IDAHO WATER RESOURCE BOARD

MEETING MINUTES 5-13

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

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

March 21, 2013
Work Session

Vice-Chairman Peter Van Der Meulen called the meeting to order at approximately 8:00 am. Mr. Roger Chase was absent. All other Board members were present.

During the Work Session the following items were discussed: Weiser-Galloway Project by Cynthia Bridge-Clark, Nancy Glenn, Jeremy Giovando, and Bill Harrison; Water Supply Conditions by Liz Cresto; ESPA Recharge Modeling by Mat Weaver and Mike McVay; Cloud Seeding by Idaho Power Company; Pristine Springs by Brian Patton, Treasure Valley Aquifer Investigations by Craig Tesch, and Lewiston Area Ground Water Management Activities by Ken Neely. No action was taken by the Board during the Work Session.

March 22, 2013
IWRB Meeting

Chairman Roger Chase called the meeting to order at approximately 7:30 am. All Board members were present.

Agenda Item No. 1, Roll Call

Board Members Present

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

Staff Members Present

Brian Patton, Planning Bureau Chief
Clive Strong, Deputy Attorney General
Mandi Pearson, Administrative Assistant
Garrick Baxter, Deputy Attorney General
Harriet Hensley, Deputy Attorney General
Monica Van Bussum, Water Resource Agent
Neal Farmer, Special Projects Coordinator
Helen Harrington, Planning Section Manager
Mat Weaver, Engineer Tech II
Stuart VanGreuningen, Engineer
Cynthia Bridge Clark, Engineer

Guests Present

Walt Poole, Idaho Fish and Game
Hal Anderson, Idaho Water Engineering
Dave Miles, Association of Idaho Cities
Lynn Tominaga, Idaho Ground Water Association
Marie Kellner, Idaho Conservation League
Dean Stevenson, Magic Valley Ground Water District
Lynn Carlquist, Magic Valley Ground Water District
Dave Tuthill, Idaho Water Engineering
Peter Anderson, Trout Unlimited
Jon Bowling, Idaho Power Company
John Simpson, Barker, Rosholt, & Simpson
Dan Temple, A&B Irrigation District

Agenda Item No. 2, 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 8:30 am.

Agenda Item No. 3, Agenda and Approval of Minutes

Mr. Raybould made a motion that minutes for meetings 9-12, 10-12, 1-13, and 2-13 be approved as printed. Mr. Cuddy seconded the motion. Voice Vote. All were in favor. Motion carried. Mr. Patton noted that several people who want to speak during the Public Comment period were delayed due to a road closure. Chairman Chase stated the Board would accommodate them when they arrived at the meeting.

Agenda Item No. 4, Committee Appointments and Scheduling

Mr. Stevenson made a motion to approve the committee appointments as written. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion carried. Mr. Patton discussed a schedule for committee meetings, specifically holding committee meetings during the month in between Board meetings. There was discussion among the Board members regarding this and general consent.

Agenda Item No. 5, Committee Reports

a. Upper Snake Advisory Committee *(Mathew Weaver, Staff)*

Mr. Weaver updated the Board on the last committee meeting, which was held on March 7, 2013. At that meeting, Mike Beus, Lyle Swank, and Jon Bowling gave updates on operations and water supply. Other topics discussed were the water supply outlook for the upcoming year and coordination of natural flow diversions at Milner Dam. Topics that will be addressed later in the year include the Columbia River Treaty matter and recharge issues. The next meeting will be April 11, 2013.

b. Water Supply Bank

Mr. Patton deferred this agenda item to be discussed during Agenda Item No. 11, Water Supply Bank.

Agenda Item No. 6, Public Comment

Chairman Chase opened the meeting to public comment. Mr. Barker requested that Jon Bowling would give the Board an update on his projections for the Swan Falls minimum flows for 2013. Mr.

Bowling stated that the forecast indicated about 4000 cfs, and that they are tracking this closely. There was discussion among the parties regarding past occurrences of low minimum flows and operations during these times.

Chairman Chase noted that those who wanted to speak about recharge legislation would be given an opportunity to address the Board during Agenda Item No. 8, Legislative Update.

Mr. Dan Temple updated the Board on the Lake Walcott recharge project. He discussed water availability for recharge, the cost of the project, the site potential, and the next steps to take. There was discussion among the parties regarding clearance and permitting, pump design, and a cost estimate. Mr. Temple also discussed another project, the Unit A conversion, that A&B Irrigation District is working on. It is going through the NRCS approval stages right now, with AWEP funding.

Mr. Dean Stevenson expanded on the recharge project at Lake Walcott. He discussed the engineering needed to work with Fish and Wildlife Service and the cost estimates. There was discussion regarding which entities would help to pay for the project, water availability, and permits and coordination with Fish and Wildlife Service.

