

*Attachment 2
2/3/16*

Department of Water Resources & Water Resource Board



Report & Update

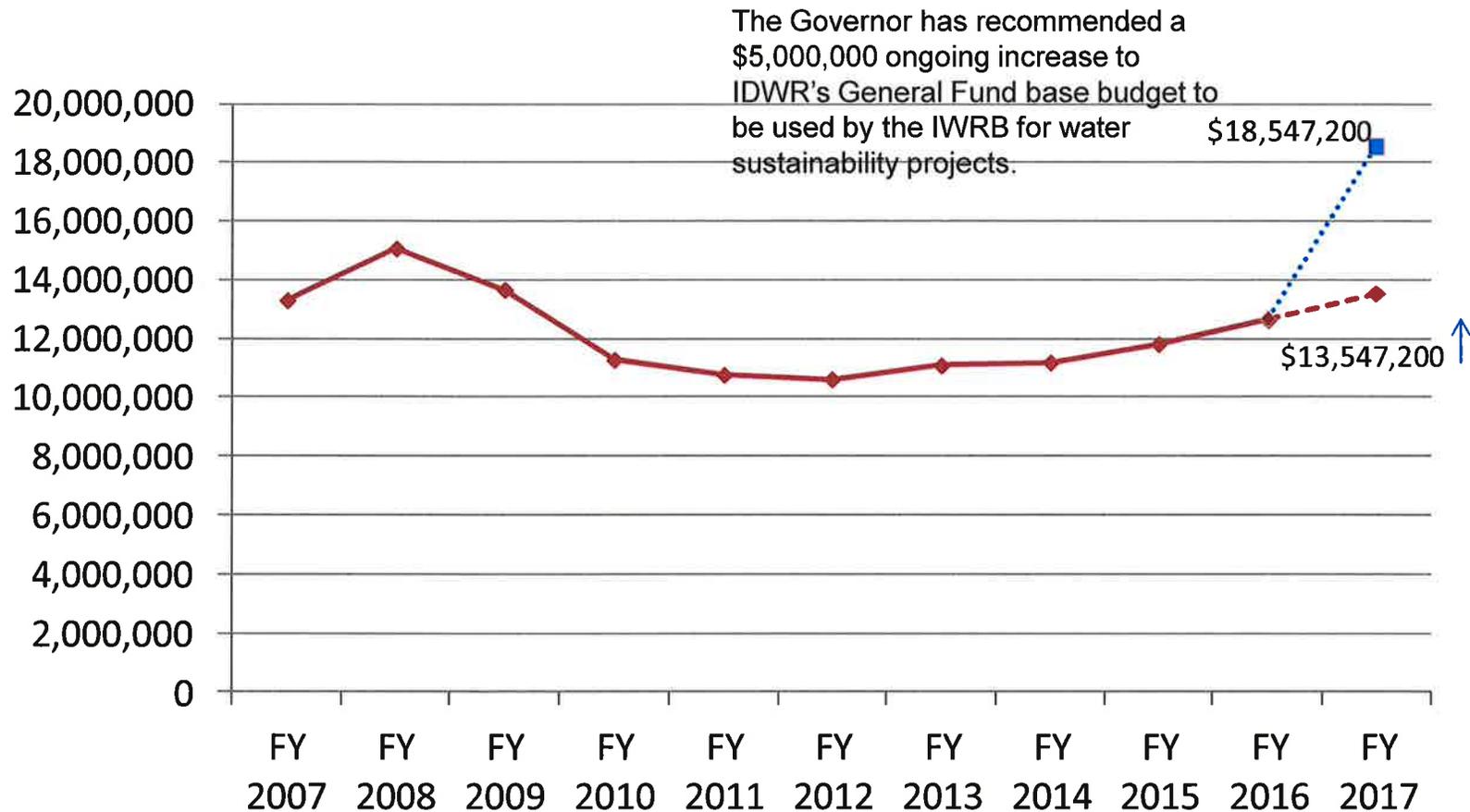
**Gary Spackman, Director
Roger Chase, Chairman**

February 3, 2016

FY 2016 Zero Base Budgeting by IDWR Staff

- Review statutory assignments & authorities
- Review & revise cost center rankings
- Identify legislative concepts to address priorities, if necessary
- Identify budget decision units to address priorities

IDWR General Fund Appropriation 10 Year Comparison



Decision Unit

- Water Sustainability Projects – **LBB 4-74**

The Governor recommends ongoing General Fund appropriation of \$5,000,000 for state-sponsored water conservation and enhancement programs and projects pursuant to the Water Resources Board water sustainability policy. This appropriation will be used in conjunction with monies in the Secondary Aquifer Planning, Management, and Implementation Fund. Also included is a one-time General Fund transfer of \$16,500,000 to Secondary Aquifer Planning, Management, and Implementation Fund - **\$21,500,000** **LBB 4-80 Line 11 & 4-80 Cash Transfers**

Decision Units

LBB 4-74

- Surface Water Settlement Agreement – Add four FTP’s to support the Surface Water Coalition-Idaho Ground Water Appropriators settlement agreement. One vacant FTP to create and support new water districts required by the completion of the Snake River Basin Adjudication - **\$546,100**

