$110.36
Magic Valley GWD	128,000.0	2,200	40.47%	\$3,338,852	\$1,517.66	\$242,793.46	\$110.36
Southwest Irr. Dist.	79,655.0	1,453	26.73%	\$2,205,160	\$1,517.66	\$160,354.04	\$110.36
Carey Valley GWD	3,634.6	55	1.01%	\$83,471	\$1,517.66	\$6,069.84	\$110.36
TOTAL	298,688.6	5,436	100.00%	\$8,250,000		\$599,920.56	

Upper Valley Districts	Irrigated Acres	CFS of Water Rights	% of Total CFS	\$6.75M (45%) Hagerman Mitigation	Cost of Total Per CFS	Annual Payment Amortized 20 Yrs. at 4%	Annual Cost Per CFS
Aberdeen/American Falls GWD	144,539.0	2,328	21.77%	\$2,250,000	\$966.49	\$163,614.72	\$70.28
Bingham GWD	203,975.0	2,618	24.48%	\$2,035,770	\$777.60	\$148,036.44	\$56.55
Bonneville-Jefferson GWD	62,000.0	1,240	11.59%	\$964,230	\$777.60	\$70,116.48	\$56.55
Madison GWD	50,852.0	946	8.84%	\$314,634	\$332.59	\$22,879.44	\$24.19
Jefferson-Clark GWD	175,509.7	3,420	31.97%	\$1,137,472	\$332.59	\$82,714.32	\$24.19
Fremont-Madison Irr. Dist.	64,717.0	144	1.35%	\$47,894	\$332.59	\$3,482.76	\$24.19
TOTAL	701,592.7	10,696	100.00%	\$6,750,000		\$490,844.04	

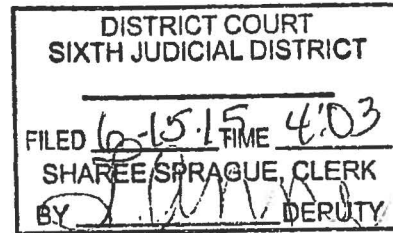
(1) Based upon total estimated costs of \$15 million for Hagerman mitigation.

(2) Costs allocated 55% / \$8.25 million to Lower Valley Districts and 45% / \$6.75 million to Upper Valley Districts.

(3) Upper Valley Districts have been grouped by geographic locations to more closely follow potential mitigation scenarios.

(4) Southwest Irrigation District's 1,453 cfs includes Goso Creek Irrigation District

Randall C. Budge, ISB No. 1949
T.J. Budge, ISB No. 7465
RACINE, OLSON, NYE,
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Pocatello, Idaho 83204-1391
Telephone: (208) 232-6101
Fax: (208) 232-6109
Attorney for Petitioners



IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO IN AND FOR THE COUNTY OF POWER

NORTH SNAKE GROUND WATER DISTRICT,
MAGIC VALLEY GROUND WATER DISTRICT,
SOUTHWEST IRRIGATION DISTRICT, CAREY
VALLEY GROUND WATER DISTRICT,
ABERDEEN/AMERICAN FALLS GROUND
WATER DISTRICT, BINGHAM GROUND WATER
DISTRICT, BONNEVILLE-JEFFERSON GROUND
WATER DISTRICT, MADISON GROUND WATER
DISTRICT, JEFFERSON-CLARK GROUND
WATER DISTRICT, AND FREMONT-MADISON
IRRIGATION DISTRICT,

Petitioners.

Case No. CV-2015-115

**JUDGMENT AND DECREE
APPROVING PETITION
FOR JUDICIAL EXAMINATION**

The above-entitled matter came on regularly before the Court for hearing on June 11, 2015, at the hour of 2:00 p.m. before the Honorable Stephen S. Dunn District Judge, on the Petition for Judicial Examination filed by Petitioners as Ground Water Districts, Irrigation Districts and political subdivisions of the State of Idaho (hereinafter "Petitioners"). Based upon the Certificates of Mailing and the Proofs of Publication filed herein, the Court determines that Notice of Petition and Hearing was properly served upon the members of the petitioning Ground Water Districts and Irrigation Districts by

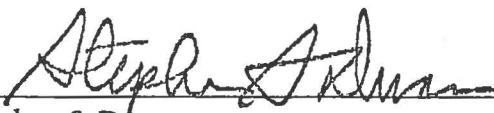
U.S. Mail, postage prepaid, and by publication as required by law. The Court having reviewed the Petition for Judicial Examination, the evidence presented and arguments of counsel in support thereof, and there being no objections thereto, Petitioners are entitled to the relief prayed for in the Petition.

JUDGMENT IS ENTERED AS FOLLOWS:

1. That the petitioning Ground Water Districts and Irrigation Districts acting through their respective Boards of Directors are hereby authorized and empowered under the constitution and statutes of the State of Idaho to incur indebtedness of up to \$15,000,000 funded by a loan from the Idaho Water Resource Board, Farm Credit Services or from commercial or other lenders in the form of revenue bonds, loans or other instruments of indebtedness and to secure payment of the indebtedness as necessary to pay for present and future mitigation projects and acquisitions in the Hagerman area; and, to levy assessments against their members over a term not to exceed thirty (30) years sufficient to repay the principal and interest on the indebtedness which shall be first priority liens against the lands of the Ground Water District members and Irrigation District users, second only to the liens for the payment of real property taxes pursuant to Idaho Code §42-5240.

2. That the petitioning Ground Water Districts and Irrigation Districts are hereby granted authority without limitation to enter into loan agreements and execute promissory notes, loan documents, bonds and such other documents as may be reasonable and necessary to carry out and implement the foregoing.

