IDAHO WATER RESOURCE BOARD

MINUTES OF MEETING

MEETING NO. 05-04
Friday, April 2, 2004, 8:30 a.m. PST
Clearwater Ranger District
Grangeville, Idaho

Dirk Kempthorne
Governor

Jerry R. Rigby
Chairman
Rexburg
At Large

Terry T. Uhling
Vice Chairman
Boise
District 2

Dick Wyatt
Secretary
Lewiston
District 1

Leonard Beck
Burley
District 3

Bob Graham
Bonners Ferry
At Large

L. Claude Storer
Idaho Falls
District 4

Gary M. Chamberlain
Challis
At Large

Joseph L. Jordan
Boise
At Large

Meeting No. 05-04 of the Idaho Water Resource Board was called to order by Chairman Jerry Rigby in the conference room at the Clearwater Ranger District, Grangeville, Idaho.
(Two Recording Tapes)

Agenda Item No. 1, Roll Call

Board Members Present

Jerry Rigby, Chairman
Joe Jordan
Gary Chamberlain
Dick Wyatt, Secretary
Bob Graham

Absent

Terry Uhling, Vice Chairman
Leonard Beck
Claude Storer

Department of Water Resources Staff Present

Hal Anderson, Administrator
Rita Fleck, Admin. Asst.
Bill Graham, Bureau Chief
Brian Patton, Staff Engineer

Guests

Robert J. Mink, Chuck Pollock & Ron Shurtliff, Lower Payette Ditch Co.; Jenna Borovansky, Idaho Rivers United; Bill Eacrit, Clearwater Water District; Clair Bosen, Twin Lakes Canal Co.; and Jim Rehder

Agenda Modifications

Staff requested addition of two items to the agenda. Under the Financial Program, the Last Chance Canal Company will be designated as Agenda Item No. 5e. Agenda Item No. 7 has been changed to the Eastern Snake Plain Aquifer Settlement Agreement and the Director's Report eliminated. Agenda Item No. 8, was changed to Water District 01, Snake River Rental Pool Procedures which moved Other Items to Agenda Item No. 9.

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

Motion: Gary Chamberlain moved to accept the proposed changes to the agenda. Dick Wyatt seconded the motion.

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

Agenda Item No. 2, Approval of Minutes

Motion: Joe Jordan moved to approve the minutes for meeting Nos. 01-04 to 04-04. Gary Chamberlain seconded the motion.

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

Agenda Item No. 3, Public Comment

Jenna Borovansky, Conservation Director for Idaho Rivers United, commented on two agenda items. Under the Financial Program, the Twin Lakes Canal Company has requested a loan from the Board to study the Bear River Narrows Project. The study will determine the feasibility of constructing a dam on the river for storage and power generation. A reservoir would extend to the base of the existing Oneida Narrows Dam.

Ms. Borovansky stated, "We feel that the feasibility study [for the dam] being requested is ecologically and economically unreasonable. . . " She brought copies of a number of comments from local parties for the Board's review. The concerns address the impacts on water rights, safety, fish and wildlife, resources, recreation, water quality, property values, flood insurance, geological stability and the development of new water rights. She asked the Board to deny the request and if not, delay the funding decision until the Federal Energy Regulatory Commission issues a preliminary permit.

Ms. Borovansky relayed comments from Idaho Rivers United regarding the South Fork Clearwater Basin Plan. This entity is in support of the original draft plan. She presented written comments from the Friends of the Clearwater. They are in support of the natural river protection and minimum streamflow designations.

Bob Graham asked if Idaho Rivers United supported the revised plan. Ms. Borovansky stated, ". . .we support the natural river designations and the recreational designations that are in the plan with the exception of those that were changed to recreational, we [Idaho Rivers United] would like those to be natural designation or changed back to natural designation."

Mr. Graham asked who the Friends of the Clearwater are? They are a non-profit conservation organization in the Clearwater Basin. Gary McFarland is the executive director.

