IDAHO WATER RESOURCE BOARD

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Roger W. Chase
Pocatello
District 4

Vince Alberdi
Kimberly
At Large

Jerry R. Rigby
Rexburg
At Large

MINUTES OF MEETING 6-10

May 28, 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	Vince Alberdi
Gary Chamberlain	Roger Chase
Chuck Cuddy	Bob Graham
Jerry Rigby	Leonard Beck

Staff Members Present

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

Guests Present

Shelley Davis, Barker Rosholt	Allen Funkhouser, Drainage Ditch #2
Walt Poole, Dept. of Fish and Game	Sam Rosti, Middleton Irrigation Assn.
Peter Anderson, Trout Unlimited	Larry Eborn, South Liberty Irrigation
Kirby Robertson, Mountain West Bank	
Kevin Lakey, Water District 37	Alan Kelsch, Idaho Irrigation District
Jamie Anderson, Boise Co. Comm.	Liz Paul, Idaho Rivers United
Brian Ward, Idaho Whitewater Assn.	Bruce Smith, Attorney
Ellen Berggren, US Army Corps of Engineers	
Gary and Linda Lemmon, Thousand Springs Water Users	
Jon Bowling, Idaho Power Company	Norm Semanko, Idaho Water Users Assn.
Jeff Raybould, ESPA CAMP	

Lynn Tominaga, Idaho Groundwater Appropriators
Mark Mendenhall, US Army Corps
Brent Adamson, Boise County
Jerrold Gregg, US Bureau of Reclamation
Alan Hansten, Northside Canal Company
Ted Diehl, Northside Canal Company
Jonathan Bartsch and Joan Sabott, CDR Associates

Agenda Item No. 2, Agenda and Approval of Minutes 3-10, 4-10 and 5-10

Mr. Chamberlain had a concern on Minutes 3-10, page 3 at paragraph three which continued in paragraph four. He asked that "Mr. Anderson read the names..." be moved up to paragraph three and separate it from Mr. Beck's question. With that change Mr. Chamberlain moved that minutes 3-10, 4-10 and 5-10 be approved. Mr. Rigby seconded. The Chairman called for a voice vote. All were in favor.

Mr. Patton asked that a resolution be introduced today to allow beginning negotiated rulemaking to update the Well Driller's Licensing Rules. Mr. Tuthill had submitted a resolution at the work session relative to the Board's minimum stream flow rights in the Big Wood River.

The Well Driller's Licensing was added as Agenda Item No. 8a. Mr. Chamberlain moved that the Well Driller's Licensing Rules be added as Agenda Item No. 8a. Mr. Cuddy seconded. The Chairman called for a voice vote. All were in favor.

The Chairman stated that the Board was concerned about notice to all parties on Mr. Tuthill's resolution regarding minimum stream flow rights in the Big Wood River. The Chairman suggested it should be added to the next meeting. Other Board members agreed.

Agenda Item No. 3, Public Comment

Mr. Bruce Smith, attorney, addressed the Board about additional appointments to the Treasure Valley CAMP Advisory Committee. He had four names representing the Cities of Eagle, Parma, Greenleaf, and Middleton. He discussed how the advisory committee was formed. Mr. Smith stated he was the first interviewee for the Advisory Committee. He discussed the differences between the Treasure Valley Advisory Committee with the ESPA CAMP Advisory Committee. The four municipalities had originally wanted Mr. Smith to represent them on the Advisory Committee. If an interest group recommended a lawyer, they were not chosen leaving the group without representation, he said. These four cities have nominated for Eagle, Mike Echeita, Public Works Director; Parma, Mayor Craig Telford; Middleton, Bob Schmillen, Public Works Director; and Greenleaf, Doug Amick. Mr. Smith stated there are a lot of issues in the Treasure Valley for these municipalities. By nature of the process, lawyers were not chosen. He asked the Board to consider the four nominations.

The Chairman asked if the recommendations had been officially submitted to Ms. Harrington for the Treasure Valley Advisory Committee. Mr. Smith replied they had not been submitted prior to the Board meeting. The Chairman thanked Mr. Smith for bringing the issue to the Board's attention. He agreed that the Treasure Valley CAMP is a true planning process and appreciated Mr. Smith's comments.

Mr. Allen Funkhouser, representing drainage districts on the Boise River, also had a lawyer nominated to represent them on the Treasure Valley Advisory Committee. He requested the Board reconsider his personal nomination to represent the drainage districts. Mr. Funkhouser stated that their main concern is the amount of money being spent to study water north of the Boise River and yet they have no representation on the Advisory Committee. Some entities who are represented on the Treasure Valley CAMP Advisory Committee like to rent their water from the water bank he said.

