

FINAL REPORT

Natural Resource Issues Interim Committee SCR 103 (2003)

Members

Senator Laird Noh
Co-chair through 11-30-04
Senator Don Burtenshaw
Co-chair as of 12-1-04
Senator Stan Williams
Senator John Andreason
Senator Fred Kennedy (2003)
Senator Clint Stennett (2004)
Senator Skip Brandt (Non-voting)
Senator Brad Little (Non-voting)

Representative Dell Raybould, Co-chair
Representative Bert Stevenson
Representative Lawrence Denney
Representative JoAn Wood
Representative Charles Cuddy

Expanded Natural Resource Issues Interim Committee HCR 56 (2004)

Members

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Co-chair through 11-30-04
Senator Don Burtenshaw
Co-chair as of 12-1-04
Senator Robert Geddes
Senator Stanley Williams
Senator Dean Cameron
Senator Joe Stegner
Senator Clint Stennett
Senator Skip Brandt
Senator Bert Marley

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Representative Bert Stevenson
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Representative Jack Barraclough
Representative Scott Bedke
Representative Mike Moyle
Representative George Eskridge
Representative Charles Cuddy
Representative Wendy Jaquet

Ad Hoc Members

Senator John Andreason
Senator Brent Hill
Senator Tom Gannon
Senator Shawn Keough
Senator Marti Calabretta
Senator Gary Schroeder
Senator Richard "Dick" Compton
Senator Brad Little

Representative Maxine Bell
Representative Larry Bradford
Representative Doug Jones
Representative Wayne Meyer
Representative Lawrence Denney
Representative Darrell Bolz
Representative Peter Nielsen
Representative George Saylor
Representative Tim Ridinger
Representative Eulalie Langford

Staff: Katharine Gerrity, Toni Hobbs, Ray Houston

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**LEGISLATIVE COUNCIL
INTERIM COMMITTEE
NATURAL RESOURCE ISSUES
2003-2004**

FINAL REPORT

Charge

The Natural Resources Issues Interim Committee was a two-year committee formed in 2003 pursuant to the authority of SCR 103. The resolution authorized the Committee to undertake and complete a study of various natural resource issues including, but not limited to, the effort to negotiate a settlement of the Nez Perce tribal claims in the Snake River Basin Adjudication, the development of the biological opinion by the National Marine Fisheries Service for salmon recovery, the limited and conditional authorization for the use of 427,000 acre feet of Idaho water for salmon recovery, evolving water rights issues connected to electric utility restructuring, and issues related to the impact of drought conditions in Idaho. The Committee was directed to make a report detailing its findings, recommendations and proposed legislation, if any, to the First Regular Session of the Fifty-eighth Idaho Legislature.

The members of the Committee were: Senator Laird Noh (Co-chair through 11-30-04), Representative Dell Raybould (Co-chair), Senator Don Burtenshaw (Co-chair as of 12-1-04), Senator Stan Williams, Senator John Andreason, Senator Fred Kennedy (2003), Senator Clint Stennett (2004), Representative Bert Stevenson, Representative JoAn Wood, Representative Lawrence Denney and Representative Charles Cuddy. Nonvoting ex-officio members of the Committee were: Senator Skip Brandt and Senator Brad Little.

The Natural Resources Interim Committee was expanded in 2004 pursuant to the authority of HCR 56. The resolution authorized the Committee to continue with its original charge as well as to specifically study and evaluate ways to stabilize the water distribution system in Idaho, allowing the various interests and people in the water supply arena to give input and testimony to the Committee. The Committee was further directed to involve persons with technical expertise in hydrology, engineering, economics and law in its deliberation and at a minimum conduct a study regarding water supply and management issues in the Moscow, Rathdrum Prairie, Snake River

Plain Aquifers and the Bear River Drainage. The co-chairmen were to appoint advisors with technical expertise in the water supply arena and receive input from stakeholders in the water rights system of Idaho to attempt to stabilize the water delivery system in the state. The Committee was also directed to ensure, in conjunction with the executive branch, that all state commitments set forth in the Eastern Snake Plain Aquifer Mitigation, Recovery and Restoration Agreement for 2004 (dated March 15, 2004) between water users and the State of Idaho are fulfilled. The Committee was directed to make a report detailing its findings, recommendations and proposed legislation, if any, to the First Regular Session of the Fifty-eighth Idaho Legislature.

