



C.L. "Butch" Otter
Governor

AGENDA

FINANCIAL PROGRAMS COMMITTEE

MEETING NO. 2-15

August 4, 2015 at 1:00 pm

Idaho Water Center
Conf. Rm. 602 C & D
322 E. Front St., Boise, ID 83702

Roger W. Chase
Chairman
Pocatello
District 4

Jeff Raybould
Vice-Chairman
St. Anthony
At Large

Vince Alberdi
Secretary
Kimberly
At Large

Peter Van Der Meulen
Hailey
At Large

**Charles "Chuck"
Cuddy**
Orofino
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

Dale Van Stone
Hope
District 1

1. Welcome and Attendance
2. North Snake GWD and Magic Valley GWD Interim Loan Request
3. Groundwater Conservation Grants
4. Other items Committee Members May Wish to Discuss
5. Adjourn

Committee Members – Vince Alberdi (Chairman), Albert Barker, Dale Van Stone, Roger Chase

Americans with Disabilities

The meeting will be held in facilities that meet the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Department staff by email Mandi.Pearson@idwr.idaho.gov or by phone at (208) 287-4800.

322 East Front Street, Boise, Idaho 83720 Tel: (208) 287-4800 Fax: (208) 287-6700

MEMO



To: Idaho Water Resource Board – Finance Committee
From: Brian Patton
Subject: Ground Water Districts Interim Loan
Date: July 31, 2015

The 10 Ground Water Districts on the Eastern Snake Plain have collectively received judicial confirmation to incur up to \$15M in debt to carry out the Hagerman Valley Settlement. This includes the cost of the \$4.3M Magic Springs-Rangen Pipeline, which has already been built, as well as several other projects. As you may recall the IWRB loaned \$1.26M to the Magic Valley GWD and the North Snake GWD for the Magic Springs-Rangen Pipeline with those two districts covering the rest of the construction cost. The \$1.26M loan amount and the repayment date of September 30, 2015, was dictated by the Districts' previous borrowing authority.

The plan is for all 10 districts to finance the \$15M package through IWRB-issued revenue bonds (or other long-term financing as may be available). The revenue bond process would take at least 6 months to complete. In the interim, the Districts would like extend the term of the \$1.26M loan, and add another \$4.74M to it, for a total of \$6M, that would be repaid upon completion of the long-term financing in 6 months to a year. The purpose of the request is for the Magic Valley and North Snake Districts, having spent all their cash on the Magic Springs-Rangen Pipeline, to be able to cash-flow the ongoing costs of the Hagerman Valley Settlement and their obligations under the Surface Water Coalition Settlement.

The projects in the Hagerman Valley Settlement are as follows:

1	Magic Springs Rangen Pipeline	\$4.3M	Complete
2	Magic Springs-Billingsley Cr. tail water pipeline	\$4.3M	
3	Billingsley Bridge Diversion Pump	\$0.3M	
4	Pipeline easements	\$0.1M	
5	Sandy Pond measurement devices	\$0.05M	
6	Aqualife purchase from IWRB	\$2.0M	
7	Aquaculture subordination settlement agreements (4)	\$0.338M	Complete
8	Engineering	\$0.250M	
9	Legal	\$0.250M	
10	Contingency/unexpected expenses	\$3.112M	
	TOTAL	\$15.0M	

Since the interim financing would be 6-months to 1-year, and the \$1.26M is already outstanding, the following could be done:

- Extend the term of the outstanding \$1.26M that was used to help finance the Magic Springs-Rangen Pipeline
- As the IWRB currently owns the Aqualife facility, it should be possible to write a \$2M (approx.) promissory note where interest will accrue to the IWRB until permanent financing is in place.
- This would lower the new cash need to \$2.74M. Since this an interim loan, it should be possible to utilize some of the funds in the Secondary Aquifer Fund committed for recharge infrastructure for this loan. The funds would then be returned upon completion of the long-term financing before being needed for infrastructure projects, and with a higher rate of interest than would otherwise be received (3.5% vs.

0.4%)

A risk to using this approach is that a significant delay in returning the interim loan funds might delay recharge infrastructure construction. A loan term up to 1-year should not result in a delay in recharge infrastructure construction, however.

If the Finance Committee elects to move in this direction, attached is a draft resolution that could be considered for approval at the September IWRB meeting, and a copy of the current Secondary Aquifer Fund balance sheet.

Also attached are 1) a letter requesting the additional loan funds on behalf of the Districts, 2) Approval of petition for Judicial Examination allowing the Districts to incur up to \$15M in debt, and 3) petition for Judicial Examination to incur debt. Attached to the Petition is a chart showing the estimated allocation of costs across the 10 districts.

DRAFT

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE EASTERN SNAKE)
PLAIN GROUND WATER DISTRICTS)

WHEREAS, a Letter of Request from the Aberdeen-American Falls Ground Water District, Magic Valley Ground Water District, North Snake Ground Water District, Southwest Irrigation District, Carey Valley Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Madison Ground Water District, Jefferson Clark Ground Water District, and the Fremont-Madison Irrigation District (Districts) has been submitted to the Idaho Water Resource Board (IWRB) requesting an interim loan in the amount of \$6,000,000; and

WHEREAS, the Districts are proposing to use the funds on a short-term basis to finance the construction of the Magic Springs-Rangen Pipeline hich was recently completed at a cost of about \$4.3 million, and the purchase of the Aqualife Hatchery from the IWRB at an approximate cost of \$2 million; and

WHEREAS, the Magic Springs-Rangen Pipeline Project is a key component of the Idaho Ground Water Appropriator's (IGWA's) "Fourth Mitigation Plan" for Rangen, which was approved by Director Spackman on October 29, 2014. IGWA submitted the "Fourth Mitigation Plan" on behalf of the Districts, which are members of IGWA; and

WHEREAS, both the Magic Springs-Rangen Pipeline Project and the Aqualife Hatchery purchase are key components of the proposed Hagerman Valley Settlement Agreement , currently being negotiated between the Districts and water users in the Hagerman Valley; and

WHEREAS, the total cost of the Hagerman Valley Settlement Agreement is estimated at \$15 million and is to be shared by the Districts; and

WHEREAS, on June 15, 2015, the Districts jointly received authority through judicial examination, Sixth Judicial Court Case No. CV-2015-115, to incur indebtedness of up to \$15 million for the purpose of undertaking mitigation projects; and

NOW THEREFORE BE IT RESOLVED that the IWRB approves the following interim loan at 3.5% to be repaid no later than September 15, 2016:

- 1) The refinancing of the \$1.26 million outstanding loan to the Magic Valley & North Snake Ground Water Districts authorized by resolution dates December 24, 2014 into this interim loan.
- 2) An additional \$2.74 million from the Secondary Aquifer Planning, Management, and Implementation Fund, for a total interim loan of \$4 million.

NOW THEREFORE BE IT FURTHER RESOLVED authorizes the execution of a promissory note for the purchase of the Aqualife Hatchery at the current appraised value, at 3.5%, to be paid in full no later than September 15, 2016.

NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB provides authority to the Chairman or his designee to enter into contracts with the Districts on behalf of the IWRB.

DATED this 16th day of September , 2015.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST

VINCE ALBERDI, Secretary



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RANDALL C. BUDGE
rcb@racinelaw.net

July 10, 2015

Idaho Water Resource Board
Roger Chase, Chairman
Vince Alberdi, Finance Committee Chairman
Brian Patton, Secretary
322 East Front Street
State House Mail
Boise, Idaho 83720
brian.patton@idwr.idaho.gov
rwchase33@gmail.com

Sent Via Email

Re: Ground Water District Loan Request

Dear Roger, Vince, Brian and other Board Members:

This letter is written on behalf of North Snake Ground Water District, Magic Valley Ground Water District, Carey Valley Ground Water District, Southwest Irrigation District, Aberdeen-American Falls Ground Water District, Bingham Ground Water District, Bonneville-Jefferson Ground Water District, Madison Ground Water District, Jefferson-Clark Ground Water District and Fremont Madison Irrigation District (collectively "Districts") to request an interim loan from the Board in the amount of up to \$6 million to cover costs incurred pertaining to the Districts' obligations under the Hagerman Valley Global Settlement Term Sheet.

The loan amount will be used to (a) refinance and share among all the Districts the \$1.25 million loan taken out earlier this year by North Snake and Magic Valley Ground Water District pertaining to the construction of the Magic Springs Pipeline Project to Rangen; (b) pay the estimated \$1.7 million cost of acquiring Aqualife from the Board for transfer to SeaPac of Idaho, Inc. before year-end; and (c) subordination purchased and other related costs.

