



Amended AGENDA

IDAHO WATER RESOURCE BOARD

Special Board Meeting No. 11-22
Wednesday, October 26, 2022
1:00 p.m. (MT)

Brad Little
Governor

Jeff Raybould
Chairman
St. Anthony
At Large

Roger W. Chase
Vice-Chairman
Pocatello
District 4

Jo Ann Cole-Hansen
Secretary
Lewiston
At Large

Dale Van Stone
Hope
District 1

Albert Barker
Boise
District 2

Dean Stevenson
Paul
District 3

Peter Van Der Meulen
Hailey
At Large

Brian Olmstead
Twin Falls
At Large

Water Center
Conference Room 648A / Online Zoom Meeting
322 E. Front St.
BOISE

Board Members & the Public may participate via Zoom

[Click here to join our Zoom Meeting](#)

Dial in Option: 1(253) 215-8782

Meeting ID: 857 8362 5796 Passcode: 754466

1. Roll Call
2. Approval of Minutes 7-22, 8-22 and 9-22*
3. Regional Water Sustainability Criteria*
4. Aging Infrastructure Criteria*
5. Renewal of Certain Upper Salmon Transaction Leases*
6. Non-Action Items for Discussion
7. Next Meeting & Adjourn

* 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:** 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.



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At Large

MINUTES MEETING NO. 7-22

Hampton Inn
Cottonwood A Meeting Room
3175 Foothills Ave.
MOUNTAIN HOME

July 21, 2022
Work Session

Agenda Item No. 1: Roll Call

Chairman Raybould called the work session meeting to order at 1:00 PM (MT) in Mountain Home, Idaho. Board members present were Al Barker, Roger Chase, Jo Ann Cole-Hansen, Brian Olmstead, Dean Stevenson, and Chairman Raybould; online were Pete Van Der Meulen and Dale Van Stone.

IDWR staff members present were: Brian Patton, Cynthia Bridge Clark, Neeley Miller, Wesley Hipke, Craig Tesch, Amy Steimke, Remington Buyer, Mike Morrison, Steve Stuebner, and Jennifer Strange. Online were: Mathew Weaver, Josh Morell, Kala Golden, and Mary Condon.

Guests present were: Kresta Davis, Scott Pugrud, Paul Arrington, John Simpson, Terry Scanlan, Bryan Horsburgh, Bud Corbus, Crystal Rodgers, Al Hofer, Shondi Lott, Keri Hill, Lynell Sutter, Seema Aziz-Hall, Judith Willis, Ashley Sadorra, Elizabeth Bradley, David Gillette, Eric Bowden, Tracy Meeks, Janet Jessup, and Jason Darst. Online: Andrew Kimmel, Ann Vonde, Chris Keith, Del Eytchison, Mitch Silvers, Randy Broesch, Ashlynn Goody, David Keil, and Matt Howard.

The board members attended a tour of sites in Elmore County from 8:00 AM until noon.

Agenda Item No. 2: Elmore County Presentation

Mr. Terry Scanlan discussed proposed water projects in Elmore County. Commissioner Bud Corbus discussed how those projects could affect Mountain Home.

Agenda Item No. 3: MHAFB Water Sustainability Project

Mr. Mike Morrison provided updates on the Mountain Home Air Force Base project. There was discussion about project cost increases. He introduced Ms. Seema Aziz-Hall who discussed project deadlines. Mr. Eric Bowden was introduced and discussed the project schedule.

Agenda Item No. 4: Treasure Valley Groundwater Model Update

Ms. Amy Steimke provided a brief update on the Treasure Valley Groundwater Model just after the Mountain Home Aquifer Investigations.

Agenda Item No. 5: Mountain Home Aquifer Investigations

Ms. Amy Steimke provided an update on the Mountain Home Plateau Hydrologic Investigation.

Agenda Item No. 6: Anderson Ranch Dam Raise Briefing

Ms. Cynthia Bridge Clark introduced Mr. Bryan Horsburgh of the Bureau of Reclamation. He updated the Board on BOR activities with the Anderson Ranch Dam Raise Project. Ms. Bridge Clark discussed the next steps for the Board.

Agenda Item No. 7: Boise Warm Springs Water District Loan

Ms. Cynthia Bridge Clark provided project details for a loan request by Boise Warm Springs Water District. Mr. Andrew Kimmel an engineer on the project shared information on the project as well. There was discussion about the water usage and discharge.

Agenda Item No. 8: Non-Action Items for Discussion

There were no other items for discussion from the board members.

Agenda Item No. 9: Adjourn

Mr. Stevenson moved to adjourn. Ms. Cole-Hansen seconded. Voice vote. All ayes. Motion carried. The meeting adjourned at 4 PM.

July 22, 2022
Board Meeting No. 7-22

At 8:02 AM (MT) Chairman Raybould called the meeting to order.

Agenda Item No. 1: Roll Call

Board Members Present

Jeff Raybould, Chairman

Roger Chase, Vice-Chairman

Jo Ann Cole-Hansen, Secretary

Albert Barker

Brian Olmstead

Dean Stevenson

Board Members Present Online

Dale Van Stone

Pete Van Der Meulen (joined during the Executive Session)

Staff Members Present

Mathew Weaver, Deputy Director
Neeley Miller
Mary Condon

Brian Patton, Executive Officer
Steve Stuebner
Jennifer Strange

Staff Members Present Online

Cynthia Bridge Clark
Mike Morrison
Meghan Carter

Remington Buyer
Josh Morrel

Guests Present

Janet Jessup

Guests Present Online

Katlyn Schafer
Ann Vonde
Darrell Early
Clive Strong
John Simpson
Ashlynn Goody

Scott Pugrud
Del Eytchison
Andrew Kimmel
Paul Arrington
Michael Fuss

Agenda Item No. 2: Executive Session

Board met pursuant to Idaho Code § 74-206(1) subsection (f) to communicate with legal counsel regarding legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated and subsection (d) to consider records that are exempt from disclosure. The executive session was closed to the public.

