



AGENDA

IDAHO WATER RESOURCE BOARD

Finance Committee Meeting No. 2-25

Friday, March 14, 2025

9:00 a.m. (MT) / 8:00 a.m. (PT)

Water Center

Conference Rooms 602 C & D

322 E. Front St.

BOISE

Brad Little

Governor

Jeff Raybould

Chairman

St. Anthony

At Large

Jo Ann Cole-Hansen

Vice Chair

Lewiston

At Large

Dean Stevenson

Secretary

Paul

District 3

Dale Van Stone

Hope

District 1

Albert Barker

Boise

District 2

Brian Olmstead

Twin Falls

At Large

Marcus Gibbs

Grace

District 4

Patrick McMahon

Sun Valley

At Large

Livestream available at <https://www.youtube.com/@iwrp>

1. Introductions and Attendance
2. Flood Management Grant Criteria*
3. Loan Program
 - a. Interest Rate Discussion*
 - b. Barber Pool Hydro Loan Extension*
 - c. North Side Canal Company Loan Extension*
4. Regional Water Sustainability Projects & Budgeting Process
5. Other Items
6. Adjourn

Committee Members: Chair Jo Ann Cole-Hansen, Jeff Raybould, Marc Gibbs, Dale Van Stone, and Dean Stevenson.

* Action Item: A vote regarding this item may be made at this meeting. Identifying an item as an action item on the agenda does not require a vote to be taken on the item. **Americans with Disabilities:** The meeting will be held in person and online. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Department staff by email jennifer.strange@idwr.idaho.gov or by phone at (208) 287-4800.

Memorandum



To: Idaho Water Resource Board Finance Committee
From: Blake Burkard
Date: 3/12/2025
Re: Flood Management Grants Criteria Update – **Action Item Required**

***Recommendation to full Board regarding criteria update**

The Flood Management Grants program was established after Idaho Code Section 42-1760 directed the Idaho Water Resource Board to provide funding for water projects that support flood management. When the program was created, interested applicants would review three documents that each had background information and application requirements that were distinctly different. One of the three documents was the Flood Management Grant Criteria, which had program information, application requirements, a criteria by which applications would be scored, and details regarding how cost-reimbursement is processed.

In efforts to streamline the application process and remove inconsistencies between the three documents, Board staff have decided to provide all pertinent information in a single document. In addition, minor changes to the application requirements and substantial changes to the criteria were made in efforts to align the criteria to the requirements. Please see attached criteria.

Other changes to the criteria document are highlighted below:

- Requiring in-kind services and materials to be invoiced to grant awardee for better cost accounting
- Adding text noting that project expenses prior to the award date are not eligible for reimbursement
- Changing Flood Control District approval to only be required in active districts
- Removing total program budget to allow for additional funds to be carried over from the previous year, if funds were not fully allocated

A change to be decided on at this meeting is whether or not to allow reimbursement of transportation-related expenses for projects. The line to be accepted, modified, or removed is highlighted yellow in the attached updated criteria.

Attachments:

*Draft Flood Management Grant Criteria Update
Presentation*



IWRB Flood Management Grant Program Criteria

The Idaho Water Resource Board (IWRB) Flood Management Grant Funding Program provides financial assistance on a competitive statewide basis to Flood Control Districts, Drainage Districts, Irrigation Districts, Canal Companies, Municipalities, Counties and other public entities interested in pursuing flood damaged stream channel repair, stream channel improvement, flood risk reduction, and flood prevention projects.

Pursuing flood damage repair and improvement projects can help prevent or reduce flood damage in Idaho's streams and rivers. To be considered for grant funding, entities must be able to provide evidence of flood damage, or evidence of conditions that create the risk of flooding in a stream channel and submit a funding request document outlining the proposed repairs and/or improvements to the stream channel.

Eligible Entities: Flood Control Districts, Drainage Districts, Irrigation Districts, Canal Companies, Municipalities, and Counties. Other public entities are eligible to apply.

Eligible Geographic Area: Statewide

Program Budget: No more than 50% of the total budget may be spent within a single IWRB district. This limit may be waived if there are no competing funding demands.