Gary Chamberlain asked if Idaho Rivers United could support the plan given that there is opposition to it. She explained that it is a political balancing act and would withhold judgment until the final plan is presented. She also noted that most of the comments received at the previous night's hearing were not substantive to any part of the plan.

Agenda Item No. 4, Dworshak Hydroelectric Project Status Report

Brain Patton, staff engineer, give the status report of the Board's Dworshak Hydroelectric Project. The plant has generated about 76,000,000 kilowatt-hours of energy. It has operated at an availability of 98 percent. Presently, power output is affected by the low reservoir water level. He reviewed the budget and expenses worksheet.

Hal Anderson discussed the possible refunding (refinancing) of the bonds for construction of the hydropower project. With interest rates so low, the Board could save interest money on these bonds. Mr. Jim Wrigley, the financial adviser, proposes an advance refunding strategy with a fixed interest rate of about 5.3 percent. Over the term of the bonds, the savings would be substantial. Mr. Anderson asked for support to initiate the paperwork.

Motion: Gary Chamberlain moved the Board to authorize staff to work with Mr. Wrigley, financial advisor, and Mr. Skinner, bond counsel, to initiate the paperwork to refinance the Dworshak Hydroelectric Project at a time prior to increases in the market interest rate. Dick Wyatt seconded the motion.

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

Agenda Item No. 5, Financial Report

a. Status Report

Mr. Patton reviewed the financial program accounts, reviewed projected funding requests and income sources, and briefed the Board on pending expenses and completed projects. The Water Management Account balance is insufficient to meet the requests submitted, so if all the requests are approved, a transfer from the Revolving Development Account is required. The Board members will address this at the end of this report.

b. Lower Payette Ditch Company – Loan Request

Ron Shirtliff, representing the Lower Payette Ditch Company reviewed the project for the Board members. The company has a diversion dam across the Payette River constructed with planks and a headgate in 1929. The company would like to replace the dam with a rubber bladder dam and repair the headgate with new slide gates and construct a new fish passage facility. The total amount of the project is estimated at $1,123,233. The company is able to finance 62% or $693,233 of the project and is requesting a $430,000 loan from the Board.

Motion: Bob Graham moved to approve the resolution (Attachment 1) to loan the Lower Payette Ditch Company $430,000 for ten years for the replacement of the diversion dam on the Payette River with the disbursements made in two phases. Gary Chamberlain seconded the motion.

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

c. City of Kendrick – Grant Request

The city of Kendrick, located along the Potlatch River, north of Lewiston, provides service to about 400 residents. The city uses four wells and water from Stanton Springs to provide municipal water. The wells have a decreasing supply and an additional source of supply is needed. The city is asking for a grant to prepare a study to determine the best source of water and the best way to develop that source.

Motion: Dick Wyatt moved to approve the resolution (Attachment 2) to grant the city of Kendrick $7,500 to study the best source of water. Gary Chamberlain seconded the motion.

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

d. Clearwater Water District – Grant Request

Michelle Bly of Progressive Engineering Group, Inc. represented the Clearwater Water District. The community is located on a bench above the South Fork of the Clearwater River. The district is requesting a grant in the amount of $3,700 to study the benefits of an improvement project. The district provides water to 90 residents of the town of Clearwater. The system is old and does not meet the Department of Environmental Quality standards for water quality. The study would determine how best to improve the present system and bring it into compliance.

Motion: Joe Jordan moved to approve the resolution (Attachment 3) to grant the Clearwater Water District $3,700 to study the best way to improve the present system. Dick Wyatt seconded the motion.

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

e. North Tomar Butte Water District – Grant Request

The North Tomar Butte Water District provides water to about 300 people living east of Moscow. The district is requesting a $5,250 grant to study the best method to reduce arsenic levels in the municipal water supply. The district's three wells produce water that exceeds the water quality standards for this element.

