IDAHO WATER RESOURCE BOARD

MINUTES OF MEETING 9-10

September 24, 2010
Boise, Idaho

C.L. "Butch" Otter
Governor

Terry T. Uhling
Chairman
Boise
District 2

Gary M. Chamberlain
Vice-Chairman
Challis
At Large

Bob Graham
Secretary
Bonners Ferry
At Large

Charles "Chuck" Cuddy
Orofino
District 1

Leonard Beck
Burley
District 3

Roger W. Chase
Pocatello
District 4

Vince Alberdi
Kimberly
At Large

Jerry R. Rigby
Rexburg
At Large

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
Vince Alberdi
Roger Chase
Bob Graham
Leonard Beck, Absent

Staff Members Present

Gary Spackman, Interim Director
Rich Rigby, U.S. BOR Staff
Morgan Case, Staff Biologist
Neeley Miller, Senior Planner
Cynthia Bridge Clark, Engineer
Brian Patton, Bureau Chief
Dan Nelson, Hydrologist
Bill Quinn, Engineer
Sandra Thiel, Planner
Victoria Wigle, Admin. Asst. II

Guests Present

Norman Semanko, Idaho Water Users Assn.
Larry Shoen, Blaine County Commissioner
Kevin Decker, Idaho Wildlife Federation
Mark Zirschky, Pioneer Irrigation District
Gardner Brown, King Hill Irrigation District
Stan Clark, Idaho Water Engineering
Liz Paul, Idaho Rivers United
Kevin Lewis, Idaho Rivers United
John Williams, Bonneville Power
Jim Wrigley, Big Wood Canal Co.
Lynn Harmon, Big Wood Canal Co.

Agenda Item No. 2, Agenda and Approval of Minutes 8-10

Chairman Uhling called for any changes to Agenda. Mr. Brian Patton proposed several items for deletion. First deletion under Agenda Item No. 5b, Preston – Whitney Irrigation Co., dealt with on 9/23/2010; no formal Board action is required. Second deletion under Agenda Item No. 6c, Little Salmon Comprehensive Basin Plan, in regards to City of Riggins for stream channel alteration, AG's office on reconsideration came up with different interpretation of what is allowed and what is not allowed under the Plan. Therefore, agenda item is not necessary today, and no action or review is required by the Board on this item. Other items to be discussed include future meeting dates and setting meeting agenda for 2011. No other changes.

Mr. Graham suggested change in the verbiage on page 6 under Rathdrum Prairie CAMP, second statement, "water demand study...depending on water conservation level". He stated that the difference between the two figures is the estimate of growth in the area from 2010 to 2050 based on the difference between minimum and maximum growth projections not conservation. Suggestion made to delete "water conservation level" and insert "growth projections". Mr. Graham agreed. Mr. Alberdi suggested change in the verbiage on page 5, third paragraph, last sentence, from "the hydrology of the water" to "porosity of the soils". Mr. Chamberlain moved to approve Meeting 8-10 Minutes as submitted. Minutes for Meeting 8-10 were approved as amended.

Agenda Item No. 3, Public Comment

Chairman Uhling requested comments be limited to 5 minutes given the number of anticipated comments.

Mr. Norm Semanko, executive director of Idaho Water Users Association (IWUA), commented on membership concerns over Treasure Valley CAMP (TV CAMP). He previously discussed issues with interim Director Gary Spackman and Mr. Brian Patton. He expressed appreciation for agenda item, "What is and is not the CAMP" at next TV CAMP meeting on September 29. IWUA and 2007 Legislature supported effort to study all the aquifers to gain better understanding. He is sensing some frustration that there is a desire or presumption that every one of these aquifers is going to be diagnosed as having a major problem and as a result need to have some kind of solution prescribed to it.

He referred to comments from Rep. Raybould made during Legislative interim committee meetings in 2007 regarding the need for administration and management of all the aquifers and suggestion that a fund be established for that effort. He referred to the next meeting of the Legislative interim committee where Sen. Schroeder, the other co-chair, asked if the studies could be accelerated if more money was made available sooner. Director Tuthill said that could be done or additional money could be put in a fund with the IWRB for future use. The legislation was introduced in the next Legislature session by the interim committee, and it was supported by IWUA. IWUA supported the funding for a study of all the aquifers in the state, diagnosis, and a management plan to help avoid the kinds of issues on the ESPA. Mr. Semanko stated that IWUA and its members did not support facilitation of the discussion of all the water policy issues and laws in the state of Idaho. IWUA did not sign up to debate and discuss whether contract storage water should be optimized, whether it should be reallocated, or whether or how water runs in canals after lands become urbanized. He stated it's a waste of time, it's not within the four corners of the CAMP, and it's not a good use of the State's limited resources. IWUA appreciates the effort by the Board to get that process back on track. People like Rep. Bedke and Rep. Moyle and others have called asking whether they needed to pull the plug on this thing expressing frustration. All would appreciate seeing this thing get on track. He also provided information on IWUA Water Law seminar in November that will include discussions about the State water plan, update on all the CAMPs, and two sessions on ESPA. Mr. Rich Rigby will facilitate both: one on funding mechanism issues; one on what is actually being done on the ground right now in terms of implementing the CAMP.

Mr. Larry Shoen, Blaine County Commissioner, requested clarification of Agenda Item No. 6b, Wood River Basin Water Use. He expressed support for more measurement taking place with respect to aquifer management in context of Wood River Basin where they are trying to start community discussion about conjunctive administration. He finds it useful and beneficial to have more water measurement taking place in regards to both surface water and ground water and acknowledges and agrees with Mr. Semanko that there are many challenges in managing resources and balancing competing interests. He emphasized that measurement is key. With respect to IWRB, he realizes budgetary challenges and expressed support for more measurement activities taking place. He recognized need for a budget otherwise we will find ourselves without the tools to manage our resource. He wrote a letter to the Director and spoke with Mr. Rich Rigby on telephone about hopes to convene committee with sanction of the Department and the Board to begin the conversation in earnest about a conjunctive administration and the many different components that will impact the conjunctive administration. He stated community conversation is an excellent way to begin to address the challenges that we face. More

knowledge, more discussion, more communication among all the different stakeholders is a good way to ensure a better outcome. Finally, he expressed support for more discussions about how to resolve resource problems. He strongly encourages more discussion about supply and how to manage individual use of the resource in terms of conservation and perhaps smarter rules about the use of water, acknowledging that it is a limited resource.

Mr. Kevin Lewis, Conservation Program Director for Idaho Rivers United, present on behalf of and at request of the Owyhee Initiative Board of Directors to deliver a letter requesting that the IWRB incorporate Appendix B of Owyhee Initiative Water Rights Agreement. He met last week with Mr. Clive Strong who mentioned that it might be good idea to roll Agreement into appropriate Snake River Policy of the State Water Plan so everybody understands what the Agreement is. Mr. Lewis provided copy of 2-page letter with Appendix attached.