Ms. Cole-Hansen moved to resolve into executive session at 8:03 AM. Mr. Stevenson seconded. Roll call vote: Mr. Barker, aye; Mr. Chase, aye; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Der Meulen, absent; Mr. Van Stone, aye; and Chairman Raybould, aye. 7 ayes. The motion passed.

Ms. Ann Vonde discussed ESPA Upper Valley Recharge Water Rights. During that discussion, Board Member Al Barker recused himself. Mr. Barker rejoined the session when Ms. Vonde discussed Priest Lake Adjudication Claims under subsection (d). Ms. Meghan Carter discussed Priest Lake Outlet Dam under subsection (f).

At 9:58 AM, Ms. Cole-Hansen moved to resolve out of executive session. Mr. Barker seconded. Voice vote. All in favor. The motion carried. No actions were taken during the executive session.

Agenda Item No. 3: Agenda and Approval of Minutes 5-22 and 6-22

Ms. Cole-Hansen moved to adopt the minutes for board meeting 5-22 and 6-22. Mr. Olmstead seconded. Mr. Barker mentioned a small edit in the 5-22 minutes. Ms. Cole-Hansen amended her motion to approve the minutes with the suggested edit. Voice vote. All ayes. The motion carried.

Agenda Item No. 4: Public Comment

Chairman Raybould asked if there were any public comments. There were none.

Agenda Item No. 5: Lemhi Settlement Update

Mr. Clive Strong gave an update on the comprehensive settlement implementation for the Lemhi River Basin. He discussed a draft progress report and the four action sections within. Ms. Cynthia Bridge Clark added that a more comprehensive website would be developed. She discussed that site visits would be planned in the fall. She concluded with a discussion on next steps for recharge, surface water storage and cloud seeding for the basin.

Agenda Item No. 6: Financial Report

Mr. Neeley Miller provided the Board's financial report. The accounts as of May 31, 2022 were: Secondary Aquifer Fund: committed/earmarked but not disbursed \$16,482,233 and uncommitted balance \$10,463,708; Revolving Development Account: committed/earmarked but not disbursed \$19,672,158, loan principal outstanding \$16,787,978, uncommitted balance \$16,914,391, and anticipated loanable funds available next one year \$20,414,391; and Water Management Account: committed/earmarked but not disbursed \$71,104,865, and uncommitted balance \$171,932. Total committed/earmarked but not disbursed \$107,259,256; total loan principal outstanding \$16,787,978; and total uncommitted balance \$27,550,031.

The committed/earmarked balance in the Water Management Account included the \$20M legislative appropriation per HB 285 (FY 2019) for the Anderson Reservoir Enlargement and/or Mountain Home Air Force Base Water Supply Project. The Water Management also included \$50M for large infrastructure projects per Senate Bill 1121 (FY 2021) for the Anderson Ranch enlargement, Mountain Air Force Base Water Supply Project, ESPA Managed Aquifer Recharge Program, other projects identified by the IWRB.

Agenda Item No. 7: ARPA Funding Update

Mr. Brian Patton stated the ARPA funding justification and documentation would fall to the agencies who received such funds. Ms. Meghan Carter was working on creating that documentation and justification for the Board and Department. Ms. Cole-Hansen asked about funding timelines.

Agenda Item No. 8: Flood Management Grant Awards

Mr. Neeley Miller stated that the Finance Committee had reviewed staff recommendations to adopt 10 of 14 grant applications that had been submitted.

Ms. Cole-Hansen moved to adopt the resolution to fund the fiscal year 2022 flood grants based on the attachment. Mr. Stevenson seconded. Roll call vote: Mr. Barker, aye; Mr. Chase, aye; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Der Meulen, absent from vote; Mr. Van Stone, aye; and Chairman Raybould, aye. 7 ayes. The motion passed.

Agenda Item No. 9: ESPA Recharge Water Rights

Mr. Patton reminded the Board that during Executive Session Ms. Ann Vonde had discussed and proposed a Stipulation and Memorandum of Agreement regarding water right applications for permit in the name of the Water Resource Board.

Mr. Olmstead made a motion to accept the Stipulation and MOA. Mr. Chase seconded. Mr. Barker abstained from the vote. Voice vote. 7 ayes. 1 abstention. The motion carried.

Agenda Item No. 10: Water Supply Bank

Ms. Mary Condon provided follow up from the Water Supply Bank Committee meeting held on July 12, 2022. She presented some options based on committee suggestions. There was discussion about choosing a rental boundary. Chairman Raybould suggested tabling the resolution provided. Mr. Barker asked if there was consensus on what boundary to use.

Mr. Olmstead made a motion to set the rental boundary as the Ground Water Management Area (GWMA). Ms. Cole-Hansen seconded. Voice vote. All ayes. The motion carried.

Ms. Condon further discussed the Water Supply Bank proposed rules and fees. There was discussion about possible rate increases.

Agenda Item No. 11: Boise Warm Springs Water District Loan

Mr. Patton mentioned that this item was discussed in the work session and that there was a resolution to consider. Mr. Barker asked about a status on the Boise foothills geothermal groundwater management area. Mr. Patton had technical information from Mr. Mike McVay who monitors the geothermal levels. He stated that the water levels were stable.

