

**DRAFT CITIES/SVWSD/SVC TERM SHEET RE:
BIG WOOD RIVER GWMA MANAGEMENT PLAN**

This draft term sheet proposes participation in a management plan for the Big Wood River Ground Water Management Area (“GMWA”) by the Cities of Bellevue, Hailey, and Ketchum (collectively, the “Cities”), Sun Valley Water & Sewer District (“SVWSD”), and Sun Valley Company (“SVC”) for a term of three years, upon which the plan shall be reevaluated by the parties. This is for discussion purposes only, and is not intended to commit the Cities, SVWSD, or SVC to any particular statement or proposal. The Cities, SVWSD, and SVC do not waive any claims or defenses with respect to their respective water rights or water uses or their potential groundwater pumping impacts on surface waters.

This draft term sheet addresses the Cities’, SVWSD’s, and SVC’s proposed contributions to the Plan only for the Cities’ and SVWSD’s municipal water rights and SVC’s commercial water right for snowmaking at River Run. [List to be attached.] The Cities of Hailey and Ketchum are members of the Galena Ground Water District with respect to their irrigation water rights, and their irrigation under those rights would be addressed in any GWMA management plan applicable to Galena Ground Water District. Pursuant to Idaho Code Section 42-233b, Idaho Code Section 42-237a.g., and the *Rules for Conjunctive Management of Surface and Ground Water Resources*, IDAPA 37.03.11, the Cities, SVWSD, and SVC propose that their non-irrigation water rights will not be subject to delivery calls or administration on a time priority basis so long as the Cities, SVWSD, and SVC are in compliance with the measures proposed in this draft term sheet.

Aside from naturally occurring low snowpack and runoff events, agricultural irrigation groundwater pumping is the largest contributor to streamflow depletions in the Big Wood River, Silver Creek, and the Little Wood River. The Cities’, SVWSD’s, and SVC’s pumping under their respective non-irrigation groundwater rights represents a small fraction of total groundwater pumping in the GWMA according to the Wood River Valley Groundwater Flow Model v. 1.1. These figures are summarized in Table 1 below:

Table 1			
	Avg. Annual non-irrigation GW right Diversions (Acre Feet)	% of GWMA Model Domain	Comment
GWMA Model Domain (1995-2014)	47,725		irr’n season GW CU / efficiency + Nov-Mar pumping
Sun Valley Company (2016-2020)	292	<1%	Based on WMIS data
City of Bellevue (2016-2020)	377	<1%	Based on WMIS data ¹
City of Ketchum (2016-2020)	2,751	6%	Based on data from city
City of Hailey (2016-2020)	1,607	3%	Based on WMIS data
SVWSD (2016-2020)	3368	7%	Based on WMIS data
Total Cities/SVWSD/SVC (2016-20)	8,395	17.6%	

¹ Bellevue’s pumping data in WMIS is overstated because it may include Bellevue’s municipal use from springs. The data provided in this table is verified by Bellevue from its ground water wells.

After discussions with the Big Wood Canal Company (“BWCC”) and other senior surface water users potentially impacted by the Cities’, SVWSD’s, and SVC’s groundwater pumping, there appears to be consensus that there are few opportunities available for the Cities, SVWSD, and SVC to mitigate their groundwater pumping impacts to the Big Wood River. The Cities, SVWSD, and SVC agree that limiting or reducing their groundwater diversions (and consumptive use) should be promoted to the extent practicable. As an alternative to mandating such limitations or reductions in a GWMA plan, and after consultation with BWCC and other senior surface water users, the Cities, SVWSD, and SVC propose to participate in a GWMA management plan as follows:

1. By January 31 of each year and for the three-year term of the plan, the Cities, SVWSD, and SVC each will contribute \$10 per acre-foot of their 5-year rolling average of prior annual non-irrigation groundwater diversions to an account whose funds are used primarily for infrastructure improvements and other permanent measures that improve the efficiency of delivering senior water rights, protect groundwater levels, or increase surface water flows, and secondarily for purchasing storage water in dry-years (the “Account”);
2. Any projects or storage water purchases funded by the Account must be (a) approved by a committee comprised of an equal number of surface water right holders and ground water right holders in the GWMA elected/appointed in accordance with _____ (the “Committee”), and (b) for infrastructure improvements or other permanent measures that improve the efficiency of delivering senior water rights, protect groundwater levels, or increase surface water flows, unless the Committee determines during a dry year that funds are necessary to purchase storage water;
3. For the three-year term of the plan, Cities, SVWSD, and SVC will annually contribute \$3.60 per AF of their respective 5-year rolling average of prior annual non-irrigation groundwater diversions to cloud seeding projects undertaken by Idaho Power that directly benefit the Big Wood River Basin, which funds will be used only for specific cloud seeding projects approved by the Committee (in consultation with Idaho Power and IDWR)
4. Cities’, SVWSD’s, and SVC’s contributions to the Account and cloud seeding projects shall be recalculated each year based on the prior 5-year rolling average of non-irrigation groundwater diversions according to WMIS data or other data deemed reliable by the Committee;
5. Cities and SVWSD will continue to implement water conservation measures, such as: (i) promoting connection to municipal water systems for uses otherwise authorized under I.C. § 42-111; (ii) adopting tiered rate

- structures to incentivize less water use; (iii) imposing timing and other restrictions for residential irrigation in dry years; (iv) enacting ordinances with maximum lot size and irrigated area targets for new development; and (v) approving development-specific conservation requirements;
6. Cities, SVWSD, and SVC will consult with local environmental groups to investigate potential additional water conservation measures that could be implemented;
 7. Cities, SVWSD, and SVC will investigate potential recharge projects to benefit the Big Wood River above Magic Reservoir, which projects may utilize existing water rights held by the Cities, SVWSD, and SVC as well as potential new appropriations of excess Big Wood River flows (i.e. flows existing in years that Magic Reservoir fills and/or releases water for flood control);
 8. Cities', SVWSD's, and SVC's contributions to the Account must be re-evaluated each year by the Committee to ensure that future contributions are necessary for the purposes set forth in paragraph 1 above;
 9. Cities, SVWSD, and SVC shall not be required to contribute to the Account or cloud seeding projects following the termination of any GWMA management plan, mitigation plan, or other settlement these terms are incorporated into;
 10. Pursuant to Idaho Code Section 42-233b, Idaho Code Section 42-237a.g., and the *Rules for Conjunctive Management of Surface and Ground Water Resources*, IDAPA 37.03.11, the Cities', SVWSD's, and SVC's non-irrigation water rights will not be subject to delivery calls or administration on a time priority basis so long as the Cities, SVWSD, and SVC are in compliance with the measures proposed in this term sheet; and
 11. Subsequent to any termination of a GWMA management plan, mitigation plan, or other settlement these terms are incorporated into, Cities, SVWSD, and SVC shall proportionally receive credit in the event of water rights administration or delivery calls for every additional acre-foot of water capable of delivery to senior surface water users attributable to cloud seeding they funded or infrastructure improvements or other permanent measures funded by the Account.

The Cities', SVWSD's, and SVC's potential agreement to the terms proposed above are subject to entering into a full agreement or plan approved by IDWR.