LBB 4-78 Line 4

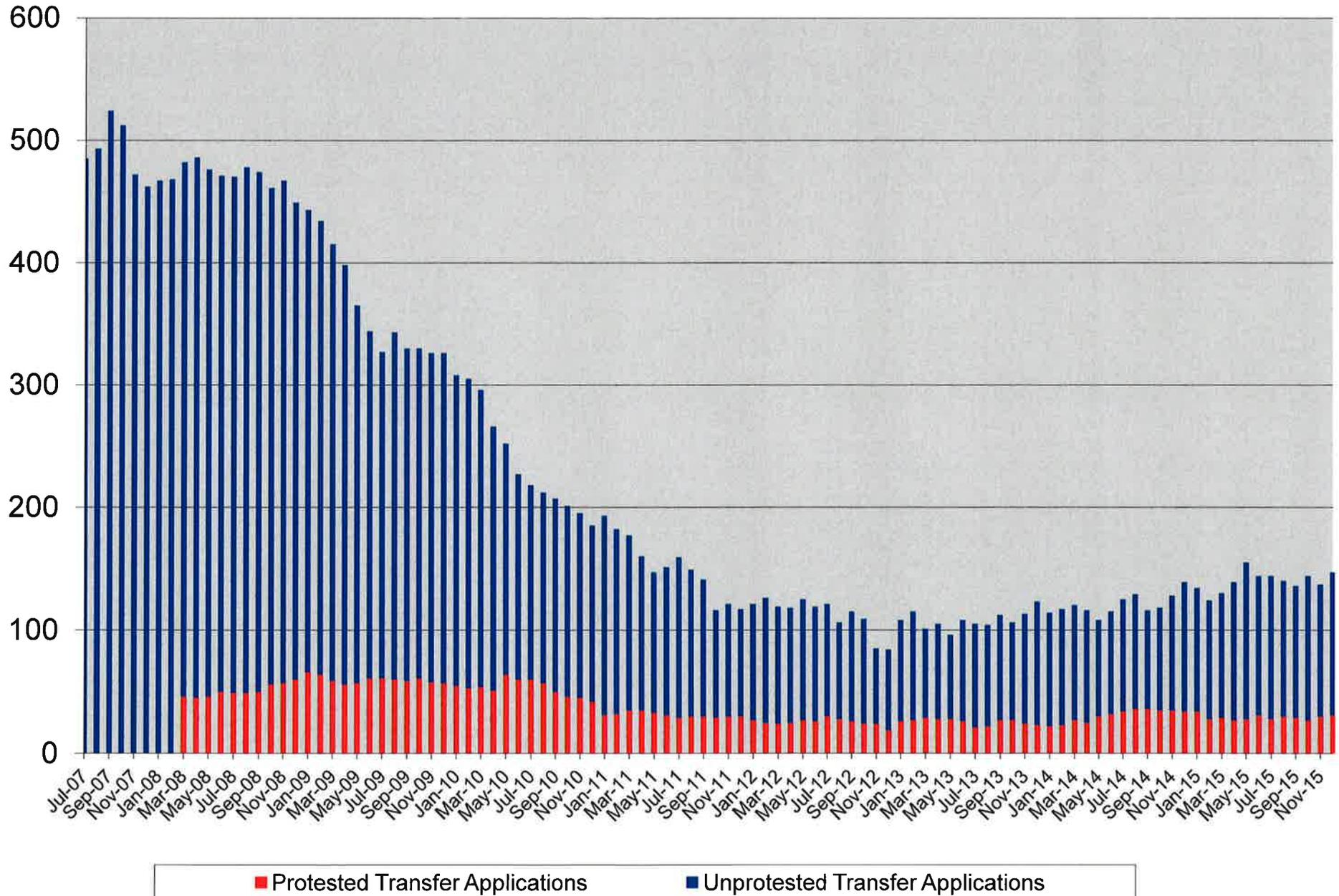
- Northern Idaho Technical Hydrogeologist – Use one vacant FTP located in Coeur d’Alene regional office - **\$125,200**

LBB 4-78 Line 6

- Water Right Licensing – Funding to fill two vacant FTP’s to address water right licensing backlog - **\$235,700**

- **LBB 4-79 Line 8**

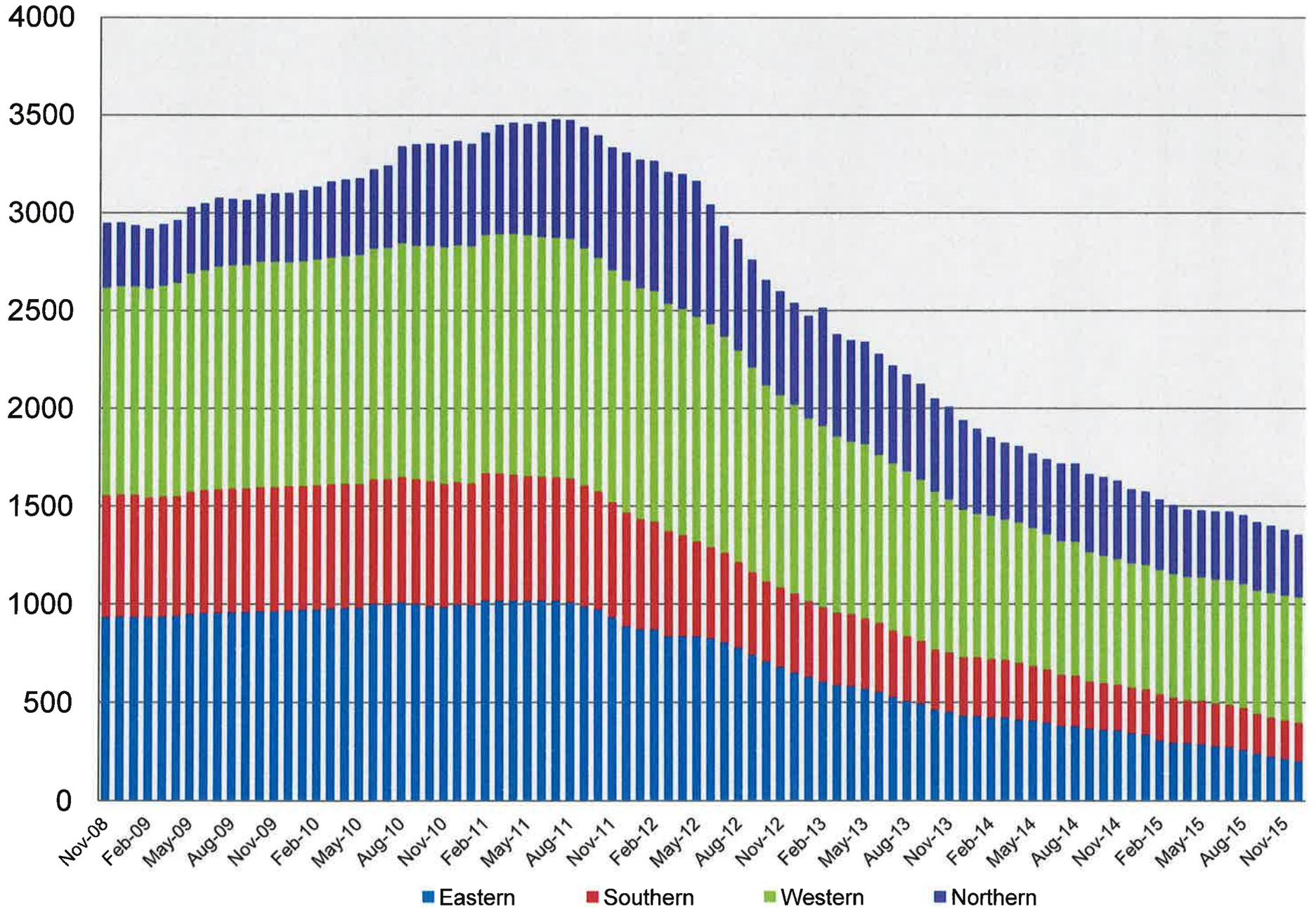
IDWR Active Transfer Applications



Transfers

- Median processing time for applications for transfer reduced from 0.7 years in FY2014 to 0.4 years in FY2015