Mr. Barker moved to adopt the resolution to provide loan funding in the amount of 2.81 million dollars. Ms. Cole-Hansen seconded. Roll call vote: Mr. Barker, aye; Mr. Chase, aye; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Der Meulen, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 8 ayes. The motion passed.

Agenda Item No. 12: Director's Report

Deputy Director Mathew Weaver gave the director's report. He spoke on the Surface Water Coalition delivery call activity, a requested status conference, and updating the methodology order. He discussed water administration across the state and an update on administrative rules. Ms. Cole-Hansen asked about the outstanding FTEs for the Department. Mr. Weaver stated that IDWR was actively working to fill the positions, despite some challenges.

Agenda Item No. 13: Non-Action Items for Discussion

There were no other items for discussion.

Agenda Item No. 14: Next Meeting and Adjourn

Mr. Patton stated there was an Aquifer Stabilization Committee meeting scheduled for August 1, 2022, and the next scheduled meetings would be September 15-16, 2022 in Hailey and via an online platform. Mr. Stevenson moved to adjourn. Mr. Chase seconded. Voice vote. All ayes. Motion carried. Meeting adjourned at 11:30 AM (MT).

Respectfully submitted this 26th day of October 2022.

Jo Ann Cole-Hansen, *Secretary*

Jennifer Strange, *Administrative Assistant II*

Board Actions:

1. Meeting minutes 5-22 and 6-22 were adopted.
2. Adopted a resolution in the matter of Flood Management Grants to award 2022 funds.
3. A motion to accept a Stipulation and MOA for IWRB ESPA recharge water right applications for permit.
4. A motion to set the Water Supply Bank rental boundary as the GWMA.
5. Adopted a resolution in the matter of the Boise Warm Springs Water District loan request.



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MINUTES MEETING NO. 8-22

Water Center
Conference Rooms 602 C&D / Online Zoom
322 E. Front St.
BOISE

August 11, 2022

Special Board Meeting No. 8-22

Agenda Item No. 1: Roll Call

Chairman Raybould called the meeting to order at 4:00 PM (MT) online via Zoom and in Boise. Board members present online were Al Barker, Jo Ann Cole-Hansen, Brian Olmstead, Dean Stevenson, Pete Van Der Meulen, Dale Van Stone, and Chairman Raybould. Roger Chase joined during the executive session.

IDWR staff members present were: Brian Patton, Cynthia Bridge Clark, Mike Morrison, and Meghan Carter. Online were: Glyn Roberts, Emalee Rushing, Sascha Marston, Neeley Miller, and Jennifer Strange.

Agenda Item No. 2: Executive Session

Board met pursuant to Idaho Code § 74-206(1) subsection (f) to communicate with legal counsel regarding legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The executive session was closed to the public.

Ms. Cole-Hansen moved to resolve into executive session at 4:02 PM. Mr. Barker seconded. Roll call vote: Mr. Barker, aye; Mr. Chase, absent; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Der Meulen, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 7 ayes. The motion passed. Ms. Meghan Carter discussed Priest Lake Outlet Dam.

Ms. Cole-Hansen moved to resolve out of executive session at 4:38 PM. Mr. Stevenson seconded. Voice vote. All ayes. Motion carried. No actions were taken during the executive session.

Agenda Item No. 3: Priest Lake Outlet Dam

Considering the lawsuit that had been filed against the Board by Stryder Construction Company, Mr. Barker made a motion to authorize the Executive Director to investigate hiring outside counsel and retaining additional expert witnesses to assist in the defense of the case. Mr. Van Der Meulen seconded. Roll call vote: Mr. Barker, aye; Mr. Chase, aye; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Der Meulen, aye; Mr. Van Stone, aye; and Chairman Raybould, aye. 8 ayes. The motion passed.

Agenda Item No. 4: Non-Action Items for Discussion

There were no other items for discussion from the board members.

Agenda Item No. 5: Adjourn

Mr. Stevenson moved to adjourn. Mr. Van Der Meulen seconded. Voice vote: all ayes. Motion carried. The meeting adjourned at 4:45 PM.

Respectfully submitted this 26th day of October 2022.

Jo Ann Cole-Hansen, *Secretary*

Jennifer Strange, *Administrative Assistant II*

Board Actions:

1. Motion to hire outside counsel & retain expert witnesses to assist in a lawsuit filed against the Board.



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MINUTES MEETING NO. 9-22

Water Center
Conference Rooms 602 C&D / Online Zoom
322 E. Front St.
BOISE

September 6, 2022

Special Board Meeting No. 9-22

Agenda Item No. 1: Roll Call

Chairman Raybould called the meeting to order at 1:00 PM (MT) in Boise and online. Board members present online were Al Barker, Jo Ann Cole-Hansen, Brian Olmstead, Dean Stevenson, and Chairman Raybould. Dale Van Stone joined the meeting after agenda item 2.

IDWR staff members present were: Mathew Weaver, Shelley Keen, Wesley Hipke, Erik Boe, and Jennifer Strange. Online were: Neeley Miller, Steve Stuebner, and Mary Condon.

Guests present online were: John Lind, Robert Newbry, Janet Jessup, John Simpson, Keri Hill, Ashlynn Goody, Ann Yribar, and Scott Pugrud.

