IDAHO WATER RESOURCE BOARD

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Charles "Chuck" Cuddy
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Roger W. Chase
Pocatello
District 4

Vince Alberdi
Kimberly
At Large

Jerry R. Rigby
Rexburg
At Large

MINUTES OF MEETING 4-10

March 26, 2010
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
Gary Chamberlain
Chuck Cuddy
Jerry Rigby, Absent
Vince Alberdi
Roger Chase
Bob Graham
Leonard Beck, Absent

Staff Members Present

Gary Spackman, Interim Director
Helen Harrington, Section Manager
Cynthia Bridge Clark, Engineer
Bill Quinn, Engineer
Morgan Case, Staff Biologist
Sandra Thiel, Planner
Hal Anderson, Administrator
Brian Patton, Bureau Chief
Jack Peterson, IDWR Fed. Liaison
Patsy McGourty, Admin. Asst. II
Neeley Miller, Senior Planner

Guests Present

Shelley Davis, Barker Rosholt
Walt Poole, Dept. of Fish and Game
Peter Anderson, Trout Unlimited
Stuart Hurley, SPF Engineering
Warren Drake, Jug Handle Homeowner's Association
Kevin Lewis, Idaho Rivers United
John T. Williams, Bonneville Power
Dick Fosbury, Engineer
Charlie Holt, SCE, Wood River Valley

Agenda Item No. 2, Agenda and Approval of Minutes 1-10 and 2-10

Mr. Anderson stated there were two sets of minutes for the Board's approval. Mr. Chase noticed a misspelling of a name on Page 1 of Minutes 1-10 for

Charlie Holtz. The "z" needed to be removed. With that change Mr. Chase moved that minutes 1-10 and 2-10 be approved as corrected. Mr. Chamberlain seconded and all were in favor.

Agenda Item No. 3, Public Comment

Mr. Anderson called for any public comment.

Mr. Peter Anderson, Water Policy Counsel for Trout Unlimited, addressed the Board. He discussed global warming and stated that this is a radical problem for everyone. Today he requested that when the Board makes their future planning decisions, they think about global warming and its implications. He had a publication developed by the science staff at Trout Unlimited that is not based on models; but rather, actual perceived and measured evidence which he passed out. The pamphlet contained discussions of impacts on water, precipitation, evapotranspiration and other issues facing planning.

Mr. Anderson stated there are two great efforts for global warming; the first is mitigating carbon dioxide emissions that take place mostly outside of Idaho. Some of the Board's decisions may affect hydropower sources in the state he said. Mr. Anderson predicted new demands on hydropower in the state that will increase the costs of electricity in the state because outside entities will want to buy power from Idaho. Secondly is the adaptation side which deals with the impacts of global warming. He congratulated Mr. Hal Anderson's staff who forecast each upcoming water year. He noted that although Idaho wasn't a sponsoring agency, the department aided the climate impacts groups for the Pacific Northwest with the hydrologic climate change scenarios for the Pacific Northwest and Columbia River Basin and coastal areas. This is a website that has information about the impacts of climate change on the hydrology of the Pacific Northwest. He asked the Board to support downscaling which determines the impacts of global warming in the basin drainages especially in the Big Wood River and Snake River Basins. Mr. Anderson stated that Trout Unlimited has two reports out that discuss global warming. He added that his group supports and will work alongside the Board and department in these efforts.

The Chairman stated that climate change will be considered in the planning process.

Mr. Kevin Lewis, Conservation Program Director with Idaho Rivers United, wanted to follow-up on Liz Paul's presentation from the work session. He stated that her presentation only focused on water use. Mr. Lewis stated that enlarging existing facilities has less environmental impact than building new sites; however, he did not think that Twin Springs dam would be built because of the complex issues. The other component of storage studies deals with flooding. He discussed developments in the river basins. Increasing storage will not prevent flood damage he said. Mr. Lewis encouraged less building in the flood plain to prevent damage. He predicted that taxpayers are going to get tired of paying for flood damage near rivers, levees and oceans.

Chairman Uhling stated there are many alternatives to address storage and flood damage and asked if Idaho Rivers United would be involved. Mr. Lewis responded that his group would be at the table to address these issues.

Mr. Dick Fosbury addressed the Board. He was reporting back to the Board after the January meeting request for more information about water right transfers for the Big Wood River. He had spoken with Mr. Alan Merritt, Southern Region Office of the Department of Water Resources, who estimated that there are about 200 acres of illegal irrigation as determined by GIS mapping. These problems are being corrected. Mr. Merritt estimated that 400-450 acres of water transfers might need to be made. Mr. Fosbury stated the measuring error of the gauge at Hailey is approximately 470 acres of irrigation. With conjunctive management there will be a greater demand to mitigate some of this issue.

Mr. Fosbury stated that Blaine County Commissioners are initiating public hearings to establish policies for conjunctive management. Mr. Fosbury had told one of the commissioners that he was gathering information for the Board. The Blaine County Commissioners would like to have a Board member appear at one of their meetings to discuss this topic.

Mr. Fosbury discussed the fisheries in the area with his contact Mr. Terry Ring, owner of Silver Creek outfitters. The fisheries are an urban fishery with a number of rip-rapped stream banks and bridges with catch and release restrictions. Below the reservoirs there is a potential for excellent fisheries; however, water is needed according to Mr. Ring.