IDWR Active Water Appropriation Permits with Proof Submitted

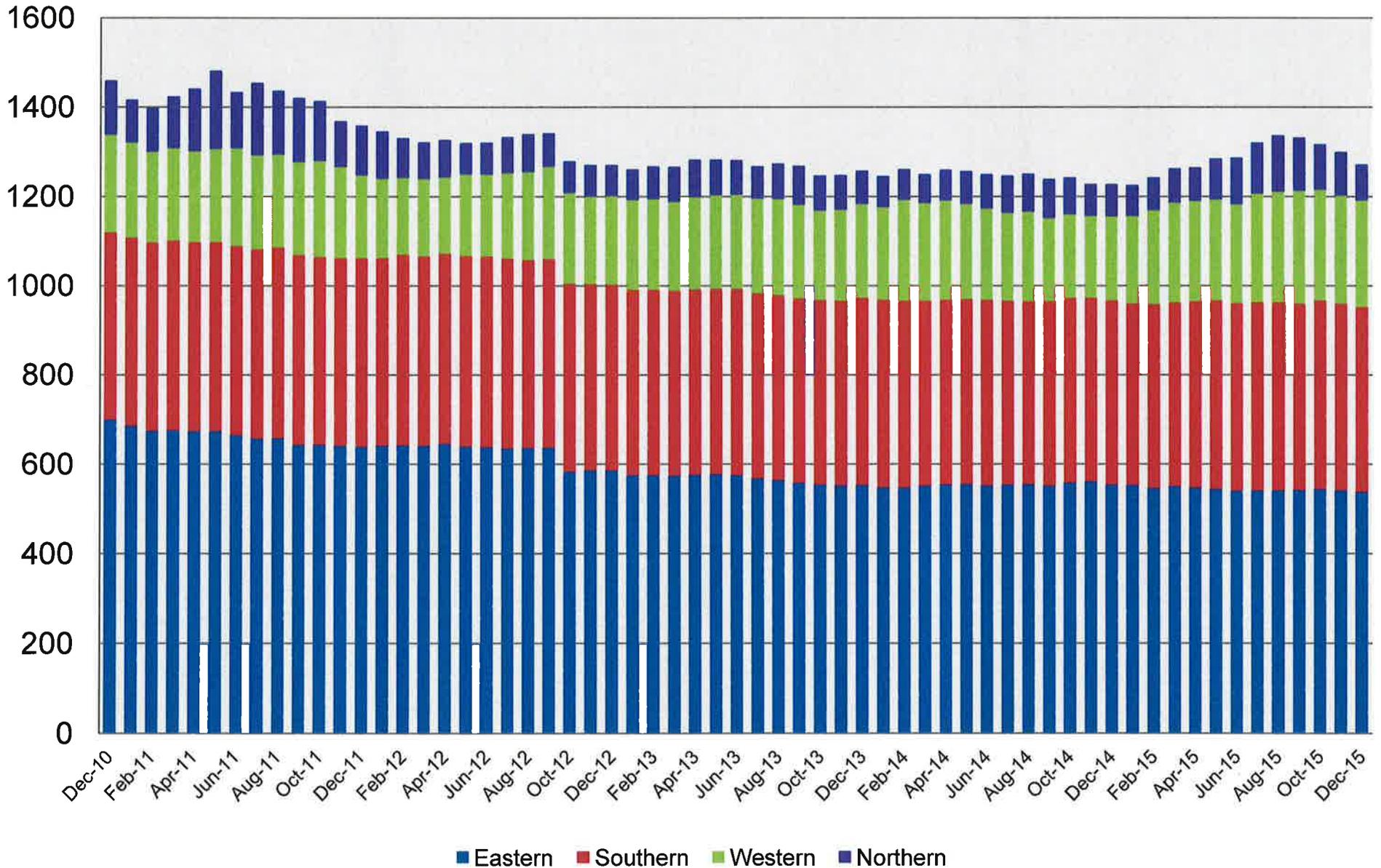


Licensing

- Total number of “proof of beneficial use” documents filed with IDWR increased by 18% from FY2014 to FY2015.

IDWR Applications for Permit Pending

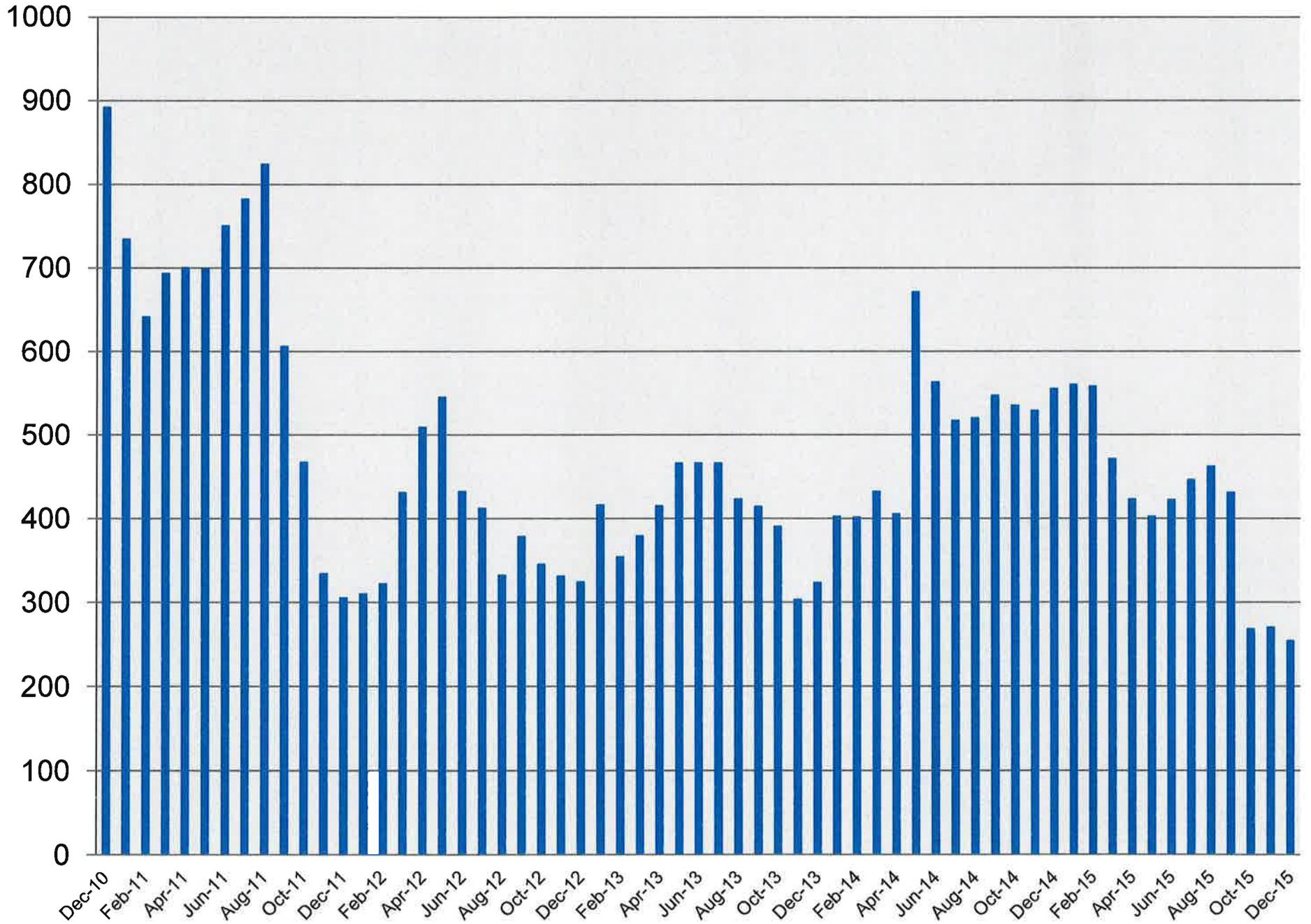
Note: Approximately 657 of these applications are held due to a moratorium and cannot be processed at this time.