Funding Details:

- Funding Details: Up to \$200,000 per project; one project per application
- Applicant is responsible for providing permit documentation to IWRB staff
- Costs incurred prior to the grant award date are not eligible for reimbursement
- **Projects that include installation of road appurtenances (road signs, guard rails, etc.) are not eligible for reimbursement**
- Funds may be reallocated if no response is received by the applicant within a calendar year after the grant award date
- Contract term will not exceed 3 years after the grant funding award (date of IWRB Resolution) unless an extension is approved by IWRB's contract manager

Matching Funds for Projects:

- Entities requesting funding for flood management grant projects must provide at least 50% matching cost-share funding with non-state dollars. Projects that include higher cost share amounts will be prioritized during project evaluations (see evaluation criteria).
- In-kind services can be used for 30% of the total project's costs. Legal/Administrative in-kind services are limited to 5% of total project costs.

- EXAMPLE: For a \$100K project, applicant would have to provide at least \$50K in matching cost share funding. Of the \$50K, the applicant could provide up to \$30K in in-kind services, of which \$5,000 could be in legal/administrative costs, and \$20K in cash to meet the matching cost-share requirement.

Application Requirements: For the grant proposal to be considered, the following documents must be provided:

- A cover letter, on applicant's letterhead, addressed to the IWRB, that includes a brief project summary and the project manager's contact information. The project description should include the funding request dollar amount and expected total project cost.
- Grant application document that includes the following:
 - Project purpose and description of urgency regarding repair or improvement
 - Photographs and description of damage, if applicable
- Project location (county, water source, PLS and/or Lat/Long), including map
- Benefits achieved (stream channel repair, stream channel improvement, flood risk reduction, water quality improvement, other ecological benefits)
 - Project timeline, including start and completion date
 - Detailed cost estimates, including all labor and materials. In-kind work must be included in cost estimates.
 - Entity's relevant experience or contractor's relevant experience completing stream channel repair or improvement projects
- Summary table that documents cost-share percentage for each funding source including in-kind work. If other grants are required to complete the project (USACE, NRCS, FEMA, etc.), include timelines for receiving those funds.
- Documentation that local stakeholders have been consulted. If the project is within an active Flood Control District, the applicant must include a letter of support.
- Required regulatory approval and permit documents; if project has not yet received permit documents, note this in the application document and provide permit timeline.

Evaluation Criteria: Projects that are determined not to be flood-related by staff will be declared ineligible and not scored. To maximize the effective and efficient use of available funds, the applications will be evaluated, scored (*125-point scale*), and ranked according to the following criteria:

First Time Applicant (5 points)

Application Professionalism and Clarity (up to 20 points)

- Cover letter and grant document are well-written and clearly state the goals and objectives of the project (10 points)
- Project map clearly shows the project location (10 points)

Effectiveness of Project (up to 45 points)

- Urgency of the project is explained (10 points)
- The benefits of the project are explained, and are measurable (20 points)
- Grant application considers alternatives solutions and explains why the chosen solution is most beneficial (10 points)

Readiness of Project (70 points)

- Description of applying entity and project leadership, documentation of expertise in subject matter of project (10 points)
- Documentation of project support from other stakeholders (10 points)
- The project schedule demonstrates the applicant has considered essential milestones (10 points)
- The cost estimate for the project budget is detailed and clearly accounts for all labor and material costs, including in-kind work (10 points)
- Projects that propose matching cost-share amounts above 50% will receive additional points in their score (1 point for each additional 1% up to 20 additional points)

Application Submission:

- Applications can be emailed to IWRBGrants@idwr.idaho.gov. Applications that are emailed must be received by 11:59 pm on the application due date.
- Applications that are mailed must be received by 11:59 pm on the application due date. Mailing address:

ATTENTION: GRANTS TEAM
 IDAHO DEPARTMENT OF WATER RESOURCES
 PO BOX 83720
 BOISE, ID 83720-0098

- Applications can also be dropped off in person on the 6th floor of the Idaho Water Center in Boise. Applications must be dropped off on weekdays, excluding holidays, between the hours of 8:00am and 5:00pm. The Idaho Water Center is located at:

IDAHO WATER CENTER
 322 E FRONT ST STE 648
 BOISE, ID 83702-7371

Grant Process:

- Application deadline on the first Friday of June
- IWRB staff present funding recommendations to IWRB Finance Committee
- Funding awarded at the July IWRB meeting
- IWRB staff will notify project applicants of grant approval and will administer cost-reimbursement contracts
- IWRB will reimburse grantees for project costs upon submittal of funding reimbursement request

Cost-Reimbursement Process:

- Funds will be distributed upon applicant submitting funding reimbursement requests to the IWRB
- Applicant funding requests shall include a cover letter which shall include a description of the project activities, dates for performing the project activities, and contractor or supplier invoices
- In-kind services, labor, and materials must be invoiced to applicant to be eligible for reimbursement
- Invoices should be sent to IdwrPayable@idwr.idaho.gov
- A certificate of project completion shall be issued by the applicant in order to receive final reimbursement

IWRB Districts are as follows:

District No. 1: Boundary, Bonner, Kootenai, Shoshone, Benewah, Latah, Clearwater, Nez Perce, Lewis and Idaho counties.