Ms. Liz Paul, Boise River Campaign Coordinator for Idaho Rivers United, provided copy of report "California's Next Million Acre-Feet". She stated that specifics in the report may not be applicable to Idaho, but the philosophy behind the study and fact that there is a lot of research being done in the nonprofit and governmental sectors in California and other states to address water supply and water use conflicts and would be beneficial to review. She also suggested reviewing studies and research of agricultural and urban efficiencies on Pacific Institute website (http://www.pacinst.org). Ms. Paul stressed that water savings achieved through efficiency improvements are just as effective as those provided through centralized water storage.

Mr. Kevin Decker, treasurer and board of directors for Idaho Wildlife Federation (IWF), made a request to serve on CAMP to replace Rob Frasier for Idaho Wildlife Federation. Rob has been unable to actively participate due to conflicting schedules.

Mr. John Williams, Bonneville Power Administration (BPA), provided updates on three items: 1) Columbia River Treaty (CWT), 2) BPA end of year Report, and 3) high-year water operations. He stated first formal meeting to start coordination process for CRT would be October 5. Jim Yost will represent the State of Idaho. Painful stories from customers being disconnected because they could not afford to pay bills. Discussion is not about expenses but about revenues. Revenue loss is due to low water year.

Chairman Uhling asked what the shortfall would be and Mr. Williams provided number of negative $233 million shortfall. Mr. Chamberlain asked where they were at in context of rate increase, rate case, and Mr. Williams responded that they are still working through the process.

Mr. Williams stated they are going to launch a discussion on the high water. This was drought year, but in June there was a record-setting rain that came through the BPA system and for a few weeks, it strained the ability of the NW Hydropower system to do several things: 1) failed requirements for fish safety, flood control, and other river uses, and 2) to provide reserves for wind power, as well as trying to maintain electric system reliability. BPA relied on other systems, including California and British Columbia, to handle many uses of Columbia River system so they could minimize negative impacts to fish measures and maintain reliable transmission system, as well as meet load requirements. Snake River system stream flows nearly tripled in just five days during high water in June. He announced meeting on October 12, 2010, in Portland, Oregon, and offered to make the meeting accessible via phone.

Mr. Chase asked what years the rate proposal is being conducted for as pertains to item 2, and Mr. Williams responded that it is primarily for 2012-2013 rate case. Mr. Cuddy asked how much normal water year would affect rate system, and Mr. Williams responded that it would help greatly. Normal water year would allow BPA to meet current load and sell, which would help revenues.

Agenda Item 4, IWRB Hydropower Status Report

Mr. Dan Nelson, staff Hydrologist, presented from Section 4 of the Board Book. He stated these reports are for the first two months of current fiscal year, period ending September 1, 2010. Dworshak has produced approximately $38,690 in revenues over expenses; $16,818 has been added to the Repair/Replacement Fund. Total Reserve funds total $1,206,556.

Mr. Nelson reported that the Board's portion of the Pristine Springs revenues is $8,931, which has been placed in the Repair/Replacement Fund for a total of $726,761.

Agenda Item No. 5, IWRB Financial Program

a. Status Report

Mr. Brian Patton stated that approximately $11.81 million is committed but not disbursed. Total loan principal outstanding is just under $20.16 million. The current total uncommitted balance is at just under $1.4 million.

Mr. Patton referred to financial requests on page 3 that will be addressed and stated that there are enough funds for the requests in front of the Board today. He stated that Big Wood Canal Co. and American Fall Reservoir District #2 will likely be handled through revenue bond issue.

b. Financial Items – King Hill Irrigation District, City of Genesee, Big Wood Canal Company
King Hill Irrigation District

Mr. Dan Nelson presented the loan request for the King Hill Irrigation District for $300,000 to replace the Glenns Ferry Break Siphon. This 1,200-foot, 48-inch pipeline is located on the northern edge of the City of Glenns Ferry. This siphon was originally constructed around 1954 and is well over 50 years old. King Hill delivers water to 11,573 acres of farm ground and 918 half-acre domestic lots for outside yard irrigation. This summer the siphon failed by blowing a 2 foot by 4.5 foot hole in the siphon. While repairing the siphon, the King Hill Irrigation District discovered the metal pipe had deteriorated to the point where complete failure of the pipeline was likely. Complete failure could cause massive flooding in the City of Glenns Ferry and dry up approximately 3,400 acres of irrigation downstream of the siphon. Staff recommends approval of the King Hill Irrigation Development Revolving Development Account Loan in the amount of $300,000 with the conditions as specified in the attached resolutions, which was corrected as requested during work session.

Mr. Chamberlain stated that a reserve account is not only needed but is going to be mandatory in this loan. He stated that hopefully the exposure and risk that the King Hill board of directors subjected Glenns Ferry to will never happen again. He stated that this siphon was in eminent danger of failure.

Mr. Gardner Brown responded that up until five years ago they had $100,000 reserve fund for similar situations. He finally convinced them about four or five years ago to increase it to $200,000. They did not realize how bad the pipe was until it broke and they actually got inside the pipe. Inspection showed that everywhere there is a pillar there is a leak. Preventative maintenance is completed on this pipe in other parts of the district every year. Maintenance has been done almost every year for the past 16 years and they made needed repairs. This is the first time they have ever had a hole this big. They realize that the pipe is beyond repair. They are asking for $300,000 and they currently have $200,000. Earlier this year they had to use $60,000 to repair a pipe underneath the railroad so the balance is at $140,000. The $200,000 balance is maintained every year. He stated that their board realizes that these situations arise, but they keep reminding Mr. Brown that they are farmers and they can't keep putting money into a fund that they may or may not use. Mr. Brown commented that this situation has opened their eyes.

Mr. Chamberlain shared his understanding of the task of managing with a board. He stated there comes a time when the board manager needs to express the importance of and need for a reserve account to be able to fix things immediately. He asked if the pipeline was big enough to get through. Mr. Brown responded that the pipeline is 48 inches.

Mr. Chamberlain restated that Mr. Brown said this was the first time he got inside of the pipe. He asked if it was policy to take a look at the pipe when they shut the water off. Mr. Brown responded that there is only one manhole that they can use to enter the pipe and it is not large enough for any of the personnel. He stated that nobody has ever been in the pipeline except at the mouth of it and the tail of it. He stated that it is a siphon that goes down underneath the freeway. The freeway was put in around 1964, and it was likely when they removed a section that it was inspected at that time. The pipe was only 10 years old at that time. He stated that this is the only metal siphon in the entire district. There is a concrete siphon and a half-round wooden siphon. All others are open concrete ditches.

Mr. Chamberlain asked if they were planning on replacing it with steel or use high density polyethylene pipe (HDPE). Mr. Brown responded that they are planning on using HDPE for two reasons: 1) cost of metal replacement is well over $300,000, and 2) PVC was considered because it was cheaper but they have three gas lines that run under there and they won't be permitted to dig close to the gas line.

