IDAHO WATER RESOURCE BOARD

MINUTES OF MEETING 1-11

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

Idaho Water Center
Boise, Idaho
January 21, 2011

Chairman Uhling called the meeting to order at approximately 7:30 a.m. and asked for roll call. All 8 members were present. Mr. Chamberlain made a motion to go into executive session. Mr. Rigby seconded. Motion carried.

No action was taken by the Board during the executive session. Mr. Chamberlain made a motion to move out of executive session and into regular session. Mr. Rigby seconded. Motion carried.

There was a short break in the meeting.

Chairman Uhling called the regular session to order at approximately 9:10 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

Staff Members Present

Gary Spackman, Interim Director
Helen Harrington, Section Manager
Rich Rigby, Federal Liaison
Morgan Case, Biologist
Diana Ball, Administrative Assistant
Brian Patton, Bureau Chief
Jack Peterson, Federal Liaison
Dan Nelson, Hydrologist
Sandra Thiel, Planner

Guests Present

Peter Anderson, Trout Unlimited
John Williams, Bonneville Power
Linda Lemmon
Alan Kelsch, Committee of Nine
Teresa Molitor, Centra Consulting
Randy Wilder, Chaparral Water Assn.
Sandy Seward, Chaparral Water Assn.
Kelsie Atkinson, Chaparral Water Assn.
Lynn Tominaga, IGWA
Shelley Davis, Barker Rosholt
Tom Tracy
Harold Jones
Darrel King

Agenda Item No. 2, Agenda and Approval of Minutes 10-10 and 11-10

Mr. Chamberlain moved to approve Minutes for Meetings 10-10 and 11-10 as submitted. Mr. Alberdi seconded the motion. Chairman Uhling called for a voice vote. All were in favor. Minutes for Meetings 10-10 and 11-10 were approved as submitted.

Chairman Uhling called for any changes to the Agenda. Mr. Patton stated that a discussion of Western States Water Council dues was needed. Chairman Uhling recommended adding it to the agenda under Item 9, Other Items Board Members May Wish to Present, or after Item 10, Director's report.

Agenda Item No. 3, Public Comment

Chairman Uhling asked for public comment regarding any items not included on the agenda.

Mr. John Williams, Bonneville Power Administration (BPA), provided an update on three items:

1) Albeni Falls Lake Level Proposal – BPA is currently working on an environmental assessment (EA). BPA is considering pursuing the impact of bull trout designation on the proposal. The public has requested a full environmental impact study (EIS) because of the bull trout designation issue.

Mr. Graham asked if this process was for relicensing Albeni Falls. Mr. Williams stated that federal projects do not require a relicensing process. Mr. Graham asked if the main opposition was the operation of Albeni Falls or the Lake Pend Oreille levels. Chairman Uhling asked for a brief history of what federal action required the EA.

Mr. Williams stated that the U.S. Corps of Engineers is authorized to change lake levels in Lake Pend Oreille and did not consider an EA necessary. A system review completed in the 1990s included both an EA and EIS. Due to public opposition, the Corp and BPA started a public process to look at new information.

Mr. Graham asked who made the decision to move from an EA to an EIS. Mr. Williams clarified that BPA has not moved to an EIS; it is only being considered at this point. Mr. Graham stated that the Board recently loaned money to the City of Dover to lower their pumps because of the lowering of the level of Pend Oreille Lake. Mr. Graham asked if that elevation had been decided yet. Mr. Williams stated that it had not.

Mr. Williams stated that their request for change in lake levels only happens during the winter months in order to generate more electricity. The federal system has been constrained due to environmental constraints and lowering lake levels reduces the chance of going to a market that is very high to meet load demands. Due to initial public opposition, BPA worked with the Corp to address public concerns through an EA process.

Chairman Uhling asked when the decision would be made to move from an EA to an EIS. Mr. Williams stated a decision is likely to be made in spring of 2011.

2) High water, high wind situation in June 2010 – There was a lot of water in the system combined with high winds, causing the wind turbines to operate at full speed. BPA needs a reasonable solution when this situation occurs.