Attached is the information reflecting what was spent by North Snake and Magic Valley to date on the Hagerman Global Settlement efforts. All of this relates to the Rangen Pump Project, excepting the subordinations of the four water rights on the other 2014 delivery calls. The totals are as follows:

North Snake - \$653,179.90
Magic Valley - \$3,726,216.88

These amounts were paid directly by these two Districts and do not include legal and engineering paid through IGWA. The supporting details were provided with my letter of June 29, 2015 to Brian Patton.

Attached is a copy of the Judgment and Decree approving Petition for Judicial Examination entered in Power County Case No. CV-2015-115 on June 15, 2015. This authorizes the Districts to incur indebtedness of up to \$15 million funded by a loan from the Board or other lenders to pay for present and future mitigation projects and acquisitions in the Hagerman area, to levy assessments against the members sufficient to repay the loan which should be first priority liens against the lands of the Districts' members, second only to liens for payment of the real property taxes.

Also attached is a copy of the Districts' Petition for Judicial Confirmation to the Court which was the basis for the Judgment. Please note that Exhibit A attached provides a break down of the estimated \$15 million estimated total Hagerman mitigation cost. Exhibit B attached reflects the manner in which a \$15 million loan and mitigation costs will be allocated between and paid by the Districts, together with the cost per cfs total and on an annual basis if amortized over 20 years at 4%.

The additional costs that will be incurred to complete the Hagerman mitigation projects are uncertain at this time. Engineering work is ongoing as are discussions with various parties in the Hagerman area. We anticipate having agreements in place near year-end with project construction in 2016. Upon completion, it is anticipated the interim loan will be refinanced with the remaining project costs into a long term loan.

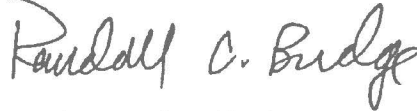
Financial statements have been provided by North Snake and Magic Valley. Their estimated average pumping costs range from \$80 to \$130 per acre.

The Districts propose to grant the Board a security interest in the Magic Springs Pump Project assets consisting of the pumps, motors, pipelines, and the associated easements. The loan will be repaid by assessments levied by the Districts against their members. These assessments create binding and enforceable liens against the members' property.

It is our understanding that the Board's Finance Committee will convene a meeting the week of July 20-24, 2015 to review this interim loan request. Please confirm where and when this meeting will be held and we will arrange to have representatives of the Districts and IGWA present to discuss this request and answer any questions you may have.

Thank you for your cooperation and assistance. If you have any questions or need additional information, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Randall C. Budge". The signature is written in a cursive, flowing style.

RANDALL C. BUDGE

RCB:ts

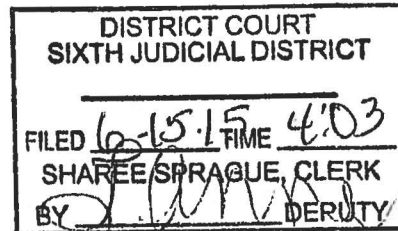
Enclosures

c: District Chairmen
IGWA

Tim Deeg, President

Lynn Tominaga, Executive Director

Randall C. Budge, ISB No. 1949
T.J. Budge, ISB No. 7465
RACINE, OLSON, NYE,
BUDGE & BAILEY, Chartered
P. O. Box 1391
Pocatello, Idaho 83204-1391
Telephone: (208) 232-6101
Fax: (208) 232-6109
Attorney for Petitioners



IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO IN AND FOR THE COUNTY OF POWER

NORTH SNAKE GROUND WATER DISTRICT,
MAGIC VALLEY GROUND WATER DISTRICT,
SOUTHWEST IRRIGATION DISTRICT, CAREY
VALLEY GROUND WATER DISTRICT,
ABERDEEN/AMERICAN FALLS GROUND
WATER DISTRICT, BINGHAM GROUND WATER
DISTRICT, BONNEVILLE-JEFFERSON GROUND
WATER DISTRICT, MADISON GROUND WATER
DISTRICT, JEFFERSON-CLARK GROUND
WATER DISTRICT, AND FREMONT-MADISON
IRRIGATION DISTRICT,

Petitioners.

Case No. CV-2015-115

**JUDGMENT AND DECREE
APPROVING PETITION
FOR JUDICIAL EXAMINATION**

The above-entitled matter came on regularly before the Court for hearing on June 11, 2015, at the hour of 2:00 p.m. before the Honorable Stephen S. Dunn District Judge, on the Petition for Judicial Examination filed by Petitioners as Ground Water Districts, Irrigation Districts and political subdivisions of the State of Idaho (hereinafter "Petitioners"). Based upon the Certificates of Mailing and the Proofs of Publication filed herein, the Court determines that Notice of Petition and Hearing was properly served upon the members of the petitioning Ground Water Districts and Irrigation Districts by

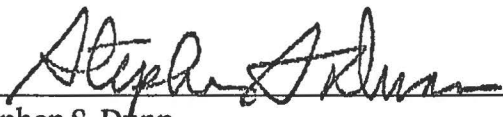
U.S. Mail, postage prepaid, and by publication as required by law. The Court having reviewed the Petition for Judicial Examination, the evidence presented and arguments of counsel in support thereof, and there being no objections thereto, Petitioners are entitled to the relief prayed for in the Petition.

JUDGMENT IS ENTERED AS FOLLOWS:

1. That the petitioning Ground Water Districts and Irrigation Districts acting through their respective Boards of Directors are hereby authorized and empowered under the constitution and statutes of the State of Idaho to incur indebtedness of up to \$15,000,000 funded by a loan from the Idaho Water Resource Board, Farm Credit Services or from commercial or other lenders in the form of revenue bonds, loans or other instruments of indebtedness and to secure payment of the indebtedness as necessary to pay for present and future mitigation projects and acquisitions in the Hagerman area; and, to levy assessments against their members over a term not to exceed thirty (30) years sufficient to repay the principal and interest on the indebtedness which shall be first priority liens against the lands of the Ground Water District members and Irrigation District users, second only to the liens for the payment of real property taxes pursuant to Idaho Code §42-5240.

2. That the petitioning Ground Water Districts and Irrigation Districts are hereby granted authority without limitation to enter into loan agreements and execute promissory notes, loan documents, bonds and such other documents as may be reasonable and necessary to carry out and implement the foregoing.

DATED this 5 day of June, 2015.



Stephen S. Dunn
DISTRICT JUDGE

CLERK'S CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 15th day of June, 2015, I served a true and correct copy of the above and foregoing document to the following person(s) as follows:

Randall C. Budge
Racine, Olson, Nye, Budge & Bailey
P. O. Box 1391
Pocatello, Idaho 83204-1391

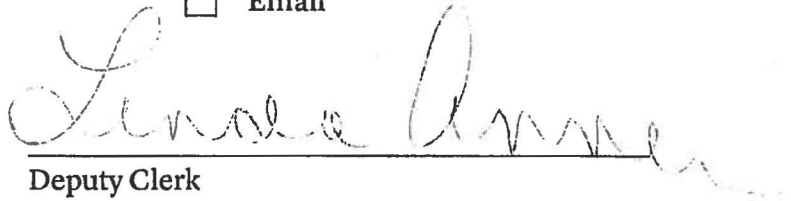
- ☒ U.S. Mail
☐ Facsimile
☐ Overnight Mail
☐ Hand Delivery
☐ Email

William A. Parsons
Attorney for Southwest Irrigation District
P.O. Box 910
Burley, Idaho 83318

- ☒ U.S. Mail
☐ Facsimile
☐ Overnight Mail
☐ Hand Delivery
☐ Email

Jerry Rigby
Attorney for Fremont-Madison
Irrigation District
P.O. Box 250
Rexburg, Idaho 83440-0250

- ☒ U.S. Mail
☐ Facsimile
☐ Overnight Mail
☐ Hand Delivery
☐ Email


Deputy Clerk

STATE OF IDAHO
COUNTY OF POWER

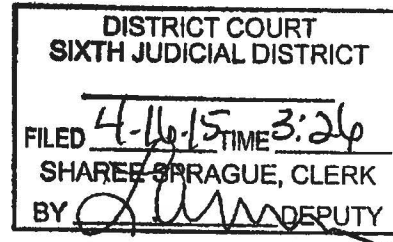
I hereby certify that the foregoing is a full, true and correct copy of an instrument as the same now remains on file and of record in my office.