District No. 2: Adams, Valley, Washington, Payette, Gem, Boise, Canyon, Ada, Elmore and Owyhee counties.

District No. 3: Camas, Gooding, Jerome, Twin Falls, Cassia, Blaine, Lincoln, Minidoka, Lemhi, Custer and Butte counties.

District No. 4: Clark, Fremont, Jefferson, Madison, Teton, Bingham, Bonneville, Power, Bannock, Caribou, Oneida, Franklin and Bear Lake counties.

** No more than 50% of the total budget may be spent within a single IWRB district. This limit may be waived if there are no competing funding demands.*

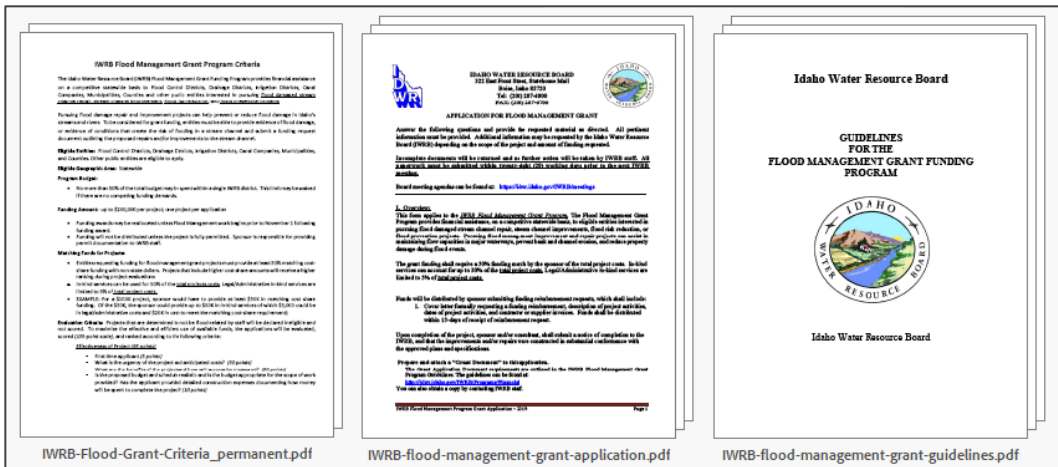


Flood Management Grant Criteria Updates


March 2025



Consolidating Documents



- ❑ Simplified application process by consolidating three documents into one
- ❑ Page count reduced from 12 to 3!



IWRB Flood Management Grant Program Criteria

The Idaho Water Resource Board (IWRB) Flood Management Grant Funding Program provides financial assistance on a competitive statewide basis to Flood Control Districts, Drainage Districts, Irrigation Districts, Canal Companies, Municipalities, Counties and other public entities interested in pursuing **floor damaged, stream channel repair, stream channel improvement, flood risk reduction, and flood prevention projects.**

Pursuing flood damage repair and improvement projects can help prevent or reduce flood damage in Idaho's streams and rivers. To be considered for grant funding, entities must be able to provide evidence of flood damage, or evidence of conditions that create the risk of flooding in a stream channel and submit a funding request document outlining the proposed repairs and/or improvements to the stream channel.

Eligible Entities: Flood Control Districts, Drainage Districts, Irrigation Districts, Canal Companies, Municipalities, and Counties. Other public entities are eligible to apply.

Eligible Geographic Area: Statewide

Program Budget: \$1,000,000; No more than 50% of the total budget may be spent within a single IWRB district. This limit may be waived if there are no competing funding demands.

Funding Details:

- Funding Details: Up to \$200,000 per project; one project per application.
- Funding will not be distributed unless the project is fully permitted. Applicant is responsible for providing permit documentation to IWRB staff.
- Costs incurred prior to the grant award date are not eligible for reimbursement.
- Funds may be reallocated if applicant is nonresponsive the year following the awarding of funds.

Matching Funds for Projects:

- Entities requesting funding for flood management grant projects must provide at least 50% matching cost-share funding with non-state dollars. Projects that include higher cost share amounts will be prioritized during project evaluations (see evaluation criteria).
- In-kind services can be used for 30% of the total project's costs. Legal/Administrative in-kind services are limited to 5% of total project costs.

