



# IDAHO WATER RESOURCE BOARD

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*Vice Chair*  
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**Dale Van Stone**  
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**Albert Barker**  
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District 2

**Brian Olmstead**  
Twin Falls  
At Large

**Marcus Gibbs**  
Grace  
District 4

**Patrick McMahon**  
Sun Valley  
At Large

## MINUTES MEETING NO. 1-24

Water Center  
Conference Rooms 602 B-D  
322 E. Front Street  
BOISE

January 19, 2024  
**Board Meeting No. 1-24**

At 8:03 AM (MT) Chairman Raybould called the meeting to order in Boise, Idaho. The meeting was livestreamed on the Board's YouTube Channel upon adjournment of the executive session. Online participants joined via Zoom.

### Agenda Item No. 1: Roll Call

#### *Board Members Present*

Albert Barker - *online*  
Jo Ann Cole-Hansen, Vice Chairman  
Marcus Gibbs - *online*  
Patrick McMahon  
Brian Olmstead  
Dean Stevenson, Secretary  
Dale Van Stone  
Jeff Raybould, Chairman

#### *Staff Members Present*

Mathew Weaver, Director	Brian Patton, Executive Manager
Cynthia Bridge Clark	Wesley Hipke
Mary Condon	Garrick Baxter
Neeley Miller	Erik Boe
Meghan Carter	Sascha Marston
Mike Morrison	Jennifer Strange
Blake Burkard	Amy Cassel – <i>online</i>
Cooper Fritz – <i>online</i>	

#### *Guests Present*

Scott Campbell  
Mark Limbaugh  
Kresta Davis  
Barney Metz  
Douglas Jones  
Scott Pugrud  
John Simpson

Ann Yribar  
Steve Stuebner  
Michael Fuss  
Brook Bybee  
Darrell Kerr  
Hattie Zobott  
Lance Schuster– *online*

### **Agenda Item No. 2: Executive Session**

At 8:04 AM, Mr. Stevenson moved to resolve 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 but imminently likely to be litigated. Mr. McMahon seconded. Roll call vote: Mr. Barker, aye; Ms. Cole-Hansen, aye; Mr. Gibbs, aye; Mr. McMahon, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 8 ayes. The motion passed.

Scott Campbell spoke on the topic of Columbia River System Operations. Meghan Carter spoke on Priest Lake. Ann Yribar spoke on City of Pocatello litigation CV-42-23-1668.

Mr. Stevenson moved to resolve out of executive session at 8:35 AM. Mr. McMahon seconded. Voice vote. All in favor. The motion carried. The meeting was closed to the public, and no actions were taken during the executive session.

### **Agenda Item No. 3: Agenda and Approval of Minutes 8-23 and 9-23**

The agenda and minutes for meetings 8-23 and 9-23 were available for approval. Ms. Cole-Hansen moved to approve the minutes for both meetings. Mr. Van Stone seconded. Voice vote. All in favor. The motion carried.

### **Agenda Item No. 4: Public Comment**

There was no public comment.

### **Agenda Item No. 5: Legislative Audit**

Cynthia Bridge Clark reviewed the Legislative Audit findings with the board's funds, highlighting errors in spreadsheets used to monitor cash balances for the revolving development fund, water management fund, and secondary aquifer planning and management fund. Staff performed a review and reconciliation of the audit findings, with no issues identified in the water management account or in the ARPA funds. Further, IDWR's Financial Officer is working with the comptroller's office to resolve the issue which seems to be tied to one single item. Going forward, improvements will be made to update the spreadsheets and to refine the monthly reconciliation and control processes.

### **Agenda Item No. 6: Financial Report**

Neeley Miller provided the Board's financial report. Note: during the meeting Mr. Miller read the current financial report, but the report that was shared on screen was an older version. The meeting materials kept on the Board's website have the current report as Mr. Miller discussed.

The accounts as of December 31, 2023, were: Secondary Aquifer Fund: cash balance \$38,398,883, committed/earmarked but not disbursed \$31,203,927, and uncommitted balance \$7,194,956; Revolving

Development Account: cash balance \$36,784,976, committed balance \$35,138,263, loan principal outstanding \$21,527,146, and uncommitted balance \$1,646,712; and Water Management Account: cash balance \$294,286,313, total committed funds \$256,985,327, uncommitted funds \$37,300,986. Total committed/earmarked but not disbursed \$323,327,517; total loan principal outstanding \$21,527,146; and total uncommitted/unobligated balance \$46,142,654. American Rescue Plan Act Account (ARPA): committed per HB 769 is \$100,000,000; committed per SB 1181 is \$24,497,543; expended \$75,664,568; obligated \$84,796,879; and unobligated (\$35,963,903).