Mr. Fosbury stated that the USGS is going to recommission the upstream measuring device at North Fork. Additionally, one or two more measuring devices would be helpful to establish gains and losses which affect minimum stream flows. From his perspective, the Board could consider approving some small water transfers which would not affect the minimum stream flow. For the long term, all parties need to work on conjunctive management and establish the correct value for a minimum stream flow. He stated if he finds more information, he will bring it back to the Board.

The Chairman thanked him for bringing this report to the Board. Mr. Alberdi asked how many acres above the Hailey gauge might be transferrable. Mr. Fosbury replied that 90% of the surface water rights are below the Hailey gauge. The demand is to move water from below to above. He discussed property zoning and land development. In the future water rights for some of the lands will not be needed for agriculture and could be used upstream in the Big Wood Valley. Mr. Alberdi thought there was some potential there to solve his problem. Mr. Fosbury stated that Mr. Merritt thought the same thing and so did Dr. Brockway.

Chairman Uhling asked if he knew if the community supported changing the minimum stream flow. Mr. Fosbury stated that the county commissioners take a balanced view. They see the need for upstream transfers, but they also do not want to impair the minimum stream flow. He said they are open minded and do a good job of collecting information from all the users. Mr. Fosbury did not think they were opposed to reducing the minimum stream flow if it is demonstrated scientifically that the fish will still be protected.

Mr. Chamberlain suggested that a temporary water right with a restriction that if it harms the minimum stream flow, the owner would voluntarily agree to shut the water off. Mr. Fosbury thought that would be fair. During droughts we all need to work together, he said. Mr. Chamberlain stated the attorneys might not like the language, but this might move things forward.

Agenda Item 4, IWRB Hydropower Status Report

Mr. Patton presented the hydropower status report. He stated that the Dworshak hydropower plant had produced about 189.4 million kWh sold to Bonneville Power Administration. Pristine Springs #1 hydropower plant had produced just less than 1.58 million kWh and the Pristine Springs #3 hydropower plant had produced about 2.33 million kWh for sale to Idaho Power.

In the financial reports this fiscal year to March 1, 2010, Mr. Patton stated that Dworshak had accrued $141,800 in revenue over expenses for deposit into the Revolving Development Account and $66,153 into the Repair and Replacement Account. Since March 1, 2010, Pristine Springs #1 and #3 combined have produced just under $35,000 placed in the repair/replacement funds.

Mr. Graham asked questions about the reserve funds build up. Mr. Patton stated that the Board has exceeded the required amount; but continues to place money in the fund for Dworshak. The repair/replacement fund is the same fund. Mr. Alberdi asked if Mr. Patton had looked at renewable energy credits for Dworshak. Mr. Patton responded that Jack Peterson, Federal Liaison with the department, is investigating that. Mr. Patton thought it would be more difficult to get those credits for existing plants than those in construction. Mr. Alberdi stated the credits could be valuable in the future.

Chairman Uhling asked if this water year would be difficult for power generation at Dworshak and Mr. Patton responded yes. There may be reduced output to 80-85% of normal. Mr. Cuddy stated that repairs are coming up at Dworshak in the next year. Mr. Patton stated that staff are aware of that. The Chairman asked if this would change the budget forecast for revenues. Mr. Patton stated that this could significantly impact power generation revenues. Mr. Graham thought that the fish hatcheries would be adversely affected also. Mr. Patton stated the flow would not be hampered at the hatcheries; however, the level of the reservoir would be lowered and this would impact power generation. There was discussion about operation and power losses.

a. Dworshak Bond Rating

Mr. Anderson stated that Moody's Investor Services had given a rating for the Board's revenue bonds for the Dworshak Hydropower Plant. The report furnished in the Board book showed an A2 rating which is outstanding. He noted that there are numbers for the repair/replacement fund that are actually debt service which is self insurance. $1.1 million could be used for an emergency. Mr. Anderson stated that the credit market appreciates the Board's consistency.

Agenda Item 5, IWRB Financial Program

a. Status report

Mr. Patton discussed the status report for the Board's financial programs. As of March 1, the Board has about $13.8 million committed, but not disbursed; just under $20 million in loan principle outstanding and a current uncommitted balance of just over $1 million. The Board has estimated uncommitted funds over the next 12 months of $3 million.

Mr. Patton stated that a resolution passed on March 9 by the Board had committed $1.2 million from Pristine Springs to the ESPA CAMP and another $1.2 million that will be received this fall for the ESPA CAMP. He noted that $21, 456 had been received from Water District 63 as the Board's 10% surcharge on Boise River Rental Pool operations for 2009. $86,733 had been received from Water District 65 for the Payette River for their rental pool operations in 2009.

Mr. Patton reported on the status of the Bear River pooled bond program. Water District 11 received a stimulus fund grant from the U.S. Bureau of Reclamation to make improvements on canals in the area. Those funds require a 50% match. Many of those canal companies have requested Board financing. Staff have been working with Jim Wrigley and the canal companies to work out a pooled bond approach. Five companies will be participating with a total financing of $2.2 million. Local improvement districts are being put into place to facilitate this process. Mr. Patton stated that the Board may need to take action on an inducement resolution in mid April to provide interim financing to begin construction. Bureau of Reclamation wants the construction finished by the end of this year.