Mr. Williams stated there are several tools they can use, including ramping down the wind generators and working with some of the thermo plant owners (i.e., natural gas, coal power plants) to replace their generation with hydropower. BPA needs tools to mitigate the problem of high water flowing through system at the same time as lot of wind being generated.

3) Biological Opinion – This is currently awaiting Judge Redden's decision. Judge Redden is allowing the plaintiff more time to consider the federal response to their initial findings. A hearing will likely be held in February. It is public knowledge that if Judge Redden rules in favor of the buyout, the plaintiff will likely to take it to the Ninth Circuit Court.

4) Columbia Treaty –The public process has been opened up to include non-sovereigns. Mr. Jim Yost represents the State of Idaho and likely has had discussions with the Director about this. Mr. Williams reiterated that the State is a sovereign. BPA will inform Idaho Water Users Association and the IWRB of any meetings with non-sovereign entities, which may take place in February or March.

Chairman Uhling stated he would make sure a conversation with Mr. Yost took place regarding this matter.

Agenda Item 4, IWRB Hydropower Status Report

Mr. Patton provided the Hydropower Status Report. He stated that since July 1, 2010 (FY11 to date), Dworshak has produced $141,000 in revenues over expenses, with an additional $53,000 deposited into the project repair and replacement fund.

The Pristine Springs projects have produced $28,000 in revenues over expenses, which has been deposited into the repair and replacement fund. The Pristine repair and replacement fund has a balance of $828,000; Mr. Patton stated that the Board needs to consider how to use these funds.

Mr. Rigby asked if there is a methodology of considering the repair and replace costs. Mr. Patton stated that the reserve account requirements at Pristine likely have been exceeded and recommends a target of $1 million. The Board should consider the direction of future incomes. Chairman Uhling suggested a discussion at the next work session regarding use of the funds.

Mr. Graham asked for clarification on the Dworshak numbers. Mr. Patton briefly explained that usage is impacted by reduced levels in the reservoir and reduced flows through the hatchery. He stated that there are currently discussions with the Corp regarding increased flows at the Dworshak hatchery. Chairman Uhling asked if the numbers indicated Dworshak is actually ahead of budget. Mr. Patton confirmed that it is.

Agenda Item No. 5, IWRB Financial Program

a. Annual Report

Mr. Patton stated the Board's FY2010 Annual Report for the Governor was included in the meeting material for the Board's review approval before transmitting it to the Governor and Legislature. Mr. Rigby made a motion to approve the FY2010 Annual Report as submitted. Mr. Chamberlain seconded. Chairman Uhling called for a voice vote. All were in favor. Motion carried.

b. Status Report

Mr. Patton provided the Financial Program Status Report. He stated that a total of $13.8 million has been committed but not yet disbursed. Total loan principal outstanding is $19.3 million. The current total uncommitted balance is approximately $1.9 million.

c. **Financial Items – Chaparral Water Association Loan**

Mr. Nelson presented a loan request for the Chaparral Water Association irrigation well upgrade project loan in the amount of $68,000. The Chaparral subdivision is located off Highway 16 between Emmett and Star in Ada County and supplies water to 25 water users on 5 to 8-acre parcels. The improvement project would deepen the existing irrigation well, rebuild the irrigation pump, and add variable speed drives to the irrigation and culinary systems. An added benefit of the project is that the Chaparral Water Association has agreed to partner with the North Ada County Hydrogeologic Investigation to allow monitoring of the well drilling and continuous monitoring of water levels on this well. Staff recommends a loan in the amount of $68,000 at 6.0% interest for 10 years with the conditions as specified in the attached resolution.

Mr. Alberdi asked about the cost of having them install a water meter. Mr. Nelson responded that there is a working meter in place and there are no plans to change the meter at this time. Mr. Nelson also stated that if a new meter was installed it would likely be a magnetic flow meter, which costs approximately $2,000 to $2,500. Mr. Nelson suggested that staff could perform a calibration on the existing meter when irrigation season starts.