Applications for Permit

- The number of applications for permit increased 18% from FY2013 to FY2014.
- The number of applications for permit increased another 24% from FY2014 to FY2015.

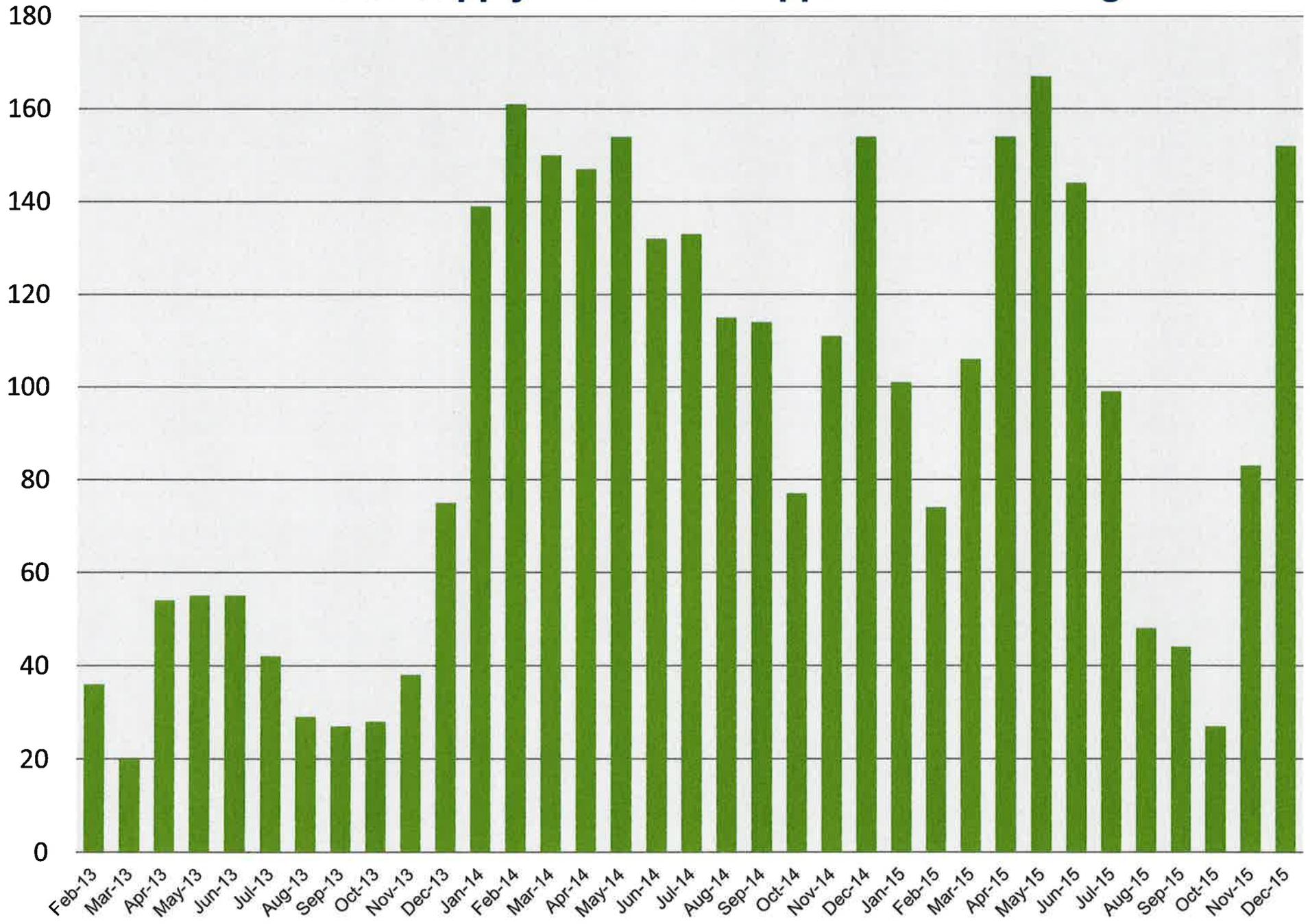
IDWR Pending Water Right Ownership Change Notices



Ownership Changes

- The number of ownership change forms submitted to IDWR increased by 6% from FY2014 to FY2015.

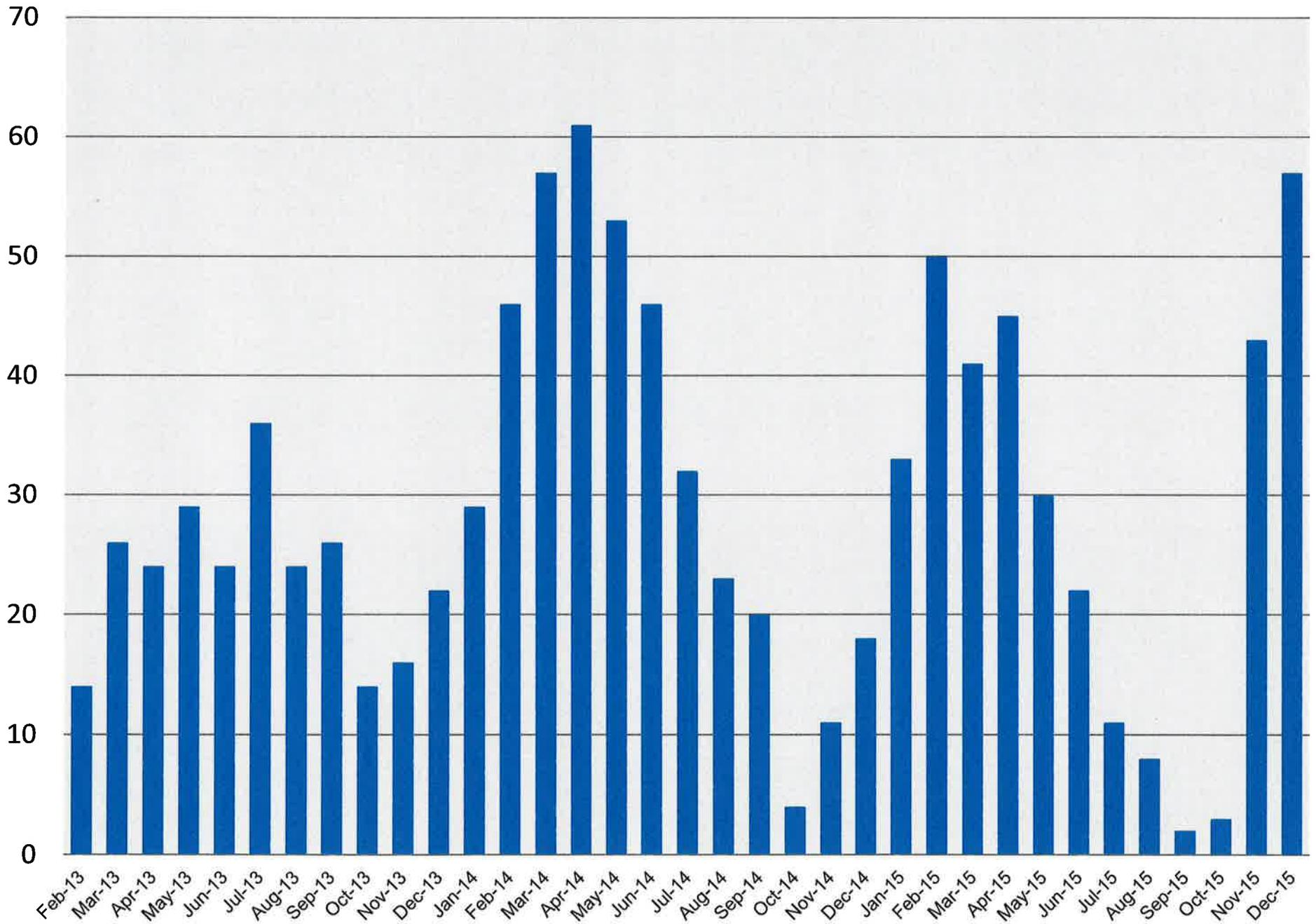
IDWR Water Supply Bank Lease Applications Pending