Mr. Chase asked if the canal companies or the counties were setting up the LID's. Mr. Patton responded that Mr. Wrigley had been working with the county commissioners in those areas. Everyone seems to be on board with this plan. The Chairman asked if the LID's were in place. Mr. Patton responded that four have been established and the last should be approved next week.

Mr. Patton stated that the Southwest Irrigation District pipeline project estimated at $8-9 million could be included in this package. Two inducement resolutions could be issued and combined when the bonds are issued.

Chairman Uhling asked how another party could be part of this pooling process. Mr. Patton stated for the Bear River Project the issuance would be this fall. If Southwest's timeline coincides, they could be a part of the bonding. The Chairman asked how long it took to establish the LID's. Mr. Patton responded about 60 days. Mr. Alberdi stated that the Big Wood Canal project could perhaps be included. Mr. Patton thought it could be considered and staff would look at that. As a $3-5 million project, it could stand on its own he said. Mr. Chamberlain asked if the interest rate would be better if all were included. Mr. Patton stated that the savings would be on issuance costs and not interest rates. The key is to make the timelines work.

Mr. Graham asked if the $1.2 million for the ESPA CAMP was included under committed but not disbursed funds. Mr. Patton responded that it was. The other $1.2 million had not yet been received. Mr. Graham stated that $1 million is available for loaning today and Mr. Patton responded yes. Mr. Patton noted that detailed balanced sheets were included in the watermaster reports.

Chairman Uhling asked about projects completed and why they did not appear in the status report. Mr. Patton stated he would include them in the next report.

b. Loan Requests

Jug Handle Estates

Mr. Patton presented the loan request for Jug Handle Estates Homeowners Association. The request is for $881,000 for a new well and pipeline. Board funds would replace existing interim financing.

Mr. Patton explained the development is seven miles southwest of McCall in Valley County and supports 85 homes. This subdivision sits on a hillside and water is pumped from wells. Previous attempts at new wells on the hillside have not been successful. SPF Engineering has recommended a new well on the valley floor which has been drilled and pump tested successfully.

Staff have some concerns about this project. This is a large loan with second home recreational property. The Board has requested that Jug Handle develop a Local Improvement District before the Board will consider approving this loan. Representatives from Jug Handle were present to address the Board.

Mr. Stuart Hurley from SPF Engineering discussed the project with the Board. He stated that the homeowners have been working for several years to improve their water system. The well had been completed as well as the well house. The final phase is the pipeline which they hope to construct this summer and complete this fall. There are approximately half permanent residences with half summer use. Mr. Hurley stated that the project will go forward and they hoped the Board would approve the lending package. They have not had time to get an LID in place, but they will pursue it in order to obtain the Board loan.

Mr. Cuddy asked if the new pumping system would meet DEQ's water quality standards. Mr. Hurley stated it is already approved. The Chairman asked if long-term financing could be obtained. Mr. Hurley stated they currently have bank financing at a variable interest rate. The Chairman stated that the Board has limited funds right now and this is a large loan. Mr. Hurley stated that the group will pursue the LID but did not know when it would be completed.

Mr. Graham asked if the subdivision was created in 1970 why it still had remaining lots to develop. Mr. Hurley responded that some of the lots are likely unsellable because they are on steep ground. He was not sure about the economics of the lot sales. Mr. Graham asked about the demand for the lots, but Mr. Hurley did not have any knowledge of that. Mr. Graham asked if the Tamarack bankruptcy had affected these sales. Mr. Hurley did not think so since this subdivision is on the east side of the valley. He acknowledged that Valley County had been affected as a whole. Mr. Graham asked if the assessments for the 85 homes had dropped, but Mr. Hurley did not know.

Mr. Chamberlain suggested that the Board table this for today until a Local Improvement District could be established. Later the Board would better know funding requirements for the rest of the year. The Chairman asked Mr. Patton if this project could become part of the pooled funding. Mr. Patton stated that it could if the timing of the LID worked for the bonding process. If it was ready by this fall, that might work he said.

The Chairman stated that there are two good reasons for the Board not to act today. Mr. Graham asked what the difference was in the long-term financing interest rate and the Board's interest rate. Mr. Hurley did not know, but Mr. Graham said the Board would like to know when they come back for their loan.

Mr. Cuddy asked if the individual undeveloped lots were not developed due to septic systems. Mr. Hurley stated that some of the lots are unbuildable and some are built above the water system. Mr. Alberdi asked about the piping system. Mr. Hurley said it was in good shape with new repairs and water meters. Mr. Alberdi asked about the pumping costs. Mr. Hurley stated that the new well would provide water in peak times and serve as a backup to another well. The costs of water would be $300 a year for each resident. Mr. Alberdi asked if with the additional water would there be landscaping water available. Mr. Hurley did not think water use would increase, but that it would just be to supply essential water needs.

Mr. Chase stated it is a worthy project, but money is tight. He thought it should be financed through the private sector. The Chairman thanked Mr. Hurley for his input.

Mr. Anderson stated that if the Board did not choose to approve this today, two actions could be taken. The LID could be established and staff would see if this project could be joined with the pooled revenue bonds. The Chairman agreed.

Mr. Warren Drake, Water Operator and President of Jug Handle Homeowners Association, wanted to clarify some issues. He stated the need for water is acute. The water system was insufficient when the homes were constructed in the 1970's. Due to the need, private financing was sought at a variable interest rate. For the last six years, the system has often lost total pressure and no water is available for 1-4 days. He discussed all the efforts the association had undertaken. Mr. Drake restated the current financing is at a variable rate and leaves them at risk.