Motion: Dick Wyatt moved to approve the resolution (Attachment 4) to grant the North Tomar Butte Water District $5,250 to study the best source of water. Gary Chamberlain seconded the motion.

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

f. Twin Lakes Canal Company – Loan & Grant Requests

The Twin Lakes Canal Company is requesting a loan of $92,500 and a grant for $7,500 for a project entitled the Bear River Narrows Project. The project consists of a 100-foot dam on the Bear

River downstream from the Oneida Narrow Dam to create a reservoir for water storage and a resource for generating electricity. The Twin Lakes Canal Company proposes to conduct a feasibility study at a cost of $100,000 to determine the validity of this project. The canal company is both large enough and financially stable to undertake such a venture.

Mr. Clair Bosen from Preston, Idaho representing the canal company appeared before the Board to discuss the project. Under the amended Bear River Compact, Idaho has first entitlement to 125,000 AF/yr. This project would store this supplemental irrigation water and provide a revenue stream with power generation. The reservoir would fill a need for additional water within the basin and potentially boost the economy in the area.

Mr. Chamberlain noted the number of objections asking the board to deny this financial request and asked about the support of the canal company's stockholders. Mr. Bosen indicated that the stockholders were in favor of the project. Chairman Rigby identified opposition letters against the project. He asked, if the project doesn't come to fruition, are the stockholders willing to carry the financial burden for this project? Mr. Bosen assured the Board that the scenario was presented to the stockholders and that there is still support. He also stated that meetings with community leaders concluded in support as well.

Motion: Gary Chamberlain moved to approve the resolution (Attachment 5) to loan the Twin Lakes Canal Company the amount of $100,00 at 5.5 percent interest rate to study the feasibility of constructing a dam on the Bear River known as the Bear River Narrows Project. Dick Wyatt seconded the motion.

Discussion: Joe Jordan asked questions concerning the power generation portion of the project. He asked about reimbursement amount for power and transition lines. He believes that generating power will assist with the cost of construction and maintenance. He asked about the feasibility of continuous flow of water to generate power.

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

g. Last Chance Canal Company (Added agenda item)

The Last Chance Canal Company is seeking issuance of Idaho Water Resource Board water resource development revenue bonds. The bonds are in the amount of $400,000 to finance the construction, repairs and improvements to the company's flume and associated structures. The resolution before the Board authorizes the issuance of the bond.

Motion: Gary Chamberlain moved to approve the resolution (Attachment 6) to authorize the issuance of the Idaho Water Resource Board Water Resource Development Taxable Revenue Bonds for the Last Chance Canal Company, Ltd.'s project of construction, repairs and improvements to the company's flume and associated structures. Joe Jordan seconded the motion.

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

Motion: Gary Chamberlain moved to transfer $2000 from the Revolving Development Account to the Water Management Account. Dick Wyatt seconded the motion.

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

Agenda Item No. 6, Comprehensive State Water Planning Status Report

Bill Graham, Planning Bureau Chief, represented the status report

a. Lower Boise River Basin

Zena Cook is working on year two of a three-year Boise Valley Water Use study. This study is in coordination and with funding support from the U.S. Bureau of Reclamation. Dam Tomich is working on an analysis of flood management and flood control.

b. South Fork Clearwater River Basin

Thomas Grant drafted modifications and presented them to the Board. These modifications were added to the plan and a 60-day comment period started on February 20. Messrs. Grant and Wyatt made themselves available to answer questions at an informal meeting in Grangeville on March 25. On April 1, Mr. Grant opened the public hearing with a short information meeting before taking testimony. Mr. Grant will work with Messrs. Graham and Wyatt, committee members, to finalize the plan once the comment period closes on April 23.