Water Supply Bank Leases

- Number of applications to lease water rights into the water supply bank has increase from 141 in FY2012 to 445 in FY2015 (316%).

IDWR Water Supply Bank Rental Applications Pending



Water Supply Bank Rentals

- Number of applications to lease water rights out of the water supply bank has increased from 55 in FY2011 to 107 in FY2015 (95% increase).

Eastern Snake Plain Aquifer Agreement

Ground water users agreed to reduce water consumption by 240,000 ac-ft annually, supply 50,000 ac-ft of storage water annually, measure all significant diversions of ground water. Actions in the agreement are intended to stabilize and recover the aquifer.

Eastern Snake Plain Aquifer Restoration

Although the State did not sign the agreement, the state intends to do the following:

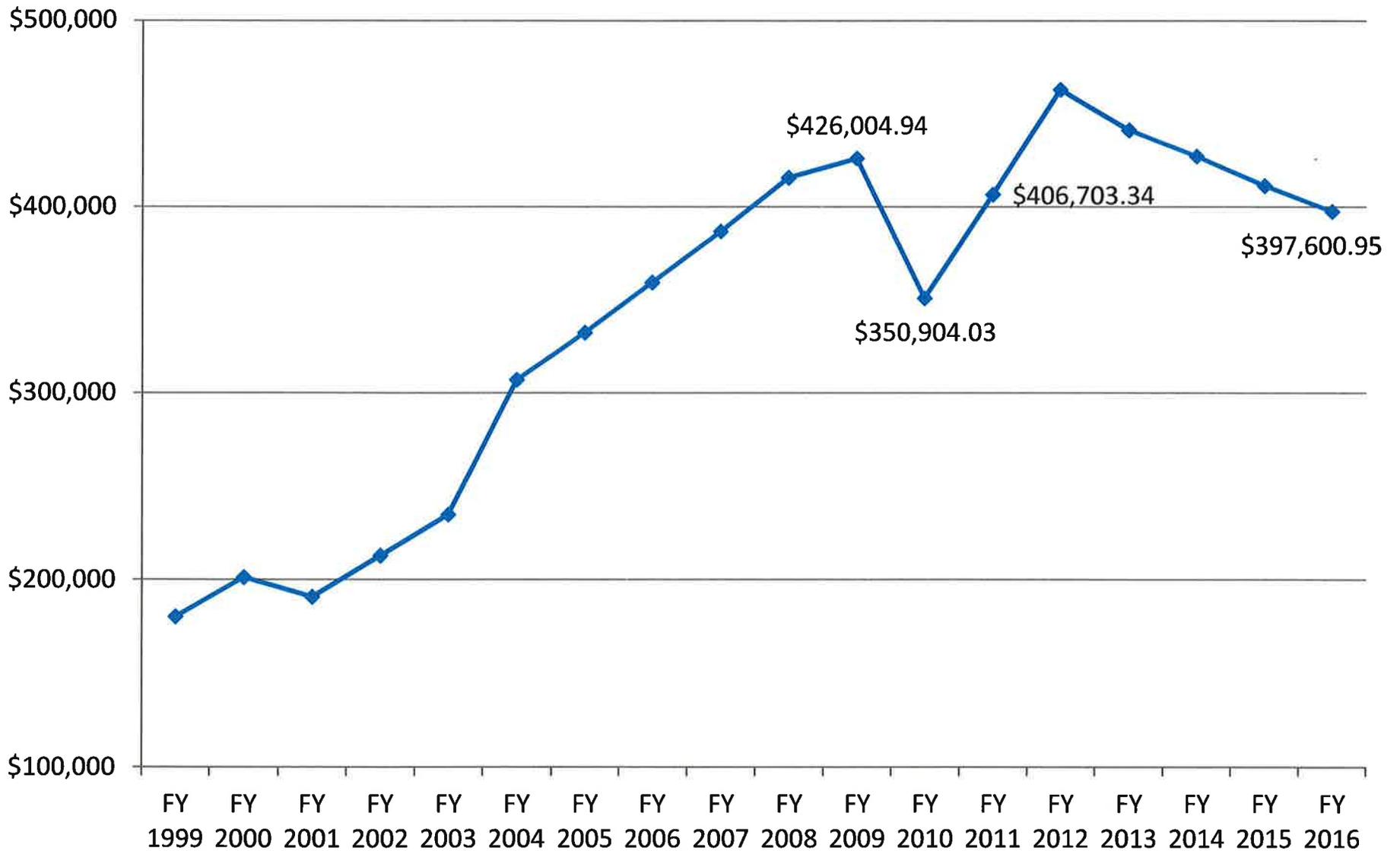
- Recharge the aquifer with surface water by an average of 250,000 acre-feet per year
- Form a ground water management area for water administration – significant factual and legal questions
- Coordinate and administer installation, calibration, and data gathering from 3,500 – 4,000 wells diverting water from the aquifer