Agenda Item No. 2: Administrative Rules

Mr. Mat Weaver provided an update on the 2022 rulemaking activities. Mr. Barker asked for an update on the Water Supply Bank rules. Ms. Mary Condon stated that no substantial changes occurred, including no fee changes. Mr. Weaver provided a resolution for consideration.

Mr. Barker moved to adopt a resolution to publish five IDAPA 37 chapters as proposed rules in the October 5, 2022, Idaho Administrative Bulletin Vol. 22-10. Ms. Cole-Hansen seconded. Roll call vote: Mr. Barker, aye; Mr. Chase, absent; Ms. Cole-Hansen, aye; Mr. Olmstead, aye; Mr. Stevenson, aye; Mr. Van Der Meulen, absent; Mr. Van Stone, aye; and Chairman Raybould, aye. 6 ayes. The motion passed.

Agenda Item No. 3: Other Items

There were no other items for discussion from the board members.

Agenda Item No. 4: Adjourn

Mr. Stevenson moved to adjourn. Mr. Barker seconded. Voice vote: all ayes. Motion carried. The meeting adjourned at 1:21 PM.

Respectfully submitted this 26th day of October 2022.

Jo Ann Cole-Hansen, *Secretary*

Jennifer Strange, *Administrative Assistant II*

Board Actions:

1. Adopted a resolution to publish five IDAPA 37 chapters as proposed rules in the October 5, 2022, Idaho Administrative Bulletin Vol. 22-10.

Memorandum



To: Idaho Water Resource Board
From: Neeley Miller, Planning & Projects Bureau
Date: October 24, 2022
Re: Regional Water Sustainability Priority List Criteria

Action: Consider resolution to adopt criteria

At the October 20th Finance Committee staff discussed the public comments received during the second public comment period for the Regional Water Sustainability Priority List. The Finance Committee recommends the attached criteria for adoption by the IWRB.

Attachment(s):

Resolution w/criteria included

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE REGIONAL
WATER SUSTAINABILITY PRIORITY LIST

RESOLUTION TO ADOPT CRITERIA

1 WHEREAS, in July 2021 the IWRB adopted an initial Regional Water Sustainability Priority
2 List to help guide the Idaho Water Resource Board’s (IWRB’s) spending for large, regional water
3 sustainability projects from ARPA funds, state general funds, or other applicable sources; and
4

5 WHEREAS, in January 2022 the IWRB adopted a threshold criteria indicating that for a
6 project to be included on the Regional Water Sustainability Priority List it must "help achieve
7 water supply sustainability on a regional, basin-wide, or state wide basis;" and
8

9 WHEREAS, state general funds made available for regional water sustainability projects
10 are placed into the Water Management Account, which is managed by the IWRB. Idaho Code
11 42-1760(2)(d) requires that when authorizing the use of funds from the Water Management
12 Account the IWRB “must protect all existing water rights and consider the effects of such projects
13 on other water uses, such as water quality, fish and wildlife, recreation, and hydropower, that
14 provide economic value, stability, water sustainability, drought resiliency, and other benefits to
15 the citizens of the state.;" and
16

17 WHEREAS, on April 20th 2022 staff presented the Finance Committee with a proposed
18 criteria for inclusion on the Regional Water Sustainability Priority List. The Committee chose to
19 open a 30-day public comment period on the draft criteria for funding water projects statewide;
20 and
21

22 WHEARAS, on September 8th 2022 staff presented the Finance Committee with an
23 updated criteria and discussed the public comments that were received. The Committee chose
24 to open a second 30-day public comment period on the updated draft criteria for funding water
25 projects statewide; and
26

27 WHEREAS, on October 20th 2022 the IWRB’s Finance Committee met to discuss the an
28 updated criteria incorporating the new round of public comments. The Finance Committee
29 reviewed the comments recommended the attached criteria be adopted by the IWRB; and
30

31 NOW, THEREFORE BE IT RESOLVED that the IWRB adopts the attached criteria for
32 inclusion on the Regional Water Sustainability Priority List.
33

DATED this 26th day of October 2022.

JEFF RAYBOULD, Chairman
Idaho Water Resource Board

ATTEST _____
JO ANN COLE-HANSEN, Secretary

IWRB Regional Water Sustainability Priority List

Sustainability focuses on the overall stewardship of the state’s water resources for the good of the people of the State of Idaho. In the [Sustainability section](#) of the [State Water Plan](#) (SWP) the Idaho Water Resource Board (IWRB) defines sustainability as the active stewardship of Idaho’s water resources to satisfy current uses and assure future uses of this renewable resource in accordance with state law and policy. Since Idaho’s water resources are not inexhaustible, stewardship also includes taking affirmative steps to address declining trends in Idaho’s water supplies.

The IWRB will support implementation of water sustainability projects, including studies (collectively projects), that provide benefits on a regional, basin-wide, or statewide scale. The IWRB will maintain a [Regional Water Sustainability Priority List](#) (List) of those projects the IWRB has determined have the potential to help achieve regional water sustainability.

Eligible Entities: Irrigation Districts, Irrigation Boards of Control, Canal Companies, Drainage Districts, Groundwater Districts, Ditch Companies, Flood Control Districts, Regional Water Supply Organizations, Municipal Irrigation Districts (formed per Title 42, chapter 18, Idaho Code), Water Districts, cities, counties, and water-related stakeholders.

Eligible Geographic Area: Statewide.

Regional Water Sustainability Priority List: During its July 2021 meeting, the IWRB adopted a priority list of water projects that provide regional benefits. The IWRB updated the list at their January 2022 meeting to reflect funding allocations and related decisions and actions by Congress, the Idaho legislature and the IWRB. The updated “Idaho Water Resource Board Regional Water Sustainability Priority List” is attached hereto.

