



AGENDA

IDAHO WATER RESOURCE BOARD

Finance Committee Meeting No. 6-22

Thursday October 20, 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 Rooms 602 C&D / 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: 835 2165 9088 Passcode: 767272

1. Introductions and Attendance
2. Regional Water Sustainability Criteria*
3. Aging Infrastructure Criteria*
4. Other Items
5. Adjourn

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

* Action Item: A vote regarding this item may be made 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 telephonically. 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
From: Neeley Miller, Planning & Projects Bureau
Date: October 19, 2022
Re: Regional Water Sustainability Priority List Criteria

Action: Make recommendation to the IWRB

Staff will discuss the public comments received during the second public comment period for the Regional Water Sustainability Priority List. Staff will provide a recommendation for moving forward.

Attachment(s):

Regional Water Sustainability Priority List Criteria with comments in redline
Staff recommendation (clean version)

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. ~~Stewardship of~~ [Since](#) Idaho's water resources ~~begins with the realization that the water resources of the state~~ are not inexhaustible, ~~Stewardship, by necessity,~~ also includes taking affirmative steps to address declining trends in ~~the resource~~ [Idaho's water supplies](#).

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

Eligible Entities: [Public and private entities with demonstrated institutional and financial capabilities to implement regional water sustainability projects, including, but not limited to:](#) 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), ~~and~~ Water Districts to provide financial support for water users to implement water measurement-related improvements, [cities, counties](#) and other ~~public and private supporting stakeholders~~ [water providers](#).

Eligible Geographic Area: Statewide.

Regional Water Projects Sustainability Priority List: [During its July 22, 2021 meeting, the IWRB adopted a priority list of water projects that provide regional benefits. The IWRB updated the list on \[INSERT DATE\] 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 ~~for~~ water sustainability on a [regional](#) community, basin-wide, or statewide scale are eligible to be ~~placed~~ [included](#) on the List.

~~Getting placed on the List is not a funding commitment, but~~ [An eligible entity that requests inclusion of the project on the list is a "Project Sponsor." -rather a recognition that the project has the potential to help achieve water sustainability. Each project on the list is unique and will have its own implementation timeline and milestones.](#) For projects that are ~~placed~~ [included](#) on the List, the IWRB may 1) help advocate for Federal funding opportunities for these projects, 2) ~~prioritize these projects for~~ [facilitate](#) ~~S~~ state funding consideration, and 3) help with letters of

Commented [DS1]: H.B. 769, § 7 provided that the \$75,000,000 appropriation is 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."

Commented [DS2]: What does "regional" mean? I.e., how is it different than basin-wide and statewide? Suggest regional = community, basin-wide or statewide.

Commented [DS3]: H.B. 769, § 7 provided that the \$75,000,000 appropriation is 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."

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 ~~getting~~inclusion on the List: Two ways ~~to get added to~~for a project to be included on the list: 1) ~~Eligible entities~~Project Sponsors will submit a request to the IWRB for a project to be added to the List by December 1st, and 2) the IWRB can add projects to the List at ~~their own~~its discretion.

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

~~Eligible entities~~Project Sponsors will provide the following information:

- Cover letter with project summary.
- Project background (infrastructure description, repair, rehabilitation, improvement needs/objectives/benefits).

- Project sponsor description (organization type, background, revenue sources, current operations).
- Project description (narrative, map, conceptual plan and design, land entitlements at project location).
- Cost estimate and budget.
- Project funding sources.
- Project implementation schedule.

Considerations for List Qualification and Tier Prioritization:

- Project helps to achieve water sustainability.
- Demonstration of Project provides sustainability benefits on a regional scale (community, basin-wide or statewide) benefits based on geographic area or number of impacted individuals. Projects with multiple benefits would be prioritized.
- Project Relative economic and provides one or more of the public benefits including consideration of public benefits such how the project identified in House Bill 769, § 7 (2022) and I.C. § 42-1760(2)(d) that provide economic value, stability, water sustainability, drought resiliency, and other benefits to the citizens of the state:
 1. 1. Protects existing water rights;
 2. 2. and uses identified in I.C. § 42-1760(2)(d), including consideration of the value of existing hydropower to the state's economy; I.C. § 42-1760(2)(d) states: Any project selected pursuant to paragraph (c) of this subsection must protect all existing water rights and consider the effects of such projects on other water uses, such as
 3. 3. water quality, fish and wildlife, and recreation, and hydropower, that provide economic value, stability, water sustainability, drought resiliency, and other benefits to the citizens of the state;
 4. 2. Provides water for future development; and, and
 - 1-5. 3. Addresses aging water storage and delivery infrastructure for projects that provide environmental, safety or recreational benefits.
- Demonstration of Project has broad stakeholder support or provides solutions that have been developed through collaborative processes.
- Project Provides or contributes to resolution of long-standing water supply challenges or anticipated water use conflicts.
- Project Leads to stabilization of groundwater levels in basins where unsustainable