Mr. Chamberlain asked what the variable interest rate was. Mr. Drake did not know the exact rate, but he mentioned all the efforts the group had tried to get financing. Mr. Chamberlain stated that until the LID was formed, the Board would not consider the loan. Mr. Drake stated he was not aware of that requirement and his group would get that done as soon as possible. Mr. Chamberlain stated the Board is concerned that their funds may be needed elsewhere. He added that the loan could be piggy-backed with the pooled revenue bonds. He also stated that the variable interest rate should remain constant for some time.

Mr. Graham stated that the LID is not a requirement. He asked about the six wells that had gone out of service over the years. Mr. Drake stated they were Jug Handle wells drilled on their property. He said there is more work to do. There is one private well that is operable pumping 1-3 gallons per minute. There was further discussion about wells. There are homes above the water tank that would be difficult to pump to. Mr. Drake stated that the difference between 85 and 102 lots are undevelopable lots that are privately held. The Chairman asked if each home had its own septic system. Mr. Drake stated they did but there were no issues there.

c. Aquifer Recharge Program Update

Mr. Anderson introduced Mr. Bill Quinn. Mr. Quinn discussed his briefing memo. In January, the Board approved an expenditure of $400,000 to fund 2010 recharge. The early season recharge attempts to divide recharge above and below American Falls to the extent possible and consistent with the ESPA Comprehensive Aquifer Management Plan.

Mr. Quinn stated that contracts with eight canal companies and irrigation districts had been signed and two companies were already recharging. He noted that Aberdeen Springfield should be ready to start any time. Fremont-Madison began on Feb 24; Idaho Irrigation District, New Sweden, Osgood and Snake River Falls started April 1. North Side Canal Company had dropped out due to maintenance issues. Below American Falls the Milner-Gooding Canal was also aiming for April 1st. Southwest Irrigation District started on March 15th.

Mr. Quinn noted that conditions are favorable for the recharge to last until mid April. A reasonable estimate of total spring recharge might be 30,000-40,000 acre feet. Canal managers have been advised of possible cutbacks as irrigation deliveries begin. There will be insufficient water for recharge in the Big and Little Wood River basins this year. Canal managers are encouraged to provide weekly recharge reports to the department. The Fremont-Madison Canal Company reported that as of March 21 recharging in 10 canals for 485 cubic feet per second or 962 acre-feet per day for a total volume of 10,699 acre feet and conveyance fees of $32,097 based on $3 per acre-foot. Southwest Irrigation was recharging at 27 cubic feet per sec or 54 acre-feet per day for a total volume of 155 acre-feet and fees of $465 based on $3 per acre-foot. Mr. Quinn stood for Board questions.

Mr. Alberdi asked if Fremont Madison had problems with icing. Mr. Quinn stated that in the recharge canals there is no problem. The Chairman thanked Mr. Quinn.

d. Upper Salmon Water Transactions

Mr. Anderson introduced Morgan Case, Staff Biologist, to discuss Upper Salmon Water Transactions.

Big Hat Creek

Ms. Case presented the Big Hat Creek water transaction in the Salmon River Basin. The resolution today authorizes the Board to enter into a five-year rental for Water Right Nos. 75-2137 and 75-4199 to improve stream flow for bull trout and other species. The cost is $484.45 in rental fees using the Columbia Basin Water Transaction Program budget.

Mr. Chamberlain moved that the resolution authorizing $484.45 in fees from the Columbia Basin Water Transaction Program funds be spent to rent water on Big Hat Creek from water right Nos. 75-2137 and 75-4199. Mr. Alberdi seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Mr. Cuddy: absent; Mr. Alberdi: aye; Mr. Chase: aye; Mr. Beck: absent; Mr. Chamberlain: aye; Mr. Graham: aye; Mr. Rigby: absent; Chairman Uhling: aye. 5 ayes; 3 absent. Motion Passed.

Lower Lemhi

Ms. Case discussed the next resolution before the Board to authorize expenditures for the 2010 Lower Lemhi Annual agreements not to divert water to protect 17.53 cfs to maintain flows at the L-6 diversion. The contracts will not exceed $98,505.55 using Bonneville Power Administration funds through the Idaho Fish Accord with a Water District 74 contract of $6,000.00 for administrative fees.

The meeting took a short break.

Mr. Chamberlain moved that the resolution authorizing the Chairman to enter into a contract with Water District 74 to administer annual agreements in the amount of $6,000.00; and authorizing the Board, with funding from the Bonneville Power Administration through the Idaho Fish Accord – Water Transactions Fund in the amount of $98,505.55, to enter into the Lower Lemhi Annual Agreements not to divert water be approved. Mr. Alberdi seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Mr. Cuddy: aye; Mr. Alberdi: aye; Mr. Chase: aye; Mr. Beck: absent; Mr. Chamberlain: aye; Mr. Graham: aye; Mr. Rigby: absent; Chairman Uhling: aye. 6 ayes; 2 absent. Motion Passed.

The Nature Conservancy

Ms. Case discussed the third water transaction which involved a resolution for purchasing Water Right Nos. 74-1588 and 74-1594 for the sum of $10 from The Nature Conservancy for the purpose of delivering the consumptive use portion of the water rights to improve habitat and stream flow for the ESA-listed Chinook salmon steelhead, and bull trout.