Projects, including studies, to be undertaken by eligible entities that provide water sustainability on a regional, basin-wide, or statewide scale are eligible to be included on the List. An eligible entity that requests inclusion of the project on the list is a “Project Sponsor.” For projects that are included on the List, the IWRB may 1) help advocate for Federal funding opportunities for these projects, 2) facilitate state funding consideration, and 3) help with letters of support related to necessary funding and/or permitting authorizations.

Inclusion on the List is not a funding commitment, but rather a recognition that the project has the potential to help achieve water sustainability. To obtain funding from an existing grant, loan or other funding program, the Project Sponsor will be required to submit the requisite application(s), and the project will be considered for funding pursuant to the procedures and criteria of the program. Additionally, the IWRB may at its discretion assist the Project Sponsor in obtaining funding from other funding sources.

Each project on the List is unique and will have its own implementation timeline and milestones.

Process for inclusion on the List: Two ways for a project to be included on the list: 1) Project Sponsors will submit a request to the IWRB for a project to be added to the List by December 1st,

38 and 2) the IWRB can add projects to the List at its discretion.

39 The IWRB Finance Committee will consider these requests and make a recommendation to the
40 IWRB. The List will be updated annually at the regularly scheduled January IWRB meeting.

41 **Project Sponsors will provide the following information:**

- 42 • Cover letter with project summary.
- 43 • Project background (infrastructure description, repair, rehabilitation, improvement
44 needs/objectives/benefits).
- 45 • Project Sponsor description (organization type, background, revenue sources, current
46 operations).
- 47 • Project description (narrative, map, conceptual plan and design, land entitlements at
48 project location, description of any known environmental issues).
- 49 • Cost estimate and budget.
- 50 • Project funding sources.
- 51 • Project implementation schedule.

52 **Considerations for List Qualification and Tier Prioritization:**

- 53 • Project helps to achieve water sustainability.
- 54 • Project provides sustainability benefits on a regional scale (basin-wide or statewide)
55 based on geographic area or number of impacted individuals. Projects with multiple
56 benefits may be prioritized.
- 57 • Relative economic and public benefits including consideration of public benefits such as
58 how the project: 1. Protects existing water rights and uses identified in I.C. § 42-
59 1760(2)(d), including consideration of the value of existing hydropower to the state's
60 economy. I.C. § 42-1760(2)(d) states: Any project selected pursuant to paragraph (c) of
61 this subsection must protect all existing water rights and consider the effects of such
62 projects on other water uses, such as water quality, fish and wildlife, recreation, and
63 hydropower, that provide economic value, stability, water sustainability, drought
64 resiliency, and other benefits to the citizens of the state. 2. Provides water for future
65 development; and 3. Addresses aging water storage and delivery infrastructure for
66 projects that provide environmental, safety or recreational benefits
- 67 • Project has broad stakeholder support or provides solutions that have been developed
68 through collaborative processes.
- 69 • Project provides or contributes to resolution of long-standing water supply challenges or
70 anticipated water use conflicts.
- 71 • Project provides or contributes to resolution of long-standing water supply challenges or
72 anticipated water use conflicts.
- 73 • Project leads to stabilization and recovery of groundwater levels in basins where

74 groundwater declines are occurring.

- 75 • Project readiness (may influence tier).

76 **How a project is removed from the List:**

- 77 • Project is fully funded and/or implemented.
- 78 • Sponsor of the project requests the project be removed.
- 79 • IWRB at its discretion removes project.

Memorandum



To: Idaho Water Resource Board
From: Neeley Miller, Planning & Projects Bureau
Date: October 19, 2022
Re: Aging Infrastructure Grant Criteria

Action: Consider resolution to adopt update to Aging Infrastructure Grant criteria

At the October 20th staff discussed the proposed update to the Aging Infrastructure Grant criteria with the Finance Committee. Attached to this memo is the Finance Committee recommendation.

Attachment(s):

Resolution w/criteria included

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AGING WATER
INFRASTRUCTURE GRANTS

RESOLUTION TO ADOPT CRITERIA

1 WHEREAS, House Bill 769 passed and approved in 2022 by the Idaho Legislature
2 appropriated to the Idaho Water Resource Board (IWRB) \$75,000,000 to be used for
3 expenditures, loans, or grants for water projects, including studies, to address water
4 sustainability, rehabilitate or improve aging water infrastructure or support flood management;
5 and

6
7 WHEREAS, the Idaho Legislature provided that no more than one-third of these moneys
8 shall be used for grants and directed the IWRB to develop criteria, taking into account the public's
9 input for the expenditures of money for grants, which shall be competitive, matching grants that
10 prioritize projects based on the public benefits they provide. Considerations of public benefits
11 should include the protection of existing water rights, the uses identified in Section 42-
12 1760(2)(d), Idaho Code, which include consideration of the value of existing hydropower to the
13 state's economy, providing water for future development, and addressing aging water storage
14 and delivery infrastructure for projects that provide environmental, safety, or recreational
15 benefits; and

16
17 WHEREAS, staff prepared an updated criteria for the award for Aging Infrastructure
18 Grants based upon feedback from round one; and

19
20 WHEREAS, on October 20th 2022 the IWRB's Finance Committee met to discuss the
21 updated Aging Infrastructure Grant Criteria developed by staff. The Finance Committee
22 recommended the attached criteria be adopted by the IWRB; and

23
24 NOW, THEREFORE BE IT RESOLVED that the IWRB adopts the attached criteria for the
25 award of Aging Infrastructure Grants.
26

DATED this 26th day of October 2022.

