IDAHO WATER RESOURCE BOARD

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Secretary
Lewiston
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Fruitvale
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Leonard Beck
Burley
District 3

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. 04-03

June 27, 2003, 8:30 a.m.
Best Western Edgewater Resort
Sandpoint, Idaho

Meeting No. 04-03 of the Idaho of Water Resource Board was called to order by Chairman Jerry Rigby on Friday, June 27, 2003, 8:30 a.m. in the conference room at the Best Western Resort, 56 Bridge Street, Sandpoint, Idaho. (Two recorded tapes).

Agenda Item No. 1, Roll Call

Board Members Present

Jerry Rigby, Chairman
Dick Wyatt, Secretary
Claude Storer
Leonard Beck
Joe Jordan

Board Members Absent

Bob Graham
Gary Chamberlain
Terry Uhling, Vice Chairman

Department of Water Resources Staff Present

Karl Dreher, Director
Hal Anderson, Administrator
Rita Fleck, Admin. Asst.
Bill Graham, Bureau Chief
Brian Patton, Engineer
Bob Haynes, Regional Manager

Guests

Bruce Alexander, Doug Melton and John Jessop, Spirit Bend Water Association; Alan Winkle, Boise City Canal Co.; and Nick Kraus, Quadrant Consulting representing Boise City Canal Co.

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

Added Agenda Item, Wild and Scenic Rivers Act

Pursuant to the Board's executive session with Clive Strong, Deputy Attorney General, the Board is asked to take action on a motion for the Wild and Scenic River mediation. This item is added between agenda items 7 and 8.

Motion: Claude Storer moved to add an agenda item, Wild and Scenic River Mediation. Joe Jordan seconded it.

Voice Vote: 5 Ayes, 0 Nays, 3 Absent. *Motion passed.*

Agenda Item No. 2, Approval of the Minutes of Meeting No. 03-03

Motion: Claude Storer moved approval of the minutes for meeting No. 03-03. Joe Jordan seconded the motion.

Voice Vote: 5 Ayes, 0 Nays, 3 Absent. *Motion passed.*

Agenda Item No. 3, Public Comment

No public comment received.

Agenda Item No. 4, Dworshak Small Hydropower Project Status Report

Brian Patton, staff engineer, reviewed the status of the Board's hydropower project.

To date, the power plant has produced 56 million kilowatt hours over an average of 98 percent availability. During the summer time, the reservoir is dawn down to meet user demands downstream. Draw downs affect the power production by decreasing water head and the plant operates at lower efficiency. This year's draw down will level off in about a week.

Mr. Patton reviewed the cash flow/expense status of the project. The fiscal year budget was brought to this meeting for adoption.

Motion: Joe Jordan moved for approval of the budget for the Dworshak Small Hydropower Project for fiscal year 2004 (July 1 2003 to June 30, 2004). Dick Wyatt seconded the motion.

Voice Vote: 5 Ayes, 0 Nays, 3 Absent. *Motion passed.*

The Operations and Maintenance Agreement with C. L. Malm Engineers expires on June 30. The Dworshak Hydropower Committee recommended contract changes or modifications. Several items were negotiated and the committee and Board members gave approval to the chairman and secretary to sign the agreement. On June 26, the agreement was forwarded to Mr. Malm for his signature.

Agenda Item No. 5, IWRB Financial Program

a. Status Report

Mr. Patton reviewed the financial program accounts, reviewed projected funding requests and income sources, and briefed the Board on pending and completed projects. Under project review, Twin Lakes-Rathdrum Creek Flood Control District will proceed to raise the level of the dam. Completed projects include the Capital View Irrigation District's pumping plant project and the Hagerman Valley pipeline project. Loans paid in full include Dalton Water Association, Forrey Heights Water Association and the Happy Valley Ranchos Water Company.

b. Set Loan Interest Rate

Chairman Rigby indicated, for the record, that the Board members decided to leave the current interest rate structure as is.

c. Boise City Canal Company – Loan Request

Mr. Nick Kraus of Quadrant Consulting visited with the Board about the Boise City Canal Company. The company is making a request for funds to rehabilitate two sites, the Grove Street site and the Eighteenth Street site. The city has grown up around the canal since it was built in 1866. Recently, the Board helped fund a study to investigate and recommend improvements to this system. The company is requesting funds to implement the study's recommended rehabilitation in the amount of $200,000.

