IDAHO WATER RESOURCE BOARD

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Bob Graham
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Orofino
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Roger W. Chase
Pocatello
District 4

Vince Alberdi
Kimberly
At Large

Jerry R. Rigby
Rexburg
At Large

MINUTES OF MEETING 8-09

May 29, 2009
Boise, Idaho

Chairman Uhling called the meeting to order at 8:30 a.m. and asked for roll call.

Agenda Item No. 1, Roll Call

Board Members Present

Terry Uhling, Chairman	Vince Alberdi
Gary Chamberlain	Roger Chase
Chuck Cuddy	Bob Graham
Jerry Rigby	Leonard Beck

Staff Members Present

Dave Tuthill, Director	Hal Anderson, Administrator
Helen Harrington, Section Manager	Brian Patton, Bureau Chief
Cynthia Bridge Clark, Engineer	Eric Rothwell, Hydrologist
Morgan Case, Biologist	Bob McLaughlin, Public Information Off.
Neeley Miller, Sr. Planner	Bill Quinn, Engineer
Sandra Thiel, Planner	Aaron Golart, Stream Channel Coord.

Guests Present

Andy Breidan, Nez Perce Forest	Peter Anderson, Trout Unlimited
Jon Bowling, Idaho Power	Stephen Goodson, Governor's Off.
Shelley Davis, Barker Rosholt	Ellen Berggren, Corps of Engineers
Col. Wm. Farrell, Corps of Eng.	Rich Rigby, Bureau of Reclamation
Brian Jensen, Preston Whitney Irr.	Lyle Porter, Preston Whitney Irr.
John Williams, Bonneville Power	Greg Graham, Corps of Engineers
Kent Lauer, Idaho Farm Bureau	Mark Mendenhall, Corps of Engineers
Lynne Tominaga, IWUA	Liz Paul, Idaho Rivers United

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Agenda Item No. 2, Agenda and Approval of Minutes

Mr. Chamberlain moved that minutes from meetings 4-09, 5-09 and 6-09 be approved. Mr. Rigby seconded. The Chairman called for a voice vote. All were in favor.

Agenda Item No. 3, Boise River Basin Interim Feasibility Study Signing Ceremony with the Army Corps of Engineers

Mr. Anderson noted that Agenda Item No. 3 will be a signing ceremony with Colonel William Farrell from the U.S. Army Corps of Engineers who would be arriving around 10:00 a.m. Mr. Anderson suggested that the meeting move forward with Public Comment.

Agenda Item No. 4, Public Comment

Mr. John Williams, Bonneville Power Administration, addressed the Board. He recalled the last time he spoke to the Board and mentioned that improved water conditions and cost reductions internally and externally have improved the initial rate proposal. Mr. Williams noted that stimulus money from the federal government has improved BPA's borrowing authority aiding their investments in projects. Mr. Williams stated a new study of the treaty with Canada is underway. He stood for Board questions.

Ms. Liz Paul, Idaho Rivers United, expressed her appreciation to the Board for their service. She invited the Board to a full day float trip on the Upper Boise River at Twin Springs on June 6th. Ms. Paul addressed the agreement that was soon to be signed by the Corps of Engineers and the Board. She stated that Idaho Rivers United opposes any further study of the Twin Springs site and she provided a copy of a petition with signatures of others who also oppose this effort. Ms. Paul urged the Board to forego further study because of insurmountable obstacles including very little funding. Significant research and investigation has already been done for over 60 years some of it by the Board. In 1989 the departments of Fish and Game and Parks petitioned the Board to name the Upper Boise as a recreational river. The Board named those reaches as state protected water ways. The Upper Boise Plan by the Board was the product of much study and thought by many parties.

Ms. Paul noted that two of the objectives of the plan are to maintain water quality and to insure fish and wildlife habitat is not degraded. The Twin Springs stretch has outstanding recreation values. It is a migration corridor for bull trout. The Middle Fork has the highest densities of wild trout and the North Fork is a popular white water run. The Board is charged with the responsibility to protect the water and wildlife resources of the State and the Upper Boise Plan does exactly that.

Ms. Paul stated that with the recent designation of the canyon lands as recreational rivers by the federal government there are other rivers that may get the federal designation. She added that she looked forward to working with the Board on preserving these valuable resources. She stood for Board questions. Chairman Uhling noted that the Board is dealing with climate change and water management along with storage opportunities. He asked if Idaho Rivers United opposes all storage

projects. Ms. Paul replied that they are opposed to storage projects in the Upper Boise Basin. She stated it is very important for the Board to finish the Lower Boise Basin Plan from the 1990s.