JEFF RAYBOULD, Chairman

Idaho Water Resource Board

ATTEST _____
JO ANN COLE-HANSEN, Secretary

IWRB Aging Infrastructure Grant Criteria

During its 2022 session, the Idaho legislature appropriated to the Idaho Water Resource Board (IWRB) \$75,000,000 to “be used for expenditures, loans, or grants for water projects, including studies, to address water sustainability, **rehabilitate or improve aging water infrastructure** or support flood management.” H.B. 769, §§ 6, 7. The legislature provided that “no more than one-third of these moneys shall be used for grants”, and directed the IWRB to:

develop criteria, taking into account the public's 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, the uses identified in Section 42-1760(2)(d), Idaho Code, which include consideration of the value of existing hydropower to the state's economy, providing water for future development, and addressing aging water storage and delivery infrastructure for projects that provide environmental, safety, or recreational benefits. H.B. 769, § 7.

Projects that rehabilitate or improve Idaho’s water infrastructure support the Idaho economy, provide economic value, and ensures long-term water resource stability and sustainability. Pursuant to House Bill 769, the IWRB has developed these criteria to provide financial assistance on a statewide competitive basis through grants to eligible entities interested in pursuing eligible projects to rehabilitate or improve aging water infrastructure.

Eligible Projects: The IWRB defines an aging water infrastructure project as any new project, or new phase of an improvement project intended to repair, maintain, replace, or improve existing infrastructure that supports irrigation water delivery, storage, drainage, treatment, and use of water for irrigation. Projects that are already completed or underway by the application deadline are not eligible for this funding opportunity. Additionally, for purposes of this grant program, the term ‘aging water infrastructure’ does not include municipal drinking or wastewater systems.

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 and Water Districts

Eligible Geographic Area: Statewide

Grant Funding Considerations:

- IWRB grant portion cannot exceed 1/3rd (33%) of total project costs.
- Funding awards may be reallocated if a project is not completed within the grant period of the grant award contract.
- Permits are not required during the application phase. For those projects that are funded and require local, state, or federal permitting, funding reimbursement will not

38 be made unless the project is fully permitted. Sponsor is responsible for providing
39 permit documentation to IWRB staff.

40 **Budget for Round Two:** \$12.5 million.

41 **Grant Award Limit:** \$2 million

42 **Grant Application Requirements:** Grant applications will require the applicant to provide the
43 following information:

- 44 • Project background (infrastructure description, repair, rehabilitation, improvement
45 needs/objectives/benefits)
- 46 • Project sponsor description (organization type, background, revenue sources, current
47 operations)
- 48 • Project description (narrative, map, conceptual plan and design, land entitlements at
49 project location)
- 50 • Cost estimate and budget
- 51 • Project funding sources (IWRB grant, other state and federal grants, sponsor's
52 contribution)
- 53 • Project implementation schedule

54

55 **Evaluation Criteria:** To maximize the effective and efficient use of available funds, grant
56 applications submitted by eligible entities for eligible projects will be evaluated, scored (*100-*
57 *point scale*), and ranked according to the following criteria. Project scoring will be used to
58 prioritize funding. Applications shall discuss how the project under consideration meets the
59 evaluation criteria.

60 Project Proposal Clarity and Detail (up to 30 points)

- 61 • Clarity and detail of project proposal: need, description, budget and benefits
62 (*up to 10 points*)
- 63 • Plans and specifications included with the grant application (*up to 10 points*)
- 64 • Description of the personnel (sponsor employees, contractors and/or volunteers)
65 that will plan, design, construct and implement the proposed project (descriptions
66 may include the number, qualifications (resumes if applicable) and time of
67 personnel that will be involved in the project. (*up to 10 points*)

68

69 Public Interest of Project (up to 25 points)

- 70 • Economic values supported by the infrastructure, including consideration of the
71 communities, irrigated acres, provision of water for future development and
72 economic activity served by the water infrastructure (*up to 15 points*)
- 73
- 74 • Uses/benefits identified in Section 42-1760(2)(d), Idaho Code (*up to 10 points*):
75 -water quality
76 -fish and wildlife

- 77 -recreation
- 78 -hydropower
- 79 -water supply stability and sustainability
- 80 -drought resiliency
- 81 -public safety
- 82 -other benefits to the citizens of the State
- 83

84 Urgency and Effectiveness of Project (up to 25 points)

- 85 • Urgency of the project (e.g., infrastructure age, infrastructure function) (up to
- 86 15 points)
- 87 • Effectiveness of the proposal in accomplishing project objectives and benefits (e.g.,
- 88 nature and magnitude of operational efficiency improvement and/or water
- 89 savings) (up to 5 points)
- 90 • Budget cost/benefit (i.e., reasonableness of labor and materials costs, comparison
- 91 of those costs to project outcomes) (up to 5 points)
- 92

93 Organizational Capacity of Applicant (up to 10 points)

- 94 • Has the sponsor demonstrated the capacity, authority and ability to complete
- 95 the project? Demonstration may include a synopsis of the sponsor's
- 96 organization and descriptions of similar projects completed by the Sponsor. (up
- 97 to 10 points)
- 98

99 Grant Percentage (up to 10 points)

- 100 • Projects that propose grant amounts below 33% of total projects costs will
- 101 receive additional points (1 point for each additional 1% decrease, up to 10
- 102 additional points).
- 103

104 **Grant Process:**

- 105 • Application deadline will be set by IWRB for each round
- 106 • IWRB staff will make project funding recommendations to IWRB Finance Committee
- 107 • IWRB reviews Finance Committee recommendations and makes grant funding awards
- 108 • IWRB staff will notify project applicants of grant approval.
- 109 • Project sponsors will provide notice to the IWRB of acceptance of funding within 90 days
- 110 after they have been notified of grant approval.
- 111 • Grant contracts between the IWRB and project sponsors will be developed and
- 112 executed following IWRB funding awards.
- 113 • During and/or after project implementation, IWRB will distribute and/or reimburse
- 114 grantees for projects costs per those contracts. Grant reimbursement requests should
- 115 be sent to IdwrPayable@idwr.idaho.gov

- 116 • Additional funding rounds will be held if more funding becomes available.

