



# AGENDA

## IDAHO WATER RESOURCE BOARD

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**Finance Committee Meeting No. 4-21**

**Tuesday, October 19, 2021**

**9:30 a.m. (MST)**

**Brad Little**

*Governor*

**Jeff Raybould**

*Chairman*

*St. Anthony*

*At Large*

**Roger W. Chase**

*Vice-Chairman*

*Pocatello*

*District 4*

**Jo Ann Cole-Hansen**

*Secretary*

*Lewiston*

*At Large*

**Dale Van Stone**

*Hope*

*District 1*

**Albert Barker**

*Boise*

*District 2*

**Dean Stevenson**

*Paul*

*District 3*

**Peter Van Der Meulen**

*Hailey*

*At Large*

**Brian Olmstead**

*Twin Falls*

*At Large*

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

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

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

Dial in Option: 1(253) 215-8782

Meeting ID: 823 1419 0425 Passcode: 189724

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1. Introductions and Attendance
2. Interest Rate Discussion\*
3. Requests for Loan Modifications
  - a. Point Springs Grazing Association\*
  - b. St. John Irrigating Company\*
4. King Hill Irrigation District Loan\*
5. Flood Management Grant Program Criteria Update\*
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.

# Memorandum



To: Idaho Water Resource Board Finance Committee

From: Kala Golden, Project Manager

Date: October 14, 2021

Re: Point Springs Grazing Association—Loan Modification Request

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Action Item: Recommend to the full Board approval of a request to increase loan by \$10,000

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## BACKGROUND

In May of 2021, the Idaho Water Resource Board (Board) approved a new loan to Point Springs Grazing Association (Association) which includes carryover of the balance of \$17,335.53 from an existing loan and an additional \$20,000 for a total of loan amount of \$37,335.53. The new loan was issued at 3.5% for a 10-year term and was intended to cover expenses for construction of a new well on the Association's grazing allotment. This is the Association's third loan with the Board. Previous loan funding was used to drill new wells and install pipeline for stock water on the opposing side of the Association's grazing allotment.

The Association's current well drilling project was implemented in August of 2021. Project costs were significantly higher than expected, as the well had to be drilled much deeper than anticipated. In addition, costs for the steel casing were double the original estimate due to recent fluctuations in materials costs. In consideration of the increased project costs, the Association requests the Board authorize an increase of \$10,000 to the existing loan for a total loan amount of \$47,335.53. As the Association has maintained exceptional payment history with Board, staff recommend approval of this request.

**Attachments:** None

# Memorandum



To: Idaho Water Resource Board Finance Committee

From: Kala Golden, Project Manager

Date: October 14, 2021

Re: St. John Irrigating Company — Loan Modification Request

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**Action Item:** Consider recommendation to the full Board to lower interest rate and apply payment reserve funds to loan principle.

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## BACKGROUND

In July of 2015, the Idaho Water Resource Board (Board) approved a loan to St. John Irrigating Company (Company) in the amount of \$1,429,775 at 3.5% for a 15-year term. Loan funds were used for a project to convert approximately 8 miles of an existing open canal system with a gravity pressurized conveyance pipeline, due to significant seepage losses and soil erosion. The loan provided matching cost-share funds for a \$1,000,000 grant from the US Bureau of Reclamation's WaterSmart Water and Energy Efficiency Program. The Company has made timely payments and has maintained a reserve fund equal to one year's payment, as required under its existing contract with the Board.

Like many water delivery systems across the State, aging infrastructure and drought conditions have created significant burden on the Company and its users. The Company is currently working with NRCS and a local engineering firm to scope project needs for additional improvements to its system. Current estimates for the new improvements are near \$6,500,000. The Company is working to identify sources of grant funding to support additional improvements. However, it anticipates the need for additional matched funding, increasing the financial burden on its members. As a result, the Company requests the Board consider a reduction of the current loan interest rate and allow it to apply the payment reserve to the principal balance of the loan. A copy of the Company's request is attached for the Committee's consideration.

