



IDAHO WATER RESOURCE BOARD

Brad Little
Governor

Jeff Raybould
Chairman
St. Anthony
At Large

Jo Ann Cole-Hansen
Secretary
Lewiston
At Large

Dale Van Stone
Hope
District 1

Albert Barker
Boise
District 2

Dean Stevenson
Paul
District 3

Brian Olmstead
Twin Falls
At Large

MINUTES MEETING NO. 1-23

Water Center
Conference Rooms 602 B-D / Zoom Online
322 E Front Street
BOISE

January 20, 2023

Board Meeting No. 1-23

At 8:03 AM (MT) Chairman Raybould called the meeting to order in Boise, Idaho and online.

Agenda Item No. 1: Roll Call

Board Members Present

Jeff Raybould, Chairman
Jo Ann Cole-Hansen, Secretary
Albert Barker
Dale Van Stone
Brian Olmstead
Dean Stevenson

Staff Members Present

Gary Spackman, Director
Cynthia Bridge Clark
Wesley Hipke
Neeley Miller
Mike Morrison

Brian Patton, Executive Officer
Mathew Weaver
Kala Golden
Jennifer Strange

Staff Members Present Online

Amy Cassel
Ethan Geisler
Justin Ferguson
Heather Neace
Josh Morell

Sascha Marston
Meghan Carter
John Loffredo
Mary Condon
Steve Stuebner

Guests Present

John Simpson
John Williams
Claudia Cottle David Cottle

Ann Yribar
Darrel Ker
Douglas Jones

Hattie Zobott
Shawn Tischendorf
Holly Kunz
Hal Anderson

Scott Pugrud
Joshua Tischendorf
Chris Keith

Kresta Davis
Reed Gibby
Mark Limbaugh

Guests Present Online

Dylan Lawrence
Neil Shippy
Daniel Bertram
Graham Freeman
Peter Youngblood
Dave Tuthill
Paul Kimmell
Michael Comeskey
Mike Edmondson
Allison Lebeda
Celine Acord

Kyle Radek
Adrianna Jarosz
Cianna Wyshnytzky
Clive Strong
M. Corley
Jacob Gerratt
Paul Arrington
Alan Hansten
D. Stoker
Brandon McLean
Nicole Carson

Ben Miller
Vincent Roquebert
Lindsay Markegard
Erin Whorton
Ashlynn Goody
Kurt Newbry
Bert Stevenson
Norm Semanko
Brad Carlson
Dan Stanaway
R. Harris

Agenda Item No. 2: Executive Session

Board resolved into executive session pursuant to Idaho Code § 74-206(1) subsection (f) to communicate with legal counsel regarding legal ramifications of and legal options for pending litigation, or controversies not yet being litigated. The executive session was closed to the public.

Ms. Cole-Hansen moved to resolve into executive session at 8:04 AM. Mr. Stevenson seconded. Roll call vote: Mr. Barker, aye; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 6 ayes. The motion passed.

Ms. Meghan Carter discussed Priest Lake.

At 8:13 AM, Ms. Cole-Hansen moved to resolve out of executive session. Mr. Van Stone seconded. Voice vote. All in favor. The motion carried. No actions were taken during the executive session.

Agenda Item No. 3: Agenda & Approval of Minutes 13-22

Ms. Cole-Hansen made a motion to move agenda item “15d Loan Program Policy Considerations” to occur prior to item “15a King Hill Irrigation District.” Mr. Barker seconded. Voice vote. All in favor. The motion carried.

Mr. Olmstead moved to adopt the minutes for meeting 13-22. Mr. Stevenson seconded. Voice vote. All in favor. The motion carried.

Agenda Item No. 4: Public Comment

The following spoke to the board during Public Comment:

- Claudia Cottle with Bear Lake Watch commented on upcoming legislation related to the Bear Lake region.
- John Williams had several updates on Bonneville Power Administration.
- Douglas Jones from Idaho Water Engineering provided an update on the Lost Valley Reservoir project.

- Paul Arrington of the Idaho Water Users Association expressed gratitude for all who participated in and attended the IWUA Convention.

Agenda Item No. 5: Federal Affairs Update by Mark Limbaugh

Mark Limbaugh of The Ferguson Group LLC provided an update on federal funding appropriations and legislative activities.

Agenda Item No. 12: Introduction from the Attorney General's Office

Agenda item number 12 was moved to occur after agenda item number 5 to accommodate Scott Campbell's schedule. Mr. Campbell provided a brief introduction as the new Chief of Natural Resources Division at the Attorney General's office.

Agenda Item No. 6: Priest Lake Dam Modification Project

Mike Morrison stated the outlet dam was stable and that there had been no changes since the November 2022 visit. Following the update, a resolution to approve funds for outside counsel in the matter of the Priest Lake construction litigation was presented. There was some discussion about the funds requested.