Mr. Brown stated that he had an engineer from the HDPE company in Fairfield inspect it. The engineer suggested that they take the concrete pillars out and lay the HDPE on the ground and partially cover it with soil for fire prevention. They have decided to go with 1,200 feet of HDPE. The $300,000 they are asking for is for the full 2,500 feet on both sides of the creek. They will be able to inspect the other half once the water is out, but they suspect that it is in far better shape than the 1,200 feet to be replaced now.

Mr. Chamberlain suggested that they err on the side of caution. Mr. Brown agreed. Mr. Chamberlain asked if they were doing the work themselves. Mr. Brown responded that they have two companies bidding. One is a local farm store who has installed HDPE previously on local projects. The other is a Nampa contractor who has previously worked for the District and for the state of Idaho. Neither company has an engineer on staff.

Mr. Chamberlain stated that one of the requirements will be to have an engineer take a look at it. Mr. Brown acknowledged the requirement. Mr. Graham asked if the replacement of the siphon and the 1,200 feet would eliminate most of the threat to Glenns Ferry from the pipeline breaking. Mr. Brown responded that it would eliminate approximately 85% of the threat. Mr. Graham asked if they had a plan for the other 15%. Mr. Brown responded that the plan is to look at the pipe once it is opened up. He does not feel that the other 15% would present a threat to Glenns Ferry because of location. Mr. Cuddy suggested that sufficient inspection holes be added for access purposes. Mr. Brown stated that the current inspection hole is going to be enlarged, and they already have the enlarged manhole.

Mr. Chamberlain suggested that they consult the expertise of a good engineering firm prior to proceeding on the repair project. He acknowledged that the cost might seem astronomical to the farmers that are funding the project, but the peace of mind will be well worth it vs. the cost of repayment of the loan. Mr. Chamberlain recommended to the Board that they close the approval on the resolution they have before them in the matter of King Hill with stipulations. Mr. Rigby seconded. 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: Aye; Chairman Uhling: Aye. Motion Passed: 7 Ayes; 1 Absent. Motion carried.

City of Genesee

Mr. Dan Nelson stated that the City of Genesee request for increase in loan by $50,000. Original loan amount of $200,000 was approved by the Board in January 2010 for City of Genesee for a new storage tank. The increase of $50,000 is to cover the cost of material for this project. The terms would be the same as the original loan, 3 year repayment at 6% interest.

Mr. Graham asked if the entire $50,000 increase occurred in that period of time to the tank itself. Mr. Nelson responded that the information provided by City of Genesee indicated it was. Mr. Graham moved to approve the resolution with the terms of 6% on a 3 year repayment. Mr. Chamberlain seconded. 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: Aye; Chairman Uhling: Aye. Motion Passed: 7 Ayes; 1 Absent. Motion carried.

Preston-Whitney Irrigation Company

Not addressed per agenda change recommended by Mr. Patton at start of meeting.

Big Wood Canal Company

Mr. Dan Nelson stated that Big Wood Canal Company (BWCC) American Falls Reservoir District (AFRD) #2 are applying for financing in amount of $2,000,000 as an IWRB-issued Revenue Bond to replace the South Gooding siphon, which serves approximately 8,500 acres.. BWCC and AFRD #2 are separate organizations but they share the same staff and board of directors and a majority of the water delivery system. Proposed project will replace the existing above ground siphon with HDPE below ground and replace the inlet and outlet structures to the siphon. The new pipeline will not only relieve safety concerns but it will increase the needed capacity of the siphon.

Mr. Jim Wrigley stated that the IWRB conduit bond program where a bond is issued and sold by private placement to an Idaho bank with proceeds in loan to the borrower. The borrower that is being contemplated would be the AFRD #2 because under Idaho laws it is a public entity and there is an opportunity that a portion of the Build America Bond Program can be used that would greatly benefit the borrower. They are attempting to qualify this under the Recovery Zone Economic Development Program, which provides a 45% subsidy of the interest rate directly from the Federal Treasury back to the borrower. There is another version that is a 35% subsidy and IWRB Bond counsel, Mr. Skinner currently working on that. They also have taken this to an Idaho bank to get their interest in the project, who is very interested, with their primary concern being engineering verification of construction. To qualify for this program there will be a need for the IWRB at a future date to make a declaration of a recovery zone. Though this hasn't been done before, it will be a requirement in the Federal statute and is basically a resolution from the Board declaring the area as a Recovery Zone. They have also contacted the Department of Commerce to see if there is available allocation that could be granted to this project. There is and they will be completing and filing the application this week with the Department of Commerce. This Program requires that the entire project be funded and closed, but not constructed, by December 31, 2010.

Chairman Uhling asked for verification that there is no action necessary at this Board meeting until resolutions are provided and that is anticipated to be done at the November 2010 Board meeting. Mr. Wrigley confirmed that is correct. Mr. Chamberlain asked if that pertains to the Recovery Zone also. Mr. Wrigley stated that he needs to get the manager of American Falls together with bond council. If there's going to be binding obligations put in place prior to November Board meeting, they would ask for telephone conference call meeting and a designation of that as Recovery area. Chairman Uhling stated that could be coordinated through Mr. Brian Patton if necessary. He also stated that this would be a nonrecourse loan. Mr. Wrigley confirmed that this would be like other programs through bond program, completely nonrecourse to the Board or State of Idaho or any of its subdivisions. Chairman Uhling understands it would not be tax-exempt but with the Recovery subsidy it will take

6% of the bond. Mr. Wrigley stated that the interest rate provided by the bank is a taxable 6.5%. The 45% subsidy would reduce that to a 3.5+%, and the 35% subsidy would reduce that to a 4.5% rate. There would be a definite value to that program but there are currently considerable hurdles, or contracts.

Mr. Chamberlain moved to approve BWCC and AFRD #2 pursuing this project. Mr. Alberdi seconded. Chairman called for a voice vote. Motion Passed: 7 Ayes; 1 Absent. Motion carried.

Mr. Lynn Harmon, AFRD #2 Manager, was given opportunity to comment. He thanked the Board for their consideration and help in resolving this issue and moving forward with the project.

c. **Water Transaction Program Update – L-52 / Little Springs Creek Kauer**

Ms. Morgan Case, staff Biologist, presented resolution for 20-year agreement to not divert from L-52 / Lemhi River diversion. Compensation to the landowner would be $26,452.76 paid proportionally annually over the 20-year term. Funds will come from the IWRB Transaction Fund through Bonneville Power Administration. Expected benefits of project will be increased flows in the Lemhi River Little Springs Creek, decreased temperature in Little Springs Creek, and lower risk of sedimentation problems and water quality problems in the Lemhi River.

