# IDAHO WATER RESOURCE BOARD

*Dirk Kempthorne*
Governor

*Joseph L. Jordan*
Chairman
Fruitvale
*At Large*

*Jerry R. Rigby*
Vice Chairman
Rexburg
*At Large*

*Dick Wyatt*
Secretary
Lewiston
*District 1*

*Leonard Beck*
Burley
*District 3*

*Terry T. Uhling*
Boise
*District 2*

*Bob Graham*
Bonners Ferry
*At Large*

*L. Claude Storer*
Idaho Falls
*District 4*

*Gary M. Chamberlain*
Challis
*At Large*

## IDAHO WATER RESOURCE BOARD
## MINUTES OF MEETING NO. 02-03

**February 28, 2003, 8:30 a.m.**

Meeting No. 02-03 of the Idaho Department of Water Resource Board was called to order by Chairman Joe Jordan on Friday, February 28, 2003, 8:30 a.m. in the conference rooms at the Idaho Department of Water Resources, 1301 N. Orchard St., Boise, Idaho. (Two recorded tapes).

**Agenda Item No. 1, Roll Call**

*Board Members Present*

Joe Jordan, Chairman
Bob Graham
Gary Chamberlain
Leonard Beck
Jerry Rigby, Vice Chairman
Terry Uhling
Claude Storer

*Board Member Absent*

Dick Wyatt, Secretary

*Department of Water Resources Staff Present*

Karl Dreher, Director
Rita Fleck, Admin. Asst.
Scott Short, Planning Sec. Mgr.
Hal Anderson, Administrator
Bill Graham, Planning Bureau Chief
Brian Patton, Engineer

*Guests*

Kraig Bare, Jefferson Irrigation; Nick Kraus and Steve Sweet, Quadrant Consulting; Ellen K. Chaffie, Carl Sheets, and Robert Jahn and Allan Winkle, Boise City Canal Co.; Steve Anderson, Harpster Water District; Pete Newton and Earl Silverstein, Capital View Irrigation District; Barney Skogersen; and Lynn Tominaga, North Snake Ground Water District

**Added Agenda Item – Financial Program**

The North Snake Ground Water District has asked the Board to add to the agenda and consider their request for a loan.

1301 North Orchard Street, Boise, ID 83706 Tel: (208) 327-7900 Fax: (208) 327-7866

**Motion:** Terry Uhling moved the Board to place the loan request for the North Snake Ground Water District on the agenda as item No. 6F. Bob Graham seconded the motion.

**Voice Vote:** 7 Ayes, 0 Nays and 1 Absent. *Motion passed.*

## Agenda Item No. 2, Election of Officers

Elections of officers occur at the beginning of the first meeting of odd-numbered years. Offices open are chairman, vice-chairman and secretary. Gary Chamberlain nominated Jerry Rigby for chairman. Claude Storer moved that nominations cease.

**Motion:** Gary Chamberlain moved that the motion be approved by affirmation. Bob Graham seconded the motion.

**Voice Vote:** 7 Ayes, 0 Nays and 1 Absent. *Motion passed.*

**Motion:** Bob Graham nominated Terry Uhling for vice-chairman. Claude Storer moved to cease nominations and that Mr. Uhling be approved by affirmation. Leonard Beck seconded that motion.

**Voice Vote:** 7 Ayes, 0 Nays and 1 Absent. *Motion passed.*

Gary Chamberlain moved that Dick Wyatt retain his position as secretary. Bob Graham seconded that motion.

**Voice Vote:** 7 Ayes, 0 Nays and 1 Absent. *Motion passed.*

Jerry Rigby accepted the chairmanship and conducted the remainder of the meeting. Terry Uhling accepted the office of vice-chairman and Dick Wyatt retained his office as secretary.

## Agenda Item No. 3, Approval of the Minutes for Meeting Nos. 10-02 and 01-03

**Motion:** Claude Storer moved for approval of minutes for meeting Nos. 10-02 and 01-03. Leonard Beck seconded the motion.

**Voice Vote:** 7 Ayes, 0 Nays and 1 Absent. *Motion passed.*

## Agenda Item No. 4, Public Comment

No public comment.

## Agenda Item No. 5, Dworshak Hydropower Project Update

Brian Patton presented the update for the Dworshak Hydroelectric Project. Since the plant came on line in 2000, there has been little downtime. On January 1, the energy sales rate increased by 3% in accordance with the Bonneville Power Administration contract.