Mr. Graham asked about the restriction of no lawyers on this committee. He discussed the process for the Rathdrum Prairie CAMP Advisory Committee selection. The comment of no lawyers came from the Governor on the ESPA CAMP process that there be no "lawyers, litigants and lobbyists" on the Advisory Committee. There was no prohibition against lawyers for the Rathdrum Prairie CAMPAdvisory Committee. It is not the Board's policy he said.

Mr. Sam Rosti, Middleton Irrigation Association, supported Mr. Funkhouser's nomination to the Treasure Valley CAMP Advisory Committee. He discussed his participation in the valley and his work with Rex Barrie, the Boise River Watermaster. The Chairman stated that adequate representation from the valley is very important for future plans.

Mr. Rigby stated that in the ESPA CAMP it was important to keep the committee size smaller by having representatives from different interest groups. However, all interests should be represented.

Ms. Jamie Anderson, Boise County Commissioner, addressed the Board and asked for representation on the Treasure Valley CAMP Advisory Committee. She requested three members from Boise County including Brent Adamson, the Assessor, and a citizen at large. She understood the need to keep the committee small; however, there was a lot of interest in Boise County. The storage issues directly impact Boise County she said.

Mr. Brent Adamson, Boise County Assessor, agreed with Commissioner Anderson that one seat at a minimum was needed for Boise County. He outlined his work history and expressed appreciation for the Board's consideration.

Mr. Graham stated that he had received a memo requesting three positions from Boise County and asked Mr. Adamson which he would choose. Ms. Anderson noted that five irrigation districts are represented and five water supply groups are represented. She thought three representatives from Boise County were reasonable since they would also represent counties. Mr. Graham thought it might be difficult for all the commissioners to do all the extra work and attend all the meetings. Ms. Anderson stated that Boise County members would do all they could to get this work done. Mr. Graham agreed that a county commissioner and an assessor would benefit the committee. The Chairman appreciated their passion for the process. He asked if there were other speakers.

Ms. Ellen Berggren, Army Corps of Engineers, requested membership on the Treasure Valley CAMP Advisory Committee. She noted her position as team lead on the Boise Interim Feasibility Study. She discussed her role with the Army Corps and participation in the Board project. The Corps may be able to assist the CAMP process. Mr. Chase stated he had served on the ESPA CAMP and asked Ms. Berggren how the Corps would feel if they didn't get what they wanted out of the process. Ms. Berggren

stated that the information gained in the Treasure Valley CAMP planning would be helpful for the other planning projects and gaining information on different perspectives would also be helpful.

Mr. Cuddy stated that in North Idaho there was a group of public agencies that became ex officio members of the Advisory Committee to aid and assist. He asked if Ms. Berggren would like that role. Ms. Berggren stated that she would although she thought that agencies were not going to be separate from the Treasure Valley CAMP Advisory Committee. Mr. Graham stated it was better that so many people want to be on the Advisory Committee. Mr. Rigby asked about the makeup of the Treasure Valley CAMP Advisory Committee.

Ms. Harrington stated that when the initial nominations were made for the Treasure Valley CAMP Advisory Committee there was discussion about an ad hoc group. The Advisory Committee decided they did not want a differentiation in their committee. There are some agency participants at the table.

Mr. Smith commented on Mr. Chase's comment and stated that there is a big difference from the ESPA CAMP and the Treasure Valley CAMP. The Treasure Valley CAMP is a true planning process and not a mediation process.

Ms. Liz Paul, Idaho Rivers United, addressed the Board and thanked them for the service they provide to the State of Idaho. She brought some handouts including more signatures on the Twin Springs Dam Petition. The full petition had also been sent to the Army Corps of Engineers she said. Her group offered to take the Board on a float trip on the Boise River in July. She discussed water efficiency to provide water security for the Treasure Valley and different ideas that are being used throughout the country. She expressed support for the Boise County nominees for the Treasure Valley CAMP Advisory Committee. Chairman Uhling stated that the Board is very committed to conservation and encouraged her to bring ideas to the table.

Mr. Brian Ward, canoeist and kayaker, member of the Idaho Whitewater Association, and Idaho Rivers United, discussed his use of the North Fork of the Boise River. His groups appreciate the recreational opportunities so close to Boise and the beauty of the area. He shared his experiences and support for keeping this area free of dams.

Mr. Norm Semanko, Idaho Water Users Association, commented that many of their members are on CAMP committees. He observed that his group was involved in the legislation for the CAMP process and advisory committees. IWUA feels strongly that citizens need to be heard. He complimented the Board's facilitators and their skill at running the meetings. He stated it does matter who is at the table. Mr. Semanko expressed concern about having parties at the table who are active plaintiffs in federal court in a law suit seeking to breach the dams on the Columbia River System.

