



# AGENDA

## IDAHO WATER RESOURCE BOARD

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**Finance Committee Meeting No. 3-21**

**Wednesday, July 7, 2021**

**1:00 p.m. (MST)**

Water Center

Conference Room 648 A / Online Zoom Meeting

322 E. Front St.

BOISE

**Brad Little**

*Governor*

**Jeff Raybould**

*Chairman*

St. Anthony

At Large

**Roger W. Chase**

*Vice-Chairman*

Pocatello

District 4

**Board Members & the Public may participate via Zoom**

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

Dial in Option: 1(253) 215-8782

Meeting ID: 991 3831 3759 Passcode: 303786

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**Jo Ann Cole-Hansen**

*Secretary*

Lewiston

At Large

**Dale Van Stone**

Hope

District 1

**Albert Barker**

Boise

District 2

**Dean Stevenson**

Paul

District 3

**Peter Van Der Meulen**

Hailey

At Large

**Brian Olmstead**

Twin Falls

At Large

1. Introductions and Attendance
2. Flood Management Grant Recommendations\*
3. Loan Program Interest Rate Discussion\*
4. Governor's Letter to U.S. Treasury Department
5. Water Projects List\*
6. Other Items
7. Adjourn

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

\* Action Item: A vote regarding this item may be made this meeting. Identifying an item as an action item on the agenda does not require a vote to be taken on the item.

### Americans with Disabilities

The meeting will be held telephonically. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Department staff by email [jennifer.strange@idwr.idaho.gov](mailto:jennifer.strange@idwr.idaho.gov) or by phone at (208) 287-4800.

**322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098**

**Phone: (208) 287-4800 Fax: (208) 287-6700 Website: [idwr.idaho.gov/IWRB/](http://idwr.idaho.gov/IWRB/)**

# Memorandum



To: Idaho Water Resource Board

From: Neeley Miller, Planning & Projects Bureau

Date: July 6, 2021

Re: Flood Management Grant Applications and Ranking

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**Action: Funding recommendation for consideration by the IWRB at July meeting**

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## **FY 2021 Flood Management Grant Program**

Senate Bill 1190 passed and approved by the 2021 Legislature includes \$800K for the Flood Management Grant Program.

On April 26, 2021 the IWRB adopted by resolution proposed criteria establishing an application deadline of Friday June 18, 2021. The IWRB plans to award funds at the July Board meeting.

Staff received a total of twelve (12) applications. The applications and sponsor's grant documents were evaluated, scored, and ranked according to criteria adopted by Board. See the attached summaries and ranking sheet.

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

2021 Flood Management Grant Project Summaries

Application Ranking Sheet

# **2021 Flood Management Grant Project Summaries & Rankings**

## **1. North Side Canal Company – Red Bridge Flood Management Storage Pond**

The North side Canal Company (NSCC) is requesting funding in the amount of \$200,000 to design, permit, and construct the Red Bridge Flood Management Storage Pond. Total Costs for this project are \$864,000. The purpose of this project is to construct an approximately 185 acre-foot flood management reservoir adjacent to the main canal on several parcels of undeveloped land near Jerome, Idaho. The main canal has a capacity of approximately 1,950 cfs at this location, and the intent of the project is to provide flood risk reduction. By constructing an off-channel flood management reservoir near the middle of NSCC's delivery area, operations staff will be in a better position to manage rapid changes in flow demand in the middle and lower end of their delivery area. The improvement in main canal management will significantly reduce the risk of a major canal breach and avoid the potentially very significant property damage or lost revenue associated with a breach.

## **2. Flood District 9 – Bellevue Side Channel Project**

Flood District 9 is requesting \$111,508 from the IWRB Flood Management grant program. The total cost for the Bellevue Side Channel Enhancement project is estimated at \$284,033. The main goal of the Bellevue Side Channel Enhancement project is to reduce flooding impacts to residence of the City of Bellevue. The project will reconnect multiple side channels and floodplain habitat away from residence's homes and the Diversion 45 irrigation canal which is critical infrastructure for water delivery to 9,000 acres in the Bellevue Triangle. The project also provides bank stabilization utilizing rock toe treatments and large woody debris structures. The project is located on the Big Wood River near the City of Bellevue. The Bellevue Side Channel Enhancement project will reduce impacts on loss of property and reduce the need for reclamation work for private land owners by expanding the historic channel migration zone as recommended in the 2020 Big Wood River Atlas and the 2019 Conceptual Design Report for the Bellevue Project Area. The project will also reduce the risk of critical irrigation infrastructure of the Diversion 45 canal within the project area. This project will be the third sub-project from the mile long design on the Big Wood River developed by Biota in 2019. The prior two projects; Diversion 45 and Lower Howard Preserve Flood Mitigation projects were partially funded through the IWRB Flood Management Grant program.