Chaparral Water Association representatives, Mr. Randy Wilder, Vice-President, Ms. Sandy Seward, Secretary, and Ms. Kelsie Atkinson, President, addressed the Board. Chairman Uhling asked about the association's previous attempts to fix the well. Mr. Nelson stated that the association had applied for three previous loans: 1) rework the irrigation pump, 2) replace the booster pump, and 3) replace the main line system. All completed in 1990s and combined into one loan, which should be paid off in 2015. Ms. Atkinson stated that repairs were done 7 years ago and since then the water levels have dwindled. Ms. Atkinson also stated that they consulted with Mr. Ron Stephenson regarding which direction to take in solving the problem without having to come back to the Board every 5 to 7 years for a new loan. Chairman Uhling expressed his appreciation in their efforts to find a long-term solution.

Ms. Seward respectfully requested that the Board approve a 10-year loan so as not to put additional burden on the Chaparral homeowners. Mr. Chase stated that he preferred a 5-year loan to return the loaned funds to the Board as quick as possible. Mr. Chase also discussed the existing water meter and its current performance.

Mr. Chamberlain made a motion to accept the resolution as presented in the matter of Chaparral Water Association for a Revolving Development Fund loan in the amount of $68,000 at 6.0% interest for 10 years. The motion was seconded by Mr. Alberdi. Chairman Uhling 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. Roll Call Vote: 8 Ayes. Motion carried.

d. **Water Transaction Program – Upper Salmon Basin**

Ms. Morgan Case presented a combined resolution for three water transactions in the Lemhi River basin for the Board's approval. Staff has developed twenty-year agreements not to divert water from Big Timber Creek, Canyon Creek, and Little Springs Creek to reconnect stream flow for anadromous and resident fish and developed one-year agreements not to divert water from the lower Lemhi River to improve stream flow for anadromous and resident fish. The Lower Lemhi 2011 Annual, Big Timber/Canyon Beyeler, and Little Springs/Snyder transactions are in the public interest and in compliance with the State Water Plan. The agreements will be funded in the amount of $1,267,454.05 through the Idaho Fish Accord – Idaho Water Transactions Fund. Funds will be placed into the Board's Revolving Development Account for annual payment to the water right owners.

Mr. Chamberlain made a motion to accept the combined resolution to not divert water from Big Timber Creek, Canyon Creek, and Little Springs Creek in the amount of $1,267,454.05 to be funded through the Idaho Fish Accord – Idaho Water Transactions Fund. The motion was seconded by Mr. Rigby. Chairman Uhling 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. Roll Call Vote: 8 Ayes. Motion carried.

e. **Bear River Pool Bond Status**

Mr. Dan Nelson provided an update on the Bear River Pool Bond. At the November 4, 2009, meeting, staff put forth a proposal for a pooled bond to match a BOR 50% share stimulus grant to Water District No. 11 in the Bear Lake area of southeast Idaho for 7 canal companies and to fund a pipeline project for the Southwest Irrigation District in the Burley area. Five canal companies in the Bear River area are still participating in this Bond pool. They have formed a LID as required, obtained interim financing, and are close to completing construction of their projects. The 5 canal companies are requesting $2,220,000 in financing for their various projects. This amount will be matched with $2,461,540 with stimulus grant funds from the BOR and $228,516 from the companies. The total estimated cost is $4,764,452. All construction should be completed by January 2011, however testing of the systems may not be done until spring due to freezing temperatures. After the final adoption of the assessment roles, the Board will be asked to vote on the resolution to sell the bond for the amount needed. Staff expects the Board will receive the resolution at either the regular scheduled March or May Board meeting.

f. **IWRB Funding Maps**

Mr. Patton stated that this presentation was done per the Board's request at the last Board meeting. Mr. Dan Nelson presented a series of maps showing all Board projects and how much was spent on each one up to June 30, 2010. The State map was divided into 5 regions, which represent the 5 hydrological regions described in the State Water Plan. Funds are divided by loans, grants, and bond funds for each project and statewide.

Mr. Graham asked that the Board take note of the part of the State that shows a deficiency in funded projects. Chairman Uhling thanked the staff for their efforts in putting the presentation together and stated that it was very helpful to the Board.

There was a short break in the meeting.