Agenda Item 4, IWRB Hydropower Status Report

Mr. Patton presented the hydropower status report. He stated that the Dworshak hydropower plant has produced $189,000 in revenues over expenses for the Revolving Development Account. $180,000 has been placed into the project Repair and Replacement Fund. Page 3 shows budget and cash

flow status for Pristine Springs Hydro No. 2 producing just under $40,000 for the Water Board which has been deposited into the Repair and Replacement Fund. Mr. Patton asked the Board if this update was needed for each meeting. Mr. Chamberlain stated that if it is concise and to the point, there is no problem.

Agenda Item 5, IWRB Financial Program

a. Status report

Mr. Patton discussed the status report for the Board's financial programs. As of May 1, the Board had $1.35 million in uncommitted funds. There was $20 million in principal outstanding. Funds committed but not disbursed are at $14.6 million. Mr. Rigby asked why the $14.5 million committed is so high. Mr. Patton responded that $1.5 million is being held for a Bell Rapids payment which was received early. There was also $2.5 million remaining in the ESPA Sub account for the CREP program sitting at 20,000 acres when 100,000 acres was expected. A couple million is committed for loans. $2 million is for Upper Salmon River projects adding up to $14.5. Mr. Alberdi asked if Mr. Patton could list those in the future to explain the $14.5 to Board members.

b. Loan Requests

Liberty South Ditch Company

Mr. Dan Nelson, staff hydrologist, presented the loan application for $200,000 to replace 6 ½ miles of open canal with buried pressurized mainline. The location is in the Bear River Valley servicing 2970 acres. This company is part of the Bear River Bond Pool which will provide financing to match funds from the Bureau of Reclamation for several projects. Project costs have grown and exceed the $1 million limit for the Local Improvement District. To meet the schedule for the stimulus grant from the Bureau of Reclamation, they are requesting this loan from the Board. Staff recommends this loan with conditions as specified in the resolution. South Liberty will use the bond money prior to using the Board loan. Mr. Nelson stood for Board questions.

Mr. Larry Eborn, South Liberty Ditch Company, addressed the Board. He discussed the project to replace thirteen miles of open ditch. This project will save money on future energy costs he said. Mr. Rigby asked how the group would feel with a ten-year repayment plan. The actual repayment numbers do not vary that much between ten, fifteen and twenty years. Mr. Eborn and Mr. Patton answered Board members questions. There was clarification that the LID assessment would attach to the land while the water right would be held by the Board as security.

Mr. Rigby moved that a loan for $200,000 to South Liberty Ditch Company at 5.5% for a 15 year repayment term be approved. Mr. Chamberlain seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Rigby: Aye; Chairman Uhling: Aye. Eight ayes. Motion passed.

c. **Aquifer Recharge Program Update**

Mr. Bill Quinn presented the Early Season Aquifer Recharge Program Update for 2010. A total of 55,815 acre feet was recharged at a cost of $167,445 between February 24th and April 15th in the Snake River. There was no recharge from the Wood River due to insufficient runoff. 95% of recharge was above American Falls and 5% was below. This was due to Fremont-Madison being able to begin February 24th and end April 15th. $455,000 was budgeted for this year and there are funds remaining if late season recharge occurs.

The total acre feet recharged does not meet the goal of 50% above and 50% below American Falls. Staff will continue to encourage canal companies below American Falls to get involved in the recharge program. He discussed the charts in the Board book. The two large capacity canals began on April 12th. Mr. Quinn stated that there may or may not be late season recharge depending on the weather.

Mr. Beck asked how Fremont-Madison was able to recharge so early with snow and ice in their canals. Mr. Quinn replied that in the past there have been several times when they were able to start early. Aberdeen-Springfield did have ice problems and started later. Mr. Beck asked Mr. Raybould to address this question.

Mr. Jeff Raybould addressed the Board stating that his company does their maintenance in the fall to make them ready for early spring recharge. He did not know if other companies did that. There was discussion about maintenance on the canals. The Chairman stated that it might be valuable to share best practices with the irrigation community to enable others to start earlier.

Chairman Uhling asked Mr. Quinn where the Fremont-Madison Company ranked in total recharge. Mr. Quinn stated in 2009 they were number two and this year they are clearly in first place. Chairman Uhling asked how they ranked in hydrologic benefits. Mr. Quinn replied that when Fremont-Madison recharges in the Egin Bench area it has a high benefit. There was no spring recharge at Egin he said.

Mr. Patton stated that recharge above American Falls has a different benefit than below. Generally, the recharge above comes back to the river and the peak time is August and September which in effect lengthens the natural flow season. This results in approved carryover in the reservoirs. Below American Falls the recharge enhances the Thousand Springs area and creates longer term storage. Chairman Uhling asked Mr. Quinn to show the amounts and the benefits to the aquifer for the next meeting.