Mr. Jon Bowling, Engineer from Idaho Power Company, addressed a presentation the Director made previously regarding the spring gains for the Snake River from Milner to King Hill using the Kjelstrom Methodologies. Mr. Bowling along with David Blew has compiled a new report with new collection methods indicating new information for these measurements. These figures have been reported to the U.S. Geological Survey.

Mr. Anderson stated that representatives from the Preston Whitney Irrigation Company were present and available for Agenda Item 6b. Loan Requests.

Agenda Item 6b, Loan Requests – Preston Whitney Irrigation Company

Mr. Patton presented the loan application from the Preston Whitney Irrigation Company in the amount of $1,000,000 to replace their open Fairview Lateral canal with a gravity-pressure pipeline. This lateral serves about 30% of their users and would save energy usage and improve water control. Staff believes that the company has the ability to repay this loan. The U.S. Bureau of Reclamation has awarded a $300,000 Water 2025 grant for this project. Staff recommends this project with certain conditions. Chairman Uhling noted that the Board has about $2 million over the next 12 months to loan throughout the state. This loan would take half of that amount for this one project. He requested representatives from Preston Whitney address the Board.

Mr. Lyle Porter, President of the Preston-Whitney Irrigation Company, addressed the Board and thanked them for the opportunity to appear. He stood for Board questions. Mr. Chamberlain noted that the Board is concerned about the funds available for loaning this next year. He asked if Preston Whitney would be willing to consider $500,000 to $600,000 for the loan and would work with the Board. Mr. Porter noted that pipe had already been purchased. He discussed various aspects of the project. Mr. Chamberlain asked if part of the project could be stretched out over 15-18 months. Mr. Porter stated that the construction schedule is September through March of next year to be ready for irrigation. Mr. Chamberlain asked if another assessment of stockholders could be made. Mr. Porter stated that a special assessment had already been made to get current funds.

Mr. Cuddy suggested that with all the energy savings perhaps other agencies could contribute to this project. Mr. Chase asked if the Board could provide half the funds, could a private bank loan be made for the remainder. Mr. Porter stated that other sources have been considered but not commercial lending. Mr. Beck noted that commercial lending could create problems with the Board's secured position on water rights. Chairman Uhling stated that this is a great project. He asked if the Board could loan $800,000 would the company be able to come up with the remainder of $200,000. Mr. Porter stated that they might not need the full million but they would not know until the bids were in.

Mr. Graham asked about the amount of canal seepage the company experiences. Mr. Porter stated that losses approach 40%. Mr. Graham asked if their water increases by 40%, would they need

all that water. Mr. Porter stated that extra water could be leased to the water bank and rented to other users. Water will be available for other uses.

Mr. Rigby moved that the loan application to Preston Whitney Irrigation Company be approved for $800,000.00 at 5.5% for a 15-year term. Mr. Beck seconded. There was some discussion. Chairman Uhling called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Alberdi: Aye; Chase: Aye; Beck: Aye; Chamberlain: Aye; Graham: Aye; Rigby: Aye; Chairman Uhling: Aye. 8 Ayes. Motion Passed.

Agenda Item No. 5, IWRB Hydropower Status Report

Mr. Patton presented the Hydropower Status Report. Since coming on line Dworshak has produced 173 million kWh for sale to Bonneville Power. Pristine Springs #1 has produced 932,000 kWh sold to Idaho Power Company. Pristine Springs #3 has produced 1.3 million kWh sold to Idaho Power Company. Mr. Patton provided information about energy sales rates. He updated the Board on the potential third project at Pristine Springs. Staff have not been able to find engineering drawings for this project but are still looking. This plant would be about 170 kW in size. This could be a potential for green power production.

The two Pristine Springs plants have grossed $104,000 of which $60,000 has gone to the Repair Replacement Fund. The Dworshak Project has grossed $114,000 deposited into the Revolving Development Account as well as $77,000 for the Repair Replacement Fund. There was discussion about how much money should be left in the Repair Replacement Fund.

Agenda Item No. 6, IWRB Financial Program

a. Status Report

Mr. Patton outlined funds in various accounts for the Board. This report contains estimated revenues, commitments and uncommitted funds over the next 12 months. The Board has as of May 1st, $13.3 million committed but not dispersed; $21 million loan principal outstanding; $188,555 uncommitted balance; and $3.3 million estimated uncommitted funds over the next 12 months. $1.2 million is for the ESPA CAMP effort minus the $800,000 just loaned to Preston Whitney leaving $1.2 million available over the next 12 months. Today only $188,000 is available. Last month the Board approved a $500,000 loan to the groundwater districts and staff are discussing with them whether they will move forward with that project.