WITNESS my hand and official seal hereunto affixed this 15 day of June, 2015.

SHAREE SPRAGUE, CLERK

By Deputy

Randall C. Budge, ISB No. 1949
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Attorney for Petitioners



IN THE DISTRICT COURT OF THE SIXTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO IN AND FOR THE COUNTY OF POWER

ABERDEEN/AMERICAN FALLS GROUND
WATER DISTRICT, NORTH SNAKE GROUND
WATER DISTRICT, MAGIC VALLEY GROUND
WATER DISTRICT, SOUTHWEST IRRIGATION
DISTRICT, CAREY VALLEY GROUND WATER
DISTRICT, BINGHAM GROUND WATER
DISTRICT, BONNEVILLE-JEFFERSON GROUND
WATER DISTRICT, MADISON GROUND WATER
DISTRICT, JEFFERSON-CLARK GROUND
WATER DISTRICT, AND FREMONT-MADISON
IRRIGATION DISTRICT,

Petitioners.

Case No. CV 2015-115

PETITION FOR JUDICIAL EXAMINATION

COME NOW, Petitioners ABERDEEN/AMERICAN FALLS GROUND WATER DISTRICT, NORTH SNAKE GROUND WATER DISTRICT, MAGIC VALLEY GROUND WATER DISTRICT, SOUTHWEST IRRIGATION DISTRICT, CAREY VALLEY GROUND WATER DISTRICT, BINGHAM GROUND WATER DISTRICT, BONNEVILLE-JEFFERSON GROUND WATER DISTRICT, MADISON GROUND WATER DISTRICT, JEFFERSON-CLARK GROUND WATER DISTRICT, AND FREMONT-MADISON IRRIGATION DISTRICT, each as districts and on behalf of their respective members (collectively referred to herein as "Petitioners" or "Districts"), by and through counsel, and submit this Petition for Judicial Examination ("Petition"), pursuant to Idaho Code § 42-5235 pertaining to ground water districts and Idaho Code §43-322A pertaining to irrigation districts, request judicial examination and determination of

Petitioners' power to enter into contracts for the purchase of certain real property, water rights and other assets for the development and implementation of a mitigation plan(s) in the Hagerman valley pursuant to the Hagerman Global Settlement Term Sheet and otherwise, to incur indebtedness therefor up to \$15 million, and to levy and collect assessments for payment of such costs and indebtedness. Pursuant to Idaho Code § 42-5240 and §43-322A said levies and assessments shall constitute first liens upon the real property of members of the Districts and against non-member participants for mitigation, second only to liens for real property taxes. District members and non-member participants for mitigation purposes only as defined under Idaho Code § 42-5259 are collectively referred to herein as "members."

PARTIES

1. Petitioner Aberdeen/American Falls Ground Water District represents approximately 291 member-owners of irrigation rights, including the irrigation of approximately 144,539 acres of farmland in Power and Bingham Counties. Aberdeen/American Falls Ground Water District's office is located in American Falls, Idaho, Power County, Idaho.

2. Petitioners bring this action as ground water districts organized and existing pursuant to Idaho Code § 42-5201, *et seq.*, and as irrigation districts organized and existing pursuant to Idaho Code §43-301 *et seq.*, and in their representative capacity on behalf of their respective members who own lawful and vested groundwater rights serving irrigation, municipal, commercial, industrial and other beneficial uses and will be referred to collectively herein as the "Districts."

3. Petitioner North Snake Ground Water District represents approximately 682 member-owners of groundwater rights, including the irrigation of approximately 87,399 acres of farmland in southern Idaho in Gooding, Jerome and Lincoln Counties. North Snake Ground Water District's Office is located at 152 E. Main Street, Jerome, Jerome County, Idaho.

4. Petitioner Magic Valley Ground Water District represents approximately _____ member-owners of groundwater rights, including the irrigation of approximately

128,000 acres of farmland in southern Idaho in Cassia, Minidoka, Lincoln, and Jerome Counties. Magic Valley Ground Water District's office is located in Paul, Idaho, Minidoka County, Idaho.

5. Petitioner Southwest Irrigation District represents approximately _____ member-owners of irrigation rights, including the irrigation of approximately 79,655 acres of farmland in southern Idaho in Cassia County. Southwest Irrigation District's office is located in Burley, Idaho, Cassia County, Idaho.

6. Petitioner Carey Valley Ground Water District represents approximately 27 member-owners of irrigation rights, including the irrigation of approximately 3,635 acres of farmland in southern Idaho in Blaine and Butte Counties. Carey Valley Ground Water District's office is located in Carey, Idaho, Blaine County, Idaho.

7. Petitioner Bingham Ground Water District represents approximately 454 member-owners of irrigation rights, including the irrigation of approximately 203,975 acres of farmland in southern Idaho in Bingham County. Bingham Ground Water District's office is located in Blackfoot, Bingham County, Idaho.

8. Petitioner Bonneville-Jefferson Ground Water District represents approximately 115 member-owners of irrigation rights, including the irrigation of approximately 62,000 acres of farmland in southern Idaho in Bonneville and Jefferson Counties. Bonneville-Jefferson Ground Water District's office is located in Idaho Falls, Bonneville County, Idaho.

9. Petitioner Madison Ground Water District represents approximately 67 member-owners of irrigation rights, including the irrigation of approximately 50,852 acres of farmland in southern Idaho in Madison County. Madison Ground Water District's office is located in Rexburg, Madison County, Idaho.

10. Petitioner Jefferson-Clark Ground Water District represents approximately 171 member-owners of irrigation rights, including the irrigation of approximately 175,510 acres of farmland in southern Idaho in Jefferson, Clark and Fremont Counties. Jefferson-Clark Ground Water District's office is located in Idaho Falls, Idaho, Bonneville County, Idaho.

11. Petitioner Fremont-Madison Irrigation District represents approximately _____ member-owners of irrigation rights, including the irrigation of approximately 64,717 acres of farmland in southern Idaho in Fremont and Madison Counties. Fremont-Madison Irrigation District's office is located in St. Anthony, Idaho, Fremont, County, Idaho.

12. The Ground Water Districts were each formed and operate as political subdivisions of the state of Idaho under Idaho Code § 42-5224(6) and the Irrigation Districts were each formed and operate as political subdivisions of the state of Idaho Under Idaho Code § 43-101 *et.seq.*

JURISDICTION AND VENUE

13. Jurisdiction and venue are proper in this District Court sitting in Power County, Idaho, pursuant to Idaho Code §§ 42-5235 and 43-406 by reason of the fact that Petitioner Aberdeen/American Falls Groundwater District's office is located in Cassia County, Idaho, and all other petitioning Districts hereby join in this Petition for Judicial Examination as required by Idaho Code § 42-5235 and § 43-322A.

GENERAL ALLEGATIONS

14. The Districts, acting by and through their respective boards of directors, are authorized and empowered to acquire, operate, control, lease or use water rights and other real property, and to enter into contracts to fully exercise their powers. Idaho Code §§ 42-5224 (1)-(3).

15. The Districts acting by and through their respective boards of directors are authorized and empowered under Idaho Code § 42-5224(11) to develop, maintain, operate and implement mitigation plans, and are further authorized and empowered to levy and collect assessments and incur indebtedness. Idaho Code §§ 42-5232, 42-5233, 43-304.

16. The Districts, acting by and through their respective boards of directors, are authorized and empowered to levy assessments to secure funds for the repayment of indebtedness incurred for mitigation plans for the district(s) in amounts sufficient to repay the interest and principal as it falls due. Idaho Code § 42-5233(1), 43-701.

17. The assessments levied by the Districts shall be priority liens against the land of the groundwater users to which the water rights used to determine assessments are appurtenant and said liens are second only to liens for real property taxes under Idaho Code § 42-5240, § 43-706.

18. On January 29, 2014, the Director ("Director") of the Idaho Department of Water Resources ("Department") issued the *Final Order Regarding Rangen, Inc.'s Petition for Delivery Call; Curtailing Ground Water Rights Junior to July 13, 1962* ("Curtailment Order"). The Curtailment Order recognizes that holders of junior-priority ground water rights may avoid curtailment if they participate in a mitigation plan which provides "simulated steady state benefits of 9.1 cfs to Curren Tunnel [sometimes referred to as the "Martin-Curren Tunnel"] or direct flow of 9.1 cfs to Rangen." The Curtailment Order explains that mitigation provided by direct flow to Rangen, Inc. ("Rangen"), "may be phased-in over not more than a five-year period pursuant to CM Rule 40 as follows: 3.4 cfs the first year, 5.2 cfs the second year, 6.0 cfs the third year, 6.6 cfs the fourth year, and 9.1 cfs the fifth year."