DATED this 15 day of June, 2015.



Stephen S. Dunn
DISTRICT JUDGE

CLERK'S CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 15th day of June, 2015, I served a true and correct copy of the above and foregoing document to the following person(s) as follows:

Randall C. Budge
Racine, Olson, Nye, Budge & Bailey
P. O. Box 1391
Pocatello, Idaho 83204-1391

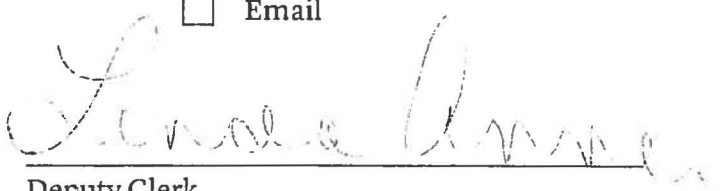
☒ U.S. Mail
☐ Facsimile
☐ Overnight Mail
☐ Hand Delivery
☐ Email

William A. Parsons
Attorney for Southwest Irrigation District
P.O. Box 910
Burley, Idaho 83318

☒ U.S. Mail
☐ Facsimile
☐ Overnight Mail
☐ Hand Delivery
☐ Email

Jerry Rigby
Attorney for Fremont-Madison
Irrigation District
P.O. Box 250
Rexburg, Idaho 83440-0250

☒ U.S. Mail
☐ Facsimile
☐ Overnight Mail
☐ Hand Delivery
☐ Email


Deputy Clerk

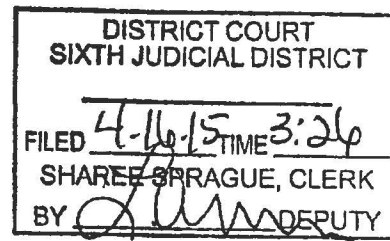
STATE OF IDAHO
COUNTY OF POWER

I hereby certify that the foregoing is a full, true and correct copy of an instrument as the same now remains on file and of record in my office.

WITNESS my hand and official seal hereto affixed
this 15 day of June, 2015.
SHAREE SPRAGUE, CLERK

By Deputy

Randall C. Budge, ISB No. 1949
T.J. Budge, ISB No. 7465
RACINE, OLSON, NYE,
BUDGE & BAILEY, Chartered
P. O. Box 1391
Pocatello, Idaho 83204-1391
Telephone: (208) 232-6101
Fax: (208) 232-6109
Attorney for Petitioners



IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO IN AND FOR THE COUNTY OF POWER

ABERDEEN/AMERICAN FALLS GROUND
WATER DISTRICT, NORTH SNAKE GROUND
WATER DISTRICT, MAGIC VALLEY GROUND
WATER DISTRICT, SOUTHWEST IRRIGATION
DISTRICT, CAREY VALLEY GROUND WATER
DISTRICT, BINGHAM GROUND WATER
DISTRICT, BONNEVILLE-JEFFERSON GROUND
WATER DISTRICT, MADISON GROUND WATER
DISTRICT, JEFFERSON-CLARK GROUND
WATER DISTRICT, AND FREMONT-MADISON
IRRIGATION DISTRICT,

Petitioners.

Case No. CV 2015-115

PETITION FOR JUDICIAL EXAMINATION

COME NOW, Petitioners ABERDEEN/AMERICAN FALLS GROUND WATER DISTRICT, NORTH SNAKE GROUND WATER DISTRICT, MAGIC VALLEY GROUND WATER DISTRICT, SOUTHWEST IRRIGATION DISTRICT, CAREY VALLEY GROUND WATER DISTRICT, BINGHAM GROUND WATER DISTRICT, BONNEVILLE-JEFFERSON GROUND WATER DISTRICT, MADISON GROUND WATER DISTRICT, JEFFERSON-CLARK GROUND WATER DISTRICT, AND FREMONT-MADISON IRRIGATION DISTRICT, each as districts and on behalf of their respective members (collectively referred to herein as "Petitioners" or "Districts"), by and through counsel, and submit this Petition for Judicial Examination ("Petition"), pursuant to Idaho Code § 42-5235 pertaining to ground water districts and Idaho Code §43-322A pertaining to irrigation districts, request judicial examination and determination of

Petitioners' power to enter into contracts for the purchase of certain real property, water rights and other assets for the development and implementation of a mitigation plan(s) in the Hagerman valley pursuant to the Hagerman Global Settlement Term Sheet and otherwise, to incur indebtedness therefor up to \$15 million, and to levy and collect assessments for payment of such costs and indebtedness. Pursuant to Idaho Code § 42-5240 and §43-322A said levies and assessments shall constitute first liens upon the real property of members of the Districts and against non-member participants for mitigation, second only to liens for real property taxes. District members and non-member participants for mitigation purposes only as defined under Idaho Code § 42-5259 are collectively referred to herein as "members."

PARTIES

1. Petitioner Aberdeen/American Falls Ground Water District represents approximately 291 member-owners of irrigation rights, including the irrigation of approximately 144,539 acres of farmland in Power and Bingham Counties. Aberdeen/American Falls Ground Water District's office is located in American Falls, Idaho, Power County, Idaho.

2. Petitioners bring this action as ground water districts organized and existing pursuant to Idaho Code § 42-5201, *et seq.*, and as irrigation districts organized and existing pursuant to Idaho Code §43-301 *et seq.*, and in their representative capacity on behalf of their respective members who own lawful and vested groundwater rights serving irrigation, municipal, commercial, industrial and other beneficial uses and will be referred to collectively herein as the "Districts."