Ms. Case stated that the second resolution was to authorize renting those rights to the Lemhi Rental Pool and Water District 74 has agreed to a one-time payment of $10,580, waiving their usual 10% surcharge, using funds from the Bonneville Power Administration through the Idaho Water Transaction Program or the Columbia Basin Water Transactions Program.

Mr. Chamberlain moved that the first resolution authorizing the purchase of Water Rights 74-1588 and 74-1594 from The Nature Conservancy for the sum of $10.00 contingent upon the Board and The Nature Conservancy executing a written agreement governing the rights and responsibilities of the parties resulting from the assignment of the water rights be approved. Mr. Chase seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Mr. Cuddy: aye; Mr. Alberdi: aye; Mr. Chase: aye; Mr. Beck: absent; Mr. Chamberlain: aye; Mr. Graham: aye; Mr. Rigby: absent; Chairman Uhling: aye. 6 ayes; 2 absent. Motion Passed.

Mr. Chamberlain moved that the second resolution be approved to authorize the Chairman to lease Water Right Nos. 74-1588 and 74-1594 into the Water Supply Bank and to permanently rent the rights out through the Lemhi Rental Pool to Water Right No. 74-14993 to support the L-6 diversion on the Lemhi River and that the Chairman is authorized to enter into a contract with Water District 74 to permanently administer said rental for a one-time fee of $10,580.00. Mr. Alberdi seconded. The Chairman called for a roll call vote.

Ms. Case thanked the Board.

e. Palisades Storage

Mr. Anderson stated that the Board had decided at the work session that it was too early to make a decision on the Palisades Storage water. He added this item will be moved to the May meeting work session.

Agenda Item No. 6, Planning Activities

a. ESPA CAMP Status Report

Mr. Anderson discussed the implementation of the ESPA CAMP. A contract is still in place with CDR Associates from Denver, Colorado. Staff have relied on their facilitation of this process and need to go forward until the contract ends June 30. Additional work has been put on them through the legislative session and only $24,000 remains to pay them. A resolution is before the Board today to increase the funding by $40,000 which will provide funds for CDR until the May meeting.

Chairman Uhling stated that the third "Whereas" paragraph in the resolution should be removed. He asked that the issue of hiring contractors and the planning process be taken up at the May meeting work session due to direction from the Legislature due to budgetary constraints and future needs.

Mr. Graham moved that the resolution authorizing $40,000 additional funding for the CDR contract be approved. Mr. Chase seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Mr. Cuddy: aye; Mr. Alberdi: aye; Mr. Chase: aye; Mr. Beck: absent; Mr. Chamberlain: aye; Mr. Graham: aye; Mr. Rigby: absent; Chairman Uhling: aye. 6 ayes; 2 absent. Motion Passed.

b. Rathdrum Prairie CAMP

Mr. Anderson introduced Ms. Harrington who provided an update to this planning process. The Advisory Committee was formed in December and they have met three times.

Ms. Harrington stated that for both the Rathdrum and Treasure Valley CAMPs studies have been ongoing. She noted that climate impact studies are a part of this. This information will be used to downscale existing Pacific Northwest Regional Climate information to the watershed basins to evaluate impact on water budgets in the basin. Technical studies will support all recommendations of the Advisory Committee. The Future Water Demand Study will be completed in June. Ms. Harrington requested that Michael Clary be appointed to the Rathdrum Prairie CAMP Advisory Committee to represent the mining industry. The Chairman asked for a motion.

Mr. Cuddy moved that Michael Clary be appointed to the Rathdrum Prairie CAMP Advisory Committee. Mr. Graham seconded. The Chairman called for a voice vote. All were in favor.

c. Treasure Valley CAMP Status Report

Ms. Harrington outlined the progress in the Treasure Valley CAMP process. Recommendations have been made for the Advisory Committee. The Board received 43 nominations. The subcommittee met and recommends the appointment of 32 members today for the Advisory Committee. A list of the names was distributed to the Board.

Ms. Harrington noted studies ongoing include a weather modification study to enhance the water supply. The contract is completed and will be presented to the Advisory Committee. A study of groundwater recharge in partnership with IWRRI will be a high level reconnaissance evaluation of the potential, locations and methods for recharge. The Chairman asked if it would be completed by March 2011 and Ms. Harrington responded that it would be finished then.

The Chairman asked if there was a resolution. Mr. Anderson stated that a list of the names could be attached to the minutes. The Chairman requested that in the future there be a resolution.

Mr. Chamberlain moved that the Board approve the recommendations of the Treasure Valley Subcommittee presented today and appoint the 32 nominees to the Advisory Committee with a list to be attached to the minutes of this meeting as Exhibit A. Mr. Alberdi seconded. The Chairman called for a voice vote. All were in favor.

d. State Water Plan

Ms. Harrington summarized the work of the State Water Plan Subcommittee which has met 25 times and are finalizing the Board policies. A complete set of the policies will be provided to the full Board at the May Work Session. Following that, staff hopes to hold public hearings during the summer and have a final plan in the fall she said.