Mr. Chamberlain moved to approve the resolution for $26,452.76 paid over the next 20 years. Mr. Chase seconded. Chairman called for a voice vote. Motion Passed: 7 Ayes; 1 Absent. Motion carried.

d. **Aquifer Recharge Program Update**

Mr. Bill Quinn, staff Engineer, provided an update on Eastern Snake Plain early season recharge program and summary of the 2010 late season recharge program. The early season program remains unchanged from the figures reported at the July 2010 meeting, 59,208 acre-feet at a cost of $177,624. Approximately $220,000 remains in the recharge budget for late season recharge. Any remaining funds will be carried over for 2011 recharge. At July 2010 meeting, Chairman Uhling asked for color coded cumulative recharge summary indicating amount of recharge water either retained in the aquifer or returned to the river (see Recharge Retention Analysis, Table 1, page 2). He provided clarification of the table and referred to the handout. He emphasized that numbers are estimations and summarized that the bottom line for total recharged since 2008 is just short of 189,000 acre-feet, 74% above American Falls, 27% below. Applying this analysis for the retained recharge total estimated 44,100 acre-feet, 21% above American Falls, 79% below.

Mr. Alberdi summarized that farther from the Snake River, water is retained for a longer period of time. Mr. Cuddy asked for confirmation of theory that further away from the Snake River above American Falls, we could improve retainage. Mr. Quinn responded that he thought that was a fair statement, with one exception; the Oakley area covered by Southwest Irrigation District right about where the map indicates Milner Dam.

Mr. Quinn continued discussion on late season program. Late season recharge plan has been prepared and is expected to be very similar to last year's late season program with only storage water available above American Falls and natural flow before. Update as of September 16, 2010, Southwest Irrigation District began recharge at approximately 4.0 cfs or 8 ac-ft /day. This is storage water, which is not restricted. The 20,000 to 25,000 acre-feet of recharge would translate into $60,000 to $75,000 in fees, which is well within remaining recharge budget of $220,000. No questions on recharge.

There was a short break in the meeting.

Agenda Item No. 6, Planning Activities

a. State Water Plan Update

Mr. Neely Miller, Senior Planner, provided an update in Ms. Harrington's absence. The State Water Plan (SWP) subcommittee held the second of a two-part session to discuss the lower reaches, which are Murphy Gage to Weiser reach and the Below Weiser reach. Meeting will be scheduled at a later time. The subcommittee meeting was originally scheduled for September 20 but comments have not yet been received on the lower reaches. He requested further comment from Mr. Chamberlain.

Mr. Chamberlain stated that due to the fact that comments on the lower reaches have not been received, the subcommittee chose not to hold the meeting on September 20. The time schedule will not allow it to be completed for the 2011 Idaho Legislature. It will be completed and provided to the 2012 Idaho Legislature to provide time to do due diligence with the Legislators and to provide background about what is in the SWP given the extensive overhaul. Public hearings will be held in different areas in the state over the next year.

b. Wood River Basin Water Use

Ms. Sandy Thiel, staff Planner, referred to the September 9, 2010, memo regarding per capita use in Wood River Valley. Wood River Valley per capita mean far exceeds both national and Idaho averages. The 2009 USGS report referenced suggests that the reason for the larger per capita use might be the number of visitors to the valley and the number of non-resident homeowners.

Mr. Graham quoted comment from Ms. Kari York from previous meeting minutes indicating Wood River Valley has "the highest per capita use". Board was asked to confirm that information. Mr. Graham asked where the 767 gallons per day put Wood River nationwide. Ms. Thiel asked that specific question of Mr. Jim Bartolino, USGS, but he did not know what the national rate was.

Mr. Chamberlain stated he was not defending Wood River Valley but stated where there is a high seasonal use not everyone is counted in the census. Therefore, seasonal residents are using water but when the gallons of consumption is divided by the number of residents living in the area year-round, the result is a very high per capita consumption, which is not necessarily accurate. The same situation occurs with electricity estimates in areas where individuals only live in their homes a few weeks out of the year.

Mr. Graham stated if that is the case, the figures are not useful to go after. Every recreation area would warp the figures based on the same scenario.

Ms. Thiel stated that she thinks there is a difference between the way Ms. Wendy Pabich calculated the numbers and the way the USGS numbers were calculated. Mr. Bartolino was comfortable saying it was one of the highest but not "the highest".

Ms. Case stated that a comment was made that numbers may be skewed by snowmaking equipment, as well. Mr. Cuddy stated that one thing that may distort this is that population was based on census data rather than number of users data.

Mr. Shoen, Blaine County Commissioner, stated that in terms of having the tools needed to address these issues, it is important that a link be made between land use planning and water use planning. They know that IDWR has limited resources so they only have the capacity to enforce water use beyond the one-half acre limit to a limited extent. Another issue is their ability to limit the domestic exemption. They are seeking the tools to help them manage this issue and want to implement measures in agreement with the Board.

c. **Little Salmon Comprehensive Basin Plan**

Not addressed per agenda change recommended by Mr. Patton at start of meeting.

d. **Rathdrum Prairie CAMP**

Ms. Sandy Thiel stated that the Rathdrum Prairie CAMP Advisory Committee has been reduced to 18 members as a result of Kevin Lewis' resignation. A copy of the membership list and draft committee meeting schedule is attached. One of the studies that we have asked for and have been working with Professor Venkataramana Sridhar from BSU on is climate variability impacts, and he has completed his evaluation. Pacific Northwest climate data was downscaled to the watershed scale to refine the forecast to the local area. A similar study is being done for the Treasure Valley CAMP. The target for completion of the draft plan is December 2010.

e. **Treasure Valley CAMP**

Mr. Neely Miller referred to the September 3, 2010, memo regarding the Treasure Valley CAMP. The advisory committee has a meeting scheduled September 29, 2010, at Meridian City Hall, Meridian, Idaho. Pioneer Irrigation District has submitted a formal request that Mr. Jeff Scott be replaced with Mr. Mark Zirschky on the advisory committee. Mr. Scott is no longer with the District and Mr. Zirschky has replaced him as Superintendent. Mr. Zirschky is present at the Board meeting today.

Chairman Uhling asked for questions from Mr. Zirschky and asked Mr. Brian Patton for process to make the nomination requests formal. Mr. Patton stated that the appointments do not require a resolution and can be made with a motion. He stated that Pioneer Irrigation District submitted a formal request for Mr. Zirschky. He also stated that with the previous request by the conservation interest, they were asked to prepare a formal written request for change in committee membership that the Board can take action on. Chairman Uhling added that a recommendation is needed from the CAMP facilitator on other membership changes.

Mr. Mark Zirschky addressed the Board and stated he is looking forward to being able to assist the committee, share his ideas, learn different ways, and make the Treasure Valley a better place to be while helping to ensure a sufficient water supply for the future. Mr. Chase asked if Mr. Zirschky's job with the Pioneer Irrigation District is a full-time job and Mr. Zirschky replied that it is.

Mr. Miller requested Board's consideration to appoint Mr. Zirschky to replace Mr. Scott on the TV CAMP Advisory Committee. Mr. Rigby moved to accept Mr. Zirschky's appointment to the TV CAMP Advisory Committee. Mr. Chamberlain seconded. Chairman called for a voice vote. Motion Passed: 7 Ayes; 1 Absent. Motion carried.