Mr. Beck asked if there were graphs that would show the hydrologic effects of the spring recharge later in the year. Mr. Patton stated that there are models which show that. There are discussions with the power company to do studies which will show the increases in different segments of the river. These plans are on the drawing board. The Chairman stated that the more the Board can show the effects of the recharge, the more helpful it will be to the public.

d. Palisades Storage

Mr. Patton discussed the Board's Palisades Storage. The Idaho Ground Water Appropriators requested leasing the 5,000 acre feet to meet their mitigation obligations. The Chairman responded with a letter which was included in the Board book that explained that this water may be needed to meet the Swan Falls minimum flows. The Chairman stated that one of the reasons the Palisades water was originally acquired was for the purpose of meeting minimum flows.

The meeting took a short break.

Agenda Item No. 6, Planning Activities

a. ESPA CAMP – Project Recommendations from Implementation Committee

Mr. Patton introduced Mr. Jonathan Bartsch and Ms. Joan Sabott who were present by telephone from CDR Associates in Denver, Colorado.

Mr. Bartsch discussed the project recommendation process. In late February a meeting with the Governor was held and a timeframe for the project submission process was set. Milestones were outlined and the Implementation Committee has met those deadlines. Questions were raised in regard to funding and the overall process. The Implementation Committee determined it would operate on the "as if" principle – as if the plan would be implemented. Issues were raised about long-term funding and the level of detail available for evaluating the projects. Mr. Bartsch said the Implementation Committee focused on projects that had hydrologic merit, were implementable and would make a positive effort to create confidence with water users, legislators and others across the ESPA. He called for questions and there were none.

Ms. Sabott provided an overview on why projects were recommended. All projects are consistent with the goals and objectives of the ESPA CAMP. The Implementation Committee recommends that the state fund each project at 40%. Some sponsors are still looking for partners to fund their 60% share.

Ms. Sabott discussed the Thousand Springs Pumpback project which is recommended because it will reduce groundwater pumping; create a reliable supply for surface water use; provide land owners with water supply for conversions; create energy savings; and offset litigation at Box Canyon. This project will cost the state $438,894. There are some remaining issues to be addressed including an extensive water rights review, additional hydrologic analysis and negotiations with individual property owners in the area.

Ms. Sabott discussed the West Egin Lakes project which includes a completed Phase 1 financed from private contributions. The West Egin site has proven to be a successful recharge site and sponsors want to expand to 30,000 acre feet in Phases II and III. The benefits include improving river flows and there will be a long term rise in groundwater levels as shown from monitoring well data. Also, implementation will improve information on recharge sites. One question is how to treat the in kind contributions included in Phase I in the cost structure and how this will affect the 60% cost share.

Ms. Sabott discussed the Idaho Irrigation District Project which would improve current facilities and increase capabilities to improve flows and provide groundwater level benefits. It will provide information to the Implementation Committee to aid in selecting the best locations for recharge.

Ms. Sabott discussed federal AWEP funds awarded to the department in 2009 by the National Resource Conservation Service. Federal funds and state funds will be leveraged. These projects have solid potential. Project sponsors are ready to implement and there will be hydrologic benefit. The Implementation Committee wants to continue with the AWEP program. In some cases property owners have been hesitant to apply because some of the costs of the project are unknown. Monitoring equipment costs are not covered under the program. The Implementation Committee is concerned about leaving this money on the table this year since it could impact and reduce the NRCS award over the next three years. NRCS covers up to 75% of the project costs. The Implementation Committee recommends that the state funds cover 40% of the remaining 25% with the remainder financed by the land owner. Board input is requested on this funding structure.

Ms. Sabott summarized the managed recharge operations which the Implementation Committee recommends for its many benefits. The state would cover 100% of the costs associated with managed recharge in 2011 since it is difficult to quantify the beneficiaries. This is an opportunity to continue gathering data on the benefits and impact of recharge in specific locations which will help the Implementation Committee to make informed decisions on future recharge.

Ms. Sabott stated that the Implementation Committee recommends that just over $1 million be set aside for future projects. The Implementation Committee still needs to address some issues 1) costs of operation and maintenance; and 2) monitoring. They would appreciate Board input. She stood for Board questions.

Mr. Patton discussed the Thousand Springs Pumpback Project. What the Implementation Committee approved is not what is in your book he told Board members. The Implementation Committee has approved Phase I. Before you today is a series of four different pumpback projects that are similar in scope. Mr. Patton explained that the Northside Canal Company has spillage over the canyon rim. The concept is to capture the spills before they go over the rim and pump them back to ground water well users. Key items are: 1) project sponsors are not identified; 2) who will assume long term operation and maintenance costs are also not identified. He noted that some of this water that is currently spilled supplies a hydropower plant. The water rights to that plant are fully subordinated. There is a policy call here for the Board because it would put the hydropower plant out of business. The owners are here today. He stood for Board questions.

