

# Memorandum



To: Idaho Water Resource Board  
From: Neeley Miller, Planning & Projects Bureau  
Date: April 15, 2019  
Re: 2019 Flood Management Grant Program Criteria

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**Action: Consider Adoption of Proposed FY 2019 Flood Management Grant Program Criteria**

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## **FY 2018 Flood Management Grant Program**

House Bill 712 passed and approved by the 2018 Legislature included a FY 2018 transfer of \$1,000,000 from the General Fund to the Water Management Fund in the Department of Water Resources budget. This funding was intended for a grant program administered by the Idaho Water Resource Board to provide competitive grants for flood-damaged stream channel repair, stream channel improvement, flood risk reduction, or flood prevention projects.

Staff received a total of eighteen (18) applications during the two rounds of funding. The applications and sponsor's grant documents were evaluated, scored, and ranked according to criteria adopted by Board. The Board authorized funding for fourteen (14) projects throughout Idaho for a total of \$1,000,000.

Staff will provide an update on these projects at the May IWRB meeting.

## **FY 2019 Flood Management Grant Program**

On April 8, 2019 the Governor signed HB 285 transferring \$21M legislative appropriation to the IWRB's Water Management Account for the Anderson Reservoir Enlargement and/or MHAFB Water Supply Project (\$20 M), the FY 2019 Flood Management Grant Program (\$800K) and for the Mid-Snake Water Quality Monitoring and Modeling effort (\$200K).

### **Attachment(s):**

HB 285 Text

HB 285 Purpose/Fiscal Note

Resolution to Adopt 2019 Flood Management Grant Criteria

Proposed 2019 Flood Management Grant Criteria

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 285

BY APPROPRIATIONS COMMITTEE

AN ACT

RELATING TO THE APPROPRIATION TO THE DEPARTMENT OF WATER RESOURCES FOR FISCAL YEAR 2019; APPROPRIATING AND TRANSFERRING MONEYS FROM THE GENERAL FUND TO THE WATER MANAGEMENT ACCOUNT FOR FISCAL YEAR 2019; AMENDING SECTION 42-1760, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE WATER MANAGEMENT ACCOUNT; APPROPRIATING AND TRANSFERRING MONEYS FROM THE GENERAL FUND TO THE WATER MANAGEMENT ACCOUNT FOR FLOOD MANAGEMENT FOR FISCAL YEAR 2019; PROVIDING REQUIREMENTS REGARDING WATER QUALITY MONITORING; PROVIDING REQUIREMENTS REGARDING PROJECT PRIORITIZATION; AND DECLARING AN EMERGENCY.

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

SECTION 1. There is hereby appropriated to the Department of Water Resources and the State Controller shall transfer \$20,000,000 from the General Fund to the Water Management Account as soon as practicable for the period July 1, 2018, through June 30, 2019.

SECTION 2. That Section 42-1760, Idaho Code, be, and the same is hereby amended to read as follows:

42-1760. WATER MANAGEMENT ACCOUNT. (1) There is hereby created and established in the trust and agency fund the water management account. All moneys in the account are appropriated continuously to the water resource board to be used and administered by it for the purposes specified in subsection (2) of this section, and shall not be subject to the provisions of the standard appropriations act of 1945 or section 67-3516, Idaho Code. The state treasurer shall invest the idle moneys of the account, and the interest earned on such investments shall be retained by the account.

(2) The board may expend, loan or grant moneys from the water management account for new water projects or the rehabilitation of existing water projects limited to the following purposes: reclamation, upstream storage, offstream storage, aquifer recharge, reservoir site acquisition and protection, water supply, water quality, recreation, and water resource studies, including feasibility studies for qualifying projects. The board shall have the authority to determine which water projects are undertaken pursuant to this section.

(a) Expenditures may be made from the account to provide public moneys for participation in any project constructed with funds from the water resource board revolving development account provided by section 42-1756, Idaho Code.