Application Requirements Did Not Match Criteria

Old Application Requirements:

- Cover Letter
- Project Purpose
- Project Area Description
- Previous Projects and Studies
- Project Sponsor Information
- Project Description
- Project Map
- Conceptual Design Documents
- Cost Estimate
- Implementation Schedule
- Financial Feasibility Analysis
- Did not ask for project urgency*

Old Criteria (135 points):

- First time applicant (5)
- Urgency & anticipated costs (30)
- Project benefits (20)
- Appropriate budget & schedule (10)
- Project sponsor info (10)
- Flood Control District approval (20)
- Cash-matching meets requirements (20)
- Additional points for additional cost share (20)
- Application not scored on project description, map, design documents, or previous projects accomplished*

Revamping Requirements

Old Application Requirements:

- Cover Letter
- Project Purpose
- Project Area Description
- Previous Projects and Studies
- Project Sponsor Information
- Project Description
- Project Map
- Conceptual Design Documents
- Cost Estimate
- Implementation Schedule
- Financial Feasibility Analysis

New Application Requirements:

- Cover Letter
- Project Purpose & Description
- Photographs of damages
- Project Location & Map
- Sponsor and Stakeholder Info
- Benefits Achieved
- Alternatives Considered
- Project Timeline
- Detailed Cost Estimate
- Relevant Experience
- Other Funding Sources Info
- Permit Documents (if applicable)

<u>OLD</u> Evaluation Criteria	135 Points	<u>NEW</u> Evaluation Criteria	125 Points
1. First time applicant	5	1. First time applicant	
2. Urgency & anticipated costs	30	1. Application Professionalism & Clarity	10
3. Project benefits	20	2. Project Map	10
4. Budget & schedule documentation	10	3. Urgency	10
5. Sponsor documentation	10	4. Project Benefits	20
6. Flood Control District & stakeholder documentation	20	5. Alternatives Analysis	10
7. Total project costs & cash-matching/in-kind documentation	20	6. Project Expertise	10
8. Up to 20 additional points for >50% cost-sharing	20	7. Documentation of Project Support	10
		8. Cost Estimate Detail	10
		9. Project Timeline Detail	10
		10. Up to 20 additional points for >50% cost-sharing	20

Other Changes

- Added text requiring in-kind work to be invoiced to applicant for better cost-accounting
- Added text noting that project expenses prior to award date are not eligible for reimbursement
- Change Flood Control District approval to only be required in "active" flood control districts
- Formatting changes to match Aging Infrastructure Grant Criteria
- Remove total program budget from criteria to allow Board to determine the yearly budget
 - Allows for rollover from prior year's remainder

Changes to be Considered...

- Disallow reimbursement for transportation aspect of projects?
 - Concerns were raised by Board regarding reimbursement for road surfacing, road signs, guard rails, or other road appurtenances
 - FY2025: \$702,303.50 was allocated for grants
 - \$31,796.05 allocated for aggregate surfacing, road mix fill, flood-damaged access road grading and finish, and gravel fill for bridge approach
 - 5% of total allocated
 - Unknown amount allocated for labor/equipment to install
 - No money was allocated for asphalt, road signs, guard rails, etc.
- Staff Recommendation: only exclude reimbursement for road appurtenances (guard rails, road signs, etc.)

MEMO



To: Idaho Water Resource Board Finance Committee
From: Justin Ferguson
Date: March 5, 2025
Subject: Loan Program Interest Rate Adjustment

REQUIRED ACTION: The Finance Committee will consider a recommendation to the full IWRB to adjust the Loan Program interest rate index