The Chairman stated that the Board appreciates the time and effort everyone has put into this process. The Board is just receiving these projects and knowing there are time constraints, the Board will need some time to review and make decisions at the Board meeting in July. Mr. Patton agreed and stated the Governor's Office wants to be informed about Board recommendations, also. Mr. Bartsch requested that if the Board has issues for the Implementation Committee to address, please let him know today.

Mr. John Simpson, attorney for the Surface Water Coalition, addressed the Board concerning the Thousand Springs Pumpback project. He stated this project is Phase I but is broader than the original submission. There is an opportunity to utilize spilled water to reduce pumping costs. Phase II and III are

additional portions of the project that would pump water back out of the canyon on groundwater lands that could be converted to surface water. The water leaving areas above Milner would be recaptured and pumped back in a non-consumptive use. Through the development of Phase I, new opportunities were recognized for Phase II and II and that's why Phase is different today. He discussed the project in greater detail and its effect on water rights. This project will save pumping costs, reduce return flows to the river, and enhance aquifer levels which will enhance spring flows.

Mr. Simpson discussed funding. Sponsors have met and the proposed ESPA CAMP fees would nearly pay for the 60% obligation of the sponsors. Application has been made to the Water Smart Program for funding. $30,000 was received for one aspect of this project from the federal government. Ongoing operation and maintenance costs can be addressed by the Northside Canal Company or individual land owners could be responsible for them because they will be saving a lot of money with this project. AWEP projects for individual farms are also a possibility. Mr. Rigby asked Mr. Simpson if the department had looked at their water rights and made the determination that there is not an enlargement of water rights. Chairman Uhling recalled receiving a letter about this project and he asked if the water right question had been resolved.

Mr. Patton stated that staff have looked at this issue and as long as the waters are redelivered to Northside Canal Company existing shareholders, there is no problem. He was not sure about non-shareholders. Mr. Simpson stated that if Northside is creating an enlargement of their water right, the landowners would have to file an application for wastewater with a 2010 priority date.

Mr. Beck asked about the flows over the canyon rim. Mr. Simpson stated that the Blind Canyon Hydropower facility has a right to the waste water. Gary and Linda Lemon are the owners of the hydro facility. The Attorney General's Office is in discussions with the Lemons over this issue. Mr. Beck asked if the water for the hydro plant was a license or a water right. Mr. Simpson was unsure but he thought it was a waste water right diverted for hydropower.

Mr. Randy Budge addressed the Board briefly. He mentioned that besides the Thousand Springs Pumpback Project providing multiple benefits, it is significant to note that parties previously involved in litigation are working together towards a solution. The 60% funding includes his clients, Northside Canal Company and Magic Valley Groundwater Users, who have made financial commitments for this project. The total amount of funding is almost there. The Chairman asked if the project was approved, would construction start this fall and Mr. Budge replied yes.

Mr. Randy MacMillan, from Clear Springs Foods, added that it is remarkable that all the parties are working together. In Phase I of the project most actions occur above the rim. Phase II and III include participation below the rim and still need financing. He voiced his support for the projects. Mr. Beck asked what benefits his group would receive. Mr. MacMillan stated that the Phase I benefit would be a decrease in the depletion of the aquifer.

Mr. Alan Kelsch, Idaho Irrigation District, stated that as a surface water user, they support the project to the existing shareholders. He asked the Board to be cautious about impacting senior surface water rights and that there is no injury. Pumpback of wastewater is a precedent-setting action. His concerns were if other users take this project as an example, this could cause problems in other instances where waste water is used in the Upper Snake. He also questioned what would happen to the pond at the

end if wells were capped on groundwater wells which are being converted to waste water. He wondered if more water would be diverted to the pond by Northside. The Chairman stated that these questions would be answered consistent with Idaho Water Law and the Prior Appropriation Doctrine.

Gary and Linda Lemmon, representing Blind Canyon Aqua Ranch and owners of the hydro plant, have a 35 year contract to utilize the wastewater. Mr. Lemmon discussed the work he had done in conjunction with Northside Canal Company. He stated that the state has approached them about the project. Mrs. Lemmon stated that negotiations are ongoing about a buyout price. The other issue she stated is the property on which the pond sits. They are also shareholders in the canal company. She cautioned that when the Board considers all these projects, two-thirds of the water is coming from their pond. They are still willing to work on these negotiations but it may not fit the Board's timeframe. Mr. Chase asked about their lease with Northside. He also asked if the water could be run through the power plant and still be used for the project. Mr. Lemmon replied that it could but it would have to be pumped higher. Mrs. Lemmon stated that these projects sound attractive but there are other considerations. She discussed the ESPA CAMP and the specifics of meeting those goals. Mr. Strong is working on the negotiations and it may be July before it is settled she stated.