117

118 **IWRB Districts are:**

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

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

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

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

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

129

Memorandum



To: Idaho Water Resource Board

From: Amy Cassel

Date: October 20, 2022

Re: Water Transactions Program – Renewal of Knapp Creek and Hat Creek Transactions

REQUIRED ACTION: Consideration of the attached funding resolutions for Knapp Creek and Hat Creek Transactions.

Knapp Creek Lease Renewal

Knapp Creek, located in the Upper Middle Fork Salmon Basin, is tributary to Marsh Creek. Marsh Creek and Bear Valley Creek form the Middle Fork Salmon River. ESA-listed Chinook salmon, steelhead, and bull trout currently utilize Knapp Creek for spawning and rearing.

There are only two irrigation water rights on Knapp Creek. In September 2019, the IWRB purchased water right WR No. 77-4207, which authorizes the diversion of 7.45 cfs from Knapp Creek. The IWRB subsequently leased and permanently rents WR No. 77-4297 to meet the minimum stream flow on Marsh Creek (WR No. 77-14210). The second water right on Knapp Creek, WR No. 77-4208, is owned by Cape Horn Ranch, LLC (CHR), is located in Custer County, and is approximately 20 miles from Stanley, Idaho. The right authorizes the diversion of 6.5 cfs for irrigation of 159 acres. WR No. 77-4208 is the last remaining irrigation diversion on Knapp Creek as there are no irrigation diversions on Marsh Creek or Bear Valley Creek. Hence, CHR holds the only remaining irrigation diversion in the headwater tributaries of the Middle Fork Salmon Basin.

To ensure as much water is left instream to meet flow objectives in the headwater tributaries of the Middle Fork Salmon, CHR agreed to lease a portion of its water right to the WSB in 2018. CHR receives compensation through a Columbia Basin Water Transactions Program (CBWTP) payment contract with the IWRB. The purpose of the attached resolution is to extend the WSB lease contract through 2028. The water supply bank lease contract for WR No. 77-4208 expires December 31, 2022, and the CBWTP payment contract between the IWRB and CHR expires October 31, 2023. To align the expiration date of the both contracts, staff is requesting a 6-year water supply bank lease renewal that will terminate in December 2028. A renewal for the IWRB's payment contract will be executed in 2024 and have a contract end date of October 2028.

At this time, staff is requesting authorization to pay the WSB lease application fee of \$250. Funding for the lease application fee will come from the Columbia Basin Water Transaction Program Fund. Renewal of the payment contract between IWRB and CHR will come before the IWRB in late 2023 or early 2024.

Hat Creek Lease Renewal

Hat Creek, located in the Upper Salmon Basin, is tributary to the mainstem Salmon River and supports the spawning, migration, and rearing of ESA-listed salmonids.

Erik Storlie and Tamara Kaiser own the only water rights from Big Hat Creek (WR Nos. 75-2137 and 75-4199 for 1.23 cfs irrigating 43.6 acres) and an additional water right from Hat Creek (WR Nos. 75-4200 for 1.28 cfs irrigating 24.7 acres). Since 2004, the Storlie-Kaisers have rented all or a portion of these water rights through the WSB for delivery to the minimum stream flow water right on Hat Creek, WR No. 75-14189. In 2018, the water right owners agreed to donate the aforementioned water rights to the IWRB for rental to the Hat Creek minimum stream flow for five years. The WSB lease and rental agreements expire on December 31, 2022.

The water right owners are interested in long-term options, so staff is exploring the possibility of a purchase or long-term rental of all three water rights. The Storlie-Kaisers are considering listing the property for sale and a change in ownership could result in resumption of use. An acquisition of the water rights would permanently protect the flows in Big Hat Creek and Hat Creek but would likely affect the value of the property. While the acquisition options are being evaluated, the water right holders would like to renew the lease/rental for an additional 5-year period, 2023–2027. The water right owners are willing to continue to donate the rental and not receive a payment, therefore the requested funds are intended to cover the WSB lease and rental fees. Lease applications fees total \$500.00, and rental fees total \$2563.93. Total funding for the Hat Creek rental is \$3,063.93 and will come from the Columbia Basin Water Transaction Program Fund.