## **3. Nez Perce County/Nez Perce Soil & Water Conservation District – Streambank Project**

The Nez Perce Soil and Water Conservation District (NPSWCD) and Nez Perce County (NPC) are requesting IWRB funding to repair a 100 foot segment of a flood damaged stream with a

combination of streambank and stream channel improvements. Total project costs are estimated at \$227,176. The IWRB requested portion is \$100,000. The project is located on Tom Beall Creek along South Tom Beall, near Lapwai, Idaho. The project is located approximately 0.6 miles from the intersection of Highway 95 and South Tom Beall Road. Tom Beall Creek is approximately 2.5 miles upstream from the confluence of Lapwai Creek and the Clearwater River. This creek has perennial flow and is spring fed. The purpose of this project is to repair the channel function to allow for adequate passage of spring flows and to protect the streambank from additional erosion in future high flow events. If funded, the proposed project will complete the following: installation of rock riprap and gabions (above the rock riprap) along 100 feet of eroding stream channel.

#### **4. Flood District 17 – Rathdrum Creek Debris Project**

The Twin Lakes Flood Control District 17 is requesting the IWRB provide \$6,375 to remove debris from the channel of Rathdrum Creek so as to reduce the obstruction of the natural flow of the creek. Total project costs are estimated to be \$12,750. The project location is an area, approximately 2,000 feet in length, along the Rathdrum Creek near the City of Rathdrum, Idaho. The Flood District is coordinating with the local Water District on this project.

#### **5. Adams Soil & Water Conservation District – Grays Creek Project**

The Adams Soil and Water Conservation District (ASWCD) is requesting \$17,606.40 to replace the Grays Creek culvert which overtops Gray's Creek Road every 3-5 years. The \$35,728 project is expected to have immediate benefits following complete implementation and aims to reduce flood risk in the project area. Due largely to overtopping, the road becomes flooded out and heavily eroded and, in some instances, blocks off travel for vehicles. The project location is a single site that is approximately 3.5 miles northeast of Indian Valley, Idaho in Adams County. Grays Creek Road follows Grays Creek as you travel east towards the West Mountains.

#### **6. Clearwater Soil & Water Conservation District – Heywood Bridge Project**

The Clearwater Soil & Water Conservation District is requesting \$37,475 to replace substandard and deteriorated culvert array with modular steel bridge in order to reduce the risk of culvert and road failure impacts. This project is located on Heywood Creek at Larson Road on the Weippe Prairie near the town of Weippe, Idaho approximately 26 miles from Orofino. Total cost for the project is estimated at \$75,117. The proposed bridge would be able to handle a predicted 100 yr flood. The road provides access for local residents and agricultural/timber producers.

#### **7. Clearwater Soil & Water Conservation District – Swanson's Loop Project**

The Clearwater Soil & Water Conservation District is requesting \$200,000 to replace two severely deteriorated and undersized culverts in Class 1 fisheries streams and thirty-five 18" to

24" culverts in small tributaries and cross drains. The Class 1 stream crossings will be replaced with adequately sized culverts that will allow fish passage. Total projects costs are estimated to be \$409,487. The proposed project will reduce the risk of road and culvert failure and the impacts of flooding on the Silver Creek Road and Swanson's Loops between Headquarters, Idaho and Grandad Bridge Recreational Area. Both roads provide access to public and private timber lands in the Silver Creek Area and to Dworshak Reservoir in the Lower North Fork of the Clearwater Rivers. Replacing these culverts will also help to protect water quality and fish passage in both Silver Creek and North Fork of Silver Creek.