Mr. Miller provided update on several of the CAMP studies. The future water needs study is on track to be completed, and he expects to receive a draft report on September 24, 2010. Staff is also reviewing a draft report on impacts of climate variability on water demand in the Boise River Drainage. Preliminary results indicate that Treasure Valley will not see a major change in runoff timing, and the region is expected to see a 5.0 to 8.0% increase in precipitation and temperature increase of .30 to .45 centigrade per decade over the next 50 years. Several other technical studies are underway that will provide a technical foundation for evaluating potential strategies for the TV CAMP advisory committee. Those studies include the North Ada County Hydrologic study, East Ada County Hydrologic study, the Ground Water Modeling Assessment, and the Ground Water Recharge Assessment. These studies are outlined in the attached memo.

Chairman Uhling referred to public comment from Mr. Semanko expressing concerns of scoping. He stated that in the process of planning that is an issue that the Board needs to focus on – some areas the Board has authority and jurisdiction to do things on and some they don't. Mr. Patton stated that he and Mr. Semanko have

had several lengthy discussions about this. Some of the past discussions in the TV CAMP meetings could be characterized as certain CAMP members trying to push the envelope, so to speak, and that makes some of the traditional water user community a little nervous. Mr. Patton agrees that it may be time to discuss what might be reasonable changes to the laws and what changes should not be considered.

Mr. Chamberlain asked if any discussion has taken place with CAMP members on this subject or if it is to be done at a future meeting. Mr. Patton replied that he will present the agenda item, "Message from the Board", at the CAMP meeting next week. Appreciation will be given for the committee's hard work and progress. Mr. Miller verified that the meeting is to be held September 29, 2010, at the Meridian City Hall, from 9:00 am to 4:30 pm. Mr. Chamberlain stated that he plans on attending the meeting, and Mr. Patton stated that he would defer this agenda item to Mr. Chamberlain if he so desired. Mr. Rigby stated that there is a point in every basin discussion where it needs to be recognized what can and cannot be done, and that while they need to use caution, it does need to be addressed.

Mr. Graham questioned the legitimacy of the precipitation increases estimated for the Treasure Valley, which are double the estimates for Rathdrum Prairie over a 10-year period. Mr. Miller clarified that the increase estimates for the Treasure Valley are over a 50-year period. Mr. Miller reiterated that these are still draft preliminary results and will be reviewed by staff and presented at the October TV CAMP meeting. Mr. Patton suggested that these presentations could be made available at a future Board work session.

Mr. Graham suggested that the memo for TV CAMP should be refined, as it could be interpreted as "per decade" for the precipitation estimates. Mr. Graham's point is well taken; this estimate could be misinterpreted. Mr. Cuddy stated that the precipitation issue presents some interesting concepts for what we need to look at for water storage, etc. down the road.

Mr. Chase made a comment that at the ESPA there was a feeling that members waited until the end to bring up issues. Learning from past, it is important to get the issues out early so they can be addressed. Chairman Uhling stated that the facilitator should have ground rules to follow.

f. <u>ESPA CAMP</u>

Mr. Brian Patton stated that a second revised resolution for the ESPA CAMP project distinguished by blanks in the project dollar amount is in front of the Board for consideration. He stated that appropriate phases are outlined, as well as a change to Condition A regarding Legislative authorization.

Mr. Rich Rigby stated there are three issues he has been working on with the ESPA: 1) resolution of the funding question, as there was an impasse, 2) proper staff work, including a reverse analysis, which is a challenge and a need, and 3) to keep ESPA CAMP committee functioning and working together.

Mr. Rigby stated that in the ESPA CAMP process there was an agreement to have a funding package of $4,000,000 from water users, $3,000,000 from the State, $1.00 per acre from surface water users, $2.00 per acre from ground water users, $700,000 from municipalities, $200,000 from spring users, and $150,000 from processors. The CAMP committee determined that rather than a tax, they wanted to implement a fee and decided everyone has to be in or willing to participate. He stated that some of the issues discovered are mutually exclusive. There was a meeting of the attorneys, and it was determined that State law requires that a fee be based on the level of service. That put at risk the issue that everyone would be included. Mr. Rigby feels that the resounding argument in the upcoming Legislature will be "I'm being taxed and that's not fair".

The ESPA CAMP established a funding committee to resolve the issues. A smaller funding committee was established, composed of representatives from the Attorney General's office, legislative services, Senator Bair, Representative Bedke, representatives of the Surface Water Coalition, Ground Water Coalition, Great Feeder

Canal, and Mr. Rigby. Three meetings were held and two basic questions were considered: 1) Can the ESPA CAMP process as originally contemplated succeed? It was agreed that it would not and something different would have to be looked at; and 2) Are the existing entities equipped to do the kinds of things being attempted in the CAMP? The answer was no.

Mr. Rigby stated that four specific options very carefully being evaluated:

1) Implement CAMP concept with an opt-in approach using the same CAMP formulas but participants would have to voluntarily say yes to participate. It will be difficult to get support for this option.
2) Implement CAMP concept of everyone is in but participants could opt out. This is problematic because of the same problems, lack of support.
3) Create aquifer improvement districts.
4) Establish joint powers. For example, under joint powers cities and counties work together to provide ambulance services and share responsibilities. This is possible as seen in subdivisions of the State, such as ground water management districts and irrigation districts working together. Question arose about canal companies or ditch companies, which are not technically subdivisions of the State.

The aquifer improvement concept was focused on. The next question was how big this thing has to be. Rep. Bedke offered the concept of "community of interest". The task is to find a group small enough – districts – to work together but big enough to have some power to get things done.

Mr. Rigby stated there are currently nine ground water districts that cover the ESPA. The committee is looking at the model of comparative entities that coincide with the area served by each member of the committee of nine. They also are potentially looking at nine surface water entities; in general, two on the Henry's Fork, Great Feeder, Great Lorenzo, Blackfoot area, and three in the lower valley. Most of the feedback they have received is that nine entities are not needed, some could be combined. This will be addressed and fully discussed by the ESPA CAMP implementation committee at the October 14, 2010, meeting in Chubbock.

The implication of this is: previously there was a uniform top-down structure. The committee came and made decisions about the projects. Now they are looking at groups working together in smaller arenas in a more bottom-up approach. There is a need to recognize and discuss how the CAMP implementation committee functions and what CAMP is. Mr. Rigby feels there is a great role for a CAMP implementation committee to play and asked for questions at this point.

Mr. Chase reiterated comment of how do you represent cities on that committee because that is where the majority of people live, and he knows Mr. Rigby suggested IGWA would be that representation but he is concerned and hopes it is addressed. Mr. Rigby stated he feels like from a water supply standpoint that IGWA's interests are somewhat aligned with the cities that pump from the aquifer. From a standpoint of how the ESPA CAMP is making decisions, he does not feel that IGWA should or will represent the cities. He stated that they need their own representation in that sense.

Mr. Rigby stated that his concern is that this is how they started down the path of adding industry, processing, and you're going to have pushback from the majority of the water users who have most of the water. He recognizes that everyone should have a say, but this is more of a representative committee than a true democracy.