**Attachments:** St. John Irrigating Company—Loan Modification Request

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**St. John Irrigating Company**

Malad City, ID 83252

stjohnirrigating@gmail.com

1st July 2021

**Board Members of IDWR**

322 East Front Street

P.O. Box 83720

Boise, Idaho 83720-0098

Dear Members of the Board,

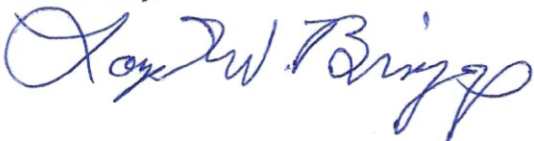
The St. John Irrigating Company is located in Oneida County, Idaho. Our organization has over 80 shareholders and was organized prior to 1898. We received a 20-year term IDWR loan for just over \$1.4 million in 2017. This loan was a match for a Bureau of Reclamation Water Smart grant to convert 8 miles of open ditch system to an underground pipe. The current interest rate is 3.5%.

We are requesting an interest rate reduction to 2.4% for the remainder of the loan term. Your agreement to grant this request will benefit IDWR by assuring continued payments on time from our company. Our shareholders will receive the benefit of receiving significant savings that can then be applied to better management of improvements to our water system. We are continuing to work on updating and more efficient use of this valuable limited resource, particularly during these times of drought and economic uncertainty.

At the request of the IDWR board at the time of loan origination, our company is holding \$100,000 in reserve. This amount has been in a 5-year savings CD that will mature on August 1, 2021. Rolling this reserve account into a new 5-year CD will earn a mere 0.05% to 0.25% interest annually. We request that you allow our company to pay this \$100,000 reserve amount toward the loan principal. Our board officers feel credit dependability has been demonstrated by reliable payments through our loan term thus far. Applying the reserve money to the loan would help ensure our ability for continued payments in the future.

Thank you for considering these two requests. If these proposed terms are unacceptable to you, please consider what adjustments your board would be willing to make.

Sincerely,

A handwritten signature in blue ink, appearing to read "Loyd W. Briggs". The signature is fluid and cursive, with the first name "Loyd" and last name "Briggs" clearly distinguishable.

**Loyd W. Briggs**

Treasurer, St. John Irrigating Company

# MEMO



**To:** Idaho Water Resource Board Finance Committee

**From:** Kala Golden

**Date:** October 14, 2021

**Subject:** King Hill Irrigation District– New Water Project Loan Application

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**Action Item: Recommend to the full Board approval of a \$1,500,000 loan request**

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## 1.0 INTRODUCTION

King Hill Irrigation District (District) is requesting a new loan in the amount of \$1,500,000 from the Idaho Water Resource Board (Board) for a project to install new pipelines and replace aging canal system infrastructure (Project).

## 2.0 BACKGROUND

The District provides irrigation water for a total of 11,573 acres, serving 681 users across its service area in Elmore and Twin Falls counties. The Project area is located near Hammett, Idaho and encompasses 125 users within the District, delivering water for approximately 1,949 acres of irrigated land. The District's delivery system was originally installed in 1904 and updated to a pump lift system in 1979 when a syphon crossing the Snake River failed. The District diverts water from the Malad River that is injected into the Snake River and then rediverted at multiple points downstream.

The District currently faces a number of challenges delivering water to the Project area which is located at the end of an old canal system with several miles of deteriorated concrete flumes, lined canal, and a concrete siphon. The aging canal system is also a potential liability risk for the District as it runs just above sections of Interstate 84 and the Union Pacific Railroad.

## 3.0 PRIOR LOANS

In 2011, the District held a Board loan in the amount of \$175,000 for replacement of a 1200-foot siphon. The loan was paid timely, and in full.

## 4.0 PROPOSED PROJECT

The Project includes conversion of two miles of open canal to closed pipe and installation of new infrastructure for the pump system. Engineering and technical support are being provided by the United State's Department of Agriculture's Natural Resource Conservation Division (NRCS). Design plans for the new pump deck will be complete by November 2021,

and construction is scheduled for January 2022 through April 2022. Construction of the remaining work, including installation of motors, pumps, new pipeline, and turnouts, is estimated fall of 2022 through early 2023.

## **5.0 BENEFITS**

The Project will address necessary system improvements, eliminate risk to surrounding transportation infrastructure, and provide a reliable, long-term water supply for the users within the District's service area. It will help to protect valuable agricultural lands within the State of Idaho and provide an estimated 25% water savings by reducing conveyance losses.

