IDAHO WATER RESOURCE BOARD

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Boise
District 2

Dick Wyatt
Secretary
Lewiston
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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

Lawrence 'Vic' Armacost
New Meadows
At Large

MINUTES OF MEETING NO. 06-06

July 14, 2006, 8:40 a.m.
Shiloh Inn, Twin Falls, Idaho

Meeting No. 06-06 of the Idaho Water Resource Board was called to order by Chairman Rigby at the Shiloh Inn, Twin Falls, Idaho.

Agenda Item No. 1, Roll Call

Board Members Attending

Jerry Rigby, Chairman	Dick Wyatt – Secretary
Gary Chamberlain	Vic Armacost
Bob Graham	Claude Storer

Board Members Absent

Leonard Beck	Terry Uhling

Department of Water Resources Staff Present

Hal Anderson, Administrator	Bill Graham, Bureau Chief
Patsy McGourty, Admin. Asst. II	Brian Patton
Karl Dreher, Director	

Guests Present

Lance Clow	John Williams
Mayor of Twin Falls	Bonneville Power Administration

Mr. Anderson requested that item 7e Rathdrum Prairie Lease Agreement with the Department of Lands be added to the agenda.

Agenda Item No. 2, Approval of Minutes

Mr. Wyatt moved that the minutes be approved as written; however Mr. Armacost noted an error on the minutes for the May meeting. With the correction that Mr. Chamberlain had seconded the motion to adjourn for the May meeting, Mr. Armacost seconded the motion to approve the minutes

322 East Front Street, P.O. BOX 83720, Boise, ID 83720-0098 Tel: (208) 287-4800 Fax: (208) 287-6700

of the May 19 and June 8 meetings and all were in favor. Motion passed.

Agenda Item No. 3, Public Comment

Chairman Rigby asked audience members if anyone wanted to address the Board. John Williams from the Bonneville Power Administration came forward and outlined his agency's role in water issues in Idaho for the last ten years. He noted that the BPA is involved in fish and wildlife issues. Mr. Williams also answered questions from Board members.

Lance Clow, the Mayor of Twin Falls, addressed the Board with updates on the status of water quantities now and predictions for the future. The city gets their water from Blue Lakes Spring with secondary wells. He expressed concern about the future supply and the reduction of the aquifer. He stated that the city's water rights had been damaged by reduction in spring flows. Chairman Rigby stated that the issues are difficult and he appreciated Mayor Clow's involvement in the process.

Agenda Item No. 4, Dworshak Status Report

Mr. Patton presented the status report stating that the power plant has produced more than 121 million kilowatt hours of electricity for sale to Bonneville Power Administration. He outlined the budget and cash flow status. He noted that due to the Dworshak revenue bond refunding, the debt service has been variable for the last few months including June. Mr. Patton answered questions from Board members.

Agenda Item No. 5, IWRB Financial Program

a. Status Report

Mr. Patton noted that the report reflected June 1st figures: Main Revolving Development Fund - $1,784,000 available; the ESPA sub account - $1,293,000 available; and just under $28,000 in the Water Management Account for a total of $3,105,804 available. He stated that construction had begun on the Hoyt Bluff Water Association's Project on the Rathdrum Prairie. Funds have been released to the Producer's Irrigation Company for two new wells. Mr. Patton noted that Fish Creek had nearly repaid their loan with only $219 interest owing.

b. Enterprise Irrigation District

Chairman Rigby excused himself from the discussion since he had a conflict of interest. Mr. Patton presented a loan request for $86,000 to replace an open canal with a pipeline system estimated at $247,000. The NRCS has approved 50% cost-share grants for this project. This district provides water for about 6,000 acres near the towns of Teton and Newdale in Fremont and Madison Counties from the Fall River. Mr. Patton pointed out that piping this canal would result in a small amount of loss of incidental recharge into the aquifer. Staff recommends this project be approved for $86,225 with a 15-year term. Shawn Walters from Enterprise stood for questions from Board members.

Mr. Chamberlain moved that the $86, 225 loan to the Enterprise Irrigation District be approved with a 15-year repayment term at a 5.5% interest rate. Mr. Graham seconded.

Roll Call Vote:
Wyatt, Aye; Armacost, Aye; Storer, Aye; Beck, Absent; Chamberlain, Aye; Graham, Aye; Uhling, Absent; Chairman Rigby, Abstain. 5 Ayes, 1 Absent, 1 Abstention. Motion passed.

c. Bonnie-Laura Water Corporation

Mr. Patton presented a loan request from the Bonnie-Laura Water Corporation for $61,000 to repair wells for domestic water for 26 homes near the Payette River in Emmett. These wells have become clogged due to screen failure. Mr. Patton noted their ability to repay and recommended the project be approved with a ten-year term. Mr. Patton answered questions of Board members.