#### **8. Reid Canal Company – Bannock Feeder Project**

The purpose of the proposed Bannock Feeder Flood Project is to replace a failing headgate. This headgate is integral to the flood controls put in place by the Snake River Flood Control District No 1 (Flood District). The Bannock Feeder Canal Company is requesting \$200,000 in grant funding to complete Phase 1. The total estimated project cost for Phase 1 is \$429,266.29. The project sponsor, the Reid Canal Company, is representing Bannock Feeder Canal, Inc., Texas Slough Canal Company, and Liberty Park Irrigation Company. The Bannock Feeder Canal delivers water to the other three canal companies, and the Reid Canal Company volunteered to sponsor the grant application for the associated entities. The project is important to the sponsor because the headgate is only semi-operable and in poor condition. Replacement of the headgate will make the levee more resistant to failure and overtopping during flood events. The project will also enable controlled diversion of flood flows around the levee to reduce levels in the South Fork of the Snake River. The sponsor and associated entities are all members of the local community and also risk loss if the current structure was to fail and flood waters were to breach the levee. The proposed project will be phased due to costs and limited funding available from the entities. Phase 1 is the portion of the project that is currently proposed for grant funding and is limited to construction of a new headgate within the canal and downstream of the existing one. It is anticipated that the construction will be non-jurisdictional because the structure will be located within the canal. However, a flood study and joint application for permit will be completed to determine jurisdictional requirements and flood control function. Future phases will automate the headgate structure and modify the inlet of the structure to reduce debris and large woody debris imbrication. The phases will be designed during phase 1 in a comprehensive design set to provide a clear plan for the site and prepare for additional grant funding.

#### **9. Lewis Soil & Water Conservation District – Tiede Road Flood Project**

The Lewis Soil Conservation District (partnering with the Evergreen Highway District) is requesting \$71,909.80 to repair a failing culvert on Tiede Road, located near Winchester, Idaho. The total project costs are estimated to be \$144,118.60. Currently, the constructed box culvert is failing, putting it at risk of total failure taking the road fill into the creek. This is an effort to address the high flows that damage the roads, reduce sediment inputs into Rock Creek, and prevent the risk of total failure of the culvert. The objective of the project is to address the high

flows that damage the roads and transport sediments to Lapwai Creek and ultimately the Clearwater River. Rock Creek is a second order tributary to Mission Creek near Culdesac, Idaho of 3,765 acres, with a stream length of 1.3 miles. This project will replace a box culvert constructed from I-beams, W-rail, and grader blades with a premanufactured bottomless arch. The new culvert will have approximately the same footprint of the existing culvert but will be stable. The new bottomless arch will span the channel-forming flow and have capacity for the 200-year storm event.

#### **10. Idaho Soil & Water Conservation District – Clear Creek Project**

The Idaho Soil & Water Conservation District is requesting \$36,061.60 to repair a compromised bridge abutment and bank downstream as a result of an estimated 100 year flow event in 2019. Total costs for this project are estimated to be \$73,904.60. The proposed work includes shoring the abutment with 4-inch to 12-inch rock, then protecting the repair with a layer of 7 inch to 55-inch riprap, infilled with smaller rock and fines. Downstream of the bridge, rock barbs will be installed as a temporary protection measure to redirect the thalweg from the right descending bank. In between the barbs, willow cluster and post and pole plantings will be used to stimulate woody vegetation growth. Barbs will be installed in such a way that they will deflect the thalweg away from the bank but not past the center of the channel. All project areas will be heavily planted with willow cuttings, bundles, and clumps where appropriate. Barbs will be installed using an upstream progression of subcritical backwater reaches as they are projected from each barb. These mitigation efforts will address the flood damage, while working to decrease the risk of future flooding, and reduce sedimentation to Clear Creek. Decreased sediment inputs to Clear Creek will improve water quality and fish habitat.

#### **11. City of Ponderay – Neighborhood Drainage Project**

The City of Ponderay's Neighborhood Drainage Project is comprised of three culverts on the Union Pacific Railroad running along Kootenai Cutoff Road and McGhee Road approximately half a mile north of Lake Pend Oreille. These culverts convey floodwaters from nearby residential and agricultural lands across the railroad tracks and into Lake Pend Oreille. The current size of these culverts is insufficient in handling high intensity storm events, and as a result a residential area has been impacted by flood damage for the last 20 years. The goal of the project will be to improve these culverts by resizing them for the appropriate peak flow, and to prevent them from blockages. The City of Ponderay is requesting \$70,000. The project is estimated to cost \$148,000 in total.

#### **12. Flood District 1 – Culvert and Levee Project**

Flood District 1 is requesting \$25,000 for repairs and maintenance associated with Snake River levees. The money would specifically be used for repairing and replacing as many rusted out/plugged corrugated pipes and flap gates as well as some inland drainage work. Estimated cost for the total project is \$50,000.