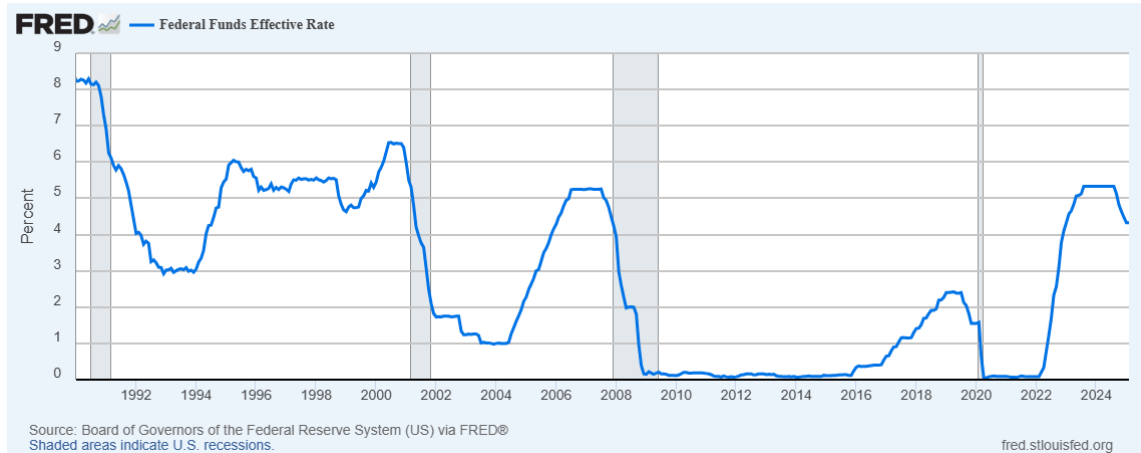
The IWRB has requested staff, as part of the ongoing operations of the Idaho Water Resource Board's (IWRB) Loan Program (Program) to research alternatives for adjusting the Program's interest rate to meet current economic conditions. An adjustment was made in 2020 moving the rate from 4.5% to 3.5% with another adjustment in 2021 moving the program to the Federal Prime rate with quarterly adjustments.

The Federal Prime rate is calculated as the Federal Funds¹ rate plus 3 basis points. In practice, the Federal Prime rate is the rate which individual institutions lend to their customers and, at the time, was approximately 3.25%. This was due in large part to significant economic changes between 2020 and 2025. Using the current method as of the date of this memo the current rate is 7.5% for the Program.

Operationally, the Program has seen a reduction in the number of applications over the year, more specifically from the years 2023 to 2024. This was expected as new grant programs were developed by the IWRB; however, these grant programs require a cost share that in the past had often been made up of federal funding opportunities. As the economic landscape continues to change, Staff have prepared options for the Finance Committee to consider ensuring the rates remain competitive and the Program is effective in meeting the IWRB's goals.

Proposed Alternative Index Options

Federal Funds rate (CY1990 to Current) – Updated Monthly



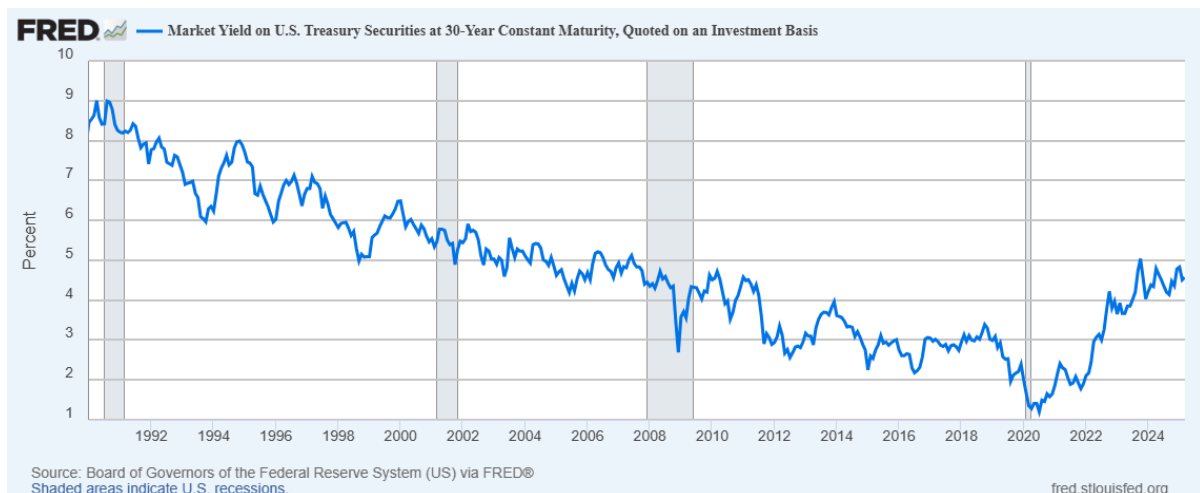
Pros

Provides one of the lower available interest rates of all the indices researched.
Using an average 30-Year term loan, the interest rate in 1995 would have been 5.0 - 5.5%.
Always lower than Federal Prime rates.

Cons

Index can dip below CD rates, possibility of borrowers re-investing at local lender.
Disbursement requirements may prevent reinvestment by applicants
Possibility of the rate dropping to zero based on economic conditions.
Higher degree of volatility compared to other indices considered.