Bob Graham and Joe Jordan complimented the chairman on managing the previous night's meeting and hearing. Approximately 100 people attended the meeting. The tone of the hearing was one of "no more government." Few people testified on the contents of the plan or gave substantial comments. Several written comments have been received; more are expected as a result of the hearing and before the close of the comment period. Mr. Graham took exception with comments from Commissioner Pat Holmberg regarding the U.S. Forest Service roadless areas disclosed in Rare 1 and 2 reports.

Dick Wyatt asked if the plan addressed methods for preservation for pristine waters, such as forest service management practices, improvements to the health of the watershed, etc.? Some of these practices fall under water quality issues and are addressed by the Clean Water Act administered by Department of Environmental Quality.

Bob Graham pointed out that the board is authorized to use those tools -- river designations, minimum streamflows for protection and preservation purposes of resources – for the present and future and to make whatever measures are necessary to assure that those resources are going to be there. Mr. Graham continued, "The Board is put in a position of suspicion that our actions will have impacts later on that are not necessarily identifiable or predictable now." He pointed out that it was this fear that the plan might restrict them to in the future that isn't obvious now, but will become hurtful later. "We have been put in that position by organizations that promote preservations so rigidly that there isn't slack for someone like us to make sensible decisions," he said.

c. State Water Plan

The State Water Plan, Part A committee consisting of Joe Jordan, committee chair; Leonard Beck; Gary Chamberlain; and staff have been working diligently on revisions. The first four policy groups have been reviewed. The plan policies will be reorganized to an order similar to the *Idaho Code* section. Four policies will be considered as new policies. They are management of interstate water resources, water marketing natural flow rental pools, and adjudication proceedings. This review process is planned for two years. The resource inventory will be considered as a separate document.

d. Water Transaction Program

The final proposals for rental agreements to be consideration by the National Fish and Wildlife Fund and Bonneville Power Administration are ready. The proposals recommend leasing water on Big Hat Creek, Fourth of July Creek, Beaver Creek, Kenney Creek, and Otter Creek in the Upper Salmon River Basin.

On March 19, Planning staff met with the Office of Species Conservation to prepare for the annual review of the Upper Salmon conservation agreements. The U.S. Fish and Wildlife Service and NOAA Fisheries will review the agreements.

Dick Wyatt pointed out that the only declaration he has ever received is the one issued on the Bruneau Hotsprings Snail. Has any more been completed? The Lemhi Water District has a committee who is writing a 10-year conservation memorandum of understanding to be completed this summer. A two-year conservation agreement is being written for the remainder of the Upper Salmon. Hal Anderson further explained that IDWR is not the agency directly responsible for recovery plans.

Relative to the Lower Boise River, is an order issued by the Snake River Basin Adjudication Court. The order speaks to the U. S. Bureau of Reclamation's (BOR) claims for water right. The water rights are for Arrowrock, Lucky Peak and Anderson Dams and respective reservoirs. Chairman Rigby commented to the Board that he is the representative and mediator for the Board in this case. The case is about the claim by BOR to the title of water being stored and who owns the water under Idaho law in terms of beneficial use. He explained the position he is pursuing as mediator for the Board.

Agenda Item No. 7, Eastern Snake Plain Aquifer Settlement Agreement

Mr. Anderson reviewed the Eastern Snake Plain Aquifer Mitigation, Recovery, and Restoration Agreement for 2004. Calls for delivery of water by the Thousand Springs water users against junior ground water appropriators located in the Eastern Snake Plain has resulted in mediation of an agreement. The agreement curtailed an order issued by the Director giving notice to reduce or shut off ground water users during the upcoming irrigation season. The Board, under its authorities for water management, water policy and for water project financial assistance, is asked to consider four resolutions prepared to meet the conditions of the agreement.

Under page 3, F. of the *Outline of State Commitments for ESPA Settlement*, states that $300,000 will be used for development and implementation of a mitigation plan, seek federal cooperation and assistance in development of an aquifer management plan under the 2025 Grant Program and other funding sources.