Water Sustainability

Priest Lake Outlet



Priest Lake Outlet Fund

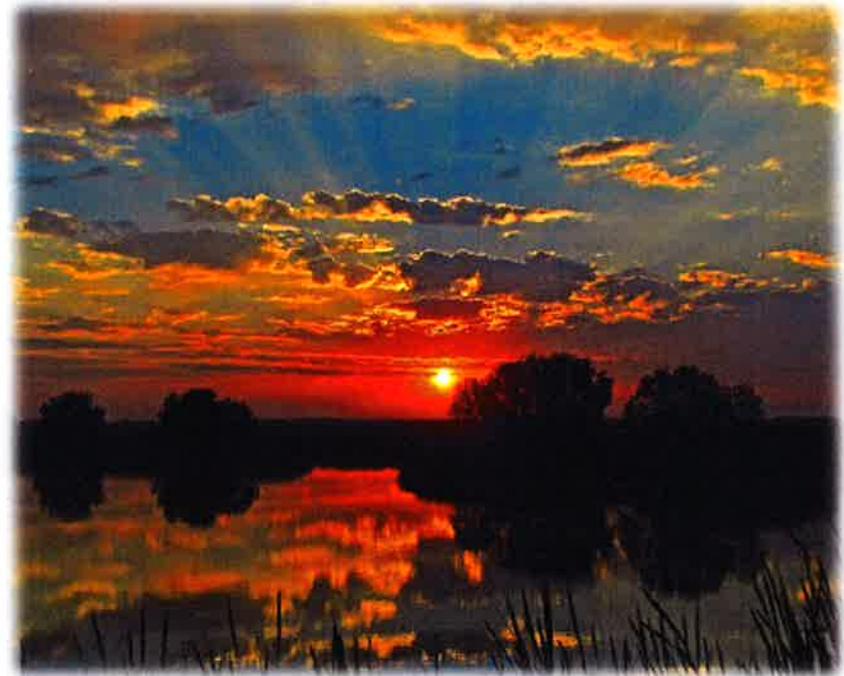


Priest Lake Outlet Fund

- IDWR's FY 2005 Appropriation for the Idaho Water Center move included spending authority of \$240,000 from Miscellaneous Revenue Fund and \$120,000 from Petroleum Violation Escrow Funds (Energy Bureau) - SB 1415
 - The majority of the balance in the Miscellaneous Revenue Fund is from Priest Lake Outlet Fund
- In September 2009, IDWR transferred \$100,360.62 from Priest Lake Outlet Fund to close the Idaho Water Center move account

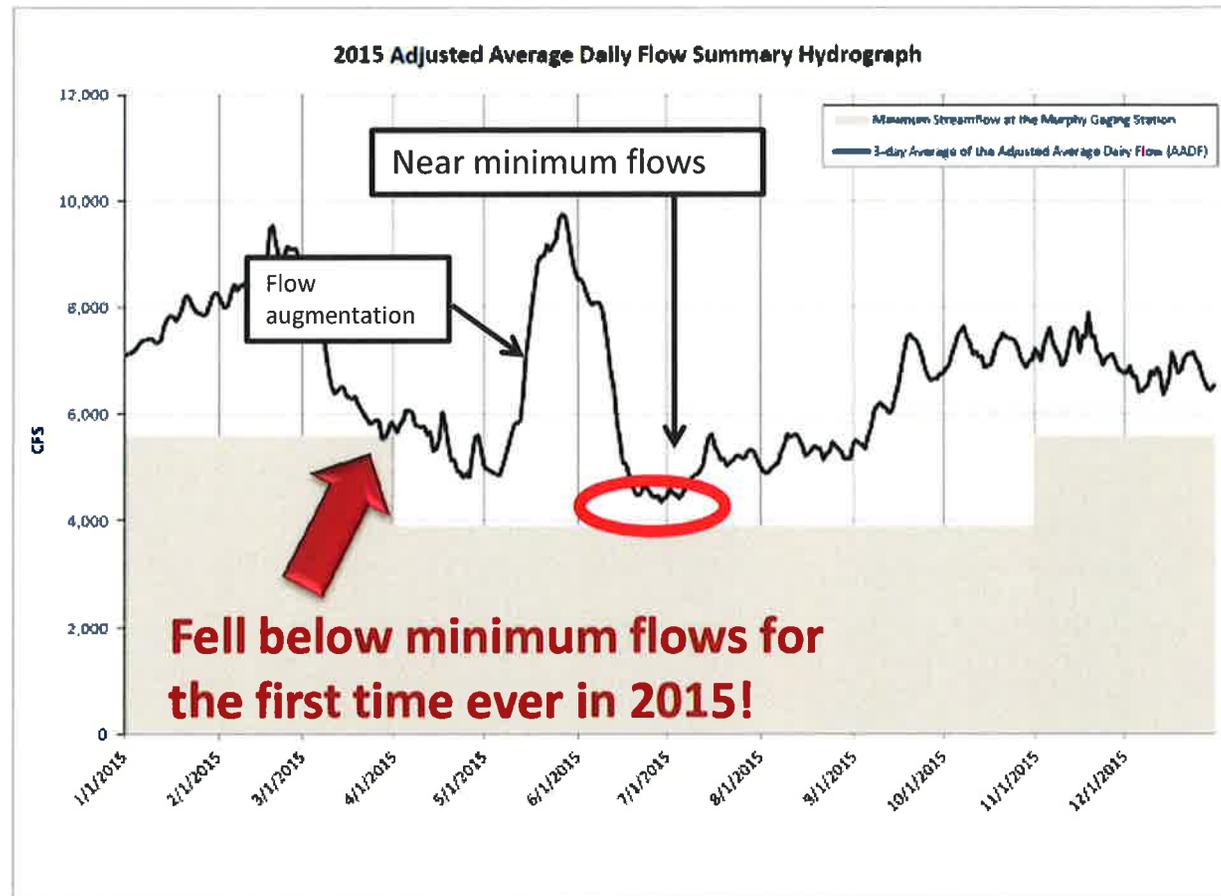
Sustainability of Water Supplies

- Need to ensure water supplies for existing uses, for future growth, and for environmental purposes
- Starts with wise use, administration, and management

