



IDAHO WATER RESOURCE BOARD

MEETING NO. 1-16

January 21-22, 2016

Boise



Natural Resources Conservation Service hydrologist, Ron Abramovich takes a snow core sample at Mores Creek Snow Course on December 30, 2015. Shawn Nield, NRCS state soil scientist, prepares to record the data related to the sample.
Photo Credit: NRCS

MEDIA



AMENDED
AGENDA

IDAHO WATER RESOURCE BOARD
MEETING NO. 1-16

January 22, 2016 at 8:00 am

C.L. "Butch" Otter
Governor

Idaho Water Center
Conference Rooms 602 B,C,D
322 East Front Street, Boise, Idaho 83720

Roger W. Chase
Chairman
Pocatello
District 4

Jeff Raybould
Vice-Chairman
St. Anthony
At Large

Vince Alberdi
Secretary
Kimberly
At Large

Peter Van Der Meulen
Hailey
At Large

Charles "Chuck"
Cuddy
Orofino
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

Dale Van Stone
Hope
District 1

-
1. Roll Call
 2. Executive Session – Board will meet pursuant to Idaho Code §74-206(1) subsection (f), for the purpose of communicating 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. Executive Session is closed to the public. Topics: Big Timber Creek and Wild and Scenic River Agreements

Following adjournment of Executive Session – meeting reopens to the public.

3. Agenda and Approval of Minutes 8-15 and 9-15
4. Public Comment
5. Financial Status
6. Surface Water Coalition Settlement Agreement Update
7. Legislative Update
8. Ground Water Conservation Grants
9. Elmore County Aquifer Stabilization Funding Request
10. Swan Falls Forecasting Tool
11. Loan Request - Outlet Water Association at Priest Lake
12. Spokane River Forum Conference Funding Request
13. Storage Studies Update
14. Star Water and Sewer
15. ESPA Recharge
16. Director's Report
17. Non-Action Items for Discussion
18. Next Meeting and Adjourn

Americans with Disabilities

The meeting will be held in facilities that meet the accessibility requirements of the Americans with Disabilities Act. 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.



IDAHO WATER RESOURCE BOARD

MINUTES MEETING NO. 8-15

C.L. "Butch" Otter
Governor

Idaho Water Center
Conference Rooms 602 B,C,D
322 East Front Street, 6th Floor, Boise, Idaho 83720

November 16, 2015

Work Session

Roger W. Chase
Chairman
Pocatello
District 4

Jeff Raybould
Vice-Chairman
St. Anthony
At Large

Vince Alberdi
Secretary
Kimberly
At Large

Peter Van Der Meulen
Hailey
At Large

**Charles "Chuck"
Cuddy**
Orofino
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

Dale Van Stone
Hope
District 1

Chairman Chase called the meeting to order at 1:40 p.m. All Board members were present. Guests present were: Rob Van Kirk; Brandon Hoffner, Walt Poole, Dan Ayons, Marie Kellner, Peter Anderson, Dave Tuthill, Kyle Blasch, Jim Bartolino, Linda Lemmon, Kevin Boggs, Steve Miller, and Lynn Tominaga.

During the Work Session the following items were discussed:

- A presentation by Dr. Kyle Blasch on the status of the USGS Drought Study.
- A presentation by CH2M providing a review of ESPA Comprehensive Managed Recharge Program.
- An update by Remington Buyer on the Water Supply Bank.
- A handout by Neeley Miller covering the Board's Sustainability Policy.
- A proposal presented by Sean Vincent for Swan Falls Forecasting Tool.

No action was taken by the Board during the Work Session.

November 17, 2015

IWRB Meeting

At 8:00 a.m. the Chairman called the meeting to order. All members were present at that time, except Mr. Barker who arrived during the Executive Session.

Agenda Item No. 1: Roll Call

Board Members Present

Roger Chase, Chairman
Vince Alberdi, Secretary
Albert Barker (arrived in Exec Session)
Dale Van Stone

Jeff Raybould, Vice-Chairman
Pete Van Der Meulen
Bert Stevenson
Chuck Cuddy

Staff Members Present

Gary Spackman, Director	Brian Patton, Bureau Chief
John Homan, Deputy Attorney Gen.	Cynthia Bridge Clark, Planning Manager
Neeley Miller, Senior Planner	Morgan Case, Biologist
Sascha Marston, Financial Officer	Rick Collingwood, Planning Engineer
Wesley Hipke, Project Manager	Remington Buyer, WSB Coordinator

Sean Vincent, Hydrology
Amy Cassell, Project Coordinator

Debbie Gibson, Admin. Assistant

Guests Present

Paul Kimmell, Palouse Basin Aquifer Committee
Linda Lemmon, Idaho Aquatic Assoc. /Lower Snake River
Marie Kellner, Idaho Conservation League
Dan Ayons, JUB Engineering
Ray Houston, Legislative Service
Dean Stevenson, MVGUD

Ann Vonde, Dept Attny Gen.
Aquifer Recharge District
Walt Poole, Idaho Fish & Game
John Williams, Bonneville Power Admin.
John Simpson, Barker Rosholt & Simpson

Agenda Item No. 2: Executive Session

Mr. Alberdi moved that the board resolve into Executive Session. Chairman Chase seconded the motion. At approximately 8:00 am the Board resolved into Executive Session by unanimous consent pursuant to Idaho Code Section 74-206(1) subsections (f), for the purposes of communicating 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. All members were present. Topics discussed were: Pabarcus Application and Purcell/Big Timber Creek Water Users Company.

No action was taken by the Board during the Executive Session. The Board resolved out of Executive Session and into Regular Session at approximately 9:00 am.

Agenda Item No. 3: Agenda and Approval of Minutes 7-15

There were no changes to the agenda. Mr. Van Der Meulen suggested to add a correction of “sole” instead of “soul” from Agenda Item No. 10 of the 7-15 minutes. Mr. Alberdi reviewed the minutes and made a motion to approve the minutes. Seconded by Mr. Barker. Voice vote. All were in favor. Motion passed.

Agenda Item No. 4: Public Comment

Chairman Chase opened the meeting for public comment. John Williams from Bonneville Power Administration provided public comment He had three things to mention to the Board. 1. He discussed BPA fiscal responsibilities. 2. He mentioned that the NOAA report was available and that decisions are coming that will affect various organizations. 3. He informed the Board that the annual report is online for BPA.

Agenda Item No. 5: Financial Status Update

Mr. Patton provided an update on the Board’s financial status. As of October 1st, the IWRB’s accounts and various subaccounts have \$34.5M that has either been committed or earmarked by the legislature, but not disbursed. For certain projects there is a total loan principal outstanding of just under \$23M. He stated that the negative balance that is currently reflected will change as loan payments are received over the next 6 months.

Mr. Alberdi requested that it be shared with the board the fiscal assistance provided from IDWR. Ms. Marston gave the board an overview of fiscal responsibilities for the Board.

Agenda Item No. 6: PBAC Aquifer Stabilization Funding Request

Mr. Miller introduced Mr. Kimmell from the Palouse Basin Aquifer Committee. Mr. Kimmell shared a presentation on the Palouse Basin Aquifer and a funding request. Mr. Kimmell requested \$150,000 from IWRB Secondary Aquifer Planning, Management and Implementation Fund for the Palouse Ground Water Basin Water Supply Alternatives Project.

There were comments and questions from board members. Chairman Chase suggested funding a portion of the request. Mr. Van Stone moved to provide \$100,000 to the fund. Mr. Van Der Meulen seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. Motion passed. The resolution was adopted.

Agenda Item No. 7: ESPA Recharge

Mr. Hipke addressed the Board in the matter of Aquifer Stabilization and Eastern Snake Plain Aquifer Recharge. He asked the board to fund half of the project for installation and material costs to improve the infrastructure at the Jensen Grove to facilitate the use of the site for future IWRB recharge activities. Mr. Raybould moved to adopt the resolution to provide funding not to exceed \$26,527. Mr. Stevenson seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. Motion passed. The resolution is adopted.

Mr. Hipke presented a second resolution in the matter of Aquifer Stabilization and ESPA Recharge. Mr. Raybould asked to be recused from this vote. The resolution presented to the board had a blank amount: it was requested that the amount not to exceed \$1,030,000. Mr. Barker moved to adopt the resolution with that amended amount. Mr. Alberdi seconded the motion. Mr. VanDerMeulen recommended that the wording “stamped” be added to the last sentence of the 11th paragraph of the resolution; so it reads: “All plans and specifications shall be stamped and signed by an engineer licensed in the state of Idaho.” Chairman Chase asked if the board would be ok with that amendment. There were further comments and questions from board members. Then Chairman Chase called the vote. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Abstain; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. Motion passed. The resolution was adopted.

Agenda Item No. 8: Upper Salmon Basin Water Transaction Projects

Ms. Case presented a resolution to provide funding in the amount of \$180,086.70 for a two-year period. Mr. Van Stone moved to adopt the resolution. Mr. Van Der Meulen seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. Motion passed. The resolution was adopted.

Agenda Item No. 9: Water Supply Bank

Mr. Remington Buyer presented an amended resolution that directs the Water Supply Bank to publish a formal public notice alerting water right owners of the Board’s intent to release by resolution indefinitely leased water rights from the Water Supply Bank.

Mr. Cuddy moved to accept the resolution. Mr. Raybould seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. Motion passed. The resolution was adopted.

Agenda Item No. 10: Storage Studies Update

Ms. Bridge Clark provided updates on storage water studies. She discussed analysis with the Weiser-Galloway Project. Other topics discussed included: Boise River Feasibility Study; Island Park Reservoir Enlargement Project; and updates on the Mountain Home AFB pipeline. Project timelines were discussed.

North Idaho storage issues were discussed, particularly pertaining to Priest Lake. There were discussions and questions among the parties. No actions were required by the board.

Agenda Item No. 11: Bee Line Water Association Loan

Mr. Collingwood presented a resolution for a loan for Bee Line Water Association. Some discussion and comments were made among the parties.

Chairman Chase moved to adopt the resolution. Mr. Van Stone seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. Motion passed. The resolution was adopted.

Agenda Item No. 12: Ground Water Districts Loan & Aqualife Hatchery

Mr. Patton provided background on the Loan and Aqualife Hatchery discussion. Mr. Stevenson asked for unanimous consent to participate in the discussion. He disclosed that he does own land in the districts affected, but that he does not receive any more benefit than any other owner. The Board unanimously consented to Mr. Stevenson's participation.

Mr. Homan discussed the board's authority to sell its assets. He advised that the board obtain another appraisal if the rights in question will be sold as subordinated rights. There was discussion among the parties.

IGWA representative shared his perspective on the issue. Chairman Chase asked for a motion. Mr. Raybould made a motion to accept the resolution. Mr. Stevenson seconded the motion. Roll call vote: Alberdi: Aye; Barker: Aye; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. Motion passed. The resolution was adopted.

Agenda Item No. 13: IDWR Director's Report

Director Spackman requested that the Board invite him to the next meeting to discuss water issues in Northern Idaho, levels of Priest Lake, and water issues with wild and scenic flows in Latah County.

Agenda Item No. 14: Other Non-Action Items for Discussion

Chairman Chase shared with the board that he has an upcoming meeting with the Governor to discuss the sustainability policy. Also, the Fall Chinook Recovery report was shared by Mr. Barker. Mr. Stevenson requests that an Aquifer Stabilization Committee meeting be held in January 2016.

Agenda Item No. 15: Proposed 2016 Meeting Schedule and Adjourn

There was discussion of upcoming dates for tours and meetings for the 2016 calendar. The Board agreed to meet again in January, 2016. Chairman Chase made the motion to adjourn. Mr. Cuddy seconded the motion. The meeting was adjourned at approximately 1:15 pm.

Respectfully submitted this _____ day of January, 2016.

Vince Alberdi, Secretary

Jennifer Strange, Administrative Assistant

Board Actions:

1. Mr. Alberdi moved to approve Minutes 7-15 with the noted changes. Mr. Barker seconded the motion. Voice Vote. All were in favor. Motion carried.
2. Mr. Van Stone moved to adopt the resolution in the matter of the Projects Associated with Joint Water Need Studies in Coordination with Northern Idaho Communities to Ensure Water Availability for Future Economic Development. Mr. Van Der Meulen seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
3. Mr. Raybould moved to adopt the resolution in the matter of Aquifer Stabilization and Eastern Snake Plain Aquifer Recharge—Jensen Grove. Mr. Stevenson seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
4. Mr. Barker moved to adopt the resolution in the matter of Aquifer Stabilization and Eastern Snake Plain Aquifer Recharge—Fremont Madison. Mr. Alberdi seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
5. Mr. Van Stone moved to adopt the resolution in the matter of The Lower Lemhi 2016-17 Water Right Subordination Agreements. Mr. Van Der Meulen seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
6. Mr. Cuddy moved to adopt the resolution in the matter of Releasing from the Water Supply Bank Water Rights that Are Indefinitely Leased to the Water Supply Bank. Mr. Raybould seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
7. Chairman Chase moved to adopt the resolution in the matter of The Bee Line Water Association. Mr. Van Stone seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.
8. Mr. Raybould moved to adopt the resolution in the matter of The Eastern Snake Plain Ground Water Districts. Mr. Stevenson seconded the motion. Roll Call Vote. 8 Ayes. Motion passed.



IDAHO WATER RESOURCE BOARD

MINUTES MEETING NO. 9-15

C.L. "Butch" Otter
Governor

December 16, 2015
IWRB Meeting

Idaho Water Center
Conference Room 648A
322 East Front Street, 6th Floor, Boise, Idaho 83720

Roger W. Chase
Chairman
Pocatello
District 4

Jeff Raybould
Vice-Chairman
St. Anthony
At Large

Vince Alberdi
Secretary
Kimberly
At Large

Peter Van Der Meulen
Hailey
At Large

**Charles "Chuck"
Cuddy**
Orofino
At Large

Albert Barker
Boise
District 2

John "Bert" Stevenson
Rupert
District 3

Dale Van Stone
Hope
District 1

At 2:30 p.m. Chairman Chase called the meeting to order.

Agenda Item No. 1: Roll Call

Board Members Present via Conference Call

Roger Chase, Chairman
Vince Alberdi, Secretary
Bert Stevenson
Dale Van Stone

Jeff Raybould, Vice-Chairman
Pete Van Der Meulen
Albert Barker
Chuck Cuddy

Staff Members Present

Brian Patton, Bureau Chief
John Homan, Deputy Attorney General
Neeley Miller, Senior Planner
Debbie Gibson, Administrative Assistant

Guests Present

Jon Bowling, Idaho Power
Mark Solomon, IWRRI
Teresa Molitor, GFCC
Randy Budge, *via conference call*, IGWA
Lynn Tominaga, *via conference call*, IGWA

Noted for the Record:

Mr. Stevenson declared that he holds water rights in the ground water districts and the surface water districts included in this resolution and that he does not receive any specific benefit.

Mr. Raybould declared that he is a member of Fremont-Madison Irrigation Company, and that Fremont Madison will pay its share of the projects up front and will not be part of the loan authorized by this resolution.

Agenda Item No. 2: Ground Water Districts' Loan and Aqualife

Mr. Patton gave an overview of the Aqualife resolution from the November 17th meeting. Then he presented a resolution that authorized the sale of the Aqualife Hatchery to the 10 Ground Water Districts on the Eastern Snake Plain with water rights subordinated so a future owner could not make a delivery call against the Eastern Snake Plain Aquifer. It would also increase the amount of the \$4 million interim loan to the 10 Ground Water Districts approved on September 18, 2015 by \$2.9M to include the cost of the Aqualife Hatchery Purchase in the loan.

There was discussion among the Board members. Mr. Budge provided an expansion on the discussion of the mitigation plans and appraisal.

Mr. Raybould moved to approve the resolution as printed with \$2.9 million dollars, raise the loan from \$4 million for a total \$6.9 million of loan. Seconded by Mr. Van Der Meulen.

Mr. Barker asked for the full motion to be repeated. There was more discussion on the value of the appraisal.

Chairman Chase requested that Mr. Raybould amend his motion that the Resolution passes pending review by the legal department.

Chairman Chase called for a vote. Roll call vote: Alberdi: Nay; Barker: Nay; Cuddy: Aye; Raybould: Aye; Stevenson: Aye; Van Der Meulen: Aye; Van Stone: Aye; Chairman Chase: Aye. 6 Ayes, 2 Nays. Motion passed. The resolution was adopted.

Agenda Item No. 3: Other Non-Action Items for Discussion

There were no other items for discussion.

Agenda Item No. 4: Adjourn

The IWRB Meeting number 9-15 adjourned at approximately 3:30 pm.

Respectfully submitted this _____ day of January, 2016.

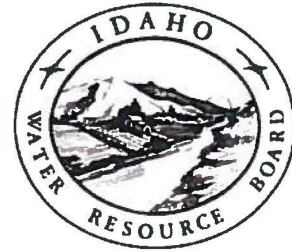
Vince Alberdi, Secretary

Jennifer Strange, Administrative Assistant

Board Actions:

1. Mr. Raybould moved to adopt the resolution to authorize the sale of the Aqualife Hatchery to the 10 Ground Water Districts on the Eastern Snake Plain and to increase the amount of the \$4M interim loan. Mr. Van Der Meulen seconded the motion. Roll Call Vote: 6 Ayes, 2 Nays. Motion passed.

MEMO



To: Idaho Water Resource Board
From: Brian Patton
Subject: Financial Status Report
Date: January 11, 2016

As of **November 1st** the IWRB's available and committed balances in the Revolving Development Account, Water Management Account, and the Secondary Aquifer Management Account are as follows.

Revolving Development Account (main fund)

Committed or earmarked but not disbursed	
Loans for water projects	\$3,594,063
Water storage studies	1,156,782
Aqualife Hatchery, HB644 2014	0
HB479 2014	
Mountain Home	1,487,774
Galloway	1,912,500
Boise/Arrowrock	1,149,926
Island Park	2,500,000
Water supply Bank	500,000
Total committed/earmarked but not disbursed	12,301,046
Loan principal outstanding	14,211,767
Uncommitted balance	(2,202,352)
Estimated revenues next 12 months	3,500,000
Commitments from revenues next 12 months	500,000
Estimated uncommitted funds over next 12 months	797,648

Rev. Dev. Acct. Bell Rapids Sub-Account

Committed but not disbursed	\$167,957
Estimated revenues next 12 months (1)	1,000
Commitments from revenues over next 12 months	1,000
Estimated uncommitted funds over next 12 months	0

Rev. Dev. Acct. Pristine Springs Sub-Account (5)

Committed but not disbursed	
Repair/Replacement Fund	\$1,007,428
To go to Aquifer Planning Fund	0
Loan principal outstanding	7,127,940
Uncommitted balance	0
Estimated revenues next 12 months	1,000,000
Commitments from revenues over next 12 months	1,000,000
Estimated uncommitted funds over next 12 months	0

Rev. Dev. Acct. Treasure Valley & Rathdrum Prairie CAMP Sub-Account

Committed but not disbursed	\$0
Available for RP and TV CAMP projects	173,745
Estimated revenues next 12 months (5)	200,000
Estimated Available funds over next 12 months	373,745

<i>Rev. Dev. Acct. Upper Salmon/CBWTP Sub-Account</i>		
Committed but not disbursed		\$3,237,624
(Upper Salmon flow enhancement/reconnect projects)		
Estimated revenues next 12 months (4)		10,000
Commitments from revenues over next 12 months		10,000
Estimated available funds over next 12 months		0
<i>Rev. Dev. Acct. Water District 02 Water Smart Grant Sub-Account (6)</i>		
Committed but not disbursed		\$73,905
(Water District 02 Measurement Devices)		
Commitments from revenues over next 12 months		\$73,905
Estimated available funds over next 12 months		0
<i>Rev. Dev. Acct. Water Supply Bank Sub-Account (7)</i>		
Committed but not disbursed		\$542,040
(Owners share – water bank lease/rentals)		
Estimated revenues next 12 months		1,000
Commitments from revenues over next 12 months		\$542,040
Estimated available funds over next 12 months		\$1,000
<i>Rev. Dev. Acct. ESPA Sub-Account</i>		
Committed but not disbursed		
CREP	2,419,581	
Aquifer recharge	337,594	
Bell Rapids	361,620	
Palisades storage	10,000	
Black Canyon Exchange	485,749	
Total committed but not disbursed		\$3,614,643
Loan principal outstanding		266,589
Uncommitted balance		482,701
Estimated revenues next 12 months		100,000
Commitments from revenues over next 12 months		0
Estimated uncommitted funds over next 12 months		582,701
<i>Rev. Dev. Acct. Dworshak Hydropower (2)</i>		
Committed but not disbursed (repair fund, etc.)		\$1,337,151
Estimated revenues next 12 months (3)		200,000
Commitments from revenues over next 12 months		200,000
Estimated uncommitted funds over next 12 months		0
<i>Water Management Account</i>		
Committed but not disbursed:		\$111,376
Loan principal outstanding		0
Uncommitted balance		9,915
Estimated revenues next 12 months		0
Commitments from revenues over next 12 months		0
Estimated uncommitted funds over next 12 months		\$9,915

Secondary Aquifer Management Fund

Committed or earmarked but not disbursed:

HB 479 2014 Northern Idaho Future Water Needs	299,274
Cloud Seeding	712,000
Public Information Services (Steubner)	37,500
Other	261,045
Loan – ESPA Ground Water Districts	2,740,000

FY2016 Budgeted Funds

ESPA managed recharge expenses	1,109,090
ESPA managed recharge infrastructure	5,435,005
ESPA managed recharge engineering	300,000
Administrative	47,566
GW conservation grants in priority aquifers	200,000
Reserved for projects in other priority aquifers	1,000,000

Total Committed or earmarked	\$12,142,890
Loan principal outstanding	1,260,000
Uncommitted balance	\$1,440,452
Estimated revenues next 12 months (Cigarette Tax)	5,000,000
Commitments from revenues over next 12 months	0
Estimated uncommitted funds over next 12 months	6,440,452

Secondary Aquifer Fund Aquifer Mon. Meas. & Model Sub-Acct (8)

Committed but not disbursed	\$297,228
Commitments from revenues over next 12 months	\$297,228
Estimated available funds over next 12 months	0

Total committed/earmarked but not disbursed	\$34,676,576
Total loan principal outstanding	22,866,297
Total uncommitted balance	(95,538)
Total estimated uncommitted funds over next 12 months	8,205,461

(1) Exclusive of pass-through payments made by the U.S. Bureau of Reclamation.

(2) Excess funds generated by the Dworshak Hydropower Project are deposited into the Revolving Development Account (Main Fund) on a monthly basis. To the date of this report this has totaled \$2,529,871.

(3) This line item includes power sales and interest income after removing debt service. Debt service is paid prior to the funds being deposited in the Revolving Development Account.

(4) Exclusive of project funds provided by Bonneville Power Administration or federal appropriation sources. These funds are provided to the Board based on individual project proposals and so are not included in the income projection.

(5) Excess funds generated by the Pristine Springs Project are deposited into the Revolving Development Account (Main Fund) or into the Rathdrum Prairie/Treasure Valley Sub Account.

(6) Pass-through for Bureau of Reclamation grant to assist with installation of measurement devices in Water District 02.

(7) Pass-through for owners share of Water Supply Bank lease/rentals. Interest earned accrues to IWRB.

(8) Source is Pristine Springs loan repayments of \$716,000.

The following is a list of potential loans:

Potential Applicant	Potential Project	Preliminary Loan Amount	Comment
Outlet Bay Association at Priest Lake	New well	\$100,000	On January 2016 Agenda
Raft River Ground Water District	Ground water-to-surface water conversion pipeline	\$4 million	Project in planning. Applying for NRCS cost share grants.
Marysville Irrigation Company/North Fremont	Gravity pipeline system – next phase	\$1.5 million	Project in planning and design. Applying for NRCS cost share grants
Big Wood Canal Co.	Gravity pipelines	\$2 million	Project in planning

IDAHO WATER RESOURCE BOARD
Sources and Applications of Funds
as of October 31, 2015
REVOLVING DEVELOPMENT ACCOUNT

Original Appropriation (1969).....	\$500,000.00
Legislative Audits.....	(\$49,404.45)
IWRB Bond Program.....	(\$15,000.00)
Legislative Appropriation FY90-91.....	\$250,000.00
Legislative Appropriation FY91-92.....	\$280,700.00
Legislative Appropriation FY93-94.....	\$500,000.00
IWRB Studies and Projects.....	(\$249,067.18)
Loan Interest.....	\$7,347,135.57
Interest Earned State Treasury (Transferred).....	\$1,646,535.12
Filing Fee Balance.....	\$47,640.20
Bond Fees.....	\$1,469,601.45
Arbitrage Calculation Fees.....	(\$12,000.00)
Protest Fees.....	(\$695.00)
Series 2000 (Caldwell/New York) Pooled Bond Issuers fees.....	\$43,657.93
2012 Ground Water District Bond Issuer fees.....	\$377,000.00
Bond Issuer fees.....	\$30,957.59
Attorney fees for Jughandle LID.....	(\$3,600.00)
Attorney fees for A&B Irrigation.....	(\$4,637.50)
Water Supply Bank Receipts.....	\$4,379,501.29
Legislative Appropriation FY01.....	\$200,000.00
Pierce Well Easement.....	\$2,000.00
Transferred to/from Water Management Account.....	\$317,253.80
Legislative Appropriation 2004, HB843.....	\$500,000.00
Legislative Appropriation 2009, SB 1511 Sec 2, Teton/Minidoka Studies.....	\$1,800,000.00
Legislative Appropriation 2009, SB 1511 Sec 2, Teton/Minidoka Studies Expenditures.....	(\$1,229,460.18)
Weiser Galloway Study - US Army Corps of Engineers.....	(\$1,597,099.12)
Boise River Storage Feasibility Study.....	(\$333,000.00)
Geotech Environmental (Transducers).....	(\$6,402.61)
Legislative Appropriation 2014, HB 479 Sec 1 and 2.....	\$10,500,000.00
Appraisal (LeMoyne Appraisal LLC).....	(\$10,500.00)
Payment to JR Simplot Co for water rights.....	(\$2,500,000.00)
IWRB WSB Lease Application.....	(\$750.00)
Mountain Home Misc Costs.....	(\$20,824.36)
Galloway Dam & Reservoir Project (HB 479).....	(\$124,592.67)
Water District 02 Assessments for Mtn Home.....	(\$964.61)
Boise River (Arrowrock Enlargement) Feasibility Study (HB479).....	(\$512,962.61)
Aqua Life Hatchery, HB644, 2014.....	(\$1,885,000.00)
Aqualife Lease receipt from Seapac.....	\$99,840.00
Lemoyne Appraisal for Aqualife facility.....	(\$7,500.00)
Treasureton Irrigation Ditch Co.....	(\$5,000.00)

Bell Rapids Water Rights Sub-Account

Legislative Appropriation 2005, HB392.....	\$21,300,000.00
Interest Earned State Treasury.....	\$692,603.62
Bell Rapids Purchase.....	(\$16,006,558.00)
Bureau of Reclamation Principal Amount Lease Payment Paid.....	\$8,294,337.54
Bureau of Reclamation Interest Paid.....	\$179,727.97
Bureau of Reclamation Remaining Amount Lease Payment Paid.....	\$9,142,649.54
First Installment Payment to Bell Rapids.....	(\$1,313,236.00)
Second Installment Payment to Bell Rapids.....	(\$1,313,236.00)
Third Installment Payment to Bell Rapids.....	(\$1,313,236.00)
Fourth Installment Payment to Bell Rapids.....	(\$1,040,431.55)
Interest Credit due to Bureau of Reclamation (Part of Fourth Installment).....	(\$19,860.45)
Fifth Installment Payment to Bell Rapids.....	(\$1,055,000.00)
Transfer to General Fund - Principal.....	(\$21,300,000.00)
Transfer to General Fund - Interest.....	(\$772,052.06)
BOR payment for Bell Rapids.....	\$1,040,431.55
BOR payment for Bell Rapids.....	\$1,313,236.00
BOR prepayment for Bell Rapids.....	\$1,302,981.70
BOR prepayment for Bell Rapids.....	\$1,055,000.00
BOR payment for Alternative Financing Note.....	\$7,117,971.16
Payment to US Bank for Alternative Financing Note.....	(\$7,118,125.86)
Payment for Water District 02 Assessments.....	(\$12,506.10)
Payment for Ongoing Bell Rapids Finance Costs (trustee fees, water bank, etc.).....	(\$6,740.10)
Commitments	
Ongoing Bell Rapids Finance Costs (trustee fees, WD02).....	\$167,956.69
Committed for alternative finance payment.....	\$0.00
Total Commitments.....	\$167,956.69
Balance Bell Rapids Water Rights Sub-Account.....	\$0.00

Pristine Springs Project Sub-Account

Legislative Appropriation 2008, SB1511, Pristine Springs.....	\$10,000,000.00
Legislative Appropriation 2006, HB870, Water Right Purchases.....	\$5,000,000.00
Interest Earned State Treasury.....	\$34,599.72
Loan Interest.....	\$2,116,784.68
Transfer from ESP Sub-Account.....	\$1,000,000.00
Payment for Purchase of Pristine Springs (3).....	(\$16,000,000.00)
Payment from Magic Valley & Northsnake GWD for Pristine Springs.....	\$3,630,980.51
Appraisal.....	(\$25,500.00)
Insurance.....	(\$41,078.25)
Recharge District Assessment.....	(\$26,605.25)
Water District 130 Annual Assessment.....	(\$3,841.45)
Hydro Plants Engineering Certification (Straubhar).....	(\$3,000.00)
Payment to EHM Engineers for pipeline work.....	(\$1,200.00)
Payment to John Root for Easement Survey.....	(\$1,000.00)
Payment to MWH Americas Inc.....	(\$11,326.27)
Payment to Dan Lafferty Contruction.....	(\$16,846.68)

Telemetry Station Equipment.....		(\$15,193.92)	
Rein Tech LLC (Satellite phone annual payment).....		(\$1,485.00)	
Standley Trenching (Trac system for communication equip).....		(\$2,863.99)	
Property Taxes and other fee assessments (Jerome County).....		(\$6,939.15)	
Rental Payments.....		\$1,518,902.50	
Payments to Scott Kaster.....		(\$106,945.60)	
Utility Payments (Idaho Power).....		(\$37,748.06)	
Costs for property maintenance.....		(\$193,171.70)	
Travel costs for property maintenance.....		(\$374.63)	
Pipeline repair (IGWA).....		(\$170,000.00)	
Transferred to Secondary Aquifer Fund (2011 Legislature; HB 291).....		(\$2,465,300.00)	
Transferred to Secondary Aquifer Fund (2012 Legislature; SB 1389).....		(\$1,232,000.00)	
Transferred to Secondary Aquifer Fund (2013 Legislature; HB 270).....		(\$716,000.00)	
Transferred to Secondary Aquifer Fund (2014 Legislature; HB 618).....		(\$716,000.00)	
Transferred to Aquifer Planning Fund (2015 Legislature; HB 273).....		(\$716,000.00)	
Pristine Springs Hydropower Projects			
Net power sales revenues.....		\$545,480.11	
Pristine Springs Committed Funds			
ESPA CAMP (to be transferred to Secondary Fund).....	0.00		
Repair/Replacement Fund.....	\$1,007,427.96		
TOTAL COMMITTED FUNDS.....	\$1,007,427.96		
Loans Outstanding			
North Snake and Magic Valley Ground Water Districts.....	\$7,127,940.18		
Total Loans Outstanding.....	\$7,127,940.18		
Funds to RP CAMP & TV CAMP Sub-Account		\$271,672.34	
Pristine Springs Revenues Into Main Revolving Development Account.....			\$57,227.27
Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account			
Pristine Springs Hydropower and Rental Revenues.....		\$271,672.34	
Interest Earned State Treasury.....		\$573.11	
Spokane River Forum.....		(\$8,000.00)	
Treasure Valley Water Quality Summit.....		(\$500.00)	
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station.....		(\$20,000.00)	
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study (CON00989).....		(\$70,000.00)	
Committed Funds.....			
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station.....	\$0.00		
Spokane River Forum.....	\$0.00		
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study.....	\$0.00		
Treasure Valley Water Quality Summit.....	\$0.00		
TOTAL COMMITTED FUNDS.....	\$0.00		
Balance Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account.....		\$173,745.45	
Upper Salmon/CBWTP Sub-Account			
Water Transaction Projects Payment Advances from CBWTP/Accord		\$2,846,320.47	
PCSRF Funds for Administration of Non-Diversion Easements on Lemhi River.....		\$237,807.26	
Interest Earned State Treasury.....		\$98,063.22	
Transfer to Water Supply Bank.....		(\$69,234.62)	
Change of Ownership.....		(\$600.00)	
Alturas Lake Creek Appraisal.....		(\$8,989.23)	
Payments for Water Acquisition		(\$784,165.92)	
Committed Funds			
Administration of Non-Diversion Easements on Lemhi River.....	\$145,206.69		
Alturas Lake Creek (Breckenridge).....	(\$0.00)		
Bayhorse Creek (Peterson Ranch).....	\$33,403.46		
Beaver Creek (DOT LLP).....	\$0.00		
Big Hat Creek.....	\$0.00		
Big Timber Tyler (Leadore Land Partners).....	\$497,761.30		
Canyon Creek/Big Timber Creek (Beyeler).....	\$459,528.47		
Fourth of July Creek (Vanderbilt).....	\$18,437.16		
Iron Creek (Phillips).....	\$0.00		
Iron Creek (Koncz).....	\$242,984.27		
Kenney Creek Source Switch (Gail Andrews).....	\$25,426.43		
Lemhi - Big Springs (Merrill Beyeler).....	\$62,818.25		
Lemhi River & Little Springs Creek (Kauer).....	\$22,062.27		
Little Springs Creek (Snyder).....	\$294,681.45		
Lower Eighteenmile Creek (Ellsworth Angus Ranch).....	\$1,777.78		
Lower Lemhi Thomas (Robert Thomas).....	\$1,800.00		
P-9 Bowles (River Valley Ranch).....	\$312,656.46		
P-9 Charlton (Sydney Dowton).....	\$20,694.83		
P-9 Dowton (Western Sky LLC).....	\$247,989.83		
P-9 Elzinga (Elzinga).....	\$306,743.16		
Patterson-Big Springs (PBSC9).....	\$193,385.01		
Spring Creek (Richard Beard).....	\$1,628.64		
Spring Creek (Ella Beard).....	\$2,387.07		
Whitefish (Leadore Land Partners).....	\$189,538.72		
Total Committed Funds.....	\$3,080,911.25		
Balance CBWTP Sub-Account.....		(\$761,710.07)	
Water District 02 WaterSmart Grant Sub-Account			
Received from BOR.....		\$127,263.55	
Payments made to contractors.....		(\$127,263.55)	
Committed Funds:			
Grant Approval.....	\$73,904.81		
Total Committed Funds.....	\$73,904.81		
Balance WaterSmart Grant Sub-Account.....		\$0.00	
Water Supply Bank Sub-Account			
Interest Earned State Treasury.....		\$773.71	
Payments received from renters for 2013 season.....		\$529,823.25	
Payments received from renters for 2014 season.....		\$609,120.41	
Payments received from renters for 2015 season.....		\$564,982.19	
Payments received from renters for 2016 season.....		\$6,426.18	

Payments made to owners for 2013 season.....	(\$522,645.12)
Payments made to owners for 2014 season.....	(\$599,422.75)
Payments made to owners for 2015 season.....	\$0.00
Water Supply Bank Sub-Account Subtotal	\$589,057.87
Committed Funds:	
Owners Share.....	\$542,039.73
Total Committed Funds.....	\$542,039.73
Balance Water Supply Bank Sub-Account.....	\$47,018.14

Eastern Snake Plain Sub-Account

Legislative Appropriation 2005, HB392.....	\$7,200,000.00
Legislative Appropriation 2005, HB392, CREP Program.....	\$3,000,000.00
Interest Earned State Treasury.....	\$1,893,425.84
Loan Interest.....	\$222,926.89
Bell Rapids Water Rights Closing Costs.....	(\$6,558.00)
First Installment Payment to Bell Rapids Irr. Co. (Partial).....	(\$361,800.00)
Second Installment Payment to Bell Rapids Irr. Co. (Partial).....	(\$361,800.00)
Third Installment Payment to Bell Rapids Irr. Co. (Partial).....	(\$361,800.00)
Fourth Installment Payment to Bell Rapids Irr. Co. (Partial).....	(\$614,744.00)
Fifth Installment Payment to Bell Rapids Irr. Co. (Final).....	(\$1,675,036.00)
Reimbursement from Commerce & Labor W-Canal.....	\$74,709.77
Transfer to Pristine Springs Sub Account.....	(\$1,000,000.00)
Reimbursement from Magic Valley GWD - Pristine Springs.....	\$500,000.00
Reimbursement from North Snake GWD - Pristine Springs.....	\$500,000.00
Reimbursement from Water District 1 for Recharge.....	\$159,764.73
Palisades (FMC) Storage Costs.....	(\$3,515,891.11)
Reimbursement from BOR for Palisades Reservoir.....	\$2,381.12
W-Canal Project Costs.....	(\$326,834.11)
Black Canyon Exchange Project Costs.....	(\$115,276.00)
Black Canyon Exchange Project Revenues.....	\$23,800.00
2008 Recharge Conveyance Costs.....	(\$14,580.00)
2009 Recharge Conveyance Costs.....	(\$355,253.00)
2010 Recharge Conveyance Costs.....	(\$484,231.62)
Additional recharge projects preliminary development.....	(\$12,405.89)
Pristine Springs Cost Project Costs.....	(\$6,863.91)
Loans and Other Commitments	
Commitment - Remainder of Bell Rapids Water Rights Purchase (1).....	\$361,620.00
Commitment - CREP Program (HB392, 2005).....	\$2,419,580.50
Commitment - Additional recharge projects preliminary development.....	\$337,594.00
Commitment - Palasades Storage O&M.....	\$10,000.00
Commitment - Black Canyon Exchange Project (fund with ongoing revenues).....	\$485,848.95
Total Loans and Other Commitments.....	\$3,614,643.45
Loans Outstanding:	
American Falls-Aberdeen GWD (CREP).....	\$87,332.55
Bingham GWD (CREP).....	\$0.00
Bonneville Jefferson GWD (CREP).....	\$52,873.39
Magic Valley GWD (CREP).....	\$83,345.10
North Snake GWD (CREP).....	\$43,038.87
TOTAL ESP LOANS OUTSTANDING.....	\$266,589.91
Uncommitted Balance Eastern Snake Plain Sub-Account.....	\$482,701.35

Dworshak Hydropower Project

Dworshak Project Revenues		
Power Sales & Other.....	\$6,539,006.49	
Interest Earned State Treasury.....	479,334.71	
Total Dworshak Project Revenues.....		\$7,018,341.20
Dworshak Project Expenses (2)		
Transferred to 1st Security Trustee Account.....	\$148,542.63	
Construction not paid through bond issuance.....	\$226,106.83	
1st Security Fees.....	\$314,443.35	
Operations & Maintenance.....	\$2,027,574.52	
Powerplant Repairs.....	\$58,488.80	
Capital Improvements.....	\$318,366.79	
FERC Payments.....	\$57,795.61	
Total Dworshak Project Expenses.....		(\$3,151,318.53)
Dworshak Project Committed Funds		
Emergency Repair/Future Replacement Fund.....	\$1,314,575.00	
FERC Fee Payment Fund.....	\$22,576.30	
Total Dworshak Project Committed Funds.....		\$1,337,151.30
Excess Dworshak Funds into Main Revolving Development Account.....		\$2,529,871.37
TOTAL.....		\$24,310,461.30

	Amount Loaned	Principal Outstanding
Loans Outstanding:		
A&B Irrigation District (18-July-14; pipeline and conversion project).....	7,000,000	\$7,000,000.00
Aberdeen-Springfield Canal Company (WRB-491; Diversion structure).....	\$329,761	\$126,593.43
Boise City Canal Company (WRB-492)...Grove St Canal Rehab.....	\$110,618	\$16,830.43
Bonnie Laura Water Corporation (14-Jul-06; Well repairs).....	\$71,000	\$15,890.80
Canyon County Drainage District No. 2 (28-Nov-12; Drain tile pipeline.....	\$35,000	\$26,316.76
Challis Irrigation Company (28-Nov-07; river gate replacement).....	\$50,000	\$15,331.99
Chaparral Water Association (21-Jan-11; Well deepening & improvement).....	68,000	\$19,945.53
Clearview Water Company.....	50,000	\$50,000.00
Cloverdale Ridge Water Corp. (irrigation system rehab 25-sep-09).....	106,400	\$52,672.97
Consolidated Irrigation Company (July 20, 2012; pipeline project).....	2,000,000	\$2,000,000.00
Country Club Subdivision Water Association (18-May-07, Well Project).....	\$102,000	\$35,855.03
Cub River Irrigation Company (18-Nov-05; Pipeline project).....	\$1,000,000	\$0.00
Cub River Irrigation Company.....	\$500,000	\$0.00
Enterprise Irrigation District (14-Jul-06; Pipeline project).....	\$37,270	\$9,073.06
Enterprise Irrigation District (North Lateral Pipeline).....	\$105,420	\$36,135.10
Firth, City of.....	\$112,888	\$19,814.64
Foothills Ranch Homeowners Association (7-oct-11; well rehab).....	\$150,000	\$115,604.39
Harvest Valley Homeowners Association (22-Mar-13; Pump Replacem.....	4,500.00	\$1,329.43

Jefferson Irrigation Company (well deepenings).....	\$207,016	\$0.00	
Jefferson Irrigation Company (9-May-2008 Well Replacement).....	\$81,000	\$41,020.66	
Jughandle HOA/Valley County Local Improvement District No. 1 (well p	\$907,552	\$664,623.59	
King Hill Irrigation District (24-Sep-10; Pipeline replacement).....	\$300,000	\$89,351.27	
Lake Reservoir Company (29-July-11; Payette Lake-Lardo Dam Outle	\$594,000	\$146,009.05	
Last Chance Canal Company (WRB-497).....	\$500,000	\$28,326.23	
Lava Hot Springs, City of.....	\$347,510	\$111,313.81	
Lindsay Lateral Association (Engineering Design Project & Pipeline Stu	\$19,700	\$14,390.00	
Live-More Lake Community (9-Jun-04).....	\$42,000	\$13,432.26	
Lower Payette Ditch Company (2-Apr-04; Diversion dam replacement;	\$875,000	\$0.00	
Marsh Center Irrigation Company (13-May-05; Hawkins Dam).....	\$236,141	\$116,524.33	
Marysville Irrigation Company (18-May-07, Pipeline Project Phase 1)...	\$625,000	\$238,164.82	
Marysville Irrigation Company (9-May-08, Pipeline Project Phase 2)....	\$1,100,000	\$384,440.08	
Meander Point Subdivision Homeowners Association (7-Sep-07; comn	\$330,000	\$20,283.69	
North Fremont Canal Systems (25-Jan-13; Marysville Project).....	\$2,500,000	\$2,000,000.00	
Pinehurst Water District (23-Jan-15).....	100,000	\$95,031.11	
Point Springs Grazing Association (July 20, 2012; stock water pipeline)	48,280.00	\$39,899.82	
Preston-Whitney Irrigation Company (29-May-09; Fairview Lateral Pipe	\$800,000	\$61,122.93	
Producers Irrigation Company (17-Mar-06; well replacements).....	\$185,000	\$22,766.04	
Ranch Subdivision Property Owners Assoc.....	\$24,834	\$5,654.31	
Riverside Independent Water District	\$350,000	\$122,045.42	
Skin Creek Water Association.....	\$188,258	\$63,137.75	
Spirit Bend Water Association.....	\$92,000	\$25,855.17	
Sunset Heights Water District (17-May-13; Exchange water project)...	\$48,000	\$35,035.30	
Twin Lakes Canal Company (Winder Lateral Pipeline Project).....	\$500,000	\$297,061.24	
Twin Lakes Canal Company (Bear River Narrows).....	\$90,000	\$23,119.83	
Whitney-Nashville Water Company.....	\$225,000	\$11,764.94	
TOTAL LOANS OUTSTANDING.....			\$14,211,767.21
Loans and Other Funding Obligations:			
Legislative Appropriation 2014, HB 479 Sec 1 and 2			
Mountain Home AFB Water Rights (HB479).....		\$1,487,774.07	
Galloway Dam & Reservoir Project (HB 479).....		\$1,912,500.00	
Boise River (Arrowrock Enlargement) Feasibility Study (HB479).....		\$1,149,926.39	
Island Park Enlargement (HB479).....		\$2,500,000.00	
Water Supply Bank Computer Infrastructure (HB 479).....		\$500,000.00	
Aqua Life Hatchery, HB644, 2014.....		\$0.00	
Senate Bill 1511 - Teton Replacement and Minidoka Enlargement Studies.....		\$678,161.82	
Boise River Storage Feasibility Study.....		\$17,000.00	
Weiser-Galloway Study (28-May-10).....		\$461,620.87	
Bee Line Water Association (Sep 23, 2014; System Improvements).....		\$400,000.00	
Consolidated Irrigation Company (July 20, 2012; pipeline project).....		\$0.00	
Dover, City of (23-Jul-10; Water Intake project).....		\$194,063.00	
Last Chance Canal Company (14-July-2015, diversdion dam rebuild).....		\$2,500,000.00	
St. Johns Irrigating Company (14-July-2015; pipeline project).....		\$500,000.00	
TOTAL LOANS AND OTHER FUNDING OBLIGATIONS.....			\$12,301,046.15
Uncommitted Funds.....			(\$2,202,352.06)
TOTAL.....			\$24,310,461.30

- (1) Actual amount needed may vary depending on final determination of water actually purchased and interest income received.
- (2) Debt service on the Dworshak Project bonds is paid before the Dworshak monies are deposited into the Revolving Development Account and is therefore not shown on this balance sheet.

Idaho Water Resource Board
Sources and Applications of Funds
as of October 31, 2015
WATER MANAGEMENT ACCOUNT

Original Appropriation (1978).....	\$1,000,000.00
Legislative Audits.....	(\$10,645.45)
IWRB Appraisal Study (Charles Thompson).....	(\$5,000.00)
Transfer funds to General Account 1101(HB 130, 1983).....	(\$500,000.00)
Legislative Appropriation (6/29/1984).....	\$115,800.00
Legislative Appropriation (HB988, 1994).....	\$75,000.00
Turned Back to General Account 6/30/95, (HB988, 1994).....	(\$35,014.25)
Legislative Appropriation (SB1260, 1995, Aquifer Recharge, Caribou Dam).....	\$1,000,000.00
Interest Earned.....	\$120,475.04
Filing Fee Balance.....	\$2,633.31
Water Supply Bank Receipts.....	\$841,803.07
Bond Fees.....	\$277,254.94
Funds from DEQ and IDOC for Glenns Ferry Water Study.....	\$10,000.00
Legislative Appropriation FY01.....	\$200,000.00
Western States Wate Council Annual Dues.....	(\$7,500.00)
Tranfer to/from Revolving Development Account.....	(\$317,253.80)
Legislative Appropriation (SB1239, Sugarloaf Aquifer Recharge Project).....	\$60,000.00
Legislative Appropriation (HB 843 Sec 6).....	\$520,000.00
Legislative Appropriation (SB1496, 2006, ESP Aquifer Management Plan).....	\$300,000.00
Legislative Appropriation (HB 320, 2007, ESP Aquifer Management Plan).....	\$849,936.99
TOTAL	\$4,497,489.85

Grants Disbursed:

Completed Grants.....	\$1,291,110.72
Arco, City of.....	\$7,500.00
Arimo, City of.....	\$7,500.00
Bancroft, City of.....	\$7,000.00
Bloomington, City of.....	\$4,254.86
Boise City Canal Company.....	\$7,500.00
Bonnors Ferry, City of.....	\$7,500.00
Bonneville County Commission.....	\$3,375.00
Bovill, City of.....	\$2,299.42
Buffalo River Water Association.....	\$4,007.25
Butte City, City of.....	\$3,250.00
Cave Bay Community Services.....	\$6,750.00
Central Shoshone County Water District.....	\$7,500.01
Clearwater Regional Water Project Study, City of Orofino et al.....	\$10,000.00
Clearwater Water District.....	\$3,750.00
Cottonwood Point Water and Sewer Association	\$7,500.00
Cottonwood, City of.....	\$5,000.00
Cougar Ridge Water & Sewer.....	\$4,661.34
Curley Creek Water Association.....	\$2,334.15
Downey, City of.....	\$7,500.00
Fairview Water District.....	\$7,500.01
Fish Creek Reservoir Company, Fish Creek Dam Study.....	\$12,500.00
Franklin, City of.....	\$6,750.00
Grangeville, City of.....	\$7,500.00
Greenleaf, City of.....	\$3,000.00
Hansen, City of	\$7,450.00
Hayden Lake Irrigation District.....	\$7,500.00
Hulen Meadows Water Company.....	\$7,500.00
Iona, City of.....	\$1,425.64
Kendrick, City of.....	\$7,500.00
Kooskia, City of.....	\$7,500.00
Lakeview Water District.....	\$2,250.00
Lava Hot Springs, City of.....	\$7,500.00
Lindsay Lateral Association.....	\$7,500.00
Lower Payette Ditch Company.....	\$5,500.01
Maple Grove Estates Homeowners Association.....	\$5,020.88
Meander Point Homeowners Association.....	\$7,500.00
Moreland Water & Sewer District.....	\$7,500.00
New Hope Water Corporation.....	\$2,720.39
North Lake Water & Sewer District.....	\$7,500.00

Northside Estates Homeowners Association.....	\$4,492.00	
North Tomar Butte Water & Sewer District.....	\$3,575.18	
North Water & Sewer District.....	\$3,825.00	
Parkview Water Association.....	\$4,649.98	
Payette, City of.....	\$6,579.00	
Pierce, City of.....	\$7,500.00	
Potlatch, City of.....	\$6,474.00	
Preston Whitney Irrigation Company.....	\$7,500.00	
Preston & Whitney Reservoir Company.....	\$3,606.75	
Preston & Whitney Reservoir Company.....	\$7,000.00	
Roberts, City of.....	\$3,750.00	
Round Valley Water.....	\$3,000.00	
Sagle Valley Water & Sewer District.....	\$2,117.51	
South Hill Water & Sewer District.....	\$3,825.00	
St Charles, City of.....	\$5,632.88	
Swan Valley, City of.....	\$5,000.01	
Twenty-Mile Creek Water Association.....	\$2,467.00	
Valley View Water & Sewer District.....	\$5,000.02	
Victor, City of.....	\$3,750.00	
Weston, City of.....	\$6,601.20	
Winder Lateral Association.....	\$7,000.00	
TOTAL GRANTS DISBURSED.....		(\$1,632,755.21)
IWRB Expenditures		
Lemhi River Water Right Appraisals.....	\$31,000.00	
Expenditures Directed by Legislature		
Obligated 1994 (HB988).....	\$39,985.75	
SB1260, Aquifer Recharge.....	\$947,000.00	
SB1260, Soda (Caribou) Dam Study.....	\$53,000.00	
Sugarloaf Aquifer Recharge Project (SB1239).....	\$55,953.69	
ESPA Settlement Water Rentals (HB 843 2004).....	\$504,000.00	
ESP Aquifer Management Plan (SB1496, 2006).....	\$300,000.00	
ESP Aquifer Management Plan (HB320, 2007).....	\$801,077.75	
TOTAL IWRB AND LEGISLATIVE DIRECTED EXPENDITURES.....		(\$2,732,017.19)
WATER RESOURCE BOARD RECHARGE PROJECTS.....		(\$11,426.88)
CURRENT ACCOUNT BALANCE.....		\$121,290.57
Committed Funds:		
Grants Obligated		
Cottonwood Point Water & Sewer Association.....	\$0.00	
Preston - Whintey Irrigation Company.....	\$7,500.00	
Water District No. 1 (Blackfoot Equalizing Reservoir Automation).....	\$35,000.00	
Legislative Directed Obligations		
Sugarloaf Aquifer Recharge Project (SB1239).....	\$4,046.31	
ESPA Settlement Water Rentals (HB 843, 2004).....	\$16,000.00	
ESPA Management Plan (SB 1496, 2006).....	\$0.00	
ESP Aquifer Management Plan (HB320, 2007).....	\$48,829.24	
TOTAL GRANTS & LOANS OBLIGATED & UNDISBURSED.....		\$111,375.55
Loans Outstanding:		
	Amount Loaned	Principal Outstanding
Arco, City of.....	\$7,500	\$0.00
Butte City, City of	\$7,425	\$0.00
Roberts, City of.....	\$23,750	\$0.00
Victor, City of.....	\$23,750	\$0.00
TOTAL LOANS OUTSTANDING.....		\$0.00
Uncommitted Funds.....		\$9,915.02
CURRENT ACCOUNT BALANCE.....		\$121,290.57

Idaho Water Resource Board
Sources and Applications of Funds
as of October 31, 2015

SECONDARY AQUIFER PLANNING, MANAGEMENT, & IMPLEMENTATION FUND

Legislative Appropriation (HB 291, Sec 2).....	2,465,300.00
Legislative Appropriation (SB 1389, Sec 5).....	1,232,000.00
Legislative Appropriation (HB270, Sec 3).....	716,000.00
Legislative Appropriation (HB479, Sec 1).....	4,500,000.00
Legislative Appropriation (HB547).....	7,019,476.86
Legislative Appropriation (SB1190, Sec 3)Aquifer Recharge Section 42-1780 (2).....	500,000.00
Legislative Appropriation (HB479, Sec 1) Managed Recharge Infrastructure Expenses.....	(776,697.94)
Legislative Appropriation (HB479, Sec 1)Northern Idaho Future Water Needs Studies.....	(200,726.91)
Legislative Appropriation (HB547) Expenditures.....	(3,219.83)
Legislative Appropriation (SB1190, Sec 3)Aquifer Recharge Section 42-1780 (2) Expenditures.....	(156,767.19)
Interest Earned State Treasury (Transferred).....	51,882.15
ESPA Managed Recharge Operations.....	(753.94)
Administrative expenses.....	(899.00)
Water Users Contributions.....	100.00
Conversion project (AWEP) measurement device payments.....	(16,455.21)
Contribution from GWD's for 2011 ESPA Managed Recharge.....	71,893.16
Contribution from GWD's for Revenue Bond Prep Expenses.....	14,462.50
American Falls Res. Dist#2 - MP31 Recharge Site Engineering.....	(1,593.75)
American Falls Res. Dist#2 - MP31 Recharge Site Construction.....	(34,435.44)
Bond issuer Fees.....	(3,500.00)
Payments for 2012 Recharge.....	(260,031.02)
Payments for 2013 Recharge.....	(8,133.00)
Payments for 2014 Recharge.....	(19,297.00)
Payment for Recharge.....	(80,000.00)
Payment for High Country RC&D Cloud Seeding.....	(20,000.00)
Payment for Idaho Irrigation District.....	(13,200.00)
Payment for Magic Valley GWD and A&B Irrig. Dist. - Walcott Recharge Engineering.....	(113,163.84)
Public Information Services (Steubner).....	(18,898.75)
Loan - Magic Valley & North Snake GWDs (Magic Springs Pipeline).....	(1,260,000.00)

Aquifer Monitoring, Measurement, and Modeling Sub-Account

Legislative Appropriation/Funds Transfer (HB618, Sec 3).....	716,000.00
Interest Earned State Treasury (Transferred).....	377.87
Personnel Costs.....	(203,612.77)
Professional Services.....	(167,745.70)
Equipment Purchases.....	(31,955.53)
Travel Expenses.....	(8,943.87)
Supplies.....	(3,219.42)
Miscellaneous Expenses.....	(3,673.04)
Total Expenses.....	(419,150.33)

Balance Aquifer Monitoring, Measurement, and Modeling Sub-Account..... \$297,227.54

Loans Outstanding

North Snake & Magic Valley Ground Water Districts (Magic Springs Pipeline).....	\$1,260,000.00
---	----------------

Committed Funds

Northern Idaho Future Water Needs Studies (HB479).....	299,273.09
Measurement devices for AWEP conversion projects.....	183,544.79
High Country RC&D Cloud Seeding.....	20,000.00
Cooperative Weather Modification Program (Cloud Seeding).....	492,000.00
Public Information Services (Steubner).....	38,911.25
GWD Bond Preparatory Expenses.....	37,500.00
Fremont-Madison Irrigation District Egin Recharge.....	40,000.00
Upper Snake Aircraft Cloud Seeding Pilot project.....	200,000.00

Loan Funds Committed - ESPA Ground Water Districts (Magic Springs Pipeline)..... 2,740,000.00

Committed - FY2016 Budgeted Funds

ESPA Managed Recharge Operations.....	1,109,090
ESPA Managed Recharge Infrastructure	
Milner-Gooding Recharge Capacity Projects (Flume, MP31, Road, 28 hydro).....	1,110,000
Twin Falls Canal recharge improvements.....	500,000
Northside canal hydro plant bypasses.....	2,000,000
Great Feeder Canal recharge improvements.....	500,000
Milner Pool Development and other Projects.....	325,005
Egin Recharge Enlargement.....	500,000
Investigation/engineering for further ESPA recharge capacity improvements.....	300,000
Administrative expenses.....	47,566
Ground water conservation grants in priority aquifers (Roger's proposal).....	200,000
Amount reserved for projects in other priority aquifers.....	1,000,000
TOTAL FY2016 BUDGETED FUNDS.....	7,591,661
Total Committed Funds.....	\$11,642,890.10

TOTAL UNCOMMITTED FUNDS..... \$1,940,451.75

CURRENT ACCOUNT BALANCE..... \$13,880,569.39

TO: Idaho Water Resource Board

FROM: Mat Weaver

DATE: January 21, 2016

RE: **Surface Water Coalition and Idaho Ground Water Association
Settlement Agreement Update**



Introduction

As previously reported to the Idaho Water Resource Board (IWRB) on a number of occasions, a historic settlement agreement was reached by the Surface Water Coalition¹ (SWC) and the Idaho Ground Water Association² (IGWA) in 2015. To recap, settlement discussions were initiated in early May of 2015 in response to the Idaho Department of Water Resources' (IDWR) issuance of the *3rd Amended Final Order Regarding Methodology for Determining Material Injury to Reasonable In-Season Demand and Reasonable Carryover* (3rd Amended Methodology Order) and the *Final Order Regarding April 2015 Forecast Supply Methodology Steps 1-3* (April-As Applied Order) on April 17, 2015. The April-As Applied Order established 89,000 acre-feet of material injury due to junior ground water pumping, which equaled a curtailment priority date of 1982. After several weeks of settlement discussions a preliminary term sheet was agreed to by the parties and they jointly petitioned IDWR on May 8, 2015, to withdraw the 3rd Amended Methodology Order and the April-As Applied Order. By July 1 the preliminary term sheet had been finalized and the parties used July, August, and September to obtain term sheet approval signatures from all seven SWC entities, IGWA, and all nine GWDs. With the term sheet finalized and all signatures obtained, IGWA and the GWDs have begun implementing the mitigation practices described by the term sheet.

GWD Plan Implementation

IGWA and the GWDs are developing individual implementation plans for each GWD. These plans describe how each GWD will meet its proportionate share of consumptive use reductions. Individual GWD reduction volumes are based on their proportionate share of ground water diversions, or "usage", as determined by a five year average of annual diversion records from IDWR's WMIS³ database. As an example, IGWA's preliminary analysis has determined a total annual usage (averaged over five years) of 1,912,011 acre-feet. The analysis also determined Magic Valley GWD's usage to be 260,446 acre-feet, or 13.6% of the combined ground water usage of all GWDs. Therefore, Magic Valley GWD's proportionate reduction is equal to 32,692 acre-feet, or 13.6% of the 240,000 acre-feet total reduction as described in

¹ The Surface Water Coalition is made up of the A&B Irrigation District, the American Falls Reservoir District #2, the Burley Irrigation District, the Milner Irrigation District, the Minidoka Irrigation District, the North Side Canal Company, and the Twin Falls Canal Company. Collectively the SWC irrigates approximately a half million acres of ground with surface water diverted from the Snake River between the Minidoka Reservoir and the Milner Dam.

² Included in IGWA's membership are the nine ground water districts (GWD) overlapping the Eastern Snake Plain Aquifer (ESPA), including Aberdeen American Falls GWD, Bingham GWD, Bonneville Jefferson GWD, Carey Valley GWD, Jefferson Clark GWD, Madison GWD, Magic Valley GWD, the North Snake GWD, and Raft River GWD.

³ WMIS or Water Measurement Information System is a database created by IDWR in 1995 to manage ground water diversion data primarily for the ESPA. WMIS contains time series data for approximately 7,300 diversions.

the term sheet. This establishes the GWD obligation, which must then be scaled down to the individual water user.

Determination of an individual ground water user's usage reduction is based on defined diversion limits, or "AF caps". AF caps are tiered based on priority date. In the Magic Valley GWD example three tiers are utilized: tier 1 implements a 2.0 ft/acre cap on water rights with priority dates between 1900 and 1955; tier 2 implements a 1.8 ft/acre cap on water rights with priority dates between 1955 and 1965; and tier 3 implements a 1.6 ft/acre cap on water rights with priority dates junior to 1965. An individual ground water user's AF cap is weighted to the number of irrigated acres associated with water rights with priority dates falling in the three tiers. Implementation of this method requires detailed analysis of individual irrigator's usage, which is determined via a back and forth exchange between the irrigator and the GWD's consultant.

In addition to AF caps on ground water diversions, GWDs are also considering additional practices such as storage water delivery, recharge, or conversion projects to reduce their diversion reduction requirement. These practices are being considered on a GWD by GWD basis, and represent a very small percent of the total benefit to the aquifer.

IGWA's GWD Implementation Plans were presented to the SWC and IDWR at the Inaugural Term Sheet Steering Committee meeting held in Burley on December 17, 2015. I can report that IGWA and their consultants are diligently and earnestly working on finalizing plans that appear to be implementable by April 1.

Measurement Device Installation

The final term sheet requires installation of approved closed conduit flow meters on all remaining unmeasured and power consumption coefficient (PCC) measured ground water diversions by the beginning of the 2018 irrigation season. There are relatively few remaining unmeasured diversion points on the ESPA that do not qualify for an exemption—approximately 70. However, there are approximately 3,471 diversion points out of 5,466 total diversion points that currently rely on a PCC relationship to estimate an annual ground water diversion volume. To meet the term sheet's water measurement installation objective, ground water users need to install on average 1,180 measurement devices a year for three years.

To assist in meeting the objective IGWA has prepared and submitted three WaterSMART grant applications to the United States Bureau of Reclamation (USBR). The first two WaterSMART grant applications are in the names of Jefferson Clark GWD and Bonneville Jefferson GWD respectively. Each application is requesting \$296,454 to help fund their respective purchases of closed conduit flow meters to be installed on a 120 different wells in each district. The WaterSMART grants would fund 45% of the total estimated cost of \$658,786 for each GWD. Based on the numbers reported in the grant applications water measurement devices will cost on average \$5,490 each. The third WaterSMART grant application in the name of Bingham GWD is requesting \$992,430 to help fund their purchase of 400 closed conduit measurement devices. The WaterSMART grant would fund 45% of the total estimated cost of \$2,205,399, which equates to an average cost of \$5,514 per measurement device.

The IWRB has submitted a letter of support for each of the applications.

Proposed Legislation

The final term sheet states, *“Parties will work to identify and pass legislative changes need to support the objectives of this Settlement Agreement, including, developing legislation memorializing conditions of the ESPA, obligations of the parties, and ground water level goal and benchmarks identified herein.”*

In fulfillment of this objective the parties have assisted in drafting two legislative resolutions to be enacted in the 2016 Legislative Session. The first resolution establishes legislative support for the settlement agreement entered into on June 30, 2015 between participating members of the SWC and IGWA to resolve litigation, avoid curtailment, and maintain sustainable ground and surface water supplies on the ESPA. The second resolution reaffirms support for a state of Idaho managed recharge goal of 250,000 acre-feet on an average annual basis across the ESPA to be achieved by December 31, 2024, and an interim goal of 200,000 acre-feet on an average annual basis across the ESPA by December 31, 2019.

Copies of the draft resolutions are included as attachments to this memo.

IDWR Administration

Despite agreement on the term sheet and its current implementation by the ground water users, there is still need for conjunctive administration by IDWR in the upcoming irrigation season. IGWA anticipates submitting the term sheet and the practices described therein as a stipulated mitigation plan to IDWR in the coming weeks. The mitigation plan will cover all “participating” ground water users within the area of common ground water supply. Non-participating ground water users will either need the protection of a separate approved mitigation plan, or face potential curtailment in the upcoming season. Once submitted, IGWA’s mitigation plan will be publicly noticed, a hearing will be held should any party protest the plan, and a decision denying the plan, approving the plan, or approving the plan in part will be issued by the Director.

Because it is likely not all ground water users will participate in IGWA’s mitigation plan, or have their own approved plan in place, IDWR anticipates re-implementing the 3rd Methodology Order by early April. This will allow IDWR to issue an April-As Applied Order for the 2016 irrigation season. It is too early in the water year to speculate on the magnitude of the injury determination in April, and what priority dates, if any, would be subject to curtailment.

Finally, IDWR and the Director are considering issuing an updated Water Measurement Order for the ESPA, to be effective in Water Districts 100, 110, 120, 130, and 140. Water District 130 is the only water district with a contemporary measurement order in place. Across much of the ESPA the only language requiring measurement devices was part of the *Order Creating Water Measurement Districts and Notice of Annual Meeting* issued by then Director Karl Dreher in 1996. The Measurement Districts are no longer in effect, having been replaced by Ground Water Districts over a decade ago. Issuance of a Water Measurement Order will establish stricter guidelines and requirements for accepting PCC-based measurements, and should de-incentivize non-participation by ground water users, who were considering opting out of IGWA’s mitigation plan due to the cost of purchasing and installing measurement devices.