Motion: Dick Wyatt moved the Board to adopt the resolution (Attachment 1) to approve a $200,000 loan to the Boise City Canal Company to implement improvements to the canal system. Leonard Beck seconded the motion.

Roll Call Vote: Beck, Aye; Chamberlain, Absent; Graham, Absent; Jordan, Aye; Storer, Aye; Uhling, Absent; Wyatt, Aye; and Rigby, Aye; 5 Ayes, 0 Nays, 3 Absent. *Motion passed.*

d. Spirit Bend Water Association – Loan Increase Request

Bruce Alexander, President of the Spirit Bend Water Association, represented the interests of the 42 homeowners located near Spirit Lake in north Idaho. The association is requesting a loan increase to complete the second phase of its water system improvements. The association wants to drill a well and construct a water storage tank. The association is seeking a loan increase in the amount of $30,000 at 6 percent over a 10-year payment term.

Motion: Dick Wyatt moved the Board to adopt the resolution (Attachment 2) to approve a $30,000 loan increase to the Spirit Bend Water Association to cover the improvement costs to the water system. Joe Jordan seconded the motion.

Roll Call Vote: Beck, Aye; Chamberlain, Absent; Graham, Absent; Jordan, Aye; Storer, Aye; Uhling, Absent; Wyatt, Aye; and Rigby, Aye; 5 Ayes, 0 Nays, 3 Absent. *Motion passed.*

e. Preston-Whitney Reservoir Company – Grant Request

The Preston-Whitney Reservoir Company is requesting a grant to study Johnson Dam located in Franklin County. It supplies irrigation water to 1,500 acres in the Preston area. The dam stores water from Worm Creek and Cub River and is well over a hundred-years-old. The outlet structure must be replaced, but the entire structure should be considered for replacement in the near future. A grant to study the matter is requested in the amount of $7,500.

Motion: Dick Wyatt moved the Board to adopt the resolution (Attachment 3) to approve a grant not to exceed $5,900 to Preston Whitney Reservoir Company for an engineering study. Joe Jordan seconded the motion.

Roll Call Vote: Beck, Aye; Chamberlain, Absent; Graham, Absent; Jordan, Aye; Storer, Aye; Uhling, Absent; Wyatt, Aye; and Rigby, Aye; 5 Ayes, 0 Nays, 3 Absent. *Motion passed.*

f. City of Boise and Trout Unlimited – Grant Request

The City of Boise (sponsor of record) and Trout Unlimited is requesting a grant for stream restoration. Cottonwood Creek is located close to Julia Davis Park in an enclosed conduit. These groups want to open the channel and improve fish habitat.

Mr. Patton noted to the Board members the lack of authority for stream restoration; however, the Board does have the authority for spending funds on water recreation projects and water quality improvements, both of which will be benefits of this project. Also, this project is compatible with the concepts being developed in the Lower Boise River Basin plan.

Motion: Joe Jordan moved the Board to adopt the resolution approving a $5,000 grant covering costs of improving the recreation benefits to Cottonwood Ck. Dick Wyatt seconded the motion.

Discussion: Mr. Jordan supports this grant based on recreational use. He sees a benefit for the Board to be among organizations that not only protects a stream, but also restores one.

Dick Wyatt compared the city of Boise to smaller communities around the state and indicated Boise has more resource opportunities for funding projects of this nature. He believes in the philosophy, but with limited grant money available doesn't feel this a necessary expense. He suggests writing a letter of support for the project.

Mr. Storer indicated that if Trout Unlimited wanted this project, they would find funds. Chairman Rigby indicated this might be a precedent-setting action and money available for grants is in limited supply.

Roll Call Vote: Beck, Nay; Chamberlain, Absent; Graham, Absent; Jordan, Aye; Storer, Nay; Uhling, Absent; Wyatt, Nay; and Rigby, Nay; 1 Aye, 4 Nays, 3 Absent. *Motion failed.*

g. Lakeview Water District – Revised Contract

Lakeview Water District serves 18 homes on the ridge above Dworshak Reservoir. In 2001, the district received a loan in the amount of $49,361. The first annual payment is due

November 2003 at $6,480. At the present assessment rate, the district is collecting $4,000 a year for debt repayment. The district is asking the annual payment be reduced to $4,000 either by reducing the interest rate or extending the loan.

