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DEPARTMENT OF
WATER RESOURCES

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**IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS**

In Re SRBA

)

Subcase No. 63-03614

)

Case No. 39576

)

AFFIDAVIT OF DAVID A. JARVIS

)

STATE OF COLORADO

)

)ss.

City and County of Denver

)

AFFIDAVIT

I, DAVID A. JARVIS, being of lawful age and having been first duly sworn, state
the following:

1. I make the following statements based upon personal knowledge and am
competent to testify thereto.
2. I am a paralegal with Labat-Anderson, Inc., a government contractor which
provides paralegal services to the U.S. Department of Justice.
3. I provide paralegal support to Environment and Natural Resources Division

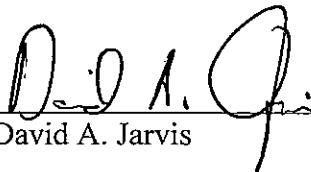
attorneys who represent the interests for the United States in the Snake River Basin Adjudication. I have performed this role for approximately seven (7) years. As part of my duties, I act as the custodian of SRBA files for the Denver Field Office, and am familiar with the court filings served upon the United States and the documents filed by the United States in the SRBA.

4. I attest that attached as Exhibit A is a true and correct excerpt of pages from Boise Project, Idaho – Revised Allocation and Repayment Report, dated September 21, 1953.

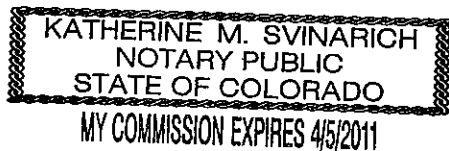
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DATED this 5th day of May, 2008.


David A. Jarvis

SUBSCRIBED AND SWORN to before me this 5th day of May, 2008




Katherine M. Svinarich
Notary Public for Colorado
Residing at:
My Commission Expires:

PLEASE RETURN TO 730 ^{1 R.} Return 440

UNITED STATES DEPARTMENT OF THE INTERIOR

DOUGLAS MCKAY, Secretary

BOISE PROJECT, IDAHO

REVISED ALLOCATION AND REPAYMENT REPORT

BUREAU OF RECLAMATION

WILBUR A. DEXHEIMER, Commissioner

REGION 1

H. T. NELSON, Regional Director

Regional Office
Boise, Idaho
September 21, 1953

also see Jun 53 alloc
on And. R-4 +
Payette L.V.

REVISED ALLOCATION AND REPAYMENT REPORT

BOISE PROJECT, IDAHO

INTRODUCTION AND PURPOSE

The Boise Project is located on the Boise and Payette Rivers in southwestern Idaho. It is comprised of two major construction divisions--the Arrowrock Division, which is served by water from the Boise River, and the Payette Division, which is served largely by water from the Payette River. Storage for the Arrowrock Division is supplied by Lake Lowell (formerly Deer Flat), Arrowrock and Anderson Ranch Reservoirs. Other facilities include a diversion dam, power plants at Anderson Ranch and at the diversion dam, and necessary distribution and drainage works. This system provides a full supply for 165,000 acres and a supplemental supply for 103,000 acres.

Storage for the Payette Division is provided by Cascade and Deadwood Reservoirs. The irrigation water is diverted from the Payette River by means of the Black Canyon Diversion Dam. A power plant has been constructed at the Diversion Dam to utilize the head created thereby. These facilities with related canals and drainage works provide a full supply of irrigation water for about 60,000 acres. In addition, they provide supplemental water for 23,000 acres. Some of the storage has been reserved for future developments.

Construction of the initial facilities of the Boise Project was authorized by the Secretary of the Interior on March 27, 1905. Existing canals in the Boise Valley were acquired and enlargement of them was begun in 1906. Lake Lowell with an active storage capacity of 169,000 acre-feet was substantially completed in 1908. The diversion dam on the Boise River was completed the same year, but the Boise Diversion Power Plant was not completed until 1912. Arrowrock Reservoir, with an active capacity of 276,000 acre-feet, was authorized on January 6, 1911, and was completed in 1915. The dam was later raised to increase the active storage capacity to 285,000 acre-feet. Anderson Ranch Dam, authorized in 1940, was completed in 1951. This reservoir has an active storage capacity of 423,000 acre-feet.