Agenda Item No. 6, Planning Activities

a. **ESPA CAMP**

1) AWEP Funding – Mr. Patton provided a brief update that Natural Resource Conservation Service (NRCS) is making $1.97 million available for AWEP funding for 2011. This is the third of a five-year partnership agreement between the IWRB and NRCS to assist in implementing certain parts of the ESPA CAMP. In 2009, NRCS made available $2.6 million and in 2010 $822,000. If the entire $1.97 million is obligated, NRCS will have made available a total of approximately $4.6 million to implement CAMP projects on the Eastern Snake Plain.

2) Status Update – Mr. Rich Rigby, BOR, presented a brief update on the last ESPA CAMP meeting held November 22, 2010, in Burley. Notes from that meeting were included for the Board's review. Mr. Rigby noted that there are several sensitive issues. One issue is that the Great Feeder Canal participants do not feel they need to participate, while others feel that everyone needs to participate. The other issue is that of

mitigation for ground water pumping. Ground water users only have so many dollars to spend, and if they have to mitigate what does that mean to CAMP and should they participate?

Mr. Rigby recognized that there is a need for a list of projects to keep ESPA CAMP going forward. Mr. Rigby commented that public CAMP meetings aren't leading to consensus and suggested working with local groups to try and find solutions that result in opportunities for agreement and then pursue them with the group.

Mr. Chamberlain agreed that projects are needed that are beneficial to everyone. Mr. Rigby asked if regular meetings are needed to keep people engaged. Mr. Chase stated that the longer the process goes on the less chance there may be to have financial help for this process. Mr. Alberdi encouraged Mr. Rigby to look for CAMP projects.

b. Rathdrum Prairie CAMP

Ms. Helen Harrington provided an update on recent Rathdrum Prairie CAMP activities. The formal Recommended Plan was submitted to the Board for review. The Board was asked to provide comments within 30 days to Ms. Harrington. Comments and suggested changes will be taken to the CAMP Advisory Committee for consideration and a final recommended plan will be provided at the next regular Board meeting scheduled for March 11 for Board approval for release to the public. A public hearing and 60-day public comment period is required prior to adoption of the final plan. The public hearing is tentatively scheduled to be held the evening of May 12 in Coeur d'Alene, in conjunction with the regular Board meeting scheduled for May 12 and 13.

Ms. Harrington provided an estimated implementation cost of between $500,000 and $1,000,000 to complete studies within the local communities, specifically for the needs of the RAFN concept, and implementing some of the conservation recommendations. Ms. Harrington will work with the advisory committee to develop a list of projects and costs as requested by the Board.

Mr. Graham requested that a copy of all Board member comments on the recommended plan be forwarded to him and Mr. Cuddy.

Mr. Chamberlain stated that the RP CAMP should be able expect to receive matching funds from the Board and encouraged Ms. Harrington to share that with the advisory committee. Mr. Cuddy stated that all proposed projects and studies should be submitted to the Board for review before any funding decisions are made.

c. TV CAMP

Ms. Helen Harrington provided a brief update on the Treasure Valley CAMP activities. An action item was presented to the Board for consideration of Mr. Vern Case, Wilder Irrigation District, to be appointed as a temporary member of the Advisory Committee as a replacement for Ms. Gayle Batt, Wilder Irrigation District. Ms. Batt has accepted a temporary appointment in the current Legislative session and will be unable to attend advisory committee meetings. Wilder Irrigation District has proposed the temporary appointment of Mr. Case.

Mr. Case came before the Board at the work session on January 20, and the Board was able to make inquiries as to his credentials and knowledge of the CAMP process. Mr. Case is a board member of the Wilder Irrigation District and Riverside Irrigation District, and he is Chairman of Water District #63, the Boise drainage.

Mr. Chase moved to temporarily appoint Mr. Vern Case as a member of the Treasure Valley CAMP Advisory Committee as a temporary replacement for Ms. Gayle Batt. Mr. Rigby seconded the motion. Chairman Chamberlain called for a voice vote. All 7 present were in favor. Motion carried.

Chairman Chamberlain stated that there were concerns shared at the recent Idaho Water User's Association (IWUA) Convention that the TV CAMP Advisory Committee is not looking at the possibility of storage options and encouraged the committee to consider all options as they move forward. Ms. Harrington stated that with such a large committee there are varying perspectives on this topic, and the committee does recognize the need to spend more time discussing and considering storage options.