Motion: Joe Jordan moved the Board to adopt the resolution to modify the contract with the Lakeview Water District to extend the repayment term such that the annual debt service is $4,000. Dick Wyatt seconded the motion.

Roll Call Vote: Beck, Nay; Chamberlain, Absent; Graham, Absent; Jordan, Nay; Storer, Nay; Uhling, Absent; Wyatt, Nay; and Rigby, Nay; 0 Ayes, 5 Nays, 3 Absent. *Motion failed.*

Agenda Item No. 6, Comprehensive State Water Plan

Bill Graham, Bureau Chief, gave a status report.

a. Lower Boise River Basin

The draft plan is being prepared for internal review. Currently, in the Snake River Basin Adjudication, the Boise River area is being reviewed. It was recommended the plan adoption be postponed for a year and, instead, use it as a guideline to implement key projects.

Motion: Joe Jordan moved to extend the schedule, completion, and legislative ratification of the Lower Boise River Basin Plan for one year. Claude Storer seconded the motion.

Voice Vote: 5 Ayes, 0 Nays and 3 Absent. *Motion passed.*

b. South Fork of the Clearwater River Basin

The draft basin plan is being reviewed internally. Thomas Grant and Bob Rohrer are coordinating with Tim Page of the U.S. Forest Service Adjudication Team regarding instream flows. A draft of the actions and recommendations will be presented in July. The plan will be ready for Board review at the end of July and presented at the August Board meeting. The plan should be ready for legislative consideration in 2004.

c. Priest River Basin

The Board has been requested to modify the Priest River Basin Plan to support the restoration of the kokanee salmon in Priest Lake. Presently, the spawning fish deposit eggs along the shoreline. The eggs are destroyed due to lowering water levels in the fall. By having the draw down completed during the October 1 to November 1 period, the shoreline and water levels are stabilized allowing for better kokanee spawning. Staff has prepared draft amendments supporting the fall release of water from Priest Lake.

On June 18 at Priest River, Bill Graham and Bob Graham conducted a public information meeting. Thirteen citizens and 8 staff attended this meeting. The discussion focused on the pros and cons of the amendments. Fisherman favored the amendments, resort owners and other commercial and private interests indicated it could reduce tourism. In conclusion, research into

how tourism is affected by this change will be reviewed. The Idaho Department of Fish and Game will provide supportive information regarding the spawning time, which could define the drawdown period. In addition, IDWR will conduct some watershed analysis and modeling scenarios around keeping the lake level up for as long as possible.

On June 26, 2003 in Sandpoint, the Board scheduled a hearing to discuss the final modifications to the plan prior to the Board adoption. No one representing the public attended. Board members support investigating into why there was no public attendance at the hearing and a report. Bill Graham suggested public agreement to the above-mentioned modifications as a possible reason for no attendance. More information is to follow at the next board meeting.

Written comments to the plan will be accepted until August 4.

d. Idaho Water Transaction Program

Hal Anderson and Bill Graham presented information on the Idaho's Water Transaction Program. Collaboratively, the Board's staff and IDWR program staff have been preparing proposals for 2003 for three Salmon River Basin tributaries. They are Otter Creek, Big Hat Creek and Fourth of July Creek.

The proposals have been submitted to the National Fish and Wildlife Foundation for review and possible funding. The proposals included funding for stream gage monitoring for each stream for project evaluation.

The Falls Creek, phase 2; the Pahsimeroi River at Furey Lane, which would reconnect about 15-river miles to the Middle Pahsimeroi; Little Morgan Creek, which will provide a reconnect over the alluviam into the Pahsimeroi River; and Bohannan Creek, which is a tributary to the Lemhi River are the projects being looked at now. Others projects may come along and Planning will keep the Board informed of these.

With the Office of Species Conservation, we are preparing a conservation memorandum of understanding (MOU) for the Upper Salmon. The MOU will provide safe harbor from any of the ESA taking issue for those folks who sign and comply with the agreement. Also signatories include the Department of Water Resources and other natural resource agencies within the state.