Mr. Olmstead moved to approve the resolution in the amount of \$370,000 from the Water Management Account. Mr. Van Stone seconded. Roll call vote: Mr. Barker, aye; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 6 ayes. The motion passed.

Agenda Item No. 7: Legislation of Interest

Meghan Carter provided a brief update on four pieces of legislation that the AG's office had been tracking.

Agenda Item No. 8: Financial Report

Neeley Miller provided the Board's financial report. The accounts as of November 30, 2022 were: Secondary Aquifer Fund: committed/earmarked but not disbursed \$22,988,153 and uncommitted balance \$11,737,765; Revolving Development Account: committed/earmarked but not disbursed \$32,100,712, loan principal outstanding \$17,291,184, uncommitted balance \$3,676,540, and anticipated loanable funds available next one year \$7,176,540; and Water Management Account: obligated \$83,592,512, and unobligated balance \$64,333,530. Total committed/earmarked but not disbursed \$138,681,377; total loan principal outstanding \$17,291,184; and total uncommitted balance \$79,747,835. ARPA: committed per HB 769 \$100,000,000, obligated \$13,415,533, unobligated \$13,712,953, and expended \$72,871,000.

The obligated balance in the Water Management Account includes the \$20M legislative appropriation per HB 285 (FY 2019) for the Anderson Reservoir Enlargement and/or Mountain Home Air Force Base Water Supply Project. The obligated balance also includes \$50M for large infrastructure projects per Senate Bill 1121 (FY 2021) for the Anderson Ranch enlargement, Mountain Air Force Base Water Supply Project, ESPA Managed Aquifer Recharge Program, other projects identified by the IWRB.

The Water Management Account unobligated balance includes \$75M per HB 769 (FY 2022) to be used for expenditures, loans, or grants for water projects, including studies, to address water sustainability, rehabilitate or improve aging water infrastructure or support flood management. The legislature provided that no more than one-third of these moneys shall be used for grants. At the September IWRB meeting the IWRB authorized \$12,500,000 in funds for Aging Infrastructure grants.

At the September IWRB meeting the IWRB approved \$15,148,255 in loans from the Revolving Development Account to accompany the Aging Infrastructure Grants awarded from the Water Management Account.

Since the September IWRB meeting \$72,871,514 has been expended from the ARPA funds for the Anderson Ranch Reservoir Enlargement.

Agenda Item No. 9: Lemhi River Basin Settlement Implementation Update

Clive Strong highlighted a progress report of the Lemhi River Basin Settlement Implementation. He stated that there were two issues in section two to complete. Also, for a steering committee, a board member designee would be needed. Finally, the website for this topic was in process.

Agenda Item No. 10: Anderson Ranch Dam Raise Project Update

Cynthia Bridge Clark introduced Chris Keith, the project manager for the ARDR Project. He stated that the project website had an updated timeline that included the supplemental draft EIS. He also introduced a new project manager, Holly Kunz. She will become the main manager of the rim projects. There was some discussion about the cost estimates.

Agenda Item No. 11: Mountain Home Air Force Base Water Resilience Project

Mr. Morrison provided a brief update on the MHAFB Water Resilience Project. The budget costs were discussed. Mr. Morrison introduced Vincent Roquebert the contract manager with Brown & Caldwell, who joined the meeting via Zoom.

Agenda Item No. 13: Aging Infrastructure Grant Applications

Neeley Miller presented a resolution and final ranking sheet for aging infrastructure grants that the Finance Committee recommended. The application period had closed on December 9, 2022, and the awards totaled \$12,500,00.

Mr. Van Stone moved to adopt the resolution in the matter of the Aging Infrastructure Grants awards. Ms. Cole-Hansen seconded. Roll call vote: Mr. Barker, abstain; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 5 ayes. The motion passed.

Agenda Item No. 14: Regional Water Sustainability Projects Priority List

Neeley Miller stated that fifteen requests to be included on the Regional Water Sustainability Projects Priority list were submitted by the deadline of December 1, 2022. On January 13, 2023 the Finance Committee recommended the attached list. A correction was recommended for the amount listed with the Mackay dam repair from \$10,000 to \$10 million. There was discussion about the frequency of updating the list. Mr. Barker stated that being on the list does not necessarily indicate that the board has approved or will fund any of the projects. Chairman Raybould requested a roll call vote.

Ms. Cole-Hansen moved to adopt the resolution in the matter of the Regional Water Sustainability Priority list. Mr. Van Stone seconded. Roll call vote: Mr. Barker, aye; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 6 ayes. The motion passed.