## 2021 Flood Management Grant Application Ranking and Awards

Entity	Funds Requested	Total Project Costs	Final Evaluation Score	Final Rankings	Awarded Funding
North Side Canal Company - Red Bridge Flood Management Storage Pond	\$200,000.00	\$864,000.00	94	1	
Flood District 9 - Bellevue Side Channel Project	\$111,508.00	\$284,033.00	90	2	
Nez Perce County and NPSWCD - Streambank Project	\$100,000.00	\$227,176.00	83	3	
Flood District 17 - Rathdrum Creek Debris Project	\$6,375.00	\$12,750.00	80	4	
Adams Soil & Water Conservation District - Grays Creek Project	\$17,606.40	\$35,728.00	79	5	
Clearwater Soil & Water Conservation District - Heywood Bridge Project	\$37,475.00	\$75,117.00	79	6	
Clearwater Soil & Water Conservation District - Swanson's Loop Project	\$200,000.00	\$409,487.00	76	7	
Reid Canal Company - Bannock Feeder Project	\$200,000.00	\$429,266.29	76	8	
Lewis Soil & Water Conservation District - Tiede Road Flood Project	\$71,909.80	\$144,118.60	73	9	
Idaho Soil & Water Conservation District - Clear Creek Project	\$36,061.60	\$73,904.60	71	10	
City of Ponderay - Neighborhood Drainage Project	\$70,000.00	\$148,000.00	68	11	
Flood District 1 - Culvert and Levee Project	\$25,000.00	\$50,000.00	46	12	
<b>Total funds requested</b>	<b>\$1,075,935.80</b>	<b>\$2,753,580.49</b>			

Total: \$0

# Memorandum



To: Idaho Water Resource Board Cloud Seeding Committee  
From: Kala Golden  
Date: July 1, 2021  
Re: Loan Program Interest Rates

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**REQUESTED ACTION:** None

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## **Background**

On April 3, 2020 the Idaho Water Resource Board (Board) approved, through resolution, a modification of the Loan Program interest rate to 3.5% percent. With the resolution, the Board also committed to performing an annual review of the program's interest rate to determine if the set rate is still appropriate relative to current economic conditions and program demand. A presentation will be given at the Board's July 7<sup>th</sup> Finance Committee Meeting to review interest rate options.

## **Attachments**

1. PowerPoint Presentation on interest rate options





# Loan Program Interest Rates

IWRB Finance Committee Meeting

Presented by Kala Golden

July 7, 2021



## Overview

- Current IWRB Loan Program interest rate: 3.5%
- April 3, 2020– IWRB passed resolution approving rate change; previous rate was 4.5%
  - Committed to annual review of rates
- Economic conditions have shifted
- Interest in prioritizing projects related to aging water infrastructure