Mr. Jim Tucker, Idaho Power Company, clarified that his company supports the project and has been involved in discussions. He stated that the non-consumptive aspect of this project is important to the power company. He expressed thanks that the water right issues would be reviewed. If it is a consumptive use, it would not meet ESPA CAMP goals. Idaho Power thinks there are water quality benefits in this project. Mr. Tucker said his company was willing to assist in the future discussions. He stated this is not new water unless consumptive use is reduced. Water is just being moved around to benefit the springs and the aquifer. This will involve impacts he said. The only new water in the ESPA CAMP process is in cloud seeding water.

Mr. Patton discussed the West Egin Lakes Recharge Site proposed by Fremont-Madison Irrigation District. It has the cooperation of the Upper Snake groundwater users. The goal is to expand the capacity for a managed recharge site. The proposal for Phase 2 is the technical and engineering work leading up to construction and Phase 3 would be the actual construction. Project proponents are present today.

Mr. Jeff Raybould, Chairman of Fremont-Madison Irrigation District and member of the ESPA CAMP, hoped that beneficiaries of recharge would co-sponsor this project with their group. Jefferson Clark Groundwater District had offered to sponsor. INEL might assist in some way. Mr. Beck asked if this recharge effort would add to the efforts above American Falls that are greater than the efforts below American Falls. Mr. Raybould suggested that there needs to be more companies engaged below American Falls to solve this balance issue.

Mr. Lynn Tominaga, Idaho Groundwater Appropriators, stated that there are three groundwater districts in the area that want to participate with West Egin.

Mr. Patton discussed the Idaho Irrigation District Project improvements for managed recharge. There are two components: 1) installing measurement devices along the canal system to better manage the recharge events; and 2) investigating future managed recharge sites within their canal system.

Mr. Kelsch, Idaho Irrigation District, discussed the components of the project and recharge efforts this spring. In part two new sites could be developed for future recharge. This project is fully funded with their own funds. Mr. Alberdi asked if they had problems with icing in their canals and Mr. Kelsch responded that they have never diverted that early. Mr. Beck asked if recharging funds could be used to purchase measuring devices. Mr. Kelsch stated recharge fees have only covered expenses and he hoped they could become more efficient. Mr. Beck asked if the current fee rate for recharging would be sufficient for future costs. Mr. Kelsch stated that with more measuring, they would need more personnel.

Mr. Patton stated the next two projects include AWEP 2009 and 2010 funded at 40% by the state. The Board obtained AWEP project funds in 2009 for groundwater to surface water conversion and efficiency projects below Thousand Springs. In 2010, those projects along with demand reduction and canal company regulating ponds are proposed. The Implementation Committee understands Board concerns about putting money into AWEP, but believes that this is a good use of funds.

The Chairman stated that other proposed projects could be considered at a later date in view of the time shortage today. He asked if anyone wanted to address the AWEP projects.

Mr. Lynn Tominaga, Idaho Groundwater Appropriators, discussed the funding for AWEP projects in 2009. NRCS stated they would contribute 75% and 25% would come from other sources. This money needs to be contracted by July 8 or it will go back to Washington, D.C. Applications will be reviewed by June 15. Additional help from the state would be appreciated especially for water measuring devices which are not covered in conversion projects. He discussed other funding technicalities with NRCS. More costs are involved he said. The Chairman stated that in a short funding process for the state, he did not feel comfortable putting additional money into that process. The state lobbied hard to get this money at a 75-25% split he said. The Chairman thought that was a big enough incentive.

Mr. Graham asked how the split was changed and who changed it. Mr. Tominaga replied that EQUIP programs are usually 50-50, but because of the federal Farm Bill Idaho is considered a priority area. There is a lot of pressure for AWEP funds from other states. Out of $60 million, Idaho received $10 million which was reduced to $5 or $6 million. We have to demonstrate that we are using this money Mr. Tominaga said or we lose the money. In the AWEP program there is a clause that the 50-50% can be changed to 75-25%. Mr. Tominaga said his group recommended 70-30%. They were hoping that 90% of the costs could be covered for participants. July 8th is the deadline for contracts. The Chairman stated that 75% seems like a serious incentive. Mr. Tominaga stated the biggest issue is that future funding is questionable. Some agreements have been very open-ended. Participants are hesitant about the unknowns.

Mr. Peter Anderson, Trout Unlimited, discussed a project review by environmental interests including the ESPA Environmental Task Force which screened the projects. No dramatic problems were identified. There should be a further review especially on recharge. He discussed recharge issues on the South Fork of the Snake River. Mr. Whelan and Mr. Anderson wanted to encourage further environmental considerations on ESPA CAMP projects.