DRAFT

DRKAG079

LEGISLATURE OF THE STATE OF IDAHO
Sixty-third Legislature Second Regular Session - 2016

IN THE SENATE

SENATE CONCURRENT RESOLUTION NO. _____

BY _____

A CONCURRENT RESOLUTION

1 STATING FINDINGS OF THE LEGISLATURE SUPPORTING THE SETTLEMENT AGREEMENT EN-
2 TERED INTO ON JUNE 30, 2015 BETWEEN PARTICIPATING MEMBERS OF THE SURFACE
3 WATER COALITION AND PARTICIPATING MEMBERS OF THE IDAHO GROUND WATER AP-
4 PROPRIATORS, INC. TO RESOLVE LITIGATION, AVOID CURTAILMENT, MAINTAIN
5 SUSTAINABLE GROUND AND SURFACE WATER SUPPLIES ON THE ESPA AND MINIMIZE
6 HARM TO IDAHO'S ECONOMY, SUPPORTING STATE MANAGEMENT TO ENSURE ESPA WA-
7 TER SUPPLY ISSUES ARE TIMELY ADDRESSED, AND SUPPORTING THE GOAL OF STA-
8 BILIZING AND REVERSING THE TREND OF DECLINING ESPA WATER LEVELS IN THE
9 EASTERN SNAKE PLAIN AQUIFER.
10

11 Be It Resolved by the Legislature of the State of Idaho:

12 WHEREAS, the Eastern Snake Plain Aquifer (ESPA) supplies groundwater
13 to approximately one million irrigated acres and to numerous cities, busi-
14 nesses, dairies, factories and homes; and

15 WHEREAS, the ESPA is hydraulically connected to the Snake River and dis-
16 charges to the Snake River via tributary springs, which supply surface water
17 for multiple beneficial uses, including aquaculture, hydropower, and the
18 irrigation of approximately one million acres; and

19 WHEREAS, since 1952 the total volume of water stored in the ESPA has de-
20 creased due to increasing direct diversions of ground water, increasingly
21 efficient surface water irrigation practices, and other factors; and

22 WHEREAS, discharge from the ESPA to the Snake River is the most signifi-
23 cant contribution of water to the Snake River between Milner Dam and the Mur-
24 phy Gage; and

25 WHEREAS, Policy 4A of the 2012 Idaho State Water Plan requires that the
26 Murphy minimum stream flow water right be administered in priority; and

27 WHEREAS, the declines in ESPA storage content have decreased surface
28 water supplies available for irrigation, aquaculture, municipal, indus-
29 trial and other uses on land overlying the Eastern Snake Plain, resulting
30 in multiple water delivery calls, protracted litigation, and curtailment
31 notices issued by the Idaho Department of Water Resources; and

32 WHEREAS, current ESPA water levels and total storage content, after
33 more than six decades of decline, are inadequate to provide a reasonably
34 safe supply of water for sustainable surface and groundwater irrigation,
35 hydropower, aquaculture, municipal and industrial uses, the curtailment of
36 which would cause severe economic harm to the State of Idaho; and

37 WHEREAS, if the Thousand Springs discharges continue to decline, junior
38 water rights will be required to curtail to sustain the Murphy minimum stream
39 flow; and

40 WHEREAS, on June 30, 2015, a historic settlement agreement was entered
41 into between the following surface water right holders: A & B Irrigation
42 District, American Falls Reservoir District #2, Burley Irrigation Dis-

DRAFT

DRKAG079

2

1 trict, Milner Irrigation District, Minidoka Irrigation District, North
2 Side Canal Company and Twin Falls Canal Company, collectively known as the
3 Surface Water Coalition (SWC); and the following ground water right hold-
4 ers: Aberdeen American Falls Ground Water District, Bingham Ground Water
5 District, Bonneville-Jefferson Ground Water District, Carey Valley Ground
6 Water District, Jefferson-Clark Ground Water District, Madison Ground Water
7 District, Magic Valley Ground Water District, Fremont-Madison Irrigation
8 District, Anheuser-Busch, United Water, Glanbia Foods, City of Blackfoot,
9 City of American Falls, City of Jerome, City of Rupert, City of Heyburn, City
10 of Paul, City of Chubbuck and City of Hazelton, collectively known as the
11 Idaho Ground Water Appropriators, Inc. (IGWA); for the purpose of resolving
12 pending water delivery calls and to provide for on-going management of the
13 ESPA; and

14 WHEREAS, the IGWA-SWC settlement agreement seeks to stabilize and ulti-
15 mately reverse the trend of declining ESPA water levels in the ESPA; and

16 WHEREAS, the participating ground water users committed to reduce
17 ground water diversions from the ESPA necessary to meet the ground water
18 level goal and benchmarks identified in the settlement agreement; and

19 WHEREAS, implementation of the settlement agreement is expected to lead
20 to a sustainable water supply and minimize harm to Idaho's economy arising
21 from water supply shortages.

22 NOW, THEREFORE, BE IT RESOLVED by the members of the Second Regular Ses-
23 sion of the Sixty-third Idaho Legislature, the Senate and the House of Rep-
24 resentatives concurring therein, that the State of Idaho supports the set-
25 tlement agreement entered into on June 30, 2015 between participating mem-
26 bers of the Surface Water Coalition and participating members of the Idaho
27 Ground Water Appropriators, Inc. to resolve litigation, avoid curtailment,
28 maintain sustainable ground and surface water supplies on the ESPA and min-
29 imize harm to Idaho's economy, and further supports state management to en-
30 sure ESPA water supply issues are timely addressed.

31 BE IT FURTHER RESOLVED that the State of Idaho supports the goal of sta-
32 bilizing and reversing the trend of declining ESPA water levels in the East-
33 ern Snake Plain Aquifer.

DRAFT

DRKAG080

LEGISLATURE OF THE STATE OF IDAHO
Sixty-third Legislature Second Regular Session - 2016

IN THE SENATE

SENATE CONCURRENT RESOLUTION NO. _____

BY _____

A CONCURRENT RESOLUTION

STATING FINDINGS OF THE LEGISLATURE RECOGNIZING THE NEED FOR MANAGED RECHARGE OF THE EASTERN SNAKE PLAIN AQUIFER, AND RESOLVING THAT THE STATE OF IDAHO ESTABLISH A MANAGED RECHARGE GOAL OF 250,000 ACRE-FEET ON AN AVERAGE ANNUAL BASIS ACROSS THE ESPA, DEVELOP THE CAPACITY TO ACHIEVE 250,000 ACRE-FEET OF AVERAGE ANNUAL MANAGED RECHARGE ON OR BEFORE DECEMBER 31, 2024, AND ESTABLISH AN INTERIM GOAL OF 200,000 ACRE-FEET ON AN AVERAGE ANNUAL BASIS ACROSS THE ESPA BY DECEMBER 31, 2019

Be It Resolved by the Legislature of the State of Idaho:

WHEREAS, Policy 1I of the 2012 Idaho State Water Plan provides that "aquifer recharge should be promoted and encouraged, consistent with state law"; and

WHEREAS, the Eastern Snake Plain Aquifer (ESPA) supplies groundwater to nearly one million irrigated acres and to numerous cities, businesses, dairies, factories and homes; and

WHEREAS, the ESPA is hydraulically connected to the Snake River and discharges to the Snake River via tributary springs, which supply surface water for multiple beneficial uses, including aquaculture, hydropower, and the irrigation of nearly one million acres; and

WHEREAS, since 1952 the total volume of water stored in the ESPA has decreased by an average of 216,000 acre-feet annually due to increasing diversions of groundwater, increasingly efficient surface water irrigation practices, and other factors; and

WHEREAS, as a result of declines to ESPA water levels and total storage content there is currently an insufficient water supply for some water users leading to water delivery calls, protracted litigation, and curtailment notices issued by the Idaho Department of Water Resources; and

WHEREAS, sustaining the spring flows in the Thousand Spring reach of the Snake River is essential to maintaining the Murphy minimum stream flows; and

WHEREAS, failure to maintain the Murphy minimum stream flows will require curtailment of water rights junior to October 25, 1984; and

WHEREAS, current ESPA water levels and total storage content are inadequate to provide a reasonably safe supply of water for sustainable surface and groundwater irrigation, aquaculture, hydropower, municipal and industrial uses, the curtailment of which would cause severe economic harm to the State of Idaho; and

WHEREAS, Policy 4D of the 2012 Idaho State Water Plan provides that "[t]he Eastern Snake Plain Aquifer and the Snake River below Milner Dam should be conjunctively managed to provide a sustainable water supply for all existing and future beneficial uses within and downstream of the ESPA"; and

DRAFT

DRKAG080

2

1 WHEREAS, Policy 4E provides that "[d]evelopment of new...aquifer stor-
2 age is in the public interest"; and

3 WHEREAS, a 2009 Eastern Snake Plain Aquifer Comprehensive Aquifer Man-
4 agement Plan ("ESPA CAMP") goal is to "[s]ustain the economic viability and
5 social and environmental health of the Eastern Snake Plan by adaptively man-
6 aging a balance between water use and supplies"; and

7 WHEREAS, the ESPA CAMP established a long-term goal of 600,000
8 acre-feet average annual change to the ESPA aquifer budget by 2030; and

9 WHEREAS, the ESPA CAMP established a long-term hydrologic target for
10 managed aquifer recharge of 150,000 to 250,000 acre-feet on an average an-
11 nual basis; and

12 WHEREAS, Phase I of the ESPA CAMP established a 100,000 acre-feet aver-
13 age annual managed hydrologic target; and

14 WHEREAS, a 2009 Memorandum of Agreement between the Idaho Water Re-
15 source Board and Idaho Power Company provides that "[i]f the Board proposes
16 to increase the 100,000 acre-foot average annual ESPA CAMP Phase I target for
17 managed aquifer recharge by more than 75,000 acre-feet prior to January 1,
18 2019, the Board must obtain legislative approval for such increase"; and

19 WHEREAS, the participating ground water users committed to reduce
20 ground water diversions from the ESPA necessary to meet the ground water
21 level goal and benchmarks identified in the settlement agreement; and

22 WHEREAS, stabilizing and enhancing the ESPA water level is in the public
23 interest because it will lead to a sustainable water supply for consumptive
24 and nonconsumptive uses and minimize harm to Idaho's economy arising from
25 water supply shortages; and

26 WHEREAS, the state funding of the implementation of 250,000 acre-foot
27 average annual managed recharge is consistent with the 2012 Idaho State Wa-
28 ter Plan and the ESPA CAMP, and will help to alleviate the current water sup-
29 ply conflicts and ESPA sustainability issues.

30 NOW, THEREFORE, BE IT RESOLVED by the members of the Second Regular Ses-
31 sion of the Sixty-third Idaho Legislature, the Senate and the House of Rep-
32 resentatives concurring therein, that the State of Idaho recognizes the need
33 for managed recharge of the Eastern Snake Plain Aquifer and resolves that the
34 State of Idaho establish a managed recharge goal of 250,000 acre-feet on an
35 average annual basis across the ESPA.

36 BE IT FURTHER RESOLVED that the state develop the capacity to achieve
37 250,000 acre-feet of average annual managed recharge on or before December
38 31, 2024.

39 BE IT FURTHER RESOLVED that the State of Idaho establishes an interim
40 recharge goal of 200,000 acre-feet on an average annual basis across the ESPA
41 by December 31, 2019.

James C. Tucker
Senior Counsel
JTucker@idahopower.com

January 21, 2016

sbedke@house.idaho.gov
Scott Bedke
Speaker of the House
P.O. Box 89
Oakley, Idaho 83346

Re: Draft Senate Concurrent Resolution [DRKAG080]

Dear Speaker Bedke:

Thank you for giving Idaho Power the opportunity to review the draft Senate Concurrent Resolution [DRKAG080] currently being considered by the Legislature. Passage of the draft resolution will result in a change in the Eastern Snake River Plain Aquifer Comprehensive Aquifer Management Plan (ESPA CAMP) Phase I annual average recharge target from 100,000 acre-feet to 250,000 acre-feet. We understand that this change in the Phase I target is being proposed by the Idaho Water Resource Board (Board), and considered by the Legislature, in furtherance of the June 30, 2015 settlement agreement between certain surface water users, collectively known as the Surface Water Coalition (SWC), and various ground water users on the ESPA, collectively known as the Idaho Ground Water Appropriators, Inc. (IGWA). We further understand that the central purpose of that agreement is to stabilize and ultimately reverse declining ground water levels in the ESPA in an effort to ensure a certain and sustainable water supply for not only those water users participating in the settlement but also to other water users that rely on the ESPA and the connected Snake River to support their water rights. In this context, the Idaho Power Company supports the settlement agreement and the draft resolution which the Company understands is important to its implementation.

The change in the Phase I target is being proposed by the Board, and considered by the Legislature, consistent with the Framework Reaffirming the Swan Falls Agreement (Reaffirmation Agreement, March 2009), and the complementary Memorandum of Agreement (MOA, May 2009), between the State of Idaho and Idaho Power Company. Through the Reaffirmation Agreement the State and the Company reconfirmed the continuing validity of the 1984 Swan Falls Agreement and recognized that the effective management of Idaho's water resources remains critical to the public interest of the State by sustaining economic growth, maintaining reasonable electric rates, protecting and preserving existing water rights, and protecting water quality and environmental values. The State and the Company further recognized that it was in their long-term interest to cooperate regarding management of the water resources of the Snake River basin, including the development of a mutually acceptable management plan to monitor, measure and sustain spring and surface water flows for the reach of

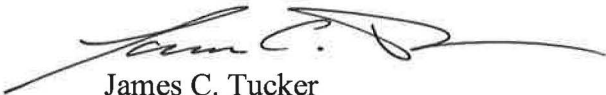
the Snake River from Milner Dam to the Murphy gaging station. The Company continues to work with the State on these important issues and recognizes that the SWC-IGWA settlement may have some application to the below Milner management plan being developed.

The 2009 MOA referenced that the ESPA CAMP, as component of the state water plan, established a long-term target for managed recharge from 150,000 to 250,000 acre-feet on an annual average basis and provided that any change in that long term target would constitute a change in the state water plan as contemplated by Article 15, § 7 of the Idaho Constitution and the legislation approving the ESPA CAMP. We understand that this draft resolution does not result in a change in that long-term recharge target and therefore is not a change or amendment to the state water plan. The resolution simply addresses the obligation of the Board, as required by the MOA, to obtain legislative approval for any increase in the Phase I ESPA CAMP recharge target of 100,000 acre-feet by more than 75,000 acre-feet prior to January 1, 2019. Consistent with the MOA, any proposed change to the ESPA-CAMP long-term target of 250,000 acre-feet on an annual average basis would still constitute a change in the state water plan and require the requisite legislative approval.

The MOA further recognized that it was in the mutual interests of the State and the Company to work cooperatively to explore and develop a managed recharge program for the Snake River Basin above Swan Falls Dam that benefits all water uses including hydropower. In furtherance of that objective, the MOA provided that in considering and developing managed recharge alternatives that the Board would provide the Company with notice of the proposed alternative and an opportunity to confer with the Board on opportunities for implementing managed recharge in a manner that addresses the mutual interests of the State and the Company. Over the past several years, the Company has been cooperating with the Board, and IDWR, on recharge and related water management issues. The Company looks forward to continuing to work with the Board on the implementation of an effective managed recharge program for the ESPA that promotes the sustainability of the ESPA and the connected Snake River and also addresses the objectives of the SWC-IGWA settlement. As Governor Otter recently recognized “preserving and protecting Idaho’s water is crucial to our continued economic growth and increased prosperity. Our renewable and “green” hydroelectric resources alone make Idaho the envy of other states in the West and a magnet for businesses that put a premium on environmental sustainability.”

Again, thank you for the opportunity to review the draft resolution.

Sincerely,



James C. Tucker

JCT:sh

cc: Governor Butch Otter

Senator Steve Bair

Roger Chase, IWRB

Clive Strong, Idaho Attorney General

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 351

BY RESOURCES AND CONSERVATION COMMITTEE

AN ACT

RELATING TO WATER RESOURCES; AMENDING SECTION 42-1709, IDAHO CODE, TO PROVIDE FOR INSPECTION AND OVERSIGHT ON COMPLAINT OR DIRECTOR'S DETERMINATION, TO PROVIDE FOR WRITTEN REPORTS THAT CERTAIN ARTIFICIAL BARRIERS ARE UNSAFE AND ENDANGERING LIFE OR PROPERTY, TO PROVIDE FOR INSPECTION OF ARTIFICIAL BARRIERS, TO REVISE TERMINOLOGY AND TO PROVIDE FOR THE REGULAR INSPECTION AND REGULATION OF CERTAIN ARTIFICIAL BARRIERS AND EMBANKMENTS; AMENDING SECTION 42-1711, IDAHO CODE, TO REVISE DEFINITIONS AND TO DEFINE TERMS; AMENDING SECTION 42-1712, IDAHO CODE, TO REVISE CRITERIA RELATING TO THOSE OWNERS REQUIRED TO SUBMIT DUPLICATE PLANS, DRAWINGS AND SPECIFICATIONS OF PROPOSED CONSTRUCTION, ENLARGEMENT, ALTERATION OR REPAIR OF DAMS TO THE DIRECTOR OF THE DEPARTMENT OF WATER RESOURCES, TO REVISE PROVISIONS RELATING TO PROFESSIONAL ENGINEERS AND THE AUTHENTICATION OF PLANS, DRAWINGS AND SPECIFICATIONS, TO PROVIDE THAT THE DIRECTOR SHALL PREPARE DESIGN AND CONSTRUCTION CRITERIA FOR CERTAIN ARTIFICIAL BARRIERS OR EMBANKMENTS AND SUPPLY SUCH CRITERIA UPON REQUEST BY INTERESTED PERSONS AND TO PROVIDE THAT SUCH CRITERIA SHALL NOT BE THE BASIS OF CERTAIN LIABILITY RELATING TO ARTIFICIAL BARRIERS AND EMBANKMENTS; AND AMENDING SECTION 42-1715, IDAHO CODE, TO REVISE PROVISIONS RELATING TO PROFESSIONAL ENGINEERS AND THE AUTHENTICATION OF PLANS, DRAWINGS AND SPECIFICATIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 42-1709, Idaho Code, be, and the same is hereby amended to read as follows:

42-1709. INSPECTION AND OVERSIGHT ON COMPLAINT OR DIRECTOR'S DETERMINATION. (1) If any person or persons shall report in writing to the director that any dam, artificial barrier or embankment, ~~used for holding that stores or impounds water, except for those excluded in section 42-1711(b)(1) through (4), Idaho Code,~~ or mine tailings impoundment structure used for storing tailings slurry is unsafe and endangering life or property, then it shall be the duty of the director to inspect, or cause to be inspected, such dam, artificial barrier or embankment or mine tailings impoundment structure as soon as possible, and, if he considers it unsafe, to proceed as provided in ~~the following sections~~ this chapter.

(2) If the director determines that the failure of any artificial barrier or embankment that stores or impounds water, except for those excluded in section 42-1711(b)(1) through (4), Idaho Code, would pose a threat of direct loss of life or significant property damage, the director shall regularly inspect and regulate it as a dam as provided in this chapter.

SECTION 2. That Section 42-1711, Idaho Code, be, and the same is hereby amended to read as follows:

1 42-1711. DEFINITIONS. Unless the context otherwise requires, the fol-
 2 lowing definitions govern the construction of this chapter.

3 (a) "Department" means the department of water resources.

4 (b) "Dam" means any artificial barrier or embankment, together with ap-
 5 purtenant works, constructed for the purpose of storing water or that stores
 6 water, which is ten (10) feet or more in height from the natural bed of the
 7 stream or watercourse at the downstream toe of the barrier, as determined
 8 by the department, or from the lowest elevation of the outside limit of the
 9 barrier, if it is not across a stream channel or watercourse, to the maxi-
 10 mum water storage elevation, ~~or and~~ has or will have an impounding capacity
 11 at maximum water storage elevation of fifty (50) acre-feet or more. The fol-
 12 lowing are not included as regulated dams or are not considered dams for the
 13 purposes of sections 42-1710 through 42-1721, Idaho Code; ~~provided however,~~
 14 ~~barriers defined in paragraphs (1) and (2), below, shall remain under the ex-~~
 15 ~~clusive jurisdiction of the department:~~

16 (1) ~~Barriers constructed in low risk areas as determined by the direc-~~
 17 ~~tor, which are six (6) feet or less in height, regardless of storage ca-~~
 18 ~~capacity.~~

19 (2) ~~Barriers constructed in low risk areas as determined by the direc-~~
 20 ~~tor, which impound ten (10) acre-feet or less at maximum water storage~~
 21 ~~elevation, regardless of height.~~

22 (3) ~~Barriers in a canal used to raise or lower water therein or divert~~
 23 ~~water therefrom.~~

24 (4) ~~Fills or structures determined by the director to be designed pri-~~
 25 ~~marily for highway or railroad traffic.~~

26 (5) ~~Fills, retaining dikes or structures less than twenty (20) feet in~~
 27 ~~height, which are under jurisdiction of the department of environmental~~
 28 ~~quality or the department of agriculture, determined by the director of~~
 29 ~~the department of water resources to be designed primarily for reten-~~
 30 ~~tion or treatment of municipal, livestock, or domestic wastes, or sedi-~~
 31 ~~ment and wastes from produce washing or food processing plants.~~

32 (6) ~~Levees that store water regardless of storage capacity.~~

33 (c) "Levee" means a retaining structure alongside a natural lake which
 34 has a length that is two hundred (200) times or more greater than its greatest
 35 height measured from the lowest elevation of the toe to the maximum crest el-
 36 evation of the retaining structure.

37 (d) "Reservoir" means any basin which contains or will contain the wa-
 38 ter impounded by a dam.

39 (e) "Owner" includes any of the following who own, control, operate,
 40 maintain, manage, or propose to construct a dam, reservoir or mine tailings
 41 impoundment structure:

42 (1) The state of Idaho and its departments, agencies, institutions and
 43 political subdivisions;

44 (2) The United States of America and any of its departments, bureaus,
 45 agencies and institutions; provided that the United States of America
 46 shall not be required to pay any of the fees required by section 42-1713,
 47 Idaho Code, and shall submit plans, drawings and specifications as re-
 48 quired by section 42-1712, Idaho Code, for information purposes only;

49 (3) Every municipal or quasi-municipal corporation;

50 (4) Every public utility;

1 (5) Every person, firm, association, organization, partnership, busi-
2 ness trust, corporation or company;

3 (6) The duly authorized agents, lessees, or trustees of any of the fore-
4 going; or

5 (7) Receivers or trustees appointed by any court for any of the forego-
6 ing.

7 (f) "Alterations," "repairs," or either of them, mean only such alter-
8 ations or repairs as may directly affect the safety of the dam, reservoir or
9 mine tailings impoundment structure, as determined by the department.

10 (g) "Enlargement" means any change in or addition to an existing dam,
11 reservoir or mine tailings impoundment structure, which raises or may raise
12 the water storage elevation of the water impounded by the dam or mine tail-
13 ings slurry impounded by the mine tailings impoundment structure.

14 (h) "~~Maximum w~~Water storage elevation" means the maximum design eleva-
15 tion of water surface which can be ~~obtained~~ impounded by the dam or reser-
16 voir.

17 (i) "Storage capacity" means the total volume of storage at the maximum
18 water storage elevation.

19 (j) "Days" used in establishing deadlines means calendar days includ-
20 ing Sundays and holidays.

21 (k) "Certificate of approval" means a certificate issued by the direc-
22 tor for all dams or mine tailings impoundment structures listing restric-
23 tions imposed by the director, and without which no new dams shall be allowed
24 to impound water or mine tailings impoundment structures shall be allowed to
25 impound mine tailings slurry.

26 (l) "Mine tailings impoundment structure" means any artificial embank-
27 ment which is or will be more than thirty (30) feet in height measured from
28 the lowest elevation of the toe to the maximum crest elevation constructed
29 for the purpose of storing mine tailings slurry.

30 (m) "Lift construction" means mine tailings impoundment structure en-
31 largement by raising the elevation of the structure on a continuous or recur-
32 ring basis. Such practice will be considered under construction until the
33 structure reaches its final crest elevation.

34 (n) "Mine tailings impoundment elevation" means the maximum elevation
35 of stored mine tailings which can be obtained by the impounding structure.

36 (o) "Mine tailings slurry" means all slurry wastes from a mineral pro-
37 cessing or mining operation.

38 (p) "Mine tailings storage capacity" means the total storage volume of
39 the impounding area when filled with tailings to the maximum designed stor-
40 age elevation.

41 (q) "Hazard" means the potential consequences to downstream life and
42 property resulting from a dam failure and uncontrolled release of water, ex-
43 clusive of the size or the physical condition of the dam or mine tailings im-
44 pondment structure. Hazard classifications shall be assigned to new and
45 existing dams or mine tailings impoundment structures based on the severity
46 of failure consequences to life and property.

47 (r) "Professional engineer" means a person who has been duly licensed
48 as a professional engineer by the Idaho board of licensure of professional
49 engineers and professional land surveyors under chapter 12, title 54, Idaho
50 Code.

1 (s) "Artificial barrier or embankment" means any structure constructed
2 to impede or obstruct the flow of water.

3 SECTION 3. That Section 42-1712, Idaho Code, be, and the same is hereby
4 amended to read as follows:

5 42-1712. CONSTRUCTION, ENLARGEMENT, ALTERATION OR REPAIR OF DAMS
6 -- SUBMISSION OF DUPLICATE PLANS, DRAWINGS AND SPECIFICATIONS. Owners who
7 shall desire to construct, or enlarge, or alter or repair, meaning only such
8 alterations or repairs as may affect the safety of the dam or reservoir, any
9 dam, for the purpose of storing or appropriating or diverting any of the
10 waters of this state, when the same is to be ~~more than twenty ten~~ (210) feet
11 or more in height or have and having a storage capacity of ~~one hundred fifty~~
12 (1050) acre-feet or more, except as otherwise in this chapter provided,
13 shall submit duplicate plans, drawings and specifications of the proposed
14 work to the director, and construction of a new dam or enlargement, or alter-
15 ation or repairs shall not be commenced until the owner has applied for and
16 obtained written approval of the plans, drawings and specifications.

17 Owners of dams under construction on the effective date of this legisla-
18 tion and for which plans, drawings and specifications are required but have
19 not been approved on or before the effective date of this legislation shall
20 submit such plans, drawings and specifications for approval, with the fee
21 established hereinafter. The director shall give notice to owners to sub-
22 mit plans, drawings and specifications, and failure to submit plans, draw-
23 ings and specifications for approval within thirty (30) days of the date of
24 mailing the notice shall be punishable as provided in this act, and construc-
25 tion shall be stopped upon issuance of an order by the director unless for
26 good cause shown as determined by the director further time is allowed. The
27 notice and/or order provided for in this paragraph may be given by certified
28 mail and a return receipt signed by the owner or responsible company shall
29 constitute prima facie evidence of service.

30 Upon receipt of the plans, drawings and specifications, the director
31 shall give consideration thereto and shall approve or disapprove the same
32 within the time provided in this section, and if he approves them, the di-
33 rector shall affix his approval thereto and return one (1) copy of each such
34 plans, drawings and specifications, with his approval, to the party or par-
35 ties proposing to construct the works.

36 Plans, drawings and specifications submitted to the director complete
37 with fees shall be approved or disapproved in no more than sixty (60) days and
38 in no less than fourteen (14) days after receipt. Defective plans, drawings
39 and specifications made in a bona fide attempt to conform to the law and rules
40 of the water resource board shall not be rejected but notice of defect shall
41 be sent to the owner by certified mail. If within thirty (30) days of the date
42 of mailing the notice the owner does not file amended and perfected plans,
43 drawings and specifications, the plans, drawings and specifications shall
44 be rejected and canceled unless for good cause shown the director allows the
45 owner further time.

46 The construction of all dams under plans, drawings and specifications
47 approved by the director shall be pursued with reasonable diligence to com-
48 pletion. In the event that an owner fails to commence actual construction
49 and maintain reasonable construction progress of the dam under the plans,

drawings and specifications approved by the director prior to or after the effective date of this act, such approval may be voided by the director one (1) year after such approval. Notice of the intent to void any such approval shall be sent by the director to the owner by certified mail and said owner shall be allowed thirty (30) days within which to show cause why such approval should not be voided. The director may grant additional time within which to commence the construction under plans, drawings and specifications approved by the director upon a showing of reasonable cause. Plans, drawings and specifications for which approval has become void must be resubmitted for approval, with the fee therefor as hereafter provided, prior to commencing construction of any such dam.

The plans, drawings and specifications shall include the following information:

- (a) The name and address of the owner.
- (b) The location, type, size and height of the proposed dam or reservoir and appurtenant works.
- (c) The storage capacity of the reservoir.
- (d) Such other pertinent information as the director may require including the following:

- (1) Data concerning subsoil and foundation conditions and materials entering into construction of the dam or reservoir.

- (2) Investigations of, and reports on subsurface conditions involving such matters as exploratory pits, trenches, and adits, drilling, coring, geophysical surveys, tests to determine leakage rates, and physical tests to measure in place the properties and behavior of foundation materials at the dam or reservoir site.

- (3) Investigation of and reports on the geology of the dam or reservoir site and its vicinity, possible geological hazards, availability and quality of construction materials, and other pertinent factors.

The plans, drawings and specifications shall be of such character and size setting forth such pertinent details and dimensions and in such form as the director requires. Plans, drawings and specifications which are submitted to the department shall be prepared by or under the direction of a registered professional engineer who is registered pursuant to Idaho law and authenticated by him as provided in section 54-1215, Idaho Code, or by such other person as provided in section 54-1223, Idaho Code.

Where said dam is, in the opinion of the director, not of sufficient importance to have the provisions of the section apply to such dam, then the director shall have power, upon written application, to suspend the provisions of this section in regard to such dam.

The director shall prepare design and construction criteria for ~~dams and artificial barriers not requiring departmental approval of plans, drawings and specifications~~ or embankments that store water, that are not dams as defined in this chapter, and shall supply such criteria upon request to any interested person to aid in constructing such ~~dams and artificial barriers or embankments~~. The use of such criteria shall in no way relieve the owner of responsibility for adequacy of design and construction procedures, nor be the basis of liability for any city or county that grants a permit related to construction of the ~~dam or~~ artificial barrier or embankment pursuant to the provisions of chapter 65, title 67, Idaho Code.

1 SECTION 4. That Section 42-1715, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 42-1715. INSPECTION DURING CONSTRUCTION, ENLARGEMENT, ALTERATION,
4 REPAIR OR REMOVAL OF DAMS AND MINE TAILINGS IMPOUNDMENT STRUCTURES -- EFFECT
5 OF NONCOMPLIANCE. During the construction, enlargement, repair, alter-
6 ation, or removal of any dam, reservoir or mine tailings impoundment struc-
7 ture, the director shall make or cause to have made continuous or periodical
8 inspections at state expense for the purpose of securing conformity with the
9 approved plans and specifications, but shall require the owner to perform at
10 his expense such work or tests as necessary to disclose information suffi-
11 cient to enable him to determine that conformity with the approved plans and
12 specifications is being secured, which shall include adequate inspection,
13 at owner's expense to verify compliance with approved plans, drawings and
14 specifications.

15 The work of construction, enlargement, repair, alteration or removal of
16 a dam, reservoir or mine tailings impoundment structure, for which approved
17 plans, drawings and specifications are required, shall be under the respon-
18 sible charge of a registered professional engineer ~~who is registered accord-~~
19 ~~ing to Idaho law or by such other person as provided in section 54-1223, Idaho~~
20 ~~Code, and~~ who shall certify that such construction, enlargement, repair, al-
21 teration or removal was done in accordance with approved plans, drawings and
22 specifications. If, after any inspections, investigations or examinations,
23 or at any time as the work progresses, or at any time prior to issuance of a
24 certificate of approval, it is found by the director that amendments, modi-
25 fications or changes are necessary to insure safety, the director may order
26 the owner to revise the plans and specifications. If conditions are revealed
27 which will not permit the construction of a safe dam, reservoir or mine tail-
28 ings impoundment structure, the approval may be revoked. In the event that
29 conditions imposed may be waived or made less burdensome without sacrific-
30 ing a proper margin of safety, the director may authorize an owner to revise
31 the plans and specifications accordingly. If at any time during construc-
32 tion, enlargement, repair or alterations of any dam, reservoir or mine tail-
33 ings impoundment structure the director finds that the work is not being done
34 in accordance with the provision of the approval and the approved plans and
35 specifications, he shall give a written notice and order by certified mail or
36 by personal service to the owner. The notice and order shall state the par-
37 ticulars in which the approval and approved plans and specifications or the
38 approval and approved plans and specifications as revised are not being or
39 have not been complied with and shall order the immediate compliance with the
40 approval and approved revised plans and specifications as the case may be.
41 The director may order that no further work be done until such compliance has
42 been effected and approved by him. A failure to comply with the approval and
43 approved plans and specifications as originally approved or as revised shall
44 render the approval subject to revocation by the director, if compliance is
45 not made in accordance therewith after notice and order from him as provided
46 in this chapter.

MEMO



To: Idaho Water Resource Board

From: Neeley Miller & Rick Collingwood

Date: January 22, 2016

Subject: Ground Water Conservation Grants

Action Item One: Consider request to provide grant funding (\$18,000) to the City of Hailey to implement a water conservation rebate program

Action Item Two: Consider request to provide grant funding (\$12,212) to the Sun Valley Elkhorn Association to implement a "smart" irrigation system

INTRODUCTION

In December 2015 Board staff received two applications for Ground Water Conservation Grant funding that met the criteria established by the Idaho Water Resource Board (IWRB) at the September 2015 Board meeting. The applications are:

1. The City of Hailey (City), is requesting an \$18,000 ground water conservation grant for implementing a water conservation rebate program. Qualified applicants would receive rebates for the removal of turf and replacing it with a low-to no-water alternative (project). See attached application.
2. The Sun Valley Elkhorn Association (SVEA) is requesting a \$12,212 ground water conservation grant for implementing a "smart" irrigation system at the Harker Center at Elkhorn in Sun Valley. See attached application.

PROPOSED PROJECT 1: City of Hailey Water Conservation Rebate Program

The City of Hailey proposes to implement a Water Conservation Rebate Program. The program will target irrigation, which comprises 70% of the annual water consumption in the City.

The City will offer a minimum of twenty (20), \$2000 rebates for removing turf and replacing it with no-or low-water demand materials, such as drought-tolerant plants or hardscape elements. Rebates will be issued for fifty-percent (50%) of the total expenses, up to \$3 per square foot by replacing turf with hardscape, and \$1 per square foot by replacing turf with drought tolerant plants on drip irrigation. The maximum allowable rebate per applicant is \$2000.

The City will provide a variety of resources to the applicants to assist in the landscape conversions. The City has partnered with the Wood River Land Trust to hold water conservation workshops, and to assist the City with public outreach.

In the first season following turf removal, which is anticipated to occur in 2016, the City will monitor the water user accounts of the applicants. In 2017, results of the project will be tracked and reported. Results will be documented in a program booklet, which will include before and after photos of the transformed areas. A copy of the booklet will be submitted to the Idaho Water Resource Board at the end of the program.

FUNDING BREAKDOWN

The total project cost estimate is \$53,000. The funding breakdown will be \$18,000 from the Idaho Water Resource Board grant, \$25,000 from the City of Hailey, and \$10,000 of in-kind services which will be provided by the City of Hailey and the Wood River Land Trust.

BENEFITS

The City of Hailey water conservation rebate program will conserve ground water for all water users throughout the Wood River Valley. By decreasing ground water use for irrigation, the water conservation project will reduce impacts to the aquifer, reduce potable water demand, increase resiliency to drought and possible curtailments, demonstrate how landscapes can retain, or improve, aesthetic appeal when using less water, and educate the public on how to use water more efficiently.

RECOMMENDATION:

The City of Hailey's water conservation rebate program will reduce the demand on their potable water system, and conserve ground water for all water users in the Wood River Valley. Staff recommends providing funding for this project through the attached resolution.

PROPOSED PROJECT 2: Sun Valley Elkhorn Association Smart Irrigation System

The Sun Valley Elkhorn Association and its partners, Sun Valley Water and Sewer District, Sun Valley Institute for Resilience, and Mountain High Landscapes, propose to implement a "smart" irrigation system at the Harker Center in the Elkhorn in Sun Valley development. The Harker Center is located in a highly used common area in the Elkhorn development, providing facilities for recreation, meetings, family gatherings, and special events for the SVEA members. Along with the anticipated significant water savings for the project, it is the desire of the SVEA and its partners to create a model which can be implemented for other homeowner associations and homeowners.

The project will retrofit the existing irrigation system at the Harker Center site, which includes the surrounding landscape areas and Patty Rosewater Park. The system upgrades will include maintaining the existing main irrigation infrastructure, adjust, move, and upgrade approximately 200 existing sprinkler heads, installation of a "smart controller", and splitting or adding up 5 to 6 zones to provide a uniform distribution of water in all areas. The upgraded spray and rotor heads will provide a slower application rate, with an anticipated

water savings of up to 30%. Water savings could be as high as 40 – 50% with proper seasonal programming. Along with the irrigation system upgrades, adjustments to current landscaping practices, such as taller grass to promote deeper root penetration, are included with the project. The Sun Valley Water and Sewer District will monitor and report water usage and savings. A final report documenting the results of the project shall be submitted to the Idaho Water Resource Board at the end of the project.

The SVEA, Sun Valley Water and Sewer District, and the Sun Valley Institute for Resilience will develop the informational resources for public outreach to showcase the project to the Blaine County communities and residents. The Sun Valley Water and Sewer District will present the project to the valley municipalities, Wood River Water Collaborative, Galena Water District, and Water District 37. The Sun Valley Institute for Resilience and partners will host a public forum for the community to learn about the project, and educate the public about lawn irrigation water conservation, and the value of installing “smart” irrigation systems that will enhance long term water conservation.

FUNDING BREAKDOWN

The total project cost estimate is \$36,636. The funding breakdown will be \$12,212 from the Idaho Water Resource Board grant, \$20,000 from the SVEA and its partners, and \$4,424 of in-kind services provided by the partners.

BENEFITS

The Sun Valley Elkhorn Association smart irrigation system will conserve ground water for all water users throughout the Wood River Valley. By decreasing ground water use for irrigation, the water conservation projects will reduce impacts to the aquifer, reduce potable water demand, increase resiliency to drought and possible curtailments, and educate the public on how to use water more efficiently.

RECOMMENDATION:

The Sun Valley Elkhorn Association’s “smart” irrigation system project will reduce the demand on their potable water system, and conserve ground water for all water users in the Wood River Valley. Staff recommends providing funding for this project through the attached resolution.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF GROUND WATER) A RESOLUTION
CONSERVATION GRANTS)
_____)

WHEREAS, House Bill 547 passed and approved by the 2014 legislature allocated \$5 million annually from the Cigarette Tax to the Idaho Water Resource Board ("IWRB") for statewide aquifer stabilization; and

WHEREAS, many aquifer across Idaho are declining and have existing or potential conjunctive administration water use conflicts, including the Eastern Snake Plain Aquifer, the Wood River Aquifer, the Mountain Home Aquifer, the Treasure Valley Aquifer, the Palouse Basin Aquifer, the Rathdrum Prairie Aquifer and others; and

WHEREAS, on March 20, 2015 the IWRB Water Resource Planning Committee met and recommended the IWRB Finance Committee include funds for the creation of a ground water conservation grant in their recommended Fiscal Year 2016 budget; and

WHEREAS, on April 29, 2015 the IWRB Finance Committee met and recommended a Fiscal Year 2016 budget that included \$200,000 for ground water conservation grants; and

WHEREAS, on May 22, 2015 the IWRB adopted by resolution a budget for Fiscal Year 2016 authorizing the use of continuously appropriated Secondary Aquifer Planning and Management and Implementation Fund for ground water conservation grants; and

WHEREAS, the budget resolution adopted on May 22, 2015 by the IWRB required the IWRB to develop a criteria for the award of ground water conservation grants prior to any grants being awarded; and

WHEREAS, on September 18, 2015 the IWRB adopted by resolution a criteria for the award of ground water conservation grants for Fiscal Year 2016.

WHEREAS, the City of Hailey submitted a ground water conservation grant application in December 2015 that proposes a water conservation rebate program and is requesting \$18,000 from the IWRB to match other funding support for the project; and

WHEREAS, the Sun Valley Elkhorn Association submitted a ground water conservation grant application in December 2015 that proposes a smart irrigation system and is requesting \$12,212 from the IWRB to match other funding support for the project;

WHEREAS, the City of Hailey grant application and the Sun Valley Elkhorn Association grant applications both meet the criteria established by the IWRB on September 18, 2015.

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes expenditures for the following projects up to the identified amount from the Secondary Aquifer Planning and Management and Implementation Fund:

- 1) Up to \$18,000 to the City of Hailey to develop and implement a water conservation rebate program
- 2) Up to \$12,212 to the Sun Valley Elkhorn Association to develop a smart irrigation system

BE IT FURTHER RESOLVED that approval of this expenditure is contingent on the IWRB and the grant recipients entering into a cost reimbursement agreement.

DATED this 22th day of January 2016.

ROGER CHASE, Chairman

Idaho Water Resource Board

ATTEST _____

VINCE ALBERDI, Secretary

Idaho Water Resource Board

City of Hailey

115 MAIN STREET SOUTH, SUITE H
HAILEY, IDAHO 83333

RECEIVED

DEC 11 2015

DEPARTMENT OF
WATER RESOURCES

(208) 788-4221
FAX: (208) 788-2924

December 10, 2015

Idaho Water Resource Board
322 East Front Street, Statehouse Mail
Boise, ID 83720

Subject: Groundwater Conservation Grant Application

Dear Idaho Water Resource Board:

Thank you for considering the City of Hailey's application for a groundwater conservation grant.

The City of Hailey proposes to implement a water conservation rebate program. Seventy percent of the water consumption in Hailey is attributed to outdoor irrigation, so the program focuses the entire conservation effort on that particular use. The program would give qualified applicants a rebate for removing irrigated turf and replacing it with a low- to no-water alternative. The project will conserve groundwater, increase resiliency to drought, and reduce demand (which will delay the expense to increase supply).

Hailey has successful project experience creating and implementing rebate programs in the past. Starting in 2009, Hailey received a grant for energy audit and retrofit rebates from the Idaho Office of Energy Resources. Then in 2010, the city received another round of funding for the same program from the U.S. Environmental Protection Agency, which continued the program into 2013. Over 150 homes received an energy audit and retrofit rebate in Hailey with cumulative high energy savings. The proposed water conservation rebate program would be similar in structure, process and administration.

Please let me know if I can provide any additional information, or if you have any questions or comments about our application. I can be reached at (208) 788-9830, ext. 24 or mariel.miller@haileycityhall.org.

Sincerely,



Mariel Miller
Director, Public Works



IDAHO WATER RESOURCE BOARD
322 East Front Street, Statehouse Mail
Boise, Idaho 83720
Tel: (208) 287-4800
FAX: (208) 287-6700



APPLICATION FOR A GROUND WATER CONSERVATION GRANT

Answer the following questions and provide the requested material as directed. All pertinent information must be provided. Additional information may be requested by the Idaho Water Resource Board (IWRB) depending on the scope of the project and amount of funding requested.

Incomplete documents will be returned and no further action taken will be taken by IWRB staff. All paperwork must be in twenty eight (28) working days prior to the next bi-monthly Board meeting.

Board meeting agendas can be found at: <http://www.idwr.idaho.gov/waterboard/>

I. Overview:

This form applies to the Water Board Groundwater Conservation Grant. The Groundwater Conservation Grant Program provides financial assistance to municipal providers and other eligible entities interested in pursuing groundwater conservation/efficiency projects. Pursuing groundwater conservation/efficiency projects can help water providers reduce water demands, lower operational costs such as pumping and water treatment, and reduce or postpone the need for additional water supplies.

Grants amounts can range from \$5,000 to \$20,000. All grants require a 66% match of the total costs. In-kind services can account for 33% of the total project costs.

Unless directed otherwise by the Water Board funds will be distributed in the following manner:

- 25% - after signing of grant contract by both parties
- 25% - at the mid-point of the contract upon submittal of Mid-Point Progress Report
- 50% - upon completion of project and submittal of the Grant Performance Report

Prepare and attach a "Grant Document" to this application.

The Grant Application Document requirements are outlined in the Water Project Grant Program Guidelines. The guidelines can be found at:

<http://www.idwr.idaho.gov/waterboard/Financial%20program/financial.htm>

You can also obtain a copy by contacting IWRB staff.

II. General Information:

A. Type of organization: (Check box)

☒ Municipality

☐ Irrigation District

☐ Irrigation Company

☐ Private Corporation

☐ Homeowner's Association

☐ Water Users Association

☐ Ground Water District

City of Hailey
Organization name

Mariel Miller, Pub. Wrks. Dir.
Name and title of Contact Person

115 Main St. South, Ste H
PO Box/Street Address

(208) 788-9830, ext. 24
Contact telephone number

Hailey, Blaine, ID 83333
City, County, State, Zip Code

mariel.miller@haileycityhall.org
e-mail address

82-6000201
Taxpayer ID#

Project location/ legal description Within the city limits of Hailey, Idaho

B. Is your organization registered with the Idaho Secretary of State's office? Yes ☒ No ☐

C. Purpose and name of project for this grant application.

☒ New Project Water Conservation Rebate Program

☐ Rehabilitation or replacement of existing facility

☐ Other _____

III. WATER PROJECT/ACTIVITY:

A. Source of water:

☐ Surface ☒ Groundwater
☐ Reservoir ☐ Other

B. Describe the Water Project/Activity - What is the primary purpose of this grant application?
Create a water conservation rebate program to conserve water.

C. Does this project/activity address multiple purposes? If so explain.

The program will reduce demand, delay costly infrastructure to
increase supply, make the community more resilient to possible
curtailment in the future.

D. Is this project primarily a study or implementation of a water project/activity?

☐ Study ☒ Implementation

Amount of funds requested: \$18,000

By signing this document you verify that all information provided is correct and the document is filled out to the best of your ability.

Authorized signature& date:

InfX. Hammond

Idaho Water Resource Board Groundwater Conservation Grant

City of Hailey Grant Application Document

2.1 BACKGROUND INFORMATION

2.1.1 Purpose

The proposed project is a water conservation rebate program. While this concept is unique in Blaine County and possibly all of Idaho, these types of programs exist in many cities across the U.S.; common mostly in the arid west in states like Colorado, Arizona, California, Nevada, etc. The program would give qualified applicants (all businesses and residences in Hailey that have irrigated grass and replace grass with a qualified low- to no-water demand alternative) a rebate of three to five dollars per square foot, depending on the replacement option chosen by the applicant. There are a number of program parameters that have been incorporated to ensure achievement of the greatest water savings for the dollars spent.

The purpose of the program is to conserve groundwater, especially during the time of year when water is in high demand for all users throughout the Wood River Valley and south, to regional areas where there may be a hydrological connection to groundwater use in Hailey. Seventy percent of the annual water use within Hailey is attributed to irrigation. There are many co-benefits as well:

- Increase resiliency to drought and decrease consumption of the aquifer.
- Reduce potable demand, which will delay the expense to increase supply (i.e., construction of a new groundwater well).
- Demonstrate results throughout Hailey, showing how landscapes can retain, or even improve, aesthetic appeal while using less water (i.e., replacement of grass with attractive hardscapes and/or drought tolerant plantings).
- Educate the public and those benefiting from the program on how to use water more efficiently.

2.1.2 Project Area Description

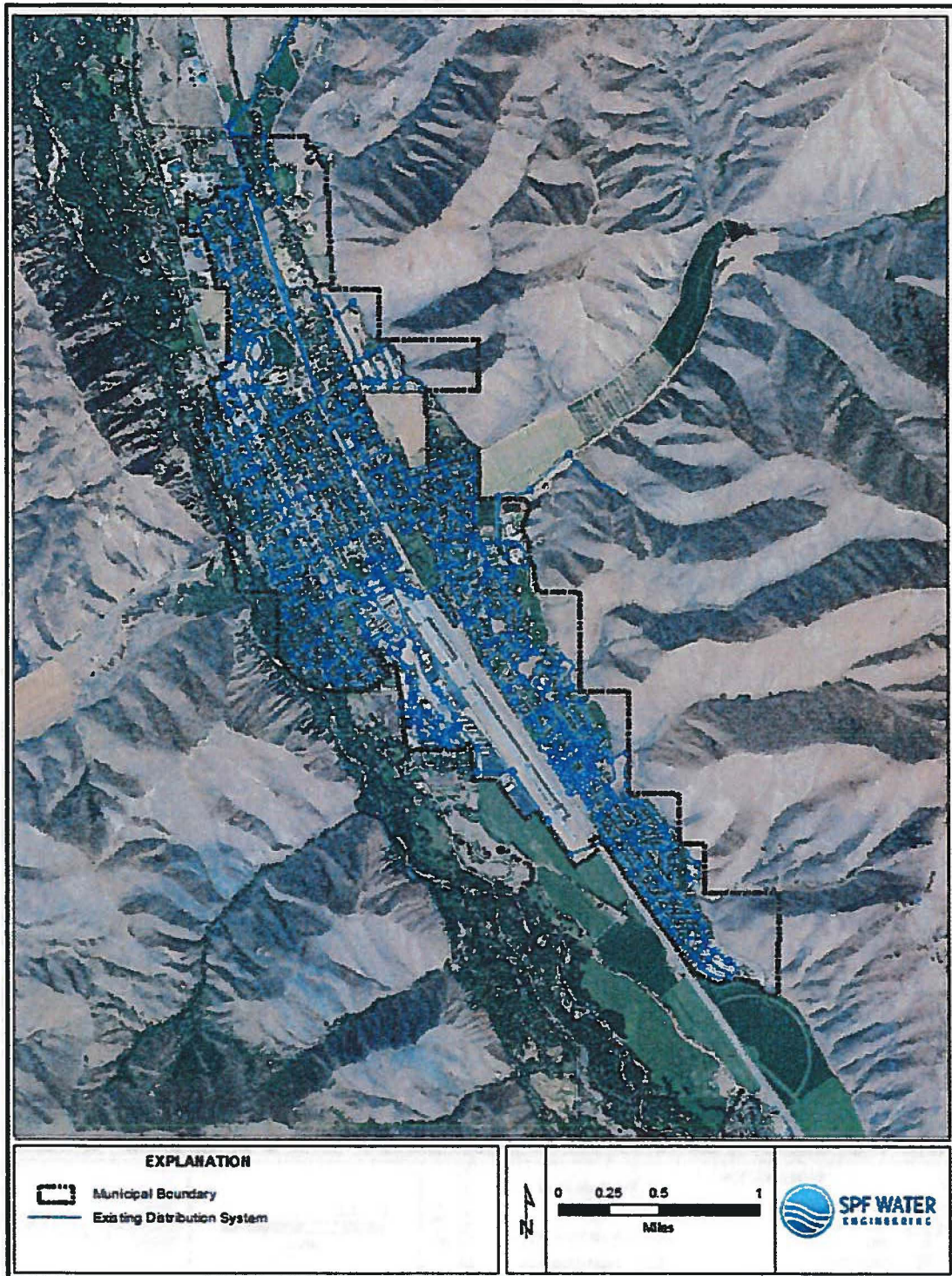
a. Hailey is located within the Wood River Valley, a narrow river corridor that runs north to south in the mountains of south central Idaho. The topography of the valley floor generally slopes to the south. Elevations range from a high of about 5,420 feet at the north end of the system to a low of about 5,230 feet at the south end.

The city receives an average of 16 inches of rain and 81 inches of snowfall per year. The average number of days with any measurable precipitation is 68. On average, there are 209 sunny days per year in Hailey. Over the course of a year, the temperature typically varies from 13°F to 85°F and is rarely below 2°F or above 93°F. The limited precipitation received during the growing season (April through September) requires all landscaped areas to be irrigated.

The project area is confined to the municipal boundaries of the City of Hailey, in Blaine County. Only Hailey property owners, residences and businesses, would be eligible for the rebate program. However, considering the hydrological connection extends beyond political subdivisions, the project would benefit many more water users than just those that reside within Hailey. To the south, Hailey is less than a mile away from the City of Bellevue and to the north Hailey is about 13 miles from the cities of Ketchum and Sun Valley. There are many properties surrounding Hailey that are in the unincorporated areas of Blaine County as well, all of which are dependent on groundwater wells for their water supply. The Big Wood River is Hailey's major water feature and runs directly adjacent to Hailey's western city boundary.

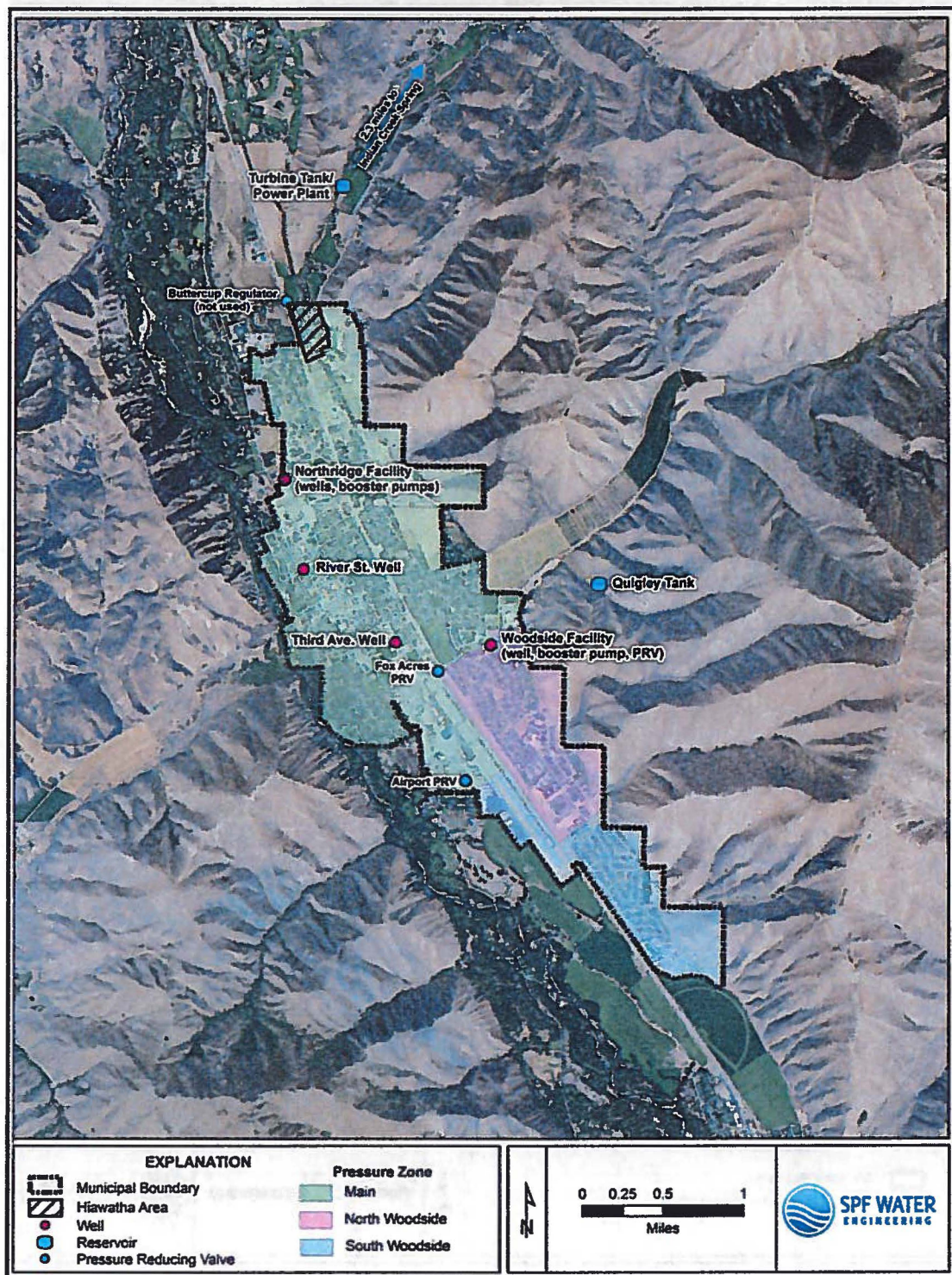
- b. The map below shows the existing distribution system and the municipal boundary.

Municipal Service Area



The map below shows the existing wells, reservoirs and pressure reducing valves.

Existing Water System Facilities



c) There are 3,337 active meters in the Hailey water system. Approximately 84% of these meters serve permanent single-family residential customers. Of the remaining meters in the system, 10% serve commercial customers, and 4% serve multi-family residential customers. Blaine County and City of Hailey facilities, parks and other green spaces make up the remaining 2% of meters in the Hailey water system.

2.1.3 Previous Studies

In May 2015, the City of Hailey finalized the Water System Master Plan, prepared by SPF Water Engineering. The majority of tables and figures in this application are contained in the Water System Master Plan. The plan may be viewed on the City's website at [Water System Master Plan](#). The plan shows that with aggressive water conservation, the City could potentially avert the addition of expensive new wells to the water system or delay the expense. The proposed project implements some of the conservation measures suggested by the plan, and lays the groundwork for a more robust conservation program in years to come.

The Water System Master Plan uses a 20-year planning horizon and includes extensive information about the service area, existing facilities, supply requirements, sources and storage capacity, distribution system hydraulics, conservation, water rights, and a section on capital improvement, maintenance and water right planning.

In addition to the Water System Master Plan, in the summer of 2015 the City of Hailey retained SPF Water Engineering to investigate the potential of collecting additional water from the City's Indian Creek Spring facility. The technical data shows that the Indian Creek Spring source is dwindling, with the result that the City cannot collect the water allowed under this water right without capital improvements at this source. Two technical memorandums were completed as a result of the investigation. These memoranda may be viewed on the City's website at [SPF Technical Memo #1](#) and [SPF Technical Memo #2](#). Again, reducing demand through conservation programs may delay costly capital improvement expenditures.

2.2 PROJECT SPONSOR

a) The City of Hailey is a municipality, established in 1881. Municipal corporations are established and governed by Title 50 of Idaho Code.

b) The City of Hailey water system has 3,337 active meters. The average day demand on those meters from October 1, 2014 through September 30, 2015 was 1,985,700 gallons (1.9 mgd). By comparison, the Water System Master Plan shows an average day demand of 2.7 mgd over a five-year period from 2009-2013. The reduction can be attributed to conservation efforts, including installing water meters city-wide, finding and fixing leaks in the distribution system, implementing odd/even day watering restrictions, and restricting watering to before 10:00 a.m. and after 6:00 p.m. The Water System Master Plan shows that while the current supply meets demand, within two to three years, the City may need to increase supply to assure maximum day demands can be met with our largest source out of service (firm capacity). Over the next four years, the plan suggests \$900,000 in expenditures. Longer-term improvements (from 2020 to 2033) are even more costly – \$3,700,000.

Historical Water Demand and Per Capita Consumption, 1990-2013

Year	Population ¹	Average Day Demand (ADD) ² (mgd)	Maximum Day Demand (MDD) ² (mgd)	Per Capita Consumption (gpcd)
1990	3575	2.43	ND	680
1991	3942	2.64	ND	670
1992	4203	2.60	ND	619
1993	4481	2.19	ND	489
1994	4816	2.85	ND	592
1995	5059	2.68	7.55	530
1996	5394	3.18	8.10	589
1997	5522	2.51	6.90	454
1998	5526	2.91	9.23	527
1999	5577	2.89	7.67	518
2000	6323	3.05	8.50	482
2001	6783	3.67	8.51	540
2002	7067	3.96	9.13	560
2003	7281	3.83	9.24	525
2004	7451	3.44	8.01	461
2005	7618	2.90	8.52	380
2006	7755	3.06	7.58	394
2007	7860	2.79	6.31	355
2008	7993	3.56	8.47	445
2009	8075	2.91	6.98	361
2010	7960	2.58	7.22	324
2011	7893	2.74	7.65	348
2012	7994	2.96	7.11	370
2013	8000	2.52	6.01	315

¹ Idaho Department of Commerce data per U.S. Bureau of Census
² Source: City of Hailey, Department of Public Works
³ mgd = million gallons per day
⁴ gpcd = gallons per capita per day
⁵ ND = no data

c) N/A

d) Entrepreneur John Hailey purchased land between Bellevue and Ketchum in December 1880. The town was officially formed shortly thereafter. In the early years, mining was the main activity of the town. But once the mining boom was over, other activities began, most notably sheep grazing and other livestock. In the mid-1930s, the U.S. Forest Service built a large administrative site in Hailey. The scenic beauty of the area attracted many visitors, and better

roads in the 1920s and 1930s increased tourist traffic. Although the creation of Sun Valley resort in 1936 had a more direct impact on Ketchum, Hailey felt the increase in numbers of visitors and potential residents. Tourism continues to play a major role in the economic health of Hailey and the region. The City of Hailey municipal government has played a key role throughout the years, including the development and maintenance of public infrastructure. The City now employs approximately 50 full time employees.

e. Hailey's Water Division, a division of the Public Works Department, funds its operations, maintenance and some capital from an enterprise fund. The City delivers water to properties within Hailey and in exchange charges customers for the water along with all the expense that goes into the delivery – water testing, salaries, infrastructure, ongoing maintenance, and operation expenses such as power for the groundwater pumps, etc. The City primarily collects two fees that are used to fund different parts of the water system: 1) User Fees, which are billed monthly and include a base rate, bond fee and water usage fee based on the metered water amount and can be used to fund almost all activities within the Water Division. The following table shows the current rate structure, bond fee for previous capital expenses, and base rate:

WATER

Gallons	Rate	Current Rate (upper limit)
1-10,000	\$ 0.44	\$4.40
11,000-20,000	\$ 0.88	\$8.80
21,000-30,000	\$ 1.32	\$13.20
31,000-40,000	\$ 1.76	\$17.60
41,000-50,000	\$ 2.20	\$22.00
51,000-60,000	\$ 2.64	\$26.40
61,000-70,000	\$ 3.08	\$30.80
71,000-80,000	\$ 3.52	\$35.20
81,000-90,000	\$ 3.96	\$39.60
91,000-100,000	\$ 4.40	\$44.00
101,000-150,000	\$ 4.84	\$242.00
151,000 & above	\$ 5.28	

BOND	\$3.18
------	--------

Base rate	\$8.66
-----------	--------

2) Connection Fees, which customers pay when a new connection occurs to the system and can be used to fund capacity related expenses for system growth and replacement of critical infrastructure – usually larger projects in excess of \$5,000. Water system connection fees vary based on the size of the connection. The following is a table that illustrates these fees:

Water Service Size	Water
¾"	\$4,084.00
1"	\$6,943.00
1 ½"	\$13,477.00
2"	\$21,645.00

f. Water supply for the system is provided by one spring source (Indian Springs) and six groundwater wells. Indian Creek Spring has provided water supply to the City since 1880. The six wells that are currently used were constructed starting in the 1960s to provide additional supply. A facility map showing the location of the wells is on page 4. The six wells are described below:

- River Street: one well, pumps directly into the distribution system. At 90% production, capacity is 1,070 gallons per minute (gpm).
- Third Avenue: one well, pumps directly into the distribution system. At 90% production, capacity is 1,730 gpm.
- Woodside: one well. Capacity is 1,270 gpm.
- Northridge: three wells with a 90% production capacity of 1,880 gpm.

Additional facility attributes include the distribution system, pressure zones, storage and remote data control alarm system. Hailey's distribution system is about 57 miles of pipeline, ranging in size from 4 to 24 inches in diameter. More than half of the distribution system is either 6 or 8 inches in diameter. The City has three different pressure zones with three pressure-reducing stations to supply two of the three zones. There are two water storage reservoirs in the distribution system, the Turbine Tank at Indian Springs and the Quigley Tank, which is filled by the Woodside well.

Summary of Storage Reservoir Characteristics

Reservoir	Dimensions	Volume (MG)	Invert Elevation ⁽²⁾ (ft)	Overflow Elevation ⁽³⁾ (ft)	Maximum Water Height (ft)
Turbine Tank	120 ft dia.	0.98	5514.65	5526.25	11.6
Quigley Tank	116' x 136' ⁽¹⁾	2.20	5507.90	5530.30	22.4
Notes: 1. Rectangular shape. There are columns, steps, an overflow box and other various obstructions located inside the Quigley Tank. The total available volume is approximately 2.2 million gallons. 2. Invert elevations estimated from surveyed overflow elevations and plan sets. 3. Overflow elevations surveyed by Alpine Enterprises Inc., October 2008.					

The City also has a Supervisory Control and Data Acquisition (SCADA) system, which allows the system to be remotely monitored 24 hours a day. It provides alarms when there is a malfunction; tracks data, including distribution data; and has many other functions.

2.3 WATER RIGHTS

The City's current water right portfolio includes rights authorizing the instantaneous diversion of approximately 6,400 gpm from six wells (using any combination of wells) and up to 1,500 gpm from Indian Creek Spring (total of 7,900 gpm) to supply potable water to its citizens. Priority dates for the City's potable groundwater supply rights range from 1907 to 2001. All six rights have been decreed or partially decreed. The table on page 10 describes each groundwater right that would be conserved.

2.3.1 Water Availability

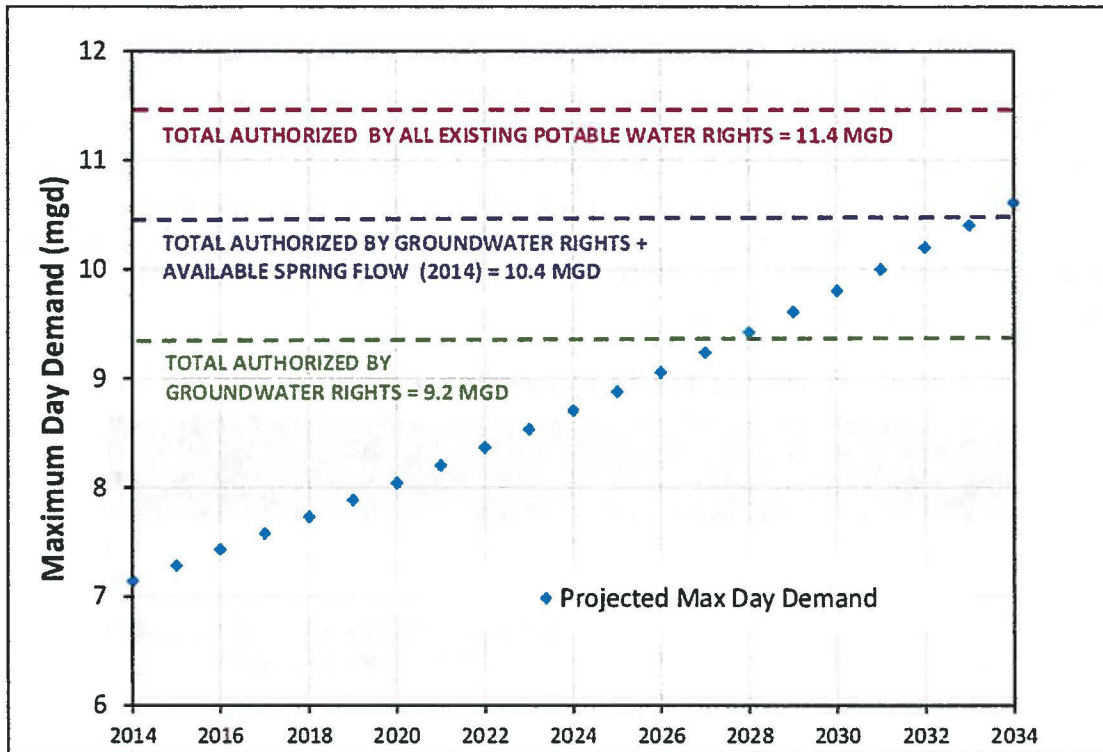
The City is authorized to use six wells for delivery of up to 14.23 cfs (6400 gpm) of groundwater to City customers through its potable supply system (the River Street, Third Avenue, Woodside, and three Northridge wells). In addition, the City is authorized to divert up to a maximum rate of 3.38 cfs (1,500 gpm) year-round from Indian Creek Spring. The City's water rights for potable supply are currently authorized for use within the City's municipal supply area. The City's currently-held potable water rights are summarized in the table on page 9. The system has water rights from a non-potable supply, but these rights are surface water rights from the Big Wood River and are not delivered to customers for domestic use or to irrigate private properties – only potable supplies are used for delivery to customers. Hailey primarily leases its surface rights with the Idaho Water Bank or uses them to irrigate City parks.