19. On February 11, 2014, the Idaho Ground Water Appropriators, Inc. ("IGWA"), filed with the Department *IGWA's Mitigation Plan and Request for Hearing* ("First Mitigation Plan") to avoid curtailment imposed by the Curtailment Order. The First Mitigation Plan proposed nine possible mitigation activities for junior-priority ground water pumpers to satisfy mitigation obligations.

20. On February 12, 2014, IGWA filed *IGWA's Petition to Stay Curtailment, and Request for Expedited Decision*. On February 21, 2014, the Director issued an *Order Granting IGWA's Petition to Stay Curtailment*, which stayed enforcement of the Curtailment Order for members of IGWA and the non-member participants in IGWA's First Mitigation Plan until a decision was issued on the First Mitigation Plan.

21. On March 17-19, 2014, the Director conducted a hearing for the First Mitigation Plan at the Department's state office in Boise, Idaho. On April 11, 2014, the Director issued an *Order Approving in Part and Rejecting in Part IGWA's Mitigation Plan; Order Lifting Stay Issued February 21, 2014; Amended Curtailment Order* ("First Mitigation Plan Order"). In the First Mitigation Plan Order, the Director approved two of

the nine proposed components of the First Mitigation Plan: (1) credit for current and ongoing mitigation activities (collectively referred to as “aquifer enhancement activities”), and (2) delivery of water directly to Rangen that otherwise would have been delivered in priority to Howard “Butch” Morris (“Morris”) but for North Snake Ground Water District (“NSGWD”) delivering surface water to Morris through the Sandy Pipeline (“Morris exchange agreement”). The Director rejected the other seven components of the First Mitigation Plan. The Director recognized 1.2 cfs of mitigation credit for IGWA’s aquifer enhancement activities and 1.8 cfs of mitigation credit for delivery of water to Rangen as a result of the Morris exchange agreement. The Director recognized a total mitigation credit of 3.0 cfs, 0.4 cfs short of the 3.4 cfs mitigation required for the time period from April 1, 2014, through March 31, 2015. To satisfy the 0.4 cfs mitigation deficiency, the Director ordered curtailment of ground water rights bearing priority dates junior or equal to July 1, 1983, during the 2014 irrigation season.

22. On March 10, 2014, during the pendency of the First Mitigation Plan proceeding, IGWA filed with the Department IGWA’s *Second Mitigation Plan and Request for Hearing* (“Second Mitigation Plan”) in response to the Curtailment Order. The Second Mitigation Plan proposed delivery of up to 9 .1 cfs of water from Tucker Springs, a tributary to Riley Creek, through a 1.3 mile pipeline to the fish research and propagation facility owned by Rangen (“Rangen Facility”).

23. On April 17, 2014, IGWA filed IGWA’s *Second Petition to Stay Curtailment, and Request for Expedited Decision* (“Second Petition”). The Second Petition asked the Director to “stay implementation of the [Curtailment Order], . . . until the judiciary completes its review of the Curtailment Order in *IGWA v. IDWR*, Gooding County Case No. CV-2014-179, and *Rangen v. IDWR*, Twin Falls County Case No. CV-2014-1338.” On April 28, 2014, the Director issued an *Order Granting IGWA’s Second Petition to Stay Curtailment* stating the Director would revisit the stay at the time a decision on IGWA’s Second Mitigation Plan was issued.

24. On June 4-5, 2014, the Director conducted a hearing for the Second Mitigation Plan at the Department's state office in Boise, Idaho. On June 20, 2014, the Director issued an *Order Approving IGWA’s Second Mitigation Plan; Order Lifting Stay*

Issued April 28, 2014; Second Amended Curtailment Order (“Second Mitigation Plan Order”). To dovetail the First Mitigation Plan into the Second Mitigation Plan, the Director recalculated the period of time over which the volume of water provided by the Morris exchange agreement was averaged to equal the number of days the water would provide full mitigation to Rangen. The Director required curtailment or additional mitigation from IGWA under the Second Mitigation Plan after the time full mitigation credit under the First Mitigation Plan expires. Specifically, the Director calculated that 2.2 cfs of mitigation water must be delivered to Rangen by the Morris exchange agreement to provide full mitigation during the first year of phased-in mitigation. The Director calculated the 2.2 cfs mitigation obligation by subtracting the 1.2 cfs mitigation credit from aquifer enhancement activities from the 3.4 cfs first year phase-in mitigation obligation. In the Second Mitigation Plan Order, the Director recognized mitigation credit for the Morris exchange agreement at an average rate of 2.2 cfs for the 293-day period between April 1, 2014 and January 18, 2015. As of January 19, 2015, IGWA must begin providing water to Rangen at a rate of 2.2 cfs by other means to meet the 3.4 cfs annual obligation for April 1, 2014 through March 31, 2015. *Id.* at 18. Accordingly, the Director ordered that the April 28, 2014, stay was lifted and failure to deliver 2.2 cfs to Rangen from Tucker Springs by January 19, 2015, will result in curtailment of water rights junior or equal to August 12, 1973, unless another mitigation plan has been approved and is providing the required water to Rangen.

25. On August 27, 2014, IGWA filed *IGWA’s Fourth Mitigation Plan and Request for Expedited Hearing* (“Fourth Mitigation Plan”). The Fourth Mitigation Plan consists of the “Magic Springs Project.”

26. The Magic Springs Project is comprised of multiple components including: lease or purchase of 10.0 cfs of water right nos. 36-7072 and 36-8356 owned by SeaPac of Idaho (“SeaPac”); long-term lease or purchase from the Idaho Water Resource Board (“IWRB”) of water right nos. 36-40114, 36-2734, 36-15476, 36-2414, and 36-2338 to make available to SeaPac; design, construction, operation, and maintenance of the water intake and collection facilities, pump station, and pipeline to transport water from SeaPac’s Magic Springs facility to the head of Billingsley Creek directly up gradient from

the Rangen Facility; acquisition of permanent easements for the Magic Springs pipeline to Rangen and at Magic Springs for the water intake and collection facilities, pump station, pipeline, and other necessary features for delivery of water to the head of Billingsley Creek; and approval of a transfer application to change the place of use from SeaPac to Rangen. The Director held a hearing for the Fourth Mitigation Plan on October 8, 2014, at the Department's State office in Boise, Idaho.

27. On October 29, 2014, the Director issued an *Order Approving IGWA's Fourth Mitigation Plan* ("Fourth Mitigation Plan Order").

28. In 2014, additional senior water right delivery calls were made in the Hagerman area by Aquarius Aquaculture, ARK Fisheries, Inc., LynClif Farms and Dan and Dadhri Lee ("Hagerman Delivery Calls") seeking to curtail junior ground water users unless mitigation water is provided. The Districts have entered into settlement agreements to resolve each of said Hagerman Delivery Calls by paying monetary compensation to acquire water right subordinations or other protection measures.

29. On December 18, 2014, IGWA filed *IGWA's Fifth Mitigation Plan and Request for Hearing* to pump and pipe discharge water from Magic Springs to Billingsley Creek and/or to the Sandy Ponds and Sandy Pipeline to mitigate for other potential delivery calls on Billingsley Creek ("Billingsley Creek Projects").

JUDICIAL EXAMINATION OF INDEBTEDNESS

30. The Districts by unanimous resolutions duly adopted by their respective boards of directors and entered upon the minutes of each respective District determined that it is in the best interests of the Districts and their members and that it is in the public interest to construct the Magic Springs Project to deliver water from Magic Springs to the head of Billingsley creek to satisfy the Rangen and other delivery calls; to acquire certain real property, water rights and other assets and to construct other mitigation projects in what is commonly known as the Hagerman area of the Snake River that can be used as part of present and future Districts' mitigation plans to provide mitigation or replacement water to avoid material injury to senior water rights, to comply with certain orders entered by the IDWR and to avoid curtailment of their members' junior groundwater rights.

31. Once judicial confirmation has been secured, the Districts intent to proceed to securing financing of up to fifteen million dollars (\$15,000,000) to pay some or all of the estimated costs of present and future mitigation projects in the Hagerman area, including but not limited to those projects listed on **Exhibit A** attached ("Mitigation Projects").