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 Home Air Force Base Water Supply Project, ESPA Managed Aquifer Recharge Program, and other projects identified by the IWRB. The Water Management Account unobligated balance also includes \$150M per HB 361 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 indicated that the IWRB may provide up to one-third of this money for grants. The Water Management Account includes \$36M obligated for Aging Infrastructure grants (rounds one through three) and the \$22.7M for non-ARPA eligible Regional Water Sustainability Priority List projects that the IWRB awarded funds for at the July 2023 meeting.

#### **Agenda Item No. 7: Governor's Proposed IDWR Budget FY25**

Sascha Marston the Financial Officer for IDWR provided details of the FY25 budget. She compared the agency requests with the governor's recommendations. Supplemental funds were discussed related to reverted ARPA funds and intent language on adjudication fees.

#### **Agenda Item No. 8: Federal Affairs Update by Mark Limbaugh**

Mark Limbaugh provided updates on federal affairs related to water issues including FY24 appropriations, water infrastructure funding, water policy, and water infrastructure projects.

#### **Agenda Item No. 9: Priest Lake Dam Modification Update**

Mike Morrison spoke on the Priest Lake Dam modification and stated that the project was behind schedule because of delays in repair work due to attorney reviews and additional repairs on defective work from the previous contractor. He shared photos of the void beneath the dam and discussed the process for filling it. Increased costs and potential change orders due to the delays were discussed. There was no action, a funding resolution would be forthcoming.

#### **Agenda Item No. 10: City of Hagerman / Billingsley Creek**

Amy Cassel provided background that in 2021 the City of Hagerman applied to IDWR to transfer 1 cfs of 36-0049 to year-round municipal use. In February of 2022, IDWR issued a preliminary order approving the transfer for 1 cfs for irrigation season use only. The City requested a hearing on the approval and has been participating in an informal settlement process with IDWR, attempting to change the period of use to year-round. IDWR's primary concern is changing the irrigation right from an irrigation season of use to a year-round use and potential injury to existing downstream water rights on Billingsley Creek, including the IWRB's minimum streamflow water rights 36-8793 and 36-8596. Approval of year-round use of the City's proposed transfer would reduce flows in Billingsley Creek by 1 cfs in the winter. The

Idaho Water Resource Board's minimum streamflow water rights on Billingsley Creek could potentially be impacted by the City's proposal.

During the Streamflow Enhancement Committee meeting on December 18, 2023, Travis Thompson, representing the City of Hagerman, asked that the IWRB participate in an informal meeting between the City and IDWR. On January 9, 2024, staff attended the meeting with the City of Hagerman, Thompson, the City's consultants, and IDWR to discuss a path forward. While the discussion included possible conditions and potential agreements with the parties on the system, no resolution was determined. Ms. Cassel will continue to monitor progress on this topic.

**Agenda Item No. 11: Lemhi River Settlement / McFarland Minimum Streamflow Water Right**

Amy Cassel discussed a resolution that addressed three steps for exercising the McFarland minimum stream flow (MSF) as proposed by the Streamflow Steering Committee.

Mr. McMahon moved to approve the resolution. Mr. Van Stone seconded. Voice vote. All in favor. The motion carried.

**Agenda Item No. 12: Water Supply Bank**

**a. Finances**

Mary Condon requested that the board approve an increase in water bank rental fees from \$23 per acre foot to \$32 or \$33 per acre foot beginning in 2025. She discussed a funding resolution and mentioned that the WSB Committee recommended the increase.

Mr. Gibbs moved to adopt the resolution at \$33 per acre foot. Ms. Cole-Hansen seconded. Roll call vote: Mr. Barker, absent; Ms. Cole-Hansen, aye; Mr. Gibbs, aye; Mr. McMahon, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 7 ayes. The motion passed.

**b. Program Improvement Review**

Cynthia Bridge Clark stated that the water supply bank program will undergo a review to improve application processing time and address procedural questions.

**Agenda Item No. 13: Aging Infrastructure Grant Awards**

Neeley Miller discussed a funding resolution for the most recent round of aging infrastructure grant awards. On January 11, 2024, the Finance Committee recommended the attached awards.

Ms. Cole-Hansen moved to adopt the resolution and attachment. Mr. Van Stone seconded. Roll call vote: Mr. Barker, absent; Ms. Cole-Hansen, aye; Mr. Gibbs, aye—noted that he was a member in the Last Chance Canal Company, line item 7; Mr. McMahon, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye—noted that he had an interest in line item 12. 7 ayes. The motion passed.