3. Petitioner North Snake Ground Water District represents approximately 682 member-owners of groundwater rights, including the irrigation of approximately 87,399 acres of farmland in southern Idaho in Gooding, Jerome and Lincoln Counties. North Snake Ground Water District's Office is located at 152 E. Main Street, Jerome, Jerome County, Idaho.

4. Petitioner Magic Valley Ground Water District represents approximately _____ member-owners of groundwater rights, including the irrigation of approximately

128,000 acres of farmland in southern Idaho in Cassia, Minidoka, Lincoln, and Jerome Counties. Magic Valley Ground Water District's office is located in Paul, Idaho, Minidoka County, Idaho.

5. Petitioner Southwest Irrigation District represents approximately _____ member-owners of irrigation rights, including the irrigation of approximately 79,655 acres of farmland in southern Idaho in Cassia County. Southwest Irrigation District's office is located in Burley, Idaho, Cassia County, Idaho.

6. Petitioner Carey Valley Ground Water District represents approximately 27 member-owners of irrigation rights, including the irrigation of approximately 3,635 acres of farmland in southern Idaho in Blaine and Butte Counties. Carey Valley Ground Water District's office is located in Carey, Idaho, Blaine County, Idaho.

7. Petitioner Bingham Ground Water District represents approximately 454 member-owners of irrigation rights, including the irrigation of approximately 203,975 acres of farmland in southern Idaho in Bingham County. Bingham Ground Water District's office is located in Blackfoot, Bingham County, Idaho.

8. Petitioner Bonneville-Jefferson Ground Water District represents approximately 115 member-owners of irrigation rights, including the irrigation of approximately 62,000 acres of farmland in southern Idaho in Bonneville and Jefferson Counties. Bonneville-Jefferson Ground Water District's office is located in Idaho Falls, Bonneville County, Idaho.

9. Petitioner Madison Ground Water District represents approximately 67 member-owners of irrigation rights, including the irrigation of approximately 50,852 acres of farmland in southern Idaho in Madison County. Madison Ground Water District's office is located in Rexburg, Madison County, Idaho.

10. Petitioner Jefferson-Clark Ground Water District represents approximately 171 member-owners of irrigation rights, including the irrigation of approximately 175,510 acres of farmland in southern Idaho in Jefferson, Clark and Fremont Counties. Jefferson-Clark Ground Water District's office is located in Idaho Falls, Idaho, Bonneville County, Idaho.

11. Petitioner Fremont-Madison Irrigation District represents approximately _____ member-owners of irrigation rights, including the irrigation of approximately 64,717 acres of farmland in southern Idaho in Fremont and Madison Counties. Fremont-Madison Irrigation District's office is located in St. Anthony, Idaho, Fremont, County, Idaho.

12. The Ground Water Districts were each formed and operate as political subdivisions of the state of Idaho under Idaho Code § 42-5224(6) and the Irrigation Districts were each formed and operate as political subdivisions of the state of Idaho Under Idaho Code § 43-101 *et seq.*

JURISDICTION AND VENUE

13. Jurisdiction and venue are proper in this District Court sitting in Power County, Idaho, pursuant to Idaho Code §§ 42-5235 and 43-406 by reason of the fact that Petitioner Aberdeen/American Falls Groundwater District's office is located in Cassia County, Idaho, and all other petitioning Districts hereby join in this Petition for Judicial Examination as required by Idaho Code § 42-5235 and § 43-322A.

GENERAL ALLEGATIONS

14. The Districts, acting by and through their respective boards of directors, are authorized and empowered to acquire, operate, control, lease or use water rights and other real property, and to enter into contracts to fully exercise their powers. Idaho Code §§ 42-5224 (1)-(3).

15. The Districts acting by and through their respective boards of directors are authorized and empowered under Idaho Code § 42-5224(11) to develop, maintain, operate and implement mitigation plans, and are further authorized and empowered to levy and collect assessments and incur indebtedness. Idaho Code §§ 42-5232, 42-5233, 43-304.

16. The Districts, acting by and through their respective boards of directors, are authorized and empowered to levy assessments to secure funds for the repayment of indebtedness incurred for mitigation plans for the district(s) in amounts sufficient to repay the interest and principal as it falls due. Idaho Code § 42-5233(1), 43-701.

17. The assessments levied by the Districts shall be priority liens against the land of the groundwater users to which the water rights used to determine assessments are appurtenant and said liens are second only to liens for real property taxes under Idaho Code § 42-5240, § 43-706.

18. On January 29, 2014, the Director ("Director") of the Idaho Department of Water Resources ("Department") issued the *Final Order Regarding Rangen, Inc.'s Petition for Delivery Call; Curtailing Ground Water Rights Junior to July 13, 1962* ("Curtailment Order"). The Curtailment Order recognizes that holders of junior-priority ground water rights may avoid curtailment if they participate in a mitigation plan which provides "simulated steady state benefits of 9.1 cfs to Curren Tunnel [sometimes referred to as the "Martin-Curren Tunnel"] or direct flow of 9.1 cfs to Rangen." The Curtailment Order explains that mitigation provided by direct flow to Rangen, Inc. ("Rangen"), "may be phased-in over not more than a five-year period pursuant to CM Rule 40 as follows: 3.4 cfs the first year, 5.2 cfs the second year, 6.0 cfs the third year, 6.6 cfs the fourth year, and 9.1 cfs the fifth year."