Mr. Rigby stated that the one thing he wants to achieve out of this process is to people know what they have and how they can solve the problem. They can't promise people cheap water, but they can show them how to get water.

Chairman Uhling summarized that a global funding entity is not going to be a rational or reasonable course of action. Mr. Rigby agreed. Chairman Uhling stated that they are looking at grass roots type of structures that would require some sort of legislative involvement. Mr. Rigby agreed and stated that the goal is to be the upcoming legislative session. One reason of scheduling the CAMP implementation committee meeting for October 14 was to try and make progress so by January 1 they would have a proposal to take to the Legislature. There is current discussion about drafting proposed legislation in advance of that process. Chairman Uhling stated that they have received guidance from the AG office that if there are projects that make sense and are approved by the Board, the Legislature in order to get funding is going to have to approve the transfer of the funds. Mr. Patton confirmed that was correct. He stated it is being done as a line-item budget transfer in the Board's budget. Rather than the Legislature approving specific projects, they will transfer funds from the Board's Development Account into the Board's Secondary Aquifer Planning Management and Implementation Account. Chairman Uhling stated that for the upcoming Legislature there could be at least two agenda items dealing with ESPA CAMP. Mr. Patton and Mr. Rigby confirmed that was correct.

Mr. Rigby stated that the ESPA CAMP implementation committee has forwarded four projects to the Board for consideration: 1) Northside Canal Company Reuse Project referred to as J8 Pond, 2) Egin Lakes Recharge, 3) Idaho Irrigation District Recharge, and 4) Agricultural Water Enhancement Project (AWEP).

Mr. Rigby provided an estimated cost of $2.27 million for the Northside Canal Project. The Board's share would be $908,000. The specific action would convert 920 acres from ground water to surface supply. A question was raised about water rights, and Mr. Rigby stated all water right issues are resolved with respect to the J8 project and there are no hydropower issues. He stated that it seems to be a good stand alone project that can be approved and constructed without creating additional problems. This project is not being proposed for funding at this time. While it has very desirable impacts, the parties involved in the process are working on a variety of issues. More time is needed for the parties to incubate the process. Clear Springs Foods, ground water users, and Northside Canal Company need to work on common issues, including deciding who needs to pay what.

Chairman Uhling asked for confirmation that no action is necessary by the Board on this project if they can resolve their issues, and it is anticipated that both the implementation committee and Mr. Rigby would recommend that this project move forward. Mr. Rigby agreed and stated that it is his goal to have that done by November.

Mr. Rigby stated that concerning the Egin Lakes Project, Mr. Alberdi received a more detailed outline from Mr. Stan Clark on September 23 of proposed funding (referred to handout). Mr. Rigby stated there are three phases that have been contemplated in the project. Phase I was basically presenting proof of concept and securing approval from BLM; this phase has been completed. Phase II was proposed at a total cost of $100,000, and it appears there are 11 specific items that would be covered in that funding proposal. The Board's share would be $40,000. Phase III would be to actually undertake the enlargement and the estimated total cost would be $340,000; the Board's share would be $136,000.

Mr. Clark stood for questions. Mr. Alberdi asked for clarification that Phase II is being considered for this year; the chart shows Phase III scheduled for Fall/Winter 2010. Mr. Clark stated the Phase III reference to 2010 is in error and that it is anticipated Phase III would be contingent upon what happens in Phase II. Mr. Alberdi suggested correction to page 3 of the handout, blocking out Fall/Winter 2010 for Phase III. Mr. Clark stated the numbers on the handout indicate budget and not bids. He is reasonably sure the project can be done within the budget. Mr. Alberdi thanked Mr. Clark for the clarification to the Board. Mr. Rigby stated that only funding for Phase II will be addressed at this time and that there is not an urgent need to fund Phase III. Mr. Chamberlain stated the numbers on the handout total $90,000 rather than $100,000. He pointed out that Item 12 contains $10,000 for contingencies and that contingencies could vary. Chairman Uhling asked Mr. Patton and Mr. Rigby if the project should be conditionally approved and then funding approved once Mr. Clark knows what the final numbers will be. Chairman Uhling suggested change in verbiage of resolution to "approximately $40,000" and "approximately $13,200".

Mr. Rigby addressed the fact that Idaho Irrigation District Recharge project plans were submitted last spring and are now being acted on, which has created a slight disconnect between the plans of the project proponents and what they are able to do. Idaho Irrigation District project is a two-part process. The first one is to improve current facilities to measure and manage recharge more effectively, which may include several GPS units. The Board's share of the first phase is $13,200. Mr. Rigby's recommendation to the Board is to approve the $13,200 today.

Mr. Rigby stated that the AWEP project total cost is $3.5 million. USDA requires agreements with individual farmers so the State's role in this process is slightly different, but it has been proposed as a Board project. The non-federal share is approximately 25%, or $635,000. If the Board funds 40%, their share would be $254,332. There is a question as to what the propriety is of offering further incentive beyond the 75% being funded by the federal government. A potential fallback position was discussed, which is that the AWEP participants have been concerned about the measuring requirements. That is a requirement of the water districts. It is above and beyond the amount that was applied for, what USDA will cost share. The two obvious choices are to fund the 40%, or $254,332; the other option is to fund measuring devices, which the Department estimates to be approximately $200,000.

Chairman Uhling asked for questions. Mr. Jerry Rigby stated that he represents Fremont-Madison and Idaho Irrigation and because of a conflict he will not participate in this matter. Mr. Rigby restated that this is a conditional approval, conditioned upon the Legislature taking action in the upcoming session to move funds from the Board's account to the secondary aquifer management account, which has to be done. It would also authorize parties to expend monies today as soon as the resolution is passed that will count toward their share of the project. The understanding is that in the event that the Legislature fails to act, the Board is not obligated to fund its share.

Chairman Uhling restated that the resolution is a conditional expenditure of funds; there will be no funds authorized or allocated until the Legislator abides that authority. Mr. Chase asked Mr. Rigby for confirmation that he would tell both groups about this verbally. Mr. Rigby agreed. Mr. Chase moved to approve the resolution. Mr. Alberdi seconded. 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: Absent; Mr. Rigby: Abstained; Chairman Uhling: Aye. Motion Passed: 4 Ayes; 1 Abstained, 3 Absent. Motion carried.

Agenda Item No. 7, Water Storage Studies

Lower Boise River Interim Feasibility Study

Ms. Cynthia Bridge Clark provided an update to the Board. She stated that yesterday Mr. Greg Graham, Chief of the Planning Branch of the Corps Walla Walla District, presented information about the status of the study. In addition to reviewing the screening analysis of the storage sites, Mr. Graham discussed the scope and feasibility of the Interim Feasibility Study to address why the study specifically focuses on surface water storage. Mr. Graham mentioned the Corps of Engineers is authorized to conduct a general investigation of the Lower Boise River, which includes a full feasibility study to review various water resource issues, including issues like water supply, flood risk reduction, and ecosystem restoration. In May 2009, the Corps and the Board entered into an agreement to initiate part of that full feasibility study, referred to as Phase I of the Feasibility Study, or the Interim Feasibility Study.