32. Petitioners expect to secure some or all of the necessary financing through a loan from the Idaho Water Resource Board, Farm Credit Services, commercial banks and/or other sources. Therefore, Petitioners seek authority to incur indebtedness from any source to pay for present and future projects to mitigate for injury to senior water rights and avoid curtailment. In order to incur indebtedness the Districts must be authorized by the District Court to incur indebtedness over a term not to exceed thirty (30) years and to levy assessments against their members sufficient to repay the principal and interest on the indebtedness as it falls due as required by Idaho Code § 42-5233 and §43-704. Further, such assessments shall be priority liens against the land of the ground water users to which the water rights used to determine the assessments are appurtenant, which liens shall not be removed until the assessments are paid and are second only to liens for the payment of real property taxes, as provided for under Idaho Code § 42-5240 and § 43-706.

33. The estimated costs of the Projects and proposed indebtedness to be incurred will be allocated between the Districts in a fair and equitable manner as set for in **Exhibit B** attached. Assuming the full \$15 million is incurred for mitigation projects in the Hagerman area, **Exhibit B** also reflects: (a) each District's share of the total cost; (b) each Districts the total cost per CFS; and, (c) the annual cost per CFS to the members of each District if the indebtedness is financed and amortized over 20 years at 4% interest. These costs per CFS are reflected separately for each District and for the members in the respective Districts.

34. The Board of Directors for each District have separately met and unanimously authorized and approved the completion of the Projects.

35. No referendum petition was filed requiring an election under I.C. § 42-5234 or §43-322A.

PRAYER FOR RELIEF

WHEREFORE, Petitioners request the following relief:

A. That the District Court examine this Petition and make a judicial determination confirming the power of the Districts acting through their respective Boards of Directors to incur the indebtedness of up to fifteen million dollars (\$15,000,000) to the Idaho Water Resource Board, Farm Credit Services or from commercial or other lenders in the form of revenue bonds, loans or other instruments of indebtedness as necessary to pay for present and future mitigation projects and acquisitions in the Hagerman area, to levy assessments against their members over a term not to exceed thirty (30) years sufficient to repay the principal and interest on the indebtedness which will become first priority liens against the land of their member groundwater users, second only to liens for the payment of real property taxes pursuant to Idaho Code § 42-5240 and §43-706 and to secure repayment of the proposed indebtedness.

B. That the District Court make a judicial determination that the Districts have authority to enter into such agreements, loans and to execute such documents as may be reasonable and necessary to carry out and implement the forgoing transactions.

C. That the District Court issue an order approving the *Notice of Petition and Hearing* and the complete service upon the members of the Districts by U.S. Mail, postage prepaid and by publication as required by law in each County where each District is located, in three (3) successive issues if published in a daily newspaper of general circulation, or by publication in one (1) issue if published in a weekly newspaper of general circulation, the first of which publications shall be at least fifteen (15) days before the date fixed for the hearing on the Petition in accordance with the requirements of Idaho Code §§ 42-5235 and 43-407

D. That this Petition be duly scheduled for hearing before the Court at a time and place certain, but not less than 15 days after the first publication and mailing of the notice.

E. For such other and further relief as the District Court deems just and equitable.

DATED this th16 day of April, 2015.

RACINE, OLSON, NYE, BUDGE
& BAILEY, CHARTERED

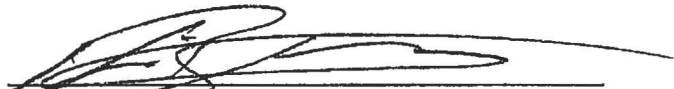
By: Randall C. Budge
RANDALL C. BUDGE

VERIFICATION

STATE OF IDAHO)
 ss:
County of Bannock)

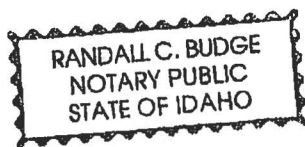
I, ~~NICK~~ BEHREND, being first duly sworn, upon oath, deposes and says that I am the Chairman of Aberdeen-American Falls Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

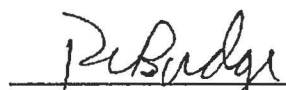
DATED this 14th day of April, 2015.



NICK BEHREND
Chairman
Aberdeen-American Falls Ground Water
District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.






Notary Public for Idaho
Residing at Pocatello, Id.
Commission Expires: 10/11/16

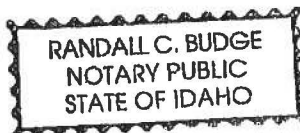
)
SS:
)

County of Jerome

DATED this 14th day of April, 2015.


LYNN CARLQUIST
Chairman
North Snake Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.



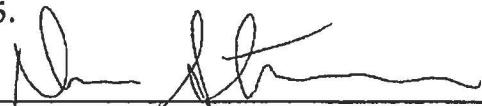
P. Budge
Notary Public for Idaho
Residing at Pocatello, ID.
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of)

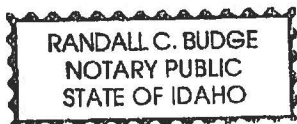
I, DEAN STEVENSON, being first duly sworn, upon oath, deposes and says that I am the Chairman of Magic Valley Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.


DATED this 14th day of April, 2015.



DEAN STEVENSON
Chairman
Magic Valley Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.





Notary Public for Idaho
Residing at Deerfield, IL
Commission Expires: 10/11/16

VERIFICATION

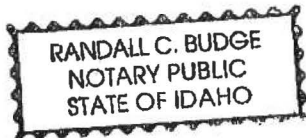
STATE OF IDAHO)
 ss:
County of Bannock)

I, RANDY BROWN, being first duly sworn, upon oath, deposes and says that I am the Chairman of Southwest Irrigation District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 14th day of April, 2015.

Randy Brown
RANDY BROWN
Chairman
Southwest Irrigation District

SUBSCRIBED AND SWORN TO before me this 14 day of April, 2015.



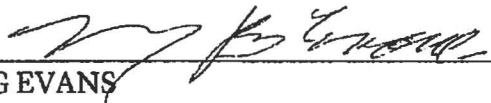
RC Budge
Notary Public for Idaho
Residing at Idaho, Id.
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of Bannock)

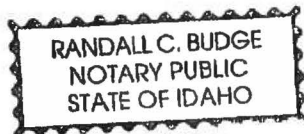
I, CRAIG EVANS, being first duly sworn, upon oath, deposes and says that I am the Chairman of Bingham Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

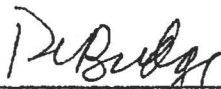
DATED this 14th day of April, 2015.



CRAIG EVANS
Chairman
Bingham Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.






Notary Public for Idaho
Residing at Paradise, ID
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of Bannock)

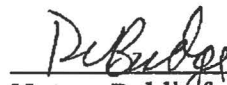
I, DANE WATKINS, being first duly sworn, upon oath, deposes and says that I am the Chairman of Bonneville-Jefferson Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

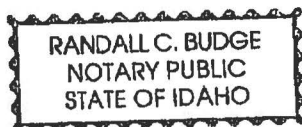
DATED this 14 day of April, 2015.



DANE WATKINS
Chairman
Bonneville-Jefferson Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.



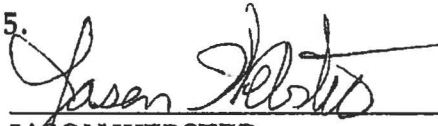
Notary Public for Idaho
Residing at Pocatello, ID
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)
 ss:
County of Bannock)

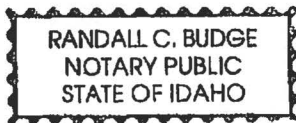
I, JASON WEBSTER, being first duly sworn, upon oath, deposes and says that I am the Chairman of Madison Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

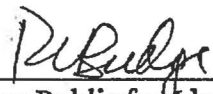
DATED this 14th day of April, 2015.



JASON WEBSTER
Chairman
Madison Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.





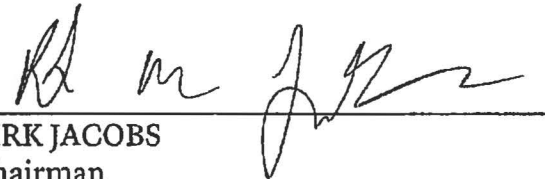
Notary Public for Idaho
Residing at Pocahontas, ID.
Commission Expires: 10/11/16

VERIFICATION

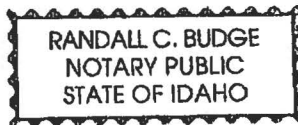
STATE OF IDAHO)
 ss:
County of Bannock)

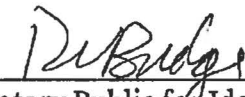
I, KIRK JACOBS, being first duly sworn, upon oath, deposes and says that I am the Chairman of Jefferson-Clark Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 14th day of April, 2015.