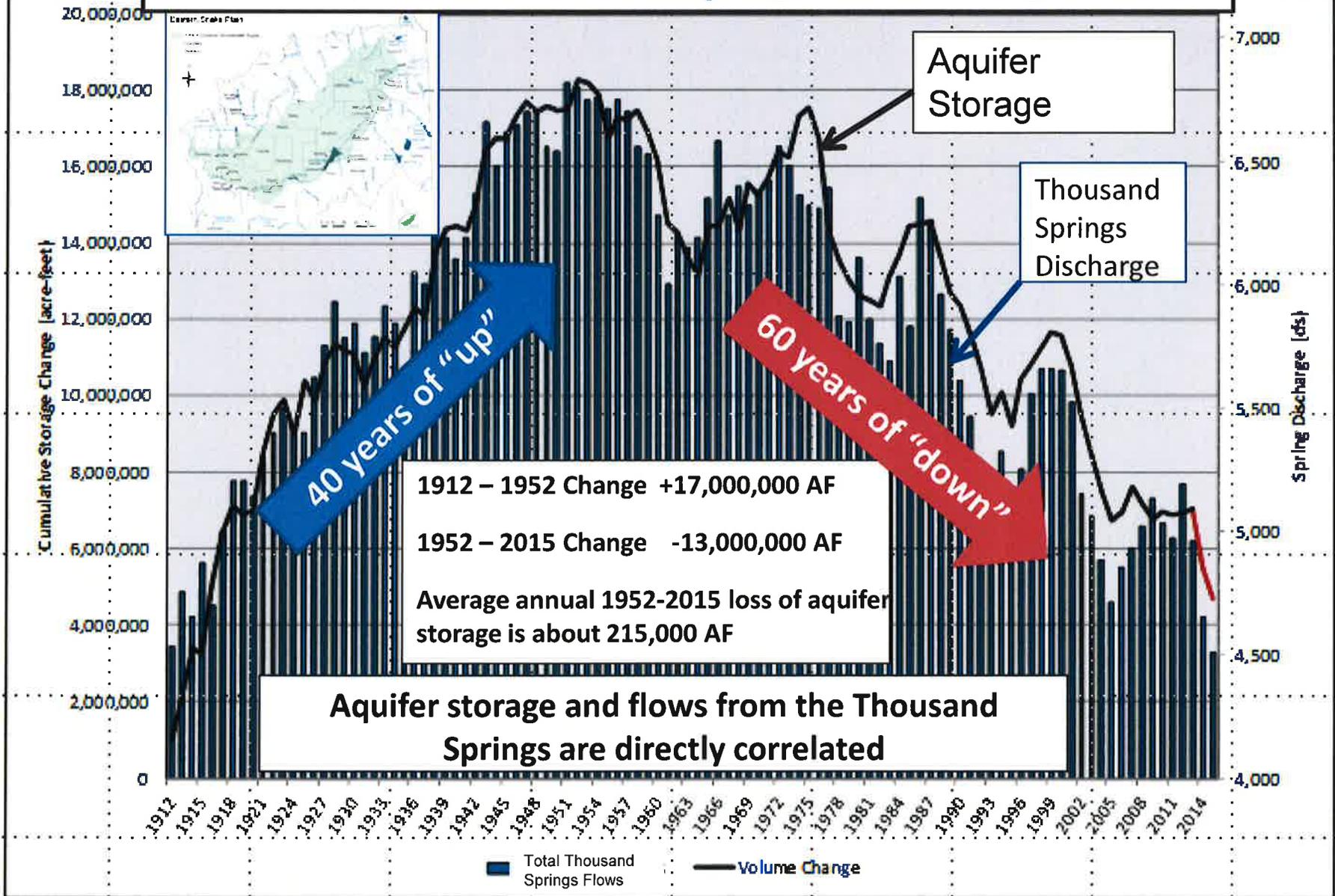


Why So Much Emphasis on Snake River and Aquifer?

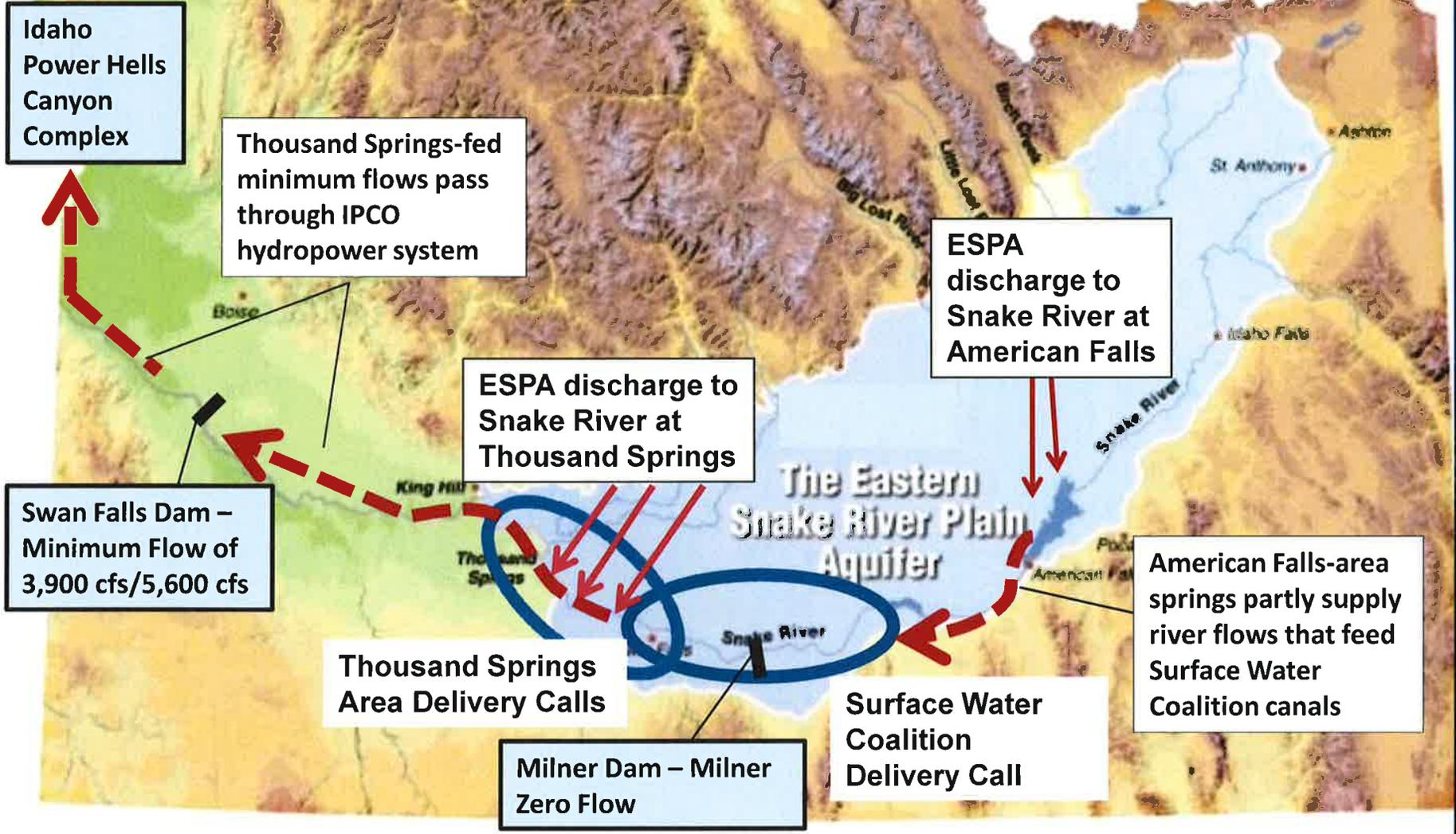
Snake River & aquifer system is at crisis stage



Volume Change of Water Stored Within the Eastern Snake Plain Aquifer and Thousand Springs Total Discharge



Combined System



Economic Value

- Eastern Snake Plain region accounts for about 1/3rd of Idaho's economy
- Curtailments due to Rangen or SWC delivery calls may have significant adverse economic effects



Aquifer Recharge – What We Have Done

•Winter 2014 – 2015

- ✓ Recharged 75,000 acre-feet
- ✓ Recharged every day of winter (Oct. 24 to Mar. 4)
- ✓ Spilled 320,000 acre-feet downriver

•Winter 2015-2016

- ✓ Recharged 36,000 acre feet as of February 2
- ✓ Recharged every day of winter so far starting on Oct. 23
- ✓ Spilled 86,000 acre-feet downriver to date
- ✓ Building capacity

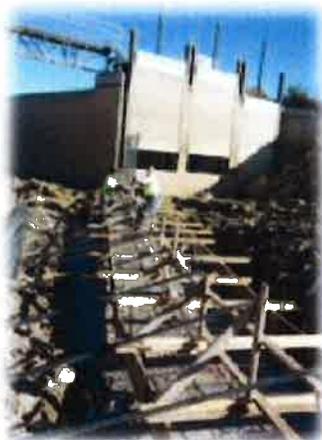
How to Get Water Into the Ground?