30-Year Bond Yield (CY1990 to Current) – Updated Daily



Pros

Index is consistently above zero, projected to stabilize between 4% and 5%.
Note, observed dip from 2019 – 2022 may be pandemic related.
Generally lower than Federal Prime rates.
Does not appear as impacted to economic changes as Federal Funds rates.

Cons

Possibility of the index drops below CD market rates.

Disbursement requirements may prevent reinvestment by applicants.

Although the index is above zero, generally below 6% (since approx. 2001).

Note, additional Basis Points could be added to the yield rate

While insulated, not immune from significant economic fluctuations.

30-Year Fixed Mortgage Rates (CY1990 to Current) – Updated Weekly



Pros

Provides a higher return on investment with higher interest rate but still lower than Prime. Tracks with economic conditions, not as static as 30-Year Bond, not as active as Federal Funds.

On average higher than market CD rates.

Cons

Interest rate may still be prohibitive to potential applicants.

Slow market reaction when economic changes occur.

Projected to stabilize between 6% and 7%.

Conclusion

Based on market conditions and indices researched, Staff would propose a change from the Federal Prime rate to the 30-Year Bond Yield. Both the 30-Year Bond and 30-Year fixed Mortgage keep rates above market CD rates, the Bond rate provides a lower interest rate to applicants, allowing them to borrow and complete projects with reduced federal funding. Staff would also recommend a minimum interest rate of 2.5% and to add 50 additional Basis Points (0.5%) to the rate to help insulate against economic fluctuations.

1 – Federal Funds rates is the rate at which depository institutions (Banks & Credit Unions) lend reserve balances to other depository institutions on an uncollateralized basis.

Attachments:

- Proposed Resolution – Loan Program Interest Rate

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE IDAHO WATER
RESOURCE BOARD LOAN PROGRAM
CONDITIONS

RESOLUTION TO AUTHORIZE ADJUSTMENT
TO LOAN PROGRAM CONDITIONS

1 WHEREAS, the Idaho Water Resource Board (IWRB) is authorized to make loans from its
2 accounts for projects which are in the public interest and which further implement the State Water Plan;
3 and,

4
5 WHEREAS, on April 3, 2020, the IWRB recommended the IWRB's Loan Program (Program)
6 interest rate be adjusted from the then current loan interest rate of 4.5% to 3.5%; and,

7
8 WHEREAS, on November 19, 2021, the IWRB recommended the IWRB's Loan Program (Program)
9 interest rate be adjusted from a fixed rate to the Federal Prime Rate; and,

10
11 WHEREAS, the IWRB has identified a need to adjust the Program interest rate to an index that
12 provides a lower interest rate to potential applicants; and,

13
14 WHEREAS, the IWRB Finance Committee (Committee) was provided with recommendations for
15 alternative indices on March 14, 2025 and selected the 30-Year Bond Yield Rate index to recommend to
16 the full IWRB for determining the interest rate for the Program; and,

17
18 NOW THEREFORE BE IT RESOLVED that the Program interest rate shall reflect the 30-Year Bond
19 Yield Rate plus an additional 50 Basis Points (0.5%) on the first day of each quarter.

20
21 NOW THEREFORE BE IT FURTHER RESOLVED that the Program will also have a minimum interest
22 rate of 2.5% .

DATED this 21st day of March 2025.

Jeff Raybould, Chairman
Idaho Water Resource Board

ATTEST _____
Dean Stevenson, Secretary

MEMO



To: Idaho Water Resource Board
From: Justin Ferguson
Date: March 5, 2025
Subject: Barber Pool Hydro – Contract Extension of Time

REQUIRED ACTION: The Board will consider approval of a resolution to extend the 1-year period for execution on loan contract IWRB1033 for Barber Pool Hydro

A loan application was received from Barber Pool Hydro proposing to make necessary improvements due to the age of the Barber Dam Hydroelectric Project (Project). Total estimated costs of the Project were approximately \$1,651,000 with grant funding from the USDA Renewable Energy Program to offset a portion of Project costs. The approved loan amount was \$850,670 at 3.33%

Per a representative from Barber Pool Hydro, a dam stability analysis is required as part of the FERC license transfer and is scheduled to be complete in September 2025. Following the submittal, FERC will have 120 days to review the submission, after which the license transfer can be approved and then the review of the design changes can begin. The updated estimate has construction beginning in October of 2026 at the earliest.

At this time an extension through December 2027 has been requested due to extenuating circumstances beyond their control regarding FERC processing time and license requirements.