Agenda Item No. 7, Director's Report

Mr. Patton, on behalf of Director Spackman, updated the Board on the proposed well construction legislation that would repeal sections of the well drilling rules. He also updated the Board on the basin-wide issue decision and low snow accumulation. There was discussion among the parties regarding the water supply outlook.

Agenda Item No. 8, Legislative Update *(Garrick Baxter, Staff)*

Mr. Garrick Baxter provided an overview of recent legislation. He discussed the status of House Bill 38, the State Water Plan; House Bill 47, Watermaster Appointments; House Bill 48, Injection Well Bonds; House Bill 49, Injection Well Permit Fees; House Bill 50, Hydropower Water Rights; House Bill 131, Extensions of Time for Permit Holders; House Bill 144, Well Construction Standard; House Bill 174, Additional Appropriations; House Bill 247, Revised State Water Plan; House Bill 270, IDWR Appropriation; House Bill 277, Well Construction Standards; and Senate Bill 1155, Watermaster Compensation. Mr. Baxter also discussed the rules on minimum standards for construction of Injection Wells, which were approved and will become effective upon the end of the legislative session. Mr. Baxter provided an overview of draft legislation that would allow for the Board to develop rules relating to groundwater recharge and to develop an aquifer credit tracking system associated with it. The Idaho Water User's Association created a subcommittee to review and work on the legislation with the Director and other interested individuals. A key point in the current draft is authorization for the Board to promulgate rules related to groundwater recharge throughout the state, but would specifically require that the Board promulgate rules regarding the ESPA, and that the rules would be consistent with the goals of the ESPA CAMP and the State Water Plan. The legislation authorizes the Board to promulgate rules to develop an aquifer credit program. The current draft also authorizes the Director to subordinate future groundwater recharge rights to future Board groundwater recharge rights. There was discussion among the parties regarding the timing of the proposed legislation in regards to the current legislative session. Chairman Chase opened up the discussion for public comment.

Mr. Dave Miles, representing Association of Idaho Cities, addressed the Board. He expressed uncertainty and specific issues throughout the multiple drafts of the draft legislation.

Mr. Dave Tuthill addressed the Board regarding the draft legislation. He discussed the amount of water in the state, the primary drivers of water projects in Idaho, public and private partnerships, the role of recharge, and the recent history of changes to managed ground water recharge legislation. He stated that this legislation is not ready to be submitted during the current legislative session, and that more discussion needs to occur. There was discussion among the parties regarding the timing of the legislation and the "subordination" language.

Mr. Lynn Tominaga addressed the Board regarding the draft legislation. He discussed the mitigation plan and aquifer credits and the incidental recharge issues that came up during the legislative review of the State Water Plan.

Mr. John Simpson addressed the Board regarding the draft legislation. He discussed the history of recharge considerations during CAMP development, as well as the discussions currently being held regarding the draft legislation. He discussed the importance that water users and the Board work together to recover the aquifer. There was discussion among the parties regarding the timing of the draft legislation and the critical need for adequate funding.

Mr. Baxter wrapped up the discussion at the request of the Chairman. He briefly discussed the subordination issue, and reported on the discussions happening regarding the draft legislation.

Agenda Item No. 9, Financial Update

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

As of February 1, the Board had approximately $18.6 million in funds committed but not yet disbursed, approximately $15.4 million in loan principle outstanding, and a total uncommitted balance of approximately $4.7 million. The 20-Mile Creek Water Association has repaid its loan in full and ahead of schedule.

b. Harvest Valley HOA Loan *(Stuart VanGreuningen, Staff)*

Mr. VanGreuningen discussed the loan application from Harvest Valley Home Owners Association. They are applying for a Water Project Loan in the amount of $4,500.00 to replace their irrigation pump. Staff recommended approval of the loan for the Pump Replacement Project in the amount of $4,500 at 6% with a 5-year term. There was discussion among the parties regarding the ability of the applicant to pay for the project and reserve funds.

Mr. Raybould moved to approve the resolution to make a funding commitment in the matter of Harvest Valley Home Owner's Association. Mr. Cuddy seconded the motion.

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

There was discussion among the parties regarding the format for reviewing loan applications.

Agenda Item No. 10, Rental Pools

a. Rental Pools 2012 Annual Summary *(Helen Harrington, Staff)*

Ms. Harrington provided a summary on 2012 rental pool operations. Rental pools facilitate the optimum use of water and provide revenue to the Board. Revenue from the rental pools provided a total of $400,850.64 to the Board in 2012. The rental and lease activity in these pools demonstrate the strong use of the rental pools. Over 99% of the available leased water was rented.

b. Water District 01 Rental Pool Procedures *(Helen Harrington, Staff)*

Ms. Harrington reported on the Water District 01 Rental Pool Procedures. The Committee of Nine recently adopted changes to the procedures. Key areas which are reflected in the revisions are: administrative fee increase from $0.80 to $1.05, rental price increases for tiers 1 through 4, and additional rules regarding Equitable Adjustment water. Staff recommended approval of the proposed changes.