The development on the Payette River has in general been undertaken more recently. The Black Canyon Diversion Dam and Power Plant were completed in 1924 and 1925, respectively. Deadwood Dam, with an active capacity of 162,000 acre-feet, was authorized in 1928 and completed in 1930. Cascade Dam and Reservoir, which has an active capacity of 650,000 acre-feet, was authorized in 1941 and has just recently been completed. 1953

The lands irrigated under the Payette Division are known as the First (Notus) and Second Units. These include 6,880 and 53,000 acres, respectively. The First Unit was constructed in the early 1920's--

its water supply being provided entirely by return flows from the Arrowrock Division. The Second Unit includes a section which is served by gravity and another which is served by pumping. Irrigation facilities for that section which is served by pumping have just recently been completed. The entire water supply for the Second Unit is provided by the Payette System.

Although this report covers the entire Boise Project, the primary purpose of it is to treat only selected features and aspects of that project. The whole project is covered, however, in order to indicate the relation of the items selected for special consideration to the project as a whole.

The Anderson Ranch Dam was authorized under Section 9 of the Reclamation Project Act of 1939 by the Secretary's finding of feasibility of June 25, 1940, (H. Doc. No. 916, 76th Cong., 3 Sess.). There was an allocation of costs made in the feasibility report. The Payette Division was authorized under the Federal Reclamation Laws by a series of actions, these including a finding of feasibility for Deadwood Reservoir approved October 19, 1928, a finding of feasibility for the Division as a whole, approved December 19, 1935, and the Act of June 28, 1941 relating to Cascade Dam. There was a tentative allocation of Cascade Reservoir costs approved by the Secretary on October 21, 1948, made in connection with the approval as to form of a proposed interim repayment contract with the Black Canyon Irrigation District, an organization representing the water users of the Payette Division. Costs of the Anderson Ranch Dam and the Payette Division are considerably in excess of the original estimates. Subsequent to their authorization there was authorized and is now being constructed on the Boise River between Arrowrock and Boise Diversion dams, Lucky Peak Dam--a project primarily for flood control purposes. In connection with the latter project, which is being constructed by the Corps of Engineers, a revised estimate of flood damages was made by the Corps and tentative agreement reached at the field level on a flood control operating plan that involves the use on a forecast basis of 418,000 acre-feet of space in Anderson Ranch, the 285,000 acre-feet in Arrowrock and the 280,000 acre-feet in Lucky Peak Reservoirs, these comprising all the Federal reservoirs on the Boise River. In addition, there is now in the course of negotiation with the Black Canyon Irrigation District, an amendatory contract relating to the repayment of irrigation costs of the Payette Division.

These various developments since the original authorization of Anderson Ranch Dam and related allocations of costs and the initial authorization of the Payette Division make it necessary to review and revise the existing allocations. The purposes of this report are:

1. To revise the existing allocations for Anderson Ranch Dam and the Payette Division.
2. To supplement the existing finding of feasibility with respect to Anderson Ranch and Arrowrock Dams so as to

provide an authoritative basis for the operation of those dams in conjunction with Lucky Peak for flood control purposes on a system basis.

3. To establish for the Boise Project a nonreimbursable flood control allocation in recognition of the flood control benefits that result from the operation of the proposed flood control plan.

4. To provide revised authoritative basis for a pooled operation of the Anderson Ranch, Black Canyon, and Boise Diversion power plants for the purposes of establishing system-wide rates and of accounting for power revenues.

5. To establish the basis for the assignment of a portion of the irrigation costs of Anderson Ranch Dam and of the Payette Division for return from power revenues to accrue to the Boise Project power plants operated on a pooled basis.

This report is made pursuant to the authority found in Sections 7 and 9 of the Reclamation Project Act of 1939 and the Flood Control Act of 1946 (Public Law 526, 79th Cong.), as those acts will be supplemented by whatever legislation is enacted in connection with the proposed amendatory contract with the water users of the Payette Division.

PLAN OF OPERATION

The Boise Project was initially considered only in relation to irrigation. With the passage of time, however, the functions of power and flood control came to be recognized as significant partners. Subsequently, additional facilities have been added and operating plans have been altered to achieve effective multiple-purpose development.