## **6.0 FINANCIAL ANALYSIS**

The total estimated project costs are roughly \$2,950,000. The District was awarded a grant from NRCS in the amount of \$1,978,654 and is responsible for the remainder of approximately \$971,349. The District is requesting a Board loan in the amount of \$1,500,000 to cover its portion of the Project costs, which includes contingency for material cost fluctuation.

The District is requesting a 20-year term on the loan and is working with its counsel to meet statutory requirements for incurring debt. The District currently holds a reserve fund of just over \$600,000 and holds no other outstanding debt.

The following analysis reflects the Board's current interest rate of 3.5%.

### **Payment Analysis**

<b>Term (Years)</b>	<b>Estimated Annual Payment- Revolving Account Loan</b>	<b>Current Assessments Cost/Acre/Year</b>	<b>New Assessments Cost/Acre/Year</b>
20	\$105,541.62	\$120	\$128

## **6.0 WATER RIGHTS**

<b>WATER RIGHT</b>	<b>SOURCE</b>	<b>Diversion Rate (CFS)</b>	<b>PRIORITY DATE</b>
37-21535	Malad River	70.000	04/01/1909

## **7.0 SECURITY**

As collateral for the loan, the Board is authorized to hold lien against the District's membership assessments and water rights.

## **8.0 ALTERNATIVE CONSIDERATIONS**

The District has considered issuance of a bond to cover its portion of the project costs. However, the interest rate is significantly higher and would result in a much higher overall

financing cost. In addition, the District has identified 6 other project areas throughout its system that need timely repairs. It has applied to NRCS for another grant to cover project costs and anticipates applying for a second loan from the Board in the amount of \$10,500,000 to cover its portion of costs for the remaining projects. The District anticipates a decision on the award of grant funds from NRCS sometime in the fall of 2021; if approved it will move forward with a second Board loan application.

Given the total anticipated costs for all projects throughout the District's service area, the District requests the Board consider a reduced interest rate of 2.0% for this loan.

## **9.0 CONCLUSION AND RECOMMENDATION**

This loan will be used to replace deteriorated infrastructure within the District's service area. King Hill Irrigation District is a qualified applicant, and the project for which the District has proposed is consistent with the goals of the Board as identified within the Idaho State Water Plan. Staff recommend the committee make a recommendation to the full Board for approval of the loan request, for the total amount of \$1,500,000.

**Attachments:** KHID Loan Application, KHID District Map, KHID Project Map



## APPENDIX D



### 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 NON-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)**

- ☒ Irrigation District
- ☐ Canal/Irrigation Company
- ☐ Lateral Association
- ☐ Flood Control District
- ☐ Homeowners Association

- ☐ Water User's Association
- ☐ Municipality
- ☐ Reservoir Company
- ☐ Other

Explain: \_\_\_\_\_

King Hill Irrigation District

Organization name

75E 1st Ave

PO Box/Street Address

Glenns Ferry, Elmore, Idaho, 83623

City, County, State, Zip Code

Justin Wootan

Name and title of Contact Person

208-599-0081

Contact telephone number

wootanj@gmail.com

e-mail address

Project location legal description Sec 01 02 T6S R8E, Sec 25,26,34,35,36 T5S R8E

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

IWRB Non-drinking loan form 2/08



C. Purpose of this loan application.

- ☐ New Project  
☒ Rehabilitation or replacement of existing facility  
☐ DEQ requirement  
☐ Other: \_\_\_\_\_

D. Briefly describe the project:

The Hammett Project is installing a new pump and pipe line, converting flumes, siphon, and canal to buried pipe.

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**III. WATER SYSTEM:**

A. Source of water:

- ☒ Stream ☐ Groundwater  
☐ Reservoir ☐ Other

B. Water Right Numbers:

Water Right	Stage	Priority Date	Source	Amount
37-21535		04/01/1909	Malad River	70cfs

Note: Stage refers to how the water right was issued. (License, Decree, or Permit)

C. If irrigation/lateral system:

Number of acres served: 1949 of 11573  
Number of shareholders served 125 of 681  
Water provided annually (acre-feet) 5.2af/acre

D. If flood control system, drainage system, groundwater recharge, or other type of system:

Number of acres within District or service area: \_\_\_\_\_  
Number of people within District or service area: \_\_\_\_\_