Chairman Uhling stated that a twelve month cash flow would show exactly what is available each month. He suggested adding that to the report. Mr. Rigby noted that it is clearly stated exactly what the Board has.

b. **Aquifer Recharge Program Update**

Mr. Quinn reported to the Board the success of the 2009 Early Season Recharge. Six canal companies or irrigation districts participated recharging a total of just over 78,000 acre feet. Some companies are not quite finished. The final number could be around 80,000 acre feet. Conveyance fees totaled about $161,163. He stood for Board questions.

Mr. Rigby moved that the Board utilize the remaining W-Canal Project funds, after payment of any remaining W-Canal project costs, for the payment of conveyance fees to canal companies and irrigation districts for recharge in the amount of approximately $380,000. Mr. Alberdi seconded. Chairman Uhling called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Alberdi: Aye; Chase: Aye; Beck: Aye; Chamberlain: Aye; Graham: Aye; Rigby: Aye; Chairman Uhling: Aye. 8 Ayes. Motion Passed.

Chairman Uhling asked the Director for his input on these recharge efforts. Director Tuthill stated that this year with just using six canals 80,000 acre feet was achieved. There is an opportunity to increase this amount over time. The ESPA CAMP recognized 100,000 acre feet and that appears very achievable. Under the Swan Falls settlement with Idaho Power Company this amount could be increased to 175,000 acre feet. There was discussion about the measurement of recharge. Director Tuthill stated that the impacts would be seen through modeling. This Spring recharge will be difficult to measure. Mr. Beck expressed skepticism if results are not measurable. Mr. Quinn responded that the groundwater monitoring network will provide data for the model and should reflect recharge. Mr. Anderson noted that as part of the funding for the ESPA CAMP process the number of wells and measuring devices has been increased which should provide more data for the model.

Colonel Farrell arrived and the Chairman called for a short break to have the signing ceremony with the Army Corps of Engineers.

After the break Director Tuthill addressed the Board. He stated that the document signed by Colonel Farrell and the Water Resource Board initializes the Boise River Basin Interim Feasibility Study that is part of the Treasure Valley CAMP Study to assess water storage potential for the purposes of the future water support of the Treasure Valley. The Board is partnering with the Army Corps of Engineers. The 2008 Legislature authorized funding to study storage opportunities in the Boise Basin. On January 23, 2009 the Board authorized $350,000 for the Boise River Feasibility Study with the Corps of Engineers. Colonel William Farrell from the Walla Wall Corps of Engineers was the contract signee along with IWRB Chairman Terry Uhling.

Director Tuthill responded to Liz Paul's comments about Twin Springs. He stated that engaging Idaho Rivers United in the process was very important. The issue is whether to take Twin Springs off the table. In many ways, he said, storage issues are more important now than they were in 1992 along with flood protection needs. There are reasons to continue to look at Twin Springs.

Chairman Uhling extended his gratitude to Colonel Farrell for working with the department and the Board on this project. He expressed his appreciation for the Colonel coming to Boise for the signing of the contract.

Agenda Item No. 7, Planning Activities

a. ESPA CAMP Plan

Mr. Anderson discussed the telephonic meeting yesterday at the work session with Mr. Jonathan Bartsch from CDR Associates, Denver, Colorado. The contract has been extended to facilitate the creation of the Implementation Committee which will create work tasks, projects and funding mechanisms. A resolution with the complete membership list of the Implementation Committee is before the Board today for approval. There was some discussion.

Mr. Rigby moved that the Board approve the resolution for the ESPA CAMP Implementation Committee. Mr. Chase seconded. Chairman Uhling called for a voice vote. All were in favor. Motion passed.

Mr. Anderson noted that the first meeting of the Implementation Committee will be on June 10th at the Fish and Game office in Jerome at 10:00 a.m.

b. Progress Report on Treasure Valley and Rathdrum Prairie CAMP

Ms. Harrington stated that contracts have been finalized for Facilitation Services with Collaborative Processes LLC from Denver, Colorado for both basin studies. Additionally, future water demand studies have been contracted with WRIME, Inc. from Sacramento, California for the Treasure Valley CAMP and with SPF Engineering, Boise, Idaho for the Rathdrum Prairie. Meetings with these contractors will be held next week. She stated that in 2-3 months advisory committees will be nominated for the Board's approval. Next week at the meeting, June 3 and 4th, an action plan will be created and a schedule made for tasks to be accomplished.