Attachments

1. Resolution to make a funding commitment for the WSB lease of WR No. 77-4208 on Knapp Creek
2. Resolution to make a funding commitment for the 2023 – 2027 Hat Creek Water Transaction Contract

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE
THE IWRB LEASE OF WATER RIGHT NO. 77-
4208 ON KNAPP CREEK

RESOLUTION TO MAKE A FUNDING
COMMITMENT

1 WHEREAS, natural-origin Chinook salmon, steelhead, and bull trout habitat in the Middle
2 Fork Salmon River Basin is impacted by flow-limited tributaries; and

3
4 WHEREAS, Knapp Creek, tributary to Marsh Creek, has been identified as a high priority
5 stream for flow restoration efforts, to provide high quality spawning and rearing habitat for
6 natural-origin anadromous Chinook salmon, steelhead, and resident bull trout, and

7
8 WHEREAS, it is in the interest of the State of Idaho to increase flow in Knapp Creek to
9 promote recovery of ESA-listed Chinook salmon, steelhead, and bull trout fish; and

10
11 WHEREAS, Water Right No. 77-4208 has been historically diverted from Knapp Creek for
12 irrigation purposes; and

13
14 WHEREAS, the Idaho Water Resource Board (IWRB), pursuant to Section 42-1734, Idaho
15 Code, has the authority to acquire, purchase, lease, or exchange land, rights, water rights,
16 easements, franchises, and other property deemed necessary or proper for the construction,
17 operation, and maintenance of water projects; and

18
19 WHEREAS, the Water Right owner has leased a portion of the water right to the Water
20 Supply Bank (WSB) since 2018 and is compensated through a Columbia Basin Water Transactions
21 Program (CBWTP) payment contract with the IWRB; and

22
23 WHEREAS, the Water Right owner desires to continue to lease to the IWRB a portion of
24 Water Right No. 77-4208 so that the water may remain in Knapp Creek to enhance fish habitat;
25 and

26
27 WHEREAS, the current WSB lease contract expires December 31, 2022, and the CBWTP
28 payment contract expires October 31, 2023; and

29
30 WHEREAS, a 6-year WSB lease contract, with a term of 2023 to 2028, will be developed
31 to leave water in Knapp Creek and improve stream flow for anadromous and resident fish; and

34 WHEREAS, a new CBWTP payment contract with a term of 2024 to 2028 will be presented
35 for IWRB approval during the 2024 program fiscal year; and

36
37 WHEREAS, the Idaho WSB lease application fee for Water Right No. 77-4208 is \$250; and

38
39 NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the Chairman or designee to
40 lease Water Right No. 77-4208 to the WSB for a period of 6 years, from 2023 to 2028; and

41
42 NOW THEREFORE BE IT RESOLVED that the IWRB will pay up to \$250 in lease application
43 fees to facilitate this transaction; and

44
45 NOW THEREFORE BE IT FURTHER RESOLVED that this resolution is subject to the condition
46 that the IWRB receives the requested funding from the Bonneville Power Administration
47 Columbia Basin Water Transaction Fund in the amount of \$250.

DATED this 26th day of October 2022.

JEFF RAYBOULD, Chairman
Idaho Water Resource Board

ATTEST _____
JO ANN COLE HANSEN, Secretary

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE 2023–2027 HAT
CREEK WATER TRANSACTION CONTRACTS

RESOLUTION TO MAKE A FUNDING
COMMITMENT

1 WHEREAS, resident bull trout, juvenile Chinook salmon, and adult steelhead in Hat
2 Creek are limited by low flow in the lower reaches of Hat Creek; and

3 WHEREAS, Hat Creek provides habitat for resident bull trout, juvenile Chinook
4 salmon, and adult steelhead habitat, and the 2004 Snake River Water Rights (“Nez Perce”)
5 Agreement commits the state to providing incentives for improving fish habitat which includes
6 improving or protecting flow conditions to augment stream flows; and

7 WHEREAS, it is in the interest of the State of Idaho to increase flow in Hat Creek to
8 encourage recovery of ESA-listed bull trout, Chinook Salmon, and steelhead; and

9 WHEREAS, the Idaho Water Resource Board (IWRB) owns minimum streamflow Water
10 Right No. 75-14189 on Hat Creek; and

11 WHEREAS, the IWRB, pursuant to Section 42-1734, Idaho Code, has the authority to
12 acquire, purchase, lease, or exchange land, rights, water rights, easements, franchises, and other
13 property deemed necessary or proper for the construction, operation, and maintenance of water
14 projects; and

15
16 WHEREAS, the water right owners have agreed to donate a portion of Water Right Nos.
17 75-2137, 75-4199, and 75-4200 to the IWRB for delivery to the Hat Creek minimum stream flow
18 Water Right No. 75-14189; and

19 WHEREAS, staff is developing a 5-year Lease and Rental Agreement through the Idaho
20 Water Supply Bank to leave water in Big Hat Creek and Hat Creek to improve stream flow for
21 anadromous and resident fish; and

22 WHEREAS, a proposal for \$3063.93 will be submitted to the Columbia Basin Water
23 Transaction Program to fund the lease and rental fees of said water rights through the Idaho
24 Water Supply Bank; and

25 WHEREAS, the Hat Creek transaction is in the public interest and in compliance with the
26 State Water Plan; and

27 NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the Chairman or designee to
28 rent Water Right Nos. 75-2137, 75-4199, and 75-4200 for the purpose of increasing flows in Big
29 Hat Creek and Hat Creek; and

Resolution No. _____

30 NOW THEREFORE BE IT FURTHER RESOLVED that the IWRB will pay up to \$500 in lease
31 application fees and \$2536.93 in Water Supply Bank rental fees to facilitate this transaction; and

32 NOW THEREFORE BE IT FURTHER RESOLVED that this resolution is subject to the condition
33 that the IWRB receives the requested funding from the Bonneville Power Administration through
34 the Columbia Basin Water Transaction Program in the amount of \$3063.93.

DATED this 26th day of October 2022.

JEFF RAYBOULD, Chairman
Idaho Water Resource Board

ATTEST: _____
JO ANN COLE HANSEN, Secretary