E. If an Association/Municipality the number of residences served by the system:

Number of residences served: \_\_\_\_\_  
Number of hookups possible: \_\_\_\_\_

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**IV. USER RATES:**

A. How does your organization charge users rates?

- ☒ Per acre ☐ Per hook up  
☒ Per share ☐ Tax assessment

Explain what a share is: 1 miner inches per irrigated acer = water use right

☐ Other, explain \_\_\_\_\_

B. Current rate? \$ 120.00 per acre  
(Share, hook-up, month, year, etc.)

C. When was the last rate change? 01/2019 (month/year)

D. Does your organization measure water use? Yes ☒ No ☐

If yes, explain how: Measurements are made using submersible Orifice, weirs, and meters.

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:

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## **V. PROPOSED METHOD FOR REVENUE FOR REPAYMENT OF LOAN**

**How will you plan to assess for 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) Through lower pumping cost with a closed pipe system

Will an increase in assessment be required? Yes ☒ No ☐

When will new assessments start and how long will they last?

The assessment begins at the commencement of the loan and ends at repayment.

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## **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

**For property Securement, attach a legal description of the property being offered along with a map referencing the property.**

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## **VII. FINANCIAL INFORMATION:**

A. Attach a copy of each of the last 3 year's financial statement. **(Copies must be attached)**

B. Reserve fund (current) \$613,025

C. Cash on hand \$1,167,022.17 O&M \$99,505 Savings as of 07/31/2021

**D. Outstanding indebtedness:**

To Whom	Annual Payment	Amt. Outstanding	Years Left
None			

E. What other sources of funding have been explored to fund the project? (example: NRCS, USDA Rural Development, Banks, Local Government, etc.)

There is an awarded Equip NRCS funding for \$1,978,654 for the Hammett Project.

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**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.

Amount of funds requested: \$1,500,000

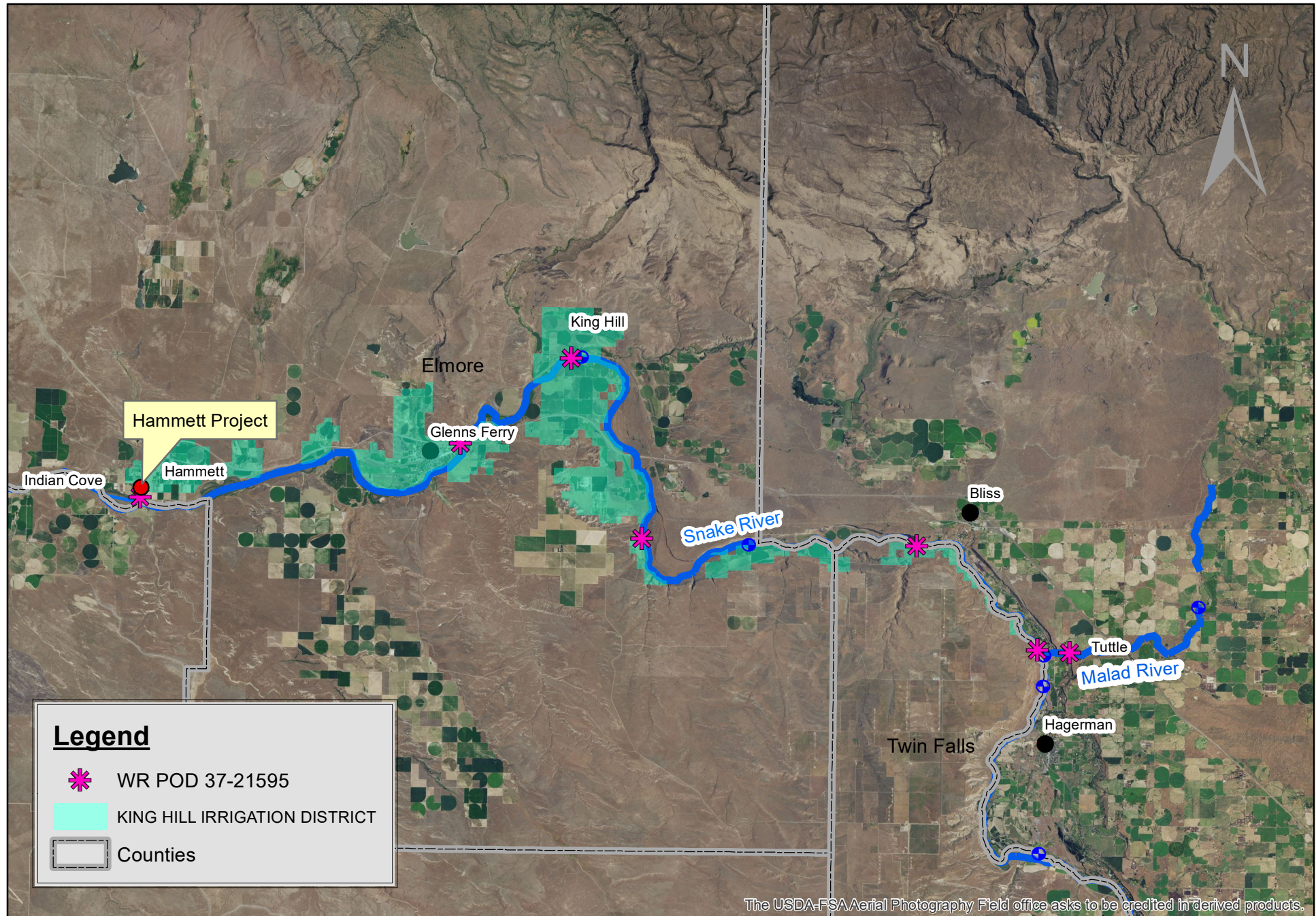
*By signing this document you verify that all information provided is correct and the document is filled out to the best of your ability.*