Mr. Chase inquired as to whether this committee is looking at the levee issue with the Corp. Ms. Harrington stated that this is a challenge of CAMP, deciding what is within the sphere of CAMP. The levees have been mentioned but are not likely to be included in any recommendations.

d. <u>State Water Plan</u>

Ms. Helen Harrington provided an update on the current activities of the State Water Plan (SWP) Subcommittee. The subcommittee is still working on the revision process and is currently working the Snake River Basin policies.

The subcommittee last met on December 6 in Boise. At that meeting, Dr. Christian Petrich, SPF Water, shared a presentation on the Lime Point issue. A similar presentation was given to the full Board several years ago. This provided an opportunity to provide an update and have a conversation as to how it related to the Snake River Basin policies. Mr. Chamberlain stated that minimum stream flow requirements may change based on information presented by Dr. Petrich, and the subcommittee would likely bring it before the Board for consideration. Chairman Chamberlain thanked those entities for submitting comments. Chairman Uhling returned to the meeting.

<u>Agenda Item No. 7, Water Storage Studies</u>

Ms. Helen Harrington provided an update on three current storage water projects: Lower Boise River Interim Feasibility Study, Henry's Fork, and Weiser-Galloway. The Lower Boise list has been narrowed down and is currently on hold while the Corp seeks additional funding. The Board has remaining credit available to match any funding needs.

The Henry's Fork Special Study is still moving forward and IDWR staff member, Ms. Cynthia Clark, and Board member, Mr. Jerry Rigby, have been active participants in the meeting process. At a recent meeting, a list of initial sites was laid out for the advisory committee. The Henry's Fork Watershed Council is assisting in facilitating the public input process for this project. Ms. Clark has attended every meeting, and Mr. Rigby intends to continue his support of the project after his appointment to the Board expires in an effort to keep the group focused and plans on bringing updates back to the Board. The Henry's Fork group meets on a monthly basis, and Ms. Clark and BOR staff attends all meetings and will continue to provide updates.

The Weiser-Galloway study team, which consists of staff from the IDWR, the Corp, and Mr. Jack Peterson, Federal liaison , met in mid-December to review a draft Gap Analysis prepared by the team members. A final result of this project is due on March 1 and the group is on track and on target to meet the March 1 deadline.

Mr. Peterson addressed the Board and stated that the group is currently compiling information from past review meetings and working on editing the final document. They are working on refining costs, operating scenarios, project structure and alternatives, and taking a hard look at geologic structures and integrity. They are addressing next steps and costs so they can present a report to the Board that includes options. The revised goal is to complete the report by late March. The group plans on giving a presentation and review for the Storage Subcommittee and the full Board in May, immediately followed by a field visit by the Board and subcommittee members. Mr. Peterson stated their goal is quality and integrity versus speed

and feel that May is a solid target. He stated that the report will be published in March but not likely by March 1 so they have time to produce a quality report and the highest quality of options.

Mr. Chamberlain reminded Mr. Peterson that the May Board meeting is scheduled for Coeur d'Alene to accommodate Rathdrum Prairie issues, and the Storage Subcommittee may want to consider changing their time for the presentation and field visit to the March or July Board meeting.

Mr. Graham asked if there has been enough public awareness of this study to determine whether there is significant opposition. Mr. Peterson stated it has been their full intent to include special interest groups, of which 26 are currently identified. Some elements of the project of specific interest are costs, geologic factors, and operating scenarios. One specific issue is that the three dams immediately downstream are owned by Idaho Power. The group has been constantly working with and informing Idaho Power to keep them involved in the process. Mr. Peterson stated that the key has been to put together a pre-feasibility study to formally engage the 26 groups identified in an effort to identify risks and challenges going forward and that none of the groups are in opposition at this point.

Chairman Uhling asked if the report will provide an estimate of what costs will be for the different options. Mr. Peterson replied that it would and that the Corp completed a very detailed analysis of costs forward from 1987 to current. Mr. Cuddy asked Mr. Peterson if the Corps cost analysis was based on their method of doing things. Mr. Peterson replied that it was and that by nature of the federal sector it is quite risk adverse. This is an opportunity for a public-private project so the hard number is critical, and he is taking a detailed look at costs and risks.

