IDAHO WATER RESOURCE BOARD

MEETING MINUTES 2-13

C.L. "Butch" Otter
Governor

Roger W. Chase
Chairman
Pocatello
District 4

Peter Van Der Meulen
Vice-Chairman
Hailey
At Large

Bob Graham
Secretary
Bonners Ferry
District 1

Charles "Chuck" Cuddy
Orofino
At Large

Vince Alberdi
Kimberly
At Large

Jeff Raybould
St. Anthony
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

Idaho Water Center
Conference Room 602 B,C,D
322 East Front St, Boise ID 83720

January 24, 2013
Work Session

Chairman Roger Chase called the meeting to order at approximately 1:00 pm. Mr. Bob Graham was absent. All other Board members were present.

During the Work Session the following items were discussed: Training on Open Meeting Law, Ethics, and Public Records by Garrick Baxter; Water Supply Conditions by Rick Raymondi; Pristine Springs by Brian Patton; Bell Rapids by Brian Patton; ESPA Update by Matt Weaver; Aquifer Planning and Management Background by Helen Harrington; and Storage Studies Update by Cynthia Bridge-Clark. No action was taken by the Board during the Work Session.

January 25, 2013
IWRB Meeting

Chairman Roger Chase called the meeting to order at approximately 7:30 am. Mr. Bob Graham and Mr. Chuck Cuddy were absent at the beginning of the meeting. Mr. Cuddy joined the meeting at a later time. All other Board members were present.

Agenda Item No. 1, Executive Session

At approximately 7:30 am the Board resolved into Executive Session by unanimous consent pursuant to Idaho Code Section 67-2345(1)(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. No action was taken by the Board during the Executive Session. The Board resolved out of Executive Session and into Regular Session at approximately 8:45 am.

Agenda Item No. 2, Roll Call

Board Members Present

Roger Chase, Chairman
Vince Alberdi
Jeff Raybould
Albert Barker
Chuck Cuddy
Peter Van Der Meulen
Bert Stevenson

Staff Members Present

Brian Patton, Planning Bureau Chief
Cynthia Bridge Clark, Engineer
Gary Spackman, Director
Neeley Miller, Water Resource Planner
Helen Harrington, Planning Section Manager
Mat Weaver, Engineer Tech II
Mandi Pearson, Administrative Assistant
Monica Van Bussum, Water Resource Agent

Tim Luke, Water Compliance Bureau Chief
Stuart VanGreuningen, Engineer
Corbin Knowles, Hydrologist

Guests Present

Rex Barrie, Water District 63
Jon Bowling, Idaho Power
Hal Anderson, Idaho Water Engineering
Jim Tucker, Idaho Power Company
John Simpson, Barker Rosholt & Simpson
Sean Maupin, North Fremont Canal System
Walt Poole, IDFG
Harvey Walker
Liz Paul, Idaho Rivers United
John Williams, Bonneville Power Administration
Peter Anderson, Trout Unlimited
Lon Atchley, North Fremont Canal System
Marie Kellner, Idaho Conservation League

Agenda Item No. 3, Elections

Mr. Van Der Meulen nominated Roger Chase for Chairman. Mr. Cuddy seconded. Mr. Raybould moved for a unanimous ballot for Mr. Chase. Voice vote. All were in favor. Mr. Chase was elected Chairman.

Mr. Barker nominated Peter Van Der Meulen for Vice-Chairman. Mr. Alberdi seconded. Mr. Raybould moved for a unanimous ballot for Mr. Van Der Meulen. Voice Vote. All were in favor. Mr. Van Der Meulen was elected Vice-Chairman.

Mr. Raybould nominated Bob Graham for Secretary. Mr. Barker seconded. Voice Vote. All were in favor. Mr. Graham was elected Secretary.

Agenda Item No. 4, Agenda and Approval of Minutes

Mr. Patton noted that there were four sets of minutes: 5-12, 6-12, 7-12, and 8-12, submitted for review and approval. Mr. Raybould moved that all of minutes would be approved as printed. Mr. Cuddy seconded that motion.

