

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF NORTH FREMONT CANAL
SYSTEM FUNDING REQUEST

RESOLUTION TO AUTHORIZE FUNDING TO
CONSTRUCT PHASE 3 OF THE MARYSVILLE
GRAVITY-PRESSURIZED PIPELINE IRRIGATION
SYSTEM

1 WHEREAS, the North Fremont Canal System, Inc. (Company) submitted a loan application to the
2 Idaho Water Resource Board (IWRB) in the amount of \$4,300,000.00 for conversion of a canal irrigation
3 conveyance system to a gravity-pressurized irrigation system; and
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5 WHEREAS, the Company operates and maintains an delivery system to convey irrigation water
6 to its shareholders in Fremont County to irrigate approximately 24,000 acres of farmland; and
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8 WHEREAS, the Company has been constructing the five phase Marysville Gravity-Pressurized
9 Pipeline Project (Marysville Project) to convert existing canals to a gravity-pressurized pipeline system;
10 and
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12 WHEREAS, the Company is requesting funds to construct Phase 3 of the Marysville Project which
13 includes construction of a new diversion structure and installation of approximately 100,500 lineal feet
14 of pipe to irrigate approximately 3,900 acres of farmland; and
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16 WHEREAS, the proposed gravity-pressurized pipeline system will benefit the Company's
17 shareholders by reducing sprinkler irrigation pumping costs, canal maintenance, and water losses due to
18 canal seepage and evaporation; and
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20 WHEREAS, the total estimated cost for the Marysville Phase 3 project is \$11,067,834.00; and
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22 WHEREAS, the Natural Resource Conservation Service has agreed to provide a \$6,876,812.00
23 grant for this phase of the five-phase project; and
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25 WHEREAS, the IWRB approved loans to the Company for the Marysville Project of \$625,000.00
26 in 2007 for Phase 1, \$1,100,000.00 in 2008 for Phase 2, and \$2,500,000.00 in 2013 for Phase 4; and
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28 WHEREAS, the Company is a qualified applicant and the proposed evaluation qualifies for a loan
29 from the IWRB'S Revolving Development Account; and
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31 WHEREAS, the proposed project is in the public interest and is in compliance with the State
32 Water Plan.
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34 NOW THEREFORE BE IT RESOLVED that the IWRB approves a loan not to exceed \$4,300,000
35 from the Revolving Development Account at 4.5% interest with a 20-year repayment term and provides
36 authority to the Chairman of the Idaho Water Resource Board, or his designee, to enter into contracts
37 with the Company on behalf of the IWRB. The 20-year term of the loan will commence in November
38 2018, with obligation of funds and payment requirements as outlined in Condition No.3 below.

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NOW THEREFORE BE IT FURTHER RESOLVED that this resolution and the approval of the loan are subject to the following conditions:

- 1) The Company shall comply with all applicable rules and regulations that apply to the proposed project.
- 2) The Company will provide acceptable security for the loan to the IWRB including, but not limited to, the Company's water rights and North Fremont Canal System's facilities.
- 3) The Company shall establish a reserve account in an amount equal to one annual payment.

DATED this 23th day of October, 2018.



ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST



VINCE ALBERDI, Secretary