Water Rights Summary, Potable Supply

Water Right No.	Priority Date	Diversion Rate (cfs)	Diversion Rate (gpm)	Authorized Area	Season of Use
Groundwater					
37-22670	11/1/1907	1.78	800	City of Hailey municipal service area	year-round
37-22671	9/1/1931	0.60	270		
37-2699	8/11/1964	2.00	900		
37-2698	10/29/1964	2.56	1,100		
37-7305	11/4/1973	2.62	1,200		
37-8837	9/10/2001	4.67	2,100		
Total Authorized from Groundwater			6,400	gpm	
Indian Creek Spring					
37-296A	4/1/1880	2.62	1,200	City of Hailey municipal service area	April 15-October 31
37-1216	4/1/1884	0.90	400		November 1-April 14
37-717A	8/1/1907	1.72	770		November 1-April 14
37-717B	8/1/1907	0.76	340		year-round
37-7854	7/23/1980	3.38	1,500	power plant	year-round
Total Authorized from Indian Creek Spring			1,500	gpm	

The total authorized diversion rate for the potable municipal supply under current water rights is 17.61 cfs (7,900 gpm or 11.4 mgd; 6,400 gpm from wells and up to 1,500 gpm from Indian Creek Spring). However, actual supply is limited by flows available from Indian Creek Spring (current conditions are approximately 700 to 1,000 gpm). Under current spring flow conditions, the combined diversion rate from groundwater wells and Indian Creek Spring is limited to approximately 7,200 gpm or 10.4 mgd.

Water Rights and Projected Maximum Day Demand



Please refer to page 8, item f) for more detailed information on yield and page 4 for a map of the location of each well.

Authorized Diversion Rate, Potable Supply

Source	Diversion Rate (cfs)	Diversion Rate (gpm)	Diversion Volume (mgd)
Groundwater	14.23	6,400	9.2
Indian Creek Spring	3.38	1,500	2.2
Authorized Total	17.61	7,900	11.4

2.3.2 Water Supply Demand

According to the Hailey Water System Master Plan, completed in 2015, the existing maximum day demand (MDD) is 7.3 million gallons a day (mgd). The 20-year MDD is projected to be 10.6 mgd, assuming a seasonal peaking factor of 2.5. Hailey's current water rights for potable water authorize 11.4 mgd. The current total availability/capacity is 10.4 mgd.

Hailey's 2015 Water System Master Plan states that current groundwater water rights could be sufficient to supply the city for the next 19 years, based on projected demand; however, the actual supply may not be. Additional water rights from groundwater (or more stringent conservation measures) may be required prior to 2034 if flows from Indian Creek Spring

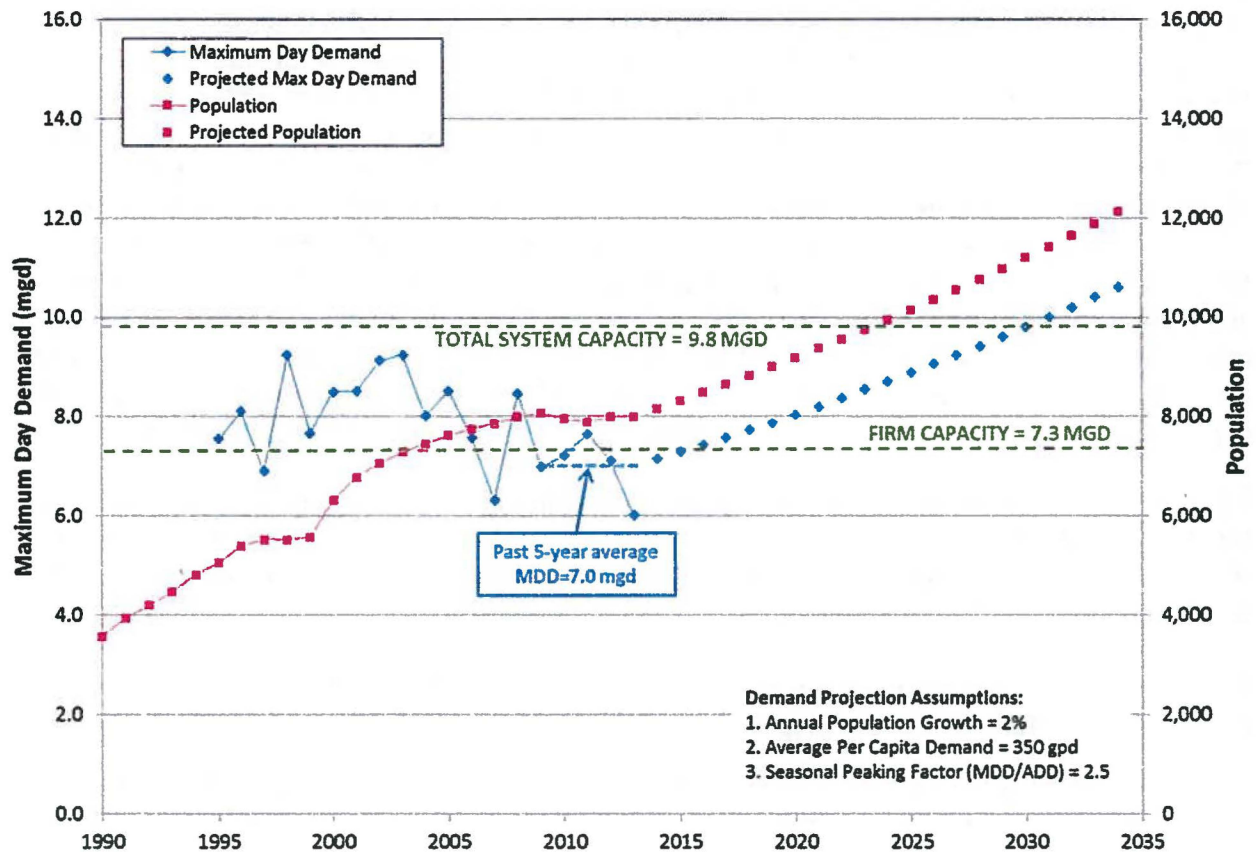
continue to decline (currently authorized to divert up to 1500 gpm, but yield is closer to 800 gpm).

The city's MDD in 2034 is projected to be 10.6 mgd, which is slightly below the total 11.4 mgd authorized by City water rights. However, existing water sources can only supply 10.4 mgd, due to currently reduced flows from Indian Creek Spring. Additional water rights, conservation measures and/or Indian Creek Spring improvements may be required to meet the twenty-year demand forecast. Conjunctive administration has the potential to further affect the City's ability to meet projected demand to the extent diversion of City-held water rights would be determined to cause material injury to senior water rights.

Groundwater Source Projections

Year	Projected MDD (mgd)	Firm Capacity (mgd)	Notes
2014	7.1	7.3	
2015	7.3	7.3	
2016	7.4	8.0	Additional Supply Online from River Street Well, 0.72 MGD Capacity
2017	7.6	8.0	
2018	7.7	8.0	
2019	7.9	8.6	Additional Supply Online from Indian Creek Spring and Northridge Facility, 0.54 MGD
2020	8.0	8.6	
2021	8.2	8.6	
2022	8.4	8.6	
2023	8.5	8.6	
2024	8.7	10.4	New Well Online, 1.8 MGD Capacity
2025	8.9	10.4	
2026	9.1	10.4	
2027	9.2	10.4	
2028	9.4	10.4	
2029	9.6	10.4	
2030	9.8	10.4	
2031	10.0	10.4	
2032	10.2	10.4	
2033	10.4	12.2	New Well Online, 1.8 MGD Capacity
2034	10.6	12.2	

Current Water Demand (1995-2013) and Future Projections (2014-2034)



2.4 PROJECT DESCRIPTION

Hailey proposes to implement a Water Conservation Rebate Program. The program targets the largest segment of water consumption – 70% of the annual water consumed in Hailey is attributed to irrigation. Recognizing this, Hailey wishes to encourage the use of less water, beyond some of the many other measures already employed (i.e. water meters, irrigation ordinances, and steep water rate increases).

Hailey has successful project experience creating and implementing rebate programs in the past. Starting in 2009, Hailey received a grant for energy audit and retrofit rebates from the Idaho Office of Energy Resource. Then in 2010, the city received another round of funding for the same program from the U.S. Environmental Protection Agency, which continued the program into 2013. Over 150 homes received an energy audit and retrofit rebate in Hailey with cumulative high energy savings. The proposed water conservation rebate program would be similar in structure, process and administration.

The program consists of the following components:

TURF REPLACEMENT REBATES – The City will offer a minimum of 20, \$2,000 rebates for removing turf and replacing it with no- or low-water demand materials (hardscape elements or drought-tolerant plants). Rebates will be given at a rate of fifty percent of the total expenses (labor and materials) up to \$3.00 per square foot of turf when replaced with hardscape (no irrigation required) or \$1.00 per square foot of turf when replaced with drought tolerant plants on drip irrigation. The maximum rebate cap is \$2,000 regardless of the replacement option chosen by the applicant. The minimum amount of turf removal required in order to be eligible for each rebate is 200 square feet (\$200 if replaced with drought tolerant or \$600 if replaced with hardscape). The entire rebate program would equate to a minimum area of 16,200 (hardscape) and 27,000 (drought tolerant and drip irrigation) square feet of turf removed for \$40,500 from rebate participant's expense (50% of project costs), up to \$18,000 from grant funds and \$22,500 from city matching funds. The area of turf removed and replaced may actually be much greater, depending on the scope of the replacement projects that individual participants implement.

The City estimated average water demand based on a number of factors, including climate, for turf from April to October, which are the outside watering months in Hailey. The results were then used to derive the equations below so that applicants have a means to calculate estimated water savings for each square foot of turf proposed for removal.

The City proposes that applicants be required to provide the following information, and/or meet the following criteria, when applying for a rebate:

- Document quantity of existing turf and associated water usage, using the following equation: 3.4 gallons x 7 month irrigation season = 23.8 x _____ square feet of existing turf = _____ gallons used a year.
- Document the quantity of turf to be replaced:
 - *Hardscape (no irrigation required)*, using the following equation: 3.4 gallons x 7 month irrigation season = 23.8 x _____ square feet of turf to be removed = _____ gallons conserved a year.

and/or

- Document the quantity of turf to be removed *and replaced with drought tolerant material (drip irrigation required)*, using the following equation: 1.7 gallons x 7 month irrigation season = 11.9 x _____ square feet of turf to be removed = _____ gallons conserved a year.
- Provide a turf replacement plan; if proposing drought tolerant planting material, those materials must be approved, and a 2" mulch minimum and drip irrigation are required. Criteria for hardscape will be developed prior to the program beginning and will consider using permeable materials and limit or prohibit concrete and asphalt.

- Design, labor and materials; are eligible for a 50% rebate up to either \$1 or \$3 sq. ft.; however, both design and labor services shall be provided by a certified professional in order to be eligible for a rebate.
- Provide photos of the area before and after the turf replacement, and give permission to use the photos in outreach materials.
- Applications for turf removals in the front yard will be given priority consideration. With front yard conversions, the program results have a better chance of encouraging additional property owners to remove turf also.
- Drawing of proposed landscape plan will be required with application, including a full plant list to ensure drought tolerant species are used and/or description of hardscape design and materials.
- Eligible applicants will be existing properties, not new construction, that have existing and well maintained turf/grass that is not a drought tolerant species.
- All bare soil must be covered with mulch, gravel, etc.
- Consent to pre and post project inspections.
- Submit a W-9 tax form.

The City may, as program development continues, expand or modify the preceding elements.

Program documents include a brochure to describe the program to potential applicants, a rebate reservation form, and a rebate application form. The City will advertise in the local newspaper, in the City newsletter, and on the City website to introduce the program.

WATER CONSERVATION WORKSHOPS – The City has partnered with the Wood River Land Trust to hold water conservation workshops for rebate applicants. The workshops will cover topics such as the following:

- DIY steps to save on irrigation water.
- Irrigation overview: design, coverage, plant and soil needs, nozzles, pressure regulation, smart applications and programming.
- Designing and caring for native and drought tolerant landscapes.

Applicants are required to attend one workshop in order to receive a rebate. The City will advertise the workshops in the local newspaper, in the City newsletter and on the City website.

RESOURCE MATERIALS AND PUBLIC OUTREACH – The City will make available to applicants a variety of resources to aid in the conversion of their landscapes. It will be important to offer specific, climate-appropriate and native plant suggestions, and work with local nurseries and plant retailers to make suggested plants available. Publications on low-water landscaping and landscape conversions will aid the do-it-yourself applicant.

Research has shown that one to two stunning conversions in a neighborhood can catalyze an entire neighborhood's transformation. Conversely, a single ugly conversion can discourage a neighborhood from participating in a rebate program. The City will take steps to promote neighborhood beautification as a result of the rebate program. For example, yard signs will be made available to all applicants to show their participation in the program and to promote the aesthetic appeal of low water landscapes. The City newsletter and website will be used to showcase participant projects.

The City website and monthly newsletter will run other types of stories related to the program, as well. The Wood River Land Trust will assist with outreach by sending program-related information to their extensive list of landscape companies and related contractors as well as the general public contact list and linking to program-related information on their website.

TRACK RESULTS – The City will monitor the water user accounts of applicants in the first season following turf removal. The removal and replacement is expected to occur during the 2016 season, with some projects finishing before the end of the 2016 irrigation season. The 2017 season would be used primarily for tracking the results of the project and reporting purposes. Results will be documented in a small booklet about the program, using the photos provided by the applicant, and showing before and after results both in the aesthetics of the area transformed and in water use. The results will also be reported to the Idaho Water Resource Board.

2.5 FINANCIAL FEASIBILITY

The total project cost is \$53,000; the Idaho Water Resource Board grant request is \$18,000. As shown on the attached budget sheet, the city will contribute \$25,000 cash to the project. \$10,000 of in-kind services will be provided by the City of Hailey and the Wood River Land Trust.



ID	Task Name	3/16	4/16	5/16	6/16	7/16	8/16	9/16	10/16	11/16	12/16	1/17	2/17	3/17	4/17	5/17	6/17	7/17	8/17	9/17	10/17	
1	1 Project Management and Administration																					
2	1.1 Kick Off Meeting																					
3	1.2 Management & Administration																					
4	1.3 Project Closeout																					
5	2 Document Design and Production																					
6	2.1 Prepare Program Brochure																					
7	2.2 Prepare Rebate Reservation Form																					
8	2.3 Prepare Rebate Application Form																					
9	2.4 Prepare Advertisements																					
10	2.5 Prepare Yard Signs																					
11	2.6 Prepare Final Project Booklet																					
12	3 Process Rebates																					
13	3.1 Collect and Process Rebate Reservations																					
14	3.2 Collect and Process Rebate Applications																					
15	4 Program Introduction and Workshops																					
16	4.1 Advertise for Program Introduction																					
17	4.2 Advertise for Workshop #1																					
18	4.3 Hold Workshop #1																					
19	4.4 Advertise for Workshop #2																					
20	4.5 Hold Workshop #2																					
21	4.6 Advertise for Workshop #3																					
22	4.7 Hold Workshop #3																					
23	5 Website and Newsletter Content																					
24	5.1 Write Newsletter Content																					
25	5.2 Prepare Website Content																					

	Labor	Hailey Expense	Grant Expense
Project Management and Administration			
Project Manager @ \$47/hour x 80 hours	3,760		
Project Administrator @ \$30/hour x 40 hours	1,200		
Rebates			
20 Rebates @ \$2,000 per rebate		22,500	18,000
Document Design and Production (Brochure, Applications, Yard Signs, Advertisements, Final Project Booklet)			
Project Manager @ \$47/hour x 16 hours	752		
Project Administrator @ \$30/hour x 40 hours	1,200		
Expense: Yard Signs, Printing		750	
Water Conservation Workshops			
3 Workshops @ 1.5 hours each X \$35/hour	158	550	
Workshop Content Development 44+ hours x \$35/hour	1,560		
Website and Newsletter Content			
Project Manager @\$47/hour x 10 hours	470		
Project Administrator @ \$30/hour x 30 hours	900		
Advertising Expense			
2 Introduce Program Display Ad Mt. Express		480	
3 Workshop Display Ads Mt. Express		720	
Totals	10,000	25,000	18,000
GRAND TOTAL	53,000		
Percents	19%	47%	34%

NOTE: Applicants are required to pay 50% of the costs associated with any rebate project. This expenditure can also be considered match to Idaho Water Resource Board funding.

Miller, Neeley

From: Chuck Williamson [chuck@elkhorninsunvalley.com]
Sent: Tuesday, December 15, 2015 2:41 PM
To: Miller, Neeley
Subject: IDWR Grant Application
Attachments: SVEA Application to IWRB for Ground Water Conservation Grant.pdf; SVEA Grant Proposal to IWRB for Ground Water Conversation.pdf

Follow Up Flag: FollowUp
Flag Status: Flagged

Categories: Red Category

Dear Mr. Miller,

On behalf of the Sun Valley Elkhorn Association, Inc. (SVEA), we are pleased to submit a grant proposal to the Idaho Water Resources Board for a ground water conservation grant. Please find attached our proposal with appendix items as well as our Application form for the grant. We are excited about this project and are happy to answer any questions that come up during the review process. Thank you very much for this opportunity.

Sincerely,
Chuck Williamson
Operations Manager
Sun Valley Elkhorn Association
208-622-7420



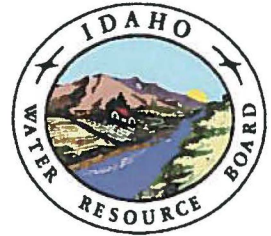
IDAHO WATER RESOURCE BOARD

322 East Front Street, Statehouse Mail

Boise, Idaho 83720

Tel: (208) 287-4800

FAX: (208) 287-6700



APPLICATION FOR A GROUND WATER CONSERVATION GRANT

Answer the following questions and provide the requested material as directed. All pertinent information must be provided. Additional information may be requested by the Idaho Water Resource Board (IWRB) depending on the scope of the project and amount of funding requested.

Incomplete documents will be returned and no further action taken will be taken by IWRB staff. All paperwork must be in twenty eight (28) working days prior to the next bi-monthly Board meeting.

Board meeting agendas can be found at: <http://www.idwr.idaho.gov/waterboard/>

I. Overview:

This form applies to the Water Board Groundwater Conservation Grant. The Groundwater Conservation Grant Program provides financial assistance to municipal providers and other eligible entities interested in pursuing groundwater conservation/efficiency projects. Pursuing groundwater conservation/efficiency projects can help water providers reduce water demands, lower operational costs such as pumping and water treatment, and reduce or postpone the need for additional water supplies.

Grants amounts can range from \$5,000 to \$20,000. All grants require a 66% match of the total costs. In-kind services can account for 33% of the total project costs.

Unless directed otherwise by the Water Board funds will be distributed in the following manner:

25% - after signing of grant contract by both parties

25% - at the mid-point of the contract upon submittal of Mid-Point Progress Report

50% - upon completion of project and submittal of the Grant Performance Report

Prepare and attach a "Grant Document" to this application.

The Grant Application Document requirements are outlined in the Water Project Grant Program Guidelines. The guidelines can be found at:

<http://www.idwr.idaho.gov/waterboard/Financial%20program/financial.htm>

You can also obtain a copy by contacting IWRB staff.

II. General Information:

A. Type of organization: (Check box)

☐ Municipality

☐ Irrigation District

☐ Irrigation Company

☐ Private Corporation

☒ Homeowner's Association

☐ Water Users Association

☐ Ground Water District

Sun Valley Elkhorn Association, Inc.
Organization name

Mr. Chuck Williamson, Operations Manager
Name and title of Contact Person

P.O Box 1708
PO Box/Street Address

208-622-7420 Ext 3
Contact telephone number

Sun Valley, ID 83353

chuck@elkhorninsunvalley.com

City, County, State, Zip Code

e-mail address

82-0337370
Taxpayer ID#

Project location/ legal description _____
Address: 1 Harker Lane **Legal:** June Day Sub – Open Space BB – Parcel # RPS04320000740

B. Is your organization registered with the Idaho Secretary of State's office? Yes ☒ No ☐

C. Purpose and name of project for this grant application.

- ☐ New Project
☒ Rehabilitation or replacement of existing facility
☐ Other _____

III. WATER PROJECT/ACTIVITY:

A. Source of water:

- ☐ Surface ☒ Groundwater
☐ Reservoir ☐ Other

B. Describe the Water Project/Activity - What is the primary purpose of this grant application?

SVEA seeks to install a “smart” irrigation system at the Harker Center in Sun Valley, Idaho to serve as a pilot and potential model to be replicated throughout the City of Sun Valley and other areas of the Wood River Valley. The goal of this project is to save 500,000 to 600,000 gallons of water per year at the Harker Center. If implemented in all of the common areas within the SVEA, there is the potential to save one million plus gallons of water per year. If implemented by all 1,630 Homeowners within the 13 subdivisions and 24 condominium or townhome associations, SVEA could save 20 Million gallons of irrigation water per year.

C. Does this project/activity address multiple purposes? If so explain.

Because this is a pilot project, it has the potential to be replicated many times over. In addition to the potential for this project to be implemented by homeowners throughout the SVEA, SVEA partners in this project (the Sun Valley Water and Sewer District and the Sun Valley Institute for Resilience) will

showcase this project to the larger Blaine County community on the need for ground water conservation and the role "smart" landscape irrigation systems can play to reduce overall water demand during the water season. This project plays a much larger purpose in educating the general public.

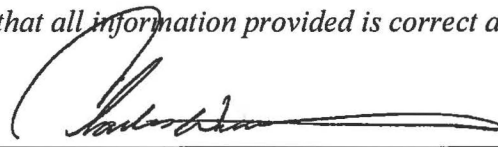
D. Is this project primarily a study or implementation of a water project/activity?

☐ Study ☒ Implementation

Amount of funds requested: \$12,212.00

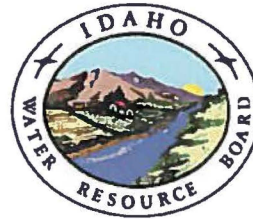
By signing this document you verify that all information provided is correct and the document is filled out to the best of your ability.

Authorized signature& date:



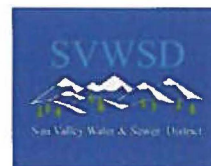
*Sun Valley Elkhorn Association
Operations Manager
208-622-7420*

Idaho Water Resources Board Ground Water Conservation Grant Proposal



Submitted to:
Neely Miller
Idaho Department of Water Resources
208-287-4831
Neely.Miller@idwr.idaho.gov

Sun Valley Elkhorn Association



Submitted by:
Chuck Williamson, Operations Manager
Sun Valley Elkhorn Association
208-622-7420
Chuck@elkhorninsunvalley.com

Date: December 15, 2015



December 15, 2015

Neely Miller
Idaho Department of Water Resources
208-287-4831
Neely.Miller@idwr.idaho.gov

Subject: Grant Proposal for Harker Center Smart Irrigation System

Dear Mr. Miller:

The Sun Valley Elkhorn Association (SVEA), a non-profit homeowners association (EIN 82-0337370) is pleased to present a proposal to the Idaho Department of Water Resources (IDWR) and the Idaho Water Resource Board (IWRB) to receive grant funding for our project to conserve ground water in the Wood River basin.

SVEA is seeking a grant of \$12,212 from IWRB for our \$36,636 project. We have identified matching funding in the amount of \$20,000 in cash and \$4,424 in in-kind contributions for a 66% match to the total costs.

The Sun Valley area is irrigating faster than aquifers can recharge. Inefficient water use is taking a toll on the availability of ground water in the entire area. Sun Valley is home to some of the heaviest per capita water use within any of Blaine County's cities.

The SVEA seeks to install a "smart" irrigation system at its main offices and member recreational center in Sun Valley, Idaho to serve as a pilot and high visibility model to be replicated throughout the City of Sun Valley, other county homeowner associations and individual residences throughout the Wood River Valley. SVEA will be seeking to educate its 1,630 member households on this important community project and promote its replication throughout the 13 subdivisions and 24 condominium/townhome sub-associations within the SVEA that consumed a collective 70 million irrigation gallons in the 2014-15 water year.

Details of our grant proposal follow in this document. We have followed the format provided in Section 2 of the 2015 IWRB Ground Water Conservation Grant Guidelines. SVEA understands the IWRB funding distribution timeline and project deliverables required for successful project performance as outlined in the IWRB Ground Water Conservation Grant Criteria.

We appreciate the opportunity to propose to IDWR and IWRB on this important project and stand ready to answer any questions you have.

Respectfully,

A handwritten signature in black ink, appearing to read "Chuck Williamson", with a long, horizontal flourish extending to the right.

Chuck Williamson
Operations Manager
Sun Valley Elkhorn Association

Table of Contents

	Page
2.1 Background Information	1
2.2 Project Sponsor	3
2.3 Water Rights	4
2.4 Project Description	5
2.5 Financial Feasibility Analysis	8
Appendix A – Partner Profiles	
Appendix B – Project Area Maps	
Appendix C – Conceptual Design Drawing	
Appendix D – Detailed Cost Estimate	
Appendix E – Sun Valley Elkhorn Association Bylaws	
Appendix F – Sun Valley Elkhorn Association Financial Statements	

2.1 Background information

2.1.1 Purpose

This section provides a brief overview of the project, including the type of project, amount of Grant funding being requested, and a statement of what the project and/or study is intended to accomplish. It should describe the need for the project, problems, and why the project is important to the grantee. It should include a brief history relevant to the project and any compliance issues that are being addressed (i.e. water quality).

The Sun Valley Elkhorn Association, Inc. (SVEA), in partnership with the Sun Valley Water & Sewer District (the District) and the Sun Valley Institute for Resilience (the Institute), is pleased to present a proposal to the Idaho Department of Water Resources (IDWR) to conserve ground water and reduce groundwater demand in the Wood River Aquifer.

The SVEA seeks to install a “smart” irrigation system at the Harker Center in Sun Valley, Idaho to serve as a pilot and potential model to be replicated throughout the City of Sun Valley and other areas of the Wood River Valley. The Harker Center is a high visibility and well-used common area of the SVEA members with tennis courts, swimming pool, park, and community center among many other amenities.

SVEA is seeking \$12,212 from IDWR for this project. SVEA and our partners are contributing \$20,000 in cash and \$4,424 in in-kind services to support two-thirds of the total \$36,636 project cost requirements.

The goal of this project is to save 500,000 to 600,000 gallons of water per year at the Harker Center. If implemented in all of the common areas within the SVEA, there is the potential to save one million plus gallons of water per year. If implemented by all 1,630 Homeowners within the 13 subdivisions and 24 condominium or townhome associations, SVEA could save 70 Million gallons of irrigation water per year.

Partners on this project include the Sun Valley Water & Sewer District and the Sun Valley Institute for Resilience providing capital or in-kind contributions to this project. The organizational profiles can be found in Appendix A.

The Problem - The Sun Valley area is irrigating from municipal wells faster than the aquifers can recharge resulting in entrained air in the water. Inefficient water use is taking a toll on the availability of ground water in the wider Blaine County entire area. Sun Valley is home to some of the heaviest per capita water use within any of Blaine County’s cities with an average in 2014-15 of 2,422 gallons per person per day. This figure is skewed by the amount of second home-owners not counted in the census.

As a resort community with many part-time residents and high levels of household income, this part of Idaho is not focused on efficient water use. In fact, EPA statistics estimate that the average family of four uses about 400 gallons per day (gpd) for indoor use, and about 120 gpd for outdoor use. According to statistics from the Sun Valley Water and Sewer District, households in the area known as Elkhorn uses an average of 750 gpd indoors and 5,085 gpd for outdoor use during the irrigation season. Additionally, more than 5,000 2nd homeowners irrigate using older systems installed between the 1980’s and 2000, relying on local landscaping companies to ensure that their lawns are green when they arrive for periodic summer visits.

The Solution – SVEA is seeking to retrofit its existing common area irrigation system at the Harker Center and adjacent Patty Rosewater Park with low flow sprinkler heads, improved water service lines and smart metering systems.

Supporting partners in this SVEA project include the Sun Valley Water and Sewer District (the District) and the Sun Valley Institute for Resilience (the Institute). The District is the water utility and supplier for residents and businesses within the city limits of Sun Valley. The Institute is new non-profit organization formed in the Spring of 2015 by community leaders in the spring of 2015 to

serve as a resource and model to increase the Wood River's Valley's resilience to global climate change and other risk factors by locally producing more energy and food, incenting sustainable water use, reducing fire risk and investing in critical infrastructure that will protect and enhance our valley's quality of life.

2.1.2 Project Area Description

This is the geographical area to be served by the proposed grant and should include the following:

a. A narrative of the description of the project area to include the county, the proximity to towns or cities and locations of major water features.

The project area is located in Blaine County. The Harker Center is one of the hubs of the planned community known as Elkhorn in Sun Valley. Located 5 miles from the Sun Valley Lodge and village, the Harker Center serves more than 20,000 visitors annually and offers the following amenities:

- Swimming Pool, Sauna, Hot Tub and Wading Pool
- Nine Tennis courts
- Owners' Lounge and Party Room
- Patty Rosewater Park with volleyball, basketball, horseshoe pits, Bocce ball, shuffleboard, splash pad, play structures for the little ones and a barbecue area
- Administrative Offices

The address is 1 Harker Lane, Sun Valley, Idaho 83354.

b. A map showing the items listed above and the location of the existing facilities, proposed project site, and boundary of the project.

Please see Appendix B for an aerial view of the layout of the Harker Center and a map of Sun Valley vicinity locating the project area

c. Characteristics of the project area such as residential and number of residences listing both seasonal and permanent, farm ground, irrigation and type of crops and any other type of characteristic that may be pertinent to the project.

The pilot project area at the Harker Center serves SVEA members and guests only. It consists of approximately 3.33 acres of ground of which 1.8 acres or approximately 55% percent are currently irrigated. The Harker Center is used by SVEA members for recreation, meetings, family gatherings, and special events.

The greater Elkhorn area which ultimately could be served with this type of project consist of approximately 4000 acres and makes up slightly over half of the total area of the City of Sun Valley. Elkhorn consists of 13 subdivisions with 514 single family residence on 757 acres. In addition there are 28 Condominium/ Townhome Sub-associations with 1116 residential units on 118 acres. The condominium/townhome sub-associations irrigate centrally based on common areas which total 57 acres. Future high density development property includes 5 parcels of land totaling 45 acres. There are 85 vacant single family residential lots.

2.1.3 Previous Studies

To maximize the extent of the Grant Document, any previous studies and investigation should be utilized such as a reconnaissance level study.

Under the SVEA property umbrella, there are 28 different townhome and condominium associations. A handful of these groups have considered sprinkler head retrofits or have engaged professionals in irrigation system efficiency studies.

In an irrigation audit report, prepared by Kodi Farnworth of Advanced Irrigation Solutions, the **Fairway Nine I Condominium Association** discovered their antiquated irrigation system lacks water capacity and pressures to provide optimal functionality with today's regulated flow irrigation equipment. However, Fairway Nine I has been hesitant in committing the financial resources for an extensive irrigation system overhaul without some assurance of success in both substantial water reduction and satisfactory landscape appearance.

The cost of an extensive irrigation system overhaul does not present any meaningful scenario for financial breakeven given the relative water cost savings (currently \$1.05 per 1000 gallons). Without a financial incentive to encourage Fairway Nine I into implementing an irrigation system overhaul, a different approach will be required. SVEA's pilot "smart" irrigation program will be similar enough in nature to that originally contemplated by the Fairway Nine I Association providing a viable example and leading the way for groups considering water conservation or similar irrigation modification.

2.2 Project Sponsor

The project sponsor may not be an individual. Each Grant Document should include a description of the entity be it municipality, irrigation district, canal company or subdivision that is sponsoring the proposed project. The description should include the following:

a. Type of organization, official name, the year formed, and the statutes under which the entity was formed. For subdivisions a copy of the By-laws should be attached to the report.

The Sun Valley Elkhorn Association (SVEA) is the Homeowners Association (a nonprofit Idaho corporation) charged with the duties of managing the planned community known as Elkhorn, located within the city limits of Sun Valley, ID. SVEA was formed in 1972 under Idaho Code 30-117A.

The mission of SVEA *"is to maintain common areas, recreational facilities and vast open space in the highest of standards; to insure our community properties are developed in a manner appreciated by all our owners; to care for and prudently administer Association financial resources; and to ensure compliance with the Master Declarations that governs and brands Elkhorn the place to be in Sun Valley."*

A copy of the SVEA by-laws can be found in the Appendix of this proposal.

b. For public entities the number of customers or taps served, current water usage, and future growth plans.

SVEA is a private entity.

c. For private entities the number of members or shareholders, shares of stock or water and what a share is equivalent to, and the current water delivery.

SVEA has 1,630 dues paying members (homeowners, condo owners, property owners). Currently, water is delivered to individual members and the sub-associations through the Sun Valley Water and Sewer District, a municipal taxing entity. Members use water for domestic use and landscape irrigation; commercial applications include the Elkhorn Golf Course and Dollar Mountain snowmaking.

d. A brief history of the sponsoring entity.

Elkhorn Resort was built in the early 1970s with the construction of Elkhorn Village and the Elkhorn Golf Course in the hills above Sun Valley. Located within the city limits of Sun Valley, many homes and condominiums were constructed in Elkhorn as the sister resort to Sun Valley. Part of this expansion by Elkhorn developers, RecreActions, included the construction of the "Willow tennis courts" in 1972 as well as the construction of "The Ranch" Condominiums.

SVEA was formed on June 19, 1972. As popularity of the Elkhorn area increased during the late 1970s, the early Board members of the Association anticipated the need for additional recreational

facilities, thus the creation of the Harker Center, near the location of the Willows Tennis Courts and the Ranch Condominiums. In late 1981, a vote of the membership was taken to construct the Harker Center building and swimming pool. Construction began in the summer of 1982 and was completed in July of 1983. This facility includes an additional nine asphalt tennis courts (newly constructed in 1992), a six-lane, 25 yard, 250,000 gallon pool (with diving well), hot tub, sauna, wading pool and restroom, the Patty Rosewater Park, along with an owners' lounge and the administrative offices for the Association.

e. Identification of revenue sources (existing service charges, taps fees, share assessments, etc.).

SVEA is a non-profit homeowners association whose revenues are generated from member payments. There are 1,630 property owners contributing \$674 annually to maintain shared recreational facilities, a public park and common area trail amenities benefiting all Sun Valley Elkhorn Association members. The total budget of SVEA for 2015 was \$1.1 million.

f. A description of the existing water supply facilities owned and/or operated by the entity.

Sun Valley Elkhorn Association does not own, maintain or control any water supply facilities; however, domestic and irrigation water is supplied by the Sun Valley Water & Sewer District. Formed in 1967 the District boundaries encompass the City of Sun Valley and some surrounding development. The Elkhorn drainage has no intrinsic water supply, and all water for Elkhorn is delivered from the Elkhorn well field through a three mile long transmission pipeline. As development in Elkhorn increased, more wells were added until the capacity of the transmission main was reached. The District, in conjunction with the City of Ketchum, constructed wastewater reuse facilities, and installed a reuse transmission main, booster pump, and storage facilities to supply the Elkhorn Golf Course the largest user of irrigation water.

2.3 Water Rights

2.3.1 Water Availability

The Grant Document should provide a detailed description and analysis of each water supply source to be utilized by the proposed project. A brief description of existing source may be adequate for projects that involve only rehabilitation of existing facilities. Each source of supply should be described in terms of location, yield, extent of development and water right status.

Sun Valley Water and Sewer District has a portfolio of ground water rights with priority dates ranging from 1936 to 2005. All of these rights are subject to a "call" from senior surface water right holders. The District is actively working toward mitigation of potential curtailment. The District's rights are municipal in nature so all points of diversion share the same point of use. This allows some flexibility in the place and timing of use. A new well is the pre-construction stage, which, combined with a newly completed reservoir, will create a new south end sub system. This will further free up capacity on the Elkhorn mainline serving SVEA and their members.

The District is required by the Division of Environmental Quality DEQ to have a Master Plan for future capacity to meet build out. Additionally, the District and the City of Ketchum, partners in the Wastewater Treatment Plant, are required to plan twenty years into the future,

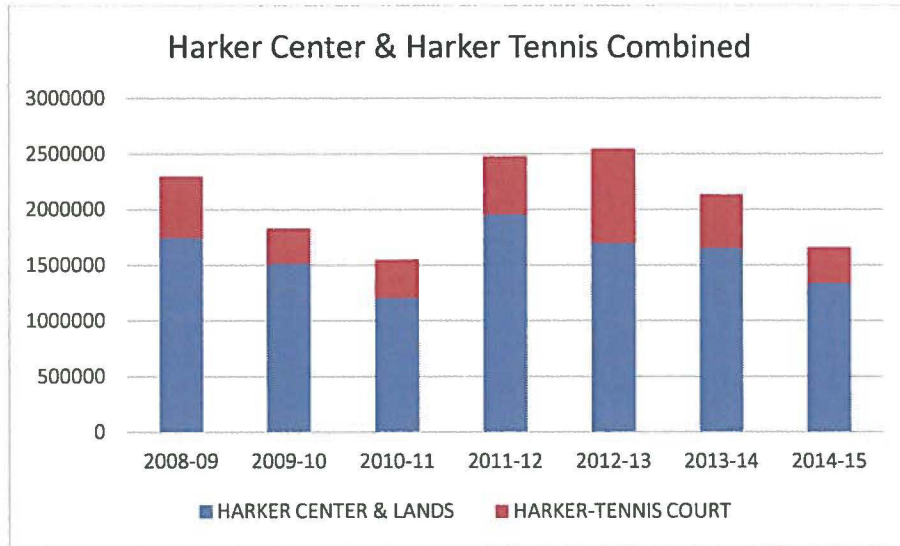
Elkhorn is nearing this "build out" status with only 2 multi-family parcels, and a limited number of residential lots remaining undeveloped.

Completion of the District's Reuse System effectively added .75 million gallons daily (MGD) of available water to the Elkhorn sub-system.

2.3.2 Water Supply Demand

Existing and future water demands are analyzed as well as the adequacy of water rights/existing yields, and water demand and the availability are compared. The demands should look at a time period of 15 years minimum in most cases.

Following is graph of water consumption for the past seven years for the Harker Center area.



Based on this Harker Center historical information as it relates to SVEA’s water consumption, projections for the next 15 years would suggest potential water reductions totaling in excess of 30 million gallons for SVEA. While the Harker Center represents a small portion of the overall area consumption, if by our example and educational outreach program we can influence members and approach or exceed the 70 million gallons annual estimated reduction, this would translate to over 1 billion gallons over 15 years.

2.4 Project Description

This section documents the project.

2.4.1 Project Description

A detailed description of the *Project* should be provided and should include the following:

a. Project Description – A narrative description of project components and operation to indicate how the entire project will function.

SVEA is seeking to retrofit its existing irrigation system located at the Harker Center at Elkhorn in Sun Valley, nearby Patty Rosewater Park and surrounding common areas. The purpose of this retrofit is to conserve ground water and to ensure efficiency in sprinkler irrigation of the area.

This system upgrade project would keep the main irrigation infrastructure in place, and adjust, move and upgrade nearly 200 existing sprinkler heads and split or add up to 5 or 6 zones to assist with Distribution Uniformity in all areas. The project involves six main tasks:

Task 1 involves adjusting sprinkler head spacing of approximately 60 sprinkler heads in the play field and tennis court area, another 80 sprinkler heads around the Harker Center itself, and another 60 heads in the swimming pool area near the parking lot. Ensuring that these 200 sprinklers are uniformly spaced and distributed will greatly decrease overwatering and consumptive use of sprinkler irrigation of the area.

Task 2 involves upgrading the existing spray heads and some rotor heads to water saving sprinkler MP Rotator nozzles that feature unique, multi-trajectory rotating streams that deliver water at a steady rate. This slower application rate allows water to gently soak in at rates that the soils can absorb, increasing water savings up to 30%. The project also includes the installation of Hunter Pro-Spray bodies with check valves. These check valves will hold back drainage caused by 10 ft. of elevation change. By preventing pipes from draining out at the lowest spray head, the check valves protect against wasted water.

Task 3 involves the installation of a Hunter I-Core auto-adjusting smart controller system with state of the art flow monitoring. Installation of a “smart controller” is integral to our goal of increasing efficiency and saving ground water. In addition, the project involves installation of a Solar Sync ET weather sensor that calculates evapotranspiration



(ET) and adjusts Hunter controllers daily based on local weather conditions. Evaporation accounts for the movement of water to the air from sources such as the soil, canopy interception, and bodies of water. The system will measure sunlight and temperature, and uses ET to determine the correct seasonal adjustment percentage value to send to the controller. The controller then uses its programmed run time and adjusts to Solar Sync’s seasonal adjustment value to modify the actual irrigation run time for that day.

Task 4 will take place one year after system installation and involves any follow-up programming and adjustments to ensure the project is achieving its intended results.

This irrigation upgrade is designed to save approximately 30% or more on water usage annually after the 1st year of adjustments (results could be as high as 40-50% water savings with proper seasonal programming and follow through as well as maintaining a higher grass blade length on weekly mowing.

Task 5 will be to adjust current landscaping practices allowing for taller grass and promoting deeper root penetration. Adjusted lawn care practices will aid in healthier drought tolerant lawn further reducing required irrigation to maintain desired appearance. The introduction of drought resistant native grasses in lieu maintained lawn areas where practical to be reviewed and considered further enhancing long term water conservation sustainability.

Task 6 involves marketing and publicizing the project outcomes within the Blaine County community. The District will monitor and report water usage and resulting savings. SVEA, the District, and the Institute will then together develop the informational resources for sharing the case study more broadly. SVEA will use a variety of internal channels to reach its membership, increase knowledge on current consumption levels and encourage behavioral changes. SVEA staff and volunteers will present the project educate the membership at regular membership and board meetings as well as the annual picnic. SVEA will encourage similar smaller scale projects by individual SVEA homeowners and sub-associations through promotion in the SVEA quarterly newsletters as well as the SVEA website. Inserts in the annual billing statements also provide opportunities to encourage homeowners and sub-associations to take similar steps.

The District and the Institute will showcase this project to the larger Blaine County community. The District will share it with other valley municipalities, the Wood River Water Collaborative, the Galena Ground Water District, and Water District 37. The Institute will reach out to its network including several hundred local community members and also engage its organizational partners (www.sunvalleyinstitute.org/partners) so they may contact their networks to share the case study. The Institute will also host, in collaboration with the project partners, a public forum for the community to learn about the project, its impact and how it can be replicated and otherwise built upon by individuals, local governments, homeowners associations, and others. The Institute will also work with student groups and school groups within Blaine County to take on the task of educating the public about lawn irrigation water conservation and the value of installing “Smart” irrigation systems that decrease overwatering and of adjusted lawn care practices that will enhance long term water conservation.

The success of the project will be publicized through local media, and information mailers will be included in the District's quarterly billings.

Finally, the parties to this grant and other interested parties are considering building on this case study to collaborate in the development of a landmark program called the Billion Gallon Project (BGC). Initiated by Mountain High Landscapes owner John Balint as a partnership between local landscaping companies and the Sawtooth Botanical Garden, the BGC aims to save 1 billion gallons of domestic irrigation water in the next four years through an increased use of smart irrigation systems and techniques. This pilot project by SVEA could become the poster child and catalyst to kickoff and accelerate similar water saving projects throughout Blaine County.

b. Map – A map of the entire project area showing the locations of existing and proposed project components and other features like streams, canals, flood plain etc.

Please see Appendix B for an aerial view of the layout of the Harker Center and a map of Sun Valley vicinity locating the project area

c. Conceptual Plan/Cross Section – Layout and cross-section for each major structure to include dimensions and hydraulic properties. Profile and typical sections for canals and pipelines with water surface and hydraulic gradeline elevations.

N/A

d. Conceptual Design Features – Hydraulic, hydrologic, and structural design criteria for all proposed facilities including:

- ☐ Sizing for all hydraulic features such as canals, pipelines, pumping plants, outlet works, etc. with associated energy losses where applicable.
- ☐ Number, size and operating characteristics of pumping units.
- ☐ Number, size and operating characteristics of variable speed drives.
- ☐ Other site factor that require special consideration.
- ☐ Right-of-Way/Land – Land and right-of-way requirements for the proposed project and a tabulation of land ownership at the site of the proposed project.

Please see Appendix C for a Conceptual Design of the Harker Center Smart Irrigation system. Appendix C is submitted as a separate attachment because of the file size.

2.4.2 Cost Estimate

Provide a detailed estimate for all capital costs of the project implementation such as engineering design, construction inspection, administrative and legal cost, land and right-of-way acquisition, relocation costs, construction costs, financing costs, and a contingency costs and total costs.

Please see Appendix D for a detailed cost estimate for the capital costs of the Harker Center Smart Irrigation System.

2.4.3 Implementation Schedule

Provide a project implementation schedule showing the beginning and completion dates for all activities required for the project implementation to include but not limited to permits, design, contracts, land and right-of-way acquisition, and construction.

The project will be initiated in April 2016, weather permitting. Installation will be complete by May 15, 2015. Landscaping, programming adjustments, and education components to this project will be ongoing. The pilot project will be completed by October 2017 with a thorough evaluation of cost savings over two seasons. Please see the following table for a summary of all task activities and their estimated beginning and ending dates:

#	Task Description	Beginning	Ending
1	Adjust sprinkler head spacing and verify distribution uniformity	April 2016	May 2016
2	Install water saving sprinkler nozzles and check valves	April 2016	May 2016
3	Install "Smart" controller system with ET weather sensor	April 2016	May 2016
4	One year follow-up programming and adjustments	May 2017	May 2017
5	Adjust landscaping practices	May 2016	October 2017
6	Public Education	July 2016	October 2017

2.5 Financial Feasibility Analysis

This section documents the financial feasibility of the project. It provides a description of finances to be used in addition to the IWRB Grant.

☐ **Grant Amount** – Discuss the total project costs and the amount of the IWRB Grant requested.

The total costs for this project will be approximately \$36,000. This will include approximately \$30,000 for the installation of the Harker Center Sprinkler System including equipment costs and labor (See Appendix D). Additionally, the project will have approximately \$6,000 in education costs to market and publicize the project to the members of the SVEA, the customers of the District, and the greater population of the Wood River Valley.

The amount of the IWRB Grant requested is \$12,212.00.

☐ **Financing Sources**– Identify other sources of financing for the grant, in-kind or financial.

The following table summarizes how the grant will be financed through financial contributions and in-kind contributions.

SVEA Smart Sprinkler System - Project Budget		
SVEA Cash Contribution	\$15,000	
SVWSD Cash Contribution	\$5,000	
Cash to Project		\$20,000
SVEA - In Kind 80 hours @ \$21.40/hour	\$1,712	
SVEA - In Kind Contribution - Inserts Design and Printing	\$500	
SVWSD - In Kind Contribution - Inserts Design and Printing	\$500	
Institute - In Kind 80 hours @ \$21.40/hour	\$1,712	
In-Kind to Project		\$4,424
Subtotal Cash and In Kind	\$24,424	
IDWR Grant @2 for 1 ratio	\$12,212	
Total Project costs		\$36,636

2.6 Grant Request and Submittals

The following is a list of documents that should be included with the Grant request:

- A cover letter requesting grant funding.
- A completed Grant application with all information filled in. Incomplete applications will be returned to the sponsor and no action will be taken by the IWRB staff toward processing the Grant.

c. The Grant Document which is submitted for staff review and comment. Grant Document should have Appendices that include technical information about the project, design drawings and maps, by laws of the applicant, copy of easement(s) if required and financial statement.

Appendix A

Project Partner Profiles

Sun Valley Water and Sewer District

The Sun Valley Water and Sewer District is the water supply utility providing sewer and water services to residents of the City of Sun Valley. The District is deeply involved in long term planning to reduce the amount of water used for landscape irrigation. Water is the common bond that brings together Sun Valley's diverse population. Properly managing water resources continues to be critical to our overall quality of life.

Sun Valley Institute for Resilience

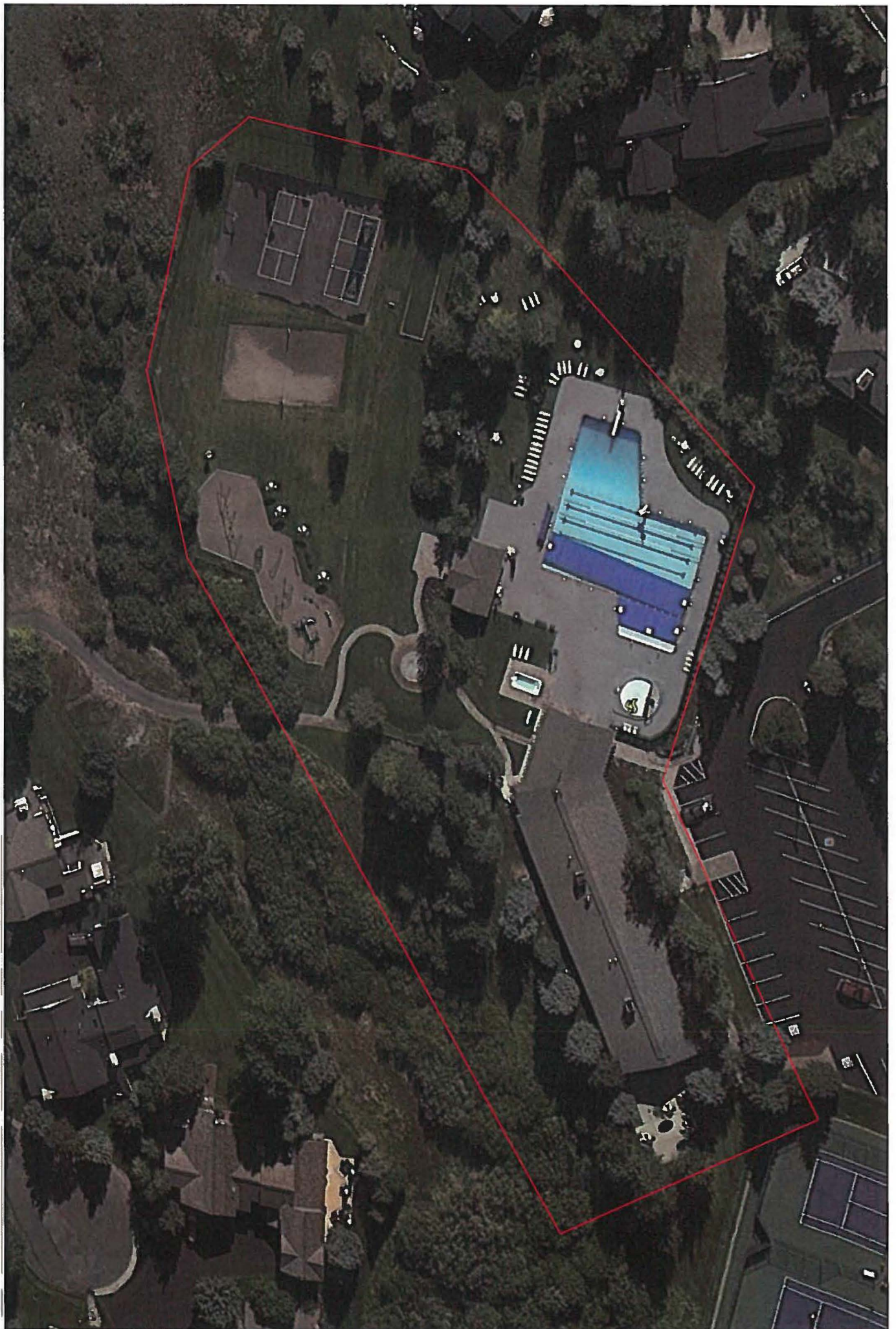
Leaders in the Wood River Valley of Idaho founded the Sun Valley Institute for Resilience (the Institute) in the Spring of 2015 to ensure the prosperity of this special place for future generations of residents and visitors alike, and to serve as a resource for vulnerable communities everywhere. In partnership with leading foundations, academic institutions, corporations and nonprofits, the Institute brings together local and global resources and expertise both to strengthen the Sun Valley area's ability to anticipate, reduce the impacts of and recover more quickly from harm to local quality of life, whether as a result of environmental changes or global economic downturns, as well as to serve as a global resource to increase resilience far beyond our community. The concept of resilience is receiving great attention from individuals, businesses, communities and nations alike. The Wood River Valley community is prioritizing resilience to strengthen the area's ability to bounce back from harm to the local economy, whether from wildfires, poor snowfall or global economic conditions. Addressing these risks—including from energy insecurity, water scarcity, food availability and costs, and by investing in greater resilience through critical infrastructure such as for communications and housing—is key to preserving the region's quality of life. From the original Native American inhabitants to the miners and ranchers of the valley's early days, from the Union Pacific engineers who built the world's first chairlift to those who challenge themselves in its mountains and rivers today, Sun Valley is about history and tradition, grit and perseverance, well-being and quality of life. The risks, assets and values of Sun Valley make it the perfect home for an institute dedicated to resilience.

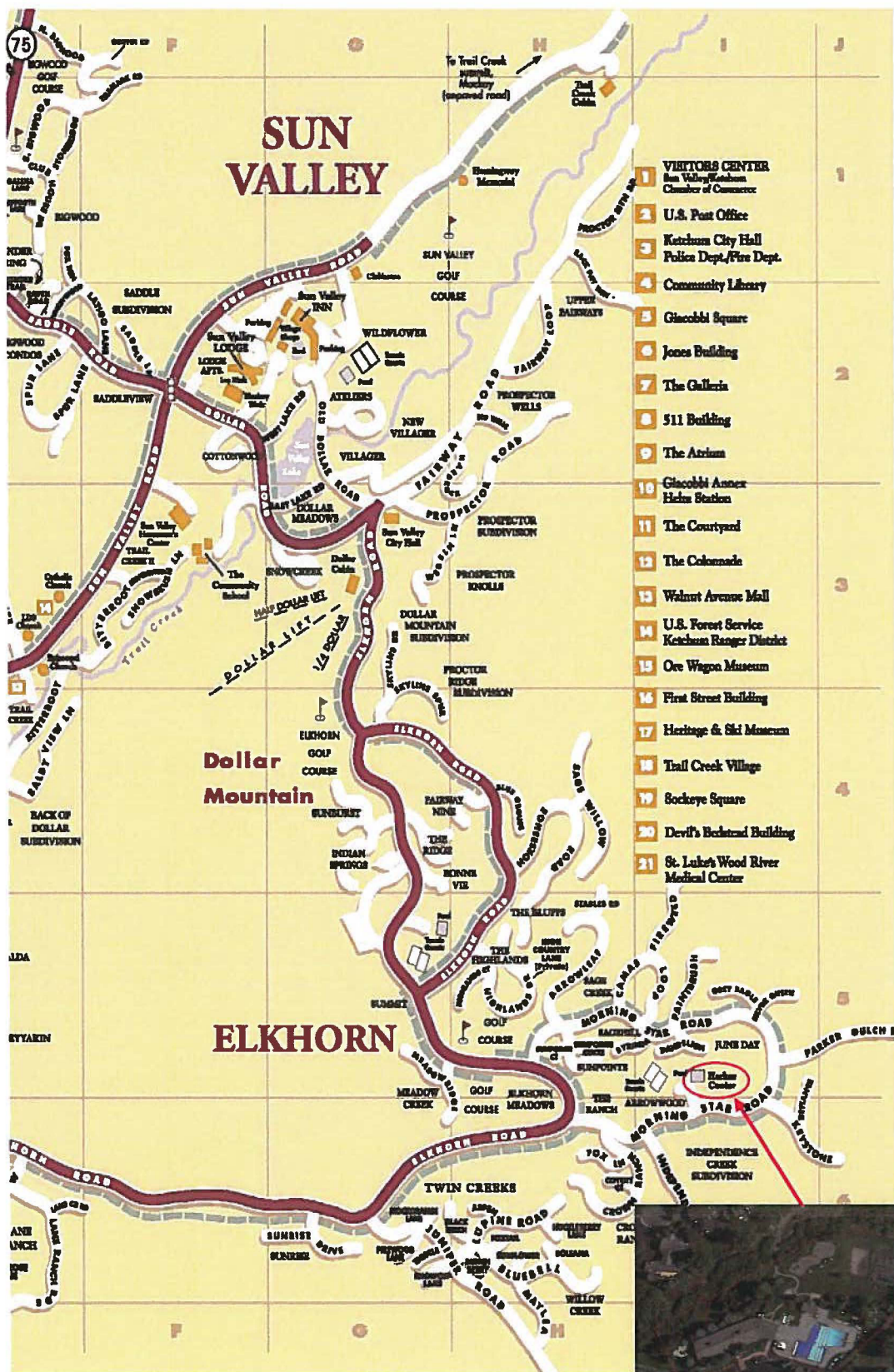
Mountain High Landscapes

Mountain High Landscapes and owner, John Balint, is spearheading a project in Blaine County called the Billion Gallon Project, a partnership four years in the making between local landscaping companies and the Sawtooth Botanical Garden. It aims to save 1 billion gallons of domestic irrigation water in the next four years through an increased use of smart irrigation systems and techniques. Balint, chair of Sawtooth Botanical Garden's board of directors, has corralled other board members, local landscape contractors, irrigation suppliers, environmental nonprofits, municipalities and homeowners to recognize the importance of this initiative and to support the idea of everyone stepping up their games to save water.

Appendix B

Project Area Maps





Appendix C

Conceptual Design Drawing Harker Center Smart Irrigation System



BILLION GALLON PROGRAM

HAZARD CENTER IRRIGATION UPGRADE

UPGRADE TO WATER EFFICIENT HEADS

- EVALUATE HEAD SPACING, ATTAIN DISBURSING UNIFORMITY, INSTALL SMART CONTROL SYSTEM, MONITOR AND UPDATE PROGRAMMING

Appendix D

Detailed Cost Estimate Harker Center Smart Irrigation System

Mountain High Landscapes

P.O. Box 10093
Ketchum, ID 83340

Phone # 208-720-9435 john@mountainhighlandscapes.com

Estimate

Date	Estimate #
11/21/2015	107A

Name / Address
Harker Center Elkhorn C/O: Chuck Williamson 720-2226

			Project
Description	Qty	Rate	Total
Harker Center Irrigation Upgrade			
1. Layout and Move heads necessary to provide equal spacing and Distribution Uniformity			
A. Move (60) heads in play field and court area @5' each x 1.5hours of labor each	90	50.00	4,500.00
B. Move (80) heads around Harker Center @5' each x 1.5 hours of labor each	120	50.00	6,000.00
C. Move (60) heads around pool area up to parking area @5' each x 1.5hours each	90	50.00	4,500.00
2. Upgrade spray heads and some rotor heads to MP Rotary nozzles and Hunter Pro-Spray bodies with check valves			
New heads and nozzles	100	25.00	2,500.00
Miscellaneous pipe and fittings for head extensions	175	6.00	1,050.00
Miscellaneous pipe, fittings, valves, wiring for 5 additional zones	1	3,000.00	3,000.00
Labor for 5 additional/retrofit zones	1	3,000.00	3,000.00
3. New Hunter I-Core controller with Solar Sync smart control system			
Hunter I-Core controller, modules, Solar Sync, wiring	1	1,000.00	1,000.00
Installation and programming labor	1	1,000.00	1,000.00
4. Miscellaneous and Contingency			
Additional Labor, cleanup, follow up visits, possible overages	1	3,000.00	3,000.00
** This Irrigation Upgrade is designed to save approximately 30% or more on water usage annually after the 1st year of adjustments (results could be as high as 40-50% water savings with proper seasonal programming and follow through as well as maintaining a higher grass blade length on weekly mowings). **			
Total			\$29,550.00

Appendix E

Sun Valley Elkhorn Association Bylaws

Sun Valley Elkhorn Association, Inc.



Bylaws

Amended and Restated December 30, 2008

P. O. Box 1708 * Sun Valley, ID 83353 * 208-622-7420 * Fax 208-622-3215

Email svea@cox-internet.com

Web-site www.elkhorn-assoc.org

**AMENDED AND RESTATED BYLAWS
OF
SUN VALLEY ELKHORN ASSOCIATION, INC.**

**ARTICLE I
FORMATION OF THE ASSOCIATION**

Section 1. Formation.

On June 19, 1972, the Association was organized as an Idaho nonprofit corporation by executing and delivering the Articles of Incorporation to the Idaho Secretary of State in accordance with and pursuant to the Act.

Section 2. Registered Office.

The registered office of the Sun Valley Elkhorn Association, Inc. (the "**Association**") required by the Idaho Nonprofit Corporation Act ("**Act**") to be continuously maintained in the state of Idaho may, but need not, be the same as any of its principal places of business in the state of Idaho. In any case, the Association's registered office shall be the business office of the registered agent required by the Act to be continuously maintained in the state of Idaho. The address of the registered office may be changed from time to time by the Board of Directors or the President of the Association by delivering a statement to the Idaho Secretary of State containing the information required by the Act or by indicating such change in the annual report required by the Act to be filed with the Secretary of State.

Section 3. Principal Office; Other Offices.

The principal office of the Association shall be The Harker Center, 1 Harker Lane, Sun Valley, Idaho. The Association may also have and maintain an office or principal place of business in Idaho, or at such other place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the state of Idaho, as the Board of Directors may from time to time determine or the business of the Association may require.

Section 4. Corporate Seal.

The Association may have a corporate seal, which may be altered at will by the Board of Directors. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

Section 5. Declaration.

The "Declaration" shall mean, collectively, the Master Declaration of Covenants, Conditions and Restrictions of Elkhorn At Sun Valley recorded in the records of Blaine County, Idaho on March 24, 1972 as Instrument No. 14929 and any amendments or supplements recorded or to be recorded pursuant thereto, and applicable to the property located in the County of Blaine, State of Idaho, legally described as set forth in Exhibit "A" to the Declaration.

Section 6. Other Definitions.

Each and every definition set forth in ARTICLE I of the Declaration shall have the same meaning herein as therein, and each and every such definition is incorporated by reference herein and made a part hereof.

**ARTICLE II
MEMBERSHIP; VOTING RIGHTS**

The qualification for membership, the classes of membership and the voting rights of Members shall be as set forth in ARTICLE VI of the Declaration, all of which are hereby incorporated by reference herein as if set forth in full.

ARTICLE III VOTING

1. The corporation shall not issue any capital stock, but shall issue membership certificates to each Member hereof, including Grantor, under the terms and conditions hereinafter set forth. Each Owner (including Grantor) of a Lot or Condominium, by virtue of being such an Owner and for so long as he is such an Owner shall be deemed a Member of the Master Association. The Master Association membership of each Owner (including Grantor) shall be appurtenant to said Lot or Condominium and shall not be transferred, pledged or alienated in any way except upon the transfer of title to said Lot or Condominium, and then only to the transferee of title to said Lot or Condominium. Any attempt to make a prohibited transfer shall be void. Any transfer of title to said Lot or Condominium shall operate automatically to transfer said membership to the new Owner thereof.

In the event of dispute as to membership the ownership of such Lot and/or Condominium as shown in the public records of the County of Blaine, State of Idaho shall be determinative.

The names, names or entity under which membership appears on the books and records of the corporation shall be maintained until such time as satisfactory evidence of a change in membership is presented to the Secretary.

Members of the Master Association may vote either in person or by proxy provided that all proxies shall be in writing, signed by the Members and filed with the Secretary twenty-four (24) hours before the time appointed and scheduled for the meeting at which such vote shall be taken.

The members shall be permitted to enter into voting agreements containing such terms, provisions and for such duration as they may in their judgment deem necessary or convenient to accomplish and achieve the purposes and objectives of the Master Association.

2. VOTING.

A. Number of Votes. The Master Association shall have two classes of voting membership:

Class A. Class Members shall originally be all Owners with the exception of Grantor, and shall be entitled to one vote for each Lot and/or Condominium Owned. Grantor shall become a Class A member with regard to Lots or Condominiums owned by Grantor in a particular Tract or Condominium Project upon the conversion of Grantor's Class B membership to Class A membership with regard to that Tract or Condominium Project as provided herein below. The Owner of each Lot or Condominium in Elkhorn may, by notice to the Association, designate a person (who need not be an Owner) to exercise the vote for such Lot or Condominium. Said designation shall be revocable at any time by notice to the Association by the Owner. Such powers of designation and revocation may be exercised by the guardian of an Owners' estate or by his conservator, or in the case of a minor having no guardian, by the parent entitled to his custody, or during the administration of an Owners' estate by his executor or administrator where the latter's interest in said property is subject to administration in his estate.

Class B. The Class B member shall be Grantor. Upon the first sale of a Lot or Condominium to an owner in each Tract or Condominium Project, Grantor shall thereupon be entitled to three (3) votes for each Lot in that Tract or each Condominium in that Condominium Project owned by Grantor. As to each Tract and Condominium Project, the Class B membership shall cease as to that Tract or Condominium Project and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(1) When the total votes outstanding in the Class A membership for that tract or Condominium Project equal the total votes outstanding in the Class B membership for that Tract or Condominium Project, or

(2) Two years from the date of the issuance of the most recent Public Report by the California Commissioner of Real Estate for a tract or Condominium Project within Elkhorn (but only if such a Public Report has ever been issued, otherwise this sub-paragraph (2) shall not apply), or

(3) Five (5) years from the first sale to an Owner of a Lot or Condominium in that Tract or Condominium Project to an Owner.

B. Joint Owner Disputes. The vote for each such Lot or Condominium shall, if at all, be cast as a unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Lot or Condominium, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Lot or Condominium.

C. Meetings of Owners. There shall be a meeting of the Owners on the 30th day of December of each year at 4:00 o'clock P.M. at Elkhorn, or at such other reasonable place or time (not more than thirty (30) days before or after such date) as may be designated by notice of the Board given to the Owners not less than seven (7) nor more than sixty (60) days prior to the date fixed for said meeting. A special meeting of the Owners may be called at any reasonable time and place by special meeting of the Owners may be called at any reasonable time and place by notice of the Board or by the Owners having one-fifth (1/5) of the total votes and delivered to all other Owners not less than fifteen (15) days prior to the date fixed for said meeting. The presence at any meeting, in person or by proxy, of the Owners entitled to vote at least a majority of the total votes shall constitute a quorum. If any meeting cannot be held because a quorum is not present, the Owners present, either in person or by proxy, may, as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours no more than thirty (30) days from the time the original meeting was called, at which meeting the quorum requirement shall be the Owners entitled to vote at least twenty-five percent (25%) of the total votes. The president of the Association (or the vice president in his absence) shall act as chairman of all meetings of the Owners and the secretary of the Association (or an assistant secretary thereof in his absence) shall act as secretary of all such meetings. Except as otherwise provided herein, any action may be taken at any meeting of the Owners upon the affirmative vote of the Owners having a majority of the total votes present at such meeting in person or by proxy; provided, however, that the members of the Board shall be elected by cumulative voting as provided in Section 6.03D. At each annual meeting, the Board shall present a written statement of the Elkhorn Maintenance Fund, itemizing receipts and disbursements for the preceding calendar year and the allocation thereof to each Owner. Within ten (10) days after the date set for each annual meeting, the assessment statement shall be delivered to the Owners not present at said meeting.