KIRK JACOBS
Chairman
Jefferson-Clark Ground Water District

SUBSCRIBED AND SWORN TO before me this 14th day of April, 2015.




Notary Public for Idaho
Residing at Beakillo, Id.
Commission Expires: 10/11/16

VERIFICATION

STATE OF IDAHO)

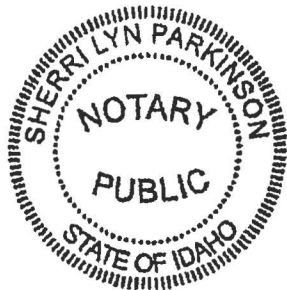
ss:

County of _____)

Jeff Raybould
I, ~~DALE SWENSON~~, being first duly sworn, upon oath, deposes and says that I am the Chairman of Fremont-Madison Irrigation District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 16 day of April, 2015.

Jeff Raybould
~~DALE SWENSON~~ Jeff Raybould
Chairman
Fremont-Madison Irrigation District

SUBSCRIBED AND SWORN TO before me this 16 day of April, 2015.

Sherri Lyn Parkinson
Notary Public for Idaho
Residing at Rexburg Idaho
Commission Expires: 7/13/19

VERIFICATION

STATE OF IDAHO)
County of Blaine) ss:

I, LETA HANSEN, being first duly sworn, upon oath, deposes and says that I am the Chairman of Carey Valley Ground Water District, and that I have read the foregoing Petition, and based on my personal knowledge believe the facts stated therein to be true and correct.

DATED this 15 day of April, 2015.

5. Leta Hansen
LETA HANSEN
Chairman
Carey Valley Ground Water District

SUBSCRIBED AND SWORN TO before me this day of April, 2015.



Dawnetta Bernion
Notary Public for Idaho
Residing at Blaine, Carey, ID
Commission Expires: April 15, 2021

EXHIBIT A

Hagerman Mitigation Cost Estimates April 15, 2015		
	Description	Cost (est.)
1	Rangen/Magic Springs Pump/Pipeline Project ¹	\$3,900,000
2	Billingsley Creek/Magic Springs Pump Project ²	\$4,300,000
3	Billingsley Creek - Bridge Diversion Pump Station	\$300,000
4	Pipeline Easements	\$100,000
5	Sandy Pond Measuring Devices ³	\$50,000
6	Aqualife Purchase from IWRB for exchange to SeaPac ⁴	\$2,000,000
7	(4) Aquaculture Subordination Settlement Agreements ⁵	\$338,000
8	Engineering ⁶	\$250,000
9	Legal ⁷	\$250,000
10	Other Mitigation Projects and Contingency	\$3,512,000
	Total:	\$15,000,000

1. Cost includes approximately \$700K associated with the large pump station improvements (Billingsley Creek) and engineering oversight through construction.

2. Includes design, pump station, piping across Magic Springs, and remaining piping to Sandy Pipeline at the Sandy Ponds.

3. Anticipated 50/50 cost share with Association of Cities.

4. Estimated price subject to legislative and IWRB approval.

5. Cost of acquiring Subordination Settlement Agreements of four 2014 spring users delivery calls.

6. This planning, design, and surveying (Engineering) will support on-going efforts in the Hagerman Valley for foreseeable 2015 projects.

7. Part of past/future legal fees re: Rangen Delivery Call.

EXHIBIT B

IGWA DISTRICTS PROPOSED SHARE OF ESTIMATED COSTS ALLOCATED PER CFS

Lower Valley Districts	Irrigated Acres	CFS of Water Rights	% of Total CFS	\$8.25M (55%) Hagerman Mitigation (Allocated by CFS)	Total Cost Per CFS	Annual Payment Amortized 20 Yrs. at 4%	Annual Cost Per CFS
North Snake GWD	87,399.0	1,728	31.79%	\$2,622,517	\$1,517.66	\$190,703.22	\$110.36
Magic Valley GWD	128,000.0	2,200	40.47%	\$3,338,852	\$1,517.66	\$242,793.46	\$110.36
Southwest Irr. Dist.	79,655.0	1,453	26.73%	\$2,205,160	\$1,517.66	\$160,354.04	\$110.36
Carey Valley GWD	3,634.6	55	1.01%	\$83,471	\$1,517.66	\$6,069.84	\$110.36
TOTAL	298,688.6	5,436	100.00%	\$8,250,000		\$599,920.56	

Upper Valley Districts	Irrigated Acres	CFS of Water Rights	% of Total CFS	\$6.75M (45%) Hagerman Mitigation	Cost of Total Per CFS	Annual Payment Amortized 20 Yrs. at 4%	Annual Cost Per CFS
Aberdeen/American Falls GWD	144,539.0	2,328	21.77%	\$2,250,000	\$966.49	\$163,614.72	\$70.28
Bingham GWD	203,975.0	2,618	24.48%	\$2,035,770	\$777.60	\$148,036.44	\$56.55
Bonneville-Jefferson GWD	62,000.0	1,240	11.59%	\$964,230	\$777.60	\$70,116.48	\$56.55
Madison GWD	50,852.0	946	8.84%	\$314,634	\$332.59	\$22,879.44	\$24.19
Jefferson-Clark GWD	175,509.7	3,420	31.97%	\$1,137,472	\$332.59	\$82,714.32	\$24.19
Fremont-Madison Irr. Dist.	64,717.0	144	1.35%	\$47,894	\$332.59	\$3,482.76	\$24.19
TOTAL	701,592.7	10,696	100.00%	\$6,750,000		\$490,844.04	

- (1) Based upon total estimated costs of \$15 million for Hagerman mitigation.
- (2) Costs allocated 55% / \$8.25 million to Lower Valley Districts and 45% / \$6.75 million to Upper Valley Districts.
- (3) Upper Valley Districts have been grouped by geographic locations to more closely follow potential mitigation scenarios.
- (4) Southwest Irrigation District's 1,453 cfs includes Goso Creek Irrigation District

Groundwater Conservation Grant Program

The Groundwater Conservation Grant Program provides financial assistance to municipal providers and other eligible entities interested in pursuing groundwater conservation/efficiency projects. Pursuing groundwater conservation/efficiency projects can help water providers reduce water demands, lower operational costs such as pumping and water treatment, and reduce or postpone the need for additional water supplies.

Program Budget: \$200,000 (set annually by the Finance Committee; program must be renewed each year)

Grant Amount: \$5,000 - \$20,000

Grant Term: 1 year

Eligible Entities: Municipality, Irrigation District, Irrigation Company, Private Corporation, Homeowner's Association, Water Users Association

Matching Funds: Entities requesting funding under the Groundwater Conservation Grant Program must provide \$2 (66%) for every \$1 (33%) awarded by the Board. In-kind services can be used for one-third (33%) of the projects costs.

Funding Distribution: 50% of the grant funds will be distributed at the start of the project. 25% will be distributed upon submittal of Mid-Point Progress Report. The final 25% of the grant funds will be distributed at the end of the project upon submittal of the Grant Performance Report. (Board can adjust and/or waive this funding distribution requirement on a case-by-case basis).

Project Deliverables: Entities that receive grant funding will be required to provide a written final Grant Performance Report to the Board (including a review of the activities completed under the grant), an estimate of actual water savings realized and other information that may be relevant to the Board. Future grant funds will not be considered if a final project report is not submitted.

The following are the basic steps required to obtain an IWRB grant:

1. Staff Contact – The project sponsor should contact the IWRB staff to discuss the scope of the proposed project, to discuss the Grant Document and any planning or engineering work that may already be completed or underway.
2. Grant Document – The Grant Document and Grant Application are to be submitted no later than 28 days prior to next full meeting of the IWRB. A calendar of the Board meeting dates can be found at (<http://www.idwr.idaho.gov/waterboard/>). Grants received after this time will be held until the next full IWRB meeting. A Grant Document is required for any funding request from the IWRB. Grant Documents are generally completed by consultants or consulting/engineering firms selected by the applicant but can be completed by the applicant.