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

Agenda Item No. 5, Public Comment

Mr. Harvey Walker addressed the Board regarding Basin 22 water transactions. He requested more transparency on transitions in that area. He requested a committee of water users in that basin be established for the purpose of informing the public regarding water issues in that basin.

Ms. Liz Paul of Idaho Rivers United addressed the Board. She expressed pleasure that the State Water Plan was at the legislature, and disappointment that the Treasure Valley Aquifer Management Plan was not ready to go to legislature this session. She encouraged a continued commitment to the Treasure Valley Aquifer Management Plan.

Mr. John Williams of Bonneville Power Administration addressed the Board. He congratulated the new Board members on their appointments. Mr. Williams gave an update on current BPA proceedings, including the selection of Bill Drummond as the new CEO Administrator and issues surrounding the Columbia River Treaty. There was further discussion among the parties regarding the Board's involvement with this issue.

Agenda Item No. 6, Director's Report *(Gary Spackman, IDWR Director)*

Director Spackman spoke about the Water Supply Bank. The Department has hit the ceiling on its spending authority to issue checks. The Director and the Chairman will be speaking to JFAC on Tuesday to hopefully remedy the situation. Director Spackman also gave the Board an update on recharge legislation. There was further discussion among the parties regarding recharge legislation. He also spoke about the status of the Injection Well Program rules revision and the upcoming budget presentation to the Joint Finance and Appropriations Committee. There was further discussion among the parties regarding the Department's spending authority.

Agenda Item No. 7, Committee Reports

a. Upper Snake Operations Forum *(Matt Weaver, Staff)*

Mr. Weaver updated the Board on the last committee meeting. The majority of the committee discussion was regarding water supply and climate and weather forecasts. Mike Beus (Bureau of Reclamation) and Lyle Swank (Water District 01) provided a status report on water supply. Jon Bowling of Idaho Power discussed current cloud seeding activities. Mr. Weaver provided a summary of recharge for 2012 and status of the IWRB recharge applications. There was discussion among the parties regarding the cloud seeding activities and the water supply outlook.

Agenda Item No. 8, Rental Pool Procedures *(Helen Harrington, Staff)*

a. Water District 63

Ms. Harrington discussed amendments to the Water District No. 63 Rental Pool Procedures as submitted by the Advisory Committee of Water District No. 63. The revised procedures are intended to bring the Boise River Rental Pool Procedures into compliance with the Nez Perce Settlement Term Sheet. If requested changes are approved, the Rental Pool Administrative Fee will increase to $1.30 and the Rental Price per acre-foot of storage rented from the Rental Pool will be $17.00. Staff recommends approval of the amended Water District No. 63 Rental Pool Procedures. Mr. Rex Barrie, the Watermaster of Water District No. 63 added additional information.

Mr. Barker moved that changes to the Rental Pool Procedures for Water District No. 63 be approved. Mr. Raybould seconded the motion.

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

b. Water District 65

Ms. Harrington discussed requested revisions to the Water District No. 65. There are four significant changes. The first is the reorganization and modification of the rules to be consistent with the structure and format of other rental pool procedures, including the addition of the "Arbitrage" section. The second is an increase in the in-base rental rate from $3.20 to $3.50. The third is an out-of-basin rental rate increase from $14.00 to $17.00. The fourth is an increase in the Rental Pool Administration Fee from $1.00 to $1.30. Staff recommends approval of the amended Water District 65 Rental Pool Procedures. There was further discussion among the parties regarding arbitrage in this basin, as well as the rate increases.

Mr. Raybould moved that the Board adopt the resolution approving the Water District No. 65 Rental Pool Procedures. Mr. VanDerMeulen seconded the motion.

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

c. Water District 37- Wood River Enhancement

Ms. Harrington provided an update to the Board regarding the Wood River Basin Enhancement Water Supply Bank and Minimum Stream Flow water rights. In 2007, the Idaho Legislature passed Idaho Code 42-1508, which directed the Board to appropriate two minimum stream flow water rights in the Bog Wood and Little Wood rivers. The Board filed these water right applications, which were approved on May 10, 2010. The permits have been pending submission of Proof of Beneficial Use with no action by the Board. The legislation passed in 2007 included a "sunset clause" which implemented the legislation effective through December 31, 2012. The permits included a condition which states that the water rights shall be null and void as of December 31, 2012 unless the act is extended by the Legislature. No action was taken by the Idaho Legislature prior to this date, so the water right permits are null and void and the local rental pool known as the Wood River Basin Enhancement Water Supply Bank has been deactivated.