Mr. Raybould moved to adopt the resolution approving the Water District 01 Rental Pool Procedures. Mr. Alberdi seconded the motion. Voice Vote. All were in favor. Motion carried.

Agenda Item No. 11, Water Supply Bank *(Brian Patton, Staff; Monica Van Bussum, Staff)*

Mr. Patton discussed the Water Supply Bank (WSB) funds routing process. Historically, all funds received from the Water Supply Bank rentals have been deposited into the Department's "Fee

Account." With the rapid growth of the WSB, the payments back to the water right owners were delayed as the Fee Account spending authority limit was reached. The proposed solution to this problem is to deposit the Department share into the Fee Account, while the owner's share would be deposited into the IWRB's Revolving Development Account until payment to the water right owner is made. Since the IWRB has continuous spending authority for the Revolving Development Account, the spending authority limit would no longer be an issue. On March 20, 2013 the IWRB Water Supply Bank Committee examined the issue and recommended implementing this change. Mr. Raybould suggested that the percentages be taken out of the resolution in case of future changes to the percentages. There was discussion among the parties regarding the Board's involvement in approving the applications.

Mr. Alberdi moved to approve the resolution in the matter of the Water Supply Bank with the suggested changes. Mr. Stevenson seconded the motion.

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

Ms. Van Bussum provided a synopsis of the Water Supply Bank Committee meeting. Interest in activity in the WSB has greatly increased in the last couple of years. Due to this, processing applications has greater complexity. Ms. Van Bussum suggested a number of issues for the Board to consider. Ms. Van Bussum noted that she would no longer be working as the Water Supply Coordinator and thanked the Board for the experience she has had working for them. Mr. Alberdi, along with Chairman Chase, expressed appreciation for Ms. Van Bussum's dedication, hard work, and sincerity. There was discussion among the parties regarding some of the issues the Water Supply Bank Committee will be addressing.

Agenda Item No. 12, Pristine Springs *(Brian Patton, Staff)*

Mr. Patton discussed the Blue Lakes Pipeline Replacement issue. Mr. Lynn Carlquist of the North Snake Ground Water District updated the Board on the status of the project. This pipeline is the only source of water to supply the Blue Lakes facility and the bulk of the fresh water supply to the Pristine Springs facility. The cost is estimated to be $1.5 million dollars. He discussed the pipe that was suggested by the engineering firm as well as the next steps for the project. There was discussion among the parties regarding the development of a legal document or easement that will allow the Board's water through the pipeline. There was further discussion among the parties regarding the Board's water right, the adequacy of the proposed replacement pipe, what is included in the cost estimate, and the Board's participation in the pipeline replacement.

Mr. Cuddy made a motion to appoint a subcommittee to observe and review the operation and to make a recommendation to the Board regarding the Board's participation in the project. Mr. Barker seconded the motion. Mr. Stevenson abstained from voting. There was some discussion about the committee's role and purpose, the need for a timely decision by the Board, and the adequacy of the proposed replacement pipe. Voice Vote. All were in favor. Motion passed.

Agenda Item No. 13, Storage Studies Update *(Cynthia Bridge Clark, Staff)*

Ms. Bridge Clark provided a status report on the Weiser-Galloway Project. She discussed the preliminary results of the geologic investigation. Some of the remaining tasks include additional soil sampling, final evaluation of the rock mechanics and final cost estimates. The final report is expected by the end of the federal fiscal year. The Operational Analysis is expected to be completed by spring 2014. She also provided a status report on the Lower Boise River Feasibility Study. The US Army Corps of Engineers (Corps) and the Department are moving through the Corps' new Planning Modernization Initiative. In December, a four-day planning charette was held and a list of alternatives that might be studied further was developed. Recently, the alternatives have been refined significantly. The Corps is coordinating with management at Headquarters in Washington DC to obtain required approval of the project objectives and alternatives. The next step in the Corps' process is to coordinate with state and local agencies. The earliest that this re-scoping process will be completed is by September 2013.

Initiation of the study will be subject to availability of federal funding. Ms. Clark provided a status report on the Henrys Fork Basin Study. The US Bureau of Reclamation (Reclamation) finalized an interim report documenting the process of identifying and screening water management alternatives in the Henrys Fork basin. Reclamation has initiated the appraisal analysis of the short list of alternatives beginning with technical issues specific to each alternative and a refined analysis of the water available for storage. Completion is scheduled for October 2013.