Chairman Rigby commented that the source of the $300,000 was from Water District 01. He stated that it was assumed the $300,000 was the Board's money. Water District 01 believed it was owner of the money, however, for the betterment of all, it has authorized the Director to take back the funds for the Board's use.

Motion: Bob Graham moved the Board to approve the resolution (Attachment 7) authorizing the Director of the Idaho Department of Water Resources to redirect up to $300,000 in encumbered aquifer recharge moneys to the Idaho Department of Water Resources Miscellaneous Revenue Fund. Gary Chamberlain seconded the motion.

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

Motion: Bob Graham moved the Board to approve the resolution (Attachment 8) authorizing the Director of the Idaho Department of Water Resources to submit a 2025 Challenge Grant application and, if approved, to negotiate and execute the agreement. Gary Chamberlain seconded the motion.

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

The next resolution applies to a funding appropriation, House Bill No. 843, from the Idaho Legislature.

Motion: Bob Graham moved the Board to approve the resolution (Attachment 9) authorizing the Board to rent 40,000 acre-feet of storage water from Water District No. 01 Rental Pool to provide replacement water for delivery in Water Districts No. 36A and No.130 and the total amount paid will not exceed $520,000. Gary Chamberlain seconded the motion.

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

Motion: Bob Graham moved the Board to approve the resolution (Attachment 10) in the amount of $500,000 from the Revolving Development Account at 4 percent interest with a ten-year repayment term and provide the Director authorization to enter into contracts with the North Snake Ground Water District and the Magic Valley Ground Water District.

Discussion: Mr. Jordan stated the consensus of the Board is to "show an interest in seeing the agreement fulfilled and we put that ahead of the normal interest rate that applies to normal conditions." The strained water situation has made this an extraordinary year and these are not normal conditions. It is the Board's intention not to set a president by setting the interest at four percent.

Mr. Wyatt asked Mr. Graham to modify the motion to include a phrase to indicate this is a one-time provision and in consensus of "helping and supporting the intent of the legislature" consequently, charging a lesser interest rate. Mr. Graham stated he would modify his motion if it would satisfy difficulties with Water District 01, but he is not sure it would.

Chairman Rigby was in favor of the interest rate being at 4.5 percent and asked Mr. Graham to change the motion. Mr. Graham stated he thought, "anything less than 1 or 1.5 percent was more superficial and not beneficial."

Modified Motion: Bob Graham moved the Board to approve the resolution (Attachment 10) in the amount of $500,000 from the Revolving Development Account at 4 percent interest with a ten-year repayment term and provide the Director authorization to enter into contracts with the North Snake Ground Water District and the Magic Valley Ground Water District. Note, the 4 percent interest rate is to be considered as a one-time provision in an effort to support and carryout the provisions of House Bill No. 843 and the Eastern Snake Plain Aquifer Mitigation, Recovery and Restoration Agreement for 2004. Gary Chamberlain seconded the motion.

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

Agenda Item No. 8, Water District 01, Rental Pool Procedures *(As per amended agenda)*

The Committee of Nine, local committee for Water District 01 and the water rental pool requests the Board to consider for approval amended rental pool procedures for 2004.

Chairman Rigby proposes delaying approval because some non-substantive "twicks" are needed. The Committee of Nine will consider these changes at their April 9th meeting. After that the Board will hold a teleconference to consider the final version. He discussed the Water Supply Bank Rules as stating that if the Board doesn't act on the procedures they are automatically approved. Even so, the final version won't be ready until after the Committee's meeting and will have to come to the Board for approval with any amendments soon since these are to be implemented for this irrigation season.

Motion: Joe Jordan moved the Board to defer approval of the Water District 01, 2004 Water Rental Pool Procedures pending any changes received following the April 9, 2004 meeting of the local rental pool committee with Board action scheduled for the week of April 12, 2004. Gary Chamberlain seconded the motion.