Attachments:

- Idaho Water Resource Board Resolution 34-2022
- Draft Resolution to Extend Timeframe to Act on IWRB1033

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE BARBER POOL HYDRO
LOAN EXTENSION REQUEST

RESOLUTION TO AUTHORIZE EXTENSION OF
TIME TO ACT ON LOAN FUNDING

1 WHEREAS, in September 2022, Barber Pool Hydro (BPH) submitted a loan application to the
2 Idaho Water Resource Board (IWRB) in the amount of \$850,670 to cover costs for a project to
3 rehabilitate the Barber Dam bypass structure (Project); and
4

5 WHEREAS, the Barber Dam Hydroelectric Project (BDHP), originally constructed in 1905, is
6 located on the Boise River in Ada County, Idaho; and
7

8 WHEREAS, Ada County was statutorily required to take ownership of the BDHP in 1970, and has
9 jointly operated the project in partnership with Fulcrum, a co-licensee on the dams FERC license; and
10

11 WHEREAS, the BDHP bypass is in need of eminent repairs due to the age of the system; and
12

13 WHEREAS, BPH is a qualified applicant, and the proposed Project is eligible for a loan from the
14 IWRB's Revolving Development Account; and
15

16 WHEREAS, the proposed project is in the public interest and is in compliance with the State
17 Water Plan; and,
18

19 WHEREAS, in September 2022, the IWRB approved a loan to BPH (Resolution No. 34-2022,
20 September 2022) in the amount of \$850,670 with a 3.33% interest rate and 20-year repayment term;
21 and,
22

23 WHEREAS, BPH was granted an extension, through March of 2025(Resolution No. 38-2023,
24 September 2023) , to act on the contract due to circumstances beyond their control regarding FERC
25 licensing was approved in September 2023; and,
26

27 WHEREAS, BPH is requesting an additional extension, through December 2027, to act on the
28 contract to continue working through the FERC license process.
29

30 NOW THEREFORE BE IT RESOLVED that the IWRB provides authority to the Chairman of the
31 Idaho Water Resource Board, or his designee, to enter into contracts, to effectuate the loan, with the
32 Company on behalf of the IWRB.
33

34 NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB approves the extension of time to
35 act on loan contract IWRB1033 through December 2027.
36

37 NOW THEREFORE BE IT FURTHER RESOLVED that this resolution and the approval of the
38 extension of time are subject to the following conditions:

- 39
- 40 1) The Company shall comply with all applicable rules and regulations that apply to the
41 proposed Project.
 - 42 2) Prior to the disbursement of any funds, the Company shall comply with all statutory
43 requirements for incurring debt.
 - 44 3) Prior to the disbursement of any funds, the Company will provide acceptable security for the
45 loan to the IWRB.

46
47

DATED this 21st day of March 2025.

Jeff Raybould, Chairman
Idaho Water Resource Board

ATTEST _____
Dean Stevenson, Secretary

MEMO



To: Idaho Water Resource Board
From: Justin Ferguson
Date: March 5, 2025
Subject: North Side Canal Company – Contract Extension of Time

REQUIRED ACTION: The Board will consider approval of a resolution to extend the period for execution on loan contract IWRB1038 for the North Side Canal Company

An application for the North Side Canal Company was approved at the November 2022 meeting, authorizing a loan of \$5,000,000 at 4.38% interest, to repair sections of the existing canal near Milner Dam. Following the execution of the loan contract, NSCC requested an extension to draw on the loan while they applied for a WaterSmart grant to reduce potential financial impacts to their shareholders. The extension was approved by the IWRB and the project was put out to bid later that year.

A statement was received by Staff from Mr. Alan Hansten, Manager for the North Side Canal Company requesting an additional extension. Per Mr. Hansten there were no bids received on the project. In working with their engineering consultant, Jacobs, the potential bidders did not have enough staff available to work on the project at that time. Jacobs is working with the potential bidders to better determine a more suitable timeframe to solicit bids with construction projected to start in 2025 or as soon as feasible.

Given the circumstances, NSCC is requesting an additional extension to begin using funds under contract IWRB1038, to put the project back out to bid and begin work as soon as possible.