Mr. Cuddy asked about the State Water Plan relying on department staff for additional work. Ms. Harrington stated the implementation strategies do rely on department staff, but may be refined; however, department staff will be more involved in Board activity.

e. Minimum Stream Flow Update

Ms. Case stated that the Cocolala Lake minimum lake level had been set and permitted. She discussed the Niagara Springs Permit 36-8347 for setting a minimum stream flow for recreation, aesthetic, and fish and wildlife purposes. At the last meeting the Board made a motion to have staff prepare proof of beneficial use on Niagara Springs Creek for two minimum stream flows. Further review revealed a condition on Permit 36-8347 requiring flow measurements associated with the proof of beneficial use that reflected the impact to two Rim View Trout Company application nos. 36-7628 and 36-7791. Water Right No. 36-7791 has been permitted and proof of beneficial use provided; however, Water Right No. 36-7628 has not yet been permitted. Any flow measurement the department has doesn't show development of this application and the permit might not show full development of that water right. Staff recommends filing an extension for providing proof of beneficial use on permit No. 36-8347. Department staff have contacted Rim View Trout to obtain more information.

Mr. Alberdi moved that staff file an extension of time to provide proof of beneficial use on Water Right Permit No. 36-8347. Mr. Chamberlain seconded. The Chairman called for a voice vote. All were in favor.

Mr. Graham asked about the Cocolala Lake minimum lake level. Ms. Case stated the Board now holds the permit and must collect additional lake level elevations over the next four or five years. One condition is a resurvey of that elevation according to the staff plate. The water right will be perfected after the information is submitted. The lake level was set at the Board's requested level.

f. Storage Update – Minidoka, Teton, Galloway, Boise

Lower Boise River Interim Feasibility Study

Mr. Anderson introduced Ms. Cynthia Bridge-Clark who discussed a status memo on storage projects. Yesterday at the work session Ms. Ellen Berggren from the Corps of Engineers made a presentation on the Lower Boise River Interim Feasibility study. Twelve locations are being reviewed to develop a short list for further study. The Corps recently performed a screening analysis for flood risk benefits and refill potential on these twelve sites. Six sites have been identified to move forward for further evaluation: Twin Springs, Dunnigan Creek, Lucky Peak, Arrowrock, Alexander Flats and Barber Flats.

Ms. Clark stated that Ms. Berggren discussed other ongoing activities to include updating flood plain mapping of the Lower Boise to document existing conditions and develop updated flood damage estimates. Additionally department staff are performing work for in kind credit including data collection and GIS analysis that will be included in the final ranking. Other information collected will be land use and environmental characteristics, management designations and other attributes of each of the sites. Department staff are modeling the amount of water available for appropriation based on existing water rights. This is part of the water storage analysis portion of the study.

Ms. Clark stated that the Corps will complete the site ranking in early April. This information will be provided to the public at informational meetings and available to the Board at the next meeting. The final screening will be completed by the end of June 2010. The Chairman asked if there would be additional meetings with the cities and counties. Ms. Berggren had stated that now would be a good time to get public information before the additional ranking Ms. Clark said. The Chairman stated another issue coming is funding. Ms. Clark agreed. Staff have been discussing with the Corps but has only received information about their 2011 budget yesterday. The screening analysis will be completed, but there are questions about further work on the Lower Boise.

Mr. Anderson reminded the Board that the Corps does not have the money to complete the first phase. Discussions have been held with Congressional delegations. The Chairman encouraged phone calls to get it into the next Federal budget.

Teton Basin Storage Appraisal Study

Ms. Clark stated that the BOR had been working with staff to draft a framework to describe the study objectives, process and work plan. Ms. Clark noted that another handout entitled, "Framework for a Special Study on Water Supply on the Henry's Fork of the Snake River Basin" had been passed out to the Board this morning. She stated that once Board members have had time to review this publication, she would like their comments. This draft framework will identify opportunities for the development of water supply, improvement of water management and sustaining environmental quality. Ms. Clark noted the title of the Teton study had changed to include the Henry's Fork and will build on existing information and provide an opportunity for conservation and optimization measures to address current and future water supply needs in the Upper Snake River Basin.

Ms. Clark stated that BOR is in the process of engaging stakeholders and will discuss the study at the next Henry's Fork Watershed Committee meeting on April 20. The BOR will contract with a private consultant on a portion of the study and integrate information from ongoing studies.

Mr. Anderson stated that in regard to Board funding that was specific for the Teton Basin; sponsors of the legislation gave approval for the expansion of this study to include the Henry's Fork. Chairman Uhling asked if the Teton Dam existing information would be used and Ms. Clark responded yes. She stated that BOR would like comments by April 5th since they are presenting on April 20.

Galloway Dam Feasibility Study

Ms. Clark stated that Mr. Jack Peterson, the department's Federal Liaison, had been reviewing the potential for a reexamination of the Galloway Dam on the Weiser River based on current water use and funding restraints. He had been working with staff to identify potential funding options and study partners. The Chairman had requested a Storage Subcommittee meeting to discuss these issues. She asked the Chairman to set the upcoming Storage Subcommittee meeting date today. The Chairman stated it should be before the next Board meeting. Ms. McGourty read the members' names. The Chairman suggested a teleconference to enable all of them to participate. Mr. Anderson added that around mid April, the Board will need a teleconference to discuss an inducement resolution so they could be combined. The Chairman agreed that would be a good idea. April 15th was the date tentatively set for these two teleconferences.