Chairman Uhling and Mr. Rigby stated that they needed to leave the meeting and asked if the issue of the Western States Water Council (WSWC) dues could be addressed at this time in the meeting. Chairman Uhling stated that there was a request for the Board to help fund the State and the Board's involvement in the WSWC, which he feels is a very important water policy and planning function for the State. The Governor stands as the Chairman for the Western Governors Association for the current year. The Director has historically sat as a member for the State, and Chairman Uhling suggested that the Board discuss that matter with the State to get Mr. Spackman on the WSWC.

Chairman Uhling left the meeting. Chairman Chamberlain asked for a formal vote on a change to the agenda. Mr. Graham made a motion to add a discussion on the WSWC dues to the agenda. Mr. Cuddy seconded the motion. Chairman Chamberlain 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: Absent. Roll Call Vote: 7 Ayes, 1 Absent. Motion carried.

Mr. Rigby briefly discussed Idaho's role and participation in the WSWC. He stated that Idaho as always been a leader in this organization and that it's imperative to keep that kind of presence. As of December the State is in default of dues and would no longer have a voting presence in the WSWC.

Mr. Spackman spoke briefly about the budget amount of $30,000 for the WSWC dues. The Department remitted a check in the amount of $22,500 to the WSWC and asked the Board to contribute the remaining $7,500.

Mr. Chase made a motion to pay $7,500 for dues to WSWC for 2010 annual dues. Mr. Alberdi seconded. Chairman Chamberlain 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: Absent. Roll Call Vote: 7 Ayes, 1 Absent. Motion carried.

Mr. Graham asked the secretary to read the motion as recorded. The secretary read the motion as, "to cover $7,500 of the 2010 (FY11) annual dues for the Western States Water Council." Mr. Graham asked for clarification as to which account the funds would be paid from. Mr. Patton stated it would come from the Revolving Development Account. Mr. Graham suggested that it be paid out of the Water Management Account. Mr. Patton agreed that the funds would be transferred out of the Water Management Account. Mr. Beck asked for clarification that these dues are for 2010. Mr. Patton stated that the funds are paid in FY2011 for the 2010 WSWC dues. Mr. Rigby clarified that the State was in default as of December 31, 2010, until dues are paid in full.

Mr. Beck asked Mr. Spackman if he felt it would be more beneficial to the Department if he were actively participating in the WSWC. Mr. Spackman stated that he wasn't sure, but at the least he would like to receive a report from participating members. Mr. Rigby stated that he would be willing to bring a report back to the Board from his participation in the WSWC. Mr. Beck asked about any additional expenses incurred for Mr. Spackman to attend versus Mr. Rigby attending and coming back to provide a report on WSWC activities. Mr. Rigby also stated that there are three positions represented by Idaho. The Department has always paid for two members to attend. Currently, that is Mr. Rigby and Mr. John Simpson as an alternate. DEQ also incurs costs for their own representative.

Chairman Chamberlain briefly discussed Idaho's responsibility for hosting the 2011 WSWC Annual Meeting. Mr. Rigby stated the WSWC would need to know soon whether Idaho will be hosting the annual meeting. Chairman Chamberlain suggested that the Idaho Water Users Association (IWUA) be involved in that discussion, along with the Department and the Board. Mr. Graham reiterated that a decision needed to be made as to whether Idaho would host the WSWC Annual Meeting. There was a brief discussion about what costs might be incurred for the State to host the annual meeting. Mr. Rigby left the meeting.

Agenda Item No. 8, Director's Report

Mr. Gary Spackman, Interim Director, called attention to Department staff and expressed his appreciation for their competence and performance at these meetings. He also recognized the federal liaisons, Mr. Peterson and Mr. Rigby, and their contributions to the Department.

Mr. Spackman briefly discussed Board reappointments, which are ongoing. At this point no decisions have been. He also discussed the Water Center space and ongoing negotiations with the Idaho Supreme Court Law Library. Department costs are currently almost $22.00 per sq ft and will be higher next year. After continued negotiation, they accepted $14.00 per sq ft for the next 5 years.