Authorized signature & date:

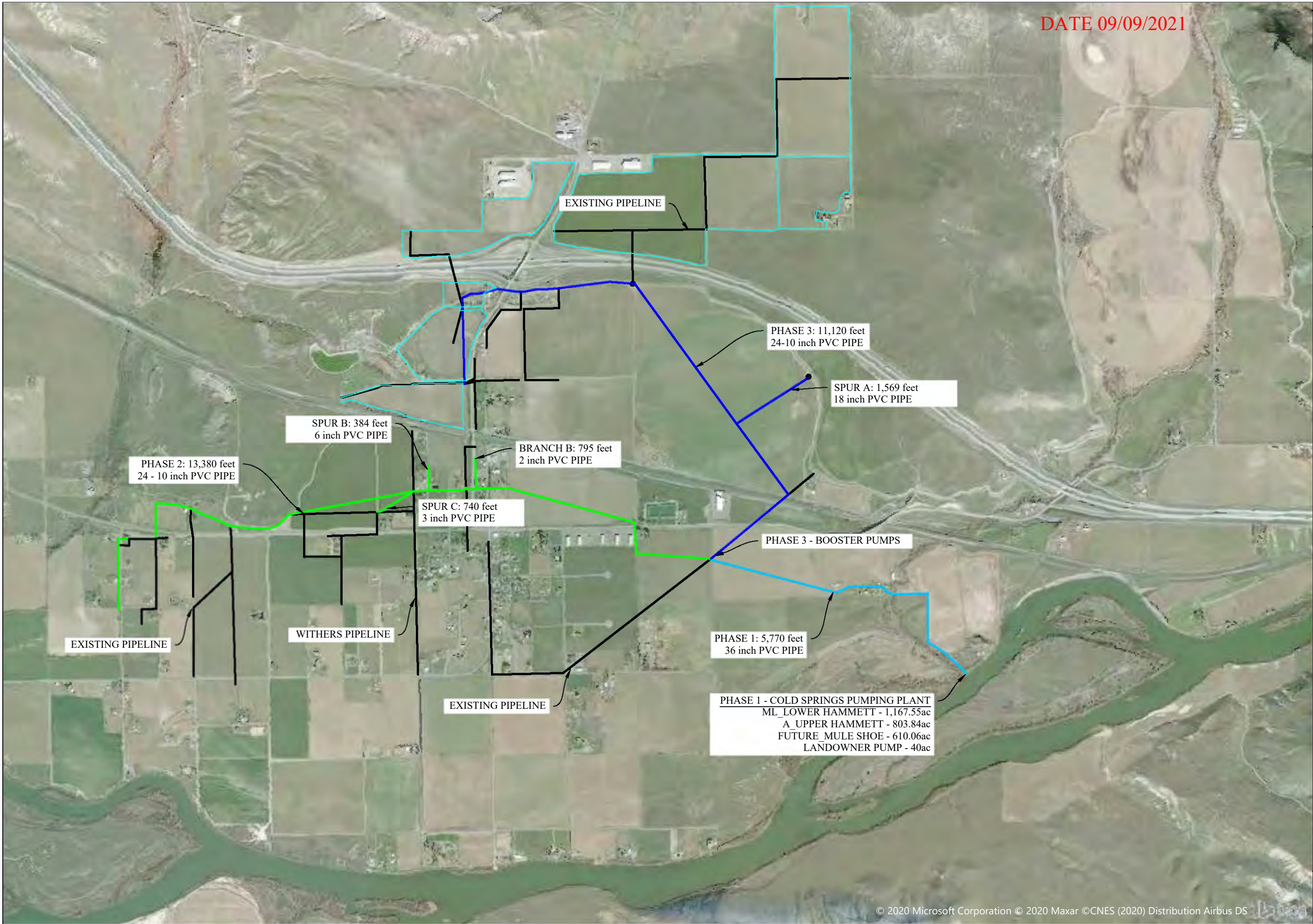
 8/30/2021



# King Hill Irrigation District IWRB Loan Application 2021- Hammett Project







DATE 09/09/2021

EXISTING PIPELINE

PHASE 2: 13,380 feet  
24 - 10 inch PVC PIPE

WITHERS PIPELINE

SPUR B: 384 feet  
6 inch PVC PIPE

SPUR C: 740 feet  
3 inch PVC PIPE

EXISTING PIPELINE

BRANCH B: 795 feet  
2 inch PVC PIPE

EXISTING PIPELINE

PHASE 1: 5,770 feet  
36 inch PVC PIPE

PHASE 1 - COLD SPRINGS PUMPING PLANT  
ML LOWER HAMMETT - 1,167.55ac  
A UPPER HAMMETT - 803.84ac  
FUTURE MULE SHOE - 610.06ac  
LANDOWNER PUMP - 40ac

PHASE 3 - BOOSTER PUMPS

PHASE 3: 11,120 feet  
24-10 inch PVC PIPE

SPUR A: 1,569 feet  
18 inch PVC PIPE



**KING HILL IRRIGATION DISTRICT**  
**PRELIMINARY HAMMETT PUMPING STATION & PIPELINE - PLAN VIEW**

ELMORE SOIL & WATER CONSERVATION DISTRICT

ELMORE COUNTY, IDAHO

DATE

DESIGNED

DRAWN

CHECKED

APPROVED

APPROVER JAA PROJECT JOB CLASS

Drawing Number

**L1**



# Memorandum

To: Idaho Water Resource Board  
From: Neeley Miller, Planning & Projects Bureau  
Date: October 15, 2021  
Re: Flood Management Grant Criteria Update



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**Action: Recommend Grant Criteria for Approval by IWRB at November Meeting**

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Staff will discuss the proposed flood grant criteria to be used in FY 2022.

# 2022 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

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:**

- \$1,000,000
- No more than 50% (\$400,000) 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 may be reallocated unless Flood Management work begins prior to November 1 following funding award.
- 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:** Projects that are determined to not be flood-related by staff will be declared ineligible and not scored. To maximize the effective and efficient use of available funds, the applications will be evaluated, scored (*130-point scale*), and ranked according to the following criteria:

### Effectiveness of Project (60 points)

- Can this project be described as one of the following (if so, please explain how): flood damaged stream channel repair, stream channel improvement, flood risk reduction, or flood prevention project (*20 points*)
- What is the urgency of the project and anticipated costs? (*20 points*)
- What are the benefits of the project and how will success be measured? (*10 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? (10 points)

#### Readiness of Project (70 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. (20 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. (20 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).

#### **Application Process:**

Application Deadline: Friday June 3, 2022

Project Funding Recommendations: June/July 2022 Finance Committee

Funding Awarded: July 2022 Board meeting

#### **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.
- Invoices should be sent to [IdwrPayable@idwr.idaho.gov](mailto:IdwrPayable@idwr.idaho.gov)

#### **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% (\$400,000) of the total budget may be spent within a single IWRB district. This limit may be waived if there are no competing funding demands.*