D. Cumulative Voting. In any election of the members of the Board, every Owner (including Grantor) entitled to vote at such an election shall have the right to cumulate his votes and give one candidate, or divide among any number of the candidates, a number of votes equal to the number of votes to which that Owner is entitled in voting upon other matters multiplied by the number of directors to be elected. The candidates receiving the highest number of votes, up to the number of the Board members to be elected, shall be deemed elected.

E. Transfer of Voting Right. The right to vote may not be severed or separated from the ownership of the Lot or Condominium to which it is appurtenant, except that any Owner may give a revocable proxy, or may assign his right to vote to a lessee or Beneficiary of the Lot or Condominium concerned, for the term of the lease or Deed of Trust, and any sale, transfer or conveyance of such Lot or Condominium to a new Owner or Owners shall operate automatically to transfer the appurtenant vote to the new Owner, subject to any assignment of the right to vote to a Lessee or Beneficiary as provided herein.

F. Removal of Directors. Any Director may be removed from office by a vote of a majority of the members entitled to vote at an election of directors; provided, however, that unless the entire Board is removed, an individual director shall not be removed if the number of votes cast against his removal exceeds the quotient arrived at when the total number of votes cast is divided by one plus the authorized number of directors. If any or all directors are so removed, new directors may be elected at the same meeting.

ARTICLE IV MEMBERS' MEETINGS

Section 1. Time, Place and Notice of Meetings.

The time, place and notice of annual and special meetings of Members, and the requirements for notice thereof, shall be as set forth in Section 2C of ARTICLE III of these bylaws. If no place is designated by the Board of Directors or if a special meeting be called otherwise than by or at the direction of the Board of Directors, the place of meeting shall be the principal office of the Association.

Section 2. Waiver of Notice.

Notice of any meeting of Members may be waived in writing, signed by the person entitled to notice thereof and delivered to the Association for inclusion in the corporate minutes or filing with the corporate records, either before or after the date and time stated in the notice. A Member's attendance at a meeting waives objection to lack of notice or defective notice of the meeting unless the Member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and further waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice unless the Member objects to considering the matter when it is presented. Any Member so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice hereof had been given.

Section 3. Adjournment and Notice of Adjourned Meetings.

Any meeting of Members at which a quorum is present, whether annual or special, may be adjourned from time to time by the vote of a majority of the votes entitled to be cast at the meeting not less than forty-eight (48) hours nor more than thirty (30) days from the time the original meeting was called. If an annual or special Members' meeting is adjourned to a different date, time or place, notice need not be given of the new date, time or place if the new date, time or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed, however, notice of the adjourned meeting must be given under this Section to persons who are Members as of the new record date. At the adjourned meeting the Association may transact any business which might have been transacted at the original meeting provided that the quorum requirement at the adjourned meeting shall be at least twenty-five percent (25%) of the votes entitled to be cast in person or by proxy.

Section 4. Proxies.

A Member may appoint a proxy to vote or otherwise act for the member by signing an appointment form or by an electronic transmission, either personally or by the member's attorney-in-fact. The electronic transmission must contain or be accompanied by information from which one can reasonably verify that the Member, the Member's agent, or the Member's attorney-in-fact authorized the transmission. An appointment of proxy is effective upon receipt, when filed with the Secretary twenty-four (24) hours before the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the appointment form, but in no event can a proxy be valid for more than three (3) years. An appointment of a proxy is revocable in accordance with the provisions of the Act. The death or incapacity of the Member appointing a proxy does not affect the right of the Association to accept the proxy's authority unless notice of the death or incapacity is received by the inspector of election or the officer or agent of the Association authorized to tabulate votes before the proxy exercises the proxy's authority under the appointment. Subject to the acceptance of votes and to any express limitation on the proxy's authority stated in the appointment form or electronic transmission, the Association is entitled to accept the proxy's vote or other action as that of the Member making the appointment. Proxy voting shall not be permitted when Member votes are solicited by written ballot to be cast without a meeting.

Section 5. Voting Rights.

Except as otherwise provided by law, only persons in whose names Membership appears on the records of the Association on the record date, shall be entitled to vote on any matter. Unless the Articles of Incorporation provide otherwise, each Member is entitled to one (1) vote on each matter voted on at a Members' meeting. If a quorum exists, action on a matter, other than the election of directors, is approved if the votes cast favoring the action exceed the votes cast opposing the action, unless the Articles of

Incorporation or the Act require a greater number of affirmative votes. In any election of the Members of the Board, every Member entitled to vote at such election shall have the right to cumulate his votes and give one candidate, or divide among any number of candidates, a number of votes equal to the number of votes to which that Member is entitled in voting upon other matters multiplied by the number of directors to be elected.

Section 6. Association's Acceptance of Votes.

(a) If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a Member, the Association if acting in good faith is entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the Member.

(b) If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the name of its Member, the Association if acting in good faith is nevertheless entitled to accept the vote, consent, waiver, or proxy appointment and give it effect as the act of the Member if:

(i) The Member is an entity and the name signed purports to be that of an officer, partner, manager, trustee, or agent of the entity;

(ii) The name signed purports to be that of an administrator, executor, guardian, or conservator representing the Member and, if the Association requests, evidence of fiduciary status acceptable to the Association has been presented with respect to the vote, consent, waiver, or proxy appointment;

(iii) The name signed purports to be that of a receiver or trustee in bankruptcy of the Member and, if the Association requests, evidence of this status acceptable to the Association has been presented with respect to the vote, consent, waiver, or proxy appointment;

(iv) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the Member and, if the Association requests, evidence acceptable to the Association of the signatory's authority to sign for the Member has been presented with respect to the vote, consent, waiver, or proxy appointment;

(v) Two or more persons are the Member as co-tenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners.

(c) The Association is entitled to reject a vote, consent, waiver, or proxy appointment if the inspector of election or the officer or agent of the Association authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Member.

Section 7. List of Members.

After fixing a record date for a meeting, the Association shall prepare an alphabetical list of the names of all its Members who are entitled to notice of such meeting. The list must show the address and the number of votes each Member is entitled to. The Members' list must be available for inspection by any Member, beginning two (2) business days after notice of the meeting is given and continuing through the meeting, at the Association's principal office or at a place identified in the meeting notice in the city where the meeting will be held. A Member, a Member's agent, or attorney is entitled on written demand to inspect and, subject to the requirements of the Act, to copy the list, during regular business hours and at the Member's expense, during the period it is available for inspection. The Association shall make the Members' list available at the meeting; and any member, member's agent, or attorney is entitled to inspect the list at any time during the meeting or any adjournment. Refusal or failure to prepare or make available the Members' list does not affect the validity of any action taken at the meeting.

Section 8. Conduct of Meeting.

At every meeting of Members, the Chairman, or, if a Chairman has not been appointed or is absent, the President or, if the President is absent, the most senior executive officer present, or in the absence of any such officer, a chairman of the meeting chosen by a majority in interest of the Members entitled to vote, present in person or by proxy, shall act as chairman. The Secretary shall act as secretary of the meeting.

The order of business shall be as determined by the Board. The meeting shall employ parliamentary procedure, as determined and adopted by the Board.

Section 9. Action without Meeting.

Action required or permitted by the Act to be taken at a Members' meeting may be taken without a meeting if the action is taken by more than fifty percent (50%) of the Members entitled to vote on the action. No written consent shall be effective to take the corporate action unless, within sixty (60) days of the earliest date appearing on a consent delivered to the Association in the manner required by Section 30-3-49, Idaho Code, written consents signed by more than fifty percent (50%) of the Members entitled to vote on the action are received by the Association. The action must be evidenced by one (1) or more written consents bearing the date of signature and describing the action taken, signed by more than fifty percent (50%) of Members entitled to vote on the action, and delivered to the Association for inclusion in the minutes or filing with the corporate records. A consent signed under this Section has the effect of a meeting vote and may be described as such in any document.

Section 10. Nomination of Directors.

Nominations of persons for election to the Board of Directors of this Association at the annual meeting of Members may be made at such meeting by or at the direction of the Board of Directors, or by any nominating committee or person appointed by the Board of Directors. At such election, the Members, or their proxies, may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of these Bylaws. The candidates receiving the highest number of votes shall be deemed elected.

ARTICLE V DIRECTORS

Section 1. Powers.

All corporate powers shall be exercised by or under the authority, and the business and affairs of the Association shall be managed by or under the direction, of the Board of Directors, subject to any limitations set forth in the Articles of Incorporation or any agreement authorized under the Act.

Section 2. Variable Range-Size Board; Qualifications.

The authorized number of directors of the Association may range between three (3) and nine (9), and the number of directors may be increased or decreased from time to time by amendment to or in the manner provided by law or in these Bylaws by the Board of Directors or the Members. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. A director need not be a resident of the state of Idaho or a Member of the Association unless so required by the Articles of Incorporation. If for any cause the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the Members called for that purpose in the manner provided by law or in these Bylaws.

Section 3. Term.

Directors' terms shall be staggered. Directors are elected at each annual meeting of the Members, and shall serve a term of three (3) years. Despite the expiration of the director's term, a director shall continue to serve until the director's successor is duly elected and qualified, or until there is a decrease in the number of directors, or until the director's earlier death, resignation or removal. No director shall be elected for more than two (2) consecutive three year terms. A director who has served two (2) consecutive three year terms may be reelected after remaining off the Board of Directors for a one (1) year period of time.

Section 4. Resignation.

A director may resign at any time by delivering written notice to the Board of Directors, its chairman, or the Association. A resignation is effective when the notice is delivered unless the notice specifies a later

effective date, in which event the resignation shall become effective at such later time. Unless specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective.

Section 5. Removal by Members.

The Members may remove one (1) or more directors with or without cause. A director may be removed only by a majority vote of the Members entitled to vote. In any action to remove a director or directors each Member shall be entitled to cumulate his or her votes. A director may be removed by the Members only at a meeting called for the purpose of removing the director; and the meeting notice must state that the purpose, or one of the purposes, of the meeting is removal of the director.

Section 6. Removal by Board.

The Board shall have the power and authority to remove a director with cause by the vote of two thirds ($\frac{2}{3}$) of the directors then in office and subject to the provisions of Section 30-3-70, Idaho Code, and declare his or her position vacant if he or she: (i) has been declared of unsound mind by a final court order; (ii) has been convicted of a felony; (iii) fails to attend two consecutive regular meetings of the Board of Directors that have been duly noticed and regularly scheduled; or (iv) becomes more than sixty (60) days delinquent in payment of any assessment.

Section 7. Removal Arising Out of Court Action.

In the event that there is a final judgment or order of any court concluding that a director has breached his or her duties, the Board shall consult with counsel as to whether or not that court determination requires a declaration of vacancy.

Section 8. Newly Created Directorships and Vacancies.

Newly created directorships resulting from any increase in the number of directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause may be filled by the affirmative vote of a majority of the remaining directors then in office even if they constitute fewer than a quorum of the authorized Board of Directors, or may be filled by the Members. A director elected to fill a vacancy shall be elected for the unexpired term of the director's predecessor in office.

Section 9. Meetings.

(a) Regular Meetings. Regular meetings of the Board of Directors shall be held annually following the meeting of the Members and at such other times and places as determined by the Board from time to time. After the time and place of regular meetings are fixed, no further notice thereof need be given. Any attendance by a Member shall constitute waiver of notice.

(b) Place of Meetings. Regular and special meetings of the Board of Directors, or of any committee designated by the Board, may be held at any place within or without the state of Idaho, as determined by the Board.

(c) Telephone Meetings. Any Member of the Board of Directors, or of any committee thereof, may participate in a regular or special meeting by, or conduct the meeting through the uses of, any means of conference telephone or similar communications equipment by which all directors participating in the meeting may simultaneously hear each other during the meeting. A director participating in a meeting by such means is deemed to be present in person at such meeting.

(d) Special Meetings. Special meetings of the Board shall be held when called by the president of the Association, or by any two (2) directors, after not less than five (5) days prior notice to each director, which notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of the date, time and place of the meeting of the Board (except emergencies) shall be given to the Members of the Board at least five (5) days prior to the special meeting. Such notice shall be given by posting at the Association's office, by mail or delivery of the notice to each residence, email, or by newsletter or similar means of communication, as enumerated in Article 9 herein.

(e) Waiver of Notice. A director may waive any notice required by the Act, the Articles of Incorporation or these Bylaws at any time before or after the date and time stated in the notice. Except as

otherwise provided, such waiver must be signed by the director and filed with the minutes, or corporate records. The attendance of a director at or participation in a meeting shall constitute a waiver of notice of such meeting unless the director, at the beginning of the meeting, or promptly upon the director's arrival, objects to holding the meeting or transacting any business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

Section 10. Quorum and Voting.

(a) Quorum. A quorum of the Board of Directors consists of a majority of the number of directors prescribed, or if no number is prescribed the number in office immediately before the meeting begins.

(b) Majority Vote. If a quorum is present at the commencement of the meeting at which a vote is taken, the affirmative vote of the majority of the directors present shall be the act of the Board of Directors, unless the Articles of Incorporation or these Bylaws require the vote of a greater number of directors.

Section 11. Action Without a Meeting.

Any action required or permitted by the Act to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting if the action is taken by all Members of the Board if each Director signs a consent describing the action to be taken and delivers it to the Association. Action taken under this Section is the act of the Board of Directors when one or more consents signed by all Directors are delivered to the Association. The consent may specify the time at which the action taken thereunder is to be effective. A director's consent may be withdrawn by a revocation signed by the director and delivered to the Association prior to the delivery to the Association of unrevoked written consents signed by all of the Directors. A consent signed under this Section has the effect of action taken at a meeting of the Board of Directors and may be described as such in any document.

Section 12. Conduct of Meetings.

Regular and special meetings of the Board shall be open to all Members of the Association; provided, however that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board. The Board may, with the approval of a majority of a quorum of the Members of the Board, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar or otherwise sensitive nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 13. Fees and Compensation.

No director shall receive any compensation for any service rendered to the Association; provided, however, any director may be reimbursed for actual out-of-pocket expenses incurred in the performance of duties. All claims for reimbursement must be accompanied by receipt or invoice, and signed and dated by the director claiming the expense.

Section 14. Standards for Directors.

Each member of the Board of Directors, when discharging the duties of a director, shall act in good faith and in a manner the director reasonably believes to be in the best interests of the Association. The members of the Board of Directors or a committee of the Board, when becoming informed in connection with their decision-making function or devoting attention to their oversight function, shall discharge their duties with the care that a person in a like position would reasonably believe appropriate under similar circumstances. In discharging board or committee duties, a director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by:

- (a) One (1) or more officers or employees of the Association whom the director reasonably believes to be reliable and competent provided the information, opinion, reports, or statements;

- (b) Legal counsel, public accountants or other persons retained by the Association, as to matters involving skills or expertise the director reasonably believes are matters:
 - (i) Within the particular person's professional or expert competence; or
 - (ii) As to which the particular person merits confidence; or
 - (iii) A committee of the Board of which the director is not a Member if the director reasonably believes the committee merits confidence.

A director shall not be liable to the Association or its Members for any decision to take or not to take action; or any failure to take action, as an officer, if the duties of the office are performed in compliance with this Section. Whether a director who does not comply with this section shall have liability will depend in such instance on applicable law, including those principles of Section 30-3-85, Idaho Code, that have relevance.

Section 15. Powers and Duties of Board.

(a) Powers. The Board shall have all powers conferred upon the Association as set forth under the Act, the Articles, these Bylaws, and in the Declaration, excepting only those powers expressly reserved to the members.

(b) Duties. It shall be the duty of the Board: (i) to cause to be kept a complete record of all of its acts and doings and to present a statement thereof to the Members at each annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members; (ii) to exercise supervisory authority over all officers, agents and employees of the Association, and to see that their duties are properly performed; and (iii) to delegate its powers as provided in the Declaration and these Bylaws.

Section 16. Committees.

The Board of Directors may create one or more committees and appoint one or more Members of the Board of Directors to serve on any such committee. Each committee must have two or more Members, each of whom shall serve at the pleasure of the Board of Directors.

ARTICLE VI OFFICERS

Section 1. Officers Designated.

The officers of the Association may consist of a President, a Vice President, a Secretary and a Treasurer, each of whom shall be designated by and serve at the pleasure of the Board of Directors in accordance with these Bylaws. The Board of Directors or the President may appoint such other officers as may be deemed necessary or desirable. With the exception of the Secretary and Treasurer, as well as additional appointed officers, no officer may simultaneously hold more than one office. The President and Vice President shall at all times be members of the Board.

Section 2. Tenure and Duties of Officers.

(a) Election of Officers. The election of officers shall take place annually at the meeting of the Board following each annual meeting of the Members.

(b) Term of Office. Each officer shall hold office for one year unless the officer shall sooner resign, or shall be removed, or shall otherwise be or become disqualified to serve. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(c) The President. The President shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the Association. The President shall, when present, preside at all meetings of the Board of Directors and Members and shall see that all orders or resolutions of the Board are carried out. The President may sign all leases, deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution

thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

(d) The Vice President. In the absence of the President or in the event of the President's removal, resignation, death, or inability or refusal to act, the Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President, and shall perform other duties as from time to time may be assigned to the Vice President by the Board of Directors.

(e) The Treasurer. The Treasurer shall: (i) have charge and custody of and be responsible for all funds of the Association; (ii) receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositories; (iii) keep proper books of account; (iv) cause an annual operating statement reflecting income and expenditures of the Association for its fiscal year to be prepared and shall cause copies of said statement to be distributed to each Member within sixty (60) days after the end of such fiscal year; and (v) cause an annual budget to be prepared and presented to each Member.

(f) The Secretary. The Secretary shall: (i) attend all meetings and keep the minutes of the meetings and other proceedings of the Members and of the Board of Directors in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of and responsible for maintenance and authentication of the corporate records as required to be kept pursuant to the Act; (iv) keep a register of the address of each Member which shall be furnished to the Secretary by such Member; and (v) in general perform all duties commonly incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the Board of Directors.

Section 3. Resignations.

Any officer may resign at any time by delivering written notice to the Association. A resignation is effective when the notice is delivered unless the notice specifies a later effective date or time, in which event the resignation shall become effective at such later date or time. If the Board or appointing officer accepts the future effective time, the Board or the appointing officer may fill the pending vacancy before the effective time if the Board or the appointing officer provides that the successor does not take office until the effective time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective.

Section 4. Removal.

An officer may be removed at any time with or without cause by the Board of Directors, or by any other officer if authorized by these Bylaws or the Board.

Section 5. Compensation.

Officers shall receive such reasonable compensation for any service rendered to the Association as may be authorized by the Board; provided, however, any officer may be reimbursed for actual out-of-pocket expenses incurred in the performance of duties. All claims for reimbursement must be accompanied by receipt or invoice, and signed and dated by the officer claiming the expense.

Section 6. Standards of Conduct.

- (a) An officer when performing in such capacity shall act:
 - (i) In good faith;
 - (ii) With the care that a person in a like position would reasonably exercise under similar circumstances; and
 - (iii) In a manner the officer reasonably believes to be in the best interests of the Association.

(b) In discharging those duties an officer who does not have knowledge that makes reliance unwarranted, is entitled to rely on:

(i) The performance of properly delegated responsibilities by one (1) or more employees of the Association whom the officer reasonably believes to be reliable and competent in performing the responsibilities delegated; or

(ii) Legal counsel, public accountants, or other persons retained by the Association as to matters involving skill or expertise the officer reasonably believes are matters:

(1) Within the particular person's professional or expert competence; or

(2) As to which the particular person merits confidence.

(c) An officer shall not be liable to the Association or its Members for any decision to take or not to take action; or any failure to take action, as an officer, if the duties of the office are performed in compliance with this section. Whether an officer who does not comply with this section shall have liability will depend in such instance on applicable law, including those principles of Section 30-3-85, Idaho Code, having relevance.

ARTICLE VII ASSESSMENTS

Section 1. Liability for Assessments; Collection.

As more fully provided in Article IX of the Declaration, each Member is obliged to pay to the Association annual and special assessments to be collected as therein set forth, all of which are hereby incorporated by reference herein.

ARTICLE VIII INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Scope of Indemnification.

The Association may indemnify and advance funds to or for the benefit of the directors and officers of the Association to the fullest extent permitted by the Act, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Association to provide broader indemnification rights than the Act permitted the Association to provide prior to such amendment).

Section 2. Mandatory Indemnification of Directors.

(a) The Association shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the director was a party because the individual was a director of the Association against reasonable expenses incurred by the director in connection with the proceeding. Except as otherwise provided in this Section, the Association shall also indemnify an individual who is a party to a civil proceeding because the individual is a director against liability incurred in the proceeding if:

(i) The director's conduct was in good faith; and

(ii) The director reasonably believed:

(1) In case of conduct in the director's official capacity, that the director's conduct was in the best interests of the Association; and

(2) In all cases, that the director's conduct was at least not opposed to the best interests of the Association.

Section 3. Further Indemnification of Directors.

(a) Except as otherwise provided in this Section, the Association may indemnify a director who is a party to a criminal proceeding against liability incurred in the proceeding if:

(i) The director's conduct was in good faith; and

(ii) The director reasonably believed:

(1) In case of conduct in the director's official capacity, that the director's conduct was in the best interests of the Association; and

(2) In all cases, that the director's conduct was at least not opposed to the best interests of the Association; and

(3) the director had no reasonable cause to believe the conduct was unlawful.

(b) The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea or nolo contendere or its equivalent, is not, of itself, determinative that the director did not meet the relevant standard of conduct described in this Section.

(c) Unless ordered by a court under the Act, the Association may not indemnify a director in connection with a proceeding by or in the right of the Association, except for reasonable expenses incurred in connection with the proceedings unless it is determined that the director has met the relevant standard of conduct under subsection (1) of this Section, or as otherwise prescribed in Section 30-3-88, Idaho Code.

Section 4. Advance for Expenses.

(a) The Association shall, before final disposition of a proceeding, advance funds to pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding if the director delivers to the Association:

(i) A written affirmation of the director's good faith belief that the director has met the relevant standard of conduct described in Section 3 above; and

(ii) The director's written undertaking to repay any funds advanced if the director is not entitled to mandatory indemnification, and it is ultimately determined that s/he has not met the relevant standard of conduct described in Section 3 above.

(b) The undertaking required by subsection (a)(ii) of this Section 4 must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to the financial ability of the director to make repayment.

Section 5. Determination of Indemnification.

(a) The Association may not indemnify a director under Section 3, unless a determination has been made that indemnification of the director is permissible because the director has met the relevant standard of conduct set forth in Section 3.

(b) The determination shall be made in accordance with Section 30-3-88(4), Idaho Code.

Section 6. Indemnification of Officers.

The Association may indemnify and advance expenses to an officer of the Association who is a party to a proceeding because the individual is an officer of the Association to the same extent as a director.

Section 7. Insurance.

The Association shall purchase and maintain insurance on behalf of an individual who is a director or officer of the Association, or who, while a director or officer of the Association, serves at the Association's request as a director, officer, partner, trustee, employee, or agent of another domestic or foreign Association, partnership, joint venture, trust, employee benefit plan, or other entity, against liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a director or

officer, whether or not the Association would have power to indemnify or advance expenses to the individual against such liability.

Section 8. Construction.

Sections 1 through 8 of this Article VIII shall be construed in accordance with Section 30-3-88(8), Idaho Code.

Section 9. Amendments.

The provisions of this Article VIII shall not be amended by the Members of the Association without the vote or written consent of eighty percent (80%) of the Members. Any repeal, amendment or modification of this Article VIII shall only be prospective and shall not affect the rights under this Article VIII in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any director or officer.

Section 10. Saving Clause.

If this Article VIII of these Bylaws or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association shall nevertheless indemnify each director and may nevertheless indemnify each officer to the full extent permitted by any applicable portion of this Article VIII that shall not have been invalidated, or by any other applicable law.

ARTICLE IX NOTICES

Section 1. Methods of Notice.

(a) Any notice under the Act or these Bylaws must be in writing unless oral notice is reasonable under the circumstances. Notice by electronic transmission is written notice.

(b) If oral notice is deemed reasonable, it may be communicated in person; by mail or other method of delivery; or by telephone, voice mail or other electronic means. If these forms of personal notice are impracticable, notice may be communicated by newspaper of general circulation in the area where published, or by radio, television or other form of public broadcast communication.

(c) It shall not be necessary that the same method of giving notice be employed in respect of all directors or Members. One permissible method may be employed in respect of any one or more directors or Members; and any other permissible method or methods may be employed in respect of any other or others.

Section 2. Notice to Association.

Written notice to the Association may be addressed to its registered agent at its registered office or to the Association or its Secretary at its principal office shown in its most recent annual report filed with the Idaho Secretary of State.

Section 3. Effective Date of Notice.

(a) Written notice by the Association to its Member, if in a comprehensible form, is effective:

(i) Upon deposit in the United States mail, if mailed postpaid and correctly addressed to the Member's address shown in the Association's current record of Members, or

(ii) When electronically transmitted to the Member in a manner authorized by the Member.

(b) Except as provided above, written notice, if in a comprehensible form, is effective at the earliest of the following:

(i) When received;

(ii) Five (5) days after its deposit in the United States mail, if mailed postpaid and correctly addressed;

(iii) On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

(c) Oral notice is effective when communicated if communicated in a comprehensible manner.

Section 4. Address Unknown.

If no address of a Member or director be known, notice may be sent to the office of the Association required to be maintained pursuant to Article I, Section 2.

Section 5. Affidavit of Mailing.

An affidavit of mailing, executed by a duly authorized and competent employee of the Association, specifying the name and address or the names and addresses of the Member or Members, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall be conclusive evidence of the statements therein contained.

Section 6. Failure to Receive Notice.

The period or limitation of time within which any Member may exercise any option or right, or enjoy any privilege or benefit, or be required to act, or within which any director may exercise any power or right, or enjoy any privilege, pursuant to any notice sent to the Member in the manner above provided, shall not be affected or extended in any manner by the failure of such Member or such director to receive such notice.

Section 7. Exception to Notice Requirement.

(a) Whenever notice is required to be given under any provision of these Bylaws to any Member, such notice shall not be required to be given if notice of two consecutive annual meetings, and all notices of meetings during the period between such two consecutive annual meetings, have been sent to such Member at such Member's address as shown on the records of the Association and have been returned undeliverable.

(b) If any such Member shall deliver to the Association a written notice setting forth such Member's then-current address, the requirement that notice be given to such Member shall be reinstated.

ARTICLE X RECORDS AND REPORTS

Section 1. Corporate Records.

(a) The Association shall keep as permanent records minutes of all meetings of its Members and Board of Directors, a record of all actions taken by the Members or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association.

(b) The Association shall maintain appropriate accounting records.

(c) The Association or its agent shall maintain a record of its Members, in a form that permits preparation of a list of the names and addresses of all Members, in alphabetical order.

(d) The Association shall keep a copy of the following records at its principal office:

(i) Its Articles of Incorporation and all amendments to them currently in effect; and

(ii) Its Bylaws or Restated Bylaws and all amendments to them currently in effect.

ARTICLE XI GENERAL PROVISIONS

Section 1. Interpretation; Severability.

These Bylaws may contain any provision for managing the business and regulating the affairs of the Association that is not inconsistent with law, the Declaration, or the Articles of Incorporation. In the event any provision of these Bylaws is inconsistent with law, the Declaration, or the Articles of Incorporation, such law, Declaration, or Articles of Incorporation shall govern. If any one or more of the provisions contained in these Bylaws, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

Section 2. Fiscal Year.

The fiscal year of the Association shall be the twelve (12) month period ending October 31, or such other fiscal year adopted by resolution of the Board after consultation with the Association's independent accountants.

Section 3. Proof of Membership.

No person shall exercise their rights of Membership in the Association until satisfactory proof thereof has been furnished to the Secretary. Such proof may consist of either a copy of a duly executed and acknowledged grant deed or title insurance policy showing said person to be the owner of an interest in a condominium or lot entitling the individual to Membership. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

Section 4. Absentee Ballots.

The Board may make such provisions as it may consider necessary or desirable for absentee ballots.

ARTICLE XII AMENDMENTS

The Bylaws may be altered, amended or new Bylaws adopted at any regular meeting or any special meeting of the Members thereof called for that purpose by the affirmative vote of two-thirds (2/3rds) of the voting power of the Members present at such meetings; provided, however, that Article III, Section I and Article III, Section 2A through 2F of these Bylaws shall not be amended without the vote or written consent of not less than eighty percent (80%) of the combined total number of Lots and Condominiums then within Elkhorn, plus, until completion, the written consent thereto of Grantor.

CERTIFICATE

The foregoing amended and restated bylaws of the Sun Valley Elkhorn Association, Inc., an Idaho nonprofit association, were adopted by the Members of the Association effective on the 30th day of December, 2008.

Secretary

Appendix F

Sun Valley Elkhorn Association Financial Statements

SUN VALLEY ELKHORN ASSOCIATION, INC.
FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

SUN VALLEY ELKHORN ASSOCIATION, INC.

TABLE OF CONTENTS

Independent Auditor's Report	1
Balance Sheets	2
Statements of Income and Changes in Owners' Equity	3
Statements of Cash Flows	4
Notes to Financial Statements	5-8



Mahlke Hunsaker & Company PLLC
C e r t i f i e d P u b l i c A c c o u n t a n t s

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sun Valley Elkhorn Association, Inc.
Sun Valley, Idaho

We have audited the balance sheets of Sun Valley Elkhorn Association, Inc. as of October 31, 2014 and 2013 and the related statements of income and cash flows for years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sun Valley Elkhorn Association, Inc. as of October 31, 2014 and 2013 and the results of operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Mahlke Hunsaker & Co.

Mahlke Hunsaker & Company, PLLC
December 5, 2014

SUN VALLEY ELKHORN ASSOCIATION, INC.

**Balance Sheets
October 31, 2014 and 2013**

	2014			2013
	Operating Fund	Capital Reserve	Total	Totals
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 418,963	\$ 759,104	\$ 1,178,067	\$ 1,162,403
Accrued Interest	889	23,603	24,492	12,246
Assessments Receivables	102,616	17,445	120,061	118,179
Total Current Assets	522,468	800,152	1,322,620	1,292,828
Fixed Assets:				
Property & Equipment, net of accumulated depreciation	2,665,173	-	2,665,173	2,637,005
Total Assets	\$ 3,187,641	\$ 800,152	\$ 3,987,793	\$ 3,929,833
LIABILITIES AND OWNERS' EQUITY				
Liabilities:				
Accounts Payable	\$ 15,024	\$ 18,193	\$ 33,217	\$ 5,366
Accrued Liabilities	644	-	644	977
Income Taxes Payable	30	-	30	30
ADC Completion Deposit	18,500	-	18,500	8,000
Deferred Assessment Revenue	334,467	69,968	404,435	401,917
Total Current Liabilities	368,665	88,161	456,826	416,290
Owners' Equity	2,818,976	711,991	3,530,967	3,513,543
Total Liabilities and Owners' Equity	\$ 3,187,641	\$ 800,152	\$ 3,987,793	\$ 3,929,833

The accompanying notes are a part of these financial statements

SUN VALLEY ELKHORN ASSOCIATION, INC.

**Statements of Income and Changes in Owners' Equity
For the Years Ended October 31, 2014 and 2013**

	2014			2013
	Operating Fund	Capital Reserve	Total	Totals
Revenues:				
Member Assessments	\$ 865,756	\$ 174,928	\$ 1,040,684	\$ 1,026,900
Interest	756	11,886	12,642	12,906
Other Revenue	25,603	-	25,603	23,612
Total Revenues	892,115	186,814	1,078,929	1,063,418
Expenses:				
Management	456,248	-	456,248	470,039
Common Area	46,961	22,432	69,393	85,329
Harker Center Pool	84,030	8,633	92,663	74,348
Harker Center Structure	15,825	750	16,575	24,609
Village Pool	83,907	4,542	88,449	90,341
Tennis Program	67,191	9,388	76,579	79,616
Depreciation	200,991	-	200,991	169,781
Other Expenses	60,607	-	60,607	71,106
Total Expenditures	1,015,760	45,745	1,061,505	1,065,169
Net Income (Loss)	(123,645)	141,069	17,424	(1,751)
Owners' Equity- Beginning	2,743,075	770,468	3,513,543	3,540,881
Transfer To/From Capital Reserve	199,546	(199,546)	-	-
Prior Period Adjustment	-	-	-	(25,587)
Owners' Equity -Ending	\$ 2,818,976	\$ 711,991	\$ 3,530,967	\$ 3,513,543

The accompanying notes are a part of these financial statements

SUN VALLEY ELKHORN ASSOCIATION, INC.

**Statements of Cash Flows
For the Years Ended October 31, 2014 and 2013**

	2014			2013
	Operating Fund	Capital Reserve	Total	Totals
Cash Flows From Operating Activities:				
Receipts from Members	\$ 865,979	\$ 175,338	\$ 1,041,317	\$ 997,003
Other Operating Receipts	25,603	-	25,603	23,612
Interest Income	312	84	396	15,266
Payments to Suppliers	(794,292)	(28,201)	(822,493)	(892,981)
Net Cash Provided (Used) by Operating Activities	97,602	147,221	244,823	142,900
Cash Flows From Capital and Related Financing Activities:				
Transfers Between Funds	(29,614)	29,614	-	25,587
Net Cash Provided (Used) by Capital and Related Financing Activities	(29,614)	29,614	-	25,587
Cash Flows From Investing Activities				
Purchases of Fixed Assets	-	(229,159)	(229,159)	(336,437)
Net Cash Provided (Used) by Investing Activities	-	(229,159)	(229,159)	(336,437)
Net Increase (Decrease) in Cash	67,988	(52,324)	15,664	(193,537)
Cash - Beginning of Year	350,975	811,428	1,162,403	1,330,353
Cash - End of Year	<u>\$ 418,963</u>	<u>\$ 759,104</u>	<u>\$ 1,178,067</u>	<u>\$ 1,136,816</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (123,645)	\$ 141,068	\$ 17,423	\$ (1,751)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	200,991	-	200,991	169,781
Changes in Assets and Liabilities				
Receivables	2,079	(3,961)	(1,882)	(3,992)
Accrued Interest Receivables	(444)	(11,802)	(12,246)	2,360
Dues Billed in Advance	(1,856)	4,372	2,516	(25,905)
Accounts and Other Payables	20,477	17,544	38,021	2,407
Net Cash Provided (Used) by Operating Activities	<u>\$ 97,602</u>	<u>\$ 147,221</u>	<u>\$ 244,823</u>	<u>\$ 142,900</u>

The accompanying notes are a part of these financial statements

SUN VALLEY ELKHORN ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Sun Valley Elkhorn Association, Inc. (the Association) was incorporated on June 19, 1972, in the State of Idaho. The Association is responsible for the operation and maintenance of the common property within the development. The development consists of 1,630 residential units located on approximately 5,000 acres in Sun Valley, Idaho. The following is a summary of the more significant policies:

(A) Basis of Presentation – Basis of Accounting

Basis of Presentation:

The Association maintains its books using the accrual method of accounting. The Association's governing documents provide certain guidelines for oversight of its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting.

Fund Financial Statements: Funds of the Association are segregated according to the fund method of accounting. This methodology requires that funds such as operating funds and funds for major repairs and replacements be classified separately for accounting and financial reporting purposes.

The Association reports the following funds:

Operating Fund. This is the Association's general operating fund. It accounts for all financial resources of the Association available for the operations of the Association, except those required to be accounted for in another fund.

Capital Reserve Fund. This is the Association's fund designed to accommodate the acquisition and improvement of fixed assets within the Association.

Management's Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

(B) Assets, Liabilities, and Equity

Cash and Cash Equivalents

The Association considers all securities purchased to be cash deposits. The balances of securities are adjusted to the current fair market value. The Association places its temporary cash investments with high credit quality financial institutions. The Funds are kept in banks in regular checking accounts, certificates of deposit, and money market accounts. At times, such investments may exceed the FDIC insurance limits. At October 31, 2014 and 2013 there was no cash or cash equivalents in excess of FDIC insurance limits.

SUN VALLEY ELKHORN ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued

Member Assessments and Receivables

Association members are subject to semi-annual assessments. The semi-annual assessments were \$315 for each of the years ended October 31, 2014 and 2013. These assessments were allocated as follows:

	Operating Fund	Capital Fund
2014	265.00	50.00
2013	264.50	50.50

The annual budget and assessments of owners are determined by the Board of Directors. The Association retains excess accumulated operating funds up to \$35,000 at the end of the operating year for use in future operating periods. Any funds in excess of the \$35,000 at year end are transferred to the Capital Reserve Fund.

Receivables: Assessments receivable as of the balance sheet date represents fees due from property owners. The Association's policy is to place liens on the properties of homeowners whose assessments are ninety days or more delinquent.

The Association bills its members on a semi-annual basis one month in advance of the semi-annual period. The assessments are payable on the first day of the first month of the semi-annual period. In accordance with this policy, assessments for the months of November through April are billed on October 1, and are payable on November 1. Deferred assessments revenue represents assessments billed in advance of the period in which the assessments are earned by the Association.

Allowance for Doubtful Accounts

The Association's policy is to retain legal counsel and place liens on members whose assessments are in arrears. This policy is strictly enforced after all reasonable efforts to collect have been exhausted. No allowance for doubtful accounts has been established by the Board of Directors. Any outstanding amounts not collectible are expensed in the current period.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the following estimated useful lives of the related assets.

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	20-30 years
Land Improvements	2-25 years
Recreation Facilities	5-40 years
Furniture & Equipment	4-10 years

Normal repairs and maintenance are expensed as incurred whereas significant improvements, which materially increase values or extend useful lives, are capitalized and depreciated over the remaining estimated useful lives of the related assets.

Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts. Any gain or loss on the sale or retirement is recognized in current operations.

SUN VALLEY ELKHORN ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

The Association does not recognize common real property as an asset on its balance sheet as it is owned commonly among association members and not by the Association itself.

Accrued Interest Receivable

The Association has several certificates of deposits with interest rates varying from 1.27% to 2.25% and original maturities of five years. Interest is accrued annually for these accounts.

Income Taxes

The Association is a tax-exempt homeowners association under Internal Revenue Code Section 528 for the year ended October 31, 2014 and 2013. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of the Association's property. Net nonexempt function income, which includes earned interest, may be taxed by the federal government and the State of Idaho.

NOTE 2 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the Association considers all highly liquid investments held by the bank in the form of checking or savings to be cash equivalents.

NOTE 3 FIXED ASSETS

The following summarizes the Association's change in fixed assets during the current period.

	Beginning Balance	Additions	Deletions	Ending Balance
Buildings	\$ 2,740,637	\$ 8,628	\$ -	\$ 2,749,265
Recreational Facilities	2,035,953	175,888	-	2,211,841
Equipment, Furniture & Fixtures	147,495	44,643	-	192,138
Land Improvements	248,925	-	-	248,925
Totals	5,173,010	229,159	-	5,402,169
Accumulated Depreciation	(2,536,005)	(200,991)	-	(2,736,996)
Net Book Value	<u>\$ 2,637,005</u>			<u>\$ 2,665,173</u>

Depreciation expense was \$200,991 and \$169,781 for 2014 and 2013, respectively

SUN VALLEY ELKHORN ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014

NOTE 4 PENSION PLAN

The Association maintains a qualified retirement plan under Section 401(k) of the Internal Revenue Code. This plan allows employees to defer a portion of their income on a pretax basis through contributions to the plan. The Association makes a contribution of 6% for eligible employees. Pension Plan expenses were \$14,134 and \$16,067 for the years ended October 31, 2014 and 2013, respectively. The expenses have been included with the various expenses in which the employees are involved on the statements of Income and changes in Owners' Equity.

NOTE 5 SUBSEQUENT EVENTS

Subsequent events were evaluated as of December 5, 2014 and no additional items were noted and necessary to be disclosed.

Memorandum

To: Idaho Water Resource Board (IWRB)
From: Neeley Miller, IDWR Planning & Projects Bureau
Date: January 8, 2016
RE: Elmore County Aquifer Stabilization Funding Request



ACTIONS:

Consider request to provide funding for Elmore County Water Supply Study

House Bill 547 passed and approved by the 2014 legislature allocated \$5 million annually to the Idaho Water Resource Board (IWRB) for Statewide Aquifer Stabilization. Projects that address declining aquifers or existing or potential water use conflicts from throughout the state of Idaho are eligible to request aquifer stabilization funding through the IWRB.

Staff received a proposal for an Elmore County Water Supply Study and is bringing the proposal to the Board for discussion and funding consideration. Staff has invited representatives from Elmore County here today to discuss the proposed Elmore County Water Supply Study and provide you with a presentation on the proposed work.

Attached:

- 1) Elmore County Water Supply Study Proposal
- 2) Letters of Support
- 3) Funding Resolution for Consideration

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AN AQUIFER	)	A RESOLUTION
STABILIZATION STUDY IN	)	TO ALLOCATE
COORDINATION WITH	)	FUNDS TO ELMORE
ELMORE COUNTY	)	COUNTY
_____)	

WHEREAS, House Bill 547 passed and approved by the 2014 legislature allocated \$5 million annually from ongoing funds to the Idaho Water Resource Board (IWRB) for statewide aquifer stabilization, with the funds to be deposited into the Secondary Aquifer Planning, Management, and Implementation Fund; and

WHEREAS, through resolution, dated May 22nd, 2015, the IWRB adopted a budget for Fiscal Year 2016 for use of the continuously-appropriated Secondary Aquifer Planning, Management, and Implementation Fund and authorized expenditures for projects in priority aquifers; and

WHEREAS, many aquifers across Idaho are declining or have existing or potential conjunctive administration water use conflicts, including the Wood River, the Mountain Home Aquifer, the Treasure Valley Aquifer, the Palouse Basin Aquifer, the Rathdrum Prairie Aquifer and others; and

WHEREAS, the economy of southern Elmore County is dependent on water supplies that are insufficient to support existing uses and future development. Specifically, ground water pumping from the Mountain Home Plateau Aquifer exceeds annual natural recharge, resulting in chronic water level declines in the area of Cinder Cone Butte, Mountain Home Air Force Base, and the City of Mountain Home; and

WHEREAS, surface water delivered from streams draining to the Mountain Home Plateau are highly variable; water from these surface channels and reservoirs are insufficient in most years; and

WHEREAS, SPF Engineering at the request of Elmore County has develop a proposal for an Elmore County Water Supply Study. The specific objectives of the study are to 1) estimate existing and future irrigation, municipal, industrial and other water demand, 2) quantify current water supply deficits, 3) determine the economic benefit from improving Elmore County water supply to meet demands, and 4) estimate the approximate costs to develop additional water supplies to achieve water supply sustainability and to provide water for future economic development. The estimated cost for the study is \$109,000; and

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the expenditure of a total of \$_____ from the Secondary Aquifer Planning, Management, and Implementation Fund for the Elmore County Water Supply Study.

BE IT FURTHER RESOLVED that the Elmore County Water Supply Study Final Report shall identify the most cost-effective water supplies that can be developed to achieve aquifer stabilization and include a recommended course of action regarding future water supplies for Elmore County area.

BE IT FURTHER RESOLVED that Elmore County and their project managers are solely responsible and accountable for the oversight, management, and completion of this study.

DATED this 22th day of January 2016.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
Vince Alberdi, Secretary
Idaho Water Resource Board

RECEIVED

JAN 07 2016
DEPARTMENT OF
WATER RESOURCES

MOFFATT
THOMAS
Attorneys at Law

Scott L. Campbell

(208) 385-5323
slc@moffatt.com

MAILING ADDRESS:
PO Box 829
Boise ID 83701-0829

www.moffatt.com

PHYSICAL ADDRESS:
101 S Capitol Blvd 10th Fl
Boise ID 83702-7710

208.345.2000 MAIN
800.422.2889 TOLL-FREE
208.385.5384 FAX

January 5, 2016
via E-mail (Neeley.Miller@idwr.idaho.gov)
and U.S. Mail

Idaho Water Resource Board
Attn: Neeley Miller
Idaho Department of Water Resources
322 East Front Street
P. O. Box 83720
Boise, ID 83720-0098

Re: Revised Elmore County Water Study Proposal
MTBR&F File No. 26097.0000

Dear Board Members:

Based on communications with Cynthia Bridge Clark and Neeley Miller, SPF Water Engineering has revised the proposed Elmore County Water Supply Study. I have enclosed a copy the revised proposal. Please consider this to be a replacement of the proposal I provided to the Board with my correspondence of November 9, 2015.

Thank you for your consideration of Elmore County's request for funding assistance to proceed with this important study.

Sincerely,



Scott L. Campbell

SLC/kam
Enclosure

cc: Board of Commissioners Elmore County
Terry M. Scanlan
L.W. (Buzz) Grant III
Kristina M. Schindele



January 4, 2016

Elmore County Commissioners
c/o Scott Campbell
Moffatt Thomas
101 S. Capitol Blvd, 10th Floor
Boise, ID 83702

Subject: Proposal for Elmore County Water Supply Study

Dear Commissioners,

SPF Water Engineering, LLC (SPF) is pleased to provide the following proposal for a study of water supply alternatives for Elmore County. The purpose of the study is to explore alternative sources of water supply. Specific objectives are to (1) estimate existing and future irrigation, municipal, industrial, and other water demands, (2) quantify current water supply deficits, (3) determine the economic benefit from improving Elmore County water supplies to meet demands, and (4) estimate the approximate costs to develop additional water supplies to achieve water supply sustainability and to provide water for future economic development. Sizing of water supply development can be determined based on the anticipated economic benefit.

BACKGROUND

The economy of southern Elmore County is dependent on water supplies that are insufficient to support existing uses and future development. Specifically, ground-water pumping from the Mountain Home Plateau Aquifer exceeds annual natural recharge, resulting in chronic water-level declines in the area of Cinder Cone Butte, Mountain Home Air Force Base, and the City of Mountain Home. Appropriation of new water supplies in these areas for consumptive uses (e.g. irrigation) is prohibited, and curtailment of existing uses is threatened as water levels decline. In addition to inadequate ground water supplies, surface water delivered from streams draining to the Mountain Home Plateau are highly variable; water from these surface channels and reservoirs are insufficient in most years. The Snake River and the Boise River are potential sources of water to augment both ground and surface water supplies within the County.

Several water-related planning or administrative efforts are underway that may influence Elmore County water supply development. Some of these activities are outlined below and may have an influence on the proposed water study.

Idaho Water Resources Board. The Idaho Water Resource Board (IWRB) Aquifer Stabilization Committee is actively promoting efforts to improve ground water supplies

through aquifer recharge and other methods. However, the Committee lacks sufficient data and information to fully quantify water-supply needs in the Mountain Home Plateau. IWRB staff members have expressed interest in a comprehensive water-supply study, and have further indicated a preference for participation in such a study by a broad group of stakeholders, including the City of Mountain Home, Mountain Home Irrigation District, and independent ground-water users. Such participation could be demonstrated by letters of support for a study from cities (Mountain Home, Glenns Ferry, Hammett), and other stakeholder groups such as chambers of commerce, Idaho Farm Bureau, Idaho Cattlemen's Association, and Idaho Water Users Association. The IWRB could potentially provide financial and technical support for an Elmore County water supply study.

IWRB Mountain Home Air Force Base Water Supply Study. The IWRB is currently conducting a water supply planning study for Mountain Home Air Force Base (MHAFB). MHAFB relies on ground water for its water supply, and the future of the base is jeopardized by declining ground-water levels and the lack of opportunities to develop additional ground-water supply. The IWRB study is evaluating MHAFB water demands and system capacity, developing a conceptual design and cost estimate for a water supply from the Snake River, and conducting a water-quality sampling study for surface water treatment system design. These results of these tasks will be summarized in a water supply planning report. Both Elmore County and the City of Mountain Home have expressed interest in participating in this study.

The findings of the current MHAFB study will be utilized in the broader Elmore County investigation described in this proposal. We do not anticipate a direct overlap between the two efforts.

Basin 61 Water District Formation. The Idaho Department of Water Resources (IDWR) held a public information meeting in Mountain Home on June 16, 2015 to discuss formation of a new water district in the Mountain Home area of Basin 61. Options discussed at the June meeting were (1) creation of a water district for ground-water rights, only; (2) addition of ground water rights to existing Basin 61 surface water districts for administration; or (3) creation of a single Basin 61 water district for administration of both ground water and surface water rights. IDWR's meeting presentation noted there is potential for immediate regulation of ground-water rights in the existing Mountain Home Ground Water Management Area and the Cinder Cone Butte Critical Ground Water Area. It also noted that IDWR might begin conjunctively managing surface and ground-water rights, which may further reduce available effective water supply in the County.

Air Force Community Partnership Process. The MHAFB has initiated a Community Partnership Process consisting of meetings with local stakeholders to address issues that include environmental, water, climate change, and emergency response topics. The Community Partnership Process participants might function as stakeholders in a County water supply study.

Arrowrock and Anderson Storage Augmentation Processes. To increase surface water storage in the Boise River Basin, the U.S. Army Corps of Engineers (USACOE) is studying

increasing the capacity of Arrowrock Reservoir, and the U.S. Bureau of Reclamation (USBOR) is investigating increasing the capacity of Anderson Ranch Reservoir. Elmore County has expressed interest in participating in both these processes as a means to augment the County water supply. To participate, it is necessary to quantify the County's need for additional water and evaluate the ability to deliver the water to County users at a feasible cost.

SCOPE OF WORK

The following scope of work outlines preliminary tasks needed to quantify regional water needs and explore possible sources of additional supply. Tasks 2 through 10 are preliminary in that they may be adjusted based on stakeholder input.

The study area for this investigation will be the portion of the Mountain Home Ground Water Management Area within Elmore County.

Task 1 – Project Outreach, Community Support, and Final Project Scoping

Elmore County has a diverse range of water users that depend on multiple water sources authorized under multiple water rights. A regional assessment of water needs and sources of additional supply depend on addressing these diverse interests. Thus, as an initial step in project development, we propose a series of telephone contacts and meetings to gather stakeholder input and better understand stakeholder concerns. The meetings will outline the preliminary project objectives and solicit input and suggestions to refine the project scope.

We anticipate scheduling 3 to 5 meetings. Where possible, the meetings will include multiple stakeholder groups for efficiency. Groups solicited for outreach might include cities, chambers of commerce, MHAFFB, Mountain Home Irrigation District, Idaho Department of Water Resources, IWRB, various associations that represent Elmore County water users (Cattlemen's, Farm Bureau, Idaho Water Users Association), Idaho Power Company, USACOE, and USBOR.

Experience shows that active stakeholder involvement, participation, and support in such regional water-supply assessments is crucial to project success. At each meeting, the proposed water supply study scope will be presented and stakeholder groups will be asked for suggestions to help refine project tasks. We understand that the County may also use the response from these meetings to seek financial support from stakeholders for the water-supply assessment or for follow-up actions.

A final scope of work and cost estimate for the water supply study will be refined after these meetings. The scope of work and cost estimate will reflect the input received from the stakeholder groups.

Task 2 - Evaluate Declines in Ground-Water Levels

SPF will evaluate declines in ground-water levels throughout the Mountain Home Plateau Aquifer to help estimate the average annual ground-water deficit. By determining the volume of aquifer storage loss, SPF will estimate recharge deficit (or excess pumping volume). These values will be compared to estimated annual pumping and natural recharge volumes to further refine the estimated average annual recharge deficit. Using these estimates, SPF will estimate annual volume of reduction in pumping (or increase in recharge) that is necessary to stabilize ground-water levels within pertinent subareas.

Task 3 – Water Right Analysis

SPF will conduct an analysis of existing water rights in the Mountain Home Plateau Aquifer. The analysis will tabulate consumptive water rights authorized for diversion of more than a minimum threshold amount (we recommend a preliminary threshold of 0.3 cfs). Irrigated areas will be located and quantified spatially using geographic information system software (GIS). The water right analysis will be used to estimate the number of acres which currently are authorized for irrigation on the Mountain Home Plateau. The analysis will identify lands irrigated with surface water, ground water, and surface water supplemented by ground water.

SPF will categorize the authorization of large-scale ground-water diversions based on priority date in 5-year increments. This information will be used to help quantify average annual changes in aquifer storage, and also help quantify potential water use if groundwater supplies are not constrained by water-level declines or curtailment. Recommendations for administrative water right actions will not be provided as part of this task.

Task 4 – Define Existing Water Supply Deficit

Using the analysis of ground-water levels (Task 2), irrigation-development history (Task 3), and estimates of current withdrawals based on water-right information (Task 3), SPF will estimate the current water supply deficit. The estimate will include a quantification of existing water uses, identification of shortfalls in current supply, and identification of anticipated shortfalls that may occur in the future because of increased regulation of ground-water supplies. This analysis will include evaluation of irrigation, municipal, industrial, domestic, and commercial uses.

This analysis will factor in existing and possible future water-supply shortfalls. Current known shortfalls include seasonal shortages of surface water supplies. Surface water irrigation uses will be evaluated in terms of dry and wet years. The analysis will include delivery data from Mountain Home Irrigation District if available. Future shortfalls may include priority-based curtailment of ground water pumping necessary to stabilize aquifer water levels (i.e., equal to the recharge deficit calculated in Task 2).

Task 5 – Develop Projections of Future Water Demand.

Projections of future water demands will be made for domestic, commercial, municipal and industrial (DCMI) uses, and for supplemental irrigation. Separate projections will be made for water-constrained and water-available conditions. The “water-constrained” condition is essentially the current water supply, while a “water-available” condition assumes that sufficient water supply can be imported to meet all reasonably anticipated needs. The projections will include MHAFB demands determined by the current IWRB planning study. The water-demand projections will build on 50-year projections of employment, population, and numbers of households currently being compiled for a Treasure Valley future water-demand assessment.

Task 6 - Economic Impact of Water Supply Deficiency

The economic impact of water supply deficiency will be calculated, based on estimates of opportunity costs associated with (1) deferred agricultural production due to water supply deficiency in drought years, (2) lost opportunities for agricultural development, (3) lost opportunities for commercial and industrial development, and (4) lost opportunities for residential and municipal growth. For example, the impact of surface water irrigators growing spring grain rather than higher value water-intensive crops such as sugar beets will be examined. Similarly, an estimate will be made of the economic cost of restricted growth due to lack of DCMI water supplies. SPF will subcontract with an economist to assist in the analysis.

Task 7 - Describe Potential Sources of Increased Water Supply

The Boise River and the Snake River are the two most likely sources of increased water supply to the Mountain Home Plateau. SPF will describe water availability from these sources and explain administrative (i.e., water right) constraints or opportunities. We will also briefly describe potential infrastructure for water delivery, likely consisting of at least one Boise River option and two Snake River options.

Task 8 - Describe Methods for Water Utilization

Methods for utilizing potential new water supplies will influence the way in which water is used. For example, it may be more cost effective to replace ground-water irrigation uses directly with surface water supplies than to treat surface water to drinking water standards, inject the water for aquifer recharge, and then redivert the recharged water for irrigation or municipal purposes. However, it may also be cost effective to provide ground-water recharge if locations can be determined where water can be recharged without pre-treatment. Methods of water utilization that will be considered include:

- Raw surface water direct use (including exchanging surface water for current ground water use);
- Treated surface water direct use;
- Aquifer recharge; and
- Aquifer recharge, storage, and recovery (ASR).

Water quality and treatment requirements for all uses will be considered. Similarly, timing of water uses versus timing of water availability will be addressed. The findings from this task will identify and describe the most cost-effective approaches for use of imported surface water supplies.

Task 9 - Preliminary Cost Opinions for Selected Direct Use and/or ASR Alternatives

SPF will estimate conceptual-level costs (Class 5 cost estimate) for construction, operation, and maintenance of facilities (including facilities of varying sizes). These cost estimates will be presented on a per acre-foot basis for comparing water-supply alternatives and associated economic benefits. The cost estimates will incorporate possible options for seasonal energy discounts that could serve to reduce operating costs (off-peak use of conventional energy, use of wind power, etc.). Based on estimated water delivery costs, a discussion of cost feasibility versus project capacity and water use will be provided.

Task 10 - Operational and Administrative Options

If a new water supply project is constructed, who will be the owner, operator, and/or administrator? SPF will outline potential options, including the IWRB, a County irrigation district, water district, water company, or public-private partnership (P3). The advantages and disadvantages of each described option will be discussed, and funding options will be identified. SPF would subcontract with an attorney to provide legal analysis of the available options.

Task 11 – Final Report

The results of Tasks 1 through 10 will be compiled in a final report that will include conclusions and recommendations for next steps. The report will identify the most cost-effective water supplies that can be developed to achieve aquifer stabilization. A timeline for implementation of recommendations will be included.

The report will initially be issued as a draft for comment from the County and selected stakeholders or funding agencies. Following receipt of comments, a final report will be issued.

NOT INCLUDED IN SCOPE OF WORK

The following items are not included in the scope of work. These items are deemed unnecessary for the project at this stage, but could be added upon request.

1. Environmental Evaluations
2. Detailed Facility Plans or Design
3. Right-of-Way Analyses

SCHEDULE

SPF proposes a 60-day schedule for stakeholder outreach. Following the outreach, 30 days would be required for final project scoping and cost estimate.

Approximately 180 days from notice to proceed will be required to complete Tasks 2 through 10, including draft report preparation. We anticipate 30 days for report review, followed by an additional 30 days to issue the final report.

ESTIMATED COSTS

Estimated cost for Task 1 is \$10,000, and includes up to 5 stakeholder meetings. Estimated cost for Tasks 2 through 11 is \$99,000. This cost estimate is subject to change based on input from stakeholder groups contacted as part of Task 1. The cost estimate includes budget amounts of \$10,000 for an economic consultant for Tasks 5 and 6, and \$5,000 for legal consultation on Task 10. Costs are detailed below in Table 1.

Table 1. Estimated Project Costs

Task	Task Description	Subtotals
1	Project Outreach, Community Support, and Final Project Scoping	\$10,000
2	Evaluate Declines in Ground-water Levels	\$8,000
3	Water Right Analysis	\$8,000
4	Define Water Supply Deficit	\$8,000
5	Develop Projections of Future Water Demand	\$8,000
6	Economic Impact of Water Supply Deficiency	\$7,000
7	Describe Potential Sources of Increased Water Supply	\$14,000
8	Describe Methods for Water Utilization	\$7,000
9	Preliminary Cost Opinions for Selected Direct Use and/or ASR Alternatives	\$17,000
10	Operational and Administrative Options	\$9,000
11	Final Report	\$13,000
	Total	\$ 109,000

SPF proposes to conduct the work on a time and materials basis, as detailed on the attached schedule of fees and conditions. A current hourly rate schedule is provided as Table 1. Direct costs (photocopy, postage, etc.) are billed at actual cost plus 15%. Invoices will be sent on a monthly basis.

AGREEMENT

If this proposal meets with your approval, it may serve as the basis for agreement by affixing a signature in the space provided below. This signature will be considered as a notice to

proceed on Task 1 only, with a budget upper limit of \$10,000. An additional authorization will be obtained prior to initiating subsequent tasks.


We look forward to working with you on this project. Please contact me with any questions.

Respectfully submitted,

Accepted By:

SPF WATER ENGINEERING, LLC

ELMORE COUNTY COMMISSIONERS

By 
Terry M. Scanlan, P.E., P.G.
Vice President

By _____

Date _____

TABLE 1 - SPF WATER ENGINEERING, LLC SCHEDULE OF HOURLY BILLING RATES		
Personnel	Title	2016 Billing Rate
Terry Scanlan, P.E., P.G.	Principal Engineer/Hydrogeologist	\$160
Christian Petrich, Ph.D., P.E., P.G.	Principal Engineer/Hydrologist	\$160
Cathy Cooper, P.E.	Principal Engineer	\$150
Bob Hardgrove, P.E.	Principal Engineer	\$150
Scott King, P.E.	Supervising Engineer	\$137
Eric Landsberg, P.E.	Senior Project Manager	\$143
Jason Thompson, P.E.	Project Manager	\$125
Kent Gingrich, P.E.	Project Manager	\$125
Peter Cooper, P.E.	Project Manager	\$125
Justin Leraris, P.E.	Project Manager	\$125
Marci Pape, P.E.	Project Engineer	\$91
Bryce Swillum, E.I.T.	Associate Engineer	\$91
Breanna Paulson, E.I.T.	Associate Engineer	\$80
Ashley Ritter, E.I.T.	Associate Engineer	\$75
Roxanne Brown	Senior Water Right Specialist	\$100
Lori Graves	Water Right Specialist	\$91
Steve Bennett	Designer I	\$87
Crystal Jensen	Business Development/Graphics/GIS Specialist	\$65
Julie Romano	Accounting/HR	\$65
Megan Tverdy	Administrative	\$55

Note: Hourly billing rates will be adjusted on January 1st each year.

**SCHEDULE OF FEES AND CONDITIONS
SPF WATER ENGINEERING, LLC (SPF)**

A. FEES AND PAYMENT

1. The fee for services will be based on SPF's standard hourly rates (including labor cost, overhead, and profit). Non-salary expenses directly attributable to the project, such as: (1) living and traveling expenses of employees when away from the home office on business connected with the project; (2) identifiable reproduction costs applicable to the work; and (3) outside services will be charged at actual cost plus 15% service charge to cover overhead and administration. Hourly rates are adjusted on an annual basis.
2. Payment shall be due within 30 days after date of monthly invoice describing the work performed and expenses incurred during the preceding month.
3. OWNER agrees that timely payment is a material term of this Agreement and that failure to make timely payment as agreed constitutes a breach hereof. In the event payment for services rendered has not been made within 60 days from the date of invoice, SPF may, after giving 7 days written notice to OWNER, and without penalty or liability of any nature, and without waiving any claim against OWNER, suspend all work on all authorized services as set forth herein. Upon receipt of payment in full for services rendered, plus interest charges, SPF will continue with all services not inconsistent with Article C.4 herein. Payment of all compensation due SPF pursuant to this Agreement shall be a condition precedent to OWNER using any of SPF's professional services work products furnished under this Agreement.
4. In order to defray carrying charges resulting from delayed payments, simple interest at the rate of 18% per annum (but not exceeding the maximum rate allowed by law) will be added to the unpaid balance of each invoice. The interest period shall commence 30 days after date of original invoice, and shall terminate upon date of payment. Payments will be first credited to interest and then to principal. No interest charge will be added during the initial 30-day period following date of invoice.

- B. COMMENCEMENT OF WORK.** The work will be commenced immediately upon receipt of written notice to proceed. If after commencement of work the project is delayed for any reason beyond the control of SPF for more than 60 days, the price and schedule for services under this Agreement are subject to revision. Subsequent modifications shall be in writing and signed by the parties to this Agreement.

C. MISCELLANEOUS PROVISIONS

1. **INSURANCE/INDEMNIFICATION/LIMITATION OF LIABILITY**
 - (a) SPF will maintain statutory limits of insurance coverage for Workers' Compensation and Employer's Liability Insurance as well as Professional Liability, General Liability and Automobile Liability Insurance and will name Owner as an additional insured on the Professional Liability, General Liability and Automobile Liability Insurance policies if specifically requested in writing. General Liability and Automobile Liability Insurance shall not be less than \$1,000,000 per occurrence.
 - (b) SPF asserts that it is skilled in the professional calling necessary to the services and duties proposed to be performed, and that it shall perform such services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals of SPF's caliber in the same locality, and to that end SPF agrees to indemnify and hold harmless Owner, its officers, and employees from and against claims, suits, loss, damages, costs, and expenses arising out of or resulting from the negligent acts, errors, or omissions of SPF, its officers, employees or agents in the performance of its services and duties hereunder, but not from the negligence or willful misconduct of Owner, its officers, and employees.
 - (c) SPF shall not be liable for damages arising out of or resulting from the actions or inaction of governmental agencies, including but not limited to, permit processing, environmental impact reports,

dedications, general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits, and building permits.

- (g) Notwithstanding other terms of this Agreement to the contrary, SPF makes no warranty, whether express or implied, as to the actual capacity or drawdown of any proposed water well(s), or the quality or temperature of ground water, if any, which may be produced by any water well(s) to be drilled and developed pursuant to this Agreement. Owner understands and agrees that SPF's responsibility under this Agreement is to apply its hydrogeology expertise, and to exercise the usual standard of care in the engineering profession to develop what ground water may reasonably exist, and may be economically feasible to use, beneath the proposed site(s).

2. DOCUMENTS

- (a) All computer programs, software, and other like data developed during the course of the project, unless specifically developed for Owner, are and shall remain the sole property of SPF.
 - (b) SPF's liability to Owner for any computer programs, software products, or related data furnished hereunder is limited solely to the correction of residual errors, minor maintenance, or update(s) as agreed. SPF makes no warranties of any kind, including any implied warranty of merchantability or of fitness for any particular purpose, or against infringement, with respect to computer programs, software products, related data, technical information, or technical assistance provided by SPF under this Agreement. In no event shall SPF, its officers, agents, or employees be liable under or in connection with this Agreement under any theory of tort, contract, strict liability, negligence, or other legal or equitable theory for incidental or consequential damages relating to any computer programs, software products, or related data furnished hereunder.
3. **TERMINATION OR ABANDONMENT.** If any portion of the work is terminated or abandoned by Owner, the provisions of this Schedule of Fees and Conditions in regard to compensation and payment shall apply insofar as possible to that portion of the work not terminated or abandoned. If said termination occurs prior to completion of any phase of the project, the fee for services performed during such phase shall be based on SPF's actual costs through termination of the portion of such phase completed prior to said termination.
4. **WAIVER.** SPF's waiver of any term, condition, or covenant or breach of any term, condition, or covenant, shall not constitute a waiver of any other term, condition, or covenant, or the breach thereof.
5. **ENTIRE AGREEMENT.** This Agreement, and its attachments, contains the entire understanding between Owner and SPF relating to professional engineering services. Any prior or contemporaneous agreements, promises, negotiations, or representations not expressly set forth herein are of no effect. Subsequent modifications or amendments to this Agreement shall be in writing and signed by the parties to this Agreement.
6. **SUCCESSORS AND ASSIGNS.** All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns.
7. **CONSTRUCTION ESTIMATES.** Estimates of cost for the facilities considered and designed under this Agreement are prepared by SPF through exercise of its experience and judgement in applying presently available cost data, but it is recognized that SPF has no control over costs of labor and materials, or over the construction contractor's methods of determining prices, or over competitive bidding procedures, market conditions, and unknown field conditions so that SPF cannot and does not guarantee that proposals, bids, or the project construction costs will not vary from SPF's cost estimates.
8. **SEVERABILITY.** If any provision of this Agreement is declared invalid, illegal, or incapable of being enforced by any court of competent jurisdiction, all of the remaining provisions of this Agreement shall nevertheless continue in full force and effect, and no provision shall be deemed dependent upon any other provision unless so expressed herein.