Ms. Harrington stated that the Technical Bureau has begun two studies in the Treasure Valley for an assessment of groundwater models coordinated by Dr. Donna Cosgrove and a study with Dr. Lee Liberty with Boise State University for geophysical investigations in outlying areas like the Boise Foothills and East toward the Mountain Home Area. Chairman Uhling asked about all the previous studies that have been done in the area. Director Tuthill noted that more data is needed in outlying areas to add to what has already been done. Mr. Anderson stated that the initial modeling done for the Treasure Valley did not include the foothills area. Ms. Harrington added that eastern Boise has had many proposed developments and needs more study.

In the Rathdrum Prairie because of recent hydrologic studies, less work will be needed Ms. Harrington stated. Some areas will need additional studies like inputs from the lakes. Mr. Graham stated that pressures from other states like Washington should be included. Ms. Harrington stated this issue will be addressed with the facilitation team. Mr. Cuddy asked if the facilitation team would be coordinating with the Coeur d'Alene Tribe. Ms. Harrington responded that is in the plan.

c. State Water Plan Sub-Committee Update

Ms. Harrington reported that the sub-committee has completed the majority of the rewrites on the policies. Draft policies for the Snake and Salmon-Clearwater Rivers will be ready by mid June. She noted a map of the locations for the seven public hearings. She provided a spreadsheet listing all the policies and the changes to the numbers. She provided another sheet discussing changes and eliminated or new policies.

d. Nez Perce National Forest Red River Channel Restoration Project

Ms. Sandra Thiel, IDWR Planner, reported to the Board on a proposed project on the Red River in the Nez Perce National Forest. According to the South Fork Clearwater River Basin Comprehensive State Water Plan this project needs Board approval. She described the project as being 55 miles east of Grangeville and about 10 miles upstream from the confluence of the Red River with the American River. The project will restore stream habitat, relocate the channel and provide for revegatation. These improvements will benefit fish habitat and riparian areas. The project will also enhance the floodplain through relocation of dredge tailings and relocation of two sections of the river channel. The project is funded by Bonneville Power Administration through the Nez Perce Tribe. Ms. Thiel stood for Board questions.

Mr. Chamberlain moved that the Red River Channel Restoration Project be approved. Mr. Graham seconded. The Chairman called for a voice vote. All were in favor.

Mr. Andrew Breidan, Nez Perce National Forest, addressed the Board. He stated that there are several projects in the planning stages including a phased project that will take several years. He asked if they needed one permit or one for each stage. He also inquired if a Memorandum of Understanding with the NPNF could be written. Director Tuthill responded that from the department's standpoint MOU's work very well. The Director asked him to contact Mr. Anderson or Mr. Golart. Mr. Anderson stated that he would be glad to work with Mr. Breidan to help facilitate the best mechanism to facilitate their work. Mr. Breidan stood for Board questions.

Agenda Item No. 8, Recharge Water Rights

Mr. Anderson discussed the Board's water rights for recharge on the Snake River No. 01-7054 and the Big and Little Wood Rivers No. 37-7842. The Board has been working on establishing beneficial use on the Snake River Water Right and to request an extension for the Big and Little Wood Rivers water right.

Mr. Rigby moved that proof of beneficial use on the Snake River water right No. 01-7054 be filed and that a request for extension of time be filed for the Big and Little Wood Rivers water right No. 37-7842. Mr. Alberdi seconded. The Chairman called for a voice vote. All were in favor.

Agenda Item No. 9, Storage

Ms. Clark presented the storage report beginning with the Galloway Storage Study. Funding was not approved by the Legislature. Staff are negotiating funding with a private entity. Negotiations are going well and when the contract is finalized, it will be presented to the Board for their approval. The estimated cost is $1 million. The study will include hydropower potential and geothermal development around the reservoir. The study will be finalized in about one year. Ms. Clark thought a contract might be ready by the July meeting for the Board's consideration.

a. Teton Basin

The Legislature appropriated $400,000 for this study. A Memorandum of Agreement is being developed with the Bureau of Reclamation who will pay half the costs. This study will evaluate existing conditions and develop appraisal level engineering designs, cost estimates, schedules, and a summary of social and environmental constraints for a short list of surface water storage options. A resolution is before the Board today to approve the expenditure of the $400,000.

Mr. Beck moved that the Board approve the expenditure of $400,000 for the Teton Basin study. Mr. Chamberlain seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Alberdi: Aye; Chase: Aye; Beck: Aye; Chamberlain: Aye; Graham: Aye; Rigby: Aye; Chairman Uhling: Aye. 8 Ayes. Motion Passed.