Minidoka Dam Raise Special Study

Ms. Clark stated that the Bureau of Reclamation is finalizing the dam raise report. Estimated total project costs are expected to be $200 million which includes replacing the spillway. BOR estimated the cost of a structural raise of Minidoka Dam for the future after the spillway replacement is complete. BOR is finalizing this report as well. Reclamation will bring technical staff from their Snake River Area office and their Denver office to the May Board meeting. She asked if the Board had any requests to pass on to the BOR. Some materials may be provided before the May Work Session. The Chairman thought that would be helpful.

Chairman Uhling stated to Mr. Anderson that there may be funding requests on the Galloway and Minidoka projects from the Board.

Agenda Item No. 7, Director's Report

Mr. Gary Spackman, Interim Director of the department, addressed the Board. He commented on his meeting with the Legislature the day before to discuss pending legislation for the ESPA CAMP. A bill was initiated in the Joint Finance Appropriation Committee to set up a subaccount to receive funds contributed by sponsoring entities of the project for the first year to facilitate CAMP projects. Many questions were asked he said. The Revolving Development Fund Account was discussed. Mr. Clive Strong was there to testify. Some people felt the legislation was a distraction from CAMP and that "CAMP was broken and this was confirmation." The Director characterized it as a bridge for next year. Mr. Norm Semanko from the Idaho Water Users testified and the Director thought he was very effective. Mr. Semanko encouraged keeping the ESPA CAMP process alive and also supported a separate fund since contributors like to be able to see where there money is used and what it is used for. The bill was amended later.

The Director noted one of the sensitivities to the bill was "voluntary contributions and future legislative appropriations." The statement of purpose and the legislative language were different. Facilitation services was also a sensitive point since the Board has spent a large amount of money on facilitation services. In the amendments the fund is limited to "voluntarily contributed funds." If there is another method of contribution, the language will have to be amended in the future to accept other funds. "Facilitation" services was replaced with "management" services or "project management." There was discussion about how these projects are managed. Some language was changed to include other CAMP projects. The Chairman was glad that Mr. Semanko was there to address the separate account issue.

The Interim Director discussed the department budget which was recently passed by the House. The budget for Fiscal Year 2011 will include a $1.1 million reduction and the department has a plan to do that. He again thanked the Board for assisting the department last year with funds. Due to retirements and other factors, the department will be in good shape July 1st.

The Interim Director passed out the latest Mountain Snow Water Equivalent map. The April 1st deadline for forecasting is nearly here. There has not been much change in a scare water year. The area above Palisades is at 50% of normal for the coming water year. The Director stated that because of storage water, there will be an adequate supply this year. Areas with limited storage may have a harder

time earlier in the year. Depending on the weather, there may be an early use of storage water. Chairman Uhling asked if there was a historical year that matched this and Mr. Anderson replied 2001. The Chairman stated that the entire Pacific Northwest is showing a reduced water year. The last month has gotten worse rather than better. Mr. Anderson stated that in 2005 it got better.

The Interim Director stated that staff in the department are working feverishly on a deadline of March 31st from Judge Melanson on a method for determining reasonable carryover and also reasonable in season demand in the Surface Water Call. An extension of time is being considered. This will establish a process that needs to be carefully considered for the future. The Chairman asked if this would be available in April and the Interim Director responded yes. He thanked the Interim Director for his support.

Agenda Item No. 8, Non-action Items Board Members May Wish to Present

Mr. Graham mentioned the SNOTEL chart and the snow level in the Northern Panhandle of 69% water which he said means they won't be fighting floods this year which is good news to them. A lot of data in Northern Panhandle is provided by Canadian SNOTEL sites. He discussed his presentation to the Spokane River Forum about the Rathdrum Prairie CAMP. He stated that the Spokane people refer to it as the Spokane Valley. He was asked where the financing was for the Pullman-Moscow Aquifer.

Mr. Anderson stated that he was planning to retire after this Board meeting. His last working day will be April 23rd. He thanked the Board for a good ride. Mr. Anderson stated that the last ten years have been the most interesting and challenging of his entire career. The Board has made a significant leap in what they do for the state and they have done an admiral job with limited resources. His future plans were unclear but he was sure that he would remain in Boise. The Chairman thanked Mr. Anderson for his service to the department and the Board and wished him the best.

Agenda Item No. 10, Next Meeting and Adjourn

Mr. Anderson noted the next meeting is the teleconference on April 15 and the regular meeting is set for May 27 and 28th. Mr. Chamberlain moved to adjourn and Mr. Chase seconded. The meeting was adjourned.

Respectfully submitted this 1st day of April, 2010.

Bob Graham, Secretary

Patsy McGourty, Administrative Assistant II

Board Actions:

1. Mr. Chase moved that minutes 1-10 and 2-10 be approved as corrected. Mr. Chamberlain seconded and all were in favor.

2. Mr. Chamberlain moved that the resolution authorizing $484.45 in fees from the Columbia Basin Water Transaction Program funds be spent to rent water on Big Hat Creek from water right Nos. 75-2137 and 75-4199. Mr. Alberdi seconded. The Chairman called for a roll call vote.

   Roll Call Vote:

   Mr. Cuddy: absent; Mr. Alberdi: aye; Mr. Chase: aye; Mr. Beck: absent; Mr. Chamberlain: aye; Mr. Graham: aye; Mr. Rigby: absent; Chairman Uhling: aye. 5 ayes; 3 absent. Motion Passed.