## IWRB Recommendations

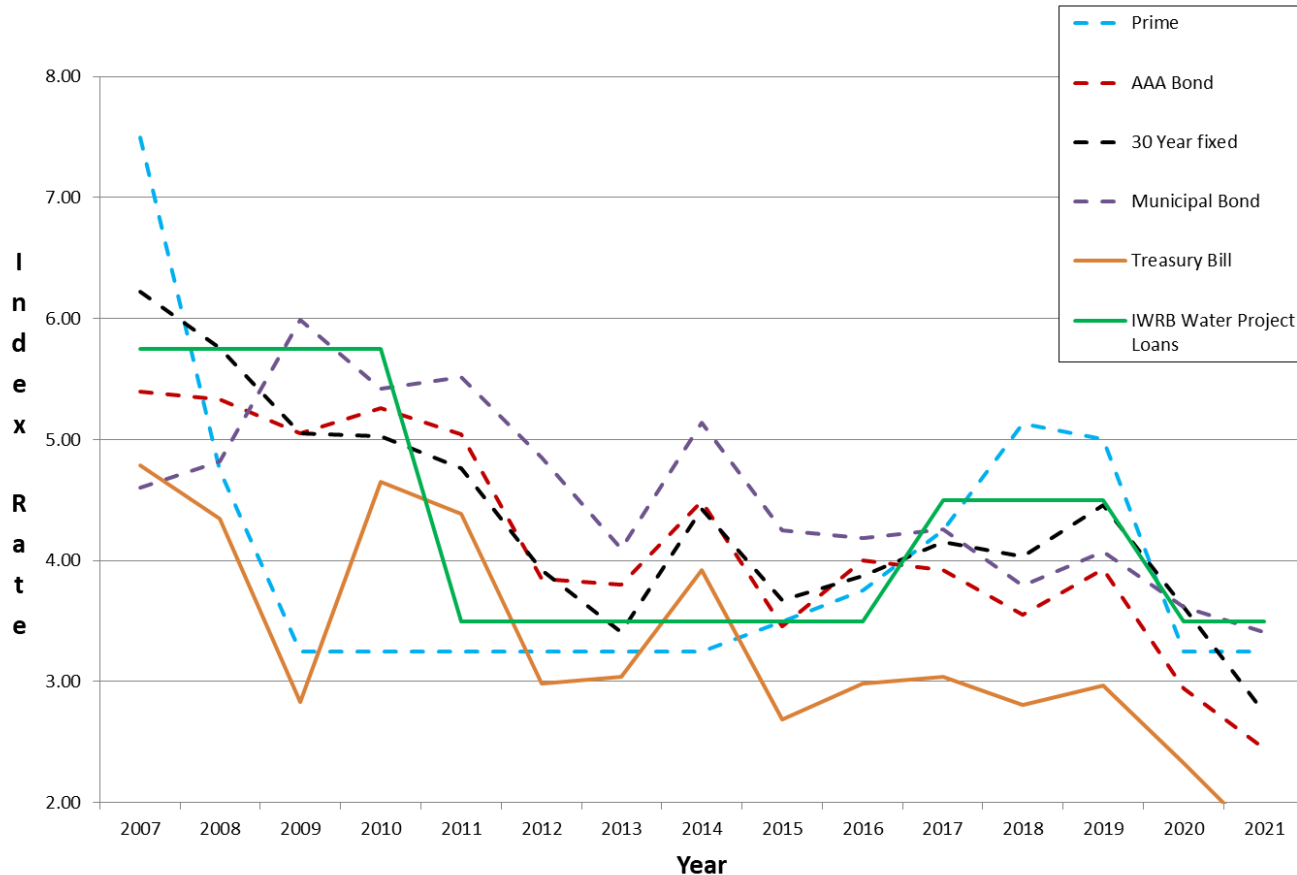
- Finance Committee tasked with developing methodology for review
- Rates set according to some type of market indicator
- Consideration for viability of program funds
- Consideration for future anticipated economic conditions

## How Does the IWRB Loan Program Compare?

- Evaluation of neighboring states with water project funding
- Variability in types of programs
- Similar approach to rate structuring
  - Tiered
  - Based on market indicator
  - Agricultural, municipal borrowers



## Market Indices and Interest Rate Comparison



**Prime:** Rate that lending institutions pay the federal government for money borrowed

**Municipal Bond Index:** Rate that cities, counties, and states pay for infrastructure improvement projects. Based on S&P top 40.

**AAA Bond Index:** Highest rated bonds associated with institutions that have high credit quality and little risk.

**30 Year Fixed:** Rate that housing industry charges

**Treasury Bill:** Rate the US Government pays for various public projects. Based on the 30 YR CMT.

## GOAL: Determine appropriate interest rate for IWRB Loan Program

Develop rate structure that:

- ✓ Ensures long term viability of program fund
- ✓ Is competitive with similar programs
- ✓ Factors changing economic conditions
- ✓ Incentivizes funding for aging water infrastructure

## Definitions

- **Aging Water Infrastructure Project**  
Project(s) that aim to repair or replace the underlying framework or features of a system that supports an integral water resource.
- **New Construction/Other Project**  
Any water project not related to the repair or replacement of existing water infrastructure.



## GOAL: Determine appropriate interest rate for IWRB Loan Program

Develop rate structure that:

- ✓ Ensures long term viability of program fund
- ✓ Is competitive with similar programs
- ✓ Factors changing economic conditions
- ✓ Incentivizes funding for aging water infrastructure

Aging Water Infrastructure Repair					
Term	5YR	10YR	15YR	20YR	30YR
Rate	0.89	1.48	1.745	2.01	2.07

(Rates for July 1, 2021)

Rate based on treasury yield curve as of the date application is received

New Construction/Other Water Projects					
Rate	3.25				

(Rate for July 1, 2021)

Rate equal to current Prime Rate



# QUESTIONS?





**Governor Brad Little**

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June 9, 2021

Office of the Undersecretary for Domestic Finance  
Department of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

**SUBMITTED VIA: [www.regulations.gov](http://www.regulations.gov)**

*RE: Comments on Interim Final Rule Regarding Coronavirus State and Local Fiscal Recovery Funds Regulation Identifier No.: 1505-AC77 (Docket ID: TREAS-DO-2021-0008) 86 Fed. Reg. 26786 (May 17, 2021)*

To Whom it May Concern:

I submit this letter in response to the request for comments on the water infrastructure provisions of the *Interim Final Rule Regarding Coronavirus State and Local Fiscal Recovery Funds* (Interim Rule). 86 Fed. Reg. 26786 (May 17, 2021).