(b) Grants and loans may be made by the board from the account for any project in the public interest for the projects authorized by this section; no single grant shall exceed \$50,000 unless legislative approval has been obtained.



1       (c) Expenditures may be made from the account for the costs of the fol-  
2 lowing large water infrastructure projects:

3           (i) Costs associated with the construction of a raise of Anderson  
4 ranch dam, located on the south fork of the Boise river;

5           (ii) Costs associated with the Mountain Home air force base water  
6 delivery and treatment systems; and

7           (iii) The enlargement or construction of new or existing surface  
8 storage reservoirs owned and operated by the United States bureau  
9 of reclamation or army corps of engineers.

10       (d) The selection of any new large water infrastructure project se-  
11 lected pursuant to paragraph (c) of this subsection must consider and  
12 protect existing water rights and consider the effects of such projects  
13 on other water uses, such as water quality, fish and wildlife, recre-  
14 ation, and hydropower, that provide economic value, stability, and  
15 other benefits to the citizens of the state.

16       (3) Any large infrastructure project receiving any portion of the funds  
17 approved pursuant to subsection (2) (c) of this section shall require that at  
18 least fifty percent (50%) matching funds be provided by parties other than  
19 the state. In the event of in-kind contributions, the board shall determine  
20 the value of the in-kind contribution.

21       (4) On or before the first day of each regular legislative session, the  
22 board shall submit to the legislature a report of any moneys expended or ob-  
23 ligated and any work begun and/or completed in the prior or current fiscal  
24 year on a project selected pursuant to subsection (2) (c) of this section.

25       (35) The director of the department of water resources shall assist the  
26 board in any way the board deems necessary to fulfill the policy and purpose  
27 of the water management account, including technical evaluation of proposed  
28 projects and coordination in state and federal agencies.

29       SECTION 3. CASH TRANSFER FOR FLOOD MANAGEMENT PROGRAM. There is hereby  
30 appropriated and the State Controller shall transfer \$1,000,000 from the  
31 General Fund to the Water Management Account created pursuant to Section  
32 42-1760, Idaho Code, as soon as practicable for water quality data collec-  
33 tion, monitoring, modeling, flood-damaged stream channel repair, stream  
34 channel improvement, flood risk reduction, or flood prevention projects.

35       SECTION 4. USES OF THE WATER MANAGEMENT ACCOUNT. Of the moneys appro-  
36 priated and transferred for the purposes set forth in Section 3 of this act  
37 for water quality data collection, up to \$200,000 shall be used for moni-  
38 toring, data collection, modeling, literature review, economic analysis,  
39 and other forms of data gathering and analysis in the upper Snake/Rock Creek  
40 subbasin (HUC 17040212, as provided in IDAPA 58.01.02.109.02) in support  
41 of the nutrient total maximum daily loads (TMDL) objectives. This process  
42 shall be coordinated with the Department of Environmental Quality and the  
43 United States Geological Survey. The remaining moneys appropriated and  
44 transferred in Section 3 of this act for flood prevention and stream repair  
45 shall be administered by the Idaho Water Resource Board through a compet-  
46 itive, matching grant process. Notwithstanding the provisions of Section  
47 42-1760 (2) (b), Idaho Code, grants may be larger than \$50,000 at the discre-  
48 tion of the board.

1       SECTION 5.   PROJECT PRIORITIZATION. The selection process for the  
2 grants authorized in Section 4 of this act for flood prevention and stream  
3 repair shall require the availability of fifty percent (50%) matching funds,  
4 and flood prevention and mitigation projects shall be given priority on  
5 a competitive statewide basis throughout Idaho. The Department of Water  
6 Resources shall support this competitive grant process using existing per-  
7 sonnel and resources.

8       SECTION 6. An emergency existing therefor, which emergency is hereby  
9 declared to exist, this act shall be in full force and effect on and after its  
10 passage and approval.