The members of the Committee were: Senator Laird Noh (Co-chair through 11-30-04), Representative Dell Raybould (Co-chair), Senator Don Burtenshaw (Co-chair as of 12-1-04), Senator Robert Geddes, Senator Stan Williams, Senator Dean Cameron, Senator Joe Stegner, Senator Skip Brandt, Senator Clint Stennett, Senator Bert Marley, Representative Bert Stevenson, Representative JoAn Wood, Representative Jack Barraclough, Representative Scott Bedke, Representative George Eskridge, Representative Mike Moyle, Representative Wendy Jaquet and Representative Charles Cuddy. Ad Hoc members of the Committee were: Senator John Andreason, Senator Brent Hill, Senator Brad Little, Senator Tom Gannon, Senator Shawn Keough, Senator Marti Calabretta, Senator Gary Schroeder, Senator Dick Compton, Representative Maxine Bell, Representative Larry Bradford, Representative Doug Jones, Representative Wayne Meyer, Representative Lawrence Denney, Representative Darrel Bolz, Representative Peter Nielsen, Representative George Saylor, Representative Tim Ridinger and Representative Eulalie Langford.

The Committee was extended by President Pro Tempore of the Senate, Robert L. Geddes, and Speaker of the House, Bruce Newcomb, on December 3, 2004, for the purpose of providing the Committee with additional time to complete their charge.

Meetings

The original Committee had a total of four meetings which were held on June 18, 2003, August 11, 2003, April 13, 2004, and May 17, 2004.

The expanded Committee met on the following dates:

April 9, 2004
May 6, 2004
June 3, 2004
July 7, 2004
August 5, 2004
September 2, 2004
October 14, 2004
November 29, 2004

Scope of Study

The original Committee meetings were largely devoted to discussions relating to water right claims in the Snake River Basin Adjudication. The Committee met on a number of occasions in executive session pursuant to a judicial protective order, as well as pursuant to the provisions of Section 67-2345(f), Idaho Code, for the purpose of considering and advising its legal representatives in pending litigation, specifically that involving pending federal reserved water rights litigation and associated matters. During the executive sessions, no final actions were taken or final decisions made.

The confidentiality order having been lifted, the Committee meeting on May 17, 2004, was devoted to a presentation by Mr. Clive Strong, Division Chief, Natural Resources Division, Idaho Attorney General's Office, relating to review of the Nez Perce Term Sheet.

The essential points of Mr. Strong's presentation during the May 17 meeting were as follows:

Since 1998, the Nez Perce Tribe, the United States, the State of Idaho, and local communities and water users in Idaho have engaged in mediation as part of the Snake River Basin Adjudication (SRBA) to resolve the claims of the Nez Perce Tribe in the Snake River.

The SRBA is the legal inventory of about 150,000 water rights in 38 of Idaho's 44 counties. The Nez Perce dispute has been the biggest outstanding dispute in the Snake River Basin.

The parties have now agreed on a “Term Sheet” that will guide the settlement of the case, and that provides the responsibilities of the parties over the thirty-year term of the agreement.

The components in the Term Sheet are as follows:

NEZ PERCE TRIBAL COMPONENT which, among other things, quantifies the Tribe’s on-reservation, consumptive use reserved water right at 50,000 acre feet a year with a priority date of 1855; establishes a \$50 million multiple-use water and fisheries resources trust fund; provides \$23 million for the design and construction of a water supply and sewer system on the reservation; transfers management authority of Kooskia National Fish Hatchery to the Tribe; and transfers a portion of Bureau of Land Management-administered land within the reservation valued at \$7 million to the Tribe.

SALMON/CLEARWATER HABITAT MANAGEMENT AND RESTORATION INITIATIVE which, among other things, provides that instream flows will be established and held by the Idaho Water Resource Board for selected streams of importance to the Tribe; requires the State of Idaho to administer a cooperative agreement under the Endangered Species Act; and establishes a Habitat Fund to provide funding for habitat improvement projects.

SNAKE RIVER FLOW COMPONENT which, among other things, provides that certain minimum flows will be decreed by the SRBA Court to the Idaho Water Resource Board; requires the State of Idaho to extend the provisions of state law for the term of the agreement to allow the Bureau of Reclamation to lease up to 427,000 acre feet of water from Idaho water banks for flow augmentation; and allows Reclamation to acquire up to 60,000 acre feet of consumptive natural flow water rights from the Snake River, with compensation to local communities for impacts caused by this acquisition.