3. Grant Review Recommendation – The IWRB staff will review the completed Grant Document and make a recommendation to the Board regarding the feasibility of the project and Grant. The Grant sponsor will be notified if changes are required in the submitted Grant Application and Grant Document.
4. IWRB Grant Authorization – The IWRB staff will present the Grant recommendation to the Board at their bi-monthly meetings. At this time the Board will make their decision as to whether or not they will Grant the funds. If funds are to be granted the Board will pass a resolution having any conditions it requires and the amount of the Grant.
5. Contract Execution – Following the Board approval of the Grant, contracts will be drawn up with provisions requested by the Board and stated in the Grant Resolution presented to the Board. The contracts are generally sent out within a week or two for signing. The sponsor will sign the contracts first and must return them in 30 days to the Board for an authorized signature from the Board. No funds are provided until the contracts are signed. Contracts not signed and returned within the 30 days will be subject to withdrawal of the Grant and reapplication to the Board will be required.

Idaho Water Resource Board

Water Management Account
Grant Program

WATER PROJECT GUIDELINES for creation of the GRANT DOCUMENT



In accordance with Idaho Code 42-1760.

Idaho Water Resource Board

August 2015

WATER PROJECT GRANT PROGRAM – GUIDELINES

1.0	<u>Introduction</u>	
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1.2	Steps to Obtain a IWRB Grant.....	3
2.0	<u>Grant Document – Outline</u>	
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1.0 Introduction

1.1 Use of Guidelines

These Guidelines for the IWRB Water Management Account Grant Program provide an overview of the steps required for obtaining an IWRB grant, including preparation of the Grant Document. They are based upon generally accepted practices for sound planning, design, and construction of water projects. The consulting/engineering firms or individuals responsible for the planning design, and construction activities are expected to develop specific analytical procedures that are appropriate for a particular project analysis. These Guidelines have been written to assist the project consultant and sponsor with the grant application process and with planning and implementing a cost-effective project for maximum benefit to Idaho water users. The process and procedures outlined here are intended to be as flexible as possible and to be responsive to the needs of the project sponsor.

Grants are given for the following purposes: reclamation, upstream storage, offstream storage, aquifer recharge, reservoir site acquisition and protection, water supply, water quality, recreation, and water resource studies, including feasibility studies for qualifying projects.

1.2 **Steps to Obtain a IWRB Grant**

The following are the basic steps required to obtain an IWRB grant:

1. **Staff Contact** – The project sponsor should contact the IWRB staff to discuss the scope of the proposed project, to discuss the Grant Document and any planning or engineering work that may already be completed or underway.
2. **Grant Document** – The Grant Document and Grant Application are to be submitted no later than 28 days prior to next full meeting of the IWRB. A calendar of the Board meeting dates can be found at (<http://www.idwr.idaho.gov/waterboard/>). Grants received after this time will be held until the next full IWRB meeting. A Grant Document is required for any funding request from the IWRB. Grant Documents are generally completed by consultants or consulting/engineering firms selected by the applicant but can be completed by the applicant.
3. **Grant Review Recommendation** – The IWRB staff will review the completed Grant Document and make a recommendation to the Board regarding the feasibility of the project and Grant. The Grant sponsor will be notified if changes are required in the submitted Grant Application and Grant Document.
4. **IWRB Grant Authorization** – The IWRB staff will present the Grant recommendation to the Board at their bi-monthly meetings. At this time the Board will make their decision as to whether or not they will Grant the funds. If funds are to be granted the Board will pass a resolution having any conditions it requires and the amount of the Grant.
5. **Contract Execution** – Following the Board approval of the Grant, contracts will be draw up with provisions requested by the Board and stated in the Grant Resolution presented to the Board. The contracts are generally sent out within a week or two for signing. The sponsor will sign the contracts first and must return them in 30 days to the Board for an authorized signature from the Board. No funds are provided until the contracts are signed. Contracts not signed and returned within the 30 days will be subject to withdrawal of the Grant and reapplication to the Board will be required.

2.0 **Grant Document – Outline**

The following provides and outline for the preparation of an IWRB Grant Document. Requirement may vary depending on the project and objective of the Document. For questions on how to complete the Document, contact IWRB staff.

2.1 **Background information**

2.1.1 **Purpose**

This section provides a brief overview of the project, including the type of project, amount of Grant funding being requested, and a statement of what the project and/or

study is intended to accomplish. It should describe the need for the project, problems, and why the project is important to the grantee. It should include a brief history relevant to the project and any compliance issues that are being addressed (i.e. water quality).

2.1.2 Project Area Description

This is the geographical area to be served by the proposed grant and should include the following:

- a. A narrative of the description of the project area to include the county, the proximity to towns or cities and locations of major water features.
- b. A map showing the items listed above and the location of the existing facilities, proposed project site, and boundary of the project.
- c. Characteristics of the project area such as residential and number of residences listing both seasonal and permanent, farm ground, irrigation and type of crops and any other type of characteristic that may be pertinent to the project.

2.1.3 Previous Studies

To maximize the extent of the Grant Document, any previous studies and investigation should be utilized such as a reconnaissance-level study.

2.2 **Project Sponsor**

The project sponsor may not be an individual. Each Grant Document should include a description of the entity be it municipality, irrigation district, canal company or subdivision that is sponsoring the proposed project. The description should include the following:

- a. Type of organization, official name, the year formed, and the statutes under which the entity was formed. For subdivisions a copy of the By-laws should be attached to the report.
- b. For public entities the number of customers or taps served, current water usage, and future growth plans.
- c. For private entities the number of members or shareholders, shares of stock or water and what a share is equivalent to, and the current water delivery.
- d. A brief history of the sponsoring entity.
- e. Identification of revenue sources (existing service charges, taps fees, share assessments, etc.).
- f. A description of the existing water supply facilities owned and/or operated by the entity.

2.3 Water Rights

2.3.1 Water Availability

The Grant Document should provide a detailed description and analysis of each water supply source to be utilized by the proposed project. A brief description of existing source may be adequate for projects that involve only rehabilitation of existing facilities. Each source of supply should be described in terms of location, yield, extent of development and water right status.

2.3.2 Water Supply Demand

Existing and future water demands are analyzed as well as the adequacy of water rights/existing yields, and water demand and the availability are compared. The demands should look at a time period of 15 years minimum in most cases.

2.4 Project Description

This section documents the project.

2.4.1 Project Description

A detailed description of the *Project* should be provided and should include the following:

- a. Project Description – A narrative description of project components and operation to indicate how the entire project will function.
- b. Map – A map of the entire project area showing the locations of existing and proposed project components and other features like streams, canals, flood plain etc.
- c. Conceptual Plan/Cross Section – Layout and cross-section for each major structure to include dimensions and hydraulic properties. Profile and typical sections for canals and pipelines with water surface and hydraulic gradeline elevations.
- d. Conceptual Design Features – Hydraulic, hydrologic, and structural design criteria for all proposed facilities including:
 - Sizing for all hydraulic features such as canals, pipelines, pumping plants, outlet works, etc. with associated energy losses where applicable.
 - Number, size and operating characteristics of pumping units.
 - Number, size and operating characteristics of variable speed drives.
 - Other site factor that require special consideration.

- e. Right-of-Way/Land – Land and right-of-way requirements for the proposed project and a tabulation of land ownership at the site of the proposed project.

2.4.2 Cost Estimate

Provide a detailed estimate for all capital costs of the project implementation such as engineering design, construction inspection, administrative and legal cost, land and right-of-way acquisition, relocation costs, construction costs, financing costs, and a contingency costs and total costs.

2.4.3 Implementation Schedule

Provide a project implementation schedule showing the beginning and completion dates for all activities required for the project implementation to include but not limited to permits, design, contracts, land and right-of-way acquisition, and construction.

2.5 Financial Feasibility Analysis

This section documents the financial feasibility of the project. It provides a description of finances to be used in addition to the IWRB Grant.

- Grant Amount – Discuss the total project costs and the amount of the IWRB Grant requested.
- Financing Sources – Identify other sources of financing for the grant, in-kind or financial.

2.6 Grant Request and Submittals

The following is a list of documents that should be included with the Grant request:

- a. A cover letter requesting grant funding.
- b. A completed Grant application with all information filled in. Incomplete applications will be returned to the sponsor and no action will be taken by the IWRB staff toward processing the Grant.
- c. The Grant Document which is submitted for staff review and comment. Grant Document should have Appendices that include technical information about the project, design drawings and maps, by laws of the applicant, copy of easement(s) if required and financial statement.