19. On February 11, 2014, the Idaho Ground Water Appropriators, Inc. ("IGWA"), filed with the Department IGWA's *Mitigation Plan and Request for Hearing* ("First Mitigation Plan") to avoid curtailment imposed by the Curtailment Order. The First Mitigation Plan proposed nine possible mitigation activities for junior-priority ground water pumpers to satisfy mitigation obligations.

20. On February 12, 2014, IGWA filed IGWA's *Petition to Stay Curtailment, and Request for Expedited Decision*. On February 21, 2014, the Director issued an *Order Granting IGWA's Petition to Stay Curtailment*, which stayed enforcement of the Curtailment Order for members of IGWA and the non-member participants in IGWA's First Mitigation Plan until a decision was issued on the First Mitigation Plan.

21. On March 17-19, 2014, the Director conducted a hearing for the First Mitigation Plan at the Department's state office in Boise, Idaho. On April 11, 2014, the Director issued an *Order Approving in Part and Rejecting in Part IGWA's Mitigation Plan; Order Lifting Stay Issued February 21, 2014; Amended Curtailment Order* ("First Mitigation Plan Order"). In the First Mitigation Plan Order, the Director approved two of

the nine proposed components of the First Mitigation Plan: (1) credit for current and ongoing mitigation activities (collectively referred to as "aquifer enhancement activities"), and (2) delivery of water directly to Rangen that otherwise would have been delivered in priority to Howard "Butch" Morris ("Morris") but for North Snake Ground Water District ("NSGWD") delivering surface water to Morris through the Sandy Pipeline ("Morris exchange agreement"). The Director rejected the other seven components of the First Mitigation Plan. The Director recognized 1.2 cfs of mitigation credit for IGWA's aquifer enhancement activities and 1.8 cfs of mitigation credit for delivery of water to Rangen as a result of the Morris exchange agreement. The Director recognized a total mitigation credit of 3.0 cfs, 0.4 cfs short of the 3.4 cfs mitigation required for the time period from April 1, 2014, through March 31, 2015. To satisfy the 0.4 cfs mitigation deficiency, the Director ordered curtailment of ground water rights bearing priority dates junior or equal to July 1, 1983, during the 2014 irrigation season.

22. On March 10, 2014, during the pendency of the First Mitigation Plan proceeding, IGWA filed with the Department IGWA's *Second Mitigation Plan and Request for Hearing* ("Second Mitigation Plan") in response to the Curtailment Order. The Second Mitigation Plan proposed delivery of up to 9 .1 cfs of water from Tucker Springs, a tributary to Riley Creek, through a 1.3 mile pipeline to the fish research and propagation facility owned by Rangen ("Rangen Facility").

23. On April 17, 2014, IGWA filed IGWA's *Second Petition to Stay Curtailment, and Request for Expedited Decision* ("Second Petition"). The Second Petition asked the Director to "stay implementation of the [Curtailment Order], . . . until the judiciary completes its review of the Curtailment Order in *IGWA v. IDWR*, Gooding County Case No. CV-2014-179, and *Rangen v. IDWR*, Twin Falls County Case No. CV-2014-1338." On April 28, 2014, the Director issued an *Order Granting IGWA's Second Petition to Stay Curtailment* stating the Director would revisit the stay at the time a decision on IGWA's Second Mitigation Plan was issued.

24. On June 4-5, 2014, the Director conducted a hearing for the Second Mitigation Plan at the Department's state office in Boise, Idaho. On June 20, 2014, the Director issued an *Order Approving IGWA's Second Mitigation Plan; Order Lifting Stay*

Issued April 28, 2014; Second Amended Curtailment Order ("Second Mitigation Plan Order"). To dovetail the First Mitigation Plan into the Second Mitigation Plan, the Director recalculated the period of time over which the volume of water provided by the Morris exchange agreement was averaged to equal the number of days the water would provide full mitigation to Rangen. The Director required curtailment or additional mitigation from IGWA under the Second Mitigation Plan after the time full mitigation credit under the First Mitigation Plan expires. Specifically, the Director calculated that 2.2 cfs of mitigation water must be delivered to Rangen by the Morris exchange agreement to provide full mitigation during the first year of phased-in mitigation. The Director calculated the 2.2 cfs mitigation obligation by subtracting the 1.2 cfs mitigation credit from aquifer enhancement activities from the 3.4 cfs first year phase-in mitigation obligation. In the Second Mitigation Plan Order, the Director recognized mitigation credit for the Morris exchange agreement at an average rate of 2.2 cfs for the 293-day period between April 1, 2014 and January 18, 2015. As of January 19, 2015, IGWA must begin providing water to Rangen at a rate of 2.2 cfs by other means to meet the 3.4 cfs annual obligation for April 1, 2014 through March 31, 2015. *Id.* at 18. Accordingly, the Director ordered that the April 28, 2014, stay was lifted and failure to deliver 2.2 cfs to Rangen from Tucker Springs by January 19, 2015, will result in curtailment of water rights junior or equal to August 12, 1973, unless another mitigation plan has been approved and is providing the required water to Rangen.

25. On August 27, 2014, IGWA filed *IGWA's Fourth Mitigation Plan and Request for Expedited Hearing* ("Fourth Mitigation Plan"). The Fourth Mitigation Plan consists of the "Magic Springs Project."