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

Relative to the Eastern Snake Plain Aquifer Mitigation, Recovery and Restoration Agreement for 2004, an Interim Legislative Committee was created to which Board members have assignments. Chairman Rigby designated committee assignments for the state, in Northern Region - Bob Graham and Dick Wyatt; Southwestern Region - Joe Jordan and Terry Uhling; Southeastern Region – Leonard Beck and Claude Storer; Bear River Region – Jerry Rigby. Committee members are to coordinate such that at least one member will be available to attend any given meeting relative to the settlement agreement.

Gary Chamberlain commented that a large public turnout occurred in the Pahsimeroi area complaining about Idaho Department of Fish and Game's and Idaho Power Company's request for pumping. He asked that the Lemhi River and Pahsimeroi River Basins be considered for implementation of conjunctive management.

Agenda Item No. 9, Other Items and Meeting Dates

Gary Chamberlain stated he would talk with staff about the Busterback situation in his district.

Chairman Rigby as well as other Board members acknowledged the difficulties of the South Fork of the Clearwater River Basin plan and complimented the efforts of staff.

The next meeting is scheduled on June 3 and 4 in Twin Falls at the Red Lion Canyon Springs Hotel. The following meeting is scheduled August 16 and 17 in Salmon.

Mr. Wyatt noted that a topic of discussion for the next meeting is budget items. These potential items would then be forwarded to the Director for inclusion in the Department's budget presentation. The budget process starts in late summer/early fall.

Chairman Rigby presented and Board members acknowledged the Memorial Resolution issued by the Idaho Water Users Association in memory of former Board member and chairman, Clarence A. Parr.

Meeting adjourned at 12:30 p.m.

Dated this 9th day of June, 2004.

D. Richard Wyatt, Secretary

Rita I. Fleck, Administrative Assistant

Board Actions

1. Gary Chamberlain moved to accept the proposed changes to the agenda. Dick Wyatt seconded the motion. *Motion passed.*

2. Joe Jordan moved to approve the minutes for meeting Nos. 01-04 to 04-04. Gary Chamberlain seconded the motion. *Motion passed.*

3. Gary Chamberlain moved the Board to authorize staff to work with Mr. Wrigley, financial advisor, and Mr. Skinner, bond counsel, to initiate the paperwork to refinance the Dworshak Hydroelectric Project at a time prior to increases in the market interest rate. Dick Wyatt seconded the motion. *Motion passed.*

4. Bob Graham moved to approve the resolution (Attachment 1) to loan the Lower Payette Ditch Company $430,000 for ten years for the replacement of the diversion dam on the Payette River with the disbursements made in two phases. Gary Chamberlain seconded the motion. *Motion passed.*

5. Dick Wyatt moved to approve the resolution (Attachment 2) to grant the city of Kendrick $7,500 to study the best source of water. Gary Chamberlain seconded the motion. *Motion passed.*

6. Joe Jordan moved to approve the resolution (Attachment 3) to grant the Clearwater Water District $3,700 to study the best way to improve the present system. Dick Wyatt seconded the motion. *Motion passed.*

7. Dick Wyatt moved to approve the resolution (Attachment 4) to grant the North Tomar Butte Water District $5,250 to study the best source of water. Gary Chamberlain seconded the motion. *Motion passed.*

8. Gary Chamberlain moved to approve the resolution (Attachment 5) to loan the Twin Lakes Canal Company the amount of $100,00 at 5.5 percent interest rate to study the feasibility of constructing a dam on the Bear River known as the Bear River Narrows Project. Dick Wyatt seconded the motion. *Motion passed.*

9. Gary Chamberlain moved to approve the resolution (Attachment 6) to authorize the issuance of the Idaho Water Resource Board Water Resource Development Taxable Revenue Bonds for the Last Chance Canal Company, Ltd.'s project of construction, repairs and improvements to the company's flume and associated structures. Joe Jordan seconded the motion. *Motion passed.*