City of Mountain Home

160 South 3rd East, PO Box 10, Mountain Home, ID 83647 (208)587-2104 Fax (208)587-2110

November 10, 2015

RECEIVED

NOV 12 2015

By _____ Time _____

Board of Elmore County Commissioners
150 South 4th East, Suite 3
Mountain Home, ID 83647

RE: Elmore County Water Needs Assessment and Aquifer Recharge Project Study
MTBR&F File No. 26097.0000

Dear Commissioners,

I am writing to provide the support of the City of Mountain Home for your efforts to pursue the Elmore County Water Needs Assessment and Aquifer Recharge Project Study ("Study"). Elmore County water supplies are scarce and diminishing. As you know, water supplies are the key to economic sustainability and growth. Unfortunately, Elmore County has never been provided the needed support by the state or federal government to develop sufficient water supplies to allow for healthy economic conditions. Based on these concerns, we encourage the Board of Elmore County Commissioners to pursue all possible funding options to complete the Study and ultimately provide for additional water supplies for Elmore County. We understand that the Idaho Water Resource Board may be able to provide funding for this purpose and we encourage its approval of this effort.

We are also aware of Elmore County's efforts to analyze the feasibility of participating in the Mountain Home Air Force Base pump and pipe line project for use of Snake River water. We support this effort and look forward to positive results.

We would like to receive periodic reports on your efforts to improve Elmore County's water supplies. We will provide appropriate assistance and encouragement as needed.

Thank you for your efforts.

Sincerely,

Tom Rist,
Mayor

DISTRICT 23
TWIN FALLS & OWYHEE COUNTIES

HOME ADDRESS
FLAT CREEK RANCH
ROGERSON, IDAHO 83302
(208) 857-2217



STATE CAPITOL
P.O. BOX 83720
BOISE, IDAHO 83720-0081
(208) 332-1300
FAX: (208) 334-2320
bbrackett@senate.idaho.gov

Idaho State Senate

SENATOR BERT BRACKETT

RECEIVED

NOV 30 2015

By MAIL Time

November 23, 2015

Board of Elmore County Commissioner:
150 South 4th East, Suite 3
Mountain Home, ID 83647

Dear Commissioners,

I am writing to provide my support of your efforts to pursue the Elmore County Water Needs Assessment and Aquifer Recharge Project Study ("Study"). Elmore County water supplies are scarce and diminishing. As you know, water supplies are the key to economic sustainability and growth. Unfortunately, Elmore County has not received the needed support by the state or federal government to develop sufficient water supplies to allow for healthy economic conditions. Based on these concerns, I encourage the Board of Elmore County Commissioners to pursue all possible funding options to complete the Study and ultimately provide for additional water supplies for Elmore County. I understand that the Idaho Water Resource Board may be able to provide funding for this purpose and I encourage its approval of this effort.

I am also aware of Elmore County's efforts to analyze the feasibility of participating in the Mountain Home Air Force Base pump and pipe line project for use of Snake River water. I support this effort and look forward to positive results.

I would like to receive periodic reports on your efforts to improve Elmore County's water supplies. I will provide appropriate assistance and encouragement as needed.

Thank you for your efforts.

Sincerely,

A handwritten signature in black ink that reads "Bert Brackett".

Senator Bert Brackett, District 23



City of Mountain Home

160 South 3rd East, PO Box 10, Mountain Home, ID 83647 (208)587-2104 Fax (208)587-2110

November 10, 2015

RECEIVED

NOV 17 2015

By _____ Time _____

Board of Elmore County Commissioners
150 South 4th East, Suite 3
Mountain Home, ID 83647

RE: Elmore County Water Needs Assessment and Aquifer Recharge Project Study
MTBR&F File No. 26097.0000

Dear Commissioners,

I am writing in support of your efforts to pursue the Elmore County Water Needs Assessment and Aquifer Recharge Project Study ("Study"). Elmore County water supplies are scarce and diminishing. In Elmore County and the Mountain Home area, groundwater is critical source of water supply for MHAFB, the City of Mountain Home, industry, agriculture, and domestic users. The Mountain Home aquifer is over-drafted by about 30,000 acre-feet annually resulting in in groundwater level decline of over 1 to 2 feet per year. The level of use and dependence on groundwater in the area is not sustainable. As you know, water supplies are the key to economic sustainability and growth. I would encourage the Board of Elmore County Commissioners to pursue all possible funding options to complete the Study and ultimately provide for additional water supplies for Elmore County. I also encourage the Idaho Water Resource Board's approval of this effort and to help provide funding for this purpose.

I am also aware of Elmore County's participation in the Air Force Partnership Workshop and their efforts to analyze the feasibility of participating in the Mountain Home Air Force Base pump and pipe line project for use of Snake River water. I encourage the counties continued support of Mountain Home AFB and I definitely support this effort and look forward to positive results.

I would like to continue to receive periodic reports on the counties efforts to improve Elmore County's water supplies. I will provide appropriate assistance and encouragement as needed.

Thank you for your efforts.

Sincerely,

Bill Richey
Special Assistant for Military Affairs

Mountain Home Irrigation District
140 S. 3rd W.
Mountain Home, ID 83647

Calvin Ireland, District 1

Mike Landers, District 2

David Ascuena, District 3

December 1, 2015

Board of Elmore County Commissioners
150 South 4th East, Suite 3
Mountain Home, Id 83647

RECEIVED

DEC 04 2015

By Mal Time

RE: Elmore County Water Needs Assessment and Aquifer Recharge Project Study

MTBR&F File No. 26097.0000

Dear Commissioners,

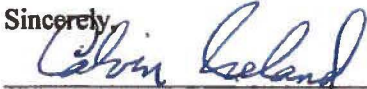
We are writing this letter in conditional support of Mountain Home Irrigation District for your efforts to pursue the Elmore County Water Needs Assessment and Aquifer Recharge Project Study ("Study"). Our primary concern is for the retention or increase supply of water for the irrigators/members of our District. Elmore County water supplies are scarce and diminishing. As you know, water supplies are the key to economic sustainability and growth. Unfortunately, Elmore County has never been provided the needed support by the state or federal government to develop sufficient water supplies to allow for healthy economic conditions. Based on these concerns, we encourage the Board of Elmore County Commissioners to pursue all possible funding options to complete the Study and ultimately provide for additional water supplies for Elmore County. We understand that the Idaho Water Resource Board may be able to provide funding for this purpose and we encourage its approval of this effort.

Although our primary concern is for the welfare of our District Members, we also wish to be good neighbors and look out for the welfare of the water needs of all the residents of the Mountain Home area. With this in mind, we are aware of Elmore County's efforts to analyze the feasibility of participating in the Mountain Home Air Force Base pump and pipe line project for use of Snake River water. We support this effort and look forward to positive results.

We would like to receive periodic reports on your efforts to improve Elmore County's water supply.

Thank you for your efforts.

Sincerely,



Calvin Ireland, President, Mtn. Home Irrigation Dist.



Mike Landers, Mtn. Home Irrigation Dist. Board Member



David Ascuena, Mtn. Home Irrigation Dist. Board Member

Work #: 208-587-4867

Fax #: 208-587-8168

Email: headgate2000@yahoo.com

Terry Seegrist, District Manager

Stefanie Kazyaka, Secretary

November 20, 2015

Board of Elmore County Commissioners
150 South 4th East, Suite 3
Mountain Home, ID 83647

RECEIVED

DEC 01 2015

By MAIL Time

RE: Elmore County Water Needs Assessment and Aquifer Recharge Project Study
MTBR&F File No. 26097.0000

Dear Commissioners,

I am writing to provide the support of Milton Peter Nielsen for your efforts to pursue the Elmore County Water Needs Assessment and Aquifer Recharge Project Study ("Study"). Elmore County water supplies are scarce and diminishing. As you know, water supplies are the key to economic sustainability and growth. Unfortunately, Elmore County has never been provided the needed support by the state or federal government to develop sufficient water supplies to allow for healthy economic conditions. Based on these concerns, we encourage the Board of Elmore County Commissioners to pursue all possible funding options to complete the Study and ultimately provide for additional water supplies for Elmore County. We understand that the Idaho Water Resource Board may be able to provide funding for this purpose and we encourage its approval of this effort.

We are also aware of Elmore County's efforts to analyze the feasibility of participating in the Mountain Home Air Force Base pump and pipe line project for use of Snake River water. We support this effort and look forward to positive results.

We would like to receive periodic reports on your efforts to improve Elmore County's water supplies. We will provide appropriate assistance and encouragement as needed.

Thank you for your efforts.

Sincerely,



M. PETER NIELSEN
LEGISLATIVE REPRESENTATIVE

RECEIVED

DEC 04 2015

November 27, 2015

Board of Elmore County Commissioners
150 South 4th East, Suite 3
Mountain Home, ID 83647

By _____ Time _____

RE: Elmore County Water Needs Assessment and Aquifer Recharge Project Study
MTBR&F File No. 26097.0000

Dear Commissioners,

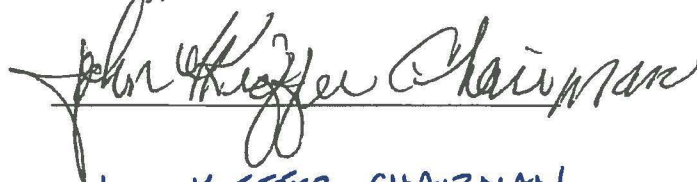
I am writing to provide the support of Elmore Soil & Water Conserv. District for your efforts to pursue the Elmore County Water Needs Assessment and Aquifer Recharge Project Study ("Study"). Elmore County water supplies are scarce and diminishing. As you know, water supplies are the key to economic sustainability and growth. Unfortunately, Elmore County has never been provided the needed support by the state or federal government to develop sufficient water supplies to allow for healthy economic conditions. Based on these concerns, we encourage the Board of Elmore County Commissioners to pursue all possible funding options to complete the Study and ultimately provide for additional water supplies for Elmore County. We understand that the Idaho Water Resource Board may be able to provide funding for this purpose and we encourage its approval of this effort.

We are also aware of Elmore County's efforts to analyze the feasibility of participating in the Mountain Home Air Force Base pump and pipe line project for use of Snake River water. We support this effort and look forward to positive results.

We would like to receive periodic reports on your efforts to improve Elmore County's water supplies. We will provide appropriate assistance and encouragement as needed.

Thank you for your efforts.

Sincerely,



JOHN KIEFFER, CHAIRMAN

ELMORE SOIL & WATER CONSERVATION DISTRICT

Elmore County Aquifer Stabilization Study Proposal

Idaho Water Resource Board

January 19, 2016

Terry Scanlan, P.E., P.G.
Christian Petrich, Ph.D, P.E., P.G.

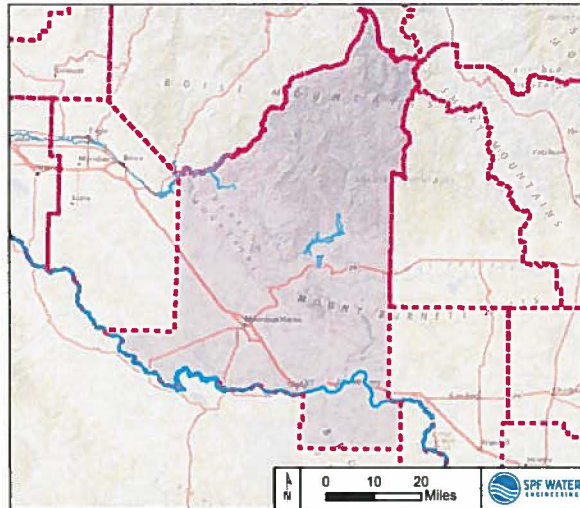


Overview

- **Review Elmore County water-supply concerns**
- **Outline proposal (prepared for Elmore County) to**
 - **Characterize existing water supply deficit**
 - **Describe approaches for stabilizing groundwater levels**
 - **Explore possible alternatives for additional water supply**
 - **Evaluate economics of additional water supply development**

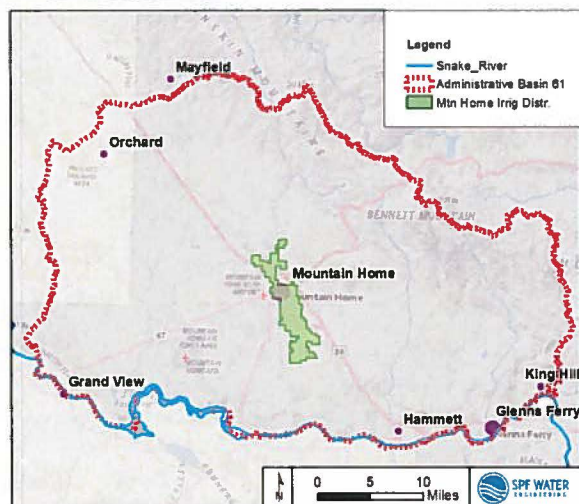
Elmore County

- Extends from Sawtooth Mountains to Snake River
- Area of concern is the southern portion (Mountain Home Plateau)



Administrative Basin 61

- Many users within the Plateau depend on groundwater
- Surface water use is from Danskin and Bennett Mtns and Snake River

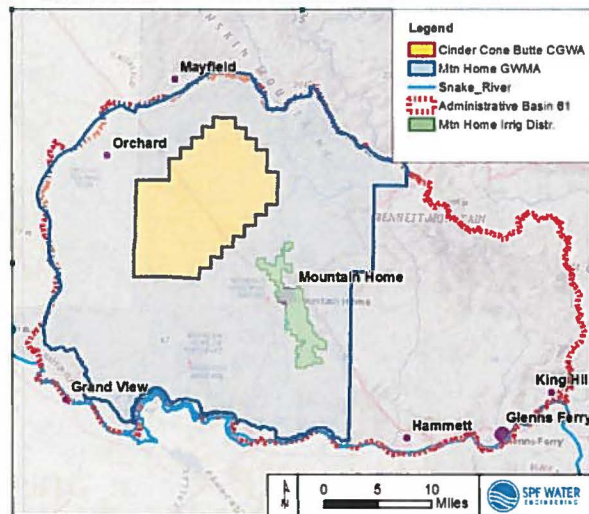


Concerns

- Elmore County water supplies are insufficient to support existing uses and future development
- Appropriation of new groundwater supply for consumptive uses is restricted
- Existing uses are threatened by curtailment as groundwater levels decline

Management Areas

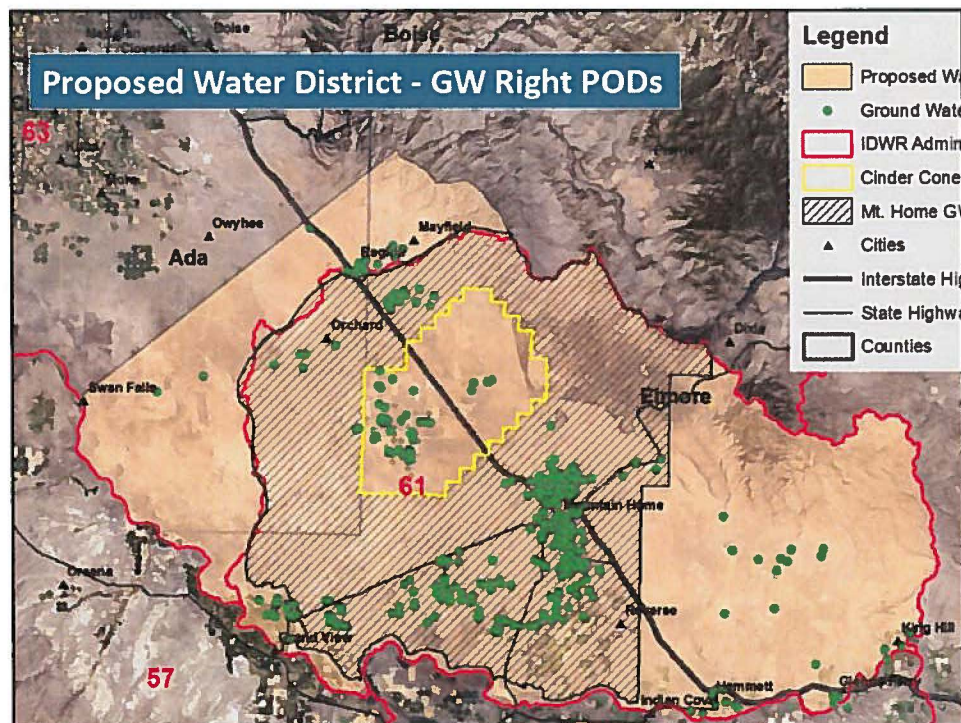
- Cinder Cone Butte Critical Ground Water Area (1981)
- Mountain Home Ground Water Management Area (1982)

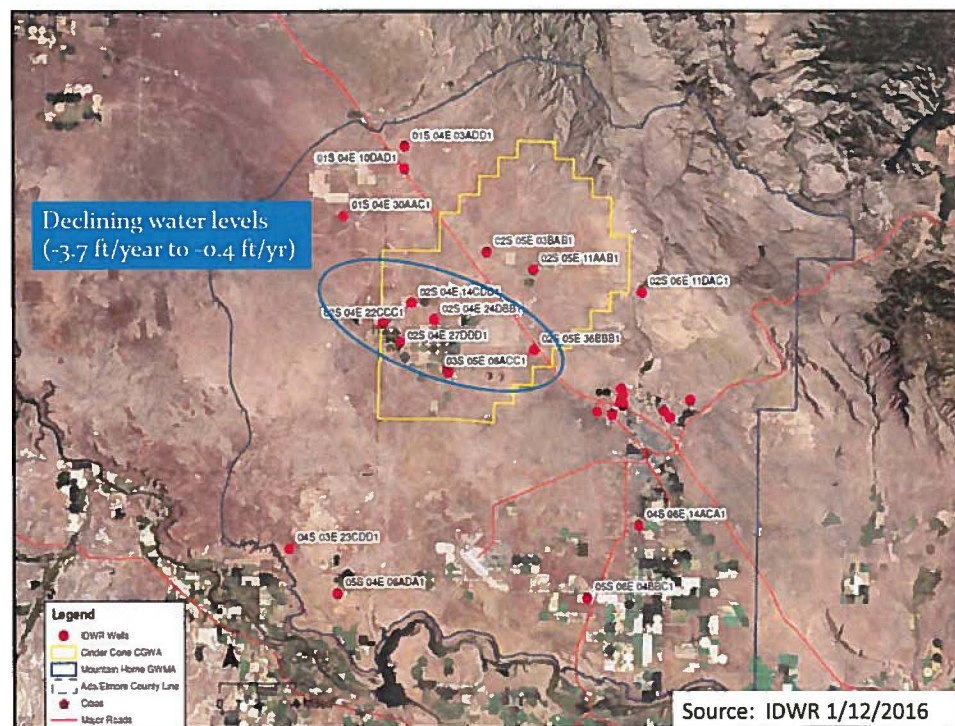
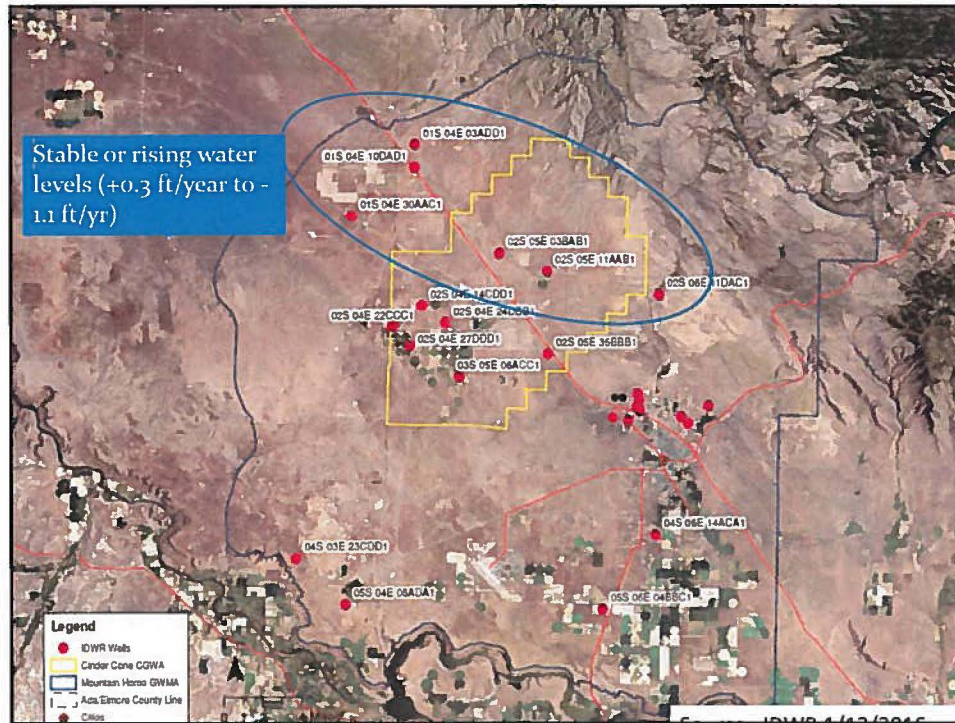


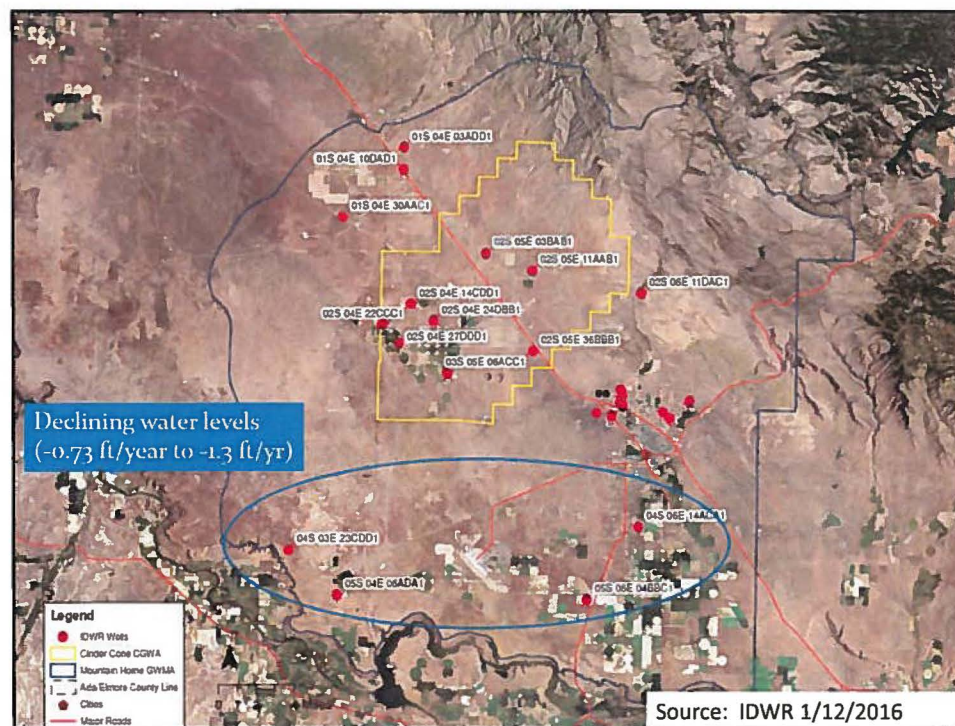
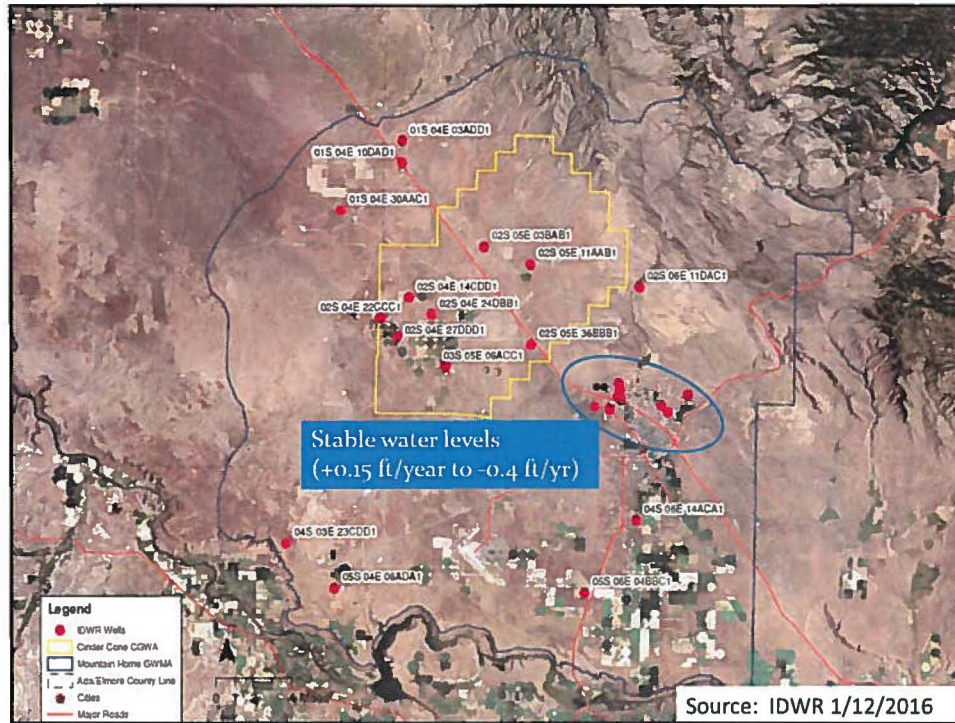
Proposed Basin 61 Water District

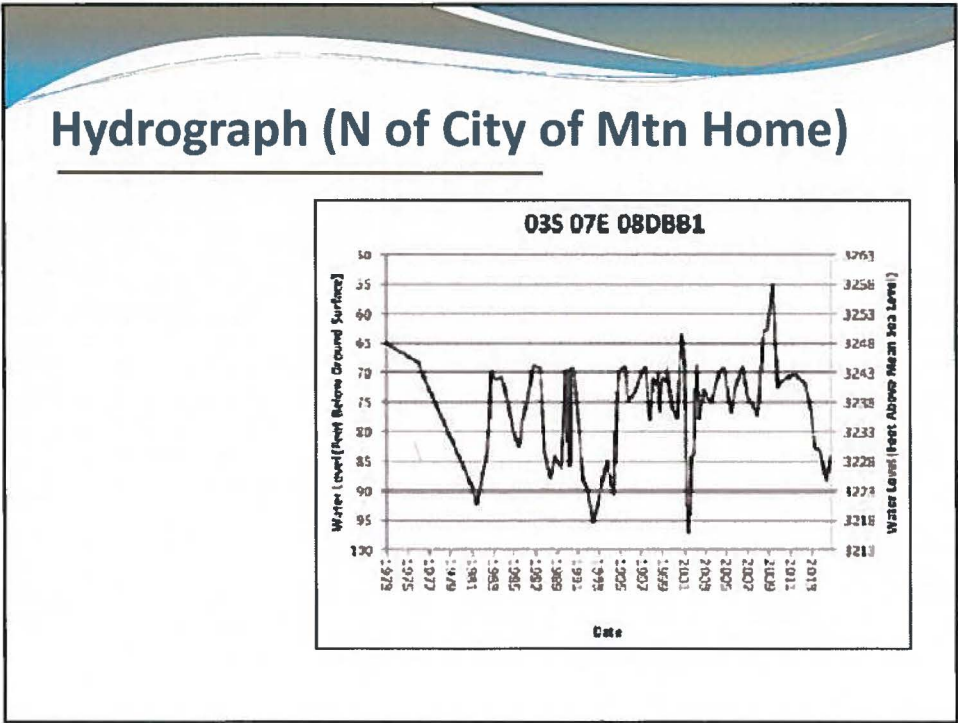
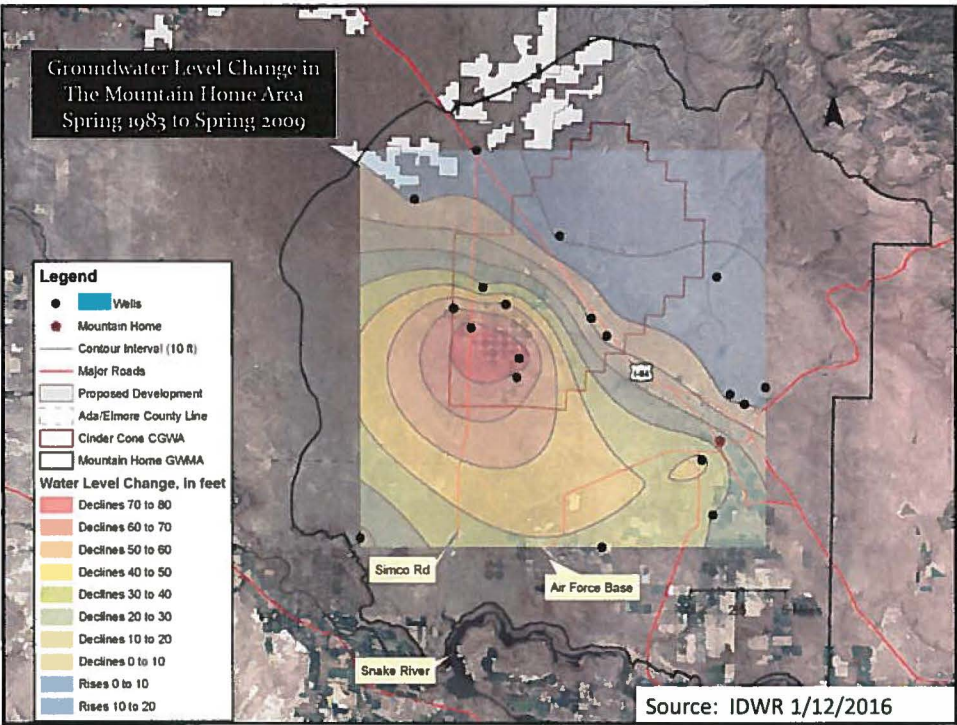
- Formation of Basin 61 Water District being considered as a result of concerns about groundwater-level declines
- District would include about 460 ground water rights (and 460 wells)
 - ~ 250 rights w/irrigation use > 5 acres (~ 240 wells)
 - ~ 140 rights w/ irrigation use <= 5 acres (~ 120 wells)
 - ~ 70 non-irrigation rights
 - 41 groundwater rights > 0.24 cfs (~100 wells)
 - In aggregate, ground water rights authorize gross diversion of approximately 568 cfs

Source: IDWR 1/12/2016

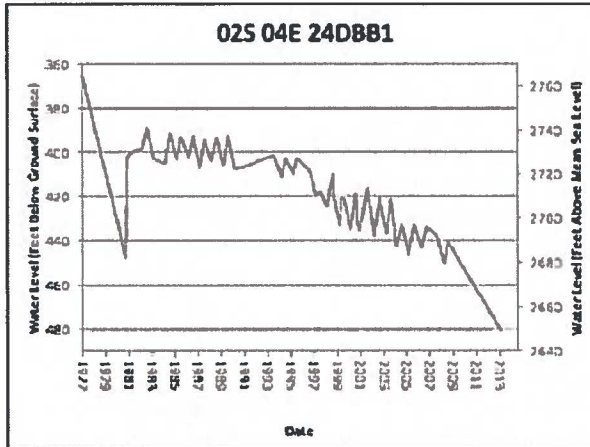




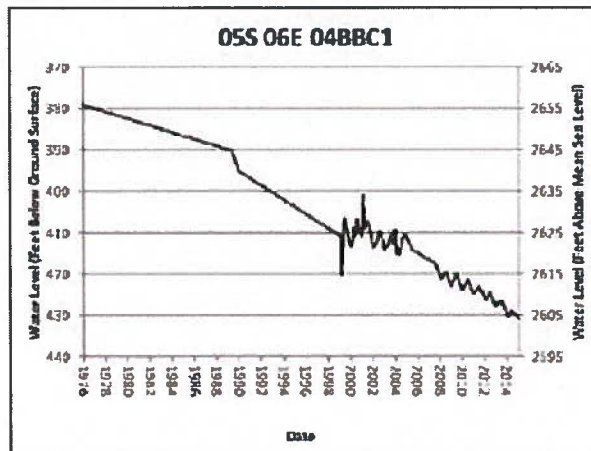




Hydrograph (Ctr of Cinder Cone CGWA)

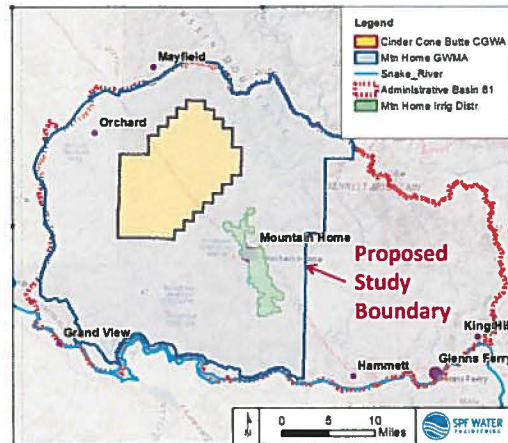


Hydrograph (east of Mtn Home AFB)



Purpose and General Objectives

- **Purpose: Improve Mountain Home Plateau water-supply sustainability**
- **General Objectives:**
 - Better quantify water-supply deficit
 - Explore possible sources of additional supply
 - Evaluate cost-effectiveness of additional supply



Specific Objectives

1. Review groundwater-level declines
2. Approximate groundwater diversions based on water-right analysis
3. Define existing water-supply deficit
4. Develop projections of future water demand
5. Explore economic impact of water-supply deficiency
6. Describe possible sources of additional water supply
7. Prepare preliminary cost opinions for selected direct-use and ASR alternatives
8. Explore operational and administrative options for additional water delivery

Approach

1. **Refine project scope**
 - Based on stakeholder meetings and comments
 - IWRB/IDWR comments
2. **Evaluate groundwater-level declines**
 - Prepare groundwater-level hydrographs for study area
 - Describe groundwater-level trends
 - Review existing estimates of natural recharge
 - Evaluate historical reduction in aquifer storage

Approach (*continued*)

3. **Evaluate consumptive use based on water right review and other data sources**
 - Estimate the number of acres currently authorized for surface water and groundwater irrigation
 - Estimate consumptive use based on acres authorized for irrigation (based on large-POU water rights)
 - Review history of groundwater development
 - Categorize groundwater diversions based on 5-year priority-date increments
 - Basis for comparison with historical groundwater-level trends (next task)

Approach (*continued*)

- 4. Describe existing water-supply deficit**
 - Reconcile irrigation-development history with groundwater-level trends
 - Estimate water-supply deficit based on estimates of current consumptive use and historical groundwater-level trends
 - Review surface-water supply in dry and wet years
- 5. Review projections of future water demand**
 - Domestic, commercial, municipal, and industrial (DCMI) uses
 - Supplemental irrigation needs
 - Consider impacts of “water-constrained” conditions

Approach (*continued*)

- 6. Discuss economic impact of water-supply deficiency**
 - Consider
 - Deferred agricultural production resulting from water-supply deficiency in drought years
 - Lost opportunities for economic development
 - Possible impact of groundwater curtailment
 - SPF will subcontract with an economist to assist with this analysis
- 7. Describe potential sources of additional water supply**
 - Most likely sources: Boise River and Snake River
 - Describe water availability and potential infrastructure needed for water delivery

Approach (*continued*)

8. Describe water-utilization approaches

- Describe possible methods for using additional water supply, e.g.
 - Direct use of untreated surface water (e.g., offset groundwater irrigation use)
 - Direct use of treated surface water
 - Aquifer recharge
 - Aquifer recharge, storage, and recovery (ASR)

9. Develop preliminary cost opinions for direct use and ASR alternatives

- Conceptual-level cost estimates for construction, operation, and maintenance
- Compare cost estimates on a per acre-foot basis
- Feasibility discussion

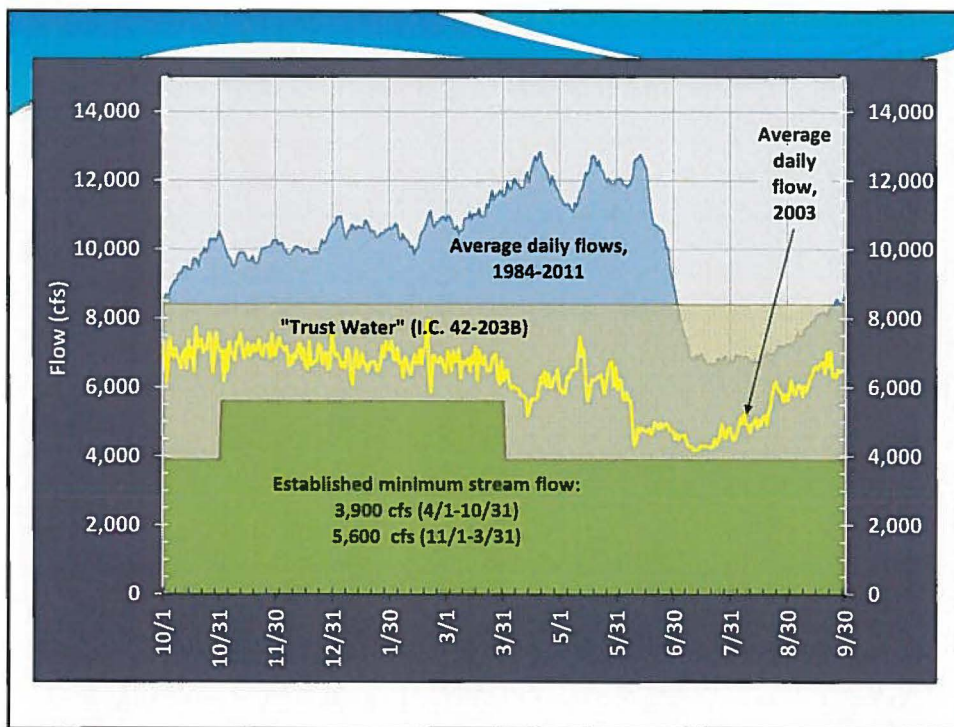
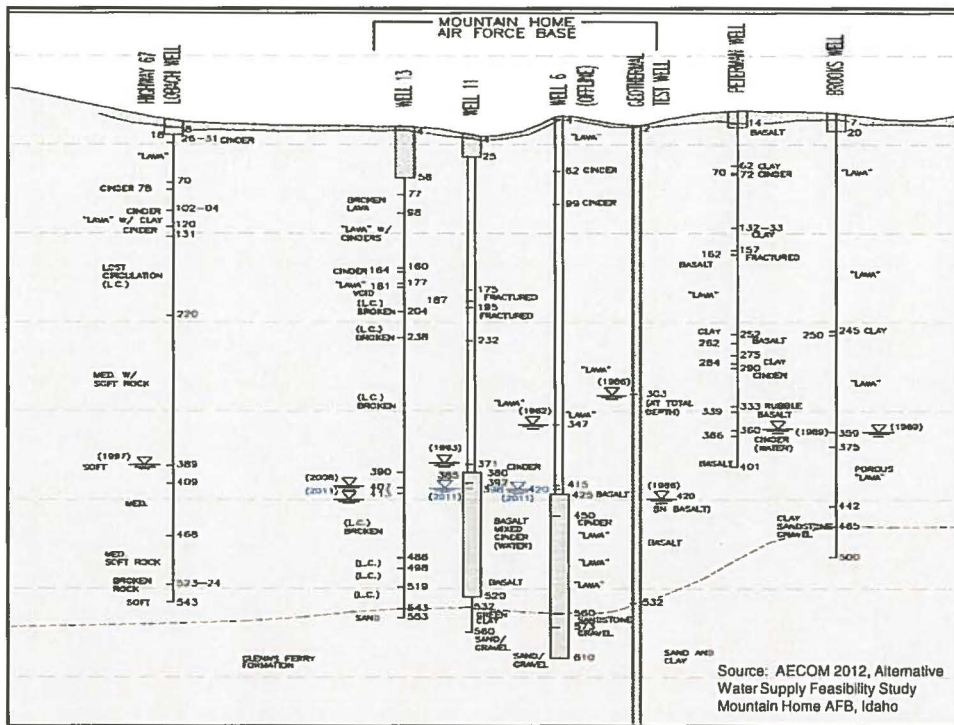
Approach (*continued*)

10. Consider operational and administrative options for new water-supply sources

- Outline potential options for ownership, administration, and operations
- Describe advantages and disadvantages of each option

Summary

- **Mountain Home Plateau is experiencing areas of water insufficiency**
- **Project purpose: identify and explore options for additional supply**
- **Proposal outlines tasks to assist Elmore County in evaluating water-supply options**
- **Some of the tasks may be refined after project begins based on initial results**



State Water Plan - Snake River

- **Policy 4A “The main stem Snake River above Hells Canyon Dam will be managed to meet or exceed... minimum average daily flows”**
 - Direct pumping can be curtailed for instant relief
- **Policy 4C “Water made available for reallocation to new uses in the Snake River trust water area pursuant to Idaho Code § 42-203B shall be allocated in accordance with criteria established by Idaho Code §§ 42-203A and 42-203C.”**
 - Allows development while protecting Swan Falls and Weiser Minimum Stream Flows
- **Policy 4D “The Eastern Snake Plain Aquifer and the Snake River below Milner Dam should be conjunctively managed to provide a sustainable water supply for all existing and future beneficial uses within and downstream of the ESPA.”**
 - Providing an alternative supply to the Mountain Home Plateau promotes conjunctive management

State Water Plan - Snake River

- **Policy 4E “Development of new on-stream, off-stream, and aquifer storage is in the public interest; provided, however, applications for large surface storage projects in the Milner to Murphy reach of the Snake River should be required to mitigate for impacts on hydropower generation”**
 - Recharging aquifers as a water supply alternative has significant potential to address water supply needs, in addition to addressing conjunctive management issues.
- **Policy 4F “Development of supplemental water supplies to sustain existing agricultural development is in the public interest.”**
- **Policy 4G “It is in the public interest to ensure the availability of water for future DCMI uses in the Snake River Basin”**

Appropriation of Snake River Water

- Downstream from King Hill is outside of moratorium area
- Permits are approvable if found to be in the public interest
 - Supported by the State Water Plan
 - Unlikely to be approved for new irrigation development
- Mitigation for hydropower impacts may be necessary
- Can be curtailed to comply with minimum stream flows
- Can be conditioned as appropriate to protect senior water rights

MEMO

State of Idaho

Department of Water Resources

322 E Front Street, P.O. Box 83720, Boise, Idaho 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700

Date: January 11, 2016

To: Idaho Water Resource Board

From: Sean Vincent

Subject: Proposal for predictive tool development

Action: Consider request to provide funding in support of Swan Falls forecasting tool

CH2M and its subcontractor (Drs. Rob Van Kirk and Gary Johnson from the Henry's Fork Foundation) presented a proposal during the November 16, 2015 Work Session for development of a spreadsheet tool for predicting flows at the Snake River near Murphy Gage. The proposal is being offered to the Idaho Water Resource Board for its consideration based on a recommendation to move forward with the work from the Swan Falls Technical Working Group.

The Technical Working Group is comprised of stakeholder representatives working on various technical aspects of the Swan Falls issue. The Technical Working Group has been tasked with developing forecasting tools for the flows at Murphy by the Swan Falls Policy Group. Predictive tool development is a direct benefit to the State of Idaho in helping to implement the State Water Plan and it is consistent with the Water Resource Board's efforts to increase ESPA spring discharge via managed recharge and other aquifer stabilization efforts.

As detailed in the proposal, the total fee including subcontractor costs is \$99,403. As a show of support for the proposal, Idaho Power Company and Idaho Ground Water Appropriators, Inc. have verbally committed to providing approximately \$2,500 each. An equal but nominal level of funding by each of the major stakeholders is consistent with staff's recommendation that tool development primarily be a state-sponsored activity. As such, staff is asking the Water Resource Board to consider funding the remaining balance.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE SWAN FALLS)
AGREEMENT MINIMUM FLOWS)
_____)

A RESOLUTION TO ALLOCATE
FUNDS FOR A FORECASTING TOOL

WHEREAS, as a result of the Swan Falls Settlement, the minimum streamflow at the Murphy Gaging Station, just downstream of Swan Falls Dam, was increased to an average daily flow of 3,900 cfs between April 1st and October 31st of every year, and 5,600 cfs between November 1st and March 31st of every year; and

WHEREAS, the Idaho Water Resource Board (IWRB) holds decreed minimum stream water rights at the Murphy Gage; and

WHEREAS, Idaho Power Company holds decreed hydropower water rights for its mid Snake River Hydropower facilities in the amount of 3,900 cfs between April 1st and October 31st and 5,600 cfs between November 1st and March 31st measured at the Murphy Gage; and

WHEREAS, the State of Idaho, by and through the Governor, hold hydropower water rights in trust for the benefit of Idaho Power Company and the people of Idaho; and

WHEREAS, the hydropower water rights held in trust by the State of Idaho are subordinated to water rights diverting trust water within the area shown on Appendix A of IDAPA 37.03.08.030; provided, however, these water rights are subject to curtailment if the average daily flow at the Murphy Gage falls below 3,900 cfs between April 1st and October 31st and 5,600 cfs between November 1st and March 31st measured at the Murphy Gage; and

WHEREAS, the adjusted average daily flow at the Murphy Gage is beginning to approach the 3,900 cfs minimum flow; and

WHEREAS, CH2M developed a proposal for the development of a spreadsheet tool for predicting flows in the Snake River near the Murphy Gage. The cost to develop the proposed predictive tool is \$99,403; and

WHEREAS, the Swan Falls Working Group is comprised of stakeholder representatives (including Idaho Power Company and The Idaho Ground Water Appropriators, Inc.) working on various technical aspects relating to the Swan Falls flow issues; and

WHEREAS, the Idaho Power Company and the Idaho Ground Water Appropriators, Inc. have each committed to providing additional cost share funding for the development of the predictive tool.

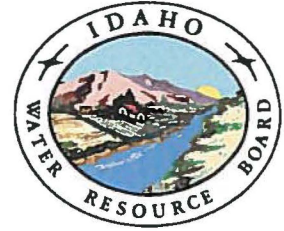
NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the expenditure of a total of \$_____ from the IWRB Secondary Aquifer Planning, Management and Implementation Fund for the spreadsheet tool for predicting flows in the Snake River near the Murphy Gage.

Dated this 22nd day of January 2016.

ROGER CHASE, Chairman Idaho
Water Resource Board

ATTEST _____
Vince Alberdi, Secretary
Idaho Water Resource Board

MEMO



To: Idaho Water Resource Board

From: Rick Collingwood

Date: January 22, 2016

Subject: Outlet Water Association – Domestic Water Supply Improvements

Action Item: \$100,000 loan

1.0 INTRODUCTION

The Outlet Water Association (OWA) is requesting a \$100,000 loan at 3.5% interest with a 20-year term to drill a second well, and construct a new access road to the well site, larger supply line, and complete water system additions and upgrades to the existing pumping station (project).

2.0 BACKGROUND

The OWA is located in Bonner County near the Outlet Bay Area of Priest Lake, Idaho (see Project Area map). OWA provides domestic water to 88 residences and a USFS campground. The OWA provides water service to 78 seasonal and 9 year round residences. In addition, a single service line to the Kokanee Park Homeowners Association provides supplemental water to the Association to serve 35 seasonal households during high demand during the summer months.

The OWA owns and operates a domestic water supply system for the residences of the Outlet Bay area. The domestic water supply system is comprised of a single well and pump house, two water storage tanks (60,000 and 18,000 gallon), and approximately ½ mile of 3-inch supply line to the water storage tanks.

OWA's well and pump house are located on USFS land approximately ½ mile from the service area. The association renewed a special use permit with the USFS in 2015 for a 30-year period. The two water storage tanks and approximately one-half of the 3-inch supply line is located on land owned by the Outlet Bay Sewer District. The OWA has secured a permanent easement across the Outlet Bay Sewer District land for operation and maintenance of OWA's water supply pipeline, pump house, and water tanks.

3.0 PROPOSED PROJECT

The project includes the following:

- drilling of a new 65-foot deep well
- installation of two 10-hp pumps (one for the existing well and one for the new well)
- burying of approximately 400-feet of 3-inch electrical conduit to replace a section of an overhead power line which runs through a wooded area to the pump house

- pump house manifold and piping modifications
- water system control upgrades for operation of the new well
- construction of approximately ¼ mile of new access road to the well and pump house site

In the future, OWA plans to install a stand-by generator for a backup power source. The stand-by generator would allow water system operations to continue during power outages.

James A. Sewell & Associates, LLC, Newport, Washington, is providing the engineering and design services for the project. The project cost estimate is \$231,000. Currently, the OWA has paid approximately \$76,500 for engineering and design, and the first phase of the new access road construction, which commenced in late October and is 80% complete. Final grading of the access road is scheduled to be completed in the spring of 2016. As soon as funding is secured, the new well will be drilled and the related pump station and pump house improvements will be completed. The remaining project costs will be budgeted and paid for by OWA.

4.0 BENEFITS

The Idaho Department of Environmental Quality (DEQ) and Panhandle Health have recommended for several years that OWA develop a second water source. By drilling a second well, installing a larger supply pipeline, and removing overhead power lines in a wooded area to reduce power outages caused by trees falling on the power lines, this project will create a more reliable water system for the residents served by the OWA water system.

5.0 FINANCIAL ANALYSIS

OWA is requesting a loan of \$100,000 at 3.5% interest for a 20-year term. The annual loan payment will be \$7,036.11.

The current quarterly assessment is \$54 for the OWA and \$45 for the Kokanee Park development. The OWA does not anticipate an increase to the current quarterly assessments to meet its yearly loan payment obligation.

In reviewing OWA's revenues and expenses, it appears that OWA can absorb the annual loan payment under the current rate structure. However, the cash balance at the end of each year will be reduced significantly due to the annual loan payment. OWA may need to modify the assessment rate structure to maintain a higher cash balance at the end of the year.

Year	Revenue	Expenditures	Cash
2012	\$20,826.00	\$16,377.00	\$57,625.00
2013	\$26,735.00	\$13,847.00	\$70,595.00
2014	\$27,117.00	\$18,515.00	\$67,672.00
2015 (YTD)	\$29,916.00	\$88,345.00	\$10,379.00

Note: The substantial increase in expenditures for 2015, is due to the project engineering and Phase 1 of the access road construction costs totaling \$76,526.46.

Loan History:

Current

This is OWA's first loan request from the Idaho Water Resource Board. Currently, the OWA has no outstanding debt.

6.0 WATER RIGHTS

The OWA water rights are summarized in the following table. Ground water permit 97-7521 (permit for a new well), and ground water right 97-7291 will be the two sources of potable water for the OWA. The two spring water rights, 97-7013 and 97-2053, are not currently used as additional sources of water for the OWA, and the OWA has no plans to use the springs for the potable water system.

WATER RIGHT	SOURCE	FLOW (cfs)	WATER USE	BASIS	PRIORITY DATE
97-7291	Ground Water	0.27	Domestic	License	3/25/1989
97-7521	Ground Water	0.56	Domestic	Permit	2/27/2015

7.0 SECURITY

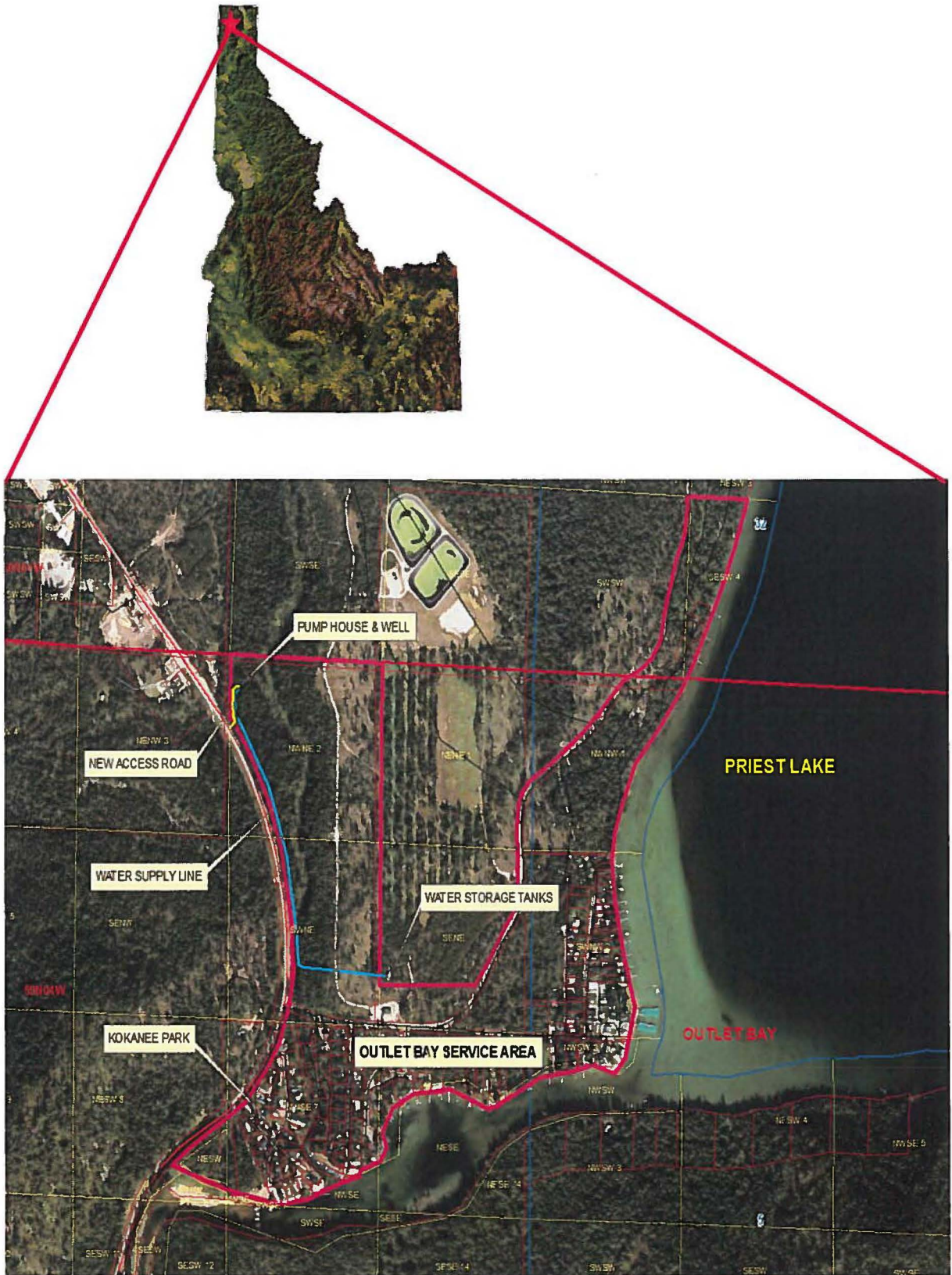
The Board will hold Outlet Water Association water rights, including two spring water rights, 97-7013 and 97-2015, which are not connected to the domestic water system, newly constructed facilities and equipment, and existing water system facilities as security for the loan.

8.0 CONCLUSION AND RECOMMENDATION

This loan will be used to drill a second well, complete pump station modifications and upgrades, install a larger supply line to the water storage tanks, bury an overhead power line, and construct a new access road to the pump house and well site.

The project will benefit the OWA and the residents served by the OWA water system. Staff recommends approval of the requested loan.

Map of Project Area



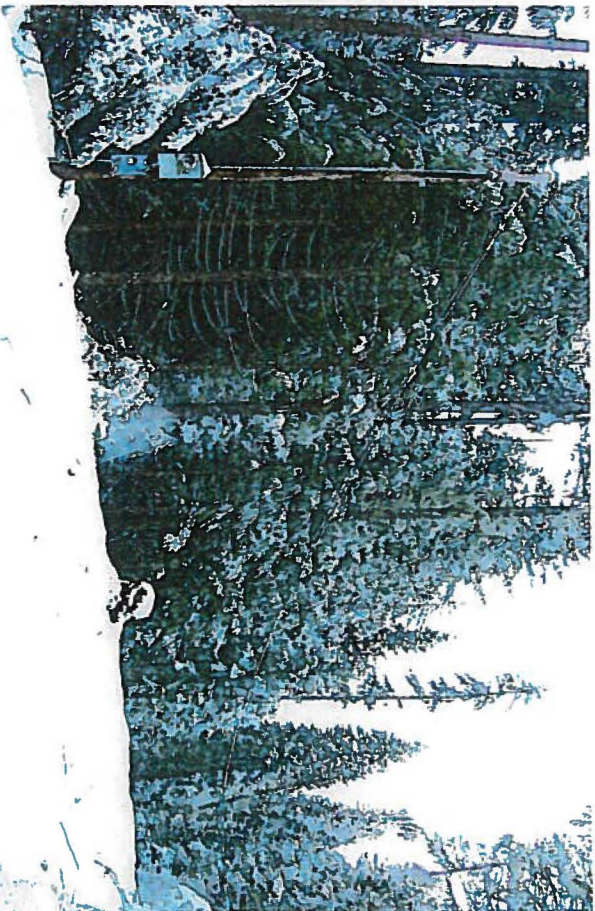
(See additional photos of the project facilities included with attached application.)



PAMPHOUSE



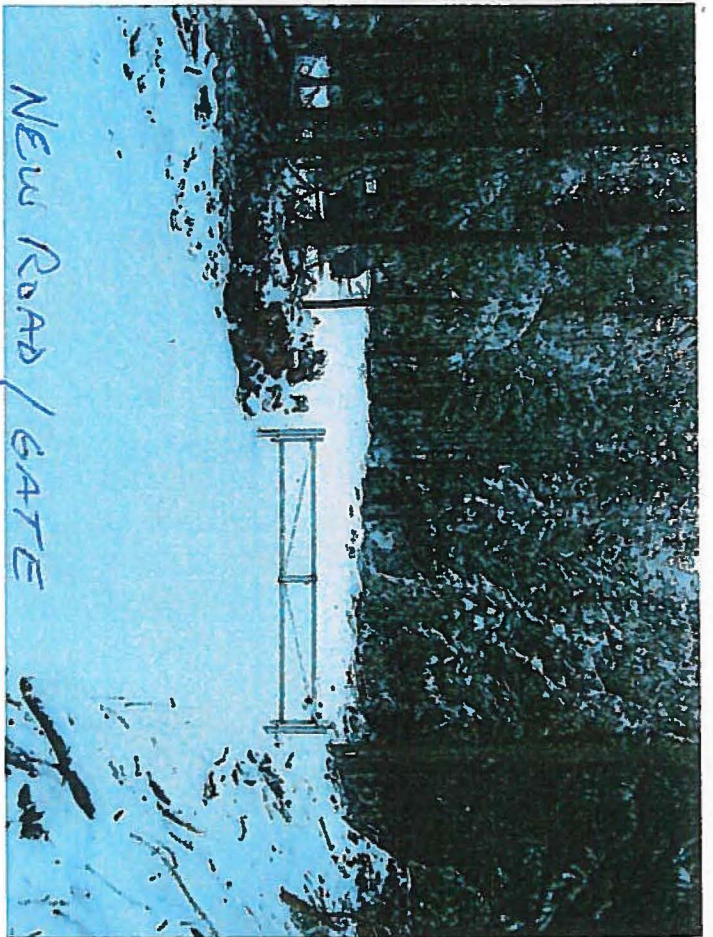
OVERHEAD POWER LINE



OVERHEAD POWER LINE



NEW ACCESS ROAD



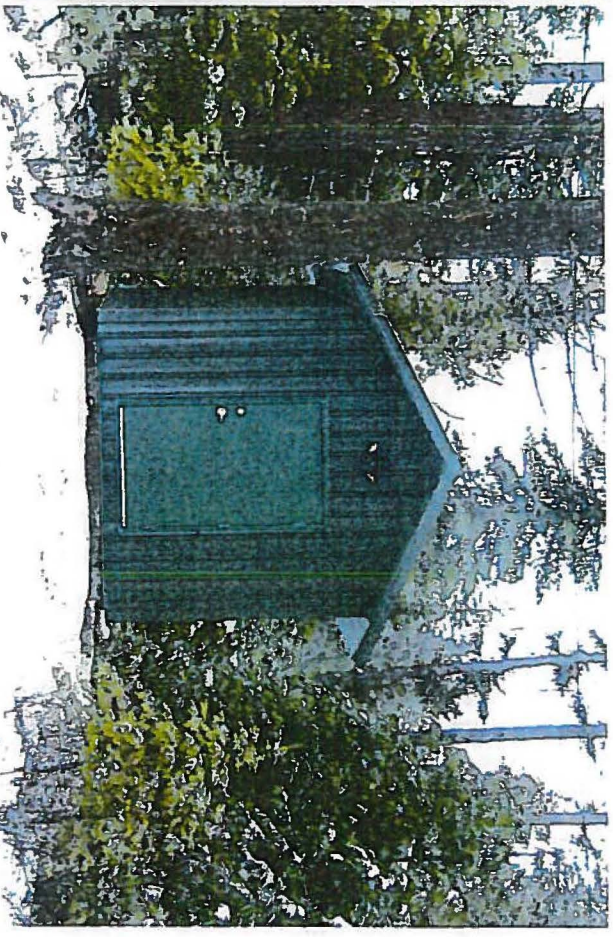
New Road / GATE



New Road



STORAGE TANKS



10' X 20'
EQUIPMENT STORAGE BUILDING

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF THE)
OUTLET WATER ASSOCIATION)
_____)

A RESOLUTION TO MAKE
A FUNDING COMMITMENT

WHEREAS, on December 11, 2015, a Letter of Intent and Loan Application from the Outlet Water Association (Association) were submitted to the IDAHO WATER RESOURCE BOARD (Board) requesting a loan in the amount of \$100,000; and,

WHEREAS, the Association provides domestic water to 88 residents and a USFS campground in the Outlet Bay Area of Priest Lake, Bonner County; and,

WHEREAS, the Association needs to undertake several improvement projects, which include drilling a secondary well and construction of a new access road to the well and pump house site; and,

WHEREAS, these additional funds will be used to undertake the needed improvements to the system; and,

WHEREAS, the Association is a qualified applicant and the proposed project qualifies for a loan from the Revolving Development Account; and,

WHEREAS, the proposed project is in the public interest and is in compliance with the State Water Plan.

NOW THEREFORE BE IT RESOLVED that the Board approves a loan for \$100,000 at 3.5% interest with a 20 - year repayment term, and provides authority to the Chairman of the Idaho Water Resource Board or his designee to enter into contracts with the Association on behalf of the IWRB.

BE IT FURTHER RESOLVED that this resolution and the approval of the loan are subject to the following conditions:

1. The Association shall provide acceptable security for the loan to the IWRB including, but not limited to the Association's water rights, property, and facilities.
2. The Association shall establish a reserve account in an amount equal to one annual payment.
3. The Association shall comply with all applicable rules and regulations that apply to the proposed project.

DATED this 22th day of January, 2016.

ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

Loan Document of New Well and Associated Improvements

**Sponsored by the
Outlet Water Association
In conjunction with the
Idaho Water Resource Board**

December 2015

Outlet Water Association

Bill McInerney; President

Vern Melvin; Vice President

Office Services; Treasurer

Attorney for the Outlet Water Association

Brian M. Werst

K&L Gates LLP

618 West Riverside Ave

Spokane Washington 99210-5102

(509) 624-2100

Engineering and Technical Support

Eric Eldenburg, Principal PE

James A. Sewell & Associates, LLC

600 - 4th Street West

Newport Washington 99156

(509) 447-3626

Loan Document of New Well

Outlet Water Association

New Well and Associated Improvements

Introduction (Need for the Project)

The Outlet Water Association (OWA) located in Bonner County, operates a water supply system to supply domestic water to the residences of the Outlet Bay Area of Priest Lake Idaho. The current well, with 7-1/2 hp pump, has managed to keep up with demand, however, during summers of high demand, the well runs almost continuously during the day. It pumps water to 2 storage tanks, a 60,000 gallon and an 18,000 gallon, located approximately half mile away. The DEQ and Panhandle Health have been suggesting for several years that OWA develop a second water source. OWA wishes to drill a new well with a 10 hp pump, and purchase a second 10 hp pump to be installed in the existing well when the 7-1/2 hp fails. OWA currently cannot run 2 pumps simultaneously because the 1/2 mile long line to our storage tanks is too small, but we can run a single 10 hp.

Project Sponsor

The Outlet Water Association is registered with the State of Idaho. There are currently 9 year round households, 78 part-time households, and a US Forest Service campground, which is part time. OWA also furnishes a single 3/4" connection to Kokanee Park Homeowners Association, a neighboring development with 35 seasonal households, for supplementing their potable water system when their supply has difficulty meeting their demand. We consider this as a single connection. Kokanee Park has a separate irrigation system which uses lake water. OWA is authorized to do projects and assess fees as voted on by its directors. OWA has the power to discontinue water delivery to the residences if they fail to pay their bill. A copy of the incorporation and by-laws are included in Appendix B.

Project Service Area and Facilities

The OWA provides water for 88 residences and a USFS campground in Bonner County. The OWA is located 26 miles north of Priest River Idaho on Highway 57 and covers a service area of approximately 200 acres. The residences serviced by OWA include 78 seasonal and 9 year round with approximately 5 acres of irrigation for lawns and gardens. The USFS Campground is also seasonal, and is furnished water for flushing toilets and drinking only. Kokanee Park Homeowners Assn, a neighboring development with 35 seasonal households, is furnished with a single 3/4" connection for supplementing their potable system during high demand. Kokanee Park has a separate irrigation system which uses lake water. A map of the service area is included in Appendix G.

OWA's well and pump house are located approximately 1/2 mile away from the service area on property that is used under special use permit with the USFS. This special use permit was renewed in 2015 for a 30 year period. Approximately half of OWA's line to the storage tank is also on permitted USFS property. The second half, including the storage tanks is on a permanent easement with the Outlet Bay Sewer District.

In the 80's when OWA's first well was developed, the access into the well site was a cow trail through the property of the Priest Lake Lumber Company. Under the best conditions it required 4 wheel drive and adverse conditions required a Caterpillar tractor to tow equipment in and out. One of the priorities of OWA was to build a new access road into the site, which required 5 years of negotiating with the USFS, since it is on USFS property.

Hydrology and Water Rights

The source of water that serves the residences is a groundwater well. The water right for the well, #97-07291, appropriation date of 1989, and #97-07521, appropriation date of 2015, total 0.56 cfs and a total annual volume of 142.1 acre feet. Records show that the draw on the well for the last 3 years has averaged 23,430,000 gallons per year. A copy of the water rights is found in Appendix A.

OWA continues to maintain old water rights for a spring source (#97-7013 and 97-2053), but has no intention of using that source again. Copies of these water right permits are included for informational purposes only.

Project Description and Alternatives

The purpose of this project is to provide a means for OWA to continue providing water for domestic use to the residents more reliably and lessen the possibility of outages which would impact the quality of life of residents. The only other alternative was to do nothing. Finding a different location for a well has not been successful. The current well location is over an proven aquifer with an abundant water supply. Utilizing our current pump house by redesigning the interior plumbing is the most cost effective.