Agenda Item No. 14, ESPA Management Update *(Mat Weaver, Staff; Neal Farmer, Staff)*

Mr. Weaver provided an update on management activities in the ESPA. This is the last year of AWEP funding. The NRCS has received applications for five groundwater to surface water conversion projects for AWEP consideration. Applications for three water savings projects have been submitted to the NRCS for AWEP consideration. An End Gun Removal practice has been added to the AWEP program for 2013. The Department will be required to conduct water right review analysis of all applications similar to the requirement associated with the Conservation Reservation Enhancement Program. Mr. Weaver also provided an update on current recharge activities. Department staff continue to coordinate and move forward on the permitting of the Board's suite of water right applications from 1998 for managed aquifer recharge. A pre-hearing conference will be held in May. The construction at the Mile Post 31 recharge site is close to being completed.

Mr. Farmer reported to the Board on spring recharge activities. Due to a lack of water supply, recharge will be limited this year unless weather conditions change. A number of contracts are in place with canal companies and irrigation districts throughout the State. There was discussion among the parties regarding long-term contracts. Northside Canal Company and Milner-Gooding Canal Company currently have construction projects and will not be able to complete any recharge this spring. Mr. Farmer provided a calendar of spring recharge activities. There was further discussion among the parties regarding recharge efforts.

Agenda Item No. 15, Planning Programs Update *(Helen Harrington, Staff)*

Ms. Harrington described current planning activities. Rathdrum Prairie Comprehensive Aquifer Management Plan implementation activities will be ramping up this spring with an advisory committee meeting scheduled for March 29, 2013. Ms. Harrington discussed the topics to be addressed at the meeting. The Treasure Valley Comprehensive Aquifer Management Plan has been referred to the IWRB Water Resource Planning Committee for reconsideration of the public comments. The IDWR Hydrology section is moving forward with developing a groundwater flow model in the Wood River Valley in partnership with the United States Geological Survey. This project is anticipated to be completed in late 2015. The Idaho Comprehensive State Water Plan was sent from the House Resource and Conservation Committee to the Idaho House with a do-pass recommendation. It was then sent back to the Committee on March 18, 2013 and will remain there until the end of the legislative session. Due to a constitutional time limit, the State Water Plan is now effective. It is anticipated that an IWRB committee will review concerns and considerations raised by some House committee members during the discussions with legislature. There was discussion among the parties regarding this review. Ms. Harrington discussed the sustainability policy that has been referred to the Water Resource Planning committee.

Agenda Item No. 16, IWRB Northern Idaho Adjudication Activity *(Helen Harrington, Staff)*

Phase 1 of the Northern Idaho Adjudication (NIA) was commenced on November 12, 2008. The Board holds six water licenses for minimum stream flows in Phase 1. The Governor holds a water right for lake level in Phase 1, which staff has been assisting in preparing claims for. In coordination with IDWR NIA staff, the required claims were reviewed and a schedule for filing was developed which identified the fiscal year in which the claims would be filed. Claims have been filed for five of the six IWRB rights during Fiscal Year 2013. The remaining claims will be filed in the upcoming fiscal year. There was further discussion among the parties regarding the deadlines for federal filing claims.

Agenda Item No. 17, Other Non-Action Items for Discussion

There was discussion regarding dinners to be held in May and July for Mr. Leonard Beck and former Chairman Terry Uhling.

Agenda Item No. 18, Next Meeting and Adjourn

The next regularly scheduled meeting is set for May 16-17, 2013 in Twin Falls. Mr. Raybould made a motion to Adjourn, and Mr. Van Der Meulen seconded the motion. Voice Vote. All were in favor. Motion Carried.

The IWRB Meeting 5-13 adjourned at approximately 12:30 pm.

Respectfully submitted this 17th day of May, 2013.

Bob Graham, Secretary

Mandi Pearson, Administrative Assistant II

Board Actions:

1. Mr. Raybould made a motion that minutes for meetings 9-12, 10-12, 1-13, and 2-13 be approved as printed. Mr. Cuddy seconded the motion. Voice Vote. All were in favor. Motion carried.

2. Mr. Stevenson made a motion to approve the committee appointments as written. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion carried.

3. Mr. Raybould moved to approve the resolution to make a funding commitment in the matter of Harvest Valley Home Owner's Association. Mr. Cuddy seconded the motion. Roll Call Vote. All were in favor. Motion carried.

4. Mr. Raybould moved to adopt the resolution approving the Water District 01 Rental Pool Procedures. Mr. Alberdi seconded the motion. Voice Vote. All were in favor. Motion carried.

5. Mr. Alberdi moved to approve the resolution in the matter of the Water Supply Bank with the suggested changes. Mr. Stevenson seconded the motion. Roll Call Vote. All were in favor. Motion carried.

6. Mr. Cuddy made a motion to appoint a subcommittee to observe and review the operation and to make a recommendation to the Board regarding the Board's participation in the project. Mr. Barker seconded the motion. Mr. Stevenson abstained from voting. Voice Vote. All were in favor. Motion passed.