26. The Magic Springs Project is comprised of multiple components including: lease or purchase of 10.0 cfs of water right nos. 36-7072 and 36-8356 owned by SeaPac of Idaho ("SeaPac"); long-term lease or purchase from the Idaho Water Resource Board ("IWRB") of water right nos. 36-40114, 36-2734, 36-15476, 36-2414, and 36-2338 to make available to SeaPac; design, construction, operation, and maintenance of the water intake and collection facilities, pump station, and pipeline to transport water from SeaPac's Magic Springs facility to the head of Billingsley Creek directly up gradient from

the Rangen Facility; acquisition of permanent easements for the Magic Springs pipeline to Rangen and at Magic Springs for the water intake and collection facilities, pump station, pipeline, and other necessary features for delivery of water to the head of Billingsley Creek; and approval of a transfer application to change the place of use from SeaPac to Rangen. The Director held a hearing for the Fourth Mitigation Plan on October 8, 2014, at the Department's State office in Boise, Idaho.

27. On October 29, 2014, the Director issued an *Order Approving IGWA's Fourth Mitigation Plan* ("Fourth Mitigation Plan Order").

28. In 2014, additional senior water right delivery calls were made in the Hagerman area by Aquarius Aquaculture, ARK Fisheries, Inc., LynClif Farms and Dan and Dadhri Lee ("Hagerman Delivery Calls") seeking to curtail junior ground water users unless mitigation water is provided. The Districts have entered into settlement agreements to resolve each of said Hagerman Delivery Calls by paying monetary compensation to acquire water right subordinations or other protection measures.

29. On December 18, 2014, IGWA filed *IGWA's Fifth Mitigation Plan and Request for Hearing* to pump and pipe discharge water from Magic Springs to Billingsley Creek and/or to the Sandy Ponds and Sandy Pipeline to mitigate for other potential delivery calls on Billingsley Creek ("Billingsley Creek Projects").

JUDICIAL EXAMINATION OF INDEBTEDNESS

30. The Districts by unanimous resolutions duly adopted by their respective boards of directors and entered upon the minutes of each respective District determined that it is in the best interests of the Districts and their members and that it is in the public interest to construct the Magic Springs Project to deliver water from Magic Springs to the head of Billingsley creek to satisfy the Rangen and other delivery calls; to acquire certain real property, water rights and other assets and to construct other mitigation projects in what is commonly known as the Hagerman area of the Snake River that can be used as part of present and future Districts' mitigation plans to provide mitigation or replacement water to avoid material injury to senior water rights, to comply with certain orders entered by the IDWR and to avoid curtailment of their members' junior groundwater rights.

31. Once judicial confirmation has been secured, the Districts intent to proceed to securing financing of up to fifteen million dollars (\$15,000,000) to pay some or all of the estimated costs of present and future mitigation projects in the Hagerman area, including but not limited to those projects listed on **Exhibit A** attached ("Mitigation Projects").

32. Petitioners expect to secure some or all of the necessary financing through a loan from the Idaho Water Resource Board, Farm Credit Services, commercial banks and/or other sources. Therefore, Petitioners seek authority to incur indebtedness from any source to pay for present and future projects to mitigate for injury to senior water rights and avoid curtailment. In order to incur indebtedness the Districts must be authorized by the District Court to incur indebtedness over a term not to exceed thirty (30) years and to levy assessments against their members sufficient to repay the principal and interest on the indebtedness as it falls due as required by Idaho Code § 42-5233 and § 43-704. Further, such assessments shall be priority liens against the land of the ground water users to which the water rights used to determine the assessments are appurtenant, which liens shall not be removed until the assessments are paid and are second only to liens for the payment of real property taxes, as provided for under Idaho Code § 42-5240 and § 43-706.

33. The estimated costs of the Projects and proposed indebtedness to be incurred will be allocated between the Districts in a fair and equitable manner as set for in **Exhibit B** attached. Assuming the full \$15 million is incurred for mitigation projects in the Hagerman area, **Exhibit B** also reflects: (a) each District's share of the total cost; (b) each Districts the total cost per CFS; and, (c) the annual cost per CFS to the members of each District if the indebtedness is financed and amortized over 20 years at 4% interest. These costs per CFS are reflected separately for each District and for the members in the respective Districts.

34. The Board of Directors for each District have separately met and unanimously authorized and approved the completion of the Projects.

35. No referendum petition was filed requiring an election under I.C. § 42-5234 or § 43-322A.

PRAYER FOR RELIEF

WHEREFORE, Petitioners request the following relief:

A. That the District Court examine this Petition and make a judicial determination confirming the power of the Districts acting through their respective Boards of Directors to incur the indebtedness of up to fifteen million dollars (\$15,000,000) to the Idaho Water Resource Board, Farm Credit Services or from commercial or other lenders in the form of revenue bonds, loans or other instruments of indebtedness as necessary to pay for present and future mitigation projects and acquisitions in the Hagerman area, to levy assessments against their members over a term not to exceed thirty (30) years sufficient to repay the principal and interest on the indebtedness which will become first priority liens against the land of their member groundwater users, second only to liens for the payment of real property taxes pursuant to Idaho Code § 42-5240 and §43-706 and to secure repayment of the proposed indebtedness.

B. That the District Court make a judicial determination that the Districts have authority to enter into such agreements, loans and to execute such documents as may be reasonable and necessary to carry out and implement the forgoing transactions.

C. That the District Court issue an order approving the *Notice of Petition and Hearing* and the complete service upon the members of the Districts by U.S. Mail, postage prepaid and by publication as required by law in each County where each District is located, in three (3) successive issues if published in a daily newspaper of general circulation, or by publication in one (1) issue if published in a weekly newspaper of general circulation, the first of which publications shall be at least fifteen (15) days before the date fixed for the hearing on the Petition in accordance with the requirements of Idaho Code §§ 42-5235 and 43-407

D. That this Petition be duly scheduled for hearing before the Court at a time and place certain, but not less than 15 days after the first publication and mailing of the notice.