The project involves drilling a new 65 ft deep well, 50 feet to the south of our existing well. The new well with 10 hp pump will feed into the pump house where the existing well, with 7-1/2 hp pump, feeds. It will tie into the existing manifold, and will include its own blow off and meter. Controls will be added which will automatically start the idle pump, should the pump that is being used fail. Currently, OWA has capacity in its line to the storage tanks to run only one pump. The second pump will serve as back-up. Eventually the plan calls for upgrading the line to the tanks from a 3" to 4" so that 2 pumps can be utilized should it be needed. It should be noted that our existing well operated with a 10 hp pump for ten years until it failed in 2014. It was replaced with the 7-1/2 hp which we had in stock.

The current electric service comes in overhead to the pump house. It is 240V 3 phase insulated line which is run through the trees and is owned and serviced by Northern Lights Utility. It is not unusual for a tree to blow down and take out the line. We are eliminating this overhead hazard by burying 400 feet of 3" conduit through the wooded area and burying our electric service. Eventually OWA plans on installing a 30kw stand-by generator to lessen the chance of outages due to extended power outages.

The project includes building 1/4 mile of new access road into the well site. It involved a new approach from Highway 57, the removal of thick timber and the application of heavy rock fill and gravel. This portion of the project is approximately 90% complete.

New Well Project - Cost Estimate

Engineering	\$10,000
Well Drilling	50,000
New Pump and Plumbing	15,000
Pump Controls	10,000
Bury Electric Service	6,000
New Access Road	80,000
New 4" Line to Tank	40,000
Stand-by 30kw Generator	20,000
<hr/>	
Total:	\$231,000

Implementation Schedule

James A. Sewell engineering firm has completed the water right update and the well and pump house engineering. Construction on the new access road commenced in late October and is 80% complete. The final gravel and grading will take place in the spring of 2016. Documentation of Engineering and road construction are included in Appendix H. OWA plans on putting in the new well, with related pump house improvements, as soon as funding is acquired.

Permitting

A new updated water right has been obtained and is included in Appendix A. An encroachment permit for our approach off highway 57 was obtained prior to the start of road construction. The well site has been approved by Panhandle Health and the Well Drilling permit has been issued by DEQ. All of this documentation is included in Appendix E.

Institutional Considerations

Entities that are, or may be involved in the design, construction, and financing of the project include:

OWA; project manager

James A. Sewell & Associates, LLC Engineering Firm; design and construction

IWRB; financing and construction

OWA will be the lead for the financing, design, and construction of the project and will be the entity entering into contracts and agreements with the various entities for the services provided by each.

Financial Analysis

Two entities will be involved in financing the estimated project cost of \$231,000. The OWA has already paid \$69,189.75 for the first phase of road construction. OWA has also paid \$7336.71 in engineering fees. Documentation of these expenditures are included in Appendix H. OWA is applying for a loan from IWRB for \$100,000. Additional costs will be budgeted and paid for by OWA through normal revenue as costs are incurred.

Sources of funding;

IWRB; Loan for \$100,000

OWA; \$76,526.46 already spent on road construction and engineering

OWA; Additional costs as funds accrue.

OWA is requesting a 20 year loan from the IWRB in the amount of \$100,000. OWA requests monthly or quarterly payments. OWA assesses its 87 regular customers at the rate of \$54 per quarter and assesses the 35 residents of Kokanee Park at the rate of \$45 per quarter.



IDAHO WATER RESOURCE BOARD
322 East Front Street, Statehouse Mail
Boise, Idaho 83720
Tel: (208) 287-4800
FAX: (208) 287-6700



**APPLICATION FOR FINANCIAL ASSISTANCE FOR POTABLE WATER
SYSTEM CONSTRUCTION PROJECT**

Answer the following questions and provide the requested material as directed. All pertinent information provided. Additional information may be requested by the Idaho Water Resource Board (IWRB) depending on the scope of the project and amount of funding requested. For larger funding amounts an L.I.D. may be required.

Incomplete documents will be returned and no further action taken will be taken by IWRB staff. All paperwork must be in twenty eight (28) working days prior to the next bi-monthly Board meeting.

Board meeting agendas can be found at: <http://www.idwr.idaho.gov/waterboard/>

I. Prepare and attach a "Loan Application Document".

The Loan Application Document requirements are outlined in the Water Project Loan Program Guidelines. The guidelines can be found at:

<http://www.idwr.idaho.gov/waterboard/Financial%20program/financial.htm>.

You can also obtain a copy by contacting IWRB staff.

II. General Information:

A. Type of organization: (Check box)

- ☐ Municipality
☐ Water and/or Sewer District
☐ Non-Profit Water Company
☐ For-Profit Water Company

- ☐ Homeowner's Association
☒ Water Association
☐ Other

Explain: _____

OUTLET WATER ASSN.

Organization name

BILL MCINERNEY

Name and title of Contact Person

172 OUTLET BAY RD

PO Box/Street Address

(208) 443-3146

Contact telephone number

PRIEST LAKE ID 83856

City, County, State, Zip Code

BILLMCPRIESTLAKE@SISNA.COM

e-mail address

Project location legal description SW 1/4 NE 1/4 SEC. 6 TWP 59N, R6E 04W, B.M. BONNER CO.

B. Is your organization registered with the Idaho Secretary of State's office? Yes ☒ No ☐

C. Purpose and name of project for this loan application.

☐ New Project

☐ Rehabilitation or replacement of existing facility

☐ DEQ requirement

☒ Other: ADDITION & IMPROVEMENT OF EXISTING SYSTEM.

D. Briefly describe the existing water supply facilities and describe any existing operational or maintenance problems. Attach map of the service area and a separate sheet if necessary to complete the explanation.

PLEASE SEE ATTACHED

III. WATER SYSTEM:

A. Source of water:

☐ Stream

☒ Groundwater

☐ Reservoir

☐ Other

B. Water Right Numbers:

Water Right	Stage	Priority Date	Source	Amount
97-07521		27 FEB 2015	GROUNDWATER	135 AF
97-07291		25 MAR 1989	GROUNDWATER	42 AF
97-7013		03 MAY 1971	SPRING	.15 AF
97-2053		07 NOV 1966	SPRING	.06 AF

Note: Stage refers to how the water right was issued. (License, Decree, or Permit)

INCLUDED FOR INFORMATIONAL PURPOSE ONLY.

C. Hook-ups on the system:

Approximate number of residential hook-ups: 89

Approximate number of commercial hook-ups: _____

Approximate number of industrial hook-ups: _____

D. On average, how much water is provided per day? 60,000 GAL.

IV. USER RATES:

A. How does your organization charge user rates

☒ Per Hook up

☐ Other

☐ Per Volume Used

Explain: _____

B. Current user rate? \$ 54 per QUARTER
(gallons used, monthly, yearly, etc.)

KOKANEE PARK #45 per QUARTER (PLEASE SEE ATTACHMENT)

If a graduated or progressive rate structure or different rates for different classes of users are used, attach a separate sheet with explanation.

C. When was the last rate change? JUNE 2007 (month/year)

Attachment for Page 2, section IV: User Rates:

Kokanee Park is a neighboring development consisting of 35 homes, mostly mobile homes. Their water system was having difficulty keeping up with demand during periods of high water use. OWA furnishes Kokanee Park with a single 3/4" connection, which supplements their system when theirs isn't sufficient. OWA has no responsibility for Kokanee's infrastructure and the water is for in-house use only. Kokanee Park has a separate irrigation system which uses lake water, and is maintained entirely by them.

For this service, OWA charges each of the 35 homes in Kokanee Park, \$45 per quarter.

Description of Water Supply Facility

Outlet Water Association (OWA) furnishes domestic water for residences of the Outlet Bay Area of Priest Lake Idaho. We have a total of 89 hook-ups. We pump water from a 65 ft deep well through 1/2 mile of 3" pipe to 80,000 gallons of storage tanks. Our well, and half of the 3" line are on USFS property, which we use under special use permit. The other half of line and our storage tanks are on permanent easement with the Outlet Bay Sewer District. Our major issue is we only have one well and Panhandle Health and DEQ have been pressuring us to develop a second source. We also had very inadequate access to our pump house and need a new access road.

D. Does your organization measure water use? Yes ☒ No ☐

If yes, how?

☐

Meters at User Hook-ups

☒

Master Meter

☐

Other (explain) _____

E. Does your organization have a regular assessment for a reserve fund? Yes ☐ No ☒

If yes, explain how it is assessed:

F. Does your organization have an assessment for some future special need? Yes ☐ No ☒

If yes, explain for what purpose and how it is assessed:

V. PROPOSED METHOD FOR PAYING LOAN PAYMENTS

How will you pay the annual loan payments? Check revenue sources below:

☐

Tax Levies

☐

Capital Improvement Reserve Account or Sinking Fund

☒

User Fees and Tap/Hookup Fees

☐

Other (explain) _____

Will an increase in assessment be required? Yes ☐ No ☒

When will new assessments start and how long will they last?

VI. SECUREMENT OF LOAN

List all land, buildings, waterworks, reserve funds, and equipment with estimated value that will be used as collateral for the loan:

Property

Estimated Value

PLEASE SEE ATTACHMENT

Please attach a legal description of the property being offered along with a map referencing the property.

VII. PROOF OF OWNERSHIP

Please provide proof of ownership, easements or agreements that are held or can be acquired for the construction and operation of the project.

VIII. FINANCIAL INFORMATION:

Financial Summary

Project Estimated Cost;	\$231,000
Loan amount;	\$100,000
Current quarterly rate of 87 OWA customers;	\$54
Current quarterly rate of 35 Kokanee Park customers;	\$45
Annual gross revenue;	\$27,000

Note: The 35 customers in Kokanee Park each pay a rate of \$45 per quarter because water is only furnished for use inside the homes. They have a separate irrigation system which uses lake water which is maintained entirely by them.

Credit Worthiness: OWA has no existing debt. The accompanying financial summary indicates a strong ability to repay the project in place, without raising rates for its customers.

Alternative financing considerations: OWA has contacted Columbia Bank and because OWA cannot produce collateral, financing was doubtful. At best, they could loan \$50,000 at 6.5% for a 3 year term.

Collateral; Because OWA operates on USFS and Outlet Bay Sewer District property, they have no real property to use for collateral. However, OWA owns and offers for collateral the following:

1. Water right permits # 97-07521, 97-07291, 97-7013, and #97-2053.
2. Existing well with 7-1/2 hp pump and 8' X 10' pump house with pump control equipment, which includes a 2 year old wireless pump control system. (photo is included)
3. Approximately 2600 feet of 3" water line which extends from our well pump to our storage tanks.
4. Two water storage tanks: A 60,000 gallon bolted steel(10 years old) and a 20,000 gallon welded steel(45 years old).(photo included)
5. New (2014) 10' X 20' storage building/office (photo included).

Economic Analysis

The economic benefit of the project is considerable. Having an abundant and reliable water system in the community adds considerably to the value of property. Individual wells are not a practical option because of the composition of the soil in the service area. That is why OWA's well is a half mile from the service area.

Social and Physical Impacts

The project will have a social impact in the sense that it will maintain reliable drinking water availability for the residents in the OWA service area. With few other options for residents to obtain an adequate source of drinking water, property values would decrease substantially.

Conclusions

1. OWA is registered with the State of Idaho and has taken a vote of its directors to allow it to proceed with a contract with the IWRB for the purpose of obtaining funding for construction of a new well and access road. A copy of Corporate Resolution 2015-1 is included in Appendix B.
2. Special use permits and easements are in place for the project, which are included in Appendix E.
3. The project will provide a more reliable source of domestic water to our service area.
4. The total estimated cost of the project is \$231,000 and will be financed by in part by the OWA. OWA is applying for a loan from the IWRB in the amount of \$100,000.
5. This project meets with the requirements of the State of Idaho's Water Plan and is necessary to avoid outages and shortages in the OWA service area.
6. The project is technically and financially feasible.

A. Attach a copy of each of the last 3 year's financial statement. **(Copies must be attached)**

B. Reserve fund (current) \$10,379

C. Current cash on hand \$10,379

D. Outstanding indebtedness:

To Whom	Annual Payment	Amt. Outstanding	Years Left
<u>②</u>			

G. Have you done business with the Idaho Water Resource Board before? Yes ☐ No ☒

If yes what was the loan for? _____

How much was the loan for? _____

Is the loan paid off? Yes ☐ No ☐

If no what is the payment and expected payoff date. _____

I. What other sources of funding have been explored to fund the project? (example: NRCS, USDA Rural Development, Banks, Local Government, etc.)

COLUMBIA BANK - PRIEST RIVER & SANDPOINT ID.

VIII. ORGANIZATION APPROVAL:

Is a vote of the shareholders, members, etc. required for loan acquisition? Yes ☐ No ☒

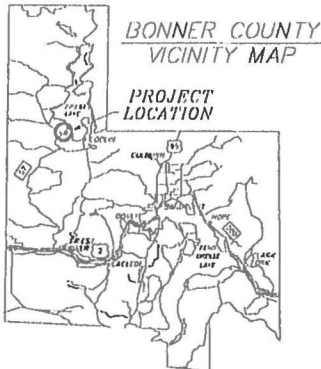
If yes, a record of the vote must be attached.

VOTE OF THE 5 DIRECTORS

Amount of funds requested: \$100,000

By signing this document you verify that all information provided is correct and the document is filled out to the best of your ability.

Authorized signature & date: Bill McHenry



OUTLET WATER ASSOCIATION WATER SYSTEM IMPROVEMENTS WELL NO. 2 CONSTRUCTION PRIEST LAKE, IDAHO SECTION 6, TOWNSHIP 59 NORTH, RANGE 4 WEST

SHEET INDEX TABLE	
Sheet #	Sheet Title
1	COVER SHEET
2	PROPOSED ACCESS ROAD & EXISTING PUMPHOUSE
3	PROPOSED PUMPHOUSE PIPING PLAN
4	DETAILS

UNDERGROUND SERVICE ALERT

ONE-CALL ALERT

1-800-424-5555
or 811

CALL TWO BUSINESS
DAYS BEFORE YOU DIG



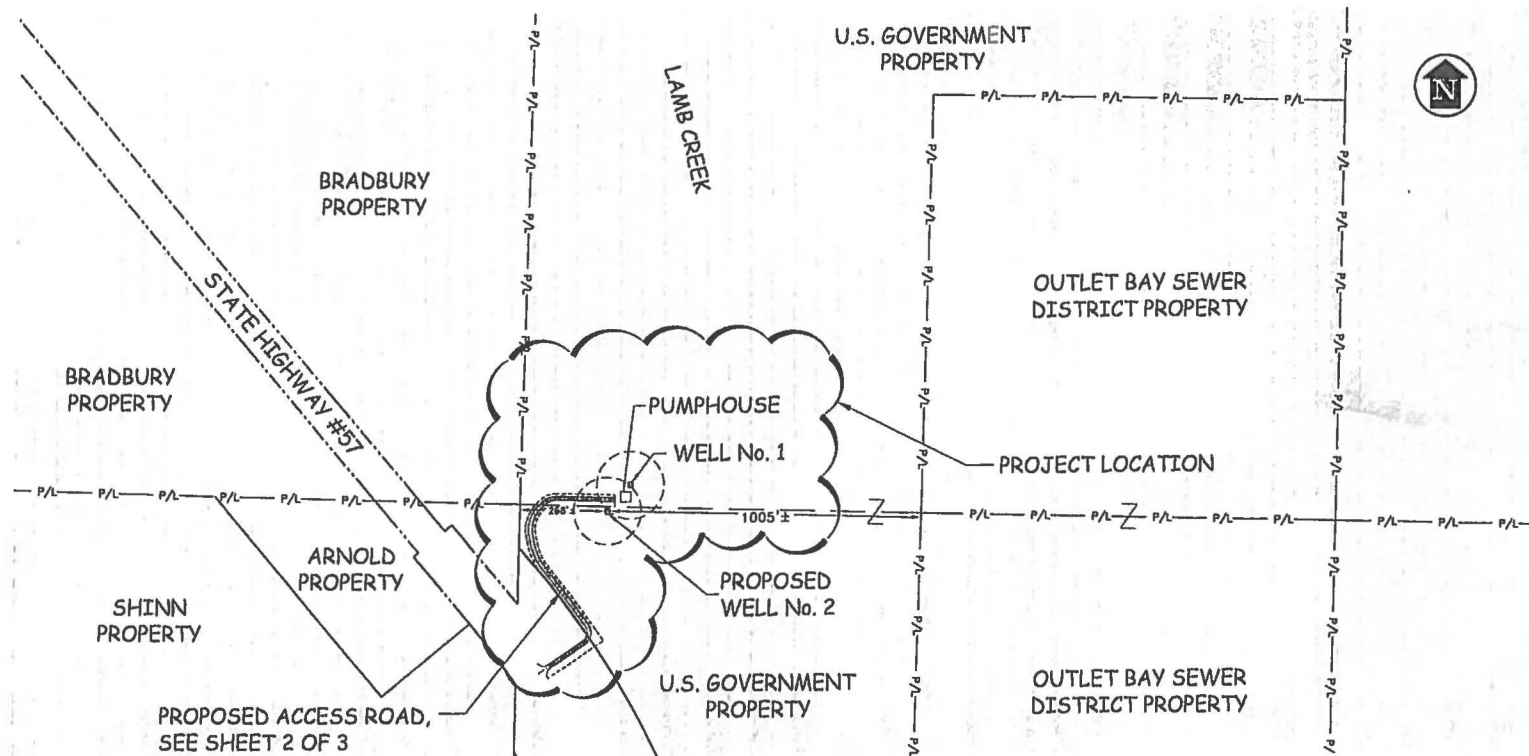
ENGINEER'S STAMP	
DATE	NO.
1. 5-27-15	1. 3998
2. 7-15-15	2. 3998
3. 7-15-15	3. 3998
4. 7-15-15	4. 3998
5. 7-15-15	5. 3998
6. 7-15-15	6. 3998
7. 7-15-15	7. 3998
8. 7-15-15	8. 3998
9. 7-15-15	9. 3998
10. 7-15-15	10. 3998

James A. Sewell and Associates, LLC
CONSULTING ENGINEERS
NEWPORT, WASHINGTON, 99156
(509) 447-3626

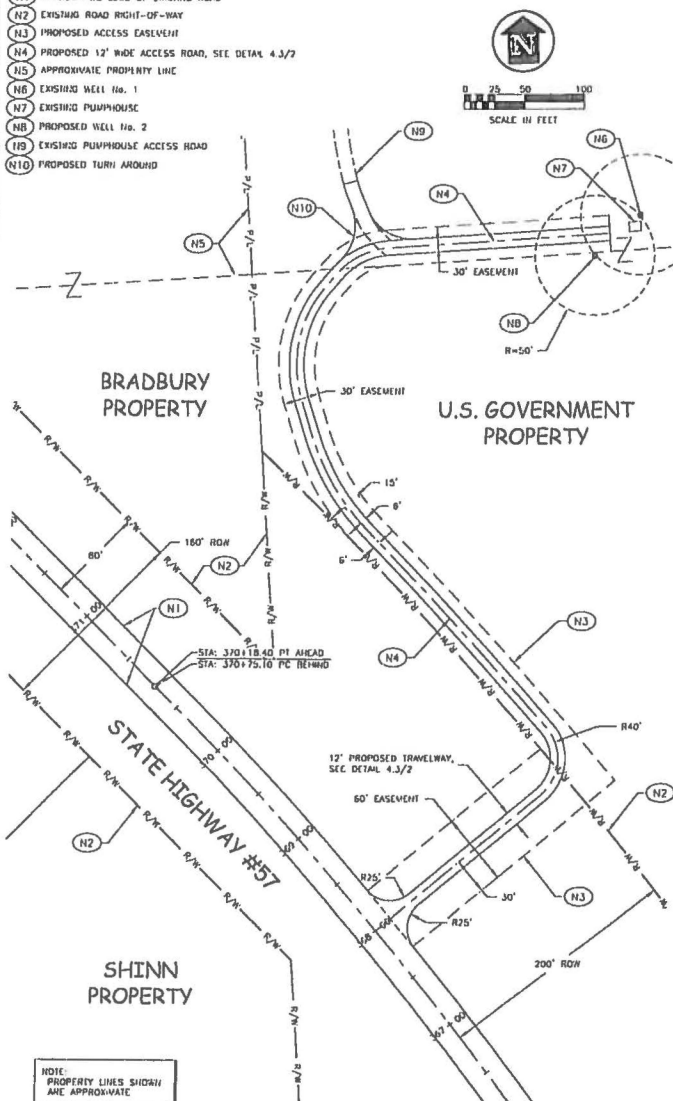


DATE 5-27-15
SCALE AS SHOWN
DRAWN BY JMB
CHECKED BY JMB
FILE NAME 041-001-001-001
DATA FILE 15003

SHEET 1 OF 4



N1 APPROXIMATE EDGE OF EXISTING ROAD
N2 EXISTING ROAD RIGHT-OF-WAY
N3 PROPOSED ACCESS EASEMENT
N4 PROPOSED 12' WIDE ACCESS ROAD, SEE DETAIL 4.3/2
N5 APPROXIMATE PROPERTY LINE
N6 EXISTING WELL No. 1
N7 EXISTING PUMPHOUSE
N8 PROPOSED WELL No. 2
N9 EXISTING PUMPHOUSE ACCESS ROAD
N10 PROPOSED TURN AROUND



4.1 PROPOSED WELL ACCESS ROAD PLAN VIEW
SCALE: 1" = 50'

(N1) EXISTING 8'10" SLACK FRAMED PUMPHOUSE, INSULATED, GABLE RUNNING NORTH-SOUTH

(N2) 3'-0" x 6'-8" INSULATED METAL EXTERIOR DOOR

(N3) EXISTING 3" PIPE

(N4) EXISTING BASEBOARD HEATER

(N5) EXISTING ELECTRICAL PANEL

(N6) EXISTING PIPE SUPPORT

(N7) EXISTING 3" BALL VALVE

(N8) EXISTING 3" TEE WITH 1" ADAPTER

(N9) EXISTING 4" FLOOR DRAIN TO DAYLIGHT, SCREENED OUTLET

(N10) EXISTING 3" URINAL

(N11) EXISTING 3" TEE WITH 3/4" REDUCER

(N12) EXISTING 2" BALL VALVE

(N13) EXISTING 2" CAP

(N14) EXISTING 110V DUPLEX ELECTRICAL OUTLET

(N15) EXISTING WALL MOUNTED MERCURY PRESSURE SWITCH FOR LEVEL CONTROL

(N16) EXISTING PIPING, ABANDONED

(N17) EXISTING 3" 90° ELBOW

(N18) EXISTING 2" BLOWOFF

(N19) EXISTING CAP

(N20) EXISTING 3" WATER METER, FLANGED

(N21) EXISTING 3" FLEXI ADAPTER

(N22) EXISTING 3/4" HOSE DRI

(N23) EXISTING 3/4" BRASS BALL VALVE

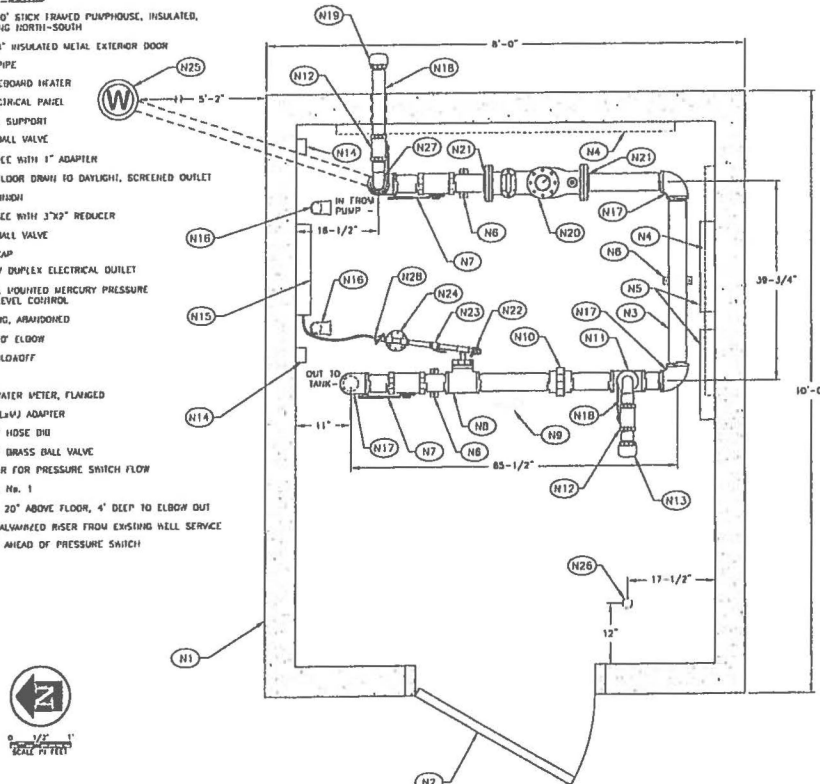
(N24) EXISTING FILTER FOR PRESSURE SWITCH FLOW

(N25) EXISTING WELL No. 1

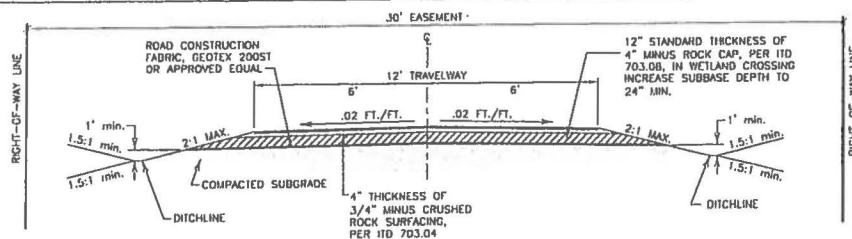
(N26) 2" STUB OUT, 20" ABOVE FLOOR, 4" DEEP TO ELBOW OUT

(N27) EXISTING 3" GALVANIZED RISER FROM EXISTING WELL SERVICE

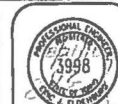
(N28) NEEDLE VALVE AHEAD OF PRESSURE SWITCH



3.3 EXISTING PUMPHOUSE PIPING PLAN
SCALE: 1" = 1'



4.3 WELL ACCESS ROAD CROSS SECTION

[illegible]

James A. Spawell and Associates, LLC
CONSULTING ENGINEERS
NEWPORT, WASHINGTON, 99156
(509) 447-3525



SHEET TITLE: PROPOSED WELL ACCESS ROAD & EXISTING PUMPHOUSE PIPING	PROJECT:	WELL NO. 2 CONSTRUCTION OUTLET WATER ASSOCIATION PRIEST LAKE, IDAHO
	DATE:	5-27-
	SCALE:	AS SHOWN
	DRAWN BY:	
	CHECKED BY:	
	TITLE NAME:	Paul R. Johnson
DATE:	12-1-80	

8/15
Accrual Basis

Outlet Water Association, Inc
Balance Sheet
As of December 8, 2015

	<u>Dec 8, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking - Panhandle State Bank	7,408.97
Savings	
CD #10444 Panhandle	23,463.82
Savings - Other	<u>-23,463.82</u>
Total Savings	<u>0.00</u>
Total Checking/Savings	<u>7,408.97</u>
Accounts Receivable	
Accounts Receivable	<u>2,484.00</u>
Total Accounts Receivable	<u>2,484.00</u>
Other Current Assets	
Undeposited Funds	<u>486.00</u>
Total Other Current Assets	<u>486.00</u>
Total Current Assets	<u>10,378.97</u>
TOTAL ASSETS	<u><u>10,378.97</u></u>
LIABILITIES & EQUITY	
Equity	
Retained Earnings	79,758.43
Net Income	<u>-69,379.46</u>
Total Equity	<u>10,378.97</u>
TOTAL LIABILITIES & EQUITY	<u><u>10,378.97</u></u>

Outlet Water Association, Inc.
Balance Sheet
As of December 31, 2014 and 2013
(See Accountant's Review Report)

ASSETS

	<u>2014</u>		<u>2013</u>
<u>Current assets:</u>			
Panhandle – Checking	\$ 39,519	\$	42,543
Panhandle – CD	28,153		28,052
Accounts Receivable	<u>1,086</u>		<u>126</u>
Total Current Assets	68,758		70,721
 Total Assets	 \$ <u>68,758</u>	 \$	 <u>70,721</u>

LIABILITIES AND EQUITY

<u>Current Liabilities:</u>	\$ <u>0</u>	\$	<u>0</u>
Total Current Liabilities	0		0
 <u>Long Term Liabilities:</u>	 \$ <u>0</u>	 \$	 <u>0</u>
Total Long Term Liabilities	0		0

Equity

Prior Year Retained Earnings	70,721		57,773
Current Year Net income (Loss)	<u>(1,963)</u>		<u>12,988</u>
Total Stockholder's Equity	68,758		70,721
 Total Liabilities and Equity	 \$ <u>68,758</u>	 \$	 <u>70,721</u>

See notes to financial statements

Outlet Water Association, Inc.
Balance Sheet
As of December 31, 2013 and 2012
(See Accountant's Review Report)

ASSETS

	<u>2013</u>		<u>2012</u>
<u>Current assets:</u>			
Panhandle – Checking	\$ 42,543	\$	29,674
Panhandle – CD	28,052		27,951
Accounts Receivable	<u>126</u>		<u>108</u>
Total Current Assets	70,721		57,733
 Total Assets	 \$ <u>70,721</u>	 \$	 <u>57,733</u>

LIABILITIES AND EQUITY

<u>Current Liabilities:</u>	\$ <u>0</u>	\$	<u>0</u>
Total Current Liabilities	0		0
 <u>Long Term Liabilities:</u>	 \$ <u>0</u>	 \$	 <u>0</u>
Total Long Term Liabilities	0		0

Equity

Prior Year Retained Earnings	57,733		51,456
Current Year Net income (Loss)	<u>12,988</u>		<u>6,277</u>
Total Stockholder's Equity	70,721		57,733
 Total Liabilities and Equity	 \$ <u>70,721</u>	 \$	 <u>57,733</u>

See notes to financial statements

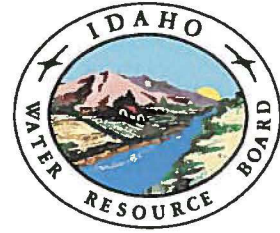
Memorandum

To: Idaho Water Resource Board (IWRB)

From: Neeley Miller, IDWR Planning & Projects Bureau

Date: January 8, 2016

RE: Spokane River Forum Conference Funding Request



ACTIONS: Consider request to provide funding in support of the Spokane River Conference

Spokane River Forum

The Spokane River Forum has submitted a request to support the Spokane River Forum Conference scheduled to be held at the Coeur d'Alene Resort on March 23rd and 24th in Coeur d'Alene, Idaho. The Spokane River Forum Conference organizers are requesting a \$5,000 contribution. A copy of the request is attached.

The Spokane River Forum (SRF) is a clearinghouse of information about the Spokane River and more recently has been involved with the regional water issues, including the Spokane Valley-Rathdrum Prairie Aquifer. Andy Dunau, Executive Director of the SRF, is an active member of the Rathdrum Prairie CAMP Advisory Committee and is familiar with the Rathdrum Prairie CAMP goals and objectives. The 2016 Spokane River Conference brings together the public, technical experts and researchers, water users and government representatives from all levels to learn about and discuss regional water issues and solutions.

The Board provided \$5,000 in funding for the previous Spokane River Forum Conference held in November of 2014. Staff recommends continuing to support the Spokane River Conference because the Spokane River Forum supports the following CAMP actions:

1. Objective #2: Prevent and Resolve Water Conflicts
 - a. Regional discussion and encouraging cooperation for Spokane Valley-Rathdrum Prairie Aquifer water issues;
 - b. Encourage mechanism that resolve local issues before they become conflicts;
2. Objective #3: Protect the Aquifer, through bringing the key agencies together in an effort to address overlapping jurisdictions with the goal of improving efficiency and sharing knowledge; and
3. Adaptive Management, Monitoring and Data Gathering: Present information about the development and maintenance of state-of-the-art monitoring and evaluation tools that provide the information necessary to make sound planning decisions for the future

Attached to this memo is a resolution for your consideration.



November 5th, 2015

Idaho Department of Water Resources
Neely Miller
322 East Front St
Boise, ID 83720

Dear Neely,

The Spokane River Forum Conference is scheduled for March 23rd and 24th, 2016 at the Coeur d'Alene Resort. We're also excited to be co-hosting the Coeur d'Alene Lake "Our Gem" Symposium on March 22nd with the Coeur d'Alene Tribe of Indians and Idaho Department of Environmental Quality.

The Forum hopes the Idaho Water Resources Board can provide a \$5,000 sponsorship for this year's conference. Sponsorships assure we can keep the cost of attendance quite low, including scholarships for community members.

Begun in 2009, the conference has proven very successful as a bi-state regional event featuring key Spokane River watershed issues, offering unique opportunities to share information, network with others and reach out to the public on water quality, water resource and other issues. As with past years, we expect over 250 people to attend one or both days of the conference.

Currently, we are working with multiple stakeholders in Washington and Idaho on agenda development and are very excited by the breadth and diversity of topics identified. Water resources and management of the bi-state aquifer will again figure prominently in the conference. Idaho presentations on what's being learned from review of water supply and demand management strategies that are working as well as updates on adjudication are certainly in the mix. We look forward to developing these and related sessions with you.

We are also working closely with Idaho Department of Environmental Quality, the Aquifer Protection District and The Idaho Water Resources Research Institute to bring in a number of related topics. Together we can continue to work with stakeholders to lean into a collaborative, informed future.

Thank you for considering this request. Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Dunau".

Andrew Dunau
Executive Director

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF PROJECTS ASSOCIATED)
WITH RATHDRUM PRAIRIE COMPREHENSIVE)
AQUIFER MANAGEMENT PLAN)
_____)

A RESOLUTION
TO ALLOCATE FUNDS

WHEREAS, the Idaho Water Resource Board (Board), pursuant to its planning authorities in Article XV, Section 7 of the Idaho Constitution, and Idaho Code 42-1779, and as directed by House Bill No. 428 passed and approved by the 2009 Idaho Legislature, has undertaken the development of a comprehensive aquifer management plan for the Rathdrum Prairie Aquifer; and

WHEREAS, the Board adopted the Rathdrum Prairie Comprehensive Aquifer Management Plan on July 29, 2011; and

WHEREAS, the Spokane River Forum has requested financial support in the amount of \$5,000 to match other funding support for the Spokane River Forum Conference scheduled for March 23rd – 24th, 2016; and,

WHEREAS, the Spokane River Forum Conference supports several actions described in the Rathdrum Prairie Comprehensive Aquifer Management Plan, including:

1. Objective #2: Prevent and Resolve Water Conflicts
 - a. Regional discussion and encouraging cooperation for Spokane Valley-Rathdrum Prairie Aquifer water issues;
 - b. Encourage mechanisms that resolve local issues before they become conflicts;
2. Objective #3: Protect the Aquifer, through bringing the key agencies together in an effort to address overlapping jurisdictions with the goal of improving efficiency and sharing knowledge; and
3. Adaptive Management, Monitoring and Data Gathering: Present information about the development and maintenance of state-of-the-art monitoring and evaluation tools that provide the information necessary to make sound planning decisions for the future

NOW, THEREFORE, BE IT RESOLVED that the IWRB hereby approves the expenditure of a total of \$_____ from the IWRB Revolving Development Account's Rathdrum Prairie CAMP subaccount, to the Spokane River Forum.

DATED this 22nd day of January, 2016

Roger Chase, Chairman
Idaho Water Resource Board

ATTEST _____
Vince Alberdi, Secretary
Idaho Water Resource Board

Memorandum

To: Idaho Water Resource Board
From: Cynthia Bridge Clark, Randall Broesch
Date: January 11, 2016
Re: Status of Storage Water Studies



The following is a status report on the surface water storage studies initiated by the Idaho Water Resource Board (IWRB). This memorandum describes activities and progress since the last IWRB meeting in November 2015.

Weiser-Galloway Project

- Operations Analysis: The analysis includes evaluating different operation scenarios to optimize hydropower, reduce flood risk, provide recreation, provide additional water supply for the basin, and provide flows for anadromous fish recovery efforts. Staff has reviewed the preliminary findings of the operations analysis compiled by the U.S. Army Corps of Engineers (USACE). Staff is currently assessing the status of the project and how the conclusions of the operations analysis are tied to previous Planning Assistance to States (PAS) studies that have been prepared by the USACE over the last four years. In lieu of releasing the operations analysis as a standalone report, staff have determined that publication of a summary of the findings and conclusions of each of the PAS studies with the operations analysis findings would better inform the IWRB, the public, and decision makers about what has been studied to date and how the project should move forward in the future. Staff is commencing with the preparation of a “planning summary document” and is planning a release date in early to mid 2016. The USACE is commencing with finalizing the report, and both Staff and USACE will be meeting often in the coming months to develop their respective reports.
- Galloway reservoir size optimization study: The study will capitalize on the Operations Analysis models (hydrologic, hydraulic, flood, operational, water demands, and hydropower) to optimize the dam size, develop a conceptual design layout, and revise construction costs. The intent is to provide a more refined project design while leveraging the project expertise of the technical study team who performed the Operations Analysis and previous PAS studies. The study is scheduled to be complete in 2016 in conjunction with the Operations Analysis.
- Evaluation of Weiser River Trail: The Galloway Dam and Reservoir project as proposed would impact approximately 15 miles of the Weiser River Trail (WRT). This evaluation will seek public input to identify impacts and benefits of potential alternative trail alignments for the WRT. Staff and the consultant initially met with the Friends of the Weiser River Trail (FWRT) to discuss the history and background of the trail, and performed a field visit to investigate the existing conditions and the environment surrounding the WRT. Public meetings are planned to gather input on screening criteria and considerations for developing alternative trail alignments. These meetings will be scheduled after the release of the planning summary document in 2016.
- Federal Energy Regulatory Commission (FERC) preliminary permit: In accordance with preliminary permit requirements, Progress Report No. 2 was filed on October 5, 2015. IDWR staff is also developing a plan to compile a pre-application document (PAD) during the preliminary permit period. This includes a project schedule/timeline, a plan for stakeholder coordination, and will incorporate the information generated in the planning summary document referenced above. Staff will provide a recommended plan to

complete the necessary studies and actions during the preliminary permit period once the results of the ongoing project studies are complete.

REQUIRED ACTIONS: No action is required by the IWRB at this time.

Boise River Feasibility Study

- Evaluation and modeling of the water supply and flood risk reduction measures is nearing completion. Measures being considered in the evaluation include the Arrowrock Dam raise, managed aquifer recharge, upgraded irrigation headgates, replacement of push-up dams, bridge upgrades, controlled flooding of pits/ponds, temporary conveyance of water in the floodplain, flow split structure, and other non-structural measures. The results of evaluating these measures will be presented in the draft feasibility at a date to be determined.
- Reservoir modeling and refill frequency of the Arrowrock Dam measure have been completed to help determine an optimum size of a potential raise. Corresponding cost engineering, real estate impacts analysis and Environmental Impacts Statement (EIS) activities are ongoing.
- The USACE continues to hold regular meetings with state and federal agencies to evaluate potential impacts related to each measure. The USACE is also working with the cooperating agencies to explain and coordinate the environmental evaluation and compliance process the USACE will be following upon the release of the draft Environmental Impact Study and draft Feasibility Study.
- USACE identified impacts to local county and highway district roadways and has been coordinating with the corresponding authorities to develop mitigation alternatives associated with the proposed measures. A geotechnical engineer with USACE has developed an array of scenarios for the highway district and counties to consider. Coordination with the affected stakeholders continues as USACE incorporates their comments into the draft feasibility study.
- Upon selecting a Tentatively Selected Plan (TSP) in the draft feasibility, the USACE reminded staff that the State is financially responsible for costs associated with Land, Easements, Relocation, Rights-of-Way, and Dredging (LERRD) to build the TSP.
- SPF Water LLC was contracted to develop a 50-year future water supply needs estimate and water budget for the Treasure Valley. This report will be used to support the water supply component being analyzed and modeled with the proposed measures. The report is in final draft form and is expected to be released to the public in the spring of 2016.

REQUIRED ACTIONS: No action is required by the IWRB at this time.

Island Park Reservoir Enlargement Project

- Staff has initiated an assessment of potential impacts to land and real estate resulting from a potential raise of the normal reservoir water surface elevation of the Island Park Reservoir (assessment). The assessment includes two parts: 1) collection of airborne LiDAR and orthoimagery to provide high resolution elevation data and simultaneous imagery for the project area; 2) evaluation and quantification of potential impacts to land, real estate, roads, utilities, easements, and other appurtenant structures resulting from a 1 to 4 foot raise of the reservoir water surface elevation in one foot increments. The elevation data collected using LiDAR will be used in the evaluation of impacts.

- A contract was issued with Aero-graphics, Inc. for collection of airborne LiDAR and orthoimagery for the entire Island Park reservoir, including surrounding lands and islands within the reservoir. LiDAR is expected to be flown in spring 2016 when conditions are appropriate.
- Staff is developing a Request for Qualifications (RFQ) to complete the second part of the assessment and will coordinate the project with the availability of LiDAR data.

REQUIRED ACTIONS: No action is required by the IWRB at this time.

Other

- Staff will provide an update on the status of other potential surface storage project investigations at the January 22, 2016 IWRB meeting if additional information is available.

Memorandum

To: Idaho Water Resource Board
From: Wesley Hipke and Neal Farmer
Date: January 11th, 2016
Re: ESPA Managed Recharge Program Status Report



Progress/Status of ESPA Managed Recharge Program

Contents

I. Introduction	2
II. ESPA Managed Recharge 2015-2016 Season.....	3
III. Budget Summary.....	7
IV. Recharge Delivery Operations Summary	9
V. Monitoring and Measurement Program.....	10
VI. ESPA Recharge Program Projects.....	11

I. Introduction

The Idaho Water Resource Board (IWRB) has been tasked with developing a managed recharge program in the Eastern Snake Plain Aquifer (ESPA) capable of recharging 250,000 acre-feet per year to stabilize the ESPA. The ESPA has been losing approximately 200,000 acre-feet annually from aquifer storage since the 1950s resulting in declining ground water levels and spring flows from the aquifer. Stabilizing the ESPA will assist in maintaining the minimum flow requirements on the Snake River and reduce conflicts between the water users.

The strategy of the IWRB is to maximize managed recharge to the ESPA using natural flow of the Snake River. The current IWRB recharge water right (approximately 1,200 cfs) authorizes diversion of water from the Snake River above the Milner Pool (Milner) including the Henry's Fork and the South Fork. Between American Falls Reservoir and Milner the IWRB water right is generally in priority during the winter months between irrigation seasons. The IWRB water right is junior to the refill of American Falls Reservoir (1921 priority) and the unsubordinated hydropower rights at Minidoka Dam (1909/1912 priority). Therefore, the IWRB's right is generally in priority and available for recharge only during flood control releases from the Upper Snake Reservoir System.

Water spills past Milner (minimally 500 cfs) every year during non-irrigation season and is available for recharge under the IWRB's current recharge water right resulting in a reliable "base-load" for recharge. To ensure this base-load is captured the IWRB is pursuing various plans to maximize non-irrigation season recharge including:

- a. Long-term delivery agreements (5 years) with canals that divert from the Milner Pool.
- b. Infrastructure modifications to improve recharge capacity over the winter months of the non-irrigation season.
- c. Developing new winter-operational recharge facilities that divert from the Milner Pool.

The volume and timing of water available for recharge during flood control releases can be very sporadic, but during above average water years, this water provides a "surplus supply" for recharge. The IWRB has developed the following plan to maximize opportunities to divert this water supply for recharge while ensuring that managed recharge does not interfere with filling the reservoir system:

- a. Execution of agreements for the delivery of water for recharge when the IWRB's recharge water right is in priority.
- b. Investigations of infrastructure modifications to improve late-winter/spring-time recharge capabilities and develop off-canal recharge sites.

- c. Continue current opportunistic recharge efforts throughout the basin and manage adaptively to address changing circumstances.

The following report provides a summary of the current activities of the ESPA Managed Recharge Program.

II. ESPA Managed Recharge 2015-2016 Season

The IWRB 1980 recharge water right is “in priority” during different periods of the year in the Upper and Lower Snake River Valley (upstream and downstream of American Falls Reservoir respectively). The irrigation season in the Eastern Snake River Plain has historically ended in the latter part of October. Usually, after irrigation diversions have stopped, water passing below Milner Dam is available for recharge under the IWRB’s recharge water right in the Lower Valley. For the 2015-2016 recharge season Water District 01 deemed the IWRB’s recharge water right in priority starting October 23rd.

In the Upper Valley, the IWRB’s recharge water right is limited by the unsubordinated hydropower water rights at Minidoka Dam for 2,700 cfs and the refill water rights at American Falls Reservoir. The IWRB has also taken the position that managed recharge through the IWRB’s program shall not impact reservoir fill. These constraints generally limit water available for recharge by the IWRB in the Upper Valley to flood releases by the Bureau of Reclamation (BOR) usually in the spring.

The following section provides a summary of the IWRB ESPA managed recharge program.

Lower Valley (below American Falls Reservoir)

Table 1 provides a summary of the IWRB managed recharge that has been conducted for the current recharge season as of the date of this report. The volumes reported are preliminary and subject to change. Most of the canals did not start on October 23rd due to normal canal maintenance or other canal projects. A detailed summary of the individual entities that have conducted IWRB managed recharge for this season is provided below. Figure 1 provides a daily accounting of the flow available for recharge and the flows, by entity that was recharged for the IWRB.

The IWRB’s recharge right may be in priority during the irrigation season if flows in the river exceed irrigation demand and are not retained in the reservoir system. In that scenario, only off-canal sites could be used for recharge. Currently the only off-canal sites are on the Milner-Gooding Canal (MP31 and Shoshone Recharge Sites) in the Lower Valley. The volume that can be delivered to these sites is limited by the capacity of the canal above the volume required for normal operations (estimated by AFRD2 to be approximately 200 cfs).

Table 1. ESPA IWRB Managed Recharge from October 23 rd , 2015 to January 10 th , 2016					
ESPA Area	Canal System	5-Year Retention Time ¹ (%)	Average Recharge Rate (cfs)	Days Recharged	Volume Recharged ² (af)
Lower Valley	American Falls Reservoir District No. 2 (Milner-Gooding Canal)	~36	194	49	18,867
	North Side Canal Company	~37	42	18	1,482
	Southwest Irrigation District	~54	25	9	446
	Twin Falls Canal Company	~45	27	77	4,126
TOTAL					24,921

¹ 5-year retention rate determined by the ESPAM2.1 groundwater model.

² Recharge Volumes are preliminary and subject to change upon verification of days and volumes delivered for recharge.

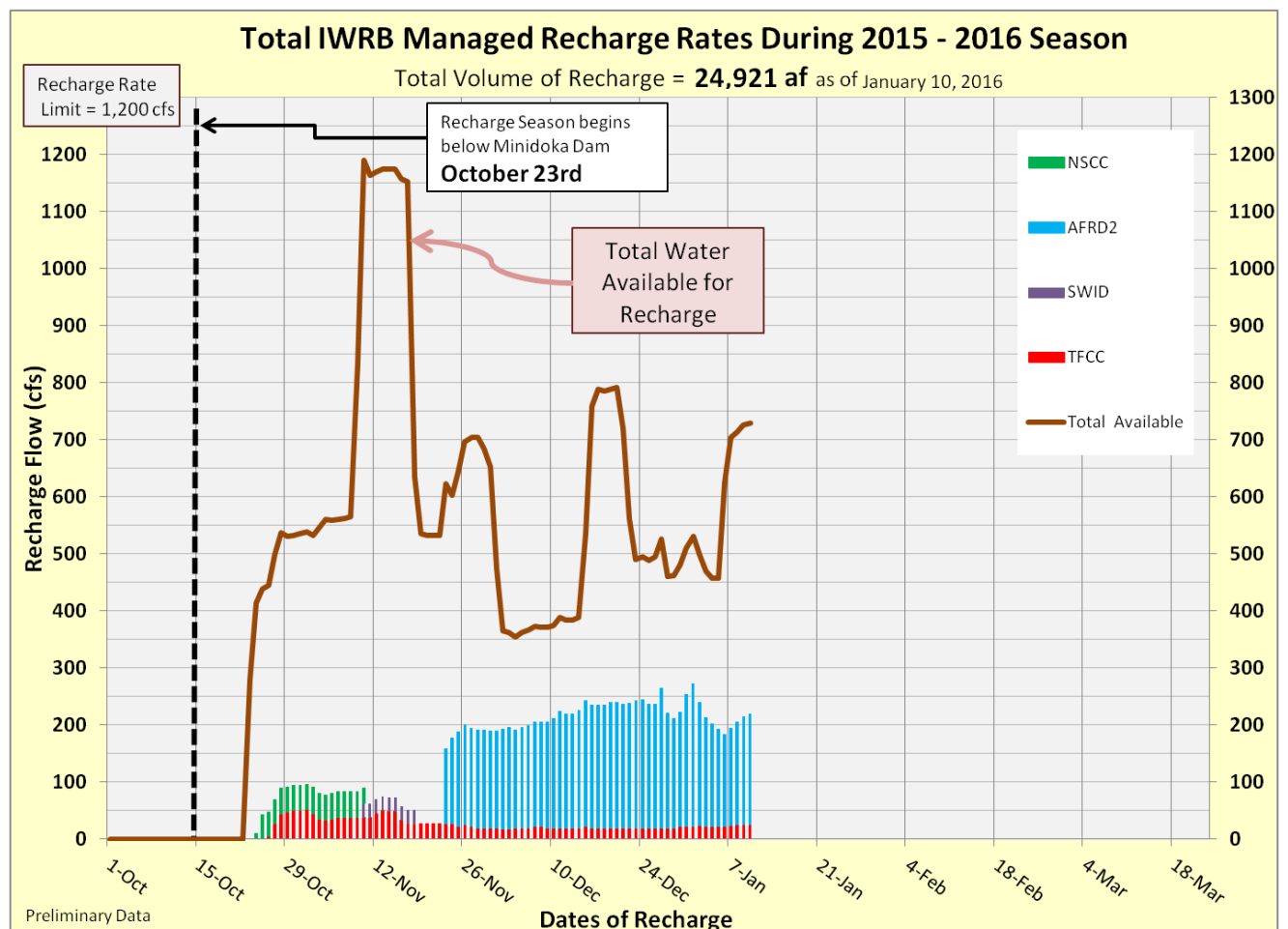


Figure 1. IWRB ESPA managed recharge.

Figure 2 provides a comparison with the 2014-2015 recharge season. The IWRB's natural flow recharge water right came into priority four days earlier than the previous season (October 23rd compared to the 27th). The Milner-Gooding Canal was off-line due to a by-pass wall be constructed at the MP 28 hydro plant limiting the amount of water recharged at the beginning of the recharge season. Since the completion of the project, recharge through the Milner-Gooding Canal to the MP 31 Recharge Site has contributed to the daily increase in the volume of water and is exceeding the previous year's values.

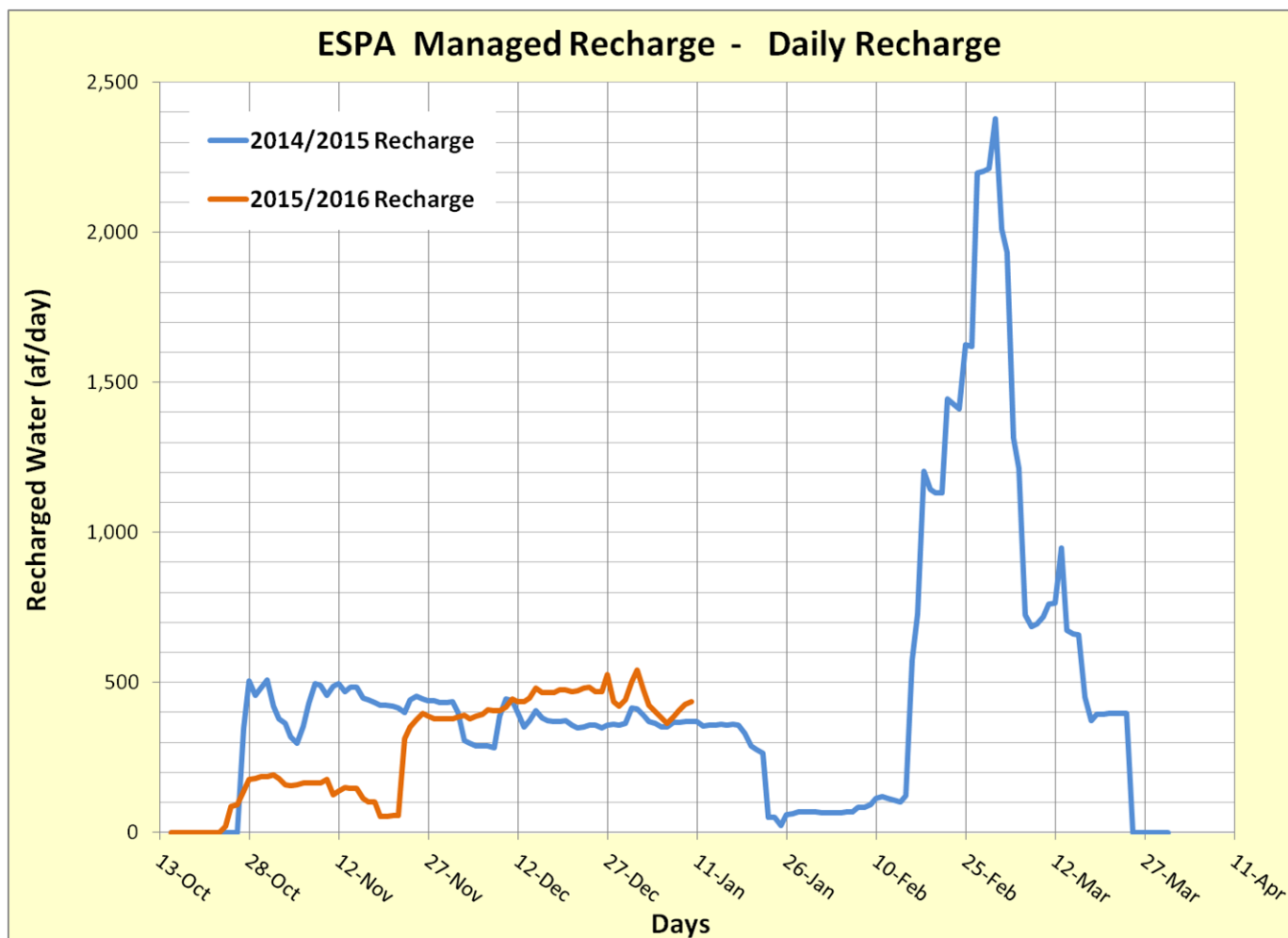


Figure 2. Comparison of daily managed recharge between recharge season 2014-2015 and 2015-2016.

American Falls Reservoir District #2 (AFRD2) suspended irrigation deliveries on October 8th to facilitate various planned construction projects. The MP 28 hydro plant project started construction in mid-October and was completed ahead of schedule on November 20th. This allowed AFRD2 to begin IWRB's recharge deliveries to the MP 31 Recharge Site on November 23rd. AFRD2 has slowly increased the flow into the MP 31 recharge site to assist in determining the maximum capacity of the site. AFRD2 is currently recharging an average of 194 cfs, an increase over the 150cfs average during the 2014-2015 recharge season. The data obtained this

recharge season will be used to determine the appropriate infrastructure improvements to maximize the recharge capacity at this site. AFRD2 currently plans to deliver recharge until the start of the irrigation season.

Recharge will not occur at the Shoshone Recharge Site during this recharge season due to various construction projects. The projects began in October and are scheduled to be completed by the spring of 2016.

The North Side Canal Company (NSCC) suspended irrigation operations on October 15th and started IWRB managed recharge on October 24th. The managed recharge activities were suspended on November 10th due to maintenance work that was required on their power plants. NSCC averaged 41 cfs for the 18 days they conducted IWRB managed recharge. This was significantly less than the 130 cfs delivered during the spring 2015 infiltration tests. The limited volume was in part due to not having adequate measures in place for the system to safely deliver water during freezing conditions. Depending on weather conditions and required canal maintenance recharge is expected to begin again in February or March.

NSCC has completed a study looking at various options concerning improvements to the system that would allow for winter-time managed recharge. NSCC is moving forward with having their consultant (CH2M) develop a refined cost estimated and design criteria for isolating Hazelton A and B hydro plants along with other required improvements to conduct winter-time managed recharge.

Twin Falls Canal Company (TFCC) suspended irrigation operations on October 23rd and started recharging on October 26th. Their current plan is to conduct recharge through the winter until the start of the irrigation season in 2016. Last year TFCC diverted an average of 43 cfs and is averaging 27 cfs so far this recharge season.

TFCC has successfully implemented improvements to allow for winter-time managed recharge including de-icing pumps that have performed above expectations in keeping the key structures free of ice. Due to the cost of the proposed permanent check structure at Point Spill, below Murtaugh Lake, TFCC has chosen to annually install and remove an earthen structure when conducting winter managed recharge.

Southwest Irrigation District (SWID) suspended irrigation operations on October 23rd, however they were not able to start IWRB managed recharge on November 10th due to required system maintenance. For the nine days of conducting IWRB recharge SWID is estimated to have averaged 25 cfs. SWID is planning to deliver the IWRB's recharge water during February or March if temperatures stay above freezing.

Upper Valley (above American Falls Reservoir)

Managed recharge in the Upper Valley is dependent on the availability of water to recharge. Reservoir fill has precedence over the IWRB's natural flow recharge water right during the non-irrigation season. Therefore, in the Upper Valley the IWRB's recharge water is generally available only during high-flow years. Historically the majority of water available for recharge in the Upper Valley is during the irrigation season (May through June). Occasionally water is available prior to the irrigation season in the months of February or May.

Conditions in the reservoir system and on the Snake River will be monitored for potential opportunities to utilize the IWRB's recharge water right in the Upper Valley.

III. Budget Summary

Table 2 provides a summary of the Fiscal Year 2016 (FY16), July 2015 to June 2016, ESPA Managed Recharge budget approved by the IWRB (Statewide Aquifer Stabilization Fund Resolution passed on May 22nd, 2015). Budget line items were based on the best available information and may be adjusted with IWRB approval. The table also provides a summary of the contracted funds and the current disbursements (expenditures). The expenditures reflect all funds paid out as of the end of December.

A more detailed summary of the status of the infrastructure projects is provided under the ESPA Recharge Program Projects (Section V). Additional projects are being developed and will be included in future reports.

Table 2. IWRB ESPA Managed Recharge Budget – FY16

Categories		Sub-Category	Budget ¹	Contracted Funds ²	Expenditure ³
Operations		Conveyance Cost	\$700,000	\$101,130 ⁴	\$4,446
		Equipment	\$81,000	\$46,557	\$44,379
		Site Monitoring	\$219,000	\$18,000	\$9,188
		Regional Monitoring	\$200,000	\$118,175	\$8,967
		TOTAL	\$1,200,000	\$283,862	\$66,980
Managed Recharge Infrastructure Projects	Budgeted Projects	Milner-Gooding Flume	\$700,000	\$700,000	\$0
		Milner-Gooding Dietrich Drop Hydro Plant	\$50,000	\$0	\$0
		Twin Falls Canal Recharge Improvements	\$500,000	\$0	\$0
		North Side Canal Improvements/Hydro Plant Bypasses	\$2,000,000	\$0	\$0
		Great Feeder Canal Recharge Improvements	\$500,000	\$500,000	\$161,589
		Egin Lakes Recharge Enlargement	\$500,000	\$1,030,000	\$371,941
		Sub-Total	\$4,250,000	\$2,230,000	\$553,530
	Other Projects ⁴	Milner-Gooding Expansion of MP31 Recharge Site	\$200,000	\$200,000	\$0
		Milner-Gooding Canal Road Improvements MP31 to Shoshone Recharge Site	\$150,000	\$120,000	\$0
		Jensen Grove	\$26,527	\$26,527	\$0
		SRVID Monitoring	\$5,000	\$0	\$0
		Remaining Funds	\$1,618,473		
		Sub-Total	\$2,000,000	\$346,527	\$0
		TOTAL	\$6,250,000	\$2,576,527	\$533,530
Managed Recharge Investigations		Dietrich Drop Hydro Plant Options Study	\$30,065	\$30,065	\$0
		De-icing Study	\$26,000		
		Remaining Funds	\$243,935		
		TOTAL	\$300,000	\$30,065	\$0
ESPA Managed Recharge TOTAL			\$7,750,000	\$2,890,454	\$600,510

¹ FY16 budget as approved by the IWRB in the Statewide Aquifer Stabilization Fund Resolution passed on May 22nd, 2015.

² Maximum funds authorized under the executed contract between the IWRB and the recharge site operator or vendor.

³ Expenditures as of January 4th, 2016.

⁴ Conveyance Cost contracted funds were estimated based on current deliveries as of Jan. 10th, 2016. Final cost will be determined at the end of the recharge season.

⁴ In the FY16 budget, \$2,000,000 was set aside for unspecified projects in the ESPA related to managed recharge infrastructure projects. Specific projects will be added following IWRB approval.

IV. Recharge Delivery Operations Summary

To reflect the difference in water availability for IWRB managed recharge in the Upper and Lower Valleys of the ESPA, separate conveyance payment structures have been developed for the two areas.

Upper Valley ESPA Recharge

The contracts to deliver the IWRB's recharge water in the Upper Valley expired at the end of June 2015. The IWRB will review the proposed 2015-2016 conveyance payment structure at the January Aquifer Stabilization Committee meeting. The proposed schedule is outlined below:

- 1) **Base Rate** – determined by 5-year aquifer retention zone in which the contracted canal companies or irrigation district is located using ESPAM2.1:
 - Greater than 40% retained in aquifer at 5 years \$6.00/af delivered
 - 20% to 40% retained in aquifer at 5 years \$5.00/af delivered
 - 15% to Less than 20% retained in aquifer at 5 years \$4.00/af delivered
- 2) **Added Incentive for Delivery** – \$1.00/af when recharge is conducted at least 75% of the time that IWRB recharge right is in priority and IWRB issues a Notice to Proceed.
- 3) **Added Winter-time Incentive for Delivery** – \$1.00/af when IWRB recharge right is conducted between December 1st and March 30th and IWRB has issued a Notice to Proceed.

Lower Valley ESPA Recharge

The payment structure for conveyance of the IWRB's recharge water stipulated in the 5-year conveyance contracts for the entities that recharge the IWRB's water is outlined in Table 3.

The following entities executed 5-year conveyance contracts in 2014:

- Twin Falls Canal Company (TFCC)
- American Falls Reservoir District 2 (ARFD2)
- Southwest Irrigation District (SWID)
- North Side Canal Company (NSCC)
- Big Wood Canal Company (BWCC)

Table 3. Lower Valley ESPA Payment Structure		
Number of Days Recharge Water Delivered*	Payment Rate per AF Delivered	<p>An incentivized payment structure was adopted in 2014 to encourage canals to divert recharge water as long as possible during the non-irrigation season.</p> <p>* Number of days between the date the recharge permit turns on in fall and the date it turns off following spring.</p>
1-to-25 days	\$3/AF	
26-to-50 days	\$5/AF	
51-to-80 days	\$7/AF	
81-to-120 days	\$10/AF	
More than 120 days	\$14/AF	

V. Monitoring and Measurement Program

Development of a monitoring and measurement program is underway to assess results and impacts of recharge activities, and address regulatory requirements. The program consists of regional and site-specific monitoring including measurement of ground water levels, surface water flows, recharge diversions, water quality, and data collection quality control.

Current activities include:

- **Water Quality Program**
 - Groundwater Quality Monitoring Program for MP31 and Shoshone Recharge Sites approved by IDEQ. The monitoring program includes a monitoring schedule, sample points, and a full suite of chemical, biological and physical elements that are analyzed to determine the source water and groundwater quality.
 - Idaho Bureau of Labs is currently under a 5-year contract (started in Dec. 2014) to conduct the water quality sampling at the MP31 and Shoshone Recharge Sites on an as needed basis. Currently, IBL staff are collecting water quality samples on a monthly basis and analyzing them for a full suite of chemical, biological and physical parameters.
 - Additional monitor well(s) are being established for the MP31 recharge site and our scheduled to be installed this year.
 - Sighting studies are being conducted to locate additional monitor wells at the Shoshone recharge sites and other key areas.
- **Water Level Monitoring:**
 - An evaluation of the effects of recharge on the aquifer is being conducted by IDWR staff and is scheduled to be complete by spring 2016.

- Installed real time automated water level monitoring equipment at MP31 Recharge Site at one monitor well and in the basin.
- Flow measurements:
 - Quality assurance and control of recharge flow measurements have been conducted with assistance by TFCC, AFRD2, NSCC, Idaho Power Co., Water District 01, and IDWR staff during this recharge season.
 - Installed real time automated flow monitoring equipment at MP31 Recharge Site. This equipment has been extremely beneficial in monitoring the site and the check dam, especially as we are assessing the maximum capacity of the MP 31 Recharge Site and diversion structure and monitoring ice against the check dam and gate structures
- Regional Monitoring Program:
 - IDWR Hydrology Section has contracted with the Idaho Water Resources Research Institute (IWRRI) to provide assistance with ground water level data collection and processing. Two IWRRI Hydrologic Technicians began work at the beginning of October 2015.
 - The 2015 fall synoptic water level measurement event for the ESPA was completed on schedule. A total of 384 wells were measured throughout the ESPA through a combined effort of the IWRRI staff and IDWR's State, Southern, and Eastern offices. The IWRRI contractors are responsible for entering the majority of the data into the WellSite database.
 - A key monitor well has been deepened to provide data in a key area where data was unavailable for the past five years due to declining water levels.
 - The IWRRI contractors are expanding the Groundwater Level Monitoring Network to include some ESPA tributary basins that currently have very little to no historic ground water level data.

VI. ESPA Recharge Program Projects

A number of projects are in progress to enhance the IWRB's ability to recharge in the ESPA. The projects are summarized in Table 4 followed by a brief status report of the individual projects. The projects identified in this report have been approved by the IWRB or are included as a line item in the FY16 budget.

For managed recharge projects in which the IWRB has financially participated, a Memorandum of Intent (MOI) has been developed to document a long-term agreement (twenty years) between the IWRB and the entity implementing the project. The MOI acknowledges: 1) the IWRB has provided financial assistance for a project; and 2) the entity agrees to deliver the IWRB's recharge water as compensation for financial assistance from the IWRB. The MOI calls

for automatic renewal for another twenty (20) year period unless one or both of the parties provide notice to terminate the agreement.

