

Report of the Conservation, Infrastructure & Efficiency Fund (CIEF) Committee for Water Year 2022

**To: Idaho Water Resources Board (IWRB), Idaho Department of Water Resources (IDWR)
& Big Wood River Groundwater Management Area (BWRGWMA) Committee
Date: December 1, 2022**

The CIEF Committee respectfully submits this annual report to the above-named agencies pursuant to BWRGWMA Management Plan (GWMP), Paragraph V.1.C.7. which states:

The CIEF Committee shall report on the following items to the BWRGWMA Advisory Committee, IDWR, and the IWRB by December 1 of each year: CIEF contributions and expenditures, CIEF Committee decisions, and the results of any actions taken by the CIEF Committee.

The report consists of the following narrative description of the Committee's activities this year and accompanying documents (3).

Summary of Significant Events:

The CIEF Committee first convened in a formative capacity in April, 2022. It approved its Bylaws, thereby becoming official, capable of decision-making and electing officers at its June 10, 2022 meeting. As a follow up, officers were authorized to sign documents on behalf of the committee at the June 15th meeting. WRRC&D approved its contract with IWRB on August 10th, in its capacity as fiscal agent and registered agent for the CIEF Committee.

The CIEF Committee authorized a lease of storage water and payments for the lease and fees under the terms of the GWMP at its August 29th meeting. It later authorized a sub-lease of unused water under this lease to Magic Valley Groundwater District at its September 28th meeting. The CIEF Committee presented to IWRB at the latter's September 15 remote meeting in Hailey and toured Water District 37 infrastructure with IWRB members and IDWR staff. It approved its Grant Award Criteria document (attached) at its October 31, 2022 meeting and subsequently reviewed a project proposal, then agreed to grant \$100,000.00 to Big Wood Canal Company (BWCC) for its Lincoln Bypass Canal lining project.

Summary of Financial Transactions:

All groundwater users met their obligations to the CIEF Fund under the terms of the GWMP. Please refer to two spreadsheets (attached) prepared by Department Staff (Excel) and by the fiscal agent and CIEF Committee Treasurer (PDF). The CIEF Treasurer notes an overpayment by Sun Valley Water & Sewer District in the amount of \$627.80, as received by the fiscal agent (Wood River Resource Conservation & Development - WRRC&D). The reason for this overpayment is not apparent. To rectify the overpayment, we suggest a credit be incorporated into the invoice for 2023, accompanied by explanation. City of Ketchum also appears to have underpaid by one penny. The total received from all entities was \$95,562.30 (including the overpayment).

Additionally, the CIEF Fund received a 2022 grant of 2:1 matching funds from the IWRB in the amount of \$191,124.60. Inasmuch as the match was based upon funds received by WRRC&D, rather than the calculated 2022 obligated amount, the grant was in excess by

\$1255.60 (overpayment times two). This overpayment could be corrected by refund, or in the accounting for 2023, at the IWRB's direction. The CIEF paid total administrative fees for service, per contract, to WRRC&D of \$8,793.48.

CIEF infrastructure funds were expended for purchase of Snake River storage water to provide senior Big Wood River users supplemental water as required under the GWMP. The Committee authorized and payments were issued to Idaho Irrigation District for 1100 acre-feet of water at the rate of \$75 per acre-foot, in the amount of \$82,500.00; and to Water District 1 for associated fees (10% plus \$1.30 per acre foot for administration) in the amount of \$9,680.00, resulting in a total expenditure of \$92,180.00. As the irrigation season progressed, it was determined that only 210 acre-feet of the supplemental water would be used. The remaining balance of 890 acre-feet was sub-leased at cost to Magic Valley Ground Water Pumpers Association. This resulted in a repayment to the fund of \$74,582.00. WRRC&D charged no service fee for this transaction.

American Falls Reservoir District #2 wheeling fee on the 210 acre-feet delivered in the amount of \$1680.00 (\$8.00 per acre-foot) has yet to be invoiced. Similarly, BWCC has not yet submitted an invoice for its grant. These remain outstanding liabilities. Despite the number of in-person meetings and attendant travel distances, during the period no member of the CIEF Committee invoiced for 'reasonable expenses' associated with their participation, although that is authorized in the committee bylaws.

Current balance in the fund (as of December 1) is \$260,295.42. Given the two outstanding liabilities, as noted, of \$1680.00 and \$100,000.00 respectively, an unencumbered balance of \$158,615.42 remains.