## **STATEMENT OF PURPOSE**

### **RS27141**

This is an FY 2019 trailer and supplemental appropriation bill in two parts for the Department of Water Resources. The first portion provides a \$20,000,000 General Fund transfer to address the fiscal impact of HJM004, which urges the completion of the federal feasibility study and the NEPA analysis required for expanding Anderson Ranch Dam through provisions in the federal Water Infrastructure Improvements for the Nation (WIIN) Act. This bill also allows for funding to be used for the Mountain Home Air Force Base water delivery system, should those projects be authorized.

The second portion provides a \$1,000,000 General Fund transfer for the second year of the Flood Management Program, which provides funding for flood damage mitigation, prevention, and stream channel correction on a merit basis as determined by the Board of Water Resources.

### **FISCAL NOTE**

This bill provides an additional appropriation and transfer of \$21,000,000 in trustee and benefit payments from the General Fund to the Water Management Fund for the Department of Water Resources for FY 2019.

**Contact:**

Rob J Sepich  
Budget and Policy Analysis  
(208) 334-4742

**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).

**BEFORE THE IDAHO WATER RESOURCE BOARD**

**IN THE MATTER OF FLOOD  
MANAGEMENT GRANTS**

**RESOLUTION TO ADOPT CRITERIA**

1        WHEREAS, House Bill 285 passed and approved by the 2019 legislature transferred  
2 \$1,000,000 from the General Fund to the Water Management Fund for a Flood Management  
3 Grant Program administered by the Idaho Water Resources Board (IWRB) to be used for the  
4 purpose of flood-damaged stream channel repair, stream channel improvement, flood risk  
5 reduction, or flood prevention projects; and  
6

7        WHEREAS, House Bill 285 allows for the award of grants larger than \$50,000 for the Flood  
8 Management Program, at the discretion of the IWRB; and  
9

10       WHEREAS, House Bill 285 directs the IWRB to require the availability of fifty percent (50%)  
11 matching funds for all projects to be considered under the grant program; and  
12

13       WHEREAS, House Bill 285 directs the IWRB to prioritize projects on a competitive  
14 statewide basis; and  
15

16       WHEREAS, the IWRB intends to allocate these funds no later than July 31, 2019, and  
17

18       NOW, THEREFORE BE IT RESOLVED that the IWRB adopts the attached criteria for the  
19 award of Flood Management Grants and directs staff to issue a statewide solicitation for Flood  
20 Management projects.

DATED this 18<sup>th</sup> day of April 2019.

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ROGER W. CHASE, Chairman  
Idaho Water Resource Board

ATTEST \_\_\_\_\_  
VINCE ALBERDI, Secretary



## 2019 IWRB Flood Management Grant Program Criteria

The Idaho Water Resource Board (IWRB) Flood Management Grant Funding Program provides financial assistance on a competitive statewide basis to Flood Control Districts, Drainage Districts, Irrigation Districts, Canal Companies, Municipalities, Counties and other public entities interested in pursuing flood damaged stream channel repair, stream channel improvement, flood risk reduction, and flood prevention projects. (See HB 712 and HB 285; Statutes 42-1760; IDAPA 37.02.02)

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

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

**Eligible Geographic Area:** Statewide

### Program Budget:

- \$800,000
- No more than 50% (\$500,000) of the total budget may be spent within a single IWRB district. This limit may be waived if there are no competing funding demands.

**Funding Amount:** up to \$200,000 per project; one project per application

- Funding awards will be reallocated unless Flood Management work begins prior to November 1, 2019.
- Funding will not be distributed unless the project is fully permitted. Sponsor is responsible for providing permit documentation to IWRB staff.