Agenda Item No. 9, Water Supply Bank Annual Report *(Monica Van Bussum, Staff)*

Ms. Van Bussum provided an annual report for the Water Supply Bank (Bank). She clarified the purposes of the Bank, and discussed 2012 basin activity, volume, rental agreements and improvements. Ms. Van Bussum also discussed changes that are currently being made in the program to improve process. There was discussion among the parties regarding ways to improve the process. Ms. Van Bussum discussed the Bank's 2012 rental

revenue, lessor payments, and lease revenue, as well as the overall revenue picture. There was further discussion among the parties regarding the fees and revenue, as well as staff resources.

Agenda Item No. 10, Water District 2 *(Tim Luke and Neeley Miller, Staff)*

Mr. Tim Luke provided a background on Water District 2 and discussed the WaterSmart grant application recently submitted to the US Bureau of Reclamation. The grant money will be used to install measuring devices. Mr. Neeley Miller provided further details regarding the WaterSmart grant application as well as the Board's obligations per the grant application. A requirement of the grant application is an official resolution adopted by the applicant's governing body in support of the application. Due to the deadline, staff submitted a draft resolution with the application. Should the Board approve the resolution, an approved resolution will be submitted to the US Bureau of Reclamation. Mr. Patton commented on staff's diligence in completing the application by the deadline. There was further discussion among the parties regarding, among other things, the advisory committee for Water District 02, grant funding, and support for the creation of the Water District.

Mr. VanDerMeulen moved to approve the resolution in the matter of the proposed WaterSmart application for measurement devices in Water District 02. Mr. Alberdi seconded the motion.

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

Director Spackman commended the staff for their effort on this matter. He discussed Mr. Luke's role in the creation and organization of water districts, and current issues surrounding water districts.

Agenda Item No. 11, IWRB Financial Program

a. Status Report *(Brian Patton, Staff)*

As of December 1, the Board has approximately $16.9 million in funds committed but not yet disbursed, approximately $15.7 million in loan principle outstanding, and a total uncommitted balance of approximately $5.9 million. The Monument Ridge Home Owner's Association has repaid its loan in full and ahead of schedule. There was further discussion among the parties regarding details of the status report.

b. North Fremont Canal Systems *(Stuart VanGreuningen, Staff)*

Mr. VanGreuningen discussed the loan application from North Fremont Canal System. They are applying for a water project construction loan in the amount of $2,500,000 to construct Phase 4 of Marysville project to convert open canals to gravity-pressurized pipelines. Mr. Maupin thanked the Board for their participation in this project and discussed further details regarding the project. There was further discussion among the parties regarding a reserve account.

Mr. VanDerMeulen moved to approve the resolution to make a funding commitment in the matter of the North Fremont Canal System. Mr. Stevenson seconded the motion. Mr. Raybould commented that he would abstain from voting due to a potential conflict.

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

c. Water Transactions *(Helen Harrington, Staff)*

Ms. Harrington discussed the progress report for the Idaho Water Transactions Program. There was further discussion among the parties regarding the success of the program and the longevity of the transactions.

Agenda Item No. 12, Planning Activities *(Helen Harrington, Staff)*

a. State Water Plan Update

Ms. Harrington provided an update on the State Water Plan. The plan adopted by the Board in November 2012 was transmitted to the Idaho Legislature, the Governor, and Director Spackman. The bill, HB38, has been assigned to the House Resources and Conservation committee. Board members will be notified when the committee presentations are scheduled and would be welcome to attend committee meetings. Ms. Harrington commented that the Governor mentioned the Comprehensive State Water Plan in his State of the State Address on