Additional Considerations:

GWMP Section V.2. addresses "Additional Management Actions in Dry Years." Prescribed actions are triggered by Big Wood River predicted flows falling below defined water supply tiers. The dry year tier was passed in 2022, thus triggering both consumptive use reductions within the groundwater districts and additional Snake River storage water delivery (Sections V.2.B.1-4.). Surface water users did not need additional storage water, so none was leased or delivered, despite the requirement for this action. This non-action is being reported because the Committee wishes to call attention to ambiguity in GWMP language stating: "2. The additional Snake River storage water *may be paid* through the CIEF." (*emphasis added*). The Committee has limited funds available for storage water leasing at current high prices and recommends the stakeholders attempt to clarify the issue of who might be called upon to pay for additional storage water in the event of another dry year.

Submitted December 1, 2022 by
Lawrence Schoen, CIEF Committee Chairperson
On behalf of the CIEF Committee

Attachments:

BWRGWMA Term Sheet Parties' CIEF Contributions (Excel)
Wood River RC&D Profit & Loss Detail (PDF)
CIEF Grant Award Criteria (Word)

BWRGWMA TERM SHEET PARTIES' CIEF CONTRIBUTIONS							
Party	Basis of Contribution	Avg Pumping 2016-2020 (AF) as reported in Term Sheet	2022 Contribution¹	Avg Pumping 2017-2021 (AF) per WMIS records	2023 Contribution	Pumping Volume Source	Comment
Sun Valley Company	5-Yr. Avg Pumping	270.82	\$2,708.20	292.56	\$2,925.64	WMIS No. 1000705	
City of Bellevue	5-Yr. Avg Pumping	377.43	\$3,774.30	318.56	\$3,185.62	WMIS Nos. 1000846, 1000847	
City of Ketchum	5-Yr. Avg Pumping	3,137.36	\$31,373.61	3,024.09	\$30,240.94	WMIS Nos. 1000862, 1000863, 1000864, 1000865, 1000901, 1003175	Avg Volume 2016-2020 = 3154.61 per IDWR WMIS records
City of Hailey	5-Yr. Avg Pumping	1,606.62	\$16,066.20	1,645.24	\$16,452.38	WMIS Nos. 1000850, 1000852, 1001308, 1001309, 1001310, 1001311	
Sun Valley WSD	5-Yr. Avg Pumping	3,101.22	\$31,012.20	3,154.55	\$31,545.50	WMIS Nos. 1000868, 1000869, 1000870, 1000871, 1000872, 1000873, 1000874, 1000875, 1000883, 1001247, 1001267, 1001268, 1001346	2016-2020 avg. pumped volume reported in Term Sheet is the 2017-2020 avg. volume
WD37B Ground Water Assoc.	\$10K per yr. per Term Sheet		\$10,000.00		\$10,000.00		
Totals:			\$94,934.51		\$94,350.08		

¹ Term Sheet Parties agreed that 2022 contributions be based on 2016-2020 average pumped volumes as reported in Table 1 of Term Sheet Agreement

WOOD RIVER RC&D
Profit & Loss Detail
 January 1 through October 27, 2022

Type	Date	Num	Name	Memo	Class	Amount
Income						
Contract Service PassThrough						
Deposit	08/18/2022		State of Idaho	idaho Water Resources Board	CIEF	191,124.60
Total Contract Service PassThrough						191,124.60
Donations						
Deposit	05/10/2022	1111	Water District 37b GW Assoc	CIEF Fund	CIEF	10,000.00
Deposit	05/19/2022	17075	Sun Valley Water & Sewer Di...	CIEF	CIEF	31,640.00
Deposit	06/06/2022	20821	City of Bellevue	Deposit	CIEF	3,774.30
Deposit	06/06/2022	88196	City of Ketchum	Deposit	CIEF	31,373.60
Deposit	06/06/2022	53188	City of Hailey	Deposit	CIEF	16,066.20
Deposit	07/11/2022	86159...	SunValley Company	Valley	CIEF	2,708.20
Total Donations						95,562.30
Overpayment						
Deposit	10/13/2022	2078	Magic Valley Ground Water D...	refund credit re-sale of ground water	CIEF	74,582.00
Total Overpayment						74,582.00
Total Income						361,268.90
Expense						
Contract Service Pass Through						
Check	08/29/2022	5218	Idaho Irrigation District		CIEF	82,500.00
Check	08/29/2022	5219	Water District 1		CIEF	9,680.00
Total Contract Service Pass Through						92,180.00
Fees for Services						
General Journal	05/10/2022	jac		Water Dist 37B	CIEF	500.00
General Journal	05/19/2022	jac		Sun Valley Water and Sewer District	CIEF	1,532.00
General Journal	06/06/2022	jac		City of Bellevue	CIEF	377.43
General Journal	06/06/2022	jac		City of Ketchum	CIEF	1,568.68
General Journal	06/06/2022	jac		City of Hailey	CIEF	803.31
General Journal	07/11/2022	jac		SunValley Company	CIEF	189.57
General Journal	08/18/2022	jac		Idaho Water Resources Board	CIEF	3,822.49
Total Fees for Services						8,793.48
Total Expense						100,973.48
Net Income						260,295.42