State and Federal legislation and Tribal approval will be necessary to implement the provisions of the Term Sheet. In addition, a final consent decree must be entered by the SRBA court.

In terms of the scope of the settlement, according to Mr. Strong, the agreement would provide a final resolution of all Nez Perce federal reserved water right claims and provide ESA incidental take coverage for diversions of water within the Snake River Basin in Idaho above Hells Canyon Dam for a period of up to thirty years.

Mr. Strong clarified to the group that the Nez Perce Term Sheet is not final. It must first

be approved by Congress, the Idaho Legislature, the Nez Perce Tribe and, in addition, a biological opinion must be issued by March 31, 2005. The Term Sheet represents an agreement by the parties to move forward in good faith to seek implementation of the terms.

A copy of the Term Sheet, a summary of the agreement and the full agreement may be found on the Idaho Department of Water Resources website located at:
<http://www.idwr.state.id.us>

The Expanded Natural Resources Interim Committee began meeting on a monthly basis in April, 2004. All full Committee meetings have been held in Boise.

The primary goal of the Committee's April 9 meeting was to educate the members, and those in attendance, about the history and status of water supply and management throughout the State of Idaho. The Idaho Department of Water Resources provided detailed information about aquifers located throughout the state. In addition, the Committee was briefed relating to Idaho water law. The attorney general's office reviewed the terms of the Eastern Snake Plain Aquifer Mitigation, Recovery and Restoration Agreement for 2004 and the Co-chair addressed plans for the initial organizational structure of the Committee.

Five regional working groups were formed including the North Idaho Aquifers Working Group, the Treasure Valley Aquifer Working Group, the Mountain Home Aquifer Working Group, the Eastern Snake River Aquifer - Snake River (ESPA) Working Group and the Bear River Aquifer Working Group. Idaho Department of Water Resources and contractor support personnel were assigned to each working group to assist with technical matters to be reviewed and considered by the groups. (From the time of their formation, the working groups generally met on a monthly basis in their respective regional locations and then reported back to the Committee during the Committee's monthly meetings. Most of the working groups reported significant public interest and attendance during their respective meetings.) An executive branch coordination group was also identified.

The Committee's meeting in May focused on the issue of recharge. The Committee reviewed recharge efforts that are occurring in the state or that have been studied, and heard from the various interests involved including the Bureau of Reclamation and Idaho Power, regarding their views relating to recharge. The rehabilitation possibilities for Minidoka Dam were also reviewed.

During the Committee's meeting on June 3, a presentation was made by a research scientist with the University of Washington's Climate Impacts Group. Additional agenda items included technical presentations relating to the Eastern Snake River Plain Aquifer and ground water modeling by the University of Idaho's Idaho Water Resources Research Institute (IWRRRI). A specific overview relating to the North Idaho Aquifers was also provided.

In July, the Committee was briefed on the historical background of the Swan Falls Agreement, a key element in Idaho's water development history. A panel, composed of numerous individuals that were instrumental in the development and implementation of the 1980's Swan Falls Agreement, provided the Committee with commentary and perspectives relating to that Agreement. The panel included Mr. Ken Dunn (former director of the Idaho Department of Water Resources), Governor John Evans (Governor of the State of Idaho from January, 1977 to January, 1987), Mr. James Bruce (former CEO, Idaho Power Co.), Mr. Jim Jones, (former Attorney General), Mr. Roger Ling (attorney for water users), Mr. Ray Rigby (former state senator and former chairman of Governor Evans' advisory committee), Mr. Pat Kole (former deputy attorney general for Jim Jones), Mr. Kent Foster (attorney for water users) and Mr. Pat Costello (former counsel for Governor Evans). Due to scheduling conflicts, an additional panel member, the Hon. Thomas G. Nelson, United States Court of Appeals for the Ninth Circuit, and former counsel for Idaho Power Company at the time of the Agreement, addressed the Committee during its meeting in September. In addition, Mr. Norm Young, former Assistant Director of the Idaho Department of Water Resources, provided the Committee with information relating to the actual implementation of the Swan Falls Agreement.