***Please Note: Incomplete packets will be returned to the sponsor unless previously discussed with staff and no further action will be taken on the part of the staff. All Grant requests must be received 28 working days prior to the bi-monthly Board meeting. No exceptions!!!**



IDAHO WATER RESOURCE BOARD

322 East Front Street, Statehouse Mail

Boise, Idaho 83720

Tel: (208) 287-4800

FAX: (208) 287-6700



APPLICATION FOR A GROUNDWATER CONSERVATION GRANT

Answer the following questions and provide the requested material as directed. All pertinent information must be provided. Additional information may be requested by the Idaho Water Resource Board (IWRB) depending on the scope of the project and amount of funding requested.

Incomplete documents will be returned and no further action taken will be taken by IWRB staff. All paperwork must be in twenty eight (28) working days prior to the next bi-monthly Board meeting.

Board meeting agendas can be found at: <http://www.idwr.idaho.gov/waterboard/>

I. Overview:

This form applies to the Water Board Groundwater Conservation Grant. The Groundwater Conservation Grant Program provides financial assistance to municipal providers and other eligible entities interested in pursuing groundwater conservation/efficiency projects. Pursuing groundwater conservation/efficiency projects can help water providers reduce water demands, lower operational costs such as pumping and water treatment, and reduce or postpone the need for additional water supplies.

Grants amounts can range from \$5,000 to \$20,000. All grants require a 66% match of the total costs. In-kind services can account for 33% of the total project costs.

Unless directed otherwise by the Water Board funds will be distributed in the following manner:

50% - after signing of grant contract by both parties

25% - at the mid-point of the contract

25% - upon completion of project and submittal of the Grant Performance Report

Prepare and attach a "Grant Document" to this application.

The Grant Application Document requirements are outlined in the Water Project Grant Program Guidelines. The guidelines can be found at:

<http://www.idwr.idaho.gov/waterboard/Financial%20program/financial.htm>

You can also obtain a copy by contacting IWRB staff.

II. General Information:

A. Type of organization: (Check box)

☐ Municipality

☐ Irrigation District

☐ Irrigation Company

☐ Private Corporation

☐ Homeowner's Association

☐ Water Users Association

Organization name

Name and title of Contact Person

PO Box/Street Address

Contact telephone number

City, County, State, Zip Code

e-mail address

Taxpayer ID#

Project location/ legal description

B. Is your organization registered with the Idaho Secretary of State's office? Yes ☐ No ☐

C. Purpose and name of project for this grant application.

☐ New Project

☐ Rehabilitation or replacement of existing facility

☐ Other _____

III. WATER PROJECT/ACTIVITY:

A. Source of water:

☐ Surface

☐ Groundwater

☐ Reservoir

☐ Other

B. Describe the Water Project/Activity - What is the primary purpose of this grant application?

C. Does this project/activity address multiple purposes? If so explain.

D. Is this project primarily a study or implementation of a water project/activity?

☐ Study

☐ Implementation

Amount of funds requested: _____

By signing this document you verify that all information provided is correct and the document is filled out to the best of your ability.

Authorized signature& date: _____

**STATE OF IDAHO
WATER RESOURCE BOARD**



**WATER MANAGEMENT ACCOUNT CONSERVATION GRANT
CONTRACT**

with the

GRANTEE NAME

for the

PROJECT NAME



IDAHO WATER RESOURCE BOARD

CONTRACT AGREEMENT FOR A WATER MANAGEMENT ACCOUNT GRANT

Contract No. WRB-49x

This agreement, entered into between the IDAHO WATER RESOURCE BOARD (Board) and the **XXXXXXXXXXXXX (Company)**, is made in reference to the following facts:

RECITALS

- A. The Water Management Account (WMA) established by Section 42-1760, Idaho Code, provides a source of funds appropriated to the Board to be used for financing certain types of water projects.
- B. The Company is a qualified applicant for a grant from the WMA and requests funds to assist with expenses associated with conducting engineering studies of the Company's .
- C. The Board on **DATE** , adopted a resolution approving a grant not to exceed \$**XXX** to be used for conducting engineering studies of .
- D. The Company has satisfied all conditions specified in the resolution.

IN CONSIDERATION of the promises hereinafter stated, the parties agree as follows:

1. DESIGNATION OF CONTRACTING OFFICER

- A. The Board's contracting officer shall be the Director of the Idaho Department of Water Resources (Director) or his duly authorized representative.
- B. The Company's contracting officer shall be **Jesse L. Johnson, President**, or his successor or duly authorized representative.

2. STATEMENT OF PURPOSE

The purpose of this agreement is to provide a money grant to the **Company** to be used for the purpose of **conducting engineering studies of the Company's Johnson Dam to develop a recommended plan and cost estimate for the repair or replacement of the outlet pipe at Johnson Dam.**

3. SCOPE OF WORK

- A. The **Company** shall use the grant to pay the costs as approved by the Board.
- B. The **Company** shall obtain written approval from the Board prior to any significant change in the level or scope of work to be performed under this agreement.
- C. The **Company** shall use the grant money only for the legal purpose it was intended and in full compliance with state and local laws.
- D. The work shall be performed according to the **Proposal and Scope of Work dated June 6, 2003 by RB&G Engineering, Inc.**

4. COORDINATION

During the course of the work provided for under this agreement, the Company and any consultant employed by the Company for the purpose of performing such work shall maintain frequent contact with the Director or the Director's representative to insure that the requirements of this agreement are satisfied and that unnecessary expenses are not incurred.

5. REPORTS

- A. The **Company** and the engineer employed by the **Company** shall submit to the Board a final report of the investigation, analysis, and design of the Johnson Dam outlet repair prior to payment of the final 10% of the grant amount in accordance with section 7B of this agreement.
- B. It shall be noted on the report cover and within the report text that the study was performed with funding assistance from the Idaho Water Resource Board.
- C. The **Company** shall submit a final financial report, together with receipts, bills, invoices, or vouchers, which detail costs incurred during the project prior to payment of the final ten percent (10)% of the grant amount due under Section 7B of this agreement.
- D. As per Article 7A, all requests for payment shall include a progress report prepared by the consulting engineer detailing the work performed under each bill or invoice that is submitted to the Board for payment.

6. GRANT AMOUNT

The Board will grant to the Sponsor in accordance with the provisions of this contract a sum of money not to exceed **DOLLARS (\$,000.00).**

7. METHODS OF PAYMENT

- A. The **Company** may request payment of 50% of the grant funds upon receipt of their copy of this contract signed by both parties. Requests shall be submitted in writing, specifying the amount in accordance with the grant funding awarded.
- B. Disbursement of the remaining funds will be as follows:
 - 25% at mid-project with progress report
 - 25% upon completion of the project and submittal of grant performance report.

8. RECORD KEEPING

The **Company** shall establish and keep for a period of three years following final disbursement by the Board such financial records as will fully disclose the amount and disposition of the total grant, the purpose or undertaking for which such funds were used, the amount and nature of all contributions from other sources, and such other records as the Board may reasonably prescribe.

9. TERM

This agreement shall take effect when both parties have signed the contract and shall continue in effect for a period of twelve months unless terminated earlier in accordance with the provisions of Section 10.

10. TERMINATION FOR CONVENIENCE

The Board may terminate this agreement in whole or in part for the convenience of the Board at any time upon written notice to the Grantee effective on the date specified in the notice or the date of service of the notice, whichever is later. Upon termination for convenience, the Board shall make a fair and reasonable payment, as determined by the Board, for all work completed under the agreement by the **Company**. The **Company** shall not incur, after the date of service of the written notice of termination, any non-cancellable obligations under the agreement, except as authorized in the written notice of termination.

11. WAIVER, MODIFICATION OR AMENDMENT

No waiver, modification or amendment of this contract or of any covenants, conditions or limitation herein contained shall be valid unless in writing duly executed by both parties and the parties further agree that the provisions of this section may not be waived, modified or amended except as herein set forth.

12. ENTIRE AGREEMENT

This agreement sets forth all the covenants, provisions, agreements, conditions and understandings between the parties and there are no covenants, provisions, agreements, conditions or understandings, either oral or written, between them other than are herein set forth.

IN WITNESS WHEREOF, the parties have executed this agreement on the date following their respective signatures.

IDAHO WATER RESOURCE BOARD

1301 North Orchard Street
Statehouse Mail
Boise, ID 83702-9000

Brian Patton, Bureau Cheif
Idaho Department of Water Resources

Date

XXXXXXXX, President

Date

Federal Tax Identification Number

APPROVED AS TO LEGAL FORM:

Deputy Attorney General,
Department of Water Resources