3. Mr. Chamberlain moved that the resolution authorizing the Chairman to enter into a contract with Water District 74 to administer annual agreements in the amount of $6,000.00; and authorizing the Board, with funding from the Bonneville Power Administration through the Idaho Fish Accord – Water Transactions Fund in the amount of $98,505.55, to enter into the Lower Lemhi Annual Agreements not to divert water be approved. Mr. Alberdi seconded. The Chairman called for a roll call vote.

   Roll Call Vote:

   Mr. Cuddy: aye; Mr. Alberdi: aye; Mr. Chase: aye; Mr. Beck: absent; Mr. Chamberlain: aye; Mr. Graham: aye; Mr. Rigby: absent; Chairman Uhling: aye. 6 ayes; 2 absent. Motion Passed.

4. Mr. Chamberlain moved that the resolution authorizing the purchase of Water Rights 74-1588 and 74-1594 from The Nature Conservancy for the sum of $10.00 contingent upon the Board and The Nature Conservancy execute a written agreement governing the rights and responsibilities of the parties resulting from the assignment of the water rights be approved. Mr. Chase seconded. The Chairman called for a roll call vote.

   Roll Call Vote:

   Mr. Cuddy: aye; Mr. Alberdi: aye; Mr. Chase: aye; Mr. Beck: absent; Mr. Chamberlain: aye; Mr. Graham: aye; Mr. Rigby: absent; Chairman Uhling: aye. 6 ayes; 2 absent. Motion Passed.

5. Mr. Chamberlain moved that the resolution authorizing the purchase of Water Rights 74-1588 and 74-1594 from The Nature Conservancy for the sum of $10.00 contingent upon the Board and The Nature Conservancy execute a written agreement governing the rights and responsibilities of the parties resulting from the assignment of the water rights be approved. Mr. Chase seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Mr. Cuddy: aye; Mr. Alberdi: aye; Mr. Chase: aye; Mr. Beck: absent; Mr. Chamberlain: aye; Mr. Graham: aye; Mr. Rigby: absent; Chairman Uhling: aye. 6 ayes; 2 absent. Motion Passed.

6. Mr. Graham moved that the resolution authorizing $40,000 additional funding for the CDR contract be approved. Mr. Chase seconded. The Chairman called for a roll call vote.

   Roll Call Vote:

   Mr. Cuddy: aye; Mr. Alberdi: aye; Mr. Chase: aye; Mr. Beck: absent; Mr. Chamberlain: aye; Mr. Graham: aye; Mr. Rigby: absent; Chairman Uhling: aye. 6 ayes; 2 absent. Motion Passed.

7. Mr. Cuddy moved that Michael Clary be appointed to the Rathdrum Prairie CAMP Advisory Committee. Mr. Graham seconded. The Chairman called for a voice vote. All were in favor.

8. Mr. Chamberlain moved that the Board approve the recommendations of the Treasure Valley Subcommittee presented today and appoint the 32 nominees to the Advisory Committee with a list to be attached to the minutes of this meeting as Exhibit A. Mr. Alberdi seconded. The Chairman called for a voice vote. All were in favor.

9. Mr. Alberdi moved that staff file an extension of time to provide proof of beneficial use on Water Right Permit No. 36-8347. Mr. Chamberlain seconded. The Chairman called for a voice vote. All were in favor.

RECOMMENDATIONS FOR THE TREASURE VALLEY ADVISORY COMMITTEE BY TV SUBCOMITTEE 3/25/2010

NOMINEE	AFFILIATION
Abramovich, Ron	NRCS
Atkinson, Michelle	Micron Technology, Inc.
Barrie , Rex	Boise River Watermaster WD #63
Batt, Gayle	Wilder Irrigation District
Bowling, Jon	Idaho Power Company
Burnell, Barry	Idaho Dept of Environmental Quality -Agency Participant
Dane, Russ	Keller Williams Realty
Deveau, Paul	Boise Project Board of Control
Dixon, Dave	Owner, Greenleaf Farms Inc.
Duspiva, Gary	Canyon County P&Z Commission
Fraser, Rob	Pres., Idaho Wildlife Federation
Fuss, Michael	Nampa Public Works Director
Goodson, Stephen	Governor's Office
Howard, Matt	Bureau of Reclamation
Jones, Chris	VP Ted Trueblood Chapter, Trout Unlimited
Larson, Bill	Treasure Valley Partnership
McKee, Lynn	Vice Chair, Ada Cty. SWCD
Nelson, Greg	
Patton , Brian	Idaho Department of Water Resources -Agency Participant
Peter, Kathy	Unaffiliated, former Dir. Of USGS Idaho Water Science Program
Pline, Clinton	Board, Nampa/Mer Irr Dist
Prigge, John	Sorrento Lactalis, Wastewater Trtmnt Mgr.
Rhead, Scott	Director Eng., United Water
Ronk, Jayson	VP of Idaho Assn of Commerce & Industry
Scott, Jeff	Pioneer Irr. Dis. Water Superintendent
Shoemaker, Gary	City of Caldwell Water Dept.
Stewart, Lon	Sierra Club
Stewart, Warren	Eng Mgr, City of Meridian Pub Works Dept
Thornton, John	N. Ada Cty. GW users; N. Ada Co Foothills Assoc; Member of N. Ada Cty. Tech. Working Group
Ward, Rick	Idaho Dept of Fish and Game - Agency Participant
Woods, Paul	Boise City Public Works Dept.
Yerton, Janice	Water System Operator, Kuna

EXHIBIT A