During its meeting in August, the Committee received an update regarding the ESPA Grant Program, provided for by the Eastern Snake Plain Aquifer Mitigation, Recovery and Restoration Agreement for 2004, from the Idaho Department of Commerce. The purpose of the program was to provide \$500,000 in grant money to qualifying affected spring users for the implementation of infrastructure improvements to address spring water supply problems. In order to be eligible for a grant, a person was required to be an affected spring user with a fully valid water right in the area and exhibit a reduction in water. The affected user was also required to propose an improvement to the infrastructure that would help bring more water into the area. Improvements were required to contribute to a long-term solution to the water issues in the Thousand Springs area and be capable of producing benefits in the 2005 irrigation season while not injuring other water rights. Details of the selection process were described to the Committee. The Committee also received an update relating to the Mountain Home Aquifer Working Group by the Idaho Department of Water Resources. Updates regarding the status of the ground water model runs were also provided by IWRRI and the Idaho Department of Water Resources.

During the Committee's meeting on September 2, a presentation was made by the Farm Service Agency regarding proposed federal farm programs, including the Conservation Reserve Enhancement Program (CREP), and by the Association of Idaho Cities, regarding the cities' efforts to assist in solutions to ground/surface water management issues. In addition, Director Karl Dreher of the Idaho Department of Water Resources, addressed the Committee to explain the various challenges the Department is faced with in administering water rights in the state. Mr. Jerry Rigby of the Idaho Water Resource Board explained the purpose and role of the Board to the Committee.

The Committee was also provided with a specific update relating to the Treasure Valley Working Group.

The Committee's next meeting was on October 14. During that meeting, Director Toni Hardesty, Idaho Department of Environmental Quality, addressed the Committee to review and respond to questions relating to some of the Department's pending rules and guidelines, specifically those relating to recharge. The Farm Service Agency updated the group about the CREP program efforts and the formation of a working group to develop an actual proposal. Director Dreher also addressed the Committee to review an ESPA "strawman" proposal. The Director indicated that, pursuant to the proposal, the target for a positive shift in the water budget is 600,000 to 900,000 acre feet on an annual basis. There would be three components to achieve this shift. The first would be to manipulate or reallocate the available supply, the second would be to manage the available supply in a different manner than today, and the third would be to bring about a reduction in demand. The Director specifically addressed the Committee about presenting a Request for Proposal to water users to allow the state to assess how much water might be available, where it might be located, what priority date it has, what source it has, and what the costs might be. The process would not obligate the state. The Committee authorized the Director to proceed with the RFP, following review and approval by the Office of the Governor, to expedite the process of finding the extent of water that might be available for sale. At a subsequent meeting of the ESPA working group the Director discussed the specifics of a strawman funding proposal that would, in part, provide a source of funding for any potential purchases. Finally, Michael Bogert, former counsel for the Governor's Office, addressed the Committee regarding the progress of the Nez Perce Agreement in Congress.

The final Committee meeting of 2004 was held on November 29. During that meeting bond counsel for the Idaho Water Resource Board addressed the Committee regarding options relating to the potential acquisition of water rights by the state, specifically the possibilities of financing a program with the use of tax-exempt bonds. The Farm Service Administration also addressed the Committee with an update relating to the CREP program efforts. A rough draft of the CREP proposal has been prepared and circulated to various interest groups and a revised draft is expected to be completed by mid-January, 2005. In addition, the Committee received information relating to modeling scenarios by the University of Idaho.

During the November meeting, Mr. Clive Strong, Division Chief, Natural Resources Division, Idaho Attorney General's Office, as well as representatives of the ground water users and spring water users, provided the Committee with their respective commitment reports relating to the ESPA Mitigation, Recovery and Restoration Agreement for 2004. Mr. Strong informed the Committee that all responsibilities of the state in terms of the Agreement have had action taken on them or are in the process of action being taken on them with one exception involving new conjunctive management rules. According to Mr. Strong, the parties have agreed that new conjunctive management rules should be deferred as development and implementation of a longer settlement agreement is being

pursued. Ground water user representatives reported their efforts relating to curtailment, conversions, water deliveries, provision of services to the technical advisory committee and payment to spring water users pursuant to the terms of the agreement. A representative for the spring water users association addressed their stay of water calls, participation in negotiation efforts, and the establishment of a legal entity to receive and distribute payment from the ground water districts. According to the association's representative, spring users who became members of the entity were informed that they had until November 15, 2004, to send in their claim forms for water loss. Spring water users are now awaiting final recommendations as to how the money will be distributed. A report relating to the distributions is to be provided to the Committee when available. In addition, the spring water users reported that an Aquaculture Commission was created and commissioners were named and are now meeting to organize. The Department of Commerce is to assist the Commission in finding funding sources.