The contract for operation and maintenance with C. F. Malm, Engineer comes up for renewal soon. The Dworshak Small Hydropower Subcommittee will review and negotiate the contract and make recommendations to the entire Board.

The Board reiterated the intent to contribute to the replacement and repair fund. After the initial deposit of $500,000 from revenues, 10 percent of the gross income will continue to be placed in the account.

Mr. Anderson reviewed the idea of taking advantage of economic trends and low interest rates to reduce financing costs. He suggested reviewing refinancing options for the existing revenue bond for this project. He will work with Mr. Jim Wrigley, the Board's financial advisor, to review and present financial options.

## Agenda Item No. 6, IWRB Financial Program

Mr. Patton presented the financial program items.

*A. Status Report*

Mr. Patton reviewed the financial program accounts, reviewed projected funding amounts available for future meetings, and briefed the Board regarding completed projects.

**Motion:** Bob Graham moved to set a ceiling of $1,000 in the Water Management Account and authorize Mr. Patton to shift funds to the Revolving Development Account when it exceeds that sum and shift funds back when necessary. Gary Chamberlain seconded the motion.

**Discussion:** Terry Uhling asked if both accounts are necessary? Both accounts were created by statute for slightly different purposes. Both accounts are interest bearing, however, the Revolving Development Account's earned interest is paid to the Board and increases the account and the Water Management Account's earned interest is paid to the state's general fund. Chairman Rigby suggested counsel review this motion.

**Roll Call Vote:** Beck, Aye; Chamberlain, Aye; Graham, Aye; Storer, Aye; Uhling, Nay; Wyatt, Absent; Jordan, Aye; and Rigby, Aye; 6 Ayes, 1 Nay and 1 Absent. *Motion passed.*

*B. Harpster Water District – Loan Request*

Mr. Steve Anderson from Anderson Consulting addressed the Board and answered questions about the Harpster Water District project. The Harpster Water District, located near the South Fork of the Clearwater River, delivers water from a spring to 45 people. The district has been mandated by the Department of Environmental Quality (DEQ) to address problems with the water system. Specifically, substandard storage and distribution systems, occurrences of bacteria contaminations and no permanent structure to protect the spring from contamination. The District is asking for a $10,000 loan to match a DEQ grant. The money will be used to conduct a engineered planning study for an improved system.

**Motion:** Bob Graham moved the Board to adopt the resolution (Attachment 1) to approve the resolution for a loan in the amount of $10,000 with a 5.5% interest rate for a 10-year term to the Harpster Water District for an engineering study for a water project. Joe Jordan seconded the motion.

**Roll Call Vote:** Beck, Nay; Chamberlain, Aye; Graham, Aye; Storer, Aye; Uhling, Nay; Wyatt, Absent; Jordan, Aye; and Chairman Rigby, Aye; 5 Ayes, 2 Nays, 1 Absent. *Motion passed.*

*C. Boise City Canal Company – Grant Request*

Nick Kraus of Quadrant Consulting and Allan Winkle, Boise City Canal Company board member, presented the Boise City Canal Company's request for a grant in the amount of $9,250. The money will be used for a feasibility study for canal rehabilitation. The canal company's service area is 2,728 in and around the city of Boise. The canal company delivers natural flow, storage and discharge water to 525 shareholders for about 710 acres of urbanized use. City entities use this canal for irrigation and to discharge of storm drainage. The canal has deteriorated with age. The canal company wants to assess the condition of the entire canal and identify areas for rehabilitation, prepare cost estimates, identify funding sources and prepare a report prioritizing sections for rehabilitation.

Staff supports the project and recommends a grant for $7,500 for Board action.

This request sparked a discussion of the Board's grant policy. The Board is cautious with regard to granting money as opposed to loaning money. Gary Chamberlain noted that the canal company has the ability to acquire a loan from the board to accomplish this work. Joe Jordan indicated that the grant program is to encourage "sound engineering" and since this is a water project, it meets the criteria for a grant.

Chairman Rigby suggests future meeting time be set aside to review the board's policy regarding grants.

**Motion:** Joe Jordan moved the Board to adopt the resolution (Attachment 2) granting $7,500 to the Boise City Canal Company for an engineering study. Terry Uhling seconded the motion.