President Biden signed the American Rescue Plan Act (ARPA or Act) on March 11, 2021. ARPA establishes several funds meant to "provide support to State, local and Tribal governments in responding to the impacts of COVID-19 and in their efforts to contain COVID-19 on their communities, residents and businesses."

Section 602(c)(1)(D) of the Act establishes the State Fiscal Recovery Fund, which provides states with broad authority to use ARPA funds for, among other things, "necessary investments in water, sewer or broadband infrastructure." The plain language appears to grant the states broad discretion to spend ARPA money on necessary water, sewer, or broadband investments.

The recently issued Interim Rule appears to narrow the scope of allowable water infrastructure projects to those that align with the Environmental Protection Agency's (EPA) State Revolving Fund programs for clean water and drinking water (collectively, SRF). The State of Idaho is in strong support of the use of ARPA funds for SRF-type projects. In fact, just this year, Idaho was able to leverage state General Fund to augment Idaho's SRF programs for community drinking and wastewater systems.

However, I respectfully request that the Department of Treasury (Treasury) provide additional clarity in the Final Rule that a broader range of water infrastructure projects can utilize ARPA's State Fiscal Recovery Fund. While a



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number of potential projects in Idaho would qualify under both the clean water and drinking water SRF criteria, the Interim Rule appears to limit the breadth of projects that would otherwise qualify under the plain language of ARPA. There are a number of planned projects in Idaho that may not qualify under traditional SRF eligibility requirements but that align with the Interim Rule's and the Biden Administration's intent to address climate change, sustainable water supplies, aging infrastructure, water conservation, and drought, just to name a few.

As you know, in the arid West, sustainable water supply is a constant challenge. Early pioneers were able to develop highly intricate and sophisticated systems for delivering water, followed by 20<sup>th</sup> century feats of engineering that more effectively stored and delivered water. In the 21<sup>st</sup> century, we still depend on these water storage and delivery systems to support our economy and our population. However, we need additional solutions to our continuous challenge of developing and maintaining sustainable water supplies, including improvements in water use efficiency and water quality. In addition to the SRF programs, water infrastructure projects eligible for ARPA's State Fiscal Recovery Funds should include regional storage, aquifer recharge, cloud seeding, and other projects that create resiliency in the face of drought and changing climate conditions.

In addition to the comments above, the following comments are in response to the specific questions within the Interim Rule.

*Question 18: What are the advantages and disadvantages of aligning eligible uses with the eligible project type requirements of the DWSRF and CWSRF? What other water or sewer project categories, if any, should Treasury consider in addition to DWSRF and CWSRF eligible projects? Should Treasury consider a broader general category of water and sewer projects?*

Yes, Treasury should consider a broader general category of water and sewer projects. The Interim Rule reiterates throughout the *Water and Sewer Infrastructure* subsection the need for states to have flexibility in order to "respond to the needs of their communities while ensuring that investments in water and sewer infrastructure made using Fiscal Recovery Funds are necessary." Idaho supports the intent of the Interim Rule to provide flexibility to address water infrastructure needs as determined by the individual states. Consistent with this stated intent, the breadth of eligible projects should not be limited to only those that qualify under state SRF programs. State SRF programs are a narrow subset of the types of water infrastructure needed in arid western states to provide sustainable water supplies for all uses, especially in the face of water supply uncertainty due to climate conditions.





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Treasury's Interim Rule states that the "Final Rule is intended to preserve flexibility for award recipients to direct funding to their own particular needs and priorities and would not preclude recipients from applying their own additional project eligibility criteria." This appears to suggest that the states can add additional eligibility criteria, including non-SRF criteria. We support this guidance and request additional clarity to ensure this is allowable.

*Question 19: What additional water and sewer infrastructure categories, if any, should Treasury consider to address and respond to the needs of unserved, undeserved, or rural communities? How do these projects differ from DWSRF and CWSRF eligible projects?*

Idaho conjunctively manages its surface and groundwater sources and leads the nation in this effort. This legal and water management framework results from heavy utilization and overdraft of our aquifers. Most rural communities in Idaho rely on aquifers for their water supplies. SRF-eligible projects may address the pumps and service mains needed in community water systems, but do not address the need to manage aquifers to maintain a sustainable water supply in the first place. Idaho has a number of regional initiatives, some being implemented and some still in planning, to manage our aquifers for various water supply needs. Idaho has invested in efforts, including small and large-scale infrastructure, to reverse the trend in groundwater supplies by recharging water back into our aquifers.