The Department of Commerce and Labor provided the Committee with another update at the November meeting relating to the ESPA Grant Program. Eight projects totaling \$418,000 were funded. The grants were awarded as follows:

| <u>COMPANY</u> | <u>AMOUNT FUNDED</u> | <u>EST. BENEFIT</u> |
|---|----------------------|---------------------|
| Buckeye Ditch Company | \$ 19,370 | 2 CFS |
| Buckeye Farms | \$184,005 | 16 CFS |
| Canyon Springs Golf Course & Fish Farm | \$ 23,090 | 4 CFS |
| Clear Springs Foods | \$ 76,752 | 4 CFS |
| Fisheries Dev. Co. | \$ 77,500 | 2 CFS |
| Rangen, Inc. | \$ 37,375 | 1 CFS |

The approved projects are currently under design, bid or construction. The Buckeye Ditch Company project has been completed. According to the Department, the remaining \$82,000 of the designated \$500,000 was set aside for a joint test well for two companies, Clear Lakes and Clear Springs. However, the test well project was canceled by the mutual consent of the parties. These funds will be reevaluated and awarded to a previous applicant(s).

During the November meeting, Director Karl Dreher, Idaho Department of Water Resources, explained to the Committee that the Governor has given his concurrence to proceed with presenting an offer to sell to the water users. He reiterated that a request for proposal to sell does not represent an offer to purchase. The Offers to Sell simply afford people an opportunity to provide an offer to sell their water rights to the state. As noted during the October meeting, this process will allow the state to assess how much water might be available, where it might be located, what priority date it has, what source it has, and what the costs might be.

During the November meeting, the Committee also received the final reports and recommendations of the various working groups. The reports and recommendations, in summary, were as follows:

Bear River:

Representative Eulalie Langford, an Ad Hoc member representing the Bear Lake Working Group, presented a draft Joint Memorial authorized at the Committee's October 14 meeting. The Joint Memorial requests support from Idaho's congressional delegation for authorization and funding of a feasibility study by the United States Corps of Engineers relating to the possibilities, benefits and costs of providing flood control above Bear Lake. The memorial also urges Congress to allow and approve past local expenditures, up to fifty percent of the total cost of the study, as the required local match. The Committee voted to endorse the draft Joint Memorial for introduction in the upcoming legislative session.

Mountain Home:

Representative Bert Stevenson presented the following recommendations from the Mountain Home Working Group:

That the Mountain Home Ground Water Advisory Committee complete and submit to the Idaho Department of Water Resources a recommended management plan within 180 days from January 1, 2005. The Working group reviewed an existing draft plan prepared by the advisory committee in 1998, and recommends the advisory committee pursue revision and completion of this plan that is consistent with the other recommendations that follow.

That a net reduction of approximately 30,900 acre-feet per year in ground water withdrawals from the regional aquifer system be made to balance the water budget. Reductions in ground water withdrawal must be sufficient to arrest, or at least significantly slow, the declines in water levels in the regional aquifer.

That the Idaho Department of Water Resources reconsider the boundaries of the Mountain Home Ground Water Management Area and the Cinder Cone Butte Critical Ground Water Area, and redefine the boundaries of areas for ground water management to match physical evidence of declining ground water levels and areas of water supply.

That legislation be drafted authorizing the creation of an umbrella aquifer management authority with broad authority for inclusion of ground water users, for implementing actions to address water shortages, and for equitably assessing all water users to finance the actions.

That the Legislature analyze the existing definition of domestic use in Section

42-111, Idaho Code, and the associated exclusion from the requirement to apply for a water right contained in Section 42-227, Idaho Code, to determine whether there is a need for revision.

That the Director of the Idaho Department of Water Resources form a water district that includes the ground water rights in the Mountain Home area. While regulation should not be immediately contemplated by the creation, ground water users should measure and report their diversions of water to insure adherence to limitation of the water rights.

That a Conservation Reserve Enhanced Program (CREP) be established for the State of Idaho. Some lands irrigated with ground water could be taken out of production through CREP, reducing the financial loss of nonagricultural production.

The adoption of water conservation measures by local governments, including incentives for low water use landscaping.

That the county and city evaluate the benefits of revisions to land use codes. Land use codes may be used to ensure water rights are transferred when lands are annexed. Revisions to land use codes could also restrict development of large lot acreage that may ultimately be irrigated illegally with ground water.