Mr. Bartsch stated that there was one project not recommended by the Implementation Committee and that is the Big Wood Gravity Pressurized Pipeline System. The project was in very early planning and design stages and would be looked at again in future years. Mr. Bartsch commented on Mr.

Anderson's remarks. In the future the Implementation Committee would like to have more time and more information to work through its review of projects. He asked if the Board had any response to the projects today to help the Implementation Committee move forward.

The Chairman responded that his recommendation would be that the Board needs more time to consider the projects and could make recommendations at the July Board meeting. There are issues to address before the Board makes decisions.

Chairman Uhling stated that some decisions needed to be made about the agenda today. Some items may need to be moved to another Board meeting.

Mr. Chase stated that the July 8th date for AWEP projects was a concern. He thought the Board needed to discuss using this money. Mr. Chamberlain suggested that with the Board's workload he thought a monthly meeting was needed. He suggested a work session in June. The State Water Plan also needs more attention he said. The Chairman suggested a morning work session and an afternoon Board meeting. Members considered dates in June. The Chairman asked to have staff pick a date and get on with the agenda because some items need to be considered today. He thanked Mr. Bartsch and Ms. Sabbot for their assistance.

Mr. Patton suggested eliminating 6b.Rathdrum Prairie, 6c. Treasure Valley Camp, 6d. State Water Plan.

b. <u>Rathdrum Prairie CAMP - tabled</u>

c. <u>Treasure Valley CAMP Status Report</u>

Ms. Harrington stated that a list with the nominations from Mr. Smith had been handed out. All four of the entities did originally nominate Bruce Smith as their representative and the Board may want to consider that. The Chairman asked if Mr. Smith were nominated, would the entities be okay with that. Ms. Harrington stated there is support for two seats by Boise County. Ms. Harrington suggested Allen Funkhouser, Drainage District No. 2; Ellen Berggren, U.S. Army Corps of Engineers; Jamie Anderson, Boise County Commissioner; and Brent Adamson, Boise County Assessor.

The Chairman moved that Mr. Bruce Smith be nominated for the municipalities. There was further discussion about the nominees. Mr. Cuddy seconded. Additional discussion ensued about the size of the committee. Mr. Chase suggested a substitute motion of two of the four municipality representatives. Mr. Alberdi asked about the size of the committee. Ms. Harrington responded it is at 31 members.

The Chairman stated we have a motion with a second and a substitute motion from Mr. Chase. Mr. Rigby withdrew his motion along with Mr. Chase. The Chairman moved that Allen Funkhouser, Ellen Berggren, Jamie Anderson, Brent Adamson, Mike Echeita, Craig Telford, Bob Schmillen, and Doug Amick be approved by the Board as members of the Treasure Valley Advisory Committee. Mr. Alberdi seconded. There was further discussion about the makeup, size and duties of the Advisory Committee. The Chairman called for a voice vote. All were in favor.

d. State Water Plan - tabled

e. South Fork Clearwater Basin Plan – Proposed Stream Channel Alteration

Mr. Patton stated that there is a resolution before the Board outlining this stream channel alteration project on the South Fork of the Clearwater River. Mr. Chamberlain moved that the resolution for the stream channel alteration project on the South Fork of the Clearwater River be approved. Mr. Beck seconded. The Chairman called for a voice vote. All were in favor.

Agenda Item No. 7 Water Storage Studies

a. Update - tabled

b. Weiser Galloway

Mr. Jack Peterson thanked the Storage Subcommittee for their meeting and thanked the Board for their volunteer time. Ms. Cynthia Clark, IDWR staff, and Mr. Mark Mendenhall from the U.S. Army Corps of Engineers have worked hard on this project. The Weiser-Galloway Water Resource Management and Water Storage project has been reviewed and deemed a worthwhile project for the Board to study. There is a potential of 1 million acre feet of storage on the Lower Weiser tributary to the Snake River that could be operated in conjunction with existing and future water demands at several locations in the state. Further assessment with the Corps would accomplish three things: 1) address the gap analysis; 2) conduct economic analysis and site base and 3) complete a risk based cost analysis. This study would begin next month and end in March 2011 providing the Board with needed information. The management plan would include the Corps receiving $100,000 from the Board along with the Board contributing another $100,000. Chairman Uhling stated that this would be an opportunity to get very good information to address future storage challenges.

Mr. Beck moved that the resolution authorizing the Chairman to sign the cost share agreement with the Army Corps of Engineers and the expenditure of $100,000 for the Weiser Galloway Water Resource Management and Water Storage project be approved. Mr. Rigby seconded. The Chairman called for a roll call vote.