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

**a. Terms and Conditions Approval**

Neeley Miller provided background on the RWSPL. He mentioned that terms and conditions for approval would be presented for American Falls Dam Spillway Rehabilitation Project, Gooding Flood Control Project, and Lost Valley Reservoir Enlargement Project.

One resolution addressed the terms and conditions for American Falls Dam Spillway Rehabilitation Project. John Simpson expressed appreciation to the board on behalf of the stakeholders.

Mr. Olmstead moved to adopt the resolution and attachment. Mr. Van Stone seconded. Voice vote. All in favor. The motion carried.

The second resolution addressed the terms and conditions for Gooding Flood Control Project and Lost Valley Reservoir Enlargement Project.

Amy Cassel asked for a quick review of bulleted items two, three, and four in the section on Lost Valley. Finance Committee Chair Cole-Hansen stated that the items were captured correctly.

Mr. Stevenson moved to adopt the resolution and attachment. Mr. Olmstead seconded. Voice vote. All in favor. The motion carried.

**b. Lewiston Orchards Exchange Project**

Neeley Miller presented a draft resolution for the Lewiston Orchards Exchange Project. Mr. Barney Metz from LOID expressed appreciation for the support.

Mr. Olmstead moved to adopt the resolution to provide funds of \$1,287,000. Mr. Van Stone seconded. Roll call vote: Mr. Barker, absent; Ms. Cole-Hansen, abstain; Mr. Gibbs, aye; Mr. McMahan, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 6 ayes. The motion passed.

**Agenda Item No. 15: ESPA Recharge Projects**

Wesley Hipke provided a draft resolution for the South Fork recharge basin site development. Mr. Lance Schuster for Progressive Irrigation District was available for questions. Chairman Raybould asked about engineering work and topsoil movement for the site. Mr. Stevenson expressed concerns about unanswered questions. More information was requested. Mr. Schuster agreed to check with the property seller and report back. No action was taken by the board on the site development.

Mr. Hipke provided a draft resolution for Butte Market Lake Canal Company system capacity improvement study. The same had been discussed and recommended at the Aquifer Stabilization Committee on January 18<sup>th</sup>.

Mr. Olmstead moved to adopt the resolution to spend up to \$94,000. Mr. McMahan seconded. Roll call vote: Mr. Barker, absent; Ms. Cole-Hansen, aye; Mr. Gibbs, aye; Mr. McMahan, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 7 ayes. The motion passed.

Mr. Hipke provided a draft resolution for expansion of the Poitevin Injection well site. The same had been discussed and recommended at the Aquifer Stabilization Committee on January 18<sup>th</sup>.

Mr. Stevenson moved to adopt the resolution to spend up to \$571,000. Mr. Van Stone seconded. Roll call vote: Mr. Barker, absent; Ms. Cole-Hansen, aye; Mr. Gibbs, aye; Mr. McMahan, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 7 ayes. The motion passed.

**Agenda Item No. 16: Administrative Rules Update**

Erik Boe provided updates on rulemaking efforts on water appropriation and injection wells.

**Agenda Item No. 17: Potential Legislation of Interest**

Garrick Baxter discussed some pieces of legislation being proposed, including legislation related to class two injection wells, the National Flood Insurance Program modifying definitions in code, and domestic exemptions for ground water use. He mentioned discussions related to an ESPA river area of common groundwater supply.

**Agenda Item No. 18: Director’s Report**

Director Weaver commended Mr. Morrison’s presentation on Priest Lake, mentioning it was informative and well-delivered. He commented on rulemaking, expressed support for a 3% CEC increase for employees, and discussed budget enhancements.

**Agenda Item No. 19: Non-Action Items for Discussion**

Chairman Raybould offered Brooke Bybee, a member of the Sunnyside Irrigation District in Rexburg, an opportunity to speak to the Board. Mr. Bybee expressed appreciation for the support of water efficiency efforts.

Ms. Cole-Hansen highlighted Cynthia Bridge Clark’s promotion to Planning and Projects Bureau Chief.

Chairman Raybould suggested developing a program to convert irrigation acres from groundwater to surface water in eastern Idaho.

**Agenda Item No. 20: Next Meeting and Adjourn**

Mr. Patton shared a few legislative meetings and stated the next scheduled board meetings would be March 28-29, 2024, in Boise. Mr. Van Stone moved to adjourn. Mr. Stevenson seconded. Voice vote. All ayes. Motion carried. Meeting adjourned at noon (MT).

Respectfully submitted this 29<sup>th</sup> day of March 2024.

  
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Dean Stevenson, *Secretary*

  
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Jennifer Strange, *Administrative Assistant II*