E. For such other and further relief as the District Court deems just and equitable.

DATED this th16 day of April, 2015.

RACINE, OLSON, NYE, BUDGE
& BAILEY, CHARTERED

By: Randall C. Budge
RANDALL C. BUDGE

VERIFICATION

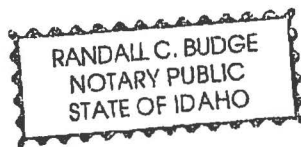
STATE OF IDAHO)
 ss:
County of Bannock)

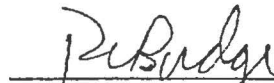
I, NICK BEHREND, being first duly sworn, upon oath, deposes and says that I am the Chairman of Aberdeen-American Falls Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 14th day of April, 2015.


NICK BEHREND
Chairman
Aberdeen-American Falls Ground Water
District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.




Notary Public for Idaho
Residing at Pocatello, Id.
Commission Expires: 10/11/16

)

SS:

)

DATED this 14th day of April, 2015.

~~LYNN CARLQUIST~~

Chairman

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.

Notary Public for Idaho

Residing at Pocatello, ID.

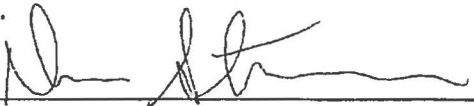
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of)

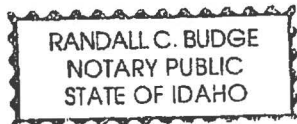
I, DEAN STEVENSON, being first duly sworn, upon oath, deposes and says that I am the Chairman of Magic Valley Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

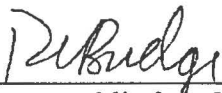
DATED this 14th day of April, 2015.



DEAN STEVENSON
Chairman
Magic Valley Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.





Notary Public for Idaho
Residing at Peckville, ID.
Commission Expires: 10/11/16

VERIFICATION

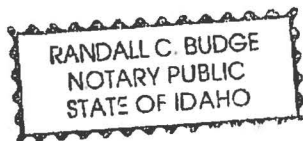
STATE OF IDAHO)
 ss:
County of Bannock)

I, RANDY BROWN, being first duly sworn, upon oath, deposes and says that I am the Chairman of Southwest Irrigation District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 14th day of April, 2015.

Randy Brown
RANDY BROWN
Chairman
Southwest Irrigation District

SUBSCRIBED AND SWORN TO before me this 14 day of April, 2015.




RC Budge
Notary Public for Idaho
Residing at Bozeman, Id.
Commission Expires: 10/11/16

VERIFICATION

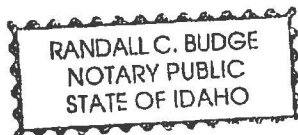
STATE OF IDAHO)
 ss:
County of Bannock)

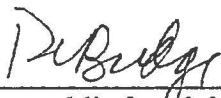
I, CRAIG EVANS, being first duly sworn, upon oath, deposes and says that I am the Chairman of Bingham Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 14th day of April, 2015.


CRAIG EVANS
Chairman
Bingham Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.




Notary Public for Idaho
Residing at Paradise, ID
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of Bannock)


I, DANE WATKINS, being first duly sworn, upon oath, deposes and says that I am the Chairman of Bonneville-Jefferson Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 14 day of April, 2015.

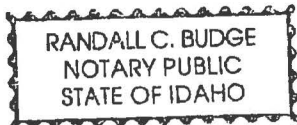


DANE WATKINS
Chairman
Bonneville-Jefferson Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.



Notary Public for Idaho
Residing at Boca Raton, FL
Commission Expires: 10/11/16



VERIFICATION

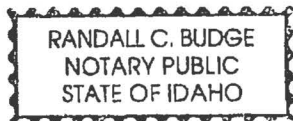
STATE OF IDAHO)
 ss:
County of Bannock)

I, JASON WEBSTER, being first duly sworn, upon oath, deposes and says that I am the Chairman of Madison Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 14th day of April, 2015.

Jason Webster
JASON WEBSTER
Chairman
Madison Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.



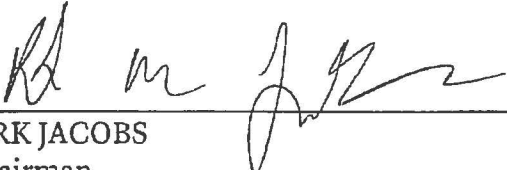
R. Budge
Notary Public for Idaho
Residing at Pocatello, ID.
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of Bannock)

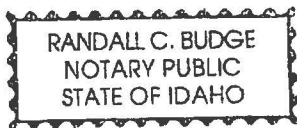
I, KIRK JACOBS, being first duly sworn, upon oath, deposes and says that I am the Chairman of Jefferson-Clark Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

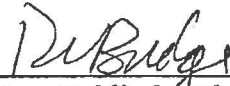
DATED this 14th day of April, 2015.



KIRK JACOBS
Chairman
Jefferson-Clark Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.





Notary Public for Idaho
Residing at Bozelle, Id.
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)

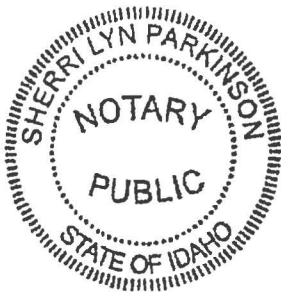
ss:

County of _____)

Jeff Raybould
I, ~~DALE SWENSON~~, being first duly sworn, upon oath, deposes and says that I am the Chairman of Fremont-Madison Irrigation District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 16 day of April, 2015.