### Matching Funds for Projects:

- Entities requesting funding for flood management grant projects must provide at least 50% matching cost-share funding with non-state dollars. Projects that include higher cost share amounts will receive a higher ranking during project evaluations
- In-kind services can be used for 30% of the total projects costs. Legal/Administrative in-kind services are limited to 5% of total project costs.
- EXAMPLE: For a \$100K project, sponsor would have to provide at least \$50K in matching cost share funding. Of the \$50K, the sponsor could provide up to \$30K in in-kind services of which \$5,000 could be in legal/administrative costs and \$20K in cash to meet the matching cost-share requirement)

**Evaluation Criteria:** To maximize the effective and efficient use of available funds, applications and sponsor's grant document will be evaluated, scored (*130 point scale*), and ranked according to the following criteria:

#### Effectiveness of Project (60 points)

- What is the urgency of the project and anticipated costs? (*10 points*)
- What are the objectives and benefits of the project? (*10 points*)
- How does the proposed project solution address the objectives? (*10 points*)
- How will the project measure success of its objectives, and describe the proposed monitoring plan. (*5 points*)
- Is the proposed budget and schedule realistic and is the budget appropriate for the scope of work provided? Has the applicant provided detailed construction expenses documenting how money will be spent to complete the project? (*15 points*)

- Are project sponsors using relevant and appropriate information to develop the proposed project? (Sponsor should include references to relevant studies, assessments, reports, management plans, etc.) How will the project account for expected future changes to hydrology, sediment regimes, or water supply? *(10 points)*

#### Readiness of Project (50 points)

- Lead sponsor of project is identified and there is a description of other affected stakeholders and jurisdictions. *(10 points)*
- Project sponsors will provide documentation that affected local stakeholders and jurisdictions have been consulted. If the project is located within a Flood Control District, the sponsor must provide documentation showing the Flood Control District supports the project, otherwise the project will be declared ineligible. *(10 points)*
- Specify cash matching funds that will be provided for the project, including any in-kind services. Indicate what funding sources are secured or pending. The applicant must provide at least 50% matching cost share funding with non-state dollars. In-kind services can be used for 30% of the total projects costs. Legal/Administrative in-kind services are limited to 5% of total project costs. *(10 points)*
- Projects that propose matching cost-share amounts above 50% will receive additional points in the ranking *(1 point for each additional 1% increase up to 70% to receive up to 20 additional points)*.

#### Organization Capacity (20 points)

- What is the sponsor's history of successful accomplishments on projects similar to this one? The sponsor shall provide several past project examples, if possible. *(10 points)*
- What level of sponsor and consultant staffing will be directed toward the implementation of the proposed project? Discuss the number of sponsor and consultant staff and amount of time dedicated for each for the project. Will the project utilize volunteers? If so, how? Include brief resumes or list of qualifications for each member of the project team. *(10 points)*

#### **Application Process:**

Application Submittal Notice: April 18, 2019

Application Deadline: June 21, 2019

Project Funding Recommendations: July 2019 Finance Committee

Funding Awarded: July 26, 2019 Board meeting

Notice of Award: July 31, 2019

#### **Payment Process:**

- Funds will be distributed upon sponsor submitting funding reimbursement requests to the IWRB.
- Sponsor funding requests shall include a cover letter which shall include a description of the project activities, dates for performing the project activities, and contractor or supplier invoices.
- A total of 5% shall be retained from each payment request until the project has been completed, and the applicant has fulfilled their deliverable requirements. The 5% award-withholding will be included with the final payment request disbursement.



**Project Deliverables:**

Entities that receive flood management grant funding will be required to submit monthly progress reports updating the IWRB on project progress, and a final report at the completion of the project. Additionally, entities will be expected to provide completed plans and specifications, bid documents, material testing and sampling reports, and a letter from the sponsor or sponsor's consultant that the project was completed in substantial conformance with the approved plans and specifications. If Flood Management Grant funding is available in the future, sponsor funding requests will not be considered if the sponsor does not comply with the deliverable requirements.

**IWRB Districts are as follows:**

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

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

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

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

*\* No more than 50% (\$500,000) of the total budget may be spent within a single IWRB district. This limit may be waived if there are no competing funding demands.*