Agenda Item No. 15: Loan Programs

d. Loan Program Policy Considerations (this agenda item had been moved to occur prior to 15a. via voice vote earlier in the meeting.)

Kala Golden presented loan program policy considerations that had been recommended during the January 13, 2023 Finance Committee meeting. The considerations were as follows:

Refinancing of Loans:

The Committee recommended that the IWRB adopt an interim policy that the refinancing of loans shall not be authorized.

Definition of Aging Infrastructure:

The Committee recommended that the full IWRB consider a policy on the definition of Aging Infrastructure as it relates to the Loan Program. Staff developed the following proposed definition for the IWRB's consideration:

"...defined broadly as a project intended to address repair, maintenance, replacement, or improvements to aged infrastructure that supports existing water delivery, treatment, OR application of water."

Time Limit to Exercise a Loan:

-The Committee recommended that a completed loan application submitted to the IWRB may not be held for any longer than 90 days from the date the completed loan application was submitted. Applications not processed within 90-days may still be considered for funding, however the interest rate assigned to the loan shall be locked as the current program rate as of the date the IWRB reviews the loan request for consideration.

- The Committee recommended that once a loan application is approved, the applicant has 1 year from the date of approval to act on the loan, unless otherwise granted by the board under consideration of extenuating circumstances.

- The Committee recommended that acting on the loan application shall be defined as withdrawing funds on the approved loan based on eligible project costs.

Mr. Patton suggested an amendment to the resolution which would remove the reduced rate incentives for Aging Infrastructure projects. Ms. Cole-Hansen moved to adopt the amendment to the resolution related to loan program policy considerations. Mr. Stevenson seconded. Voice vote. All in favor. The motion carried.

Mr. Olmstead moved to approve the amended resolution. Mr. Stevenson seconded. Roll call vote: Mr. Barker, absent; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 5 ayes. The motion passed.

a. King Hill Irrigation District

Kala Golden read through parts of the resolution to approve a loan of \$500,000 from the Water Management Account for 2.3% interest.

Mr. Van Stone moved to adopt the resolution. Mr. Stevenson seconded. Roll call vote: Mr. Barker, absent; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 5 ayes. The motion passed.

b. North Side Canal Company

Ms. Golden read through a resolution for the North Side Canal Company for a relining project in the amount of \$5 million at 4.38% interest. Mr. Alan Hansten expressed gratitude for the loan opportunity.

Ms. Cole-Hansen moved to adopt the resolution. Mr. Stevenson seconded. Roll call vote: Mr. Barker, abstain; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 5 ayes. The motion passed.

c. Raft River Recharge Group

Ms. Golden stated the Finance Committee recommended that the Raft River Recharge Group elect to become an irrigation district to provide adequate security for their requested loan. Mr. Patton reminded the board that the resolution to approve the loan had already been voted with the recommendation for adequate security. Ms. Hattie Zobott and Reed Gibby spoke on behalf of the Raft River Recharge Group.

Ms. Cole-Hansen moved to accept the formation of the irrigation district as adequate security for the loan previously approved and contingent on the receipt of a letter upon the creation of that district that would assign the loan to the irrigation district. Mr. Stevenson seconded. Voice vote. All in favor. The motion carried.

Agenda Item No. 16: Administrative Rules Update

Deputy Director Mat Weaver discussed next steps for pending rules. A Senate Resource Committee presentation was scheduled for February 1, 2023. The House presentation was set for February 7, 2023. He stated that the 2023 Zero Based Regulation Rulemaking would be related to underground injection control rules and water appropriation rules.

Agenda Item No. 17: Director's Report

Director Spackman discussed the Department's proposed budget, especially the proposed appropriation to the Water Board for \$150 million to go towards water sustainability and enhancement projects. He also discussed a potential amendment to the 2015 Settlement Agreement between the SWC and IGWA.

There was some discussion about moratorium orders issued on the ESPA.

Agenda Item No. 18: Non-Action Items for Discussion

Ms. Cole-Hansen thanked folks for their participation in the recent Finance Committee meetings.

Agenda Item No. 19: Next Meeting and Adjourn

Mr. Patton stated the next scheduled meetings would be March 30-31, 2023 in Boise and via an online platform. Mr. Van Stone moved to adjourn. Mr. Stevenson seconded. Voice vote. All ayes. Motion carried. Meeting adjourned at 11:45 AM (MT).

Respectfully submitted this 31st day of March 2023.

A handwritten signature in black ink, appearing to read "D. F. Stevenson", written above a horizontal line.

Dean Stevenson, *Secretary*

A handwritten signature in blue ink, appearing to read "Jennifer Strange", written above a horizontal line.

Jennifer Strange, *Administrative Assistant II*