Staff is also reviewing water transaction projects that are coming about by other means. Two of those are Falls Creek, a tributary to the Pahsimeroi River and Holly Creek, tributary to the Lemhi River.

Agenda Item No. 7, IWRB Water Supply Bank

a. Appointments of Local Rental Pool Committee

Every five years or otherwise designated, the local rental pools advisory committees come up for Board appointment or re-appointment. Before the Board members today is the Committee of Nine for Water District 01, Snake River.

Motion: Claude Storer moved the Board to approve the resolution (Attachment 4) to appoint the Committee of Nine Advisory Group as the local rental pool committee for Water District 01-Upper Snake River for a period of five years. Leonard Beck seconded the motion.

Voice Vote: 4 Ayes, 0 Nays, 1 Abstain, and 2 Absent. *Motion passed.*

b. Water District 01, Snake River – Local Rental Pool Procedures

Over a year ago, Watermaster Ron Carlson from Water District 01, proposed the implementation of what is called in concept, the "Global Rental Pool" associated with Water District 01. The Global Rental Pool is a different operating concept. Water District 01's Committee of Nine has voted approval to operate under this concept. However, before implementation, two changes to the present rental pool procedures and approval of the procedures by the Board is necessary. (This matter was brought up for discussion first, but action was taken after considering the Temporary/Proposed Rule).

In summary, the first condition is that the local committee shall comply with the 10 percent surcharge of the rental charged per acre foot of stored water rented which will be credited to the Board's accounts in such portion as the Board as the determines. The second condition is: Prior to April 1, 2004, the Local Rental Pool Committee shall submit to the Board for approval the Local Committee Rental Pool Procedures it proposes to use for operation of the Snake River Rental Pool for 2004 and subsequent water years.

Motion: Leonard Beck moved the Board to adopt the Resolution (Attachment 5) to approve the modification to Water District 01's Global Rental Pool Procedures as described above. Claude Storer seconded the motion.

Roll Call Vote: Beck, Aye; Chamberlain, Absent; Graham, Absent; Jordan, Aye; Storer, Aye; Uhling, Absent; Wyatt, Aye; Rigby, Abstain. 4 Ayes, 0 Nays, 2 Absent, 1 Abstain. *Motion passed.*

One of the requirements of the Water Supply Bank Rules is to have procedures adopted by the local rental pool committee and presented to the Board for consideration before April 1 of any given year. For the Board to take action on the procedures for the Global Rental Pool, a change to Rule 40.05 is required. On June 25, the request for Temporary/Proposed Rulemaking was approved by the Governor's Office. To make this a permanent rule change, notice must be presented to the Office of Administrative Rules Coordinator under the Department of Administration by August 20, 2003. (Action on this matter was taken prior to considering the Global Rental Pool Procedures).

The rule now reads as follows: **05. Submission of Amendments To Procedures To Board.** Amendments to the approved procedures of an appointed local committee which change the amount charged for the rental of stored water shall be submitted to the Board by April 1st of any year. The amendment will be considered approved by the Board unless specifically disapproved at the first regular Board meeting following the amendment action of the local committee. <u>The Board may, upon good cause being determined by the Board, specifically approve amendments submitted after April 1st of any year.</u>

Motion: Joe Jordan moved the Board to approve the Resolution (Attachment 6) to approve the modification to the Water Supply Bank Rules and enter into Temporary/Proposed Rulemaking to make this change permanent. Claude Storer seconded the motion.

Roll Call Vote: Beck, Aye; Chamberlain, Absent; Graham, Absent; Jordan, Aye; Storer, Aye; Uhling, Absent; Wyatt, Aye; Rigby, Abstain; 4 Ayes, 2 Absent, 1 Abstain. *Motion passed.*

Added Agenda Item, Wild and Scenic Rivers

Chairman Rigby presented this topic to the Board. Deputy Attorney Clive Strong of the Idaho Office of the Attorney General, counsel for the Board has asked for approval of the Wild and Scenic River Agreement.

Motion: Claude Storer moved the Board to approve regarding the Wild and Scenic Rivers Act claims settlement pending before the Snake River Basin Adjudication District Court. Joe Jordan seconded the motion.