**Roll Call Vote:** Beck, Nay; Chamberlain, Nay; Graham, Aye; Storer, Aye; Uhling, Aye; Wyatt, Absent; Jordan, Aye; and Chairman Rigby, Aye; -- 5 Ayes, 2 Nays, 1 Absent. *Motion passed.*

*D. Jefferson Irrigation Company – Loan Increase*

Kraig Bare, representative from the Jefferson Irrigation Company, approached the Board for an increase in its loan. In 2002, the company received a $85,500 loan to deepen one well and replace one well. The company, located near Mud Lake, provides irrigation water to 9,871 acres from ground water sources. The reasons for the increase costs are drilling deeper then anticipated and installing new casing. It was not possible to reuse the older casing as anticipated. Therefore, the cost overrun was approximately $25,000.

**Motion:** Terry Uhling moved the Board to adopt the resolution (Attachment 3) approving a loan increase of $25,000 to the Jefferson Irrigation Company for cost overruns. Joe Jordan seconded the motion.

**Roll Call Vote:** Beck, Aye; Chamberlain, Aye; Graham, Aye; Storer, Aye; Uhling, Aye; Wyatt, Absent; Jordan, Aye; and Chairman Rigby, Aye; -- 7 Ayes, 0 Nays, 1 Absent. *Motion passed.*

*E. Capitol View Irrigation District – Loan Request*

The Capital View Irrigation District, located in the Boise River Basin, services 50 water users covering 1,020 acres. Water from the Boise River is conveyed through the Farmers Union Ditch Company to the district's pumping plan. The Farmers Union is asking the district to measure its outtake of water. To accomplish this, the district needs to reconstruct its pumping plant to allow for installation of a headgate and a weir. The district is requesting $30,000 for this water project. Earl Silverstein, president of the district, stood for questions.

**Motion:** Gary Chamberlain moved the Board to adopt the resolution (Attachment 4) to approve a loan in the amount of $30,000 to the Capital View Irrigation District for a five-year term for a pumping plant. Bob Graham seconded the motion.

**Roll Call Vote:** Beck, Aye; Chamberlain, Aye; Graham, Aye; Storer, Aye; Uhling, Aye; Wyatt, Absent; Jordan, Aye; and Chairman Rigby, Aye; -- 7 Ayes, 0 Nays, 1 Absent. *Motion passed.*

*F. North Snake Ground Water District -- Loan Request*

Lynn Tominaga, representative for the North Snake Ground Water District, is requesting funds for a ground water mitigation project in the Hagerman Valley area. The District covers land in Jerome, Lincoln and Gooding counties. Its purpose is to mitigate conflicts between ground water and surface water users in the area. This project will offset some of the effects of ground water pumping on spring flows in the area.

The amount of the one-year loan is $300,000. The district is working with Jeff Martins and NRCS for engineering services to construct a delivery pipeline from the North Side Canal to the Curren Ditch. Water will be supplied by rented and drain water. A second proposed pipeline will replace the Bar S Ditch, thus reducing water loss through conveyance.

**Motion:** Terry Uhling moved the Board to adopt the resolution (Attachment 5) to approve a one-year loan in the amount of $300,000 to the North Snake Ground Water District the mitigation project. Bob Graham seconded the motion.

**Discussion:** Gary Chamberlain commented on the lack of collateral for this loan.

**Roll Call Vote:** Beck, Aye; Chamberlain, Aye; Graham, Aye; Storer, Aye; Uhling, Aye; Wyatt, Absent; Jordan, Aye; and Chairman Rigby, Aye; 7 Ayes, 0 Nays, 1 Absent. *Motion passed.*

## Agenda Item No. 7. Comprehensive State Water Planning Status Report

Bill Graham, Planning Bureau Chief, reviewed the status of the planning efforts in the state.

*Lower Boise River Basin*

The draft actions and recommendations were presented to the Board and comments accepted. Staff will address comments and conduct stakeholder meetings next month with the assistance of Mr. Uhling. A revised document will be presented to the Board in the future.

*South Fork Clearwater Plan*

In the South Fork of the Clearwater Basin, the basin overview and resource description are near complete. The watershed advisory group (WAG) is focusing on the comprehensive state water planning process with discussions of flooding, minimum streamflows and basin demographics. Issues and some draft recommendations will be presented at the next meeting. Hopefully, the plan will be ready for adoption at the end of the year.

*Action 151 Water Transaction Program, Federal Columbia River Power System Biological Opinion*

The Department recently signed a contract with Bonneville Power Administration and the National Fish and Wildlife Foundation to begin developing this program, which would result in implementing flow enhancements in key tributaries primarily in the anadomous fish drainages in the Columbia River Basin. This program will use innovative ways to enhance tributary flows for those species listed under the Endangered Species Act. Monies allocated to this program are $200,000 for program implementation and staff support and $300,000 for project implementation. The funding is being distributed evenly between the local entities for the program implementation phase among the four states, Washington, Oregon, Montana and Idaho.