Table 4. IWRB ESPA Recharge Program Projects

Project Type	Canal/Project	Project Type	Status	Cost Estimate	Completion Date
ESPA Infrastructure	Milner-Gooding Canal				
	Mile Post 28 Hydro Plant	CNST	Complete	\$45,000*	Nov. 20 th 2015
	Concrete Flume Improvement	CNST	In-Progress	\$700,000	April 2016
	Road Improvement MP31 to Shoshone Recharge Site	CNST	Contracted	\$120,000	Spring 2016
	Dietrich Drop Hydro Plant	Study	In-Progress	\$30,065	Jan. 2016
	MP31 Expansion	Study/CNST	Contracted	\$200,000	Winter 2017
	North Side Canal				
	Wilson Lake/Canal Winter Recharge	Study	Complete	\$122,000*	Jan. 2016
	Hydro Plants (4) Improvements	CNST	Proposed	+\$2,000,000	TBD
	Twin Falls Canal				
	Canal Improvements	CNST	Complete	~\$10,000	Fall 2015
	Southwest I.D.				
	Injection Well & Test	CNST	In-Progress	\$30,000*	Dec. 2015
	Pipeline Modification	Study	Proposed	\$50,000*	TBD
	Great Feeder Canal				
	Canal Improvements	CNST	In-Progress	\$500,000	Spring 2016
	Fremont-Madison I.D.				
	Expansion of Egin Lakes Recharge	Study/CNST	In-Progress	\$1,030,000	Spring 2016
	SNAKE RIVER I.D.				
	Monitoring Improvements	CNST	Under Development	\$5,000	Spring 2016
	Jensen Grove				
	Infrastructure Improvements	CNST	Under Development	\$26,527	Spring 2016
	Injection Well & Test				
	Milner Dam Area	CNST	In-Progress	\$70,000*	Spring 2016
ESPA Program	ESPA Program Review	Study	In-Progress	\$91,850*	Nov. 2015

CNST = Construction

* Original IWRB funds committed in FY15. Projects are in various stages of completion.

Project Status

1. **American Falls Reservoir District 2 (AFRD2)/Milner-Gooding Canal:**
 - a. **Concrete Flume Improvements** – Recharge water to the IWRB’s Shoshone Recharge Site (200 cfs, estimated capacity) must travel through a 3-mile concrete flume within the Milner-Gooding Canal. Given the age and deteriorated condition of the concrete, delivery of recharge water through the flume is limited, particularly in the winter. AFRD2 and the IWRB agreed to partner in financing the project to ensure reliable delivery of water for irrigation and recharge into the future. The lowest bid for the rehabilitation was \$1,372,000. A resolution was passed by the IWRB in July 2015 to authorize a 50% cost-share up to \$700,000. Work started on the project in mid-October 2015 and is on schedule to be completed before the 2016 irrigation season.
 - b. **Road Improvement MP31 to Shoshone Recharge Site** – Improvements to the access road along the Milner-Gooding Canal are necessary to allow AFRD2 personnel and IDWR staff adequate/safe roads to monitor canal operations and the recharge site during the winter months. Estimated cost for resurfacing portions of the canal road is \$120,000. A resolution was passed by the IWRB in July to authorize expenditure of the funds. The project will be ongoing during the recharge season and is scheduled to be completed by the spring of the 2016.
 - c. **Dietrich Drop Hydropower Plant** – The Dietrich Drop hydro plant is on the Milner-Gooding Canal between the MP31 and the Shoshone Recharge Site. A study has been initiated to determine the options to prevent negative impacts to the plant during winter-time deliveries of water to the Shoshone Recharge Site. The study is estimated to cost \$30,065 and is scheduled to be completed by January 2016. Depending on the results of the study, improvements will be scheduled for completion by the spring of 2016, if possible.
 - d. **Expansion of the MP31 Recharge Site** – Capacity of the MP31 Recharge Site is currently limited by the maximum flow that can be diverted into the site. By installing a larger turnout structure and/or installing an improved check dam, it is estimated the capacity of the site could be increased by over 100 cfs resulting in an estimated total capacity of 300 cfs. A resolution was passed by the IWRB in July to authorize expenditure up to \$200,000 to design and construct the project. During this recharge season, the site and diversion structures are being tested to determine the optimum method for maximizing the capacity of the MP31 Recharge Site. The current plan is to complete required construction in the fall of 2016.
 - e. **MP28 Hydropower Plant** – The plant experienced complications from winter recharge flows. Construction on the bypass wall began in October 2015 to route

flows under 400 cfs around the plant. The IWRB, by resolution, has authorized \$60,000 for this project. The project was completed on budget (\$45,000) and ahead of schedule on November 20th, 2015. AFRD2 is currently diverting water around the power plant as designed.

2. North Side Canal Company (NSCC):

Winter Recharge Feasibility Assessment – NSCC’s assessment of the potential capacity of recharge at Wilson Lake and infrastructure improvements required for winter-time delivery of recharge water to Wilson Lake will be finalized in January 2016. The assessment provides options and high-level cost estimates for infrastructure improvements to accommodate winter recharge delivery through the canal and four hydro plants. NSCC and IWRB staff have discussed the results of the assessment and NSCC will move forward in having their consultant (CH2M) develop refined cost estimates and design for isolating Hazelton A and B hydro plants along with other required improvements for winter-time recharge. The current schedule anticipates initiation of design work in the spring of 2016 and completion of construction by the spring of 2017.

3. Twin Falls Canal Company (TFCC):

Winter-time infrastructure improvements - TFCC has implemented small-scale infrastructure modifications to allow delivery of winter-time recharge water. After receiving cost estimates for construction of a permanent check dam at the Point Spill location, TFCC has determined that construction of a temporary earthen check dam annually is the most cost effective solution moving forward.

4. Southwest Irrigation District (SWID):

Cassia Pipeline Winter Recharge – An engineering study has been proposed to SWID to identify modifications required to make the pipeline capable of delivering recharge water during the winter months. The estimated cost of the study is \$50,000. Initiation of the study is dependent on SWID’s schedule.

5. Great Feeder Canal Company (GFCC):

Recharge Conveyance Improvements - GFCC has begun construction to replace the out-dated headworks to the Great Feeder Canal. The headworks are an integral part of the GFCC’s diversion system and facilitate delivery of irrigation water and IWRB recharge water to other canal systems and potential off-canal sites. A resolution was passed by the IWRB in July to authorize a cost-share of up to \$500,000 for the construction of the project (estimated to be 50%).

Construction is currently scheduled to be completed by the end of February 2016.

6. Fremont-Madison Irrigation District (FMID):

Expansion of the Egin Lakes Recharge Area – FMID in cooperation with Egin Bench Canal Co. began construction of a new recharge canal from the St. Anthony Canal to the Egin Lakes recharge area on November 19th. The new recharge canal will greatly increase the volume of water that can be diverted to this recharge area. A resolution was passed by the IWRB in November to authorize expenditure of \$1,030,000 for the construction of this project. As a condition of IWRB financing, IWRB will have exclusive rights to use this facility when their recharge water right is in priority. The project is scheduled to be completed by the spring of the 2016.

7. Snake River Irrigation District (SRVID):

Monitoring Equipment for the Monson Site – SRVID requested \$5,000 for monitoring equipment on the Monson Site. This site is located in the Upper Valley where the volume and duration of the water available for IWRB recharge can be extremely variable. Monitoring equipment will improve measurement accuracy under variable conditions.

8. City of Blackfoot

Jensen Grove – The City of Blackfoot is proposing to improve the infrastructure at Jensen Grove to improve their ability to deliver water to the site and improve monitoring at the site. The preliminary study that the city conducted estimated the cost of the improvements at \$53,054. The IWRB passed a resolution to assist the City of Blackfoot with \$26,527, 50% of the cost of the improvements.

9. Other Projects:

- a. **Injection Well and Test** – Staff is evaluating numerous potential injection well recharge sites. For the current phase of testing, \$70,000 has been budgeted. The areas being studied and current status include:
 - i. **A&B Pump Plant** – Conducted a dye test in the fall of 2014 to determine potential flow from injection well. To date, dye has not been detected at any of the sampling sites (nearby domestic wells). In one year since release of dye, no dye has been detected in any of the sampled sites. IDWR Groundwater Protection approved cessation of sampling for dye. This project has ended.

- ii. **USBOR Site (Upstream of A&B Pumping Plant)** – This project is not proceeding given the test results in this area does not support this area being conducive for recharge. The BOR special use permit has been allowed to expire.
 - iii. **Milner Dam Area** – Injection test well completed June 6th, 2015 to a depth of 500 ft. Observations during drilling and borehole video suggests very good conductivity for injection. An application has been submitted for an injection test, potentially in the spring of 2016. Injection test paperwork is in process.
 - iv. **A&B at the Milner Pumping Plant** - A&B will evaluate test injection data from the BOR well to determine where to drill a test well at their Milner pumping plant. Initial analysis suggests this would not be an area conducive for an injection well site due to low hydraulic conductivities.
 - v. **Little Wood Recharge Site (State Land South of Richfield)** - A permit to drill a test injection well on state land south of the city of Richfield is complete. LSRARD is assisting with the permit and drilling process. This project is on hold until the engineering report is received concerning the 'Bifurcation' modification to divert Little Wood River water for recharge.
- b. **ESPA Managed Recharge Program Review** – IWRB contracted with CH2M to provide an independent review of the ESPA Managed Recharge Program for \$91,850. The results of this analysis were presented at the IWRB Board Work Session in November. The final report is scheduled to be submitted the later part of January 2016.
- c. **De-Icing Study** – IWRB is contracting with CH2M to gather data concerning the de-icing system that TFCC has deployed on Murtaugh Lake structures to ensure they are free of ice during winter recharge activities. This data will be useful in determining the appropriate de-icing system to use on other systems and situations as the IWRB develops a winter-time managed recharge program.



ESPA Managed Recharge Update

Aquifer Stabilization Committee Meeting

Wesley Hipke
January 19, 2016

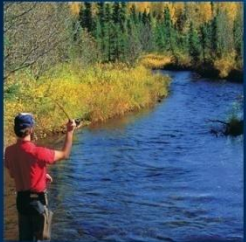


IWRB ESPA Managed Recharge – Lower Valley

• Recharge Summary

- Recharge Right in Priority: Oct 23rd – present
- IWRB Recharge Rate (Jan 18th) = 240 cfs
- Total Recharged (as of Jan 18th) = 28,693 af *

*Preliminary Data



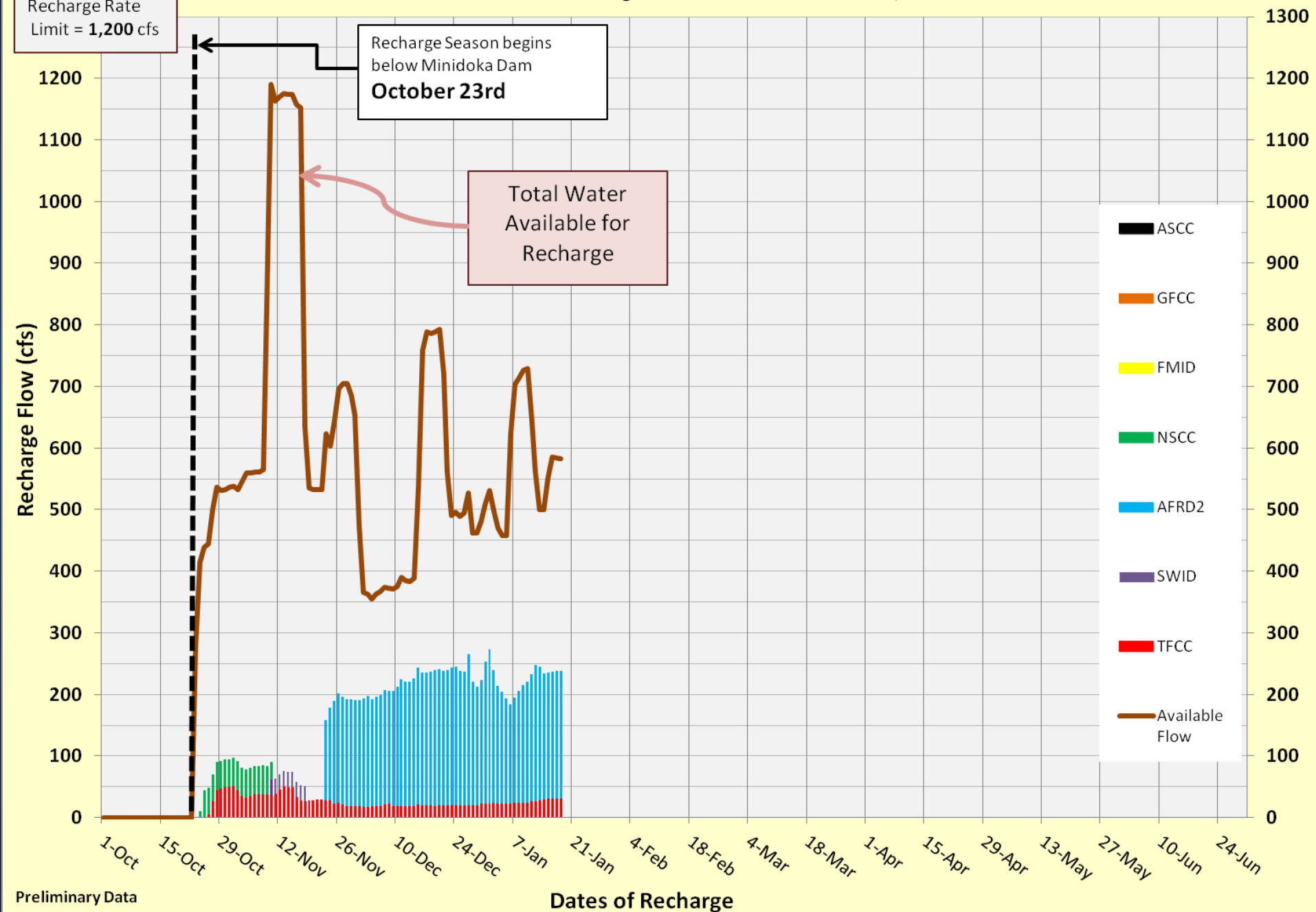
Total IWRB Managed Recharge Rates During 2015 - 2016 Season

Total Volume of Recharge = **28,693** af as of January 18, 2016

Recharge Rate
Limit = **1,200** cfs

Recharge Season begins
below Minidoka Dam
October 23rd

Total Water
Available for
Recharge

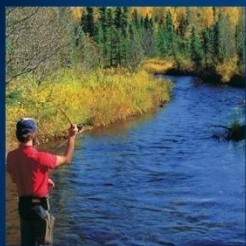
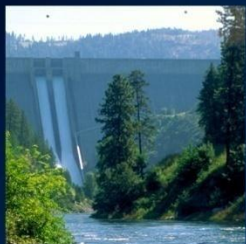


ESPA Managed Recharge Summary

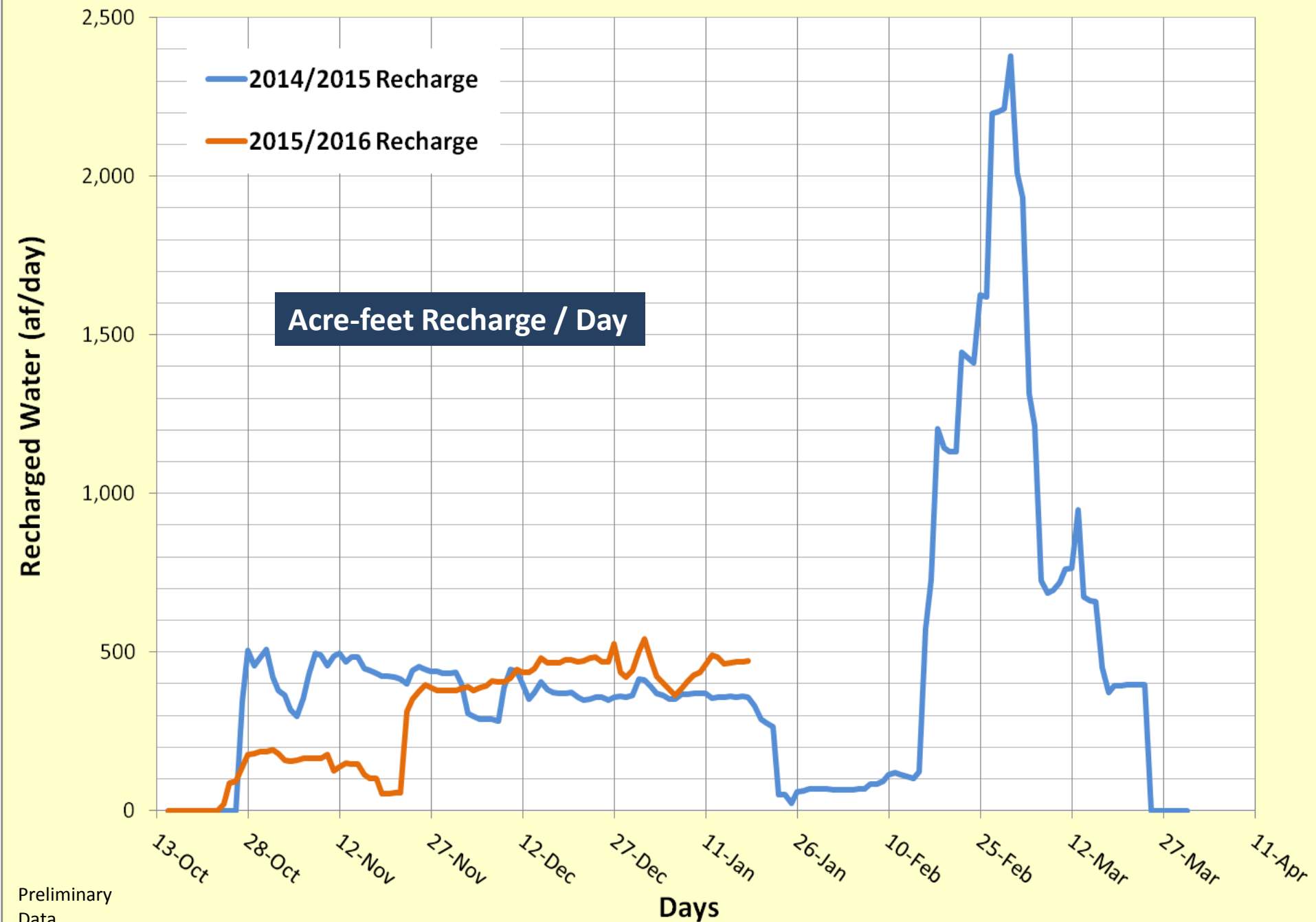
Oct. 23rd, 2015 – Jan. 18th, 2016

ESPA Area	Canal System	5-Year Retention Time (%)	Mean Recharge Rate (cfs)	Days Recharged	Volume Recharged (Acre-feet)
Lower Valley	American Falls Reservoir District No. 2 (Milner-Gooding Canal)	~36	196	57	22,163
	North Side Canal Company	~37	42	18	1,482
	Southwest Irrigation District	~54	25	9	446
	Twin Falls Canal Company	~45	27	85	4,602
TOTAL					28,693

*Preliminary Data

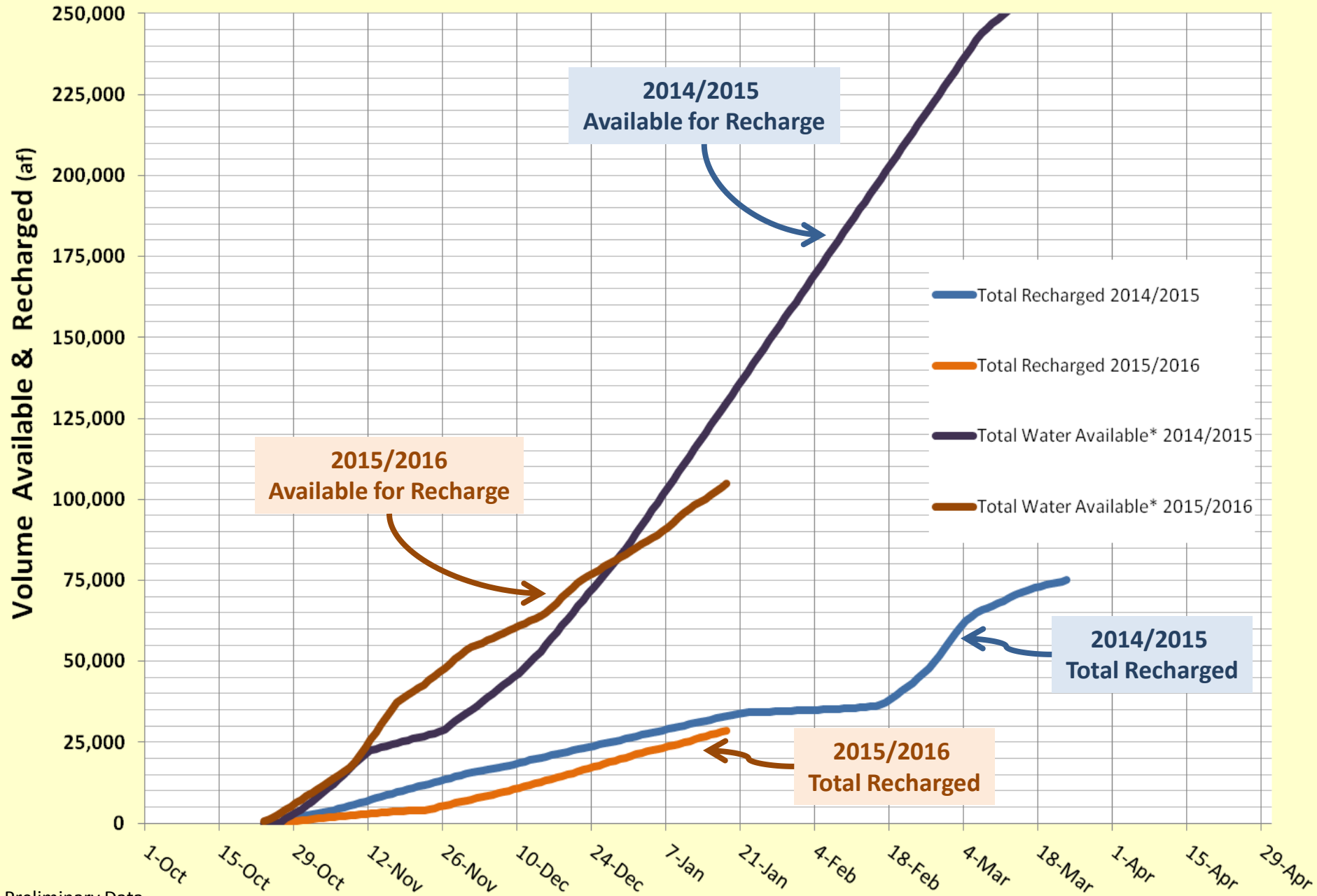


ESPA Managed Recharge - Daily Recharge



ESPA Lower Valley Managed Recharge

(Availability & Recharge comparison between 2014/2015 and 2015/2016)



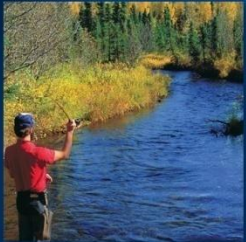
ESPA Managed Recharge Expansion Projects

• Lower Valley

- Infrastructure improvements for winter-time deliveries
- Maximize existing recharge facilities
- Development of new recharge facilities

• Upper Valley

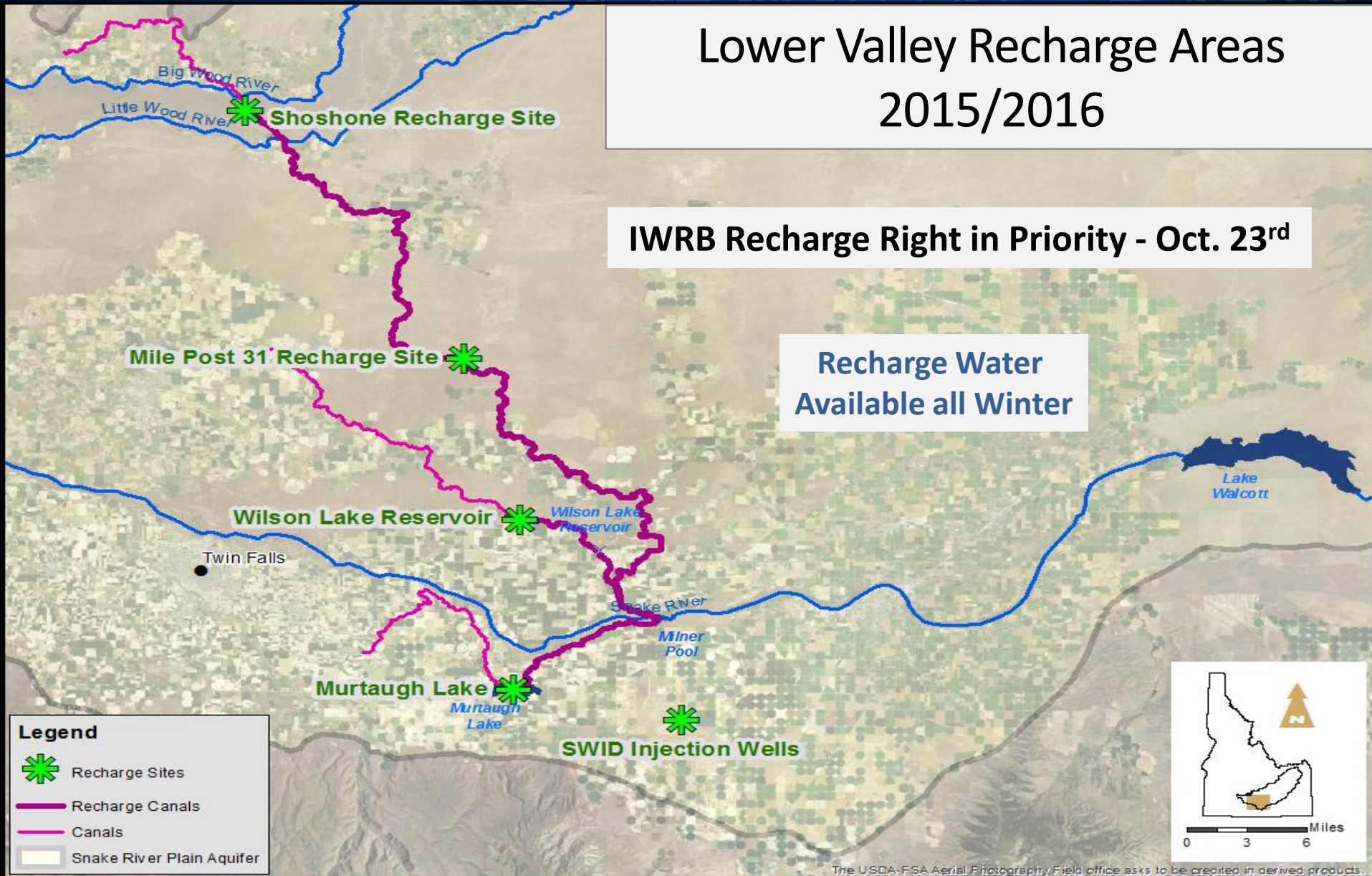
- Infrastructure improvements to facilitate highly variable availability of recharge timing and volumes
- Maximize/Improve existing recharge facilities
- Development of new recharge facilities



Lower Valley Recharge Areas 2015/2016

IWRB Recharge Right in Priority - Oct. 23rd

Recharge Water
Available all Winter



Lower Valley Recharge 2015/2016 Milner-Gooding Canal

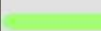

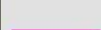
IWRB Managed Recharge
Started Nov. 23rd 2015

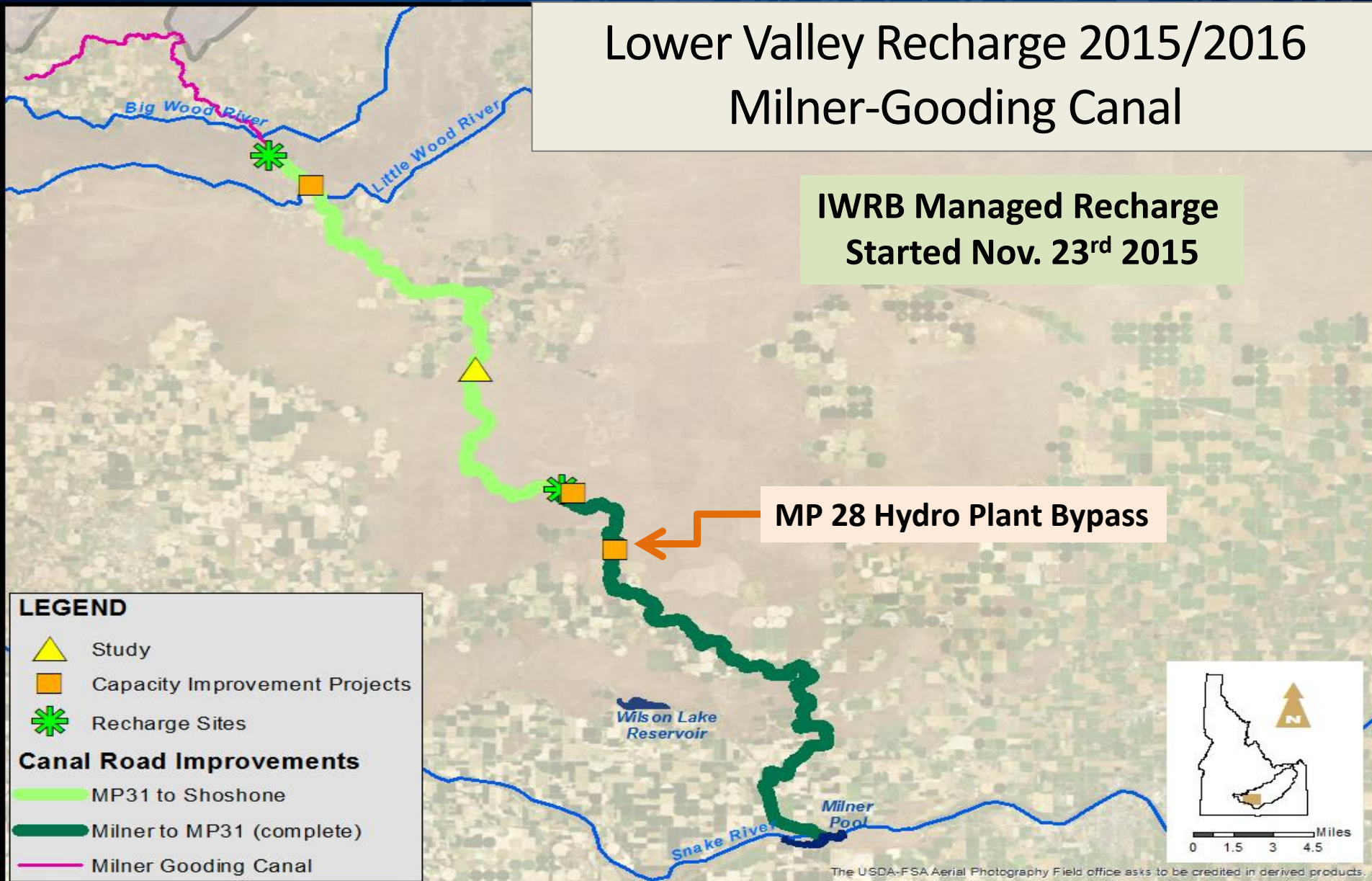
MP 28 Hydro Plant Bypass

LEGEND

-  Study
-  Capacity Improvement Projects
-  Recharge Sites

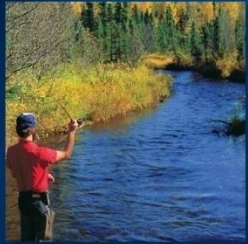
Canal Road Improvements

-  MP31 to Shoshone
-  Milner to MP31 (complete)
-  Milner Gooding Canal



AFRD2 Managed Recharge Expansion Projects

- **MP 28 Hydro Plant Bypass – Completed Nov 20th**



Lower Valley Recharge 2015/2016 Milner-Gooding Canal

IWRB Managed Recharge
Started Nov. 23rd

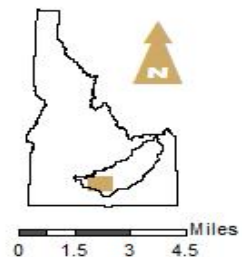
MP 31 Expansion

MP 28 Hydro Plant

Wilson Lake
Reservoir

Milner
Pool




Snake River



LEGEND

-  Study
-  Capacity Improvement Projects
-  Recharge Sites

Canal Road Improvements

-  MP31 to Shoshone
-  Milner to MP31 (complete)
-  Milner Gooding Canal

AFRD2 Managed Recharge Expansion Projects

• MP 31 Expansion - est. Completion Fall 2016

• Maximize the Recharge Site

- 2014/2015 avg. diversion = 162 cfs

- Pool depth = 18 ft

- 2015/2016 avg. diversion = 196 cfs

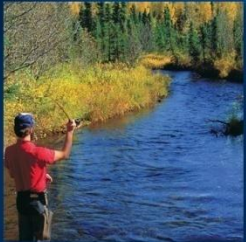
- Pool depth = 22 ft

• Potential Improvements

250 – 300 cfs

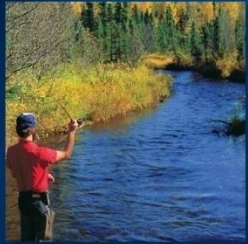
- Construct a more robust check dam

- Larger turn out gates to the facility



AFRD2 Managed Recharge Expansion Projects

- **MP 31 Recharge Site**



Nov

December 18th

Lower Valley Recharge 2015/2016 Milner-Gooding Canal

IWRB Managed Recharge
Started Nov. 23rd

Dietrich Drop Hydro Plant

MP 31 Recharge Site

MP 28 Hydro Plant

Wilson Lake
Reservoir

Milner
Pool

Snake River

LEGEND



Study

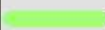


Capacity Improvement Projects



Recharge Sites

Canal Road Improvements



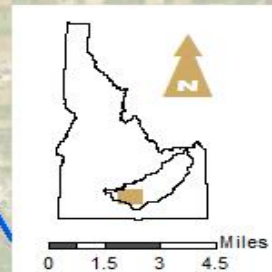
MP31 to Shoshone



Milner to MP31 (complete)

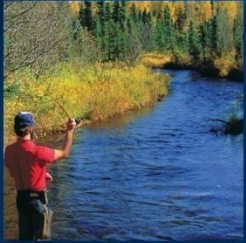


Milner Gooding Canal



AFRD2 Managed Recharge Expansion Projects

- Dietrich Drop Hydro Plant



Lower Valley Recharge 2015/2016 Milner-Gooding Canal

IWRB Managed Recharge
Started Nov. 23rd

Concrete Flume

▲ Dietrich Drop Hydro Plant

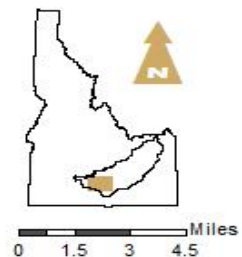
■ MP 31 Recharge Site

■ MP 28 Hydro Plant

Wilson Lake
Reservoir

Milner
Pool

Snake River



LEGEND



Study

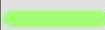


Capacity Improvement Projects



Recharge Sites

Canal Road Improvements



MP31 to Shoshone



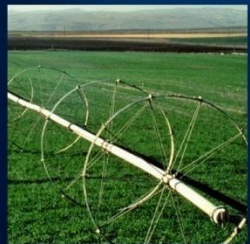
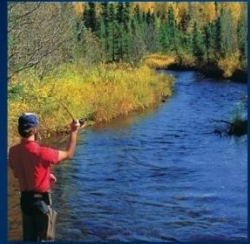
Milner to MP31 (complete)



Milner Gooding Canal

AFRD2 Managed Recharge Expansion Projects

- Concrete Flume



Lower Valley Recharge 2015/2016 AFRD2 Milner-Gooding Canal

Big Wood – Dry Bed
Capacity ~ 70 cfs

Shoshone Recharge Site

Shoshone Concrete Flume Repair

Capacity ~ 300 cfs

▲ Dietrich Drop Hydro Plant

Capacity ~ 250 cfs

MP 31 Recharge Site

MP 28 - Hydro Plant Bypass

Wilson Lake
Reservoir

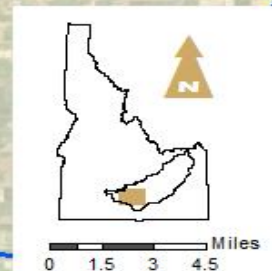
Milner
Pool

LEGEND

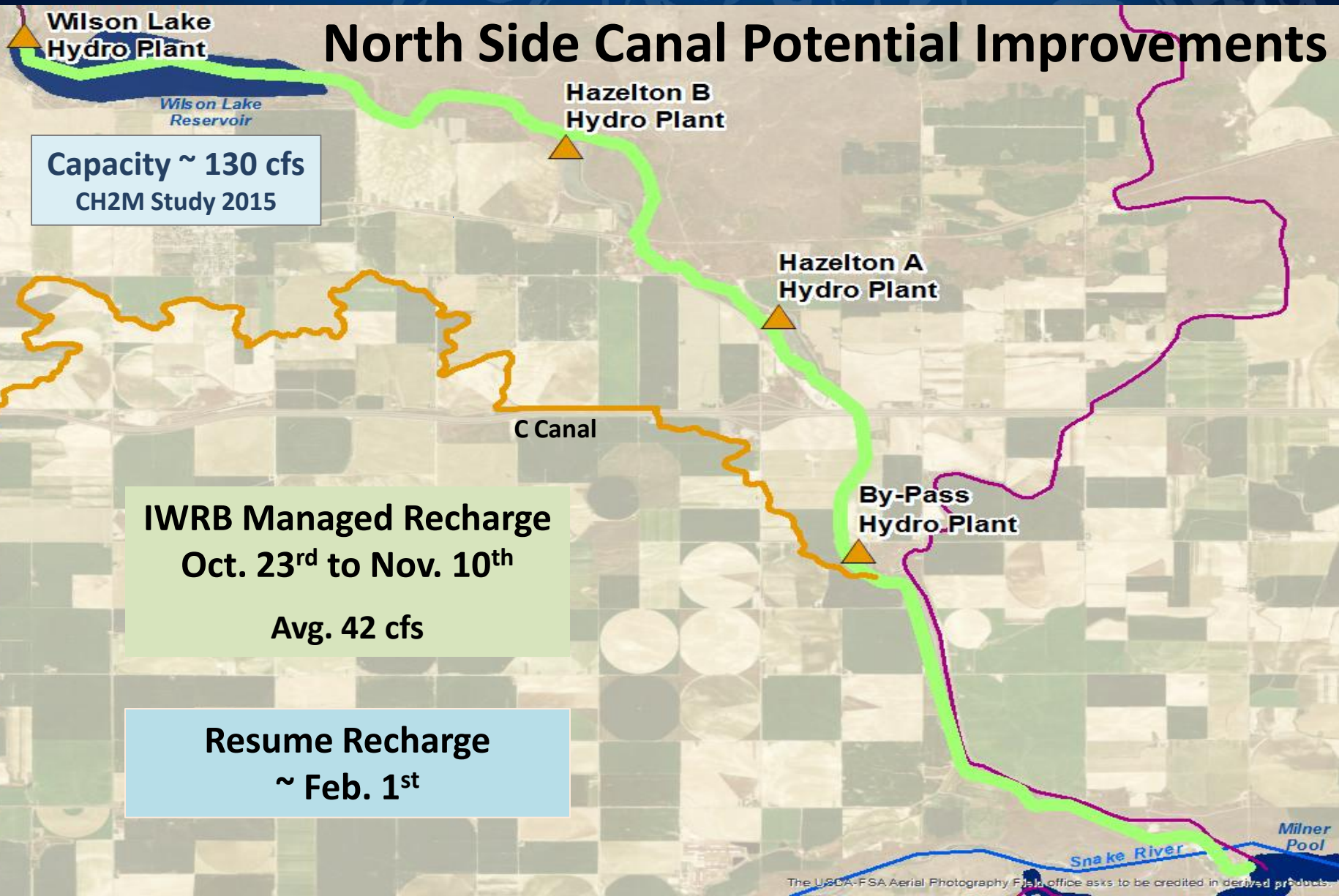
- ▲ Study
- Capacity Improvement Projects
- ✱ Recharge Sites

Canal Road Improvements

- MP31 to Shoshone
- Milner to MP31 (complete)
- Milner Gooding Canal



North Side Canal Potential Improvements



North Side Canal Potential Improvements

Wilson Lake
Hydro Plant

Wilson Lake
Reservoir

By-pass
Canal

Hazeltown B
Hydro Plant

Hazeltown A
Hydro Plant

By-Pass
Hydro Plant

Option 1

Option 2

Isolation Structures Hazeltown A & B

Option 3

By-pass Canal

De-icing system

Snake River

Milner Pool

North Side Canal Potential Improvements

Option 1 – per CH2M

\$1.1 M

- Overflow weir improvements
- De-icing system all locations
- Highest O&M cost and potential unforeseen issues at hydro plants effecting recharge

Option 2 – per CH2M

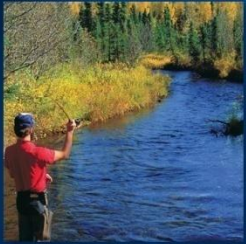
\$2.8 M

- Isolate Hazelton A & B using weir's
- De-icing system at other locations

Option 3 – per CH2M

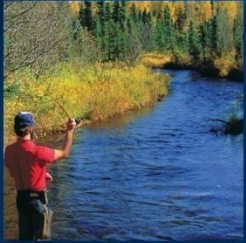
\$5.0 M

- By-pass canal utilizing the C Canal
- De-icing system at other locations
- Highest Cost and limited future capacity



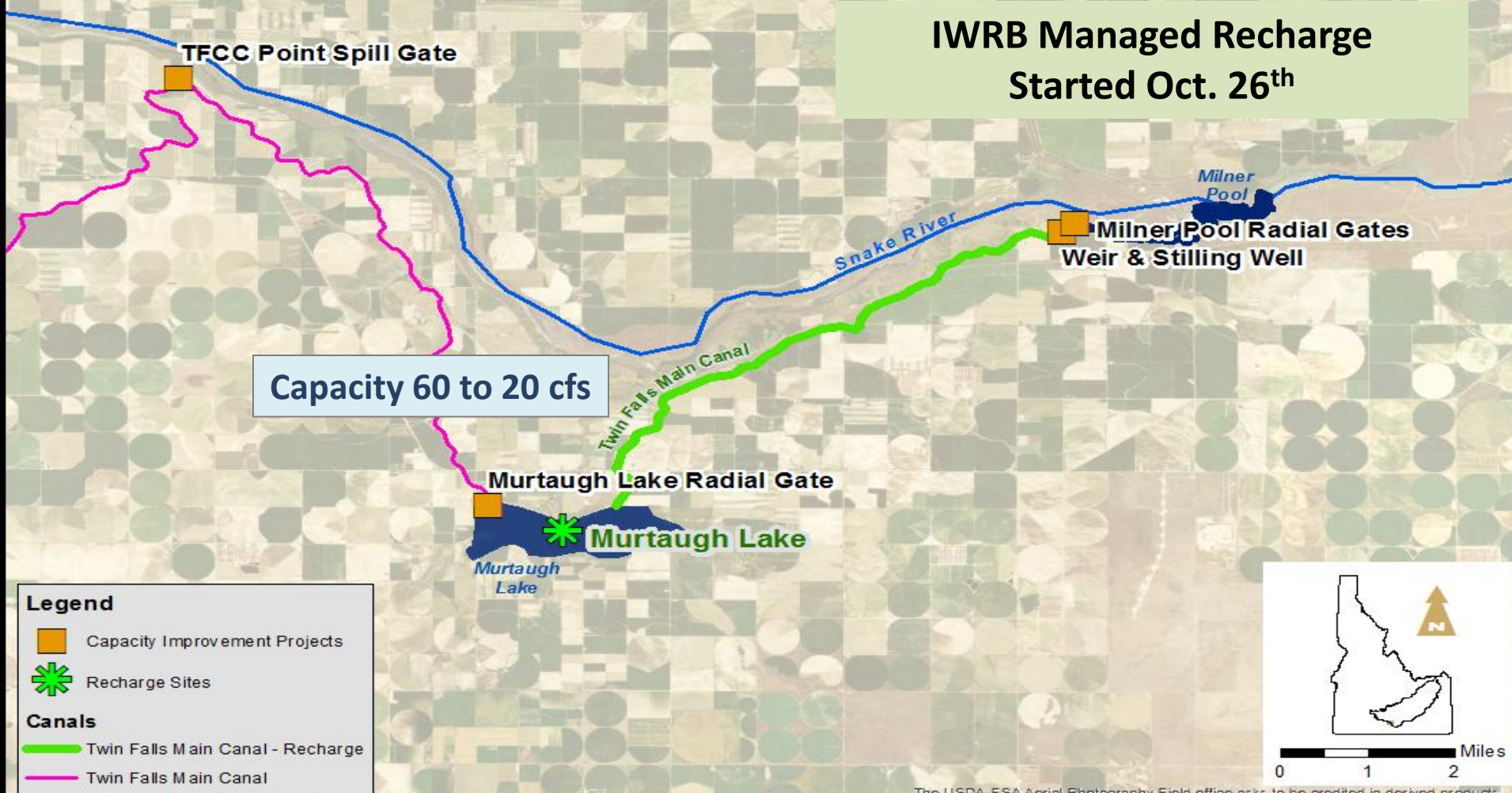
NSCC Managed Recharge Projects

- North Side Canal / Wilson Lake



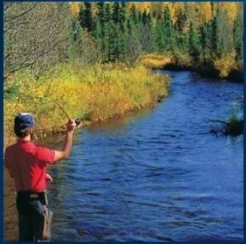
Lower Valley Recharge 2015/2016 Twin Falls Canal

**IWRB Managed Recharge
Started Oct. 26th**



TFCC Managed Recharge Expansion Projects

- Twin Falls Canal / Murtaugh Lake



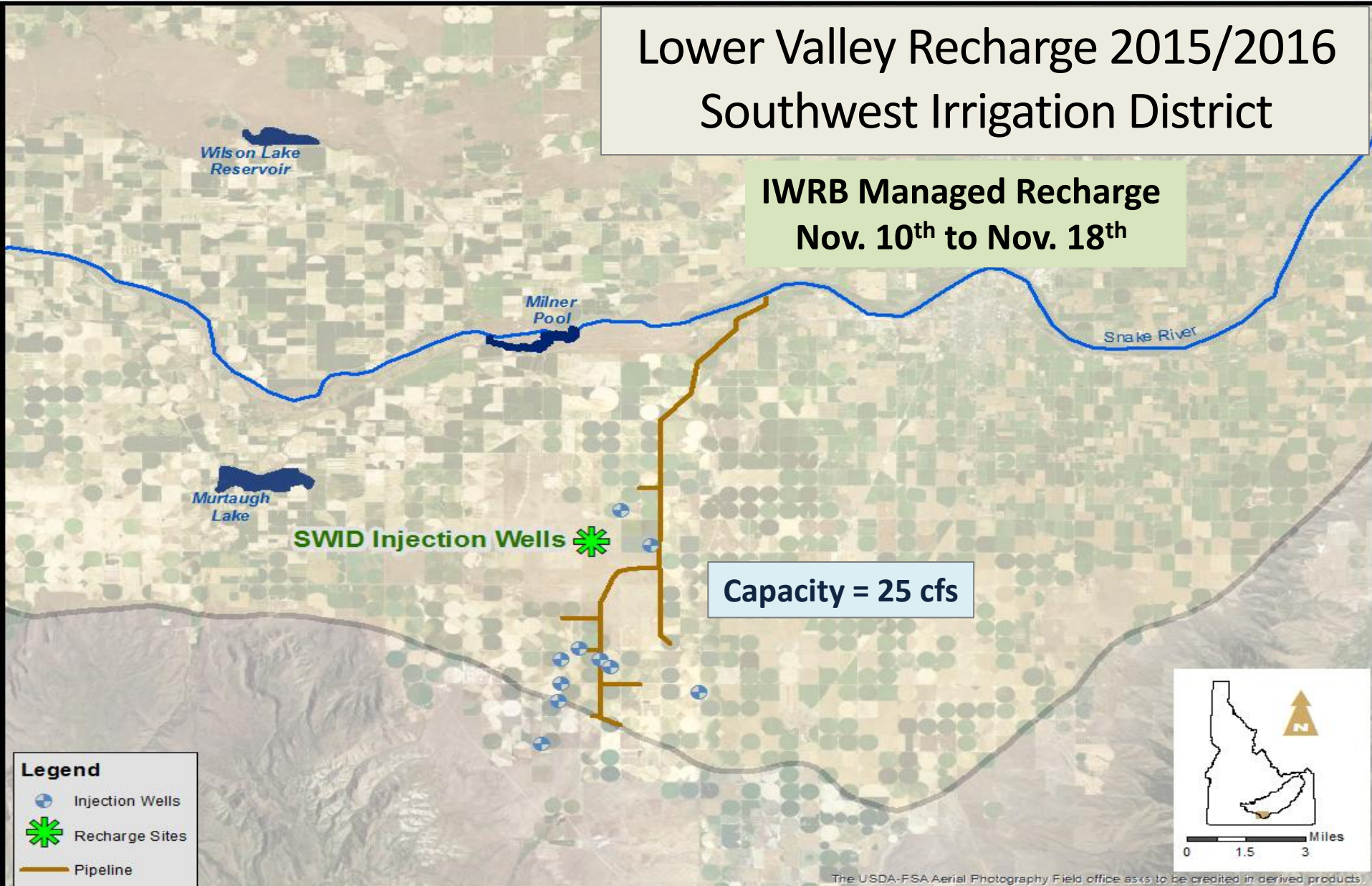
November

January 6th

11/30/2015

Lower Valley Recharge 2015/2016 Southwest Irrigation District

IWRB Managed Recharge
Nov. 10th to Nov. 18th







Upper Valley Managed Recharge

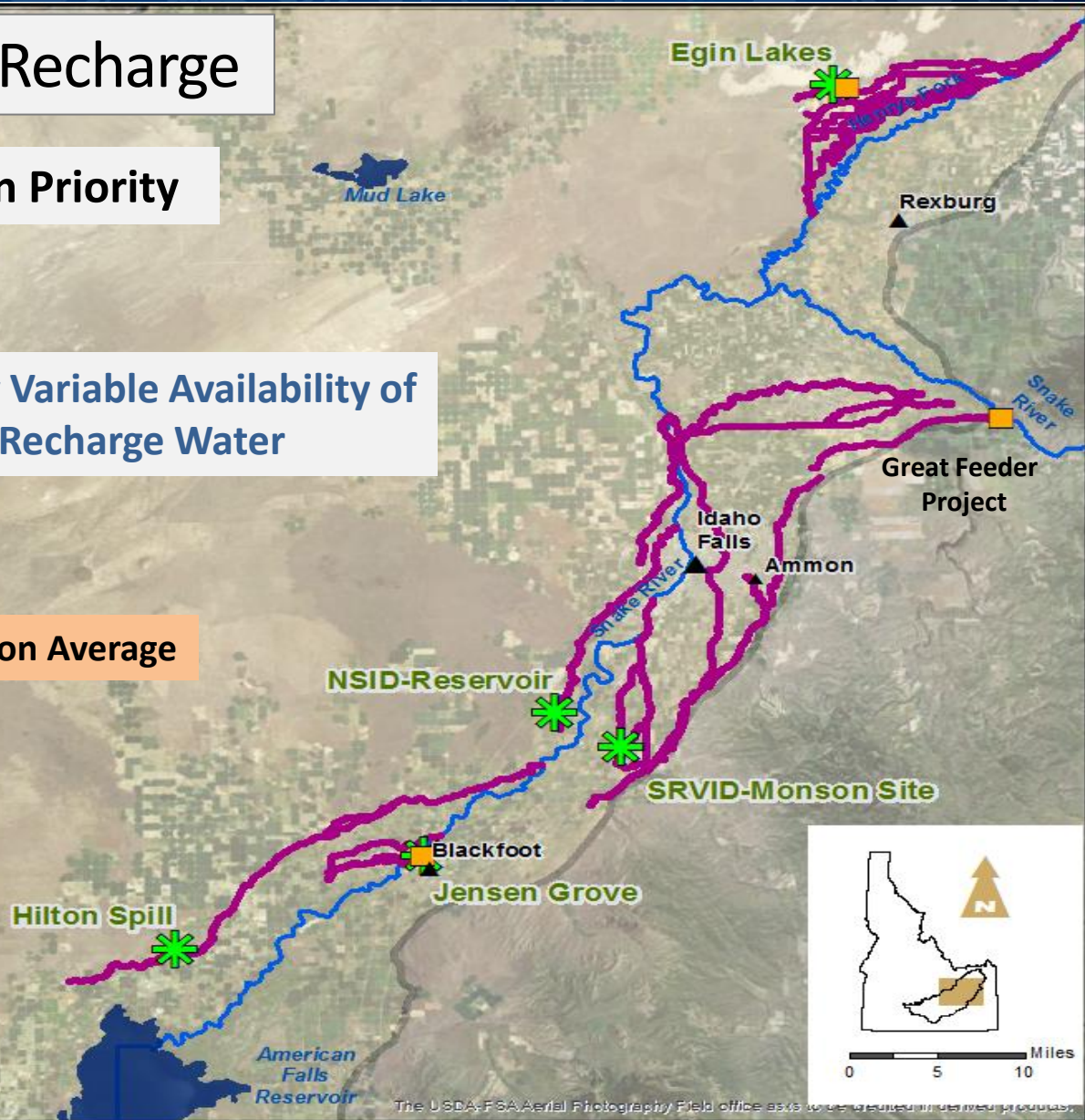
IWRB Recharge Right NOT in Priority

Highly Variable Availability of Recharge Water

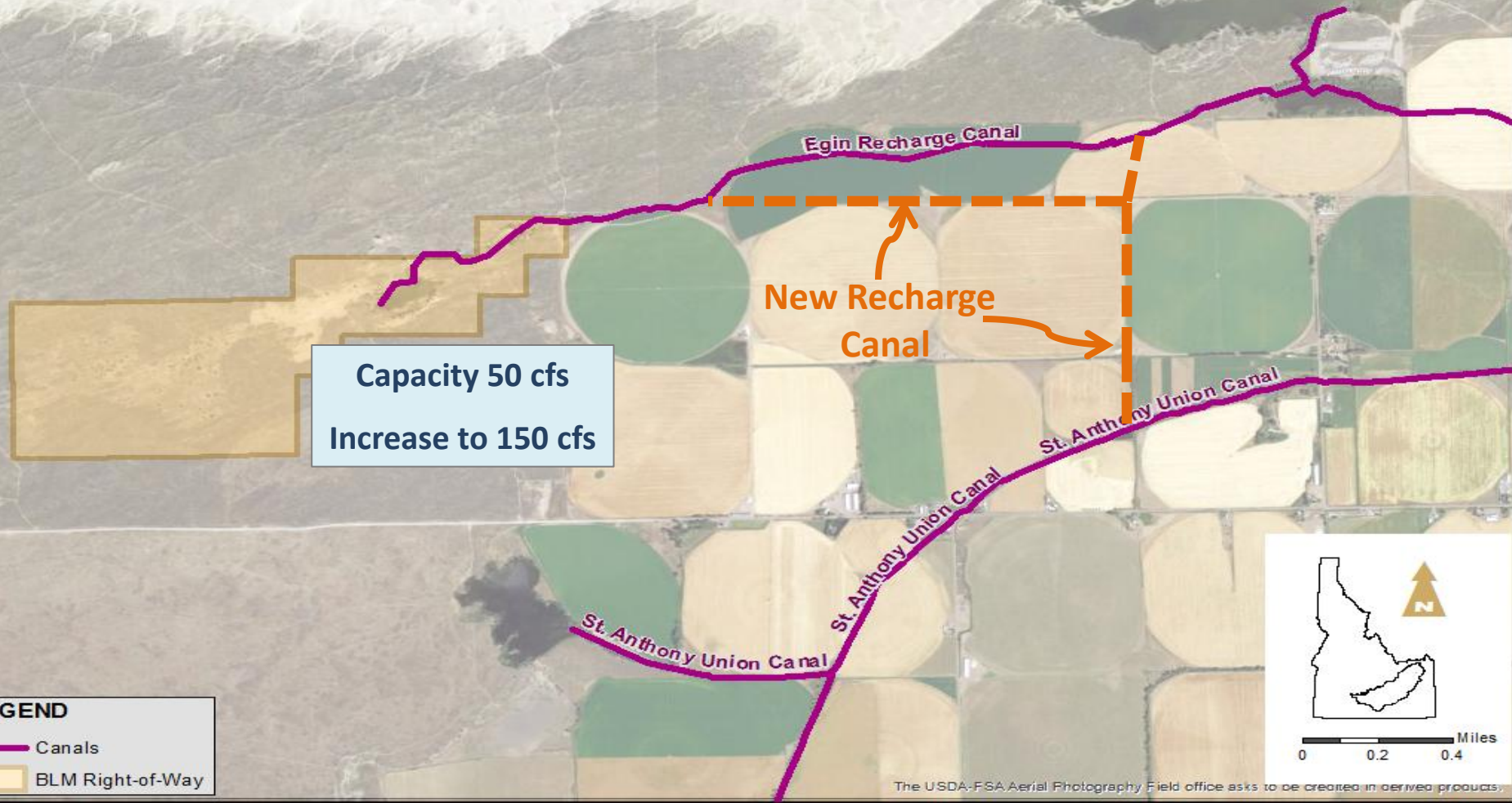
Water Available Every Other Year on Average

LEGEND

-  Capacity Improvement Projects
-  Current Recharge Site
-  Recharge Canals
-  Snake River Plain Aquifer

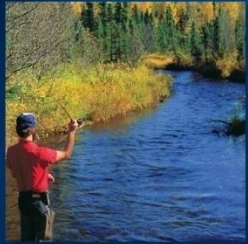


Egin Lakes Managed Recharge Project



Egin Lakes Managed Recharge Project

- New Recharge Canal

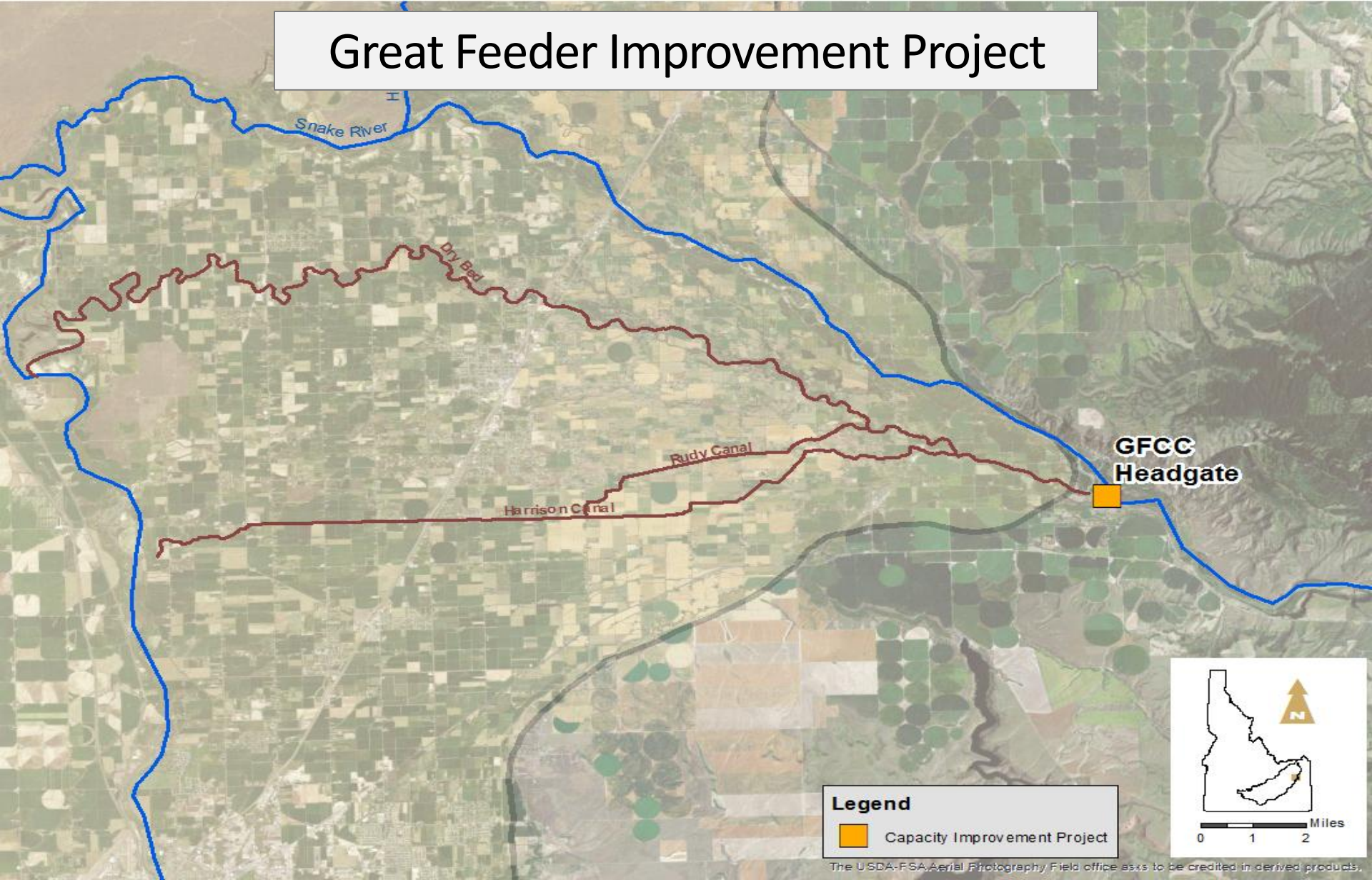


November

January 8th

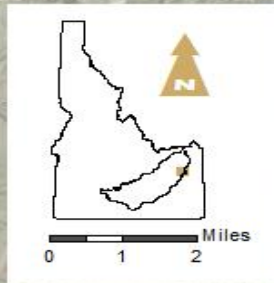
December 14th

Great Feeder Improvement Project



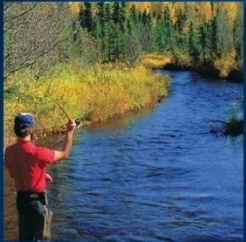
Legend

 Capacity Improvement Project

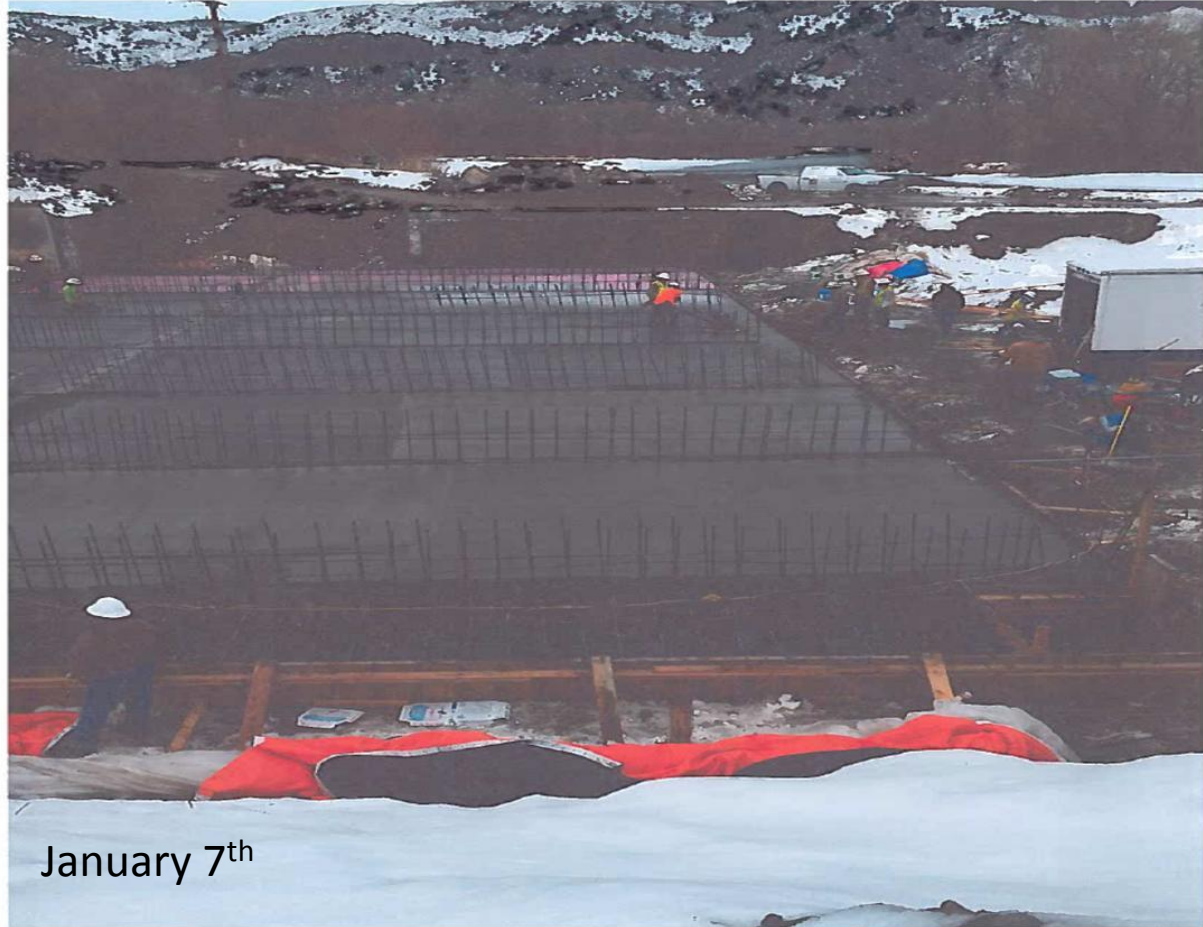


Great Feeder Improvement Project

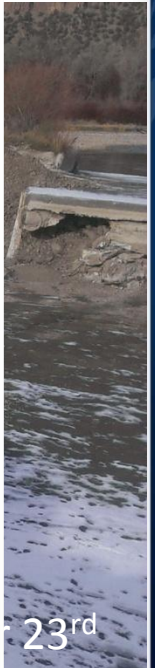
- New Recharge Canal



Novem



January 7th



23rd

Jensen Grove Improvement Project



LEGEND



Current Recharge Site

ESPA Managed Recharge Capacity

• Lower Valley

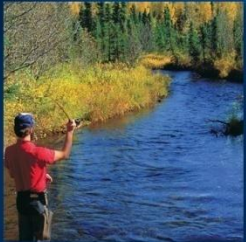
- Winter Time Capacity

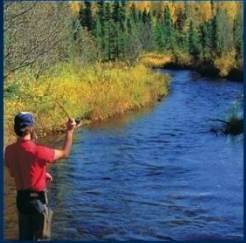
- 2014/2015 190 cfs
- 2015/2016 270 cfs
- 2016/2017 570 cfs