Commented [DS4]: Not clear what this means. Appears to duplicate the next point.

Commented [DS5]: Revised for consistency with legislation/statute & clarity

[groundwater](#) declines are occurring.

- Project readiness (may influence tier).

How a project is removed from the List:

- Project is fully funded and/or implemented.
- Sponsor of the project requests the project be removed.
- IWRB at [their](#) discretion removes project.

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October 13, 2022

Hon. Jo Ann Cole-Hansen, Chair
Finance Committee
Idaho Water Resource Board
332 E. Front Street
Boise, Idaho 83702

RECEIVED

OCT 13 2022

IDAHO WATER
RESOURCE BOARD

Submitted via email to Neeley.Miller@idwr.idaho.gov

RE: Draft Criteria for Regional Water Sustainability Projects

Dear Ms. Cole-Hansen,

Thank you for the opportunity to submit comments on the Idaho Water Resource Board's ("IWRB") draft Criteria for Regional Water Sustainability Projects. As you know, Idaho Power Company ("Idaho Power") is a regulated electric utility, engaged in the generation, transmission, and distribution of electricity in eastern Oregon and southern Idaho. Idaho Power provides reliable and affordable service on a nondiscriminatory basis to more than 600,000 customers in a service area spanning an estimated 24,000 square miles. Idaho Power owns and operates hydroelectric dams along the Snake River and its tributaries, spanning from the American Falls Reservoir to the Hells Canyon Complex, located on a portion of the Snake River that makes up the border between Oregon and Idaho.

The Idaho State Legislature passed House Bill No. 769 ("H.B. 769"), which in part, appropriated \$75 million from the General Fund ("General Fund appropriation") to the Idaho Department of Water Resources ("IDWR") to be used in part for water sustainability projects. Of this funding, no more than one-third can be used for grants. The legislature also directed IWRB to develop criteria for the expenditures of money for grants that must be prioritized based on the public benefits they provide.

In Section 7 of H.B. 769, the legislature defined public benefit criteria as "includ[ing] 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." (emphasis added).

Eligible Entities

To date the IWRB list of eligible entities inherently excludes many of the water uses recognized in Idaho Code 42-1760, including "water quality, fish and wildlife, recreation, and hydropower." The legislature recognizes that these uses provide economic value to the state and its citizens, and Idaho Power recommends that IWRB include these entities in its list of eligible entities for allocations from the water management account.

The Aging Infrastructure Program and criteria initially developed was intended to focus on eligible entities as well as the infrastructure under consideration, whereas the criteria being developed under the "regional sustainability Priority List" should initially be directed at the type of projects being

considered. The real question is whether a proposed project addresses water sustainability in Idaho and is consistent with the sustainability policy in the State Water Plan. Criteria should not be based upon who is proposing the project.

Perhaps, as a secondary analysis the IWRB could include alternative funding sources and other considerations associated with a proposed project. However, to include a limited scope of entities (associated with a singular beneficial use) as being eligible will eliminate projects which might otherwise rank very high on the sustainability criteria. Moreover, as with the existing Aging Infrastructure criteria, limiting eligibility to irrigation entities and specifically excluding other water users who are stewards of the resource and beneficially utilize Idaho's valuable water supply is inconsistent with the legislature's intent for the funding provided.

Water Projects Priority List

The IWRB's request for comment includes an already populated list that identifies "tiers" whereby proposed project were placed. Many of these projects have already been reviewed by the Board, but it is unclear what criteria was used in that evaluation. It is also unclear who the "tiers" were created, how various projects were placed on the existing list, and how the projects meet the goals outlined in H.B. 769 or the new criteria that IWRB has developed. IWRB should consider removing all projects from the existing list and re-ranking the projects in accordance with these criteria.

