



Eastern Snake Plain Aquifer (ESPA) Comprehensive Aquifer Management Plan

Funding Working Group Meeting

Draft Meeting Summary August 7, 2009 (Teleconference Call)

Meeting Summary

The Working Group reconfirmed the preferred criteria for a collection mechanism including that it be 1) mandatory, 2) administratively simple and cost efficient 3) consistent with the Plan and 4) does not require approval by elections.

Alex LeBeau reviewed a mandatory fee approach and noted that it has the potential to be the simplest means to collect the ESPA Plan commitments. Any fee is required to be used for the benefit of the fee payers, such restrictions reduce temptation to spend the resource in some other fashion. A fee approach may also be the most easiest to deal with credits as compared to a taxes (i.e. credit for what benefits toward ESPA Plan).

How do you collect the fee? Alex noted that the fee could be collected based upon the water right itself - access to the water versus not utilization (calculated by IDWR and added to a utility bill for a particular classification). This approach, it was mentioned, could be problematic to assess the fee on water rights especially since the Plan envisions an assessment by acres.

What entity would collect the funds? IDWR could help develop the collection system and then farm out tasks to banks to collect. Annualized payment versus a monthly collection (part of the annualized), although it may be more palatable if it was monthly bill vs. annual.

What happens if the fee is not collected? It was noted that if fees are not paid it could use a normal collection process (attempt to collect, collection agency).

Proposal - Electric Utility

Hal Anderson introduced an approach that Phil Rassier and others had developed a proposal in response to WG input. The attempt was to leverage the input this far - mandatory, administratively simple and cost effective, not a tax, and easy to collect. Hal noted that only other choice is either to pursue a fee based approach or tax with a vote/another layer of governance.

Phil Rassier outlined an approach that would collect the ESPA Plan fees through the power bill. The use of a power bill, as a surrogate, would add the small assessment to everyone in the ESPA by piggybacking on existing billings. It was acknowledged that it

may be confusing to include ESPA funding in the electrical billings as there is an indirect relationship between water users and fees.

The approach may be useful for groundwater users but is harder for surface water users and may include a significant cost to develop programs to assess and collect funds. Idaho Power noted that it is not enamored with placing another fee on the bills and that it would complicate the situation. In addition, many do not receive electrical bill from Idaho Power. Don Howell, noted that the PUC is philosophically opposed to using utility billing system for collection of fees for other purposes. Rocky Mountain power, also mentioned that it also strongly resists efforts to change policy regarding collection fees of through power bills. It was also highlighted that collecting from self-supplied domestics is contrary to the direction of the Committee and Plan. The WG recommended examining a different option.

Fees Collected through Water Districts

Previously, Phil cautioned against the use of water districts to collect ESPA Plan contributions because it was conceived of as a tax. However, a legislatively imposed fee, for aquifer management, might have some more potential. The Water Districts have a regulatory function, collecting fee is not directly related to administration and change could be very difficult. A fee collected through the Water Districts has real education value one WG member noted; it could help address the question of why there a fee for aquifer, i.e. trying to improve the ESPA.

Clive Strong noted that while a fee based approach has a better feel, it has to pass a number of legal tests, including is it reasonably related to the service provided. Clive noted that a fee puts a greater number limitation on collection of Plan funds and that the remaining approaches include the following 1) a voluntary contractual relationship between entities and Board or 2) creation of a district that encompasses ESPA (seems most reasonable). Others noted that a fee system is more flexible in distinguishing between classes of users and addressing the issue of credit.

A fee approach will need to: 1) meet a legal standard, i.e. reasonably related to the individual not broader public and have 2) a rational relationship exists for the participation targets. Questions include

- Can a Plan fee with the water districts pass the legal tests? Can we broaden it and put it in a state water management fund? One option is a statewide legislation to authorize collection of fees for those aquifers with an adopted management plan.

Phil Rassier and Clive Strong will evaluate a fee based approach, collected through the Water Districts, and report on its legally feasibility. The WG will meet on Thursday, the 13th at 9:00 am at the City Hall in Chubbuck to review the status of the proposals and prepare to communicate to the Committee. If a fee based approach will not work, the WG will immediately turn to a tax based approach to collect the funds.

Attendees:

Alex LeBeau, Norm Semanko, Jim Tucker, John Chatburn, Hal Anderson, Russell Westerburg, Phil Rassier, Harriet Hensley, Steve Goodson, Jeff Raybould, Randy Bingham, Clive Strong, Lynn Tominaga, Don Howell (PUC), Randy MacMillan, Lloyd Hicks.