Jeff Raybould
~~DALE SWENSON~~ Jeff Raybould
Chairman
Fremont-Madison Irrigation District

SUBSCRIBED AND SWORN TO before me this 16 day of April, 2015.

Sherri Lyn Parkinson
Notary Public for Idaho
Residing at Rexburg Idaho
Commission Expires: 7/13/18

VERIFICATION

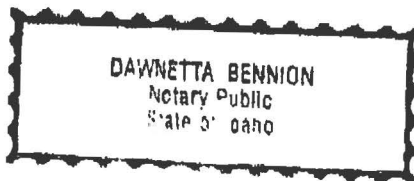
STATE OF IDAHO)
County of Blaine)
ss:

I, LETA HANSEN, being first duly sworn, upon oath, deposes and says that I am the Chairman of Carey Valley Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 15 day of April, 2015.

Leta Hansen
LETA HANSEN
Chairman
Carey Valley Ground Water District

SUBSCRIBED AND SWORN TO before me this ___ day of April, 2015.



Dawnetta Bennion
Notary Public for Idaho
Residing at Blaine, Carey, ID
Commission Expires: April 15, 2021



RACINE
OLSON
NYE
BUDGE
BAILEY

201 E. Center St.
P.O. Box 1391
Pocatello, ID 83204
OFFICE 208.232.6101
FAX 208.232.6109
racinelaw.net

RANDALL C. BUDGE
rcb@racinelaw.net

November 13, 2015

Brian Patton, Secretary
John Homan, Counsel
Idaho Water Resource Board
322 East Front Street
State House Mail
Boise, Idaho 83720
brian.patton@idwr.idaho.gov
john.homan@idwr.idaho.gov

Sent Via Email

Re: Aqualife Appraisal and Transfer to SeaPac

Dear Brian and John:

Introduction

As you know and as we have been discussing, as a part of the Magic Springs Project providing mitigation water to Rangen pursuant to the Director's October 29, 2014 *Order Approving IGWA's Fourth Mitigation Plan* and the agreements entered into with SeaPac of Idaho, Inc. ("SeaPac"), the Districts are required to transfer ownership of Aqualife to SeaPac, no later than December 31, 2015. If the transfer is not timely completed, IGWA is obligated to pay SeaPac a \$3.5 million penalty as a part of the agreement and to have access to Magic Springs water necessary to mitigate to Rangen, and others in the Hagerman Valley as a part of the Hagerman Global Settlement Term Sheet. IGWA's existing Lease Agreement entered into on January 1, 2015 with the Idaho Water Resource Board ("Board") provides the Districts with the option to purchase Aqualife from the Board to permit the transfer to SeaPac.

Integra and LeMoyne Appraisals

At the time the Districts entered into the agreements with SeaPac and the lease and option with the Board, we were provided a copy of the Integra Realty Resources Appraisal valuing Aqualife as of July 5, 2011 at \$1,635,000. Pursuant to legislative action, ownership of Aqualife was transferred from Idaho Parks and Recreation to the Board to facilitate the Magic Springs Project. The Magic Springs Project was constructed by the Districts at a cost in excess of \$4 million and it has been delivering water to Rangen since January of 2014. This has avoided the curtailment of hundreds of thousands of acres of junior groundwater

rights and an economic disaster to the Magic Valley region as well as the State of Idaho.

North Snake and Magic Valley Ground Water Districts paid most of the costs of the Magic Springs Project. However, following Judge Wildman's decision eliminating the trimline, all 10 of the IGWA Districts agreed to share the cost of the Magic Springs Project and after capital costs and acquisitions necessary to solve all delivery call problems in the Hagerman Valley. To secure the necessary financing, these Districts filed a Joint Petition for Judicial Confirmation in Power County Case No. CV-2015-115 and on June 15, 2015 obtained a Judgment and Decree approving the Petition for Judicial Examination. This authorized the Districts to incur indebtedness of up to \$15 million funded by a loan from the Idaho Water Resource Board or other lenders to pay for present and future mitigation projects and acquisitions in the Hagerman area. Included in this amount was the cost of acquiring Aqualife from the Board estimated not to exceed \$2 million. This assumed there may be some small increase in the value of Aqualife since the 2011 appraisal at \$1.65 million.

To facilitate the sale of Aqualife to the Districts for further transfer to SeaPac by year-end, the Board recently obtained a new appraisal from a different appraiser, Henri LeMoyne, which valued Aqualife as of August 14, 2015 at \$3.2 million. This new appraisal nearly doubling the value of Aqualife in the past four years and comes as a great surprise and shock to the Districts and we suspect the Board as well. We appreciate being provided a copy of both appraisals to permit a comparison so they could be compared and the differences understood. The results of the two appraisals are summarized as follows:

1. Integra Appraisal dated July 5, 2011:

Description	Size	Price	Value
Spring Water	39.7 cfs	\$27,456 per cfs	\$1,090,000
Billingsley Creek	25.83 cfs	\$8,324 per cfs	\$215,000
Land	107.7 acres	Varies per parcel	\$230,000
Improvements			\$100,000
TOTAL			\$1,635,000

2. LeMoyne Appraisal dated August 14, 2015:

Description	Size	Price	Value
Spring Water	40 cfs	\$60,000 per cfs	\$2,400,000
Billingsley Creek	25 cfs	\$24,000 per cfs	\$600,000
Land	93 acres	Varies per parcel	\$186,000
TOTAL			\$3,186,000

As can be seen, there are relatively minor differences in the two appraisals with respect to the quantity of water, acres and value of land involved. The obvious difference between the appraisals is the value placed on the water rights with the LeMoyne water right values nearly triple the Integra values. It is noteworthy that both appraisals concluded that the highest and best use of Aqualife is for fish production.