If public input is going to be effective, the transparency from starting with clearly established goals based upon the State Water Plan and the developed "Sustainability" section would seem appropriate. Perhaps, this is how the IWRB first developed the project list identified. However, given the passage of time and the changing circumstances associated with the recently available state and federal funding, further explanation on this list should be provided prior to moving forward.

If you have any questions regarding these comments, please contact me at KDavis2@idahopower.com or (208)388-2602.

Sincerely,

Kresta Davis

Digitally signed by Kresta Davis
DN: cn=Kresta Davis, o=Idaho Power,
ou=Water Resources and Policy,
email=kdavis2@idahopower.com, c=US
Date: 2022.10.13 11:31:42 -06'00'

Kresta Davis, Senior Manager
Water Resources and Policy
Idaho Power Company

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 other water providers to provide financial support for water users to implement water measurement-related improvements.

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

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

Project Sponsors will provide the following information:

- Cover letter with project summary.
- Project background (infrastructure description, repair, rehabilitation, improvement needs/objectives/benefits).
- Project Sponsor description (organization type, background, revenue sources, current operations).
- Project description (narrative, map, conceptual plan and design, land entitlements at project location).
- Cost estimate and budget.
- Project funding sources.
- Project implementation schedule.

Considerations for List Qualification and Tier Prioritization:

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

- Project leads to stabilization and recovery of groundwater levels in basins where groundwater declines are occurring.
- Project readiness (may influence tier).

How a project is removed from the List:

- Project is fully funded and/or implemented.
- Sponsor of the project requests the project be removed.
- 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: Make recommendation to the IWRB

Staff will discuss the proposed update to the Aging Infrastructure Grant Criteria with the Finance Committee.

Attachment(s):

Proposed Redline Criteria

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

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

Budget for Round Two: IWRB limit total funds available in round one up to \$12.5 million.

Grant Award Limit: \$2 million

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

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

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. Project scoring will be used to prioritize funding. Applications shall discuss how the project under consideration meets the evaluation criteria.

First Time Applicants (5 points)

- ~~First time applicants for an aging infrastructure grant will receive 5 points. In the first round, all applicants will receive these points.~~

Project Proposal Clarity and Detail (up to 30 points)

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

Public Interest of Project (up to ~~20~~ 25 points)

- Economic values supported by the infrastructure, including consideration of the communities, irrigated acres, provision of water for future development and

economic activity served by the water infrastructure (*up to 10 points*)

- Uses/benefits identified in Section 42-1760(2)(d), Idaho Code (*up to 10 points*):
 - water quality
 - fish and wildlife
 - recreation
 - hydropower
 - water supply stability and sustainability
 - drought resiliency
 - public safety
 - other benefits to the citizens of the State

Urgency and Effectiveness of Project (*up to 20 25 points*)

- Urgency of the project (e.g., infrastructure age, infrastructure function) (*up to 10 points*)
- Effectiveness of the proposal in accomplishing project objectives and benefits (e.g., nature and magnitude of operational efficiency improvement and/or water savings) (*up to 5 points*)
- Budget cost/benefit (i.e., reasonableness of labor and materials costs, comparison of those costs to project outcomes) (*up to 5 points*)

Organizational Capacity of Applicant (*up to 10 points*)

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

Grant Percentage ~~and IWRB Loan/Grant Combination~~ (*up to 15 10 points*)

- Projects that propose grant amounts below 33% of total projects costs will receive additional points (*1 point for each additional 1% decrease, up to 10 additional points*).
- ~~Grants are not contingent on financing a portion of the project's costs through an IWRB loan, but applications that propose an IWRB loan/grant combination will receive additional points (*up to 5 additional points*).~~

Grant Process:

- **Application deadline will be set by IWRB for each round**
- IWRB staff will make project funding recommendations to IWRB Finance Committee
- IWRB reviews Finance Committee recommendations and makes grant funding awards

- IWRB staff will notify project applicants of grant approval.
- Project sponsors will provide notice to the IWRB of acceptance of funding within 90 days after they have been notified of grant approval.
- Grant contracts between the IWRB and project sponsors will be developed and executed following IWRB funding awards.
- During and/or after project implementation, IWRB will distribute and/or reimburse grantees for projects costs per those contracts. Grant reimbursement requests should be sent to IdwrPayable@idwr.idaho.gov
- Additional funding rounds will be held if more funding becomes available.

IWRB Districts are:

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.*