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Accrual Basis

WOOD RIVER RC&D
Profit & Loss Detail
 January 1 through October 27, 2022

Type	Date	Num	Name	Memo	Class	Amount
Income						
Donations						
Deposit	05/19/2022	17075	Sun Valley Water & ...	SCIPES Infracture	SCIPES Infracture	11,390.00
Deposit	06/06/2022	53187	City of Hailey	Scipes infracture	SCIPES Infracture	5,783.83
Deposit	07/11/2022	86159...	SunValley Company	Valley	SCIPES Infracture	974.95
Total Donations						18,148.78
Total Income						18,148.78
Expense						
Fees for Services						
General Journal	05/19/2022	jac		Sun Valley Water & Sewer	SCIPES Infracture	569.50
General Journal	06/06/2022	jac		City of Hailey	SCIPES Infracture	404.87
General Journal	07/11/2022	jac		Sun Valley Company	SCIPES Infracture	97.50
Total Fees for Services						1,071.87
Total Expense						1,071.87
Net Income						17,076.91

CIEF Grant Award Criteria

The Conservation, Infrastructure & Efficiency Fund (CIEF) is authorized according to the terms and principles embodied in the Big Wood River Groundwater Management Plan (Plan), approved by order of the Director of the Idaho Department of Water Resources (IDWR) for the Big Wood River Groundwater Management Area (BWGWMA). The Plan directs:

CIEF funds will be used primarily for infrastructure improvements and other permanent measures that improve the efficiency of delivering senior water rights, protect ground water levels, or increase surface water flows, and for purchasing storage water.

CIEF funding decisions shall be approved by the CIEF Committee, which shall be comprised of an equal number of surface water right holders and ground water right holders in Water Districts 37 and 37B who are elected/appointed in accordance with CIEF Committee bylaws, plus one representative of the Idaho Water Resource Board (“IWRB”), and one representative from a Non-Government Organization (“NGO”) within the Wood River basin.

CIEF Funds will be collected, held, and administered by the Wood River Resource Conservation and Development Council (“WRRCDC”).

CIEF Grant Award Criteria have been adopted by the CIEF Committee and are modeled in large part on the Idaho Water Resource Board’s Aging Infrastructure Grant Criteria. As such, these criteria are intended to take into account public input for the expenditures of money for grants, which shall be competitive, matching grants that prioritize projects based on the public benefits they provide.

Considerations of public benefits should include the protection of existing water rights; uses identified in Section 42-1760(2)(d), Idaho Code; rehabilitation or improvement to public or private water infrastructure, support of the regional economy, or providing economic value; ensuring long-term water resource stability, conservation, efficiency of use and sustainability.

The CIEF Committee has developed these criteria, below, to provide financial assistance on a regional competitive basis through grants to eligible entities or persons interested in pursuing projects to rehabilitate or improve conservation, infrastructure or efficiency values related to the diversion and use of their consumptive water rights. Grant awards made under this program are not intended to be used for the purpose of acquiring or leasing storage water.

Eligible Projects: Any project intended to repair, maintain, replace, or improve existing infrastructure, or to develop new infrastructure, that supports irrigation water delivery, storage, drainage, treatment, and use of water for irrigation. This grant program shall not address municipal drinking or wastewater systems. Project applications may include engineering or other project planning costs, but these activities should not be the entire purpose of the project. Project applications also may include administrative costs, if applicable.

Eligible Entities: Irrigation Districts, Irrigation Boards of Control, Canal Companies, Drainage Districts, Groundwater Districts, Ditch Companies, Lateral Ditch Users Associations, Reservoir Districts, Municipal Irrigation Districts (formed per Title 42, chapter 18, Idaho Code), Municipalities, Counties, Water Districts, or any private or commercial user of consumptive water rights, including non-profit entities and conservation districts.

Eligible Geographic Area: Big Wood River Basin within Water Districts 37 & 37B.