Additional aquifer recharge efforts, including infrastructure to deliver the water into the ground, will provide Idaho's rural communities with a more stable, predictable water supply. This increase in water supply not only benefits these rural communities by making them more resilient to drought and variable climate conditions, but our experience has shown a positive benefit to ground water quality where managed aquifer recharge is occurring.

*Question 20: What new categories of water and sewer infrastructure, if any, should Treasury consider to support State, local, and Tribal governments in mitigating the negative impacts of climate change? Discuss emerging technologies and processes that support resiliency of water and sewer infrastructure. Discuss any challenges faced by States and local governments when pursuing or implementing climate resilient infrastructure projects.*

Forecasts for Idaho indicate we may receive the same amount of overall precipitation. However, those same forecasts indicate we could



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receive more winter-time rain instead of snow. Winter snow builds into a snowpack that holds and stores water until the spring runoff, acting as natural water storage. More winter rain rather than snow means that we lose some of that ability to store water, and we need to develop more water storage capacity just to stay even with our current water management capability. That is before the added pressures of declining aquifers and population growth.

Idaho has several initiatives underway to increase our water storage capability to replace lost snowpack water storage. These initiatives include using our aquifers as underground reservoirs through aquifer recharge, expanding surface water storage reservoirs, and where appropriate, changing the operational rules of existing reservoirs to allow more water storage. Cloud seeding projects also provide the opportunity to moderately increase winter-snowpack beyond what would have occurred naturally. Water delivery efficiency projects, such as lining large delivery canals, may also play a part in this strategy. Again, SRF-eligible projects only contain a narrow subset of the types of projects and infrastructure that are needed for arid western states to respond to the challenges affecting water supply.

*Question 21: Infrastructure projects related to dams and reservoirs are generally not eligible under the CWSRF and DWSRF categories. Should Treasury consider expanding eligible infrastructure under the interim final rule to include dam and reservoir projects? Discuss public health, environmental, climate, or equity benefits and costs in expanding the eligibility to include these types of projects.*

Yes, Treasury should expand eligible infrastructure projects to include dam and reservoir projects under the final rule. While Idaho is pursuing several strategies and projects to increase water storage capability to provide resilience in the future, dam and reservoir projects are one method of providing that water storage. Idaho has been working with the U.S. Department of Interior to expand the Anderson Ranch Reservoir in order to provide additional water supplies for the Treasure Valley region, which is Idaho's largest urban area. While some of the water from this reservoir expansion may go to environmental or agricultural uses, it is likely that most of these water supplies will go to communities in the Treasure Valley.

The Interim Rule states that ARPA's State Fiscal Recovery Funds can be used to cover eligible costs incurred before December 31, 2024, and that final performance must be complete by December 31, 2026. Water infrastructure projects, especially of the kind needed to provide sustainable water supplies and



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climate resiliency in arid western states, often have long lead times. These long lead times are necessitated by the time involved in planning, environmental permitting, developing institutional agreements, and financing arrangements. For this reason, I would recommend that the timeline for use of these funds be extended in the Final Rule.

In closing, I would like to reiterate the state's support for using ARPA's State Fiscal Recovery Funds for SRF-eligible projects. In addition, we request that additional guidance and clarity is provided to allow states with greater flexibility to address our unique challenges. Thank you for the opportunity to comment on behalf of the State of Idaho.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brad Little", is positioned below the word "Sincerely,".