Problems with LeMoyne Appraisal

Our opinion, the LeMoyne appraisal is flawed and should not be relied upon for three fundamental reasons discussed below.

First, in arriving at the high water value, LeMoyne relied primarily upon the comparative sale when the Districts purchased three large commercial hatcheries from the Hardy family known as Blue Lakes Trout Company, Rimview Trout Company and Clear Lakes Trout Company ("Hardy Hatcheries"). The LeMoyne appraisal incorrectly assumes that these purchases were made and the price paid was for trout production purposes. Clearly that is not the case. In fact, the Hardy Hatcheries were purchased by the Districts exclusively for mitigation purposes to protect junior groundwater users throughout the ESPA from delivery calls and curtailment risks associated not only from the senior water rights owned by the Hardy Hatcheries, but also from Clear Springs Food, Inc., SeaPac of Idaho, Inc. and Bill Jones.

By acquiring the Hardy Hatcheries, their water rights can no longer make a delivery call against the Districts' members and are effectively subordinated. Additionally, the acquired Clear Lake Hatchery was transferred to Clear Springs Food, Inc. in return for a mitigation agreement providing that Clear Springs permanently would make no future delivery call against groundwater users based upon the approximately 1,000 cfs of water rights owned by Clear Springs, together with other water rights that it might acquire in the future. Additionally, the Districts provided Clear Springs with a 20 year lease of the Rimview Hatchery on favorable terms. The Blue Lakes Hatchery was leased by the Districts to SeaPac upon favorable terms in return for which SeaPac and Bill Jones agreed not to make any deliver call based upon their senior spring rights during the 20 year term of the lease.

In sum, the Districts acquisition of the Hardy Hatcheries was clearly for mitigation purposes, not fish production. Accordingly, LeMoyne's reliance upon the Hardy purchase price to establish the value of the Aqualife water rights for fish production purposes is entirely misplaced.

Second, the purchase of the Hardy water rights is not a reliable comparison to the value of the Aqualife water rights is the differences in the size and nature of the water rights themselves. The Hardy Hatcheries represented the third largest trout producer in the country behind Clear Springs Food and SeaPac. The Hardy Hatcheries have approximately 400 cfs of spring water, 10 times greater than the spring water at Aqualife. The Hardy Hatcheries are large, modern, highly productive and profitable hatcheries. Aqualife has virtually no valuable equipment or facilities and old and dated raceways. For that reason, there have been no known interested buyers for Aqualife. The only recent lessor is SeaPac on a year to year lease at \$3,000 per month.

Third, the Hardy purchase involved unsubordinated priority water rights of high value because they came with the right to make delivery calls against junior groundwater rights in order to secure and enhance the available water supply from the ESPA. On the other hand, the Aqualife water rights which the Districts are seeking to acquire from the Board are subordinated. Accordingly, the Aqualife water rights will have no ability to make a delivery call and no protection from diminishing flows in the future if the trend of the declining aquifer continues as it has been the case over the past 50 years. LeMoyne failed to take into consideration this important factor.

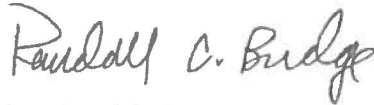
Clearly, the Hardy water rights and facilities sold are not comparable to what Aqualife proposed to sell to the Districts. If the Hardy comparable sale is disregarded, as it should be, the other comparable sales in both the LeMoyne and Integra water rights which are more representative of true value for fish production purposes would support a value and sale to the Districts in the range of \$1.7 to \$2 million. The Board should direct corrections of the LeMoyne appraisal to support a sale to the Districts between \$1.65 million and \$2 million.

Summary

Time is of the essence for the Districts to complete the acquisition of Aqualife from the Board so that title can be transferred to SeaPac by year-end. The new flawed LeMoyne appraisal appears to have thrown a wrench in the process and impairs the Districts ability to meet their financial obligations and perform under the Hagerman Global Settlement. The Board's reliance upon the new LeMoyne appraisal to support the sale of Aqualife at \$3.2 million is misplaced. The sale price would enable the Board to reap a huge profit on the sale of Aqualife at the expense of the Districts. This would be clearly contrary to the Legislature's intent when it facilitated the transfer of Aqualife from Parks and Recs to the Board for the sole purpose of helping to facilitate the Magic Springs Project and the overall Hagerman Valley Global Settlement. The LeMoyne appraisal should be either disregarded or corrected for purpose of the sale of Aqualife to the Districts.

We are happy to meet with you and/or the Board to discuss these matters. Please advise how we can proceed to promptly accomplish the purchase and transfer of Aqualife to SeaPac at a fair price.

Sincerely,

A handwritten signature in dark ink, reading "Randall C. Budge". The signature is written in a cursive, flowing style.

RANDALL C. BUDGE

RCB:ts

C: Clive Strong, Attorney General

IGWA:

Tim Deeg, Chairman

Lynn Tominaga, Executive Director

IGWA Members

Ken Ashley, SeaPac

IDAHO WATER RESOURCE BOARD
PROPOSED 2016 MEETING SCHEDULE

Date	Location	Other Event
January 21-22	Boise	In connection with IWUA Annual Convention
March 17-18	Boise	
May 19-20	Boise	Potential trip to tour Owyhee Project
July 21-22	Sandpoint	Potential trip to Priest Lake Outlet Dam
September 15-16	Soda Springs	Potential trip to Last Chance Canal Company
November 14-15	Boise	In connection with IWUA Annual Water Law Seminar