Voice Vote: 5 Ayes, 0 Nays, and 3 Absent. *Motion passed.*

Agenda Item No. 9, Director's Report

Karl Dreher reviewed the following items:

- The announcement of Judge Roger Burdick to the Supreme Court.
- The upcoming article by Dan Popkey in *The Idaho Statesman* about the University of Idaho's Water Center. Mr. Popkey will be questioning the multiple roles of key people in this endeavor. Construction has begun and the projected move date is October/November of 2004 for the Idaho Department of Water Resources.
- Since the 1960's, conflicts between Clear Lake Trout Company and the Clear Springs Fish Hatchery have existed over water rights and sources of water. Director Dreher reviewed the history and present activities in these contentious matters.

Agenda Item No. 10, Other Items Board Members Wish to Present and Future Meetings

Hal Anderson reviewed future scheduled meetings: August 21 and 22 in Boise and October 9 and 10 in Grangeville to include a hearing on the South Fork of the Clearwater River Basin Plan. July 11 is a telephonic conference call and July 17 is the U.S. Bureau of Reclamation's Water 2025 workshop in Boise. Meeting adjourned at 10:37 a.m.

Dated this 22nd day of August, 2003.

D. Richard Wyatt, Secretary

Rita I. Fleck, Administrative Assistant

Board Action

1. Moved to add an agenda item, Wild and Scenic River Mediation. *Motion passed.*

2. Moved approval of the minutes for meeting No. 03-03. *Motion passed.*

3. Moved for approval of the budget for the Dworshak Small Hydropower Project for fiscal year 2004 (July 1 2003 to June 30, 2004). *Motion passed.*

4. Moved the Board to adopt the resolution (Attachment 1) to approve a $200,000 loan to the Boise City Canal Company to implement improvements to the canal system. *Motion passed.*

5. Moved the Board to adopt the resolution (Attachment 2) to approve a $30,000 loan increase to the Spirit Bend Water Association to cover the improvement costs to the water system. *Motion passed.*

6. Moved the Board to adopt the resolution (Attachment 3) to approve a grant not to exceed $5,900 to Preston Whitney Reservoir Company for an engineering study. *Motion passed.*

7. Moved to adopt the resolution to approve a $5,000 grant to cover the cost of improving the recreation benefits to Cottonwood Creek. *Motion failed.*

8. Moved the Board to adopt the resolution to modify the contract with the Lakeview Water District to extend the repayment term such that the annual debt service is $4,000. *Motion failed.*

9. Moved to extend the schedule, completion, and legislative ratification of the Lower Boise River Basin Plan for one year. *Motion passed.*

10. Moved the Board to approve the resolution (Attachment 4) to appoint the Committee of Nine Advisory Group as the local rental pool committee for Water District 01-Upper Snake River for a period of five years. *Motion passed.*

11. Moved the Board to adopt the Resolution (Attachment 5) to approve the modification to Water District 01's Global Rental Pool Procedures as described above. *Motion passed.*

12. Moved the Board to approve the Resolution (Attachment 6) to approve the modification to the Water Supply Bank Rules and enter into Temporary/Proposed Rulemaking to make this change permanent. *Motion passed.*

13. Moved the Board to approve regarding the Wild and Scenic Rivers Act claims settlement pending before the Snake River Basin Adjudication District Court. *Motion passed.*

Attachments

1. Resolution to approve a $200,000 loan to the Boise City Canal Company to implement improvements to the canal system. *Motion passed.*

2. Resolution to approve a $30,000 loan increase to the Spirit Bend Water Association to cover the improvement costs to the water system. *Motion passed.*

3. Resolution to approve a grant not to exceed $5,900 to Preston Whitney Reservoir Company for an engineering study. *Motion passed.*

4. Resolution to appoint the Committee of Nine Advisory Group as the local rental pool committee for Water District 01-Upper Snake River for a period of five years. *Motion passed.*

5. Resolution to approve the modification to Water District 01's Global Rental Pool Procedures as described above. *Motion passed.*

6. Resolution to approve the modification to the Water Supply Bank Rules and enter into Temporary/Proposed Rulemaking to make this change permanent. *Motion passed.*