Attachments:

- Request letter from Mr. Hansteen to the IWRB (Dated 12/4/2024)
- Idaho Water Resource Board Resolution 06-2023
- Idaho Water Resource Board Resolution 42-2023
- Draft Resolution to Extend Timeframe To Act On Loan

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE NORTH SIDE CANAL
COMPANY LOAN REQUEST

RESOLUTION TO AUTHORIZE LOAN FUNDING
TO REPAIR DELIVERY SYSTEM
INFRASTRUCTURE

1 WHEREAS, the North Side Canal Company (Company) submitted a loan application to the Idaho
2 Water Resource Board (IWRB) in the amount of \$5,000,000.00 to cover costs for a project to repair
3 aging delivery system infrastructure (Project); and
4

5 WHEREAS, the Company, located in Jerome County, delivers water for 155,000 acres and
6 approximately 2,200 shareholders in Elmore, Gooding, and Jerome counties; and
7

8 WHEREAS, the Company's delivery infrastructure was constructed in 1908 with improvements
9 being made most recently as 2017; and
10

11 WHEREAS, to remain sustainable for future use and conserve water the Company will need to
12 make repairs and improvements to its aging infrastructure; and
13

14 WHEREAS, total project costs are estimated to be \$7,342,600, of which the Company will cover
15 \$342,600, have been selected for an Aging Infrastructure grant for \$2,000,000, and is requesting a loan
16 for the remaining project costs in the amount of \$5,000,000 from the IWRB; and
17

18 WHEREAS, in December of 2022 the Company passed a resolution to authorize Alan Hansten,
19 General Manager, to submit a loan application for funding for the Project; and
20

21 WHEREAS, the Company is a qualified applicant and the proposed Project is eligible for a loan
22 from the IWRB's Water Management Account; and
23

24 WHEREAS, the proposed Project is in the public interest and is in compliance with the State
25 Water Plan.
26

27 WHEREAS, in January 2023 the IWRB approved a loan not to exceed \$5,000,000 from the Water
28 Management Account at 4.38% interest with a 20-year repayment term under resolution 06-2023; and,
29

30 WHEREAS, in November 2023 NSCC was granted an extension, through December of 2025, to
31 act on the contract under resolution 42-2023.
32

33 WHEREAS, NSCC is requesting an additional extension, through December 2027, to act on the
34 contract to put the project back out for solicitation and begin construction.
35

36 NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB provides authority to the Chairman
37 of the Idaho Water Resource Board, or his designee, to enter into contracts, to effectuate the loan, with
38 the Company on behalf of the IWRB.

39
40 NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB approves the extension of time to
41 act on loan contract IWRB1033 through December 2027.

42
43 NOW THEREFORE BE IT FURTHER RESOLVED that this resolution and the approval of the loan are
44 subject to the following conditions:

- 45
- 46 1) The Company shall comply with all applicable rules and regulations that apply to the
47 proposed Project.
 - 48 2) Prior to the disbursement of any funds, the Company shall comply with all statutory
49 requirements for incurring debt.
 - 50 3) Prior to the disbursement of any funds, the Company will provide acceptable security for the
51 loan to the IWRB, including but not limited to its water rights and assessment income which
52 the Company collects from its members.

DATED this 21st day of March 2025.

Jeff Raybould, Chairman
Idaho Water Resource Board

ATTEST _____
Dean Stevenson, Secretary

Memorandum

To: Idaho Water Resource Board (IWRB) Finance Committee
From: Cynthia Bridge Clark
Date: March 12, 2025
Re: Idaho Water Resource Board FY 2026 Budgeting and Program Processes



REQUIRED ACTION: No action required at this time.

Background:

The Idaho Water Resource Board (IWRB) manages three accounts to fund programs and provide financial assistance for water development projects. These include the Revolving Development Account (RDA), Water Management Account (WMA), and the Secondary Aquifer Planning, Management and Implementation Fund (Secondary Fund). In addition, the 2022 Idaho Legislature set aside approximately \$250 million of the State's American Rescue Plan Act (ARPA) funding to support IWRB approved projects.

The RDA funds specific programs and projects, and loans for water development projects. The IWRB approves an annual budget and spending plan for the Secondary Fund and WMA, respectively, to direct funding appropriated for regional water sustainability projects, grants, loans, and other IWRB approved projects.

To help guide spending for projects that support water supply sustainability on a regional, basin, or statewide scale in accordance with legislative direction, the IWRB maintains a Regional Water Sustainability Projects Priority List. The IWRB also operates Aging Infrastructure, Flood Management, and Groundwater to Surface Water Conversion Projects Grant programs that utilize appropriations and revolving development funds. The IWRB has plans to implement new grant programs focused on delivery system efficiency and capacity improvements, and monitoring and measurement activities.

Finance Committee:

Staff will brief the Finance Committee on proposed Fiscal Year 2026 budget setting activities and review of grant program implementation, grant award cycles, and administration of Regional Water Sustainability Projects.