The Interim Feasibility Study was designed to focus specifically on water storage as one potential measure for addressing water management demand issues and flood risk reduction. The larger feasibility study will require evaluation of structural and non-structural alternatives to address those issues and will evaluate whether a

combination of those strategies is appropriate to resolve water resource problems. The basis for focusing on surface water storage in Phase I was, in part, to help the State satisfy the direction of the 2008 Legislature through House Joint Memorial No. 8 to investigate new storage and to provide technical information to the Board's TV CAMP process in its evaluation of future water supply and demand issues in the Lower Boise. Other potential alternatives for addressing water supply issues are currently being evaluated through the TV CAMP process and surface water storage is just one of the options that may be considered. Subsequently, information from the study is intended to provide CAMP committee members with that information.

With regards to the study process, the process was designed to build off of the Bureau of Reclamation (Reclamation) 2006 Water Storage Assessment and focus specifically on the 12 locations that were recommended for further study. The Corp developed concepts at each of those 12 sites, which were evaluated and ranked, and the intention was to give enough information to the Board, the public, and committee members about the potential benefits and constraints of each site for comparison and reduction of the list to sites that need additional evaluation.

Ms. Clark referenced the section of the Board book that contains copies of the screening analysis, summary of public comments, and a fact sheet that provides the status of the study and also a copy of the summary table that Mr. Graham focused on yesterday. The results indicate that the highest scoring large-volume surface storage site that has been identified is a new dam constructed immediately downstream of the existing Arrowrock Dam. That concept evaluated a new 368-foot roller compacted concrete dam with the potential for 317,000 acre-feet of additional storage to the system. The highest scoring small-volume site is the Alexander Flats site. That concept involves a new 271-foot rock-filled dam with the potential to provide 68,000 acre-feet of storage. The next step in this process is to identify the short list of sites for further evaluation. Mr. Graham discussed that additional federal funding for the study is in short supply, and at this point, they are at a good stopping point given that they have completed the screening analysis task. Mr. Graham did recommend that the Board begin considering which sites to move forward with so the Corps can maintain that momentum in planning for the final steps of the study once funding is available.

Ms. Clark stood for questions. Chairman Uhling suggested that in looking at the information, if they can help narrow down the initial screen it may be helpful for focusing limited resources and may also be able to potentially solve some concerns from a significant group, referring to Dunigan Creek Project. He stated there are clearly two models from his perspective: one is a larger storage project that has a much different impact on flood risk vs. the smaller storage. His suggestion for consideration by the Board is whether it is appropriate at this time to limit it to four projects, two large and two small, and then narrowed down from there. Looking at the list, it would be Arrowrock new dam, Alexander Flats, Twin Springs, and Barber Flats. Finally, the Arrowrock new dam, at this initial stage, there is a significant difference between it and second place according to the analysis and it is large project vs. small project.

Mr. Rigby questioned whether four is enough of a cut. He stated he does not want to waste unnecessary funds to work with. He would support that if Ms. Clark and staff feel that is not an inordinate amount of work that would be necessary in the next phase of this project.

Chairman Uhling asked for a response from Mr. Patton and Ms. Clark regarding Mr. Rigby's question. Mr. Patton stated that the agreement between the Board and the Corp contemplates moving forward with three projects and more detailed analysis. Moving forward with four would require an amendment to the agreement and more dollars. Mr. Rigby amended the motion back to three projects. Chairman Uhling restated that the three projects would be Arrowrock new dam, Alexander Flats, and Twin Springs. Mr. Chase stated that Twin Springs seems to be the most controversial of those three and asked if it truly needs to be looked at. Mr. Chase is in favor of the four projects, giving the people a choice between two large and two small. Motion made by Mr. Rigby. Mr. Chamberlain seconded. Chairman called for a voice vote. Motion Passed: 7 Ayes, 1 Absent. Motion carried.

Henry's Fork Special Study

Ms. Cynthia Clark stated that there is an agreement with the Reclamation to implement a study of surface water storage opportunities in the Henry's Fork basin. The study has been developed to build on existing information to review potential on-stream and off-stream storage sites in the basin and tributary basins, as well as the opportunity for conservation and optimization measures to address current and future water supply needs in the Henry's Fork basin, as well as the Upper Snake River Basin.

Ms. Clark stated that at the last Henry's Fork Watershed Council, Mr. Spackman and Mr. Rich Rigby attended the last meeting to coordinate with stakeholders and communicate the Board's, as well as the Department's, interest in support of the study. The Board has committed up to $400,000 toward the completion of the study, and Reclamation was recently awarded $400,000 through the Secure Water Act-Water SMART Basin Study Program. The study is expected to be completed within two years of initiation. Ms. Clark directed attention to the article included in Appendix D of the Board book titled *Let's Get Smart about Idaho Water Planning*, published in the Teton Valley News, August 20, 2010. The article indicates there's a fair amount of support from the stakeholders with regards to moving the study along and ensuring all issues are identified.

Weiser-Galloway Project

Ms. Cynthia Clark referred to the cost-share agreement between the Board and the Corps of Engineers, executed June 3, 2010, to initiate the Weiser-Galloway Project. She stated the project is intended to reexamine components of previous identified dam and reservoir site based on current conditions and is intended to be used as a decision document. The total cost is estimated to be $200,000 to be shared equally between the Board and the Corp. Federal funding of $100,000 has been committed by the Corp by the Corps Planning Assistance to States (PAS) Program, and the Board committed up to $100,000 at a previous meeting. The study is expected to be completed by March 2011, and they are on track.

Agenda Item No. 8, Minimum Stream Flow Program – North Idaho Adjudication

Mr. Brian Patton referred to the memo to the IWRB dated September 2, 2010, from Ms. Helen Harrington. He stated that within Phase I of the North Idaho Adjudication (NIA) the Board holds several water rights with claim fees of $464,800. The claim fees for the total NIA jump to about $1.2 million. This is just to inform the Board that a budget request was included in the Budget for the $464,800 to pay those claim fees for the Board's minimum stream flow water rights within Phase I of the NIA.