Grant Process:

- Applications will be considered in two cycles each year. Application deadlines are March 1st and August 1st. Applications received after these dates will be considered in the subsequent cycle.
- CIEF Committee will initiate review of project proposals and applications at the next scheduled meeting following receipt. Potential applicants are expected to give a presentation to the CIEF committee and will be notified of a scheduled meeting date and time.
- CIEF Secretary will notify applicant of the CIEF Committee decision whether or not to approve the grant award.
- Grant contracts between the WRRCDC and project applicants will be developed and executed following CIEF Committee decision.
- Funding will be distributed to grantees under the terms of each contract. Funding distribution requests must 1) reference contract number; and 2) be submitted to Wood River Resource Conservation & Development Council, 141 7th Avenue East, Gooding, Idaho 83330.

Grant Funding Considerations:

- Total grant awards shall be limited by available funding, which will vary year to year.
- Grant portion not exceeding 50% of total project costs is preferred.
- Funding distributions shall occur on a reimbursement basis. Invoices must be submitted to WRRCDC (cc: CIEF Committee) prior to disbursement.
- Approved permits are not required during the application phase; however, for projects requiring local, state, or federal permits, funding reimbursement will not be made unless the project is fully permitted.
- Applicant shall provide on a timely basis documentation of all applicable permits, site access, or other authorizations necessary to complete a project to the CIEF Committee & IDWR Staff.
- Funding awards may be reallocated if a project is not completed within the grant period of the grant award contract. Projects may occur in stages. Implementation may occur in calendar years following the grant award.

Grant Application and Evaluation Criteria: To maximize the effective and efficient use of available funds, grant applications submitted by eligible entities for eligible projects will be evaluated, scored (*100- point scale*) and ranked according to the following criteria. Applications should include all of the requested information. Project scoring will be used to prioritize funding.

Project Background (*up to 30 points*)

- Project description – conceptual plan and design overview; clear and detailed narrative, plans, maps and/or diagrams describing infrastructure or delivery system, repairs, rehabilitation, improvements, including specifications where relevant
- Project need - needs/objectives/benefits; what will happen if this project is not implemented
- Project schedule
- Required permits, land entitlements or other authorizations (if any), at project location

Project Applicant and Organizational Capacity of Applicant (up to 15 points)

- Applicant organization type, background, revenue sources, current operations
- Description of the personnel (applicant employees, contractors and/or volunteers) that will plan, design, construct and implement the proposed project; descriptions may include the number, qualifications (resumés if applicable) and time commitment of personnel that will be involved in the project
- Has the applicant demonstrated the capacity, authority and ability to complete the project? Demonstration may include a synopsis of the applicant's organization and descriptions of similar projects completed by the applicant.
- Discussion of project longevity and projections of when the proposed project would need replacement and/or repair.

Water Savings and Effectiveness (up to 20 points)

- Clear demonstration of water savings, reductions in consumptive use, and/or increase in reliable water supply to senior surface water users, as determined through water measuring, engineering, or other studies
- Description of methods that will be used to document water savings, reductions in consumptive use, and/or increase in reliable supply to senior surface water users after project implementation
- Effectiveness & immediacy of the proposal in accomplishing project objectives and benefits (e.g., nature and magnitude of operational efficiency improvements; water savings, etc.)

Public Interest of Project (up to 15 points)

- Economic values supported by the infrastructure, including consideration of the affected communities, irrigated acres, provision of water for other water users and stability of economic activity served by the water infrastructure.
- Demonstration of stakeholder support.
- Public Interest uses/benefits as follows:
 - water quality
 - fish & wildlife
 - riparian habitat
 - recreation
 - hydropower
 - water supply stability & sustainability
 - drought resiliency
 - public safety
 - other benefits to the citizens of the region

Project Budget (up to 20 points)

- Budget and total cost
- Budget cost/benefit - reasonableness of costs (labor, equipment, materials), comparison of costs to project outcomes
- Description of how project cost was determined; also, if any adjustments to cost are anticipated during implementation
- Demonstration that other funding sources have been secured, or a projected timeline of when other funding is expected to be secured
- Grant amount requested is at or below 50% of total project cost.

Grant Closing Report:

- A report with the following sections will be submitted by the grant recipient to the CIEF Committee within 60 days of the end of the water year in which the completed project is first put to use:
 - Description of project implementation, including how the project was implemented as compared to project application. Describe any challenges with implementation.
 - Demonstration of water savings – provide documentation of water savings and detail how water savings are being measured and monitored.
 - Final financial reporting and documentation of how CIEF funds and other matching funds were used.
- An interim report will be submitted by the grantee to the CIEF Committee with the final invoice, if the final invoice is submitted to WRRC&D prior to project completion or before the start of irrigation season in the water year in which the project is to be put to use. The interim report should include a project status report, completion and implementation timeline.