Mr. Chamberlain moved that a loan to the Bonnie-Laura Water Corporation for $61,000 at a ten-year term with 6% interest be approved. Mr. Graham seconded.

Roll Call Vote:
Wyatt, Aye; Armacost, Aye; Storer, Aye; Beck, Absent; Chamberlain, Aye; Graham, Aye; Uhling, Absent; Chairman Rigby, Aye. 6 Ayes, 2 Absent. Motion passed.

Agenda Item No. 6, Rental Pool Procedures Water District I

Mr. Anderson presented the new procedures for Water District I for the Board's approval. The change is in 6.1.a. to remove dated language and renumber the subheadings under Rule 6.

Mr. Storer moved that the Rental Pool Procedures for Water District 1 be approved retroactive to 2005. Mr. Chamberlain seconded. All were in favor. Motion passed.

Agenda Item No. #7, Planning Status Report

a. ESPA

Mr. Graham presented draft documents for the ESPA process and timeline. He noted that the Board committee had interviewed facilitator candidates on July 10th. Chairman Rigby stated that a selection needed to be made at this meeting conditioned upon approval from the Department of Administration to fill this position.

Mr. Chamberlain stated that the committee had selected CDR Associates and moved that they be hired conditioned upon the Department of Administration's approval of an emergency exemption from the normal bidding process. Mr. Wyatt seconded.

Roll Call Vote:
Wyatt, Aye; Armacost, Aye; Storer, Aye; Beck, Absent; Chamberlain, Aye; Graham, Aye; Uhling, Absent; Chairman Rigby, Aye. 6 Ayes, 2 Absent. Motion passed.

b. Upper Salmon

Mr. Graham noted that staff is assisting in interim administration of water rights. A workgroup has been formed to study options providing for approval and installation of head gates

and measuring devices on federal land. There was discussion regarding issuing a press release on progress to inform the public.

c. Lower Boise

According to Mr. Graham, staff is continuing to work on an analytical model and is close to presenting the proposal to the Board in the future. Contracts are being drafted for the green LIDAR project that will occur in October. Staff is also working with the US Army Corps of Engineers on a realistic flooding tabletop exercise.

d. Other

Mr. Graham stated that the department had received a proposed land management plan from the Idaho Panhandle National Forest and 19 stream segments are recommended for wild and scenic designations. These include streams already designated as state protected by the Board. There was discussion regarding the Memorandum of Understanding in place for cooperative planning. Chairman Rigby asked staff to revise the draft letter for his signature to send to the Forest Plan Revision Team expressing the Board's displeasure with their recommendation and to follow up at the next Board meeting.

e. Water Transactions

Mr. Graham stated the contract from Office of Species Conservation to undertake permanent or long-term transactions in the Lemhi River basin was ready for the Board's signature.

Mr. Chamberlain moved that the resolution authorizing the Board to enter into agreement with the Office of Species Conservation in the amount of two million one hundred thousand dollars ($2,100,000) to develop permanent or long-term water transactions in the Lemhi River Basin be approved. Mr. Armacost seconded.

Roll Call Vote:
Wyatt, Aye; Armacost, Aye; Storer, Aye; Beck, Absent; Chamberlain, Aye; Graham, Aye; Uhling, Absent; Chairman Rigby, Aye. 6 Ayes, 2 Absent. Motion passed.

An appraiser will be hired to assess the value of the permanent or long-term transactions in the Lemhi basin later this summer.

Mr. Graham stated that staff is also working to get the Busterback Ranch water rights into the water bank. Additionally, staff is working on BPA funding for 2007 to convert annual leases and other agreements in the Lemhi, Pahsimeroi and Stanley Basins to multi year or permanent transactions.

Mr. Graham informed the Board that Neeley Miller, a new planner from Arizona, will be on board soon to assist with the ESPA Comprehensive Management Plan.

f. Rathdrum Monitoring Wells

Mr. Anderson explained that federal funds have been made available for dedicated monitoring wells on public lands on the Rathdrum Prairie at no cost to the Board.

Mr. Wyatt moved that the resolution authorizing the Board to sign a lease agreement with the Idaho Department of Lands for the construction and maintenance of monitoring wells on the Rathdrum Prairie be approved with the addition in paragraph 5 to include any costs and fees. Mr. Graham seconded. All were in favor. Motion passed.

1. Other Items

Mr. Anderson presented the Attorney General's letter to the Board regarding conflict of interest of Board members being involved in the ESPA Comprehensive Management Plan. The AG determined that a conflict does not exist.

Chairman Rigby called for a short break.

Agenda Item No. 8, Director's Report.

Director Karl Dreher expressed dismay about a newspaper article written about the previous day's work session panel discussion about the ESPA groundwater model. The headline was a comment taken out of context by a speaker who had not been involved in the development of the model.