Brad Little  
Governor of Idaho

## IDAHO WATER RESOURCE BOARD

### Priority Water Projects that provide would basin-wide, regional, or state-wide benefits

<b>Tier 1 Projects</b>			
Mountain Home Air Force Base Sustainable Water Project	\$30,000,000	IWRB	<ul style="list-style-type: none"> <li>a) Provide a reliable long-term water supply for the Base from the Snake River to replace the Base's use of declining Mountain Home Aquifer.</li> <li>b) State to build pump station and pipeline at estimated cost of \$28M</li> <li>c) Federal Government to build water treatment plant at estimated cost of \$49M.</li> </ul>
Anderson Ranch Reservoir Enlargement	\$90,000,000	IWRB	<ul style="list-style-type: none"> <li>d) Anticipated total cost of \$90 million (\$80 million non-federal).</li> <li>e) Goal: Full payment without reliance on bonding authority.</li> <li>f) Limitation: WIIN Act funds allow only up to 50% funding from federal sources.</li> <li>g) Utilize funds in Water Management Account for \$45 million of total funding (non-federal source).</li> <li>h) \$10 million (Federal WIIN Act) + \$35 million (COVID) + \$45 million (WMA current assets) = \$90M.</li> <li>i) Requires modified allocation of WMA funds.</li> <li>j) IWRB to allocate new reservoir space to various uses in Treasure Valley – water users to repay their proportionate share over time.</li> </ul>
Large Upper Valley ESPA Aquifer Recharge Project	\$75,000,000	IWRB	
Aging Water Infrastructure Repair Fund	\$50,000,000	IWRB	<ul style="list-style-type: none"> <li>a) IWRB's Revolving Fund</li> <li>b) To be used for repair / replacement</li> </ul>
Cloud seeding infrastructure in additional basins	\$8,000,000	IWRB	<ul style="list-style-type: none"> <li>a) Install cloud seeding generators and other equipment in basins IWRB selects without current program, potentially including the Bear, Raft, Goose Creek, Lemhi, Lost and others.</li> <li>b) Operations to be paid through Secondary Fund.</li> </ul>
Lewiston Orchards Exchange Project	\$35,000,000	IWRB	Construct remaining wells and other infrastructure to fully enact water exchange between Lewiston Orchards Irrigation District and Nez Perce Tribe.
<b>TOTAL – TIER 1</b>	<b>\$288,000,000</b>		



Tier 2 Projects			
Bear Lake Additional Storage	\$15,000,000	IWRB	Various projects and easement acquisitions to increase Bear River channel capacity to carry flood flows downstream of Bear Lake and allow more water storage in Bear Lake.
Mountain Home Aquifer Water Supply	\$50,000,000	IWRB	Offset use of declining Mountain Home Aquifer
Governors Salmon Work Group Projects	\$80,000,000	IWRB/OSC/ IDFG	a) Projects include: <ul style="list-style-type: none"> <li>i. New water supply pipeline from Dworshak Dam to optimize hatchery production. Also includes hydropower plant on pipeline that would feed money back into WMA over time. (Approx. \$60 million)</li> <li>ii. Infrastructure &amp; habitat improvements in Salmon and Clearwater Basins.</li> <li>iii. Reconvene the Salmon Workgroup to provide recommendations on expenditures.</li> </ul>
New York Canal Lining	\$50,000,000	IWRB	a) Line New York canal through Boise for public safety and water conservation b) May need cost share/repayment agreement
Raft River Pipeline	\$30,000,000	IWRB	a) Pipeline from Snake River to offset GW pumping in Raft River Basin – water right permit is issued. b) May need cost share/repayment agreement
<b>TOTAL – TIER 2</b>	<b>\$225,000,000</b>		

Tier 3 Projects			
Lemhi Basin Aquifer Recharge	\$5,000,000	IWRB	a) Construct infrastructure needed to develop aquifer recharge program in Lemhi Basin. b) Subject to final settlement agreement. c) Operations to be paid through secondary Fund
Lost Valley Reservoir Enlargement	\$50,000,000	IWRB	a) Enlarge Lost Valley Reservoir by 20,000 AF b) IWRB to own new reservoir space and allocate it out to various uses in Weiser River Basin.
Palouse Basin Aquifer Water Supply	\$70,000,000	IWRB	a) Construct new water supply and pipeline to bring water into the Moscow area and reduce use of declining Palouse Basin Aquifer b) May need interstate agreement with Washington and City of Pullman
Community Water Supply Projects	\$50,000,000	DEQ or IWRB	Augment DEQ's Drinking Water SRF or IWRB Revolving Fund for this purpose
Flood Management Grant projects	\$5,000,000	IWRB	Augment IWRB's flood management grant program.
Water quality projects statewide	\$30,000,000	DEQ	Exact program allocation to be at DEQ Board's discretion.

Water Management Account & Secondary Aquifer Fund	\$100,000,000	IWRB	Augment Water Management Account and Secondary Aquifer Fund for future water projects
Municipal water re-use projects	\$20,000,000	IWRB	
<b>TOTAL – TIER 3</b>	<b>\$330,000,000</b>		

<b>GRAND TOTAL</b>	<b>\$843,000,000</b>		
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