A one-time budget request in the amount of \$100,000 to Idaho Department of Water Resources for installation of dedicated monitoring wells. Dedicated monitoring wells provide valuable and accurate data for evaluating the aquifer conditions and changes. The current monitoring network depends on existing wells that were drilled for various uses. Dedicated monitoring wells at key locations would add important data to the network. To obtain such wells, they would need to be installed at selected locations. Estimated cost for installing monitoring wells is \$25-30 per foot; estimated cost for pressure transducer monitoring equipment is \$1500. The estimated cost for a 600-foot monitoring well with monitoring equipment would be \$15,000-\$18,000. It is recommended that 5 wells be installed, with a total estimated cost of \$75,000-\$90,000.

That the Conservation Reserve Enhancement Program (CREP) and the Little Camas Canal PAM Study projects proceed.

North Idaho:

The North Idaho Working Group made the following recommendations for the Clark Fork, Pend Oreille, Kootenai, Moyie and Priest River Basins:

Provide \$102,000 in funding for data base development and collection of water monitoring data for the Pend Oreille and Clark Fork rivers; including

\$60,000 one time funding for the development of a database to compile in one place studies done on Pend Oreille Lake on water quality and water quantity issues and to identify gaps in baseline data and \$42,000 for water quality monitoring to establish base conditions prior to the development and operation of the Rock Creek mine in Montana. In addition, the group recommended that \$100,000 be provided for a long-term impact study of the effect of the proposed Rock Creek Mine.

Provide \$50,000 one time money to the Kootenai Resource Initiative to supplement funding for collecting and analyzing data related to reservoir operation effects on white sturgeon and to develop baseline data for water quality and water quantity issues on the Moyie and Kootenai Rivers.

Provide \$150,000 in start up funding for an executive director, office space and operating expenses for the Pend Oreille and Priest Lake Commission.

Provide funding for a study of Pend Oreille lake level/operation on ground water recharge to the Rathdrum Aquifer. Pend Oreille is at the upper end of the Rathdrum Aquifer and changes to the operation of the lake level may have an effect on the amount of water recharged to the Rathdrum Aquifer. The group submitted that a study is needed to quantify the degree of interconnection between the lake and the aquifer and how lake level changes would affect the aquifer. A specific funding request was not provided at this time.

The following recommendations were made for the Coeur d' Alene, Spokane and Rathdrum areas:

Idaho is currently engaged in a collaborative study of the Rathdrum Aquifer with the State of Washington and the U.S. Geological Survey. The study resulted from concerns in Washington and Idaho of the long-term viability of the ground water and interconnected surface waters of the Rathdrum Aquifer and Spokane River including interstate water delivery issues. Congress appropriated \$2 million to continue the study of the Rathdrum Prairie Aquifer and there will probably be a state match required. Last year the State of Washington contributed \$100,000 and intent language provided that Idaho would make in-kind contributions through technical services. It is believed that the state will be required to contribute actual cash to the study. The group recommended that the State of Idaho match Washington's contribution which this year is predicted to be \$150,000. The advisory committee's report includes water management strategies and goals such as obtaining adequate technical data and quantification of water availability and water use to make knowledgeable and appropriate management decisions about the ground

water resources of the Rathdrum Prairie. These goals also include the efficient and fair management of ground water for all users and the encouragement of water conservation efforts. Another goal is to encourage the State of Washington to obtain information regarding water availability and use to manage the resource consistently across the bi-state aquifer.

Establish and designate an Idaho/Washington organization that will coordinate and collaborate on cross-border water management issues. The organization will work with state water management agencies, local governments and other stakeholders to facilitate cooperation and information exchange. A base level funding of \$50,000 per year is proposed.

Adoption of the recommendation of the Rathdrum Ground Water Management Plan Advisory Committee. Recommendations also include commencement of water right adjudication for the Coeur d'Alene Basin.

The Coeur d'Alene Lake Management Plan would be implemented in conjunction with the Tribe at an estimated cost of \$150,000.

Additional funding in the amount of \$550,000 for the Department of Environmental Quality. Part of the money would be used for water quality monitoring and part would be used to conduct a study in the Rathdrum Prairie, to see how affluent that is being discharged into the Spokane River affects flow. The study would cost an estimated \$300,000.

The following recommendations were made for the Palouse:

Adopt project proposals from Palouse Basin Aquifer Committee which involve funding two priority projects for Monitoring Well Fields Nos. 2 and 3 and the Pilot Passive Recharge Well totaling \$474, 000 for fiscal year 2006. The remaining three projects recommended by the aquifer committee are Pilot Infiltration Basin or Combined Wetlands/Recharge Basin, Aquifer Model Development, and Pilot Surface Catchment Project, totaling \$488,000, which the group recommends should be funded as soon as possible.