Director Dreher updated the Board on Judge Wood's recent Decision on the constitutionality of the conjunctive management rules. The Director stated he had issued an order on June 29th regarding the amount of damage in the Surface Water Coalition matter since Judge Wood did not issue a judgment with his decision. On December 8, 2005, Idaho Groundwater Users and counsel for Twin Falls Canal Company met and agreed that repayment water would be accepted in 2006. The June 29th Order found that the groundwater districts should have provided replacement water by May 15, 2006. The Order gave them one week to come up with water or face curtailment. On July 10th, the Director received a letter from IGUA authorizing the Director to access water they had available through private leases to complete their obligation; however, this response is still not adequate. The Director stated he would issue another order to IGUA requiring them to address the deficiency or face curtailment.

The Director notified the Board that the department is appealing Judge Wood's decision to the Supreme Court. The appeal sets in motion an automatic 14-day stay. Legal counsel for the department is sorting out how the Director can proceed at this juncture.

The Director presented House Bill 707 regarding lobbying that requires individuals to register if they are going to lobby executive officers. Board members fall under this definition. The Director explained to Board members their legal obligations under this bill.

Agenda Item No. 9, Other Items Board Members May Wish to Present

Mr. Chamberlain suggested that Board folders be sent out a few days before the Board meeting instead of 10 days. The consensus was that folders would be sent out about three days before the meeting and that time would be taken at the beginning of the work session to hand out supplements and explain where they go.

Agenda Item No. 10, Next Meeting

The next meeting is set for September 21 and 22 in Idaho Falls. The following meeting is set for November 14 and 15. Mr. Armacost noted that there would probably need to be a meeting with the new facilitators. Chairman Rigby suggested a telephone conference initially to decide the direction of the process. Mr. Anderson suggested that there needed to be a sub-committee to work with the facilitators. Chairman Rigby stated that the interview committee could serve that purpose along with his participation.

Agenda Item No. 11, Adjourn

Mr. Storer moved that the meeting be adjourned and Mr. Chamberlain seconded. All were in favor. Meeting adjourned.

Dated this 3rd day of August 2006.

D. Richard Wyatt, Secretary

Patsy McGourty, Administrative Assistant II

Board Actions

1. With the correction that Mr. Chamberlain had seconded the motion to adjourn for the May meeting; Mr. Armacost seconded the motion to approve the minutes of the May 19 and June 8 meetings and all were in favor. Motion passed.

2. Mr. Chamberlain moved that the $86, 225 loan for the Enterprise Irrigation District be approved with a 15-year repayment term with a 5.5%. Mr. Graham seconded.

Roll Call Vote:
Wyatt, Aye; Armacost, Aye; Storer, Aye; Beck, Absent; Chamberlain, Aye; Graham, Aye; Uhling, Absent; Chairman Rigby, Abstain. 5 Ayes, 1 Absent, 1 Abstention. Motion passed.

3. Mr. Chamberlain moved that a loan to the Bonnie-Laura Water Corporation for $61,000 at a ten-year term with 6% interest be approved. Mr. Graham seconded.

Roll Call Vote:
Wyatt, Aye; Armacost, Aye; Storer, Aye; Beck, Absent; Chamberlain, Aye; Graham, Aye; Uhling, Absent; Chairman Rigby, Aye. 6 Ayes, 2 Absent. Motion passed.

4. Mr. Storer moved that the Rental Pool Procedures for Water District 1 be approved retroactive to 2005. Mr. Chamberlain seconded. All were in favor. Motion passed.

5. Mr. Chamberlain stated that the committee had selected CDR Associates and moved that they be hired conditioned upon the Department of Administration's approval of an emergency exemption from the normal bid process. Mr. Wyatt seconded.

Roll Call Vote:
Wyatt, Aye; Armacost, Aye; Storer, Aye; Beck, Absent; Chamberlain, Aye; Graham, Aye; Uhling, Absent; Chairman Rigby, Aye. 6 Ayes, 2 Absent. Motion passed.

6. Mr. Chamberlain moved that the resolution authorizing the Board to enter into agreement with the Office of Species Conservation in the amount of two million one hundred thousand dollars ($2,100,000) to develop permanent or long-term water transactions in the Lemhi River Basin be approved. Mr. Armacost seconded.

Roll Call Vote:
Wyatt, Aye; Armacost, Aye; Storer, Aye; Beck, Absent; Chamberlain, Aye; Graham, Aye; Uhling, Absent; Chairman Rigby, Aye. 6 Ayes, 2 Absent. Motion passed.

7. Mr. Wyatt moved that the resolution authorizing the Board to sign a lease agreement with the Idaho Department of Lands for the construction and maintenance of monitoring wells on the Rathdrum Prairie be approved with the addition in paragraph 5 to include any costs and fees. Mr. Graham seconded. All were in favor. Motion passed.

Attachment 1 to Meeting 07-06
Date August 3, 2006
Idaho Water Resource Board