Agenda Item No. 9, Director's Report

Mr. Brian Patton briefed the Board on the need for the Department and the Board to maintain expertise in the application of hydrologic models. He stated that the Department has been a leader in the development and use of the ground water model for the Eastern Snake Plain, as well as for Rathdrum Prairie and other areas. The Department's Snake River planning model was originally developed in the 1960s to run on a mainframe computer. It has been updated several times, but it is clearly not state-of-the-art. It was used extensively during the CAMP development process and an interface was developed to run between the planning model and the aquifer model to evaluate CAMP scenarios. The Department plans on acquiring a license to use Riverware, which will be viewed as a replacement for the Snake River planning model. The software is maintained by the University of Colorado and is widely used by river managers throughout the west, including the Reclamation, as well as the Tennessee Valley Authority. The consensus among the Department staff looking at this issue is that this may not be the most powerful tool out there, but it is certainly the best supported, which is why Reclamation has migrated that direction, as well as Idaho Power. The total anticipated costs are $30,000 in calendar year 2010 and possibly $40,000. The funds would be used to acquire Riverware, and it would also be used in Water District #1 and the Department in engaging the Reclamation, committee of nine, and other stakeholders in decisions affecting the use

of storage water, recharge, hydropower generation, as well as a support tool for discussions between the AGs office and Idaho Power Co. relative to some outstanding issues on the Snake River. The program will also be used by staff to support the Board in the planning and evaluation of proposed CAMP and other aquifer improvement projects. Mr. Rich Rigby approached the committee of nine on this issue, and the committee of nine agreed to provide half the funds subject to the other half being made available by the IWRB. Staff would plan on making those funds available from the Aquifer Planning Fund, the fund that houses the funds used to undertake the Treasure Valley and Rathdrum Prairie CAMP studies, as well as provides funds for continuing Easter Snake Plain modeling, measurement, and monitoring activities. The use of those funds to acquire and utilize Riverware is within the bounds of what these funds are used for. In examining this issue, they do not believe a formal Board approval is needed, but they would like the Board's concurrence.

Mr. Patton and Mr. Rich Rigby stood for questions. Mr. Cuddy asked if this software would be applicable to any drainage. Mr. Patton stated that it could be – it is widely used software that has been adapted by Reclamation, the Corp, and the Tennessee Valley Authority for use on numerous rivers throughout the West and the rest of the U.S. Mr. Chamberlain asked if the information already gleaned from the present program can be readily transferred into Riverware. Mr. Rigby stated that to the extent the information is digitized the information can be moved right in. He feels that the amount of money they want to spend for the product is reasonable and that it's a good source of the resources and it will keep the Department current and relevant in water management decisions. Chairman Uhling asked Director Spackman's opinion on Riverware. Director Spackman stated Riverware has been discussed in detail and concurs that we need to move out of the 40 to 50 year old model. No objections by the Board. No motion is needed.

Director Spackman addressed the Board and apologized to the Board for missing the last meeting and expressed his appreciation for the Board and their staff and their work. He brought forward an issue that arose out of the adoption of the rental pool procedures last year. He was asked to present a recommendation to the Board about pending rental pool procedures for Water District #1 Rental Pool, and he presented those recommendations at the July 24, 2009, meeting of the Board. Several questions were raised regarding whether the last to fill provision that applied to private leases had been discussed and whether it had been considered in Director Spackman's recommendation and by the Board. He listed all the sides and looked at analysis of what the impacts are. He provided some background on the particular procedure that governs these private leases. He was surprised that the last to fill provision actually has no reference to the phrase "last to fill" and there is no reference in the procedures to last to fill. He stated there is an administration ongoing in the Water District #1 Rental Pool that, in his opinion, is not documented in the procedures. His understanding of the last fill operation and how it is implemented is that if someone executes a private lease, outside the common pool, when that lease is exercised and becomes a record with Water District #1, that storage space that is rented then becomes last to fill in the next season. So the priority that was assigned to that space is lost and it goes to the end of the storage as the system fills. The procedure states, "If the lease of storage pursuant to private lease cause impasse as determined by the water master the lesser storage allocation shall be reduced by the amount equal to such impasse, not to exceed the quantities leased by the lessor and reallocated to mitigate impacts to affected stakeholders. The reallocation will only occur in the year following the lease of storage".

Water District #1 staff states that the last to fill provision is a substitute for the contemplated process. The process being contemplated is an actual assignment of storage to each one of those affected entities. The problem is that the present accounting model does not do that well. The procedure does not describe what is being done. Director Spackman stated he has told people he will look at last to fill and that is what is being done. He feels there is risk in doing it when procedures do not actually describe the process. With respect to last to fill, he has looked at a number of aspects, both factually and with legal assistance. His question in making a recommendation to the Board is "Do the procedures in some way injure other water rights?"

Agenda Item No. 10, Other Items Board Members May Wish to Present

No other items to present.

Agenda Item No. 11, Next Meeting and Adjourn

Next meeting scheduled for November 15 and 16, 2010.

Respectfully submitted this 22 day of November, 2010.

Bob Graham, Secretary

Diana Ball, Administrative Assistant II

Board Actions:

1. Mr. Chamberlain moved to approve the minutes. All were in favor and the Minutes for meeting 8-10 were approved as amended. The Chairman asked for a voice vote and all 7 present were in favor with 1 absent.

2. Mr. Chamberlain moved to approve the King Hill Irrigation District Project Revolving Development Account Loan in the amount of $300,000 at a rate of 5.5% with the conditions as specified in the attached resolution

   Roll Call Vote:
   Mr. Cuddy: Aye; Mr. Alberdi: Aye; Mr. Chase: Aye; Mr. Beck: Absent; Mr. Chamberlain: Aye; Mr. Graham: Aye; Mr. Rigby: Aye; Chairman Uhling: Aye. Motion Passed: 7 Ayes; 1 Absent. Motion carried.

3. Mr. Graham moved to approve the resolution authorizing a $50,000 increase to the original $200,000 City of Genesee storage tank project with the terms of 6% on a 3-year repayment. Mr. Chamberlain seconded. 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: Aye; Chairman Uhling: Aye. Motion Passed: 7 Ayes; 1 Absent. Motion carried.

4. Mr. Chamberlain moved to approve pursuing the Big Wood Canal Company and American Falls Reservoir District #2 South Gooding siphon replacement project. Mr. Alberdi seconded. The Chairman asked for a voice vote and all 7 present were in favor with 1 absent. Motion carried.

5. Mr. Chamberlain moved to approve the resolution to not divert from the L-52 / Lemhi River diversion with compensation paid to the landowner in the amount of $26,452.76 annually for the next 20 years. Mr. Chase seconded. The Chairman asked for a voice vote and all 7 present were in favor with 1 absent. Motion carried.

6. Mr. Rigby moved to appoint Mr. Zirschky, Pioneer Irrigation District, to the TV CAMP Advisory Committee to replace Mr. Jeff Scott who is no longer with the District. Mr. Chamberlain seconded. The Chairman asked for a voice vote and all 7 present were in favor with 1 absent. Motion carried.

7. Mr. Chase moved to approve the resolution for conditional expenditure of funds for Idaho Irrigation District Recharge program. The resolution is a conditional expenditure of funds, and there will be no funds authorized or allocated until the Legislator abides that authority, authorizing the transfer of funds from the Board's account to the secondary aquifer management account. Mr. Alberdi seconded. 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: Absent; Mr. Rigby: Abstained; Chairman Uhling: Aye. Motion Passed: 4 Ayes; 1 Abstained, 3 Absent. Motion carried.

8. Mr. Rigby moved to approve four projects related to Lower Boise River Interim Feasibility Study. Mr. Chamberlain seconded. Chairman called for a voice vote. Motion Passed: 7 Ayes, 1 Absent. Motion carried.