The work being done under the Water Transaction Program will lead the way for the comprehensive planning in the Upper Salmon.

Mr. Graham mentioned several other things as well. The Department of Fish and Game has requested a change to the Priest Lake Water Elevation Management plan that would require an amendment to the comprehensive state water plan. Conditions regarding fisheries in the area have changed. The Department of Fish and Game is asking for 1000 cfs, which is released as part of the fall drawdown, be modified. Mr. Graham proposes to have legislation prepared for review at the next meeting.

## Executive Session

*Motions and Votes*

**Motion:** Gary Chamberlain moved the Board to enter into and out of Executive Session with Clive Strong, Deputy Attorney General, counsel to the Board. The parties discussed federal reserved water rights, possible litigation and other legal matters, pursuant to Section 67-2345, Idaho Code. Joe Jordan seconded the motion.

**Voice Vote:** Motion passed by voice vote; 7 Ayes, 0 Nay, 1 Absent

*No decisions were made.*

## Agenda Item No. 8, Director's Report

Director Dreher reviewed the following items:

• As Chairman of the Western States Water Council, he has concerns about how the federal government is acquiring water in the West. He suggests when working with governmental agencies, to work through the council to develop a protocol for acquiring water for listed endangered species.

• Budget – The first of what could be several attempts by the Legislature to set the Department's budget has occurred. It is 7.1% below last fiscal year, plus about 2% for an increase in legal fees. He indicated more negotiation will occur.

• Drought – Director Dreher gave a presentation on the snow water equivalent in the high mountain snowpack as of late February. The troubled areas of the state are areas south of the Snake River. He illustrated the possibility for future precipitation and water rentals.

**Agenda Item No. 9, Other Items Board Members Wish to Present and Next Meetings**

April 24 and/or 25 will be set aside as a tentative regular meeting. However, if a few business items need action, a telephonic meeting will be scheduled for either of these days or possibly earlier. The following meeting will be in Priest River/Priest Lake on June 19 and 20. A hearing before the board will also be scheduled during this meeting time. In August, the Board has set aside the 28 and 29, but no place has been determined.

Meeting adjourned at 12:52 p.m.

Dated this 25th day of April, 2003.

D Richard Wyatt

Dick Wyatt, Secretary

Rita I. Fleck

Rita I. Fleck, Administrative Assistant

**Board Actions**

1. Placed the loan request for the North Snake Ground Water District on the agenda as item No. 6F.

2. Election of Officers: Jerry Rigby accepted the chairmanship, Terry Uhling accepted the office of vice-chairman and Dick Wyatt retained his office as secretary.

3. Approved minutes for meeting Nos. 10-02 and 01-03.

4. To set a ceiling of $1,000 in the Water Management Account and authorize Mr. Patton to shift funds to the Revolving Development Account when it exceeds that sum and shift funds back when necessary. *Motion passed.*

5. Adopted the resolution (Attachment 1) to approve a loan in the amount of $10,000 with a 5.5% interest rate for a 10-year term to the Harpster Water District for an engineering study for a water project. *Motion passed.*

6. Adopted the resolution (Attachment 2) to approve the resolution for a grant in the amount of $7,500 to the Boise City Canal Company for an engineering study. *Motion passed.*

7. Adopted the resolution (Attachment 3) to approve a loan increase in the amount of $25,000 to the Jefferson Irrigation Company for cost overruns. *Motion passed.*

8. Adopt the resolution (Attachment 4) to approve a loan in the amount of $30,000 to the Capital View Irrigation District for a five-year term for a pumping plant. *Motion passed.*

9. Adopted the resolution (Attachment 5) to approve a one-year loan in the amount of $300,000 to the North Snake Ground Water District the mitigation project. *Motion passed.*

**Board Attachments**

1. Resolution to approve a loan in the amount of $10,000 with a 5.5% interest rate for a 10-year term to the Harpster Water District for an engineering study for a water project.

2. Resolution to approve the resolution for a grant in the amount of $7,500 to the Boise City Canal Company for an engineering study.

3. Resolution to approve a loan increase in the amount of $25,000 to the Jefferson Irrigation Company for cost overruns.

4. Resolution to approve a loan in the amount of $30,000 to the Capital View Irrigation District for a five-year term for a pumping plant.

5. Resolution to approve a one-year loan in the amount of $300,000 to the North Snake Ground Water District the mitigation project.