10. Gary Chamberlain moved to transfer $2000 from the Revolving Development Account to the Water Management Account. Dick Wyatt seconded the motion. *Motion passed.*

11. Bob Graham moved the Board to approve the resolution (Attachment 7) authorizing the Director of the Idaho Department of Water Resources to redirect up to $300,000 in encumbered aquifer recharge moneys to the Idaho Department of Water Resources Miscellaneous Revenue Fund. Gary Chamberlain seconded the motion. *Motion passed.*

12. Bob Graham moved the Board to approve the resolution (Attachment 8) authorizing the Director of the Idaho Department of Water Resources to submit a 2025 Challenge Grant application and, if approved, to negotiate and execute the agreement. Gary Chamberlain seconded the motion. *Motion passed.*

13. Bob Graham moved the Board to approve the resolution (Attachment 9) authorizing the Board to rent 40,000 acre-feet of storage water from Water District No. 01 Rental Pool to provide replacement water for delivery in Water Districts No. 36A and No.130 and the total amount paid will not exceed $520,000. Gary Chamberlain seconded the motion. *Motion passed.*

14. Bob Graham moved the Board to approve the resolution (Attachment 10) in the amount of $500,000 from the Revolving Development Account at 4 percent interest with a ten-year repayment term and provide the Director authorization to enter into contracts with the North Snake Ground Water District and the Magic Valley Ground Water District. Note, the 4 percent interest rate is to be

considered as a one-time provision in an effort to support and carryout the provisions of House Bill No. 843 and the Eastern Snake Plain Aquifer Mitigation, Recovery and Restoration Agreement for 2004. Gary Chamberlain seconded the motion. *Motion passed.*

15. Joe Jordan moved the Board to defer approval of the Water District 01, 2004 Water Rental Pool Procedures pending any changes received following the April 9, 2004 meeting of the local rental pool committee with Board action scheduled for the week of April 12, 2004. Gary Chamberlain seconded the motion. *Motion passed.*

Attachments

1. Resolution to loan the Lower Payette Ditch Company $430,000 for ten years for the replacement of the diversion dam on the Payette River with the disbursements made in two phases.

2. Resolution to grant the city of Kendrick $7,500 to study the best source of water.

3. Resolution to grant the Clearwater Water District $3,700 to study the best way to improve the present system.

4. Resolution to grant the North Tomar Butte Water District $5,250 to study the best source of water.

5. Resolution to loan the Twin Lakes Canal Company the amount of $100,00 at 5.5 percent interest rate to study the feasibility of constructing a dam on the Bear River known as the Bear River Narrows Project.

6. Resolution to authorize the issuance of the Idaho Water Resource Board Water Resource Development Taxable Revenue Bonds for the Last Chance Canal Company, Ltd.'s project of construction, repairs and improvements to the company's flume and associated structures.

7. Resolution authorizing the Director of the Idaho Department of Water Resources to redirect up to $300,000 in encumbered aquifer recharge moneys to the Idaho Department of Water Resources Miscellaneous Revenue Fund.

8. Resolution authorizing the Director of the Idaho Department of Water Resources to submit a 2025 Challenge Grant application and, if approved, to negotiate and execute the agreement.

9. Resolution authorizing the Board to rent 40,000 acre-feet of storage water from Water District No. 01 Rental Pool to provide replacement water for delivery in Water Districts No. 36A and No.130 and the total amount paid will not exceed $520,000.

10. Resolution in the amount of $500,000 from the Revolving Development Account at 4 percent interest with a ten-year repayment term and provide the Director authorization to enter into contracts with the North Snake Ground Water District and the Magic Valley Ground Water District. Note, the 4 percent interest rate is to be considered as a one-time provision in an effort to support and carryout the provisions of House Bill No. 843 and the Eastern Snake Plain Aquifer Mitigation, Recovery and Restoration Agreement for 2004.