Roll Call Vote:

Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Rigby: Aye; Chairman Uhling: Aye. Eight ayes. Motion passed.

Mr. Patton noted that the Bureau of Reclamation had provided a revised update table regarding the cost of the proposed Minidoka Dam raise as to whether the spillway costs are included or not to answer Board members' questions.

Agenda Item No. 8, Water Supply Bank Subcommittee Report - tabled

Agenda Item No. 8a, Well Driller's Rules

Mr. Patton stated there is a resolution before the Board today to authorize the process of amending the existing Driller Licensing Rules to be consistent with the recently revised Well Construction Standards and Idaho Code. Mr. Chamberlain moved that the resolution to amend the Well Driller Licensing Rules be approved. Mr. Alberdi seconded. The Chairman called for a voice vote. All were in favor.

Agenda Item No. 9, Director's Report

Interim Director Gary Spackman addressed the Board with two items. In discussing with parties, there is a Treasure Valley CAMP meeting on June 10th for which new Advisory Committee members may need to be appointed before that meeting. The Chairman agreed to take that up.

Secondly, Director Spackman addressed the issue of the building space that would be vacated soon by the Office of Energy Resources. Two or three years ago, Governor Otter converted the department's Division of Energy Resources into the Office of Energy Resources. Their offices have been housed in the Water Center Building. This space will become vacant In June but IDWR will have to pay the rental costs of $200,000 to $250,000. Director Spackman had been desperately seeking tenants for this space. The University of Idaho is no longer interested. The other factor is that the department has lump sum funding and this money could be used for other more important purposes. The Board needs to be aware of this.

Director Spackman stated that one of the restrictions on this space is that the building was funded by tax free bonds and only a percentage can be occupied by private entities. The other space has to be occupied by government. The cost per square foot is in excess of the current market rate. Chairman Uhling asked how much space is available and Director Spackman replied about 10,000 square feet. The Director is working with the Attorney General's Office to determine how much space can be occupied by private entities.

Agenda Item No. 10, Non-action Items Board Members May Wish to Present

Mr. Beck apologized for his emotional response at the Work Session. The Chairman stated no apology was needed. Mr. Rigby introduced his nephew, Chase Hendricks, who is a third year intern at the University of Idaho working with Garrick Baxter this summer. Mr. Rigby noted that Don Hale passed away this morning. He was a passionate water right proponent in Eastern Idaho and Mr. Rigby asked that he be remembered.

Agenda Item No. 11, Next Meeting and Adjourn

The Chairman set the next meeting date for June 24th at 8:30 a.m. Mr. Rigby moved to adjourn; Mr. Beck seconded. All were in favor.

Respectfully submitted this 25th day of June, 2010.

Bob Graham, Secretary

Patsy McGourty, Administrative Assistant II

Board Actions:

1. Mr. Chamberlain moved that minutes 3-10, 4-10 and 5-10 be approved. Mr. Rigby seconded. The Chairman called for a voice vote. All were in favor.

2. Mr. Chamberlain moved that the Well Driller's Licensing Rules be added as Agenda Item No. 8a. Mr. Cuddy seconded. The Chairman called for a voice vote. All were in favor.

3. Mr. Rigby moved that a loan for $200,000 to South Liberty Ditch Company at 5.5% for a 15 year repayment term be approved. Mr. Chamberlain seconded. The Chairman called for a roll call vote.

   Roll Call Vote:

   Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Rigby: Aye; Chairman Uhling: Aye. Eight ayes. Motion passed.

4. Mr. Chamberlain moved that the resolution for the stream channel alteration project on the South Fork of the Clearwater River be approved. Mr. Beck seconded. The Chairman called for a voice vote. All were in favor.

5. Mr. Beck moved that the resolution authorizing the Chairman to sign the cost share agreement with the Army Corps of Engineers and the expenditure of $100,000 for the Weiser Galloway Water Resource Management and Water Storage project be approved. Mr. Rigby seconded. The Chairman called for a roll call vote.

   Roll Call Vote:

   Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Aye; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Rigby: Aye; Chairman Uhling: Aye. Eight ayes. Motion passed

6. Mr. Chamberlain moved that the resolution to amend the Well Driller Licensing Rules be approved. Mr. Alberdi seconded. The Chairman called for a voice vote. All were in favor.

7. The Chairman moved that Allen Funkhouser, Ellen Berggren, Jamie Anderson, Brent Adamson, Mike Echeita, Craig Telford, Bob Schmillen, and Doug Amick be approved by the Board as members of the Treasure Valley Advisory Committee. Mr. Alberdi seconded. There was further discussion about the makeup, size and duties of the Advisory Committee. The Chairman called for a voice vote. All were in favor.