Arrowrock Division

The water users signed contracts agreeing to the return of costs for Lake Lowell and Arrowrock Reservoirs with the understanding that this space would be used for irrigation. By the time it became evident that these reservoirs would not provide adequate irrigation water, the concept of multiple-purpose development had begun to take root. It was therefore only natural, when attention was turned to additional storage in the 1930 decade, that consideration should also be given to the possibility of using that storage for other complementary purposes, namely: flood control and power. Anderson Ranch Dam and Reservoir, which was proposed at that time, was ideally located for power production, inasmuch as the winter releases for power could

be recaptured in Arrowrock Reservoir, thus assuring the production of a block of firm power without the loss of water for irrigation. It was also concluded that part of the proposed Anderson space could be used exclusively for flood control, thus taking further advantage of the economies associated with multiple-purpose construction. Anderson Ranch was therefore authorized as a multiple-purpose structure for the benefit of irrigation, flood control and power. However, during the eleven intervening years between authorization and completion, other significant changes occurred. The first of these was the authorization of Lucky Peak Reservoir for construction by the Corps of Engineers. This dam and reservoir, which is being constructed primarily for flood control, is located below Arrowrock Dam on the Boise River. The reservoir will have an active capacity of 280,000 acre-feet; according to plans it will be available for first use in 1954. The second event of significance involved a basic change in the concept of multiple-purpose operation. There was a growing realization that the uses of reservoir space in that area for irrigation and flood control were complementary rather than competitive. This realization opened up the possibility of using space jointly for each purpose, rather than requiring exclusive reservations for each purpose.

Studies of operating plans made jointly by the Corps of Engineers and the Bureau of Reclamation were focused in this direction with the result that it is now proposed to use 418,000 acre-feet of active space in Anderson Ranch Reservoir, the 285,000 acre-feet in Arrowrock and the 280,000 acre-feet in Lucky Peak Reservoir jointly for irrigation and flood control. A copy of the agreement providing for such operation is attached. At the request of the water users, a provision in the agreement permits its cancellation within five years.

The balance of the space in Anderson Ranch Reservoir, including the 30,000 acre-feet of dead storage, 40,000 acre-feet of inactive storage, and 5,000 acre-feet of active storage, comprising 75,000 acre-feet in all, will be used for power production. Actually, the 70,000 acre-feet of inactive and dead storage will be used for power head. Power will be generated from releases made from the 5,000 acre-feet of space reserved for power and incidentally from releases made from the joint use space for other purposes.

Although Lake Lowell is an off-stream storage reservoir serving only irrigation, it is indirectly associated with the joint flood control-irrigation plan. It is normally filled to a safe capacity during the nonirrigation season by water transported through the New York Canal. In the future, the operation of the New York Canal and consequently Lake Lowell, will be integrated with the flood control requirements of the system to the extent capacity is available in the New York Canal and Lake Lowell. Additional diversions will be

made into the canal in order to bypass excess water around the productive area of the Boise Valley subject to flood damages.

The power plant at the Boise Diversion Dam utilizes the head created there to generate a small amount of power during the summer season. It uses flows passed to meet downstream irrigation rights.

Thus, facilities originally undertaken solely for irrigation have been converted to multiple-purpose uses by making necessary additions and by improving plans for using them.

Payette Division

Plans for the use of the Payette Division facilities are not so fully developed as plans for the facilities of the Arrowrock Division. Cascade Reservoir with its active capacity of 650,000 acre-feet is the key structure in the Payette system. It was authorized to provide storage for the Second Unit of the Payette Division and for other lands in the Payette Valley, with the understanding that any water surplus to the needs of the Payette Valley could be used for the development of new lands on the Mountain Home desert south of the Boise Valley. Deadwood Reservoir, with its active capacity of 162,000 acre-feet, was authorized as a power facility to be used to provide storage releases for the generation of power at Black Canyon Power Plant.

Recent negotiations with the water users have resulted in some changes in the plans for the use of the Payette Valley storage space. The water users of the Second Unit have indicated they desire to purchase 125,000 acre-feet of bottom space and 115,000 acre-feet of top space in Cascade Reservoir. This will make 240,000 acre-feet in all and will leave a balance of 410,000 acre-feet. This remaining space is being reserved for the development of the Mountain Home - *Never happened* Project.