• Upper Valley

- Off-Canal Capacity

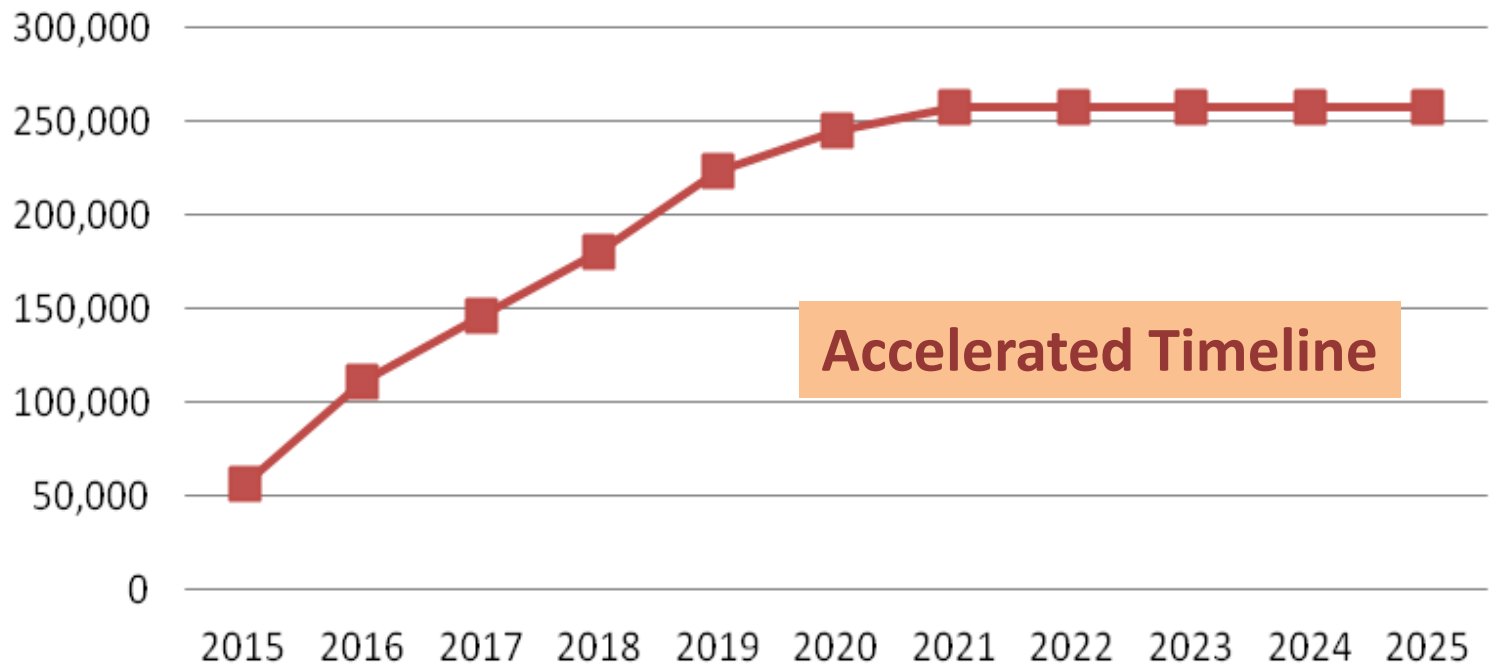
- 2014/2015 200 cfs
- 2015/2016 400 cfs
- 2016/2017 500 cfs





ESPA Managed Recharge Capacity

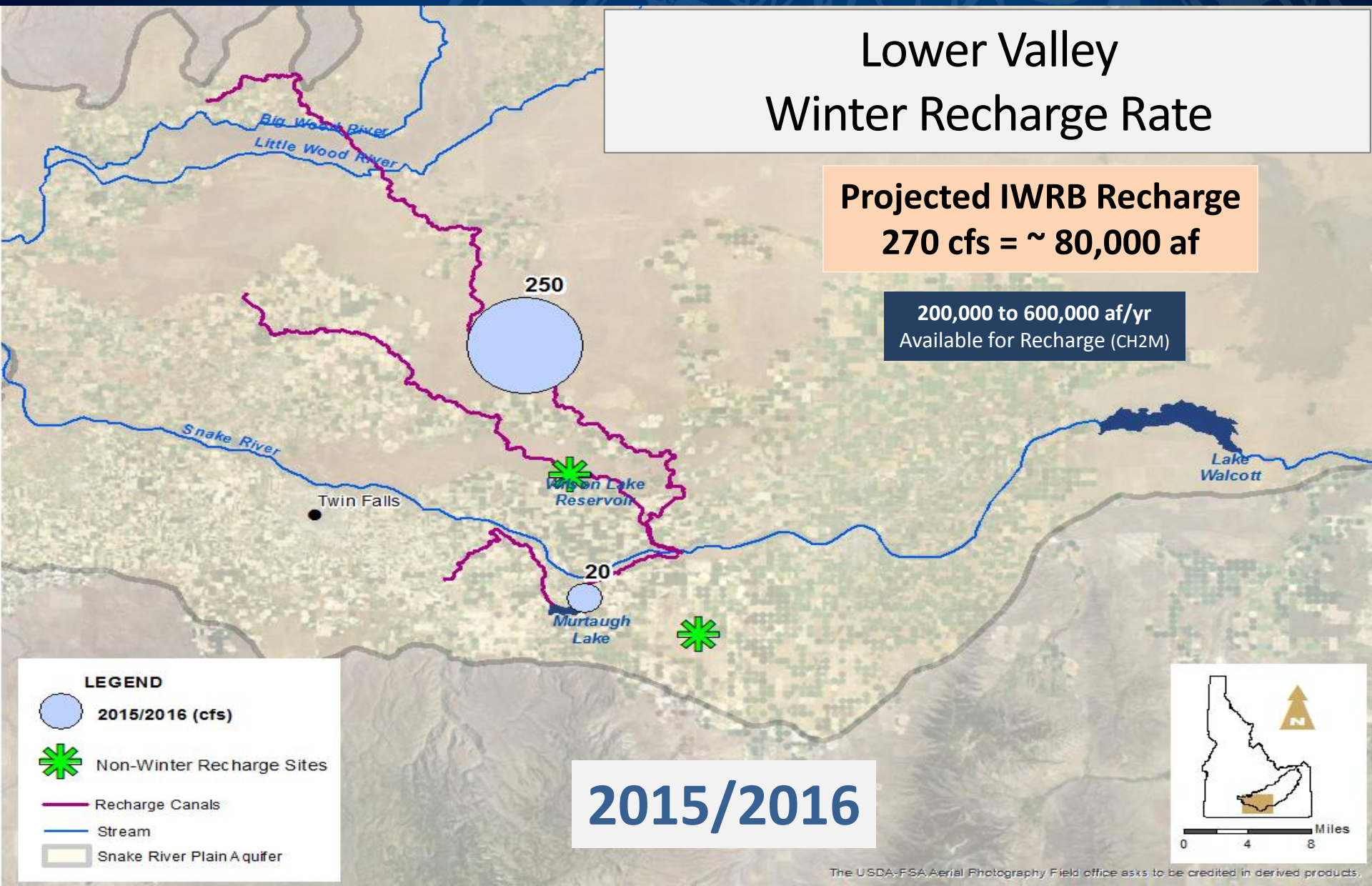
Projected Recharge Volume (average annual acre-feet)



Lower Valley Winter Recharge Rate

Projected IWRB Recharge
270 cfs = ~ 80,000 af

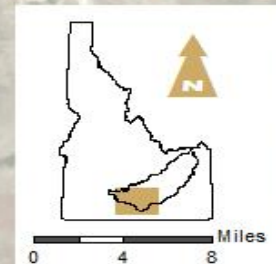
200,000 to 600,000 af/yr
Available for Recharge (CH2M)



LEGEND

-  2015/2016 (cfs)
-  Non-Winter Recharge Sites
-  Recharge Canals
-  Stream
-  Snake River Plain Aquifer

2015/2016



Lower Valley Winter Recharge Rate

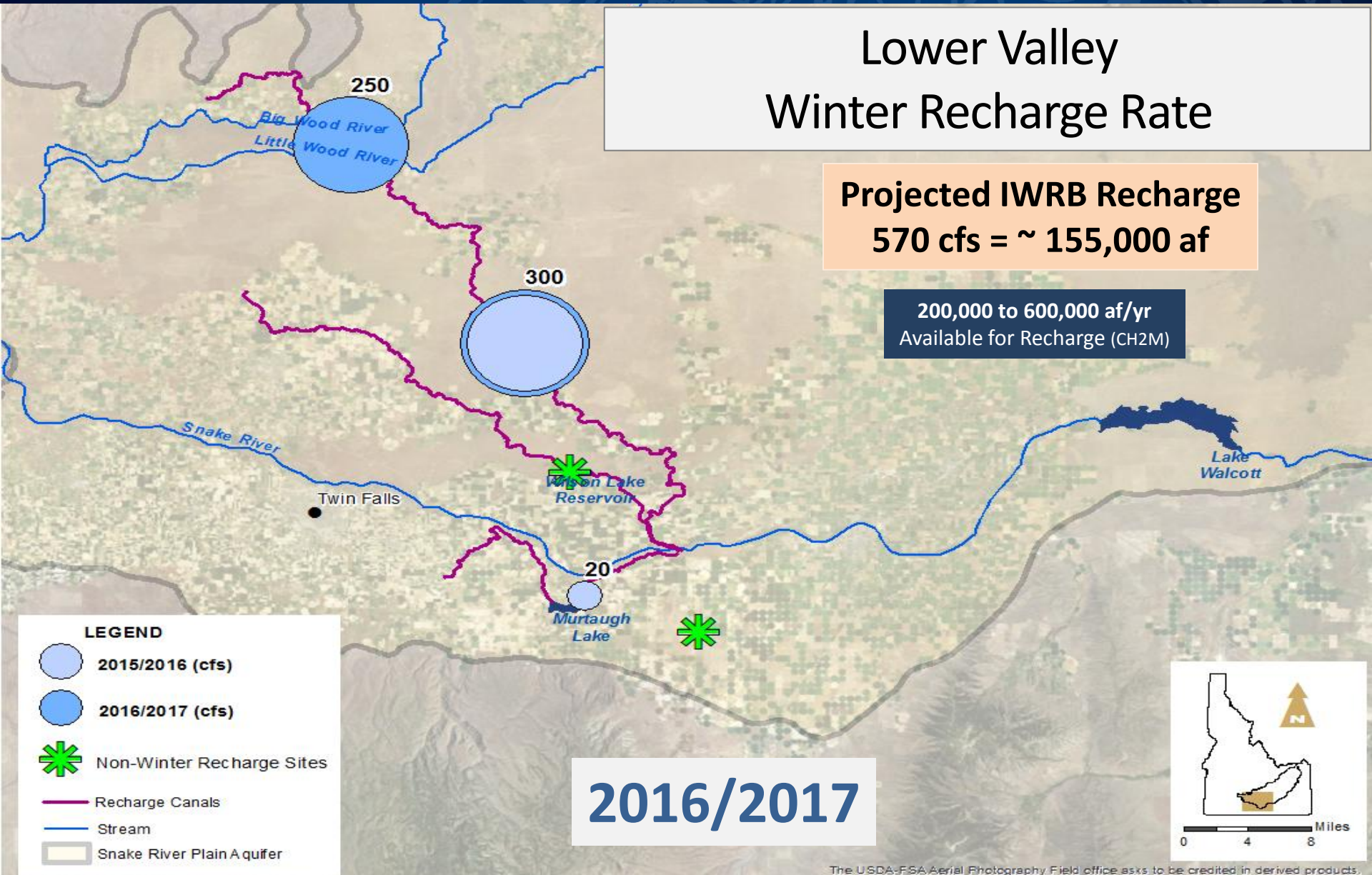
Projected IWRB Recharge
570 cfs = ~ 155,000 af

200,000 to 600,000 af/yr
Available for Recharge (CH2M)

2016/2017

LEGEND

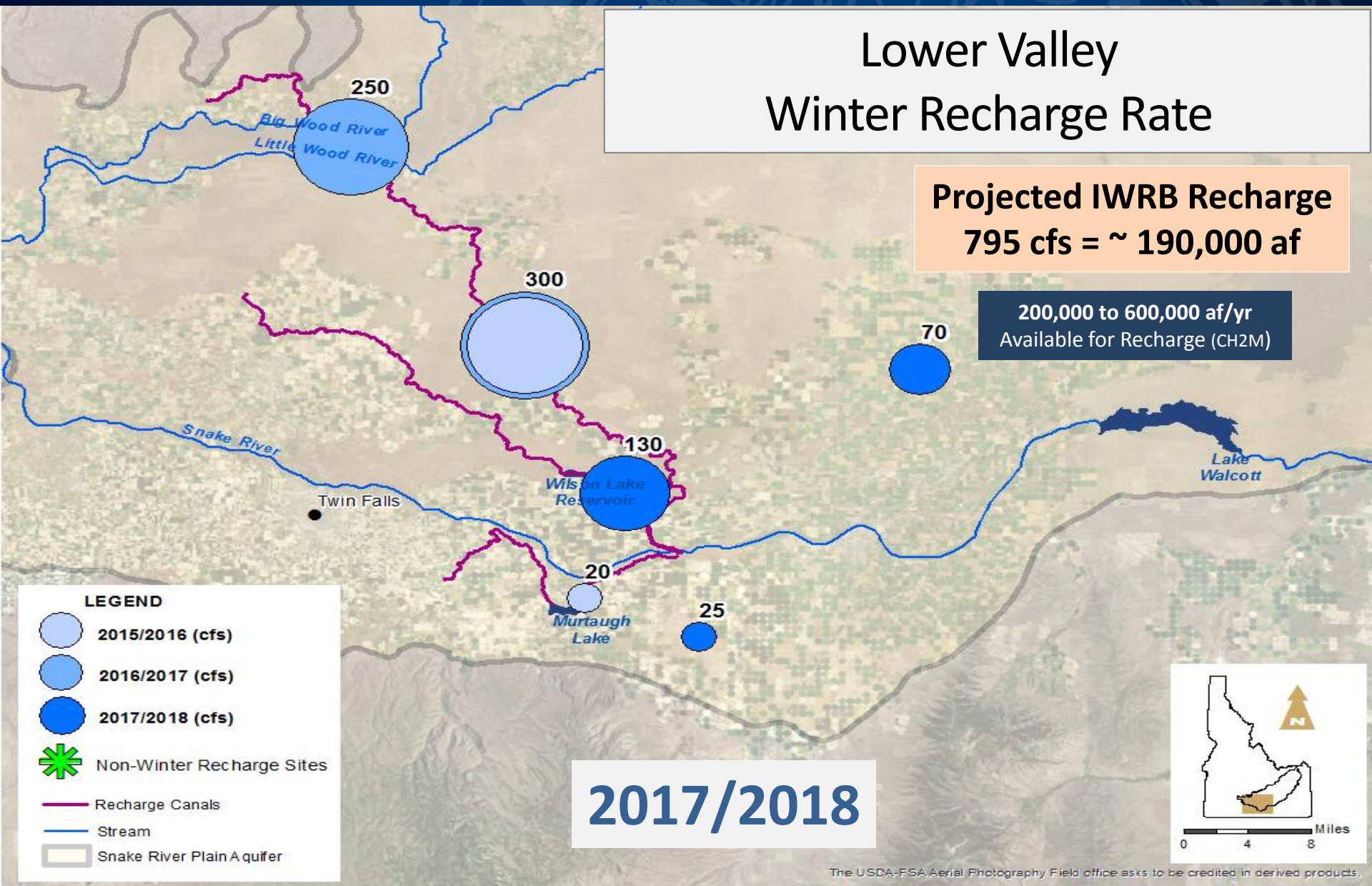
-  2015/2016 (cfs)
-  2016/2017 (cfs)
-  Non-Winter Recharge Sites
-  Recharge Canals
-  Stream
-  Snake River Plain Aquifer



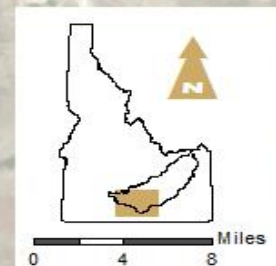
Lower Valley Winter Recharge Rate

Projected IWRB Recharge
795 cfs = ~ 190,000 af

200,000 to 600,000 af/yr
Available for Recharge (CH2M)



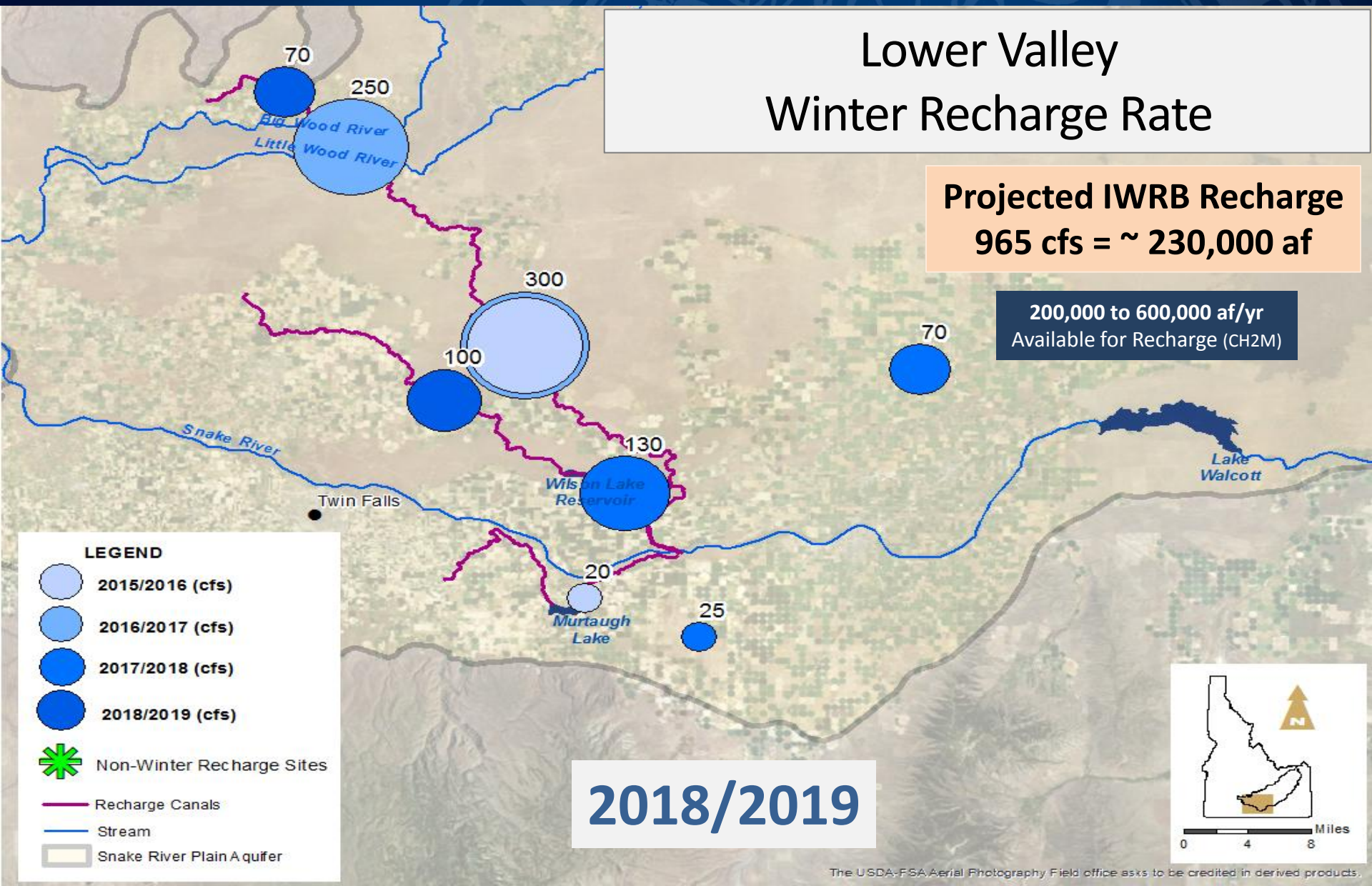
2017/2018



Lower Valley Winter Recharge Rate

Projected IWRB Recharge
965 cfs = ~ 230,000 af

200,000 to 600,000 af/yr
Available for Recharge (CH2M)



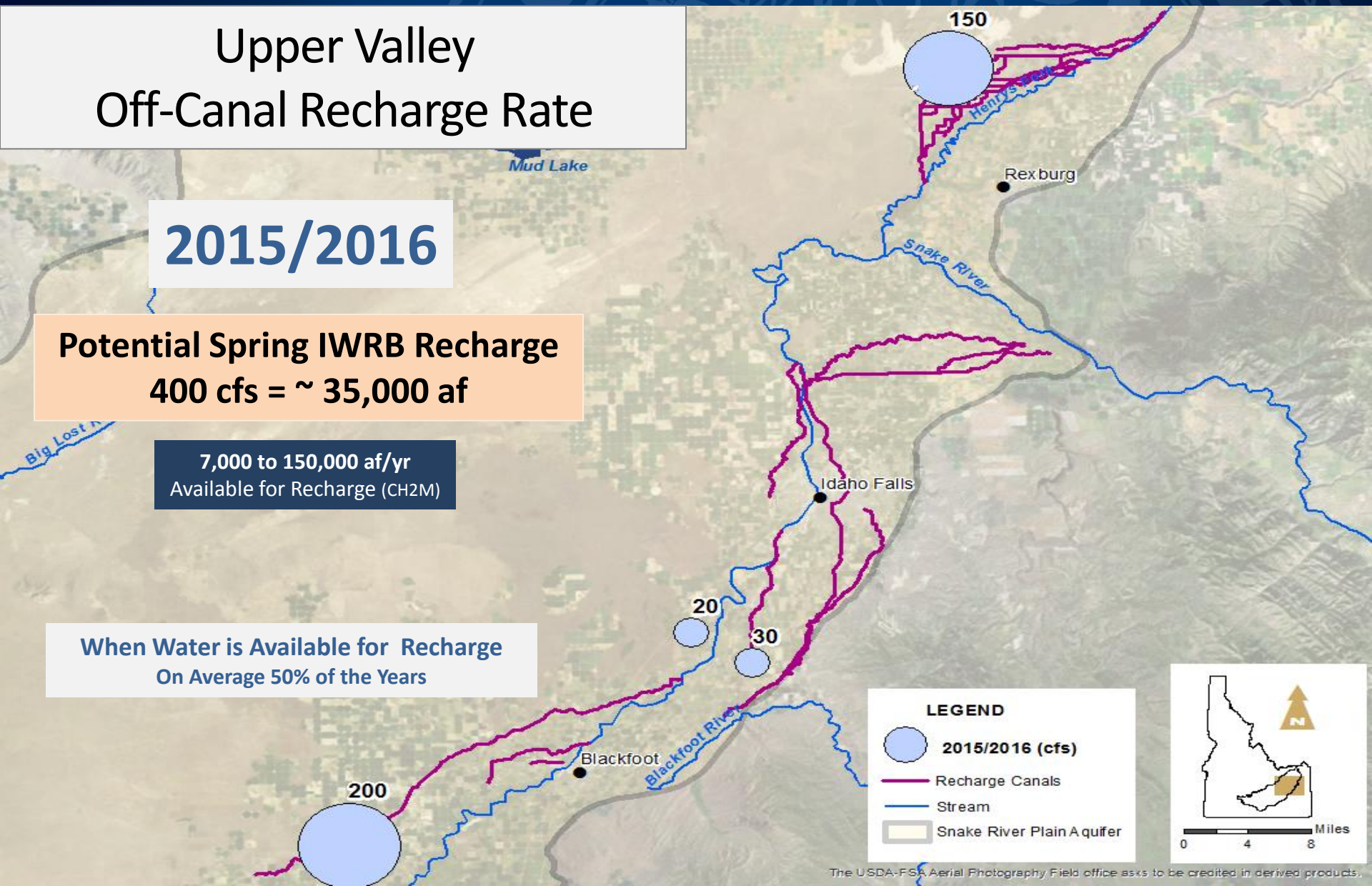
Upper Valley Off-Canal Recharge Rate

2015/2016

Potential Spring IWRB Recharge
400 cfs = ~ 35,000 af

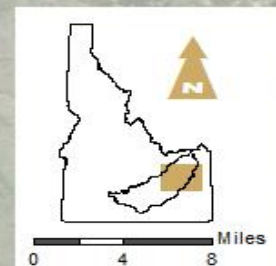
7,000 to 150,000 af/yr
Available for Recharge (CH2M)

When Water is Available for Recharge
On Average 50% of the Years



LEGEND

- 2015/2016 (cfs)
- Recharge Canals
- Stream
- Snake River Plain Aquifer



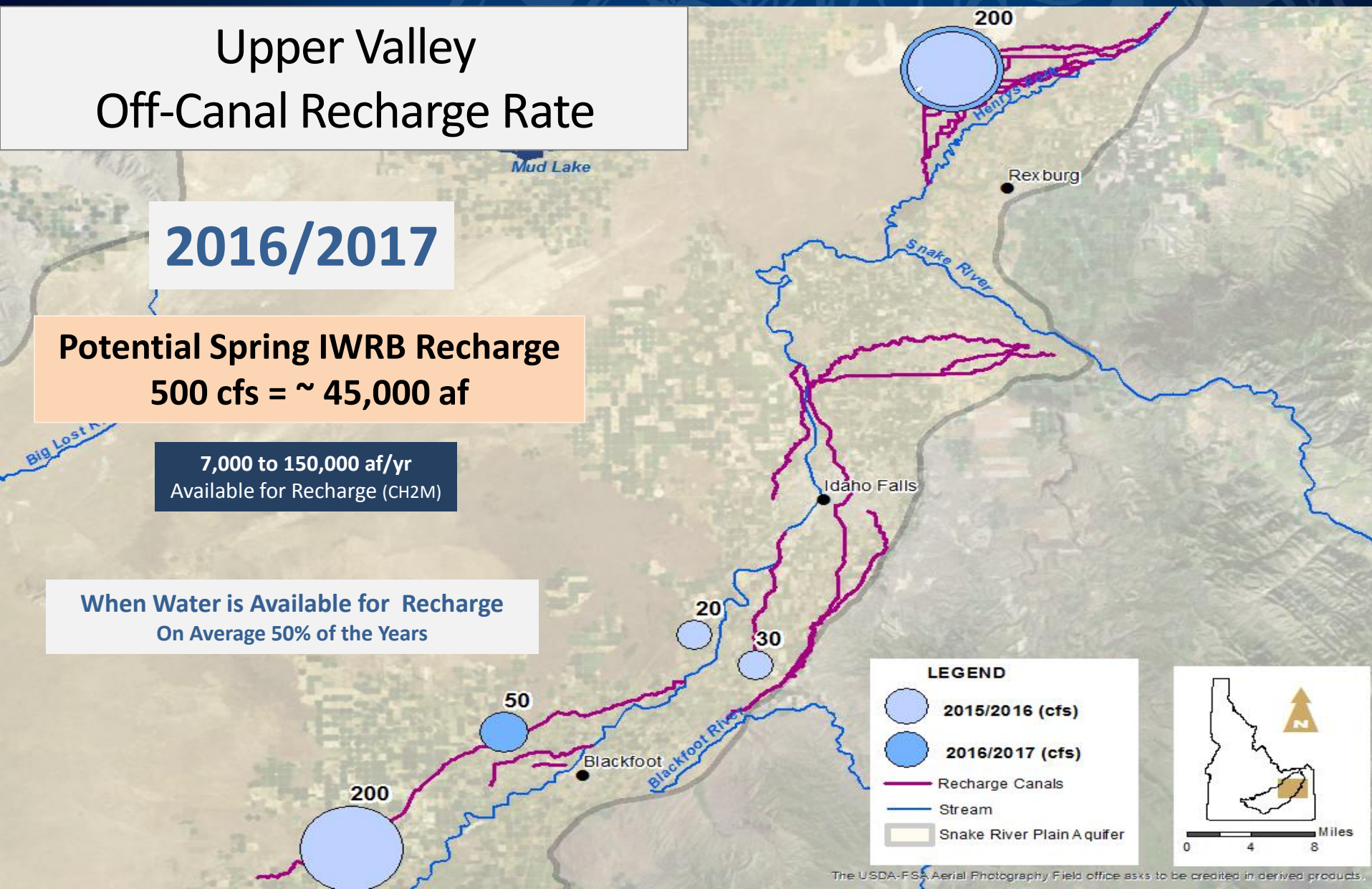
Upper Valley Off-Canal Recharge Rate

2016/2017

Potential Spring IWRB Recharge
500 cfs = ~ 45,000 af

7,000 to 150,000 af/yr
Available for Recharge (CH2M)

When Water is Available for Recharge
On Average 50% of the Years



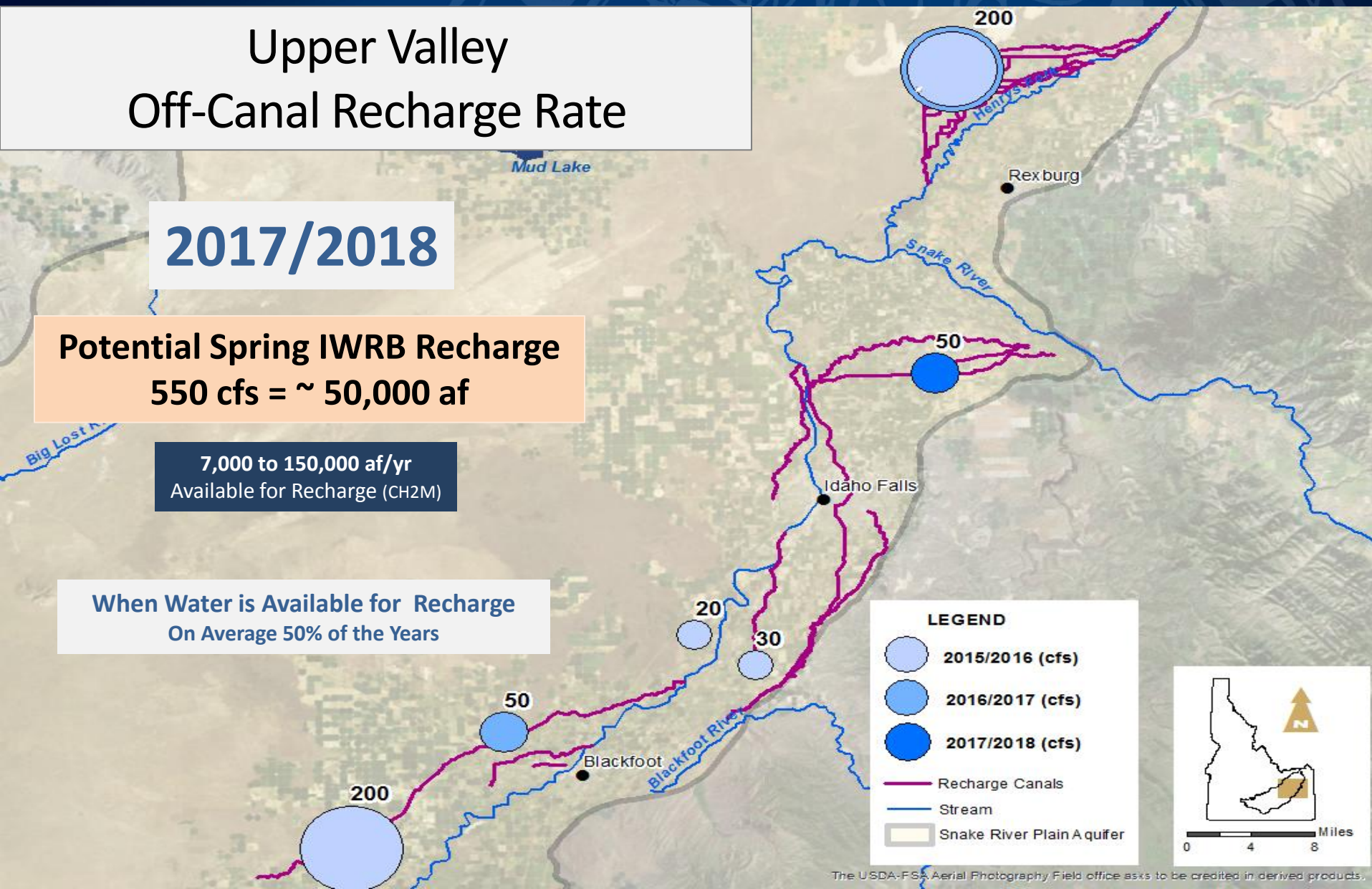
Upper Valley Off-Canal Recharge Rate

2017/2018

Potential Spring IWRB Recharge
550 cfs = ~ 50,000 af

7,000 to 150,000 af/yr
Available for Recharge (CH2M)

When Water is Available for Recharge
On Average 50% of the Years



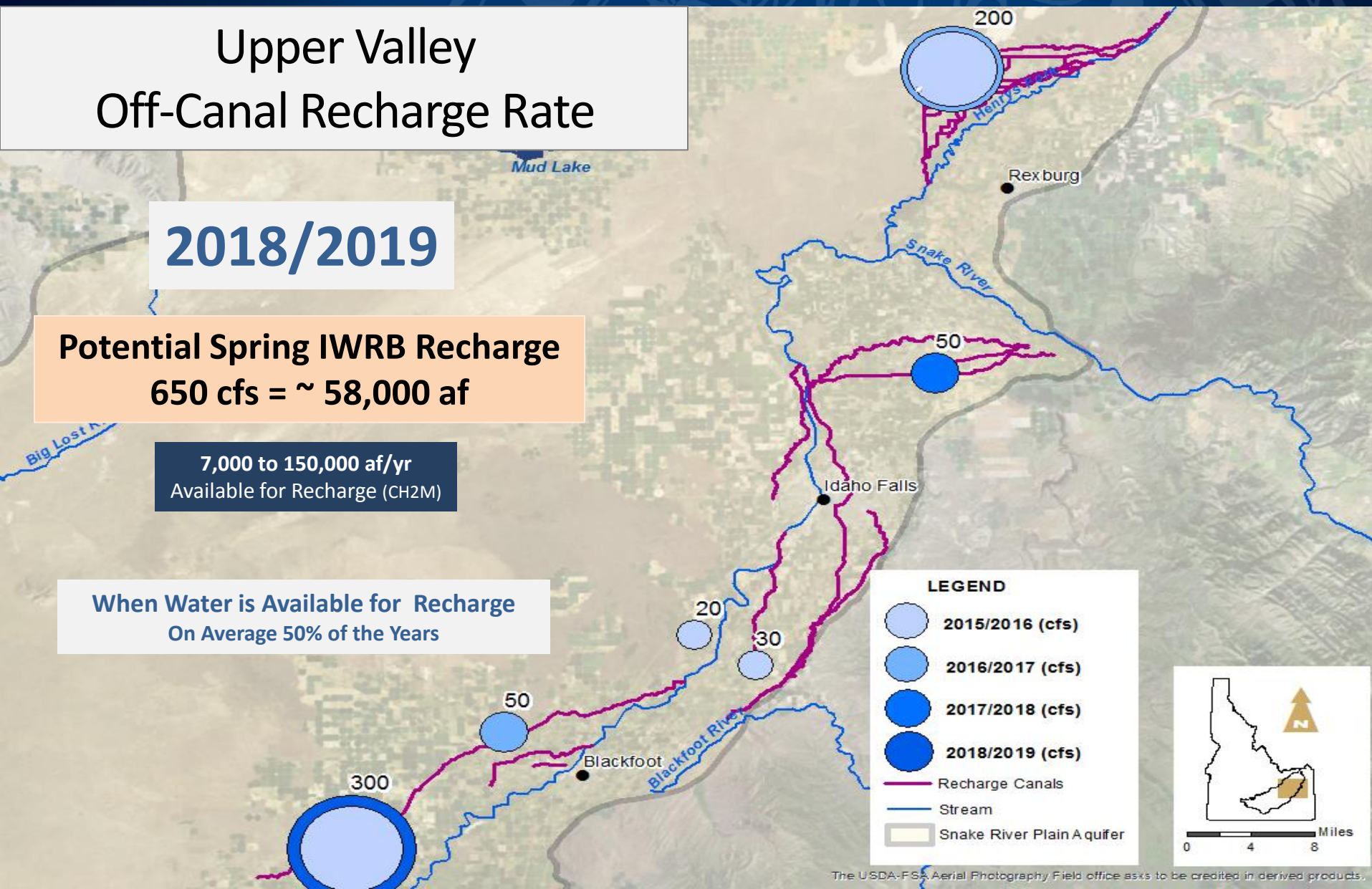
Upper Valley Off-Canal Recharge Rate

2018/2019

Potential Spring IWRB Recharge
650 cfs = ~ 58,000 af

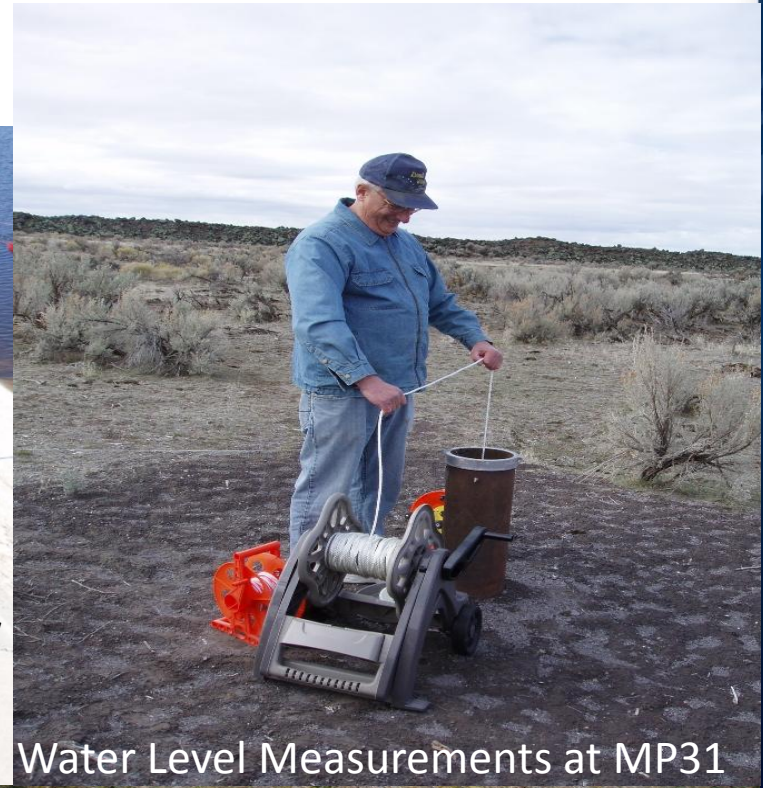
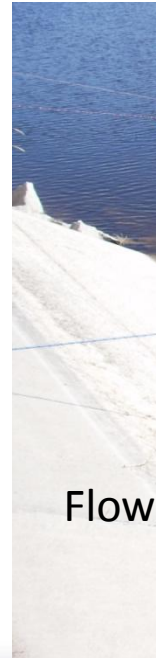
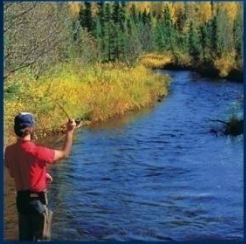
7,000 to 150,000 af/yr
Available for Recharge (CH2M)

When Water is Available for Recharge
On Average 50% of the Years



ESPA Managed Recharge – Monitoring

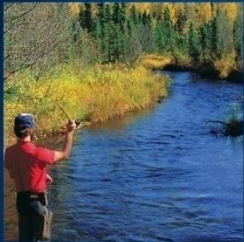
- Water Quality Program
- Recharge Flow Measurements
- Water Level Monitoring



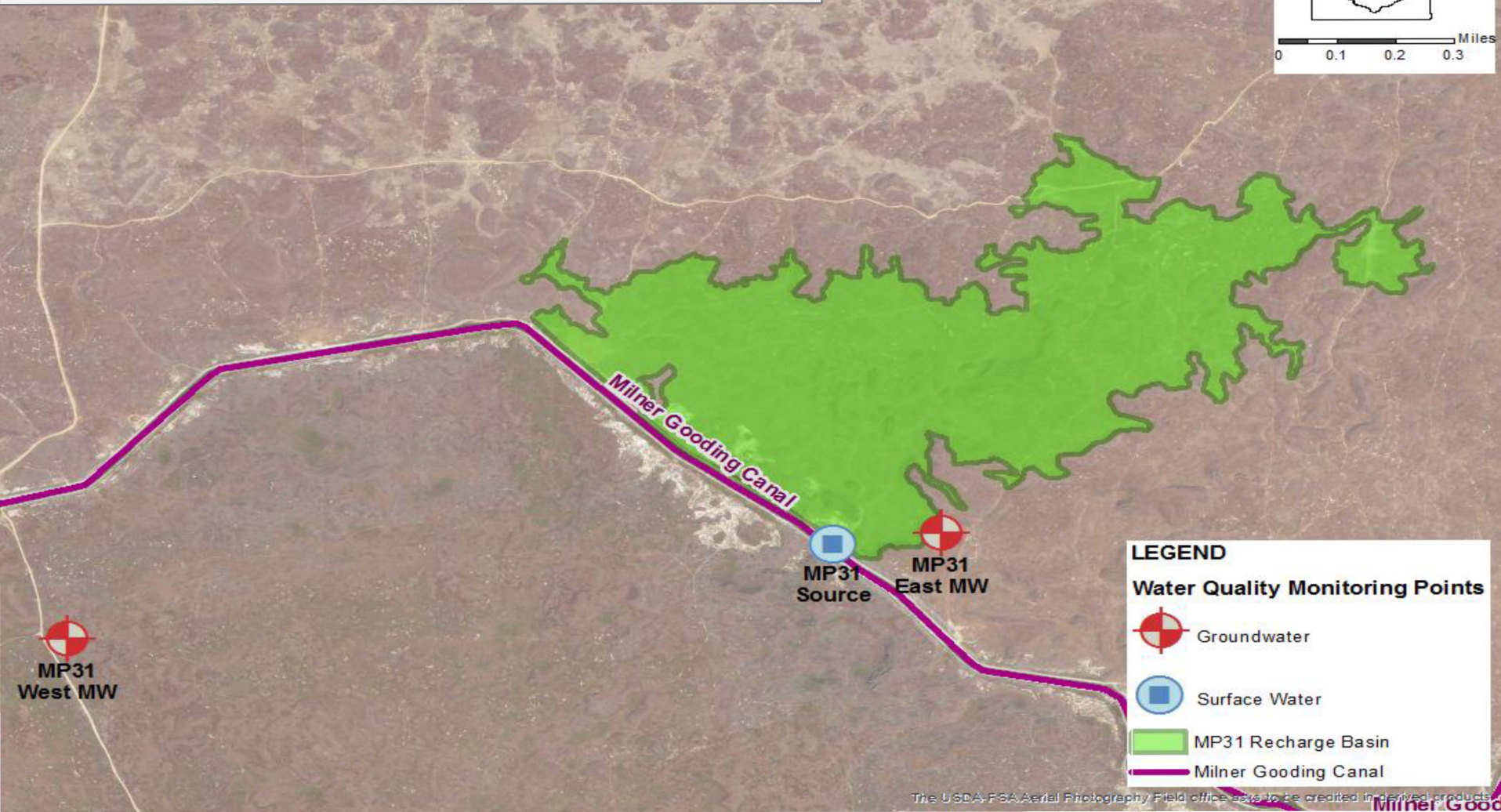
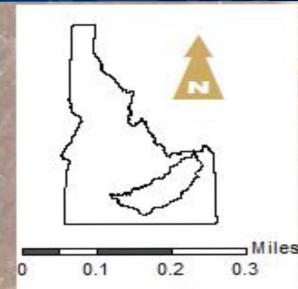
ESPA Managed Recharge – Monitoring

• Water Quality

- IDEQ Approved Groundwater Monitoring Program
 - MP 31 Recharge Site
 - Shoshone Recharge Site
- Water Quality Sampling
 - Source Water
 - Groundwater
- Parameters and Frequency defined by IDEQ
- Sampling Frequency
 - Prior and After Recharge Activities
 - Monthly Sampling During Recharge Activities
- Sites Visited by IDWR groundwater protection staff



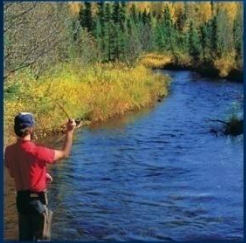
MP 31 Recharge Site Water Quality Monitoring



ESPA Managed Recharge – Monitoring

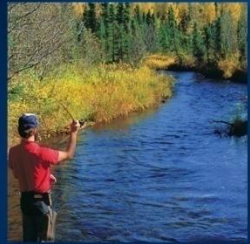
• MP31 Water Quality Sampling

- East Monitor Well, West Monitor Well, Surface Water
 - 2014/2015
 - Oct, Nov, Dec, Jan, Mar, & Apr
 - 2015/2016
 - Nov, Dec/Jan



ESPA Managed Recharge – Monitoring

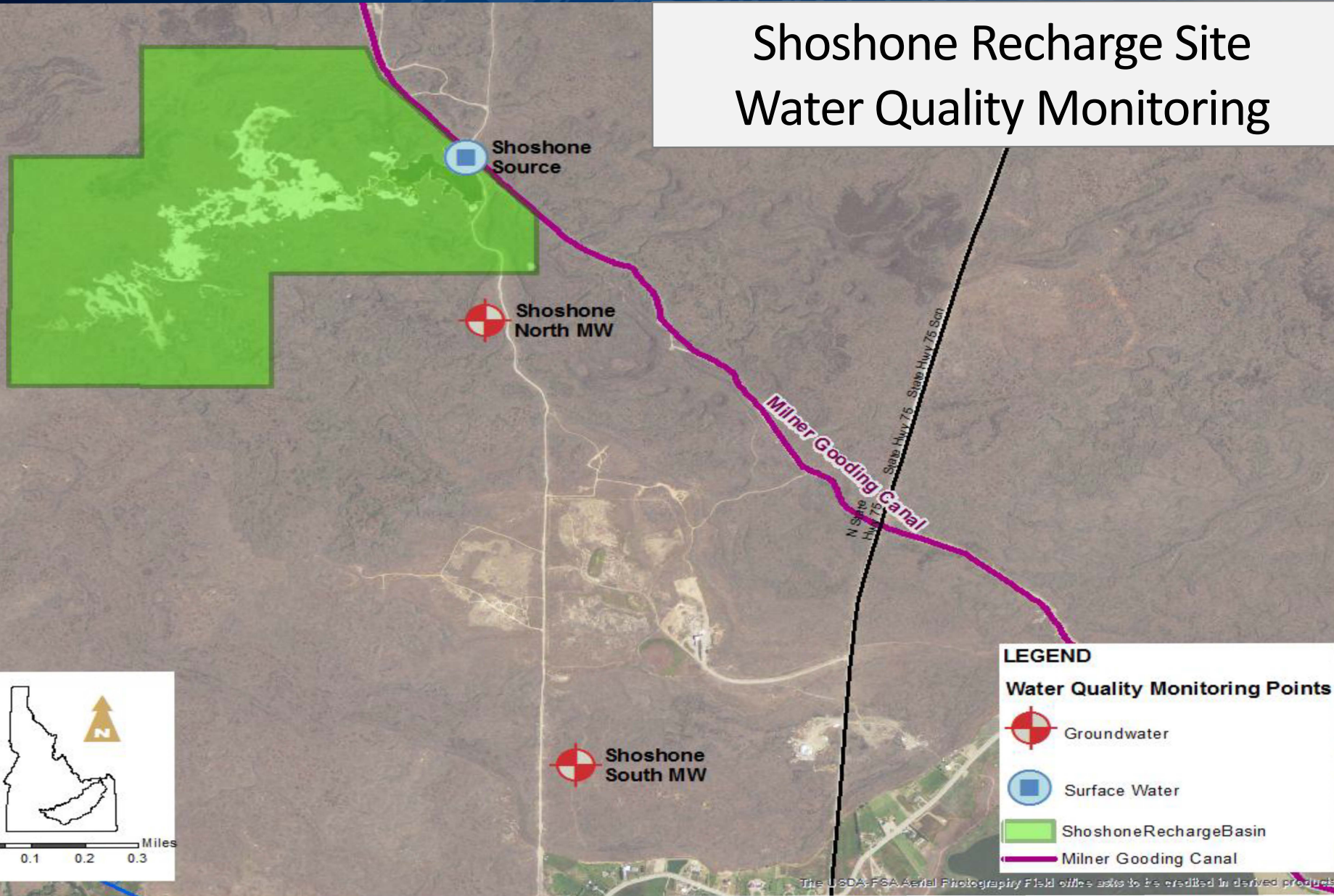
- MP 31 Water Quality Sampling

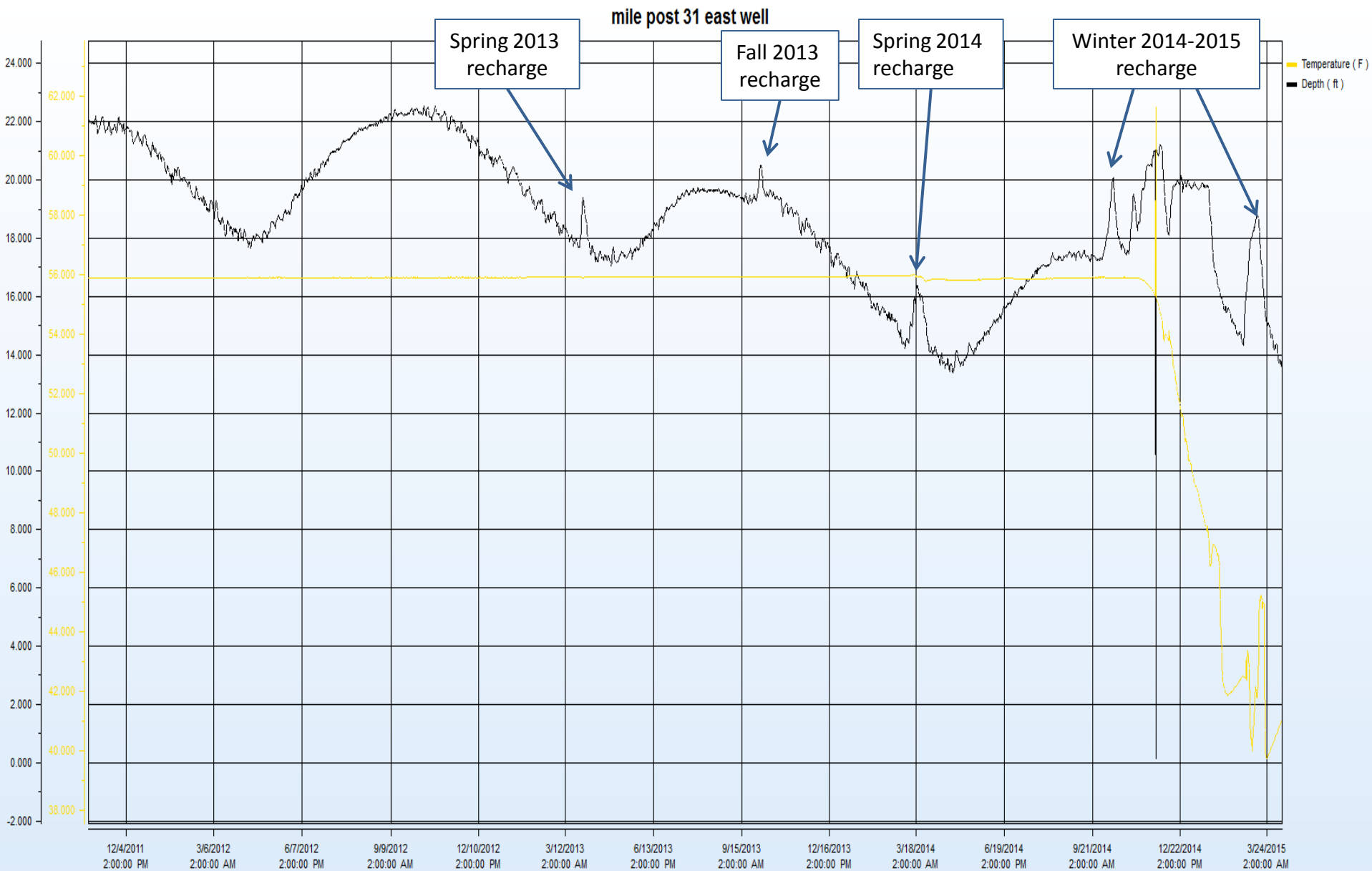


December

December 29th

Shoshone Recharge Site Water Quality Monitoring

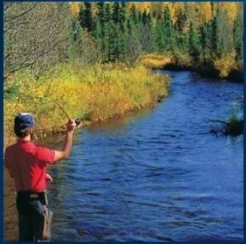




Upper Valley Conveyance Compensation

Items to Consider

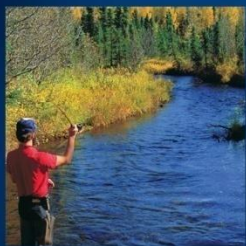
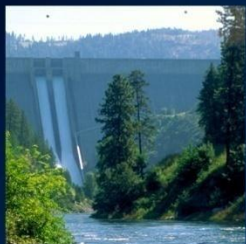
- Conveyance Payment Structure
- Priority Structure for Allocating Limited Volumes
- Long-Term Contracts



Conveyance Payment Structure

Alternate Payment Structure

- Base Rate -5-year Retention
 - >40% \$6/AF
 - 20% - 40% \$5/AF
 - 15% - 20% \$4/AF
- Cold Weather Incentive
 - Dec. 1st to Mar. 31st \$1/AF
- Deliver Incentive (% of days)
 - >75% \$1/AF

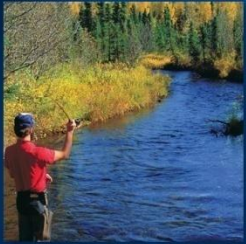


Allocating Limited Volumes – Previous

- 50% of Flow Split Equally between Retention Zones
 - In Retention Zone - Divided Equally between Entities
 - Flow not Utilized Redistributed by the IWRB
- 50% of Flow Distributed at IWRB's Discretion

Issues

- If limited volume and multiple entities in a retention zone conveyance payment would be low.
- Should size of the system impact flow distribution.



Allocating Limited Volumes – Alternate

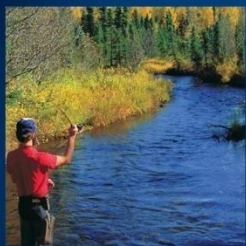
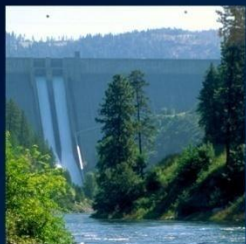
Focus on Retention Rate and Diversion Capacity

- Site/Location Rated on Retention Rate & Diversion Capacity

Retention Rate	Retention Rate Points
>40%	3
20% to 40%	2
15% to < 20%	1

Diversion Capacity	Diversion Capacity Points
>300	2.5
200 to <300	2
100 to <200	1.5
50 to <100	1
<50	.5

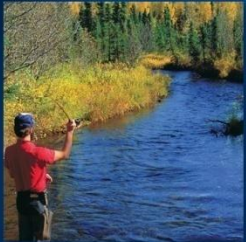
- Available Flow Rate Divided Equally Between the Top Three Rated Sites
- Excess to Next Highest Rated Site



Allocating Limited Volumes – Alternate

- Pre-Irrigation Season

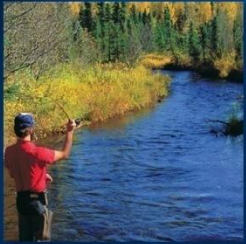
Entity	Retention Rate	Capacity (cfs)	Score	Ranking
FMID/Egin Bench	59%	300	5.5	1
Aberdeen-Springfield	21%	250	4	2
Snake River Valley	20%	75	3	4
Great Feeder	18%	300	3.5	3
Progressive	18%	90	2.5	5



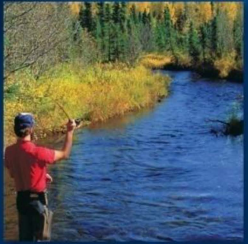
Allocating Limited Volumes – Alternate

- Irrigation Season

Entity	Retention Rate	Capacity (cfs)	Score	Ranking
FMID/Egin Bench	59%	150	4.5	1
Aberdeen-Springfield	21%	200	4	2
Snake River Valley	20%	30	2.5	3
Great Feeder	18%	0	--	--
Progressive	18%	0	--	--



Questions



Mile Post 31 recharge basin on April 8th, 2013.

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF EASTERN SNAKE	)	A RESOLUTION TO APPROVE
PLAIN AQUIFER STABILIZATION AND	)	A PAYMENT SCHEDULE
MANAGED AQUIFER RECHARGE	)	FOR DELIVERY OF
	)	WATER FOR MANAGED
	)	RECHARGE IN THE UPPER
	)	VALLEY

WHEREAS, the State of Idaho relies on spring discharge from the ESPA through the Thousand Springs to assist in meeting the minimum streamflow water rights at the Murphy Gage that were established under the Swan Falls Agreement; and

WHEREAS, the Eastern Snake Plain Aquifer (ESPA) has been losing approximately 200,000 acre-feet annually from aquifer storage since the 1950's resulting in declining ground water levels in the aquifer and declining spring flows from the aquifer; and

WHEREAS, stabilizing the ESPA will help sustain spring flows sufficient to maintain the minimum flows at the Murphy Gage and reduce conflicts between groundwater and surface water users; and

WHEREAS, House Bill 547 passed and approved by the 2014 legislature allocates \$5 million annually from the Cigarette Tax to the Idaho Water Resource Board (IWRB) for statewide aquifer stabilization; and

WHEREAS, the Eastern Snake Plain Aquifer Comprehensive Aquifer Management Plan (ESPA CAMP), identified managed recharge as a key strategy for achieving the goal of aquifer stabilization and recovery; and

WHEREAS, the IWRB intends to provide financial incentives to maximize recharge of water available under its water right permit.

NOW THEREFORE BE IT RESOLVED that the IWRB adopts the following recharge delivery payment structure for canals that divert above American Falls Reservoir:

- 1) Base Rate – determined by 5-year aquifer retention zone in which the contracted canal companies or irrigation district is located (retention zone will be assigned using ESPAM2.1):
 - Greater than 40% retained in aquifer at 5 years \$6.00/AF delivered
 - 20% to 40% retained in aquifer at 5 years \$5.00/AF delivered
 - 15% to Less than 20% retained in aquifer at 5 years \$4.00/AF delivered
- 2) Cold Weather Incentive – an additional \$1.00/AF for cold weather conveyance of IWRB recharge for water delivered between December 1st and March 31st.

- 3) Deliver Incentive – an additional \$1.00/AF if the operator delivers recharge water over 75% of the days when the IWRB recharge right is in priority and IWRB issues a Notice to Proceed.

BE IT FURTHER RESOLVED that the allocation of water available for recharge above American Falls will be determined based on the following rating system. The available water will be divided equally between the top three rated entities with executed Water Conveyance Contracts with the Board. Water available in excess of the capacity of the top three rated entities will be available for delivery by other entities in order of their rating (highest to lowest).

The rating will be determined by the following point system:

- 1) Retention Rate (as determined by IDWR's ESPAM2.1):
 - Greater than 40% retained in aquifer at 5 years 3 points
 - 20% to 40% retained in aquifer at 5 years 2 points
 - 15% to Less than 20% retained in aquifer at 5 years 1 points
- 2) Diversion Capacity:
 - 300 cfs or greater 2.5 points
 - 200cfs to less than 300 cfs 2.0 points
 - 100cfs to less than 200 cfs 1.5 points
 - 50cfs to less than 100 cfs 1.0 points
 - Less than 50 cfs 0.5 points

BE IT FURTHER RESOLVED that the IWRB's ESPA managed recharge program will be limited to recharge of natural flow to avoid impacts to surface water storage above Milner Dam.

BE IT FURTHER RESOLVED that the IWRB authorizes execution of conveyance contracts with a maximum term of one year.

BE IT FURTHER RESOLVED that the use of IWRB funds to develop infrastructure for recharge delivery shall be considered under separate resolutions.

BE IT FURTHER RESOLVED that the IWRB's ESPA managed recharge program will be coupled with a monitoring program approved by IDWR staff to verify the effects of managed recharge and, if necessary, modify the recharge program based on evaluation of the effects.

DATED this 22nd day of January 2016.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST

VINCE ALBERDI, Secretary

DRAFT

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF AN AQUIFER)
STABILIZATION STUDY WITHIN) A RESOLUTION
THE TREASURE VALLEY IN) TO APPROVE FUNDS
COORDINATION WITH STAR)
SEWER AND WATER DISTRICT)

WHEREAS, House Bill 547 passed and approved by the 2014 legislature allocated \$5 million annually from ongoing funds to the Idaho Water Resource Board (IWRB) for statewide aquifer stabilization, with the funds to be deposited into the Secondary Aquifer Planning, Management, and Implementation Fund; and

WHEREAS, many aquifers across Idaho are declining or have existing or potential conjunctive administration water use conflicts, including the Wood River, the Mountain Home Aquifer, the Treasure Valley Aquifer, the Palouse Basin Aquifer, the Rathdrum Prairie Aquifer and others; and

WHEREAS, through resolution, dated May 22nd, 2015, the IWRB adopted a budget for Fiscal Year 2016 for use of the continuously-appropriated Secondary Aquifer Planning, Management, and Implementation Fund and authorized expenditures for projects in priority aquifers; and

WHEREAS, in 2010, the IWRB initiated the Comprehensive Aquifer Management Planning process in the Treasure Valley to develop long-range plans for managing water resources. The *Managed Aquifer Recharge in the Treasure Valley* report (2011) was one of the associated technical studies designed to provide an initial assessment of the potential for managed recharge as a water management tool in the Treasure Valley; and

WHEREAS, the Star Sewer and Water District is evaluating various forms of reuse, including recharge, to determine more efficient methods for managing their water resources; and

WHEREAS, the Star Sewer and Water District proposes to conduct a study that will, evaluate alternative methods for reuse including the gathering of infiltration data, aquifer storage data, and water quality data to evaluate areas for potential managed recharge or land application. The study will also estimate the probable cost for managed recharge at the preferred site. The estimated cost of the study for is \$75,000.

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the expenditure of funds from the Secondary Aquifer Planning, Management, and Implementation Fund, not to exceed \$25,000 for the study; and

BE IT FURTHER RESOLVED that Star Sewer and Water District and their project manager(s) are solely responsible and accountable for the oversight, management, and completion of this study.

DATED this 22th day of January 2016.

ROGER CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
Vince Alberdi, Secretary
Idaho Water Resource Board

DRAFT

DRKAG078

LEGISLATURE OF THE STATE OF IDAHO
Sixty-third Legislature Second Regular Session - 2016

IN THE SENATE

SENATE CONCURRENT RESOLUTION NO. _____

BY _____

A CONCURRENT RESOLUTION

STATING FINDINGS OF THE LEGISLATURE AND REQUESTING THE IDAHO WATER RESOURCE BOARD ADDRESS STATEWIDE AQUIFER STABILIZATION AND SUSTAINABILITY PROJECTS INCLUDING MANAGED RECHARGE, CONDUCT AQUIFER RECHARGE STUDIES AND DEVELOP A GROUND WATER MODEL, WITH ALL NECESSARY MEASUREMENT NETWORKS, FOR THE TREASURE VALLEY AQUIFER, PARTNER IN STUDIES WITH LOCAL ENTITIES TO FIND ALTERNATE WATER SUPPLIES FOR MOUNTAIN HOME, PARTICIPATE IN DISCUSSIONS WITH THE SURFACE WATER USERS, THE GROUND WATER USERS, AND OTHER PARTIES IN THE BIG AND LITTLE WOOD RIVER BASINS AND ATTEMPT TO FIND RESOLUTION TO THE WATER DELIVERY CALL, PARTNER IN STUDIES WITH LOCAL ENTITIES TO FIND ALTERNATE WATER SUPPLIES FOR THE PALOUSE BASIN AND UNDERTAKE STUDIES OF THE DEEP REGIONAL AQUIFER IN THE LEWISTON AREA IN ORDER TO DEFINE ITS GEOGRAPHIC EXTENT AND SUSTAINABLE YIELD.

Be It Resolved by the Legislature of the State of Idaho:

WHEREAS, Policy 1I of the 2012 Idaho State Water Plan provides that "aquifer recharge should be promoted and encouraged, consistent with state law"; and

WHEREAS, groundwater supplies across Idaho have been declining; and
WHEREAS, in select areas of the Treasure Valley, aquifer water levels are declining; and

WHEREAS, various studies predict significant population increases in the Treasure Valley over the next 50 years, placing additional demand on the aquifer; and

WHEREAS, the Mountain Home Aquifer is currently being over-drafted by approximately 30,000 acre-feet per year. While the Idaho Water Resource Board has acquired surface water rights and is cooperating with Mountain Home Air Force Base to supply alternative surface water to the base, additional aquifer management projects must be constructed and implemented to restore aquifer equilibrium; and

WHEREAS, conjunctive water administration delivery calls have been filed in the Big and Little Wood River Basins alleging that senior, surface water irrigation water rights have been injured by upstream junior-priority ground water pumping resulting from water supply issues; and

WHEREAS, the deep aquifer in the Palouse Basin, which supplies water to the City of Moscow and the University of Idaho in addition to communities in Washington, has been declining for many decades despite conservation measures implemented by the Palouse Basin communities; and

WHEREAS, the Department of Water Resources recently created the Lewiston Plateau Ground Water Management Area (GWMA) in response to declining water levels in the shallow perched aquifers of the area. While the management plan for the GWMA requires that most future development in the GWMA must divert water from the deep regional aquifer, the geographic extent and sus-

DRAFT

DRKAG078

2

1 tainable yield of the deep aquifer is unknown and the studies and models nec-
2 essary to accurately characterize the aquifer do not exist; and

3 WHEREAS, groundwater declines are also occurring in the Big Lost, Raft
4 River, Malad and other aquifers across the state; and

5 WHEREAS, groundwater levels and aquifer storage in some aquifers are
6 inadequate to sustain a supply of water for surface and groundwater irriga-
7 tion, hydropower, municipal, industrial uses, and other uses, the curtail-
8 ment of which would cause severe economic harm to the State of Idaho; and

9 WHEREAS, stabilizing and enhancing aquifer water levels is in the pub-
10 lic interest and will sustain the water supply for consumptive and non-con-
11 sumptive uses and minimize harm to Idaho's economy arising from water supply
12 shortages.

13 NOW, THEREFORE, BE IT RESOLVED by the members of the Second Regular Ses-
14 sion of the Sixty-third Idaho Legislature, the Senate and the House of Repre-
15 sentatives concurring therein, that the Legislature requests that the Idaho
16 Water Resource Board address statewide aquifer stabilization and sustain-
17 ability projects including managed recharge.

18 BE IT FURTHER RESOLVED that the Idaho Water Resource Board conduct
19 aquifer recharge studies and develop a ground water model, with all neces-
20 sary measurement networks, for the Treasure Valley Aquifer.

21 BE IT FURTHER RESOLVED that the Idaho Water Resource Board partner in
22 studies with local entities to find alternate water supplies for Mountain
23 Home.

24 BE IT FURTHER RESOLVED that the Idaho Water Resource Board participate
25 in discussions with the surface water users, the ground water users, and
26 other parties in the Big Wood Basin and attempt to find resolution to the
27 water delivery call.

28 BE IT FURTHER RESOLVED that the Idaho Water Resource Board partner in
29 studies with local entities to find alternate water supplies for the Palouse
30 Basin.

31 BE IT FURTHER RESOLVED that the Idaho Water Resource Board undertake
32 studies of the deep regional aquifer in the Lewiston area in order to define
33 its geographic extent and sustainable yield.