Commence a general adjudication of water rights in the Palouse Basin only if supported by local community.

The following recommendations were made for the Clearwater and Salmon:

Legislative support, including letters, from legislative leadership for dredging and other projects to keep the Port of Lewiston operable for

shipping as well as letters supporting the continued maintenance and operation of the lower Snake River Dams for clean hydropower production and shipping operation.

No need for additional minimum streamflows or protection is necessary for the Selway, Lochsa, Salmon and Little Salmon Rivers. If the proposed settlement of Nez Perce tribal claims in the Snake River Basin Adjudication is not approved, the state should evaluate whether additional protection or regulation is needed.

The Legislature should oppose the potential listing of North Fork Clearwater rainbow trout as a threatened species requiring protection under the Endangered Species Act.

The state should seek greater control of Dworshak Reservoir so the water resource could be used for the benefit of Idaho citizens.

The working group also made the following general recommendations:

That additional funding should be provided to the IDWR budget to monitor, measure, collect and analyze surface and ground water data in the northern basins particularly in areas with on-going concerns. The group recommends \$250,000 per year of which \$150,000 for FY06 and FY07 would be dedicated to support the Spokane Valley-Rathdrum Prairie Hydrologic Project.

Move forward to adjudicate the remaining basins in the state that were not completed in the Snake River Basin Adjudication. This should be accomplished by basin dependant upon support from the local communities. At this time an adjudication is not supported for the Palouse and Potlatch Basins, but a public process will be implemented to determine if there is support for an adjudication.

Establish an organization to coordinate and facilitate cross-border water resource management. The organization should focus on collaboration and information exchange for water resource issues between Idaho and Washington. The goal should be to provide a forum to educate and inform the community as well as provide recommendations to state water management agencies.

Treasure Valley

The Treasure Valley Working Group made the following recommendations:

That monitoring of ground water continue with studies done annually.

- , A massive ground water study be done every five years.
- , Consideration of installing additional permit multi-level monitoring wells.
- , Completion of a periodic water level report on the basin so that a problem can be recognized early.
- , Find long and short-term management goals to ensure an adequate high quality water supply in the Treasure Valley for irrigation, commercial, municipal, industrial, recreational and wildlife purposes.
- , Minimize the risk of flooding along the Boise River corridor.
- , Find opportunities for managed recharge and aquifer storage and recovery.
- , Encourage the use of shallow aquifer water through regulatory and financial incentives.
- , Encourage the use of single community wells, instead of individual wells, for new residential developments.

Eastern Snake Plain

During the course of its meetings, two issues that were favorably discussed by the ESPA Working Group involved efforts relating to the CREP Program as presented by the Farm Service Agency and the potential purchase of water rights from high lift pumpers with funding from some variation of a strawman funding proposal as described to the group by the Director of the Department of Water Resources and water leases. Due to the extensive nature of the issues affecting the Eastern Snake Plain, it is anticipated that recommendations of the Eastern Snake Plain Working Group will continue to be developed during the course of the work of the 2005 interim committee. Legislation that will address various issues affecting the Eastern Snake Plain has been introduced during the First Regular Session of the Fifty-eighth Idaho Legislature and is being considered for adoption.

In order to provide the public with an efficient source of information relating to the Committee, Legislative Services provided Committee and working group information on its legislative website. In addition, the Idaho Department of Water Resources developed a web page to specifically track meetings of the Committee as well as the working groups. Notices, agendas and minutes were posted on the sites and the IDWR site also posted various power point presentations that were presented during meetings for the public's information. IDWR also prepared and distributed press releases for the various meetings. The respective websites are located at the following addresses:

- , Legislative Services:
<http://www.legislature.idaho.gov/sessioninfo/2004/interim/interimcommittees.htm#resource>
- , Idaho Department of Water Resources: www.idwr.state.id.us/Committee

Speakers

The committee took testimony from a wide range of individuals and groups. Following is a list of people, groups or agencies that testified or provided comments during one or more of the original and expanded Committee meetings:

Mr. Michael Bogert, Office of the Governor
Mr. Jim Yost, Office of the Governor
Mr. David Hensley, Office of the Governor
Mr. Clive Strong, Division Chief, Natural Resources Division, Idaho Attorney General's Office
Idaho Department of Water Resources
 Director Karl Dreher
 Mr. Phil Rassier
 Mr. David Blew
 Ms. Helen Harrington
Idaho Department of Environmental Quality
 Director Toni Hardesty
 Mr. Barry Burnell
Mr. Norm Semanko, Idaho Water Users Association
Mr. Terry Uhling, Esq.
Mr. James Tucker, Idaho Power Company
Mr. Michael Creamer, Esq.
Mr. Dan Steenson, Esq.
Mr. John Simpson, Esq.
Mr. Lynn Tominaga, Idaho Ground Water Users
Ms. Kay Hardy, Clear Lakes Trout Co.
Mr. Jeff Martin, North Snake Ground Water District
Mr. Dan McFadden, Lower Snake River Aquifer Recharge District
Mr. Terry Scanlan, Micron Technology
Commissioner John Keys, Bureau of Reclamation, U.S. Department of Interior
Mr. J. William McDonald, Regional Director, Bureau of Reclamation, Pacific Northwest Region
Mr. John Prescott, Vice President of Power Supply, Idaho Power Company
Mr. Bert Bowler, Idaho Rivers United
Dr. Philip Mote, Climate Impacts Group, University of Washington
Mr. Charlie Barnes, Office of Senator Mike Crapo
Mr. Gary Johnson, University of Idaho, Idaho Falls, Idaho
Mr. Bryce Contor, University of Idaho, Idaho Falls, Idaho
Mr. Dale Ralston, Ralston Hydrologic Services, Moscow, Idaho
Mr. Ken Dunn, Former Director of the Idaho Department of Water Resources
Governor John Evans, Governor of the State of Idaho from 1/24/77 to 1/5/87
Mr. Jim Jones, Idaho Supreme Court, Former Idaho Attorney General
Mr. James Bruce, Former CEO, Idaho Power Company
Mr. Ray Rigby, Former Chairman of Governor Evans' Advisory Committee
Hon. Thomas Nelson, Ninth Circuit Court of Appeals, Former Counsel for Idaho Power Company

Mr. Pat Costello, Former Counsel for Governor Evans
Mr. Pat Kole, Former Deputy Attorney General for Jim Jones
Mr. Roger Ling, Attorney for Water Users at the time of the Swan Falls Agreement
Mr. Kent Foster, Attorney for Water Users at the time of the Swan Falls Agreement
Mr. Norm Young, Former Assistant Director of the Idaho Department of Water Resources
Mr. Jay Engstrom, Idaho Department of Commerce
Ms. Donna Cosgrove, University of Idaho, Idaho Falls, Idaho
Mr. Chuck Brockway, ESPA Tech. Hydrologic Modeling Committee
Mr. Wayne Hammon, Farm Service Agency
Mr. Ken Harward, Association of Idaho Cities
Mr. Jerry Rigby, Idaho Water Resource Board
Dr. Christian Petrich, Hydrologist
Mr. Rick Skinner, Bond Counsel, Idaho Water Resource Board
Mr. Mike Faulkner, North Snake Ground Water District

Recommendations

That the state support the efforts of the U.S. Farm Service Agency relating to the retirement of up to 100,000 acres in Idaho under the Conservation Reserve Enhancement Program (CREP), and that state resources be provided, in kind or otherwise, to move that effort forward as rapidly as possible.

That the Legislature of the State of Idaho send a Joint Memorial to Congress urging that legislation be introduced in the United States Congress that will allow the U.S. Corps of Engineers to initiate a feasibility study of the benefits of flood control above Bear Lake and that past local expenditures be counted toward the required fifty percent local match.

That the Legislature of the State of Idaho send a Joint Memorial to the U.S. Congress to urge the development of a long-term sediment management plan and dredging of the Snake and Clearwater Rivers, relied upon by many Idaho companies and producers to ship products and commodities between Lewiston, Pasco and Portland.

That the Director of the Department of Water Resources proceed with a request for proposal to sell, following review and approval by the Office of

the Governor, to expedite the process of assessing how much water might be available, where it might be located, what priority date it has, what source it has, and what the costs might be.

That the recommendations of the working groups continue to be reviewed by committee members and that the committee determine the manner in which potential legislation relating to any of the specific recommendations be brought before the Legislature.

The issues addressed by the Natural Resource Issues Interim Committee, as authorized by SCR 103 (2003) and as expanded by HCR 56 (2004), are continuing and are critically important to the State of Idaho. Therefore, the committee will seek authorization from the First Regular Session of the Fifty-eighth Idaho Legislature to continue its deliberations into the future.