The bottom space is defined as that space having the right to the first inflow each water year. It follows that such space is to be preferred to top space which may be dependent on hold-over storage, depending upon the magnitude of the runoff each year. The 125,000 acre-feet of bottom rights, however, can be expected to produce a firm yield.

At the request of irrigation interests in the Payette Valley, it is proposed that Deadwood space be converted to irrigation use. It is expected that contracts effecting this change will be worked out in the near future.

Studies made by the Corps of Engineers have indicated that if Cascade Reservoir were operated with Garden Valley Reservoir, a facility proposed in connection with the potential Mountain Home

is allocated to irrigation.

Old Payette Valley Lands	\$1,394,151
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In summary, the irrigation allocation for the Boise Project is suballocated in the following manner:

Arrowrock Division	\$23,652,459
First Unit, Payette Div.	547,947
Second Unit, Payette Div.	12,667,293
Drainage District No. 4	36,500
Future Developments	4,837,000
Emmett Irrigation District	915,335
Old Payette Valley Lands	<u>1,394,151</u>
Total	\$44,050,685

Suballocation of Power Costs

On the basis of an analysis of irrigation and commercial loads it has been determined that it is appropriate to suballocate 32.78 percent of the power allocation to irrigation power.

Commercial	\$5,368,215
Irrigation	<u>2,617,820</u>
Total	\$7,986,035

REPAYMENT

In line with national policy, it is proposed that the allocation to flood control be nonreimbursable. The other allocations to irrigation and power will be repaid under terms of appropriate law.

Irrigation

A series of contracts are in effect with the water users involved in the Arrowrock Division. These provide for the return of all costs assigned to irrigation including Arrowrock Dam (\$5,251,000), \$5,150,000 of Anderson Ranch Dam costs, and \$8,431,811 associated with other facilities. In addition to the repayment contracts, revenues in the amount of \$254,221 have been received from water rental and miscellaneous receipts, and Congress has previously written off \$82,394. Combined, these amount to \$19,169,426, which leaves a balance of \$4,483,033.

As a result of negotiation now under way with the Black Canyon Irrigation District, it is assumed that the water users of the First Unit will repay the entire cost allocated to that unit (\$547,947)

and those of the Second Unit will repay \$7,346,815 of the total amount of \$12,667,293 suballocated to it. The repayment studies and negotiations leading toward the amendatory contract for the Second Unit have resulted in agreement on a base rate of \$1.60 per acre per year on construction. This base rate applied to the 53,200 acres involved, will result in an annual construction payment of \$85,120. With annual payments of this magnitude, 86.3 years will be required to pay that part of the irrigation allocation assigned to the Second Unit water users for repayment. This will leave a balance of Second Unit costs of \$5,320,478 to be met by other means.

So far as this report is concerned, it is presumed that all other irrigation suballocations will be met. This will require a revision of the contract with the Emmett Irrigation District to cover their share (\$252,000) of the rehabilitation of Black Canyon Dam. It will also require future contracts for the reserved Cascade space, and for Deadwood space, which is now to be sold to owners of old lands in the Payette Valley. Until such time as plans and contracts for the use of Cascade and Deadwood storage are completed, some of the water can be used to advantage for power production at the Black Canyon Power Plant.

Under the above assumptions, water users will repay all of the irrigation allocation except \$9,803,511. The balance will be repaid from net power revenues from the Boise Project Power System.

Power

The power repayment and average rate study indicates that the prospective revenues will result in the full retirement of all reimbursable costs covered in this repayment analysis, including irrigation subsidies in approximately 47 years, commencing with the first full year's operation of Anderson Ranch Power Plant.

The average rate and repayment study is based on the estimated power sales of the three Boise Project power plants and Unit No. 7 of the Minidoka Power Plant, and applies an appropriate share of the revenues to the repayment of expenses and repayment of investment on the Boise Project. The annual costs of operation and maintenance are based on the Bureau's recent experience with respect to operating costs at these plants. Transmission service charges are based on the estimated sales for future years and reflect charges payable to the Idaho Power Company for transmission services furnished under the contract. The annual reserve for replacements was calculated upon a sinking fund basis.

The power repayment analysis indicates that the anticipated power revenues, based upon rates approved by the Secretary June 3, 1953, and including net power revenues of the Boise Project prior to Anderson Ranch operation, will be sufficient to repay costs allocated