Ms. Clark discussed the Minidoka Dam Raise Special Study. The Bureau of Reclamation staff are working diligently on this study. Staff will be meeting with BOR in the near future to review the results. Also, staff from IDWR and BOR are working on an application to appropriate the additional storage water if the dam raise is accomplished. Ms. Clark stood for Board member's questions. Mr. Patton stated that when the study is complete BOR will need a decision from the Board about raising the dam. The study should be completed by March 2011.

10. Director's Report

Director Tuthill discussed the appointment of Jack Peterson as the Senior Federal Advisor with the department. An agreement has been signed and it provides that Mr. Peterson will be working with the department on a day-to-day basis on projects with federal agencies. He will be located in the department offices and his salary will continue to be Federal. Chairman Uhling welcomed Mr. Peterson. Mr. Peterson thanked the director and the department and expressed his willingness to contribute positively.

The Director stated that he had received the study by Mr. Bowling and Mr. Blew from Idaho Power. He has requested USGS and IDWR staff to evaluate the data in the report by June 19th. The intent is to develop the data for the best understanding of the flows. This report will be posted on the website.

The Director discussed a presentation that he will give at the Idaho Water Users Law Seminar in Sun Valley June 22. The title of the presentation is "Status of IDWR." This report goes with his letter of resignation effective the 30th of June. The Director noted that his health is great; he has not been forced out; and he has plans to form his own consulting engineering business and work on water projects. He stated the agency is in good shape and ready to be passed on to a new director. The Governor's office will appoint an interim director before he leaves.

Chairman Uhling expressed his gratitude for the Director's professional integrity and stature and how much he had personally enjoyed working with him. The Director thanked everyone for their kind remarks.

Agenda Item No. 11, Non-action Items Board Members May Wish to Present

Mr. Alberdi asked for a list of committed but not distributed funds for the financial report. Mr. Chamberlain thanked Patsy for the new agenda page posting on the website. Mr. Beck asked Patsy to keep sending Board books to him. Mr. Rigby expressed his gratitude to the Director for their great working relationship. The Western State Water Council will sorely miss him in their group. He thanked the Director for his "we can resolve this" attitude.

Agenda Item No. 12, Next Meeting and Adjourn

Mr. Anderson noted that the trophy room at the Department of Fish and Game has been reserved for July 22 at 1:00 p.m. to work on the State Water Plan. The regular work session on July 23 and 24th will be held at the Water Center.

Mr. Chamberlain moved to adjourn; Mr. Cuddy seconded. All were in favor.

DATED this 4th day of June, 2009.

Secretary

Patsy McGourty

Patsy McGourty, Administrative Assistant II

Board Actions:

1. Mr. Rigby moved that the loan application to Preston Whitney Irrigation Company be approved for $800,000.00 at 5.5% for a 15-year term. Mr. Beck seconded. Chairman Uhling called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Alberdi: Aye; Chase: Aye; Beck: Aye; Chamberlain: Aye; Graham: Aye; Rigby: Aye; Chairman Uhling: Aye. 8 Ayes. Motion Passed.

2. Mr. Rigby moved that the Board utilize the remaining W-Canal Project funds for the payment of conveyance fees to canal companies and irrigation districts for recharge in the amount of $380,000. Mr. Alberdi seconded. Chairman Uhling called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Alberdi: Aye; Chase: Aye; Beck: Aye; Chamberlain: Aye; Graham: Aye; Rigby: Aye; Chairman Uhling: Aye. 8 Ayes. Motion Passed.

3. Mr. Rigby moved that the Board approve the resolution for the ESPA CAMP Implementation Committee. Mr. Chase seconded. Chairman Uhling called for a voice vote. All were in favor. Motion passed.

4. Mr. Chamberlain moved that the Red River Channel Restoration Project be approved. Mr. Graham seconded. The Chairman called for a voice vote. All were in favor.

5. Mr. Rigby moved that proof of beneficial use on the Snake River water right No. 01-7054 be filed and that a request for extension of time be filed for the Big and Little Wood Rivers water right No. 37-7842. Mr. Alberdi seconded. The Chairman called for a voice vote. All were in favor.

6. Mr. Beck moved that the Board approve the expenditure of $400,000 for the Teton Basin study. Mr. Chamberlain seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Cuddy: Aye; Alberdi: Aye; Chase: Aye; Beck: Aye; Chamberlain: Aye; Graham: Aye; Rigby: Aye; Chairman Uhling: Aye. 8 Ayes. Motion Passed.