Mr. Spackman stated that he will be presenting the Department's budget on February 2. The Governor's budget calls for approximately $183,000, or less than 2%, cut in the general fund. He briefly discussed the fee bills that would potentially fund additional positions in well drilling but isn't hopeful that any fees will be approved by the Legislature this year.

Mr. Spackman also recalled ongoing discussions with the Northwest Power and Conservation Council (NWPCC) regarding water right applications pending in the Upper Salmon Basin and in the Clearwater Basin. The Idaho Department of Fish and Game (IDFG) perception, in particular, is that IDWR's water right

processing is in direct conflict with the IWRB's transaction programs and intent to restore flow in those streams and that approval of those applications would essentially offset the gains that are being made and that millions of dollar will be spent. Several solutions are being proposed through amended language in the State Water Plan related to those transactions and discussions with the NWPCC and Office of Species Conservation the possibility of having a Senior Fish Biologist resource that the Department can access for input on these issues.

Mr. Spackman also stated that there is still a problem at the Priest Lake outlet that needs to be resolved, including the need to have someone in place to avoid problems in the transition. Avista has been almost non-responsive to IDWR's communications in the last few months.

There has also been some discussion about the ESPA CAMP. The Department has delayed issuing a decision in the mitigation plan known as the Over-the-Rim Plan, and he has been hesitant in issuing a decision. He noted that the water supply looks good across the State. He also stated that Mr. Patton, Mr. Uhling, and Mr. Spackman have had ongoing discussions about how to make the Board meetings more efficient in staff utilization.

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

Chairman Chamberlain stated that a recharge policy discussion was requested at the last Board meeting. Mr. Patton stated that it would be a topic on the agenda for the March meeting.

Agenda Item No. 11, Next Meeting and Adjourn

Meeting was adjourned at approximately 11:45 a.m. Next Board meeting is scheduled for March 10 and 11, 2011, in Boise, Idaho.

Respectfully submitted this 11 day of March, 2011.

Bob Graham, Secretary

Diana Ball, Administrative Assistant II

Board Actions:

1. Mr. Chamberlain moved to approve Minutes for Meeting 10-10 and 11-10 as submitted. Motion was seconded by Mr. Alberdi. Voice Vote: 8 ayes. Motion carried.
2. Mr. Rigby moved to approve the FY2010 Annual Report as submitted. Motion was seconded by Mr. Gary Chamberlain. Voice Vote: 8 ayes. Motion carried.
3. Mr. Chamberlain made a motion to accept the resolution as presented in the matter of Chaparral Water Association for a Revolving Development Fund loan in the amount of $68,000 at 6.0%

interest for 10 years. The motion was seconded by Mr. Alberdi. Chairman Uhling 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. Roll Call Vote: 8 Ayes. Motion carried.

4. Mr. Chamberlain made a motion to accept the combined resolution for agreements not to divert water from Big Timber Creek, Canyon Creek, and Little Springs Creek in the amount of $1,267,454.05 to be funded through the Idaho Fish Accord – Idaho Water Transactions Fund. The motion was seconded by Mr. Rigby. Chairman Uhling 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. Roll Call Vote: 8 Ayes. Motion carried.

5. Mr. Chase made a motion to move to appoint Mr. Vern Case as a temporary member of the Treasure Valley Advisory Committee as substitute for Ms. Gayle Batt who is serving on the 2011 Legislature. Motion was seconded by Mr. Rigby. Voice Vote: 7 ayes, 1 absent. Motion carried.

6. Mr. Graham made a motion to add a discussion on the WSWC dues to the agenda. Mr. Cuddy seconded the motion. Chairman Chamberlain 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: Absent. Roll Call Vote: 7 Ayes, 1 Absent. Motion carried.

7. Mr. Chase made a motion to pay $7,500 for dues to WSWC for 2010 annual dues. Mr. Alberdi seconded. Chairman Chamberlain 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: Absent. Roll Call Vote: 7 Ayes, 1 Absent. Motion carried.