January 7, 2013, and that he also referenced the plan at the Annual Idaho Water Users Association Convention. There was discussion among the parties regarding scrutiny of the plan by legislature. Ms. Harrington recognized the Attorney General's office for their work and support on this plan, and the Chairman recognized others who have also worked on this plan. There was further discussion regarding assessment of the implementation of the plan.

b. Rathdrum Prairie CAMP Implementation Funding Request

Ms. Harrington discussed a request from the Spokane River Forum for $3,000.00 to support the Spokane River Conference scheduled for March 26th and 27th, 2013. The conference supports several RP CAMP objectives including: preventing and resolving water conflicts; protecting the aquifer; and adaptive management, monitoring and data gathering. They have requested funding from a number of different entities. The funding request and supporting documents were circulated to the RP CAMP Advisory Committee via email for their recommendation. From the responses received, there is unanimous support for funding this proposal. There was further discussion regarding the number of participants

Mr. Cuddy moved to adopt the resolution to allocate funds in the matter of the Spokane River Conference. Mr. Stevenson seconded the motion.

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

Agenda Item No. 13, Discussion of Board Committees

Mr. Patton discussed the current committees and the need to assign members to each committee. There was discussion among the parties regarding combining the Water Supply Bank Committee and the Mitigation Bank committee. Chairman Chase asked the Board members to think about which committees they would like to serve on. There was discussion among the parties regarding teleconferences for the committee meetings and assigning members to committees.

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

There were no other items for discussion.

Agenda Item No. 15, Next Meeting and Adjourn

There was discussion among the parties about scheduling meetings for the rest of the year and locations at which meetings should be held and the Bear River Basin. Meetings are currently scheduled through May. The Board decided to meet in Twin Falls for the May 2013 meeting, and to schedule a going-away dinner for Leonard Beck at the same time. Additional meetings were scheduled for July 18-19, September 17-18 in the Bear River Basin area, and November 21-22. Mr. Patton discussed the Board's schedule for the rest of the day, as well as an upcoming meeting with the Commander for the US Army Corps of Engineers Walla Walla District on March 1, 2013.

The IWRB Meeting 2-13 adjourned at approximately 11:30 am.

Respectfully submitted this 22nd day of March, 2013.

Bob Graham, Secretary

Mandi Pearson, Administrative Assistant II

Board Actions:

1. Mr. Van Der Meulen nominated Roger Chase for Chairman. Mr. Cuddy seconded. Mr. Raybould moved for a unanimous ballot for Mr. Chase. Voice vote. All were in favor. Mr. Chase was elected Chairman.

2. Mr. Barker nominated Peter Van Der Meulen for Vice-Chairman. Mr. Alberdi seconded. Mr. Raybould moved for a unanimous ballot for Mr. Van Der Meulen. Voice Vote. All were in favor. Mr. Van Der Meulen was elected Vice-Chairman.

3. Mr. Raybould nominated Bob Graham for Secretary. Mr. Barker seconded. Voice Vote. All were in favor. Mr. Graham was elected Secretary.

4. Mr. Raybould moved that all of minutes would be approved as printed. Mr. Cuddy seconded that motion. Roll Call Vote. Motion carried.

5. Mr. Barker moved that changes to the Rental Pool Procedures for Water District No. 63 be approved. Mr. Raybould seconded the motion. Roll Call Vote. Motion carried.

6. Mr. Raybould moved that the Board adopt the resolution approving the Water District No. 65 Rental Pool Procedures. Mr. VanDerMeulen seconded the motion. Roll Call Vote. Motion carried.

7. Mr. VanDerMeulen moved to approve the resolution in the matter of the proposed WaterSmart application for measurement devices in Water District 02. Mr. Alberdi seconded the motion. Roll Call Vote. Motion carried.

8. Mr. VanDerMeulen moved to approve the resolution to make a funding commitment in the matter of the North Fremont Canal System. Mr. Stevenson seconded the motion. Mr. Raybould commented that he would abstain from voting due to a potential conflict. Roll Call Vote. Motion carried.

9. Mr. Cuddy moved to adopt the resolution to allocate funds in the matter of the Spokane River Conference. Mr. Stevenson seconded the motion. Roll Call Vote. Motion carried.