- Use unlined canals that divert from river and cross the plain
- Most cost effective way to divert & recharge large volumes of water
- Contract with canal companies & irrigation districts to carry water to recharge
- Creates public/private partnership & outsources work to canal companies
- Supplement with spreading basins

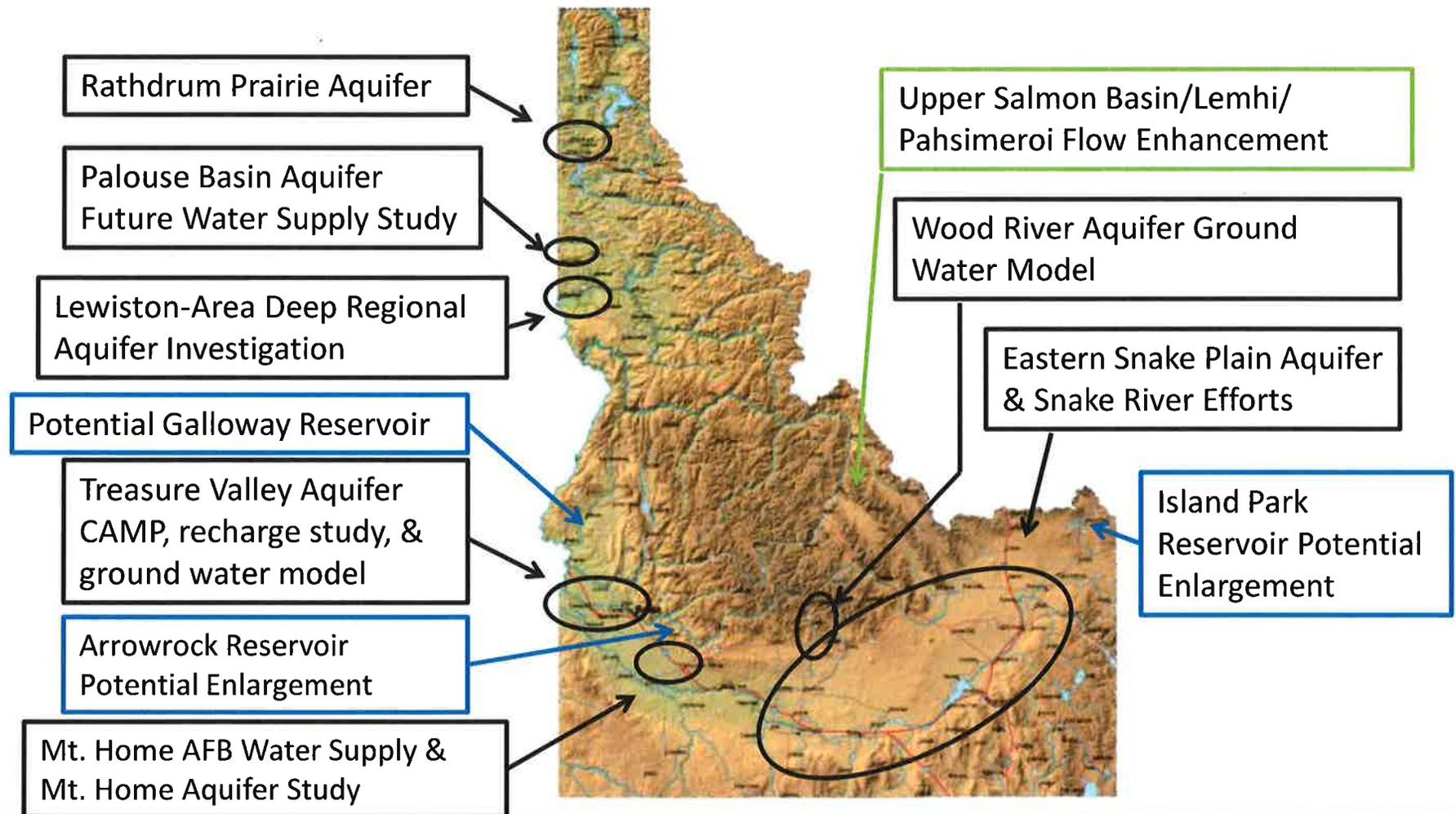


Aquifer Recharge

- Have approximately \$3.7 million in recharge capacity improvement projects underway
- Anticipate about \$8 million under construction next winter and \$10 million the following winter
- Even using existing canals, substantial improvements are needed to carry winter recharge water



Water Sustainability Projects Statewide



Loans for Water Projects

- In FY 2015 the IWRB approved 9 loans totaling \$9.31 million
- Significant projects include:
 - ✓ A&B pump station & pipeline
 - ✓ Last Chance Diversion Dam replacement
 - ✓ Rangen Pipeline
 - ✓ Others



New pump station under construction at A&B Irrigation District, January 2016

Aquifer Recharge

- SW Flow Monitoring
- GW Level Monitoring
- GW & SW Quality Monitoring



Water Sustainability Funding

- Commitment to water sustainability is forever
- Recharge must be ongoing to keep aquifers in balance



Water Sustainability

Working together we
can make this happen!



Water Sustainability Funding

- \$16.5M one-time General Fund appropriation
- \$5M Ongoing General Fund appropriation
- Discontinue \$5M cigarette tax distribution at end of FY 2016

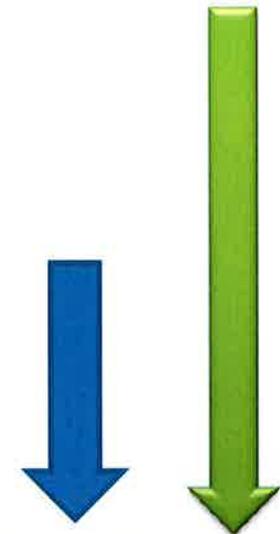
Water Sustainability Funding – ESPA Aquifer Recharge

Fiscal Year	Projected Fiscal Year Beginning Balance	Projected Income (Gov. Revised Budget)	Projected Expenditures (accelerated schedule)	Projected Fiscal Year End Balance
2017	\$2M	<ul style="list-style-type: none"> •\$5M cigarette tax rec'd in FY16 •\$5M ongoing •\$16.5M one-time •\$4M GWD interim loan payment 	<ul style="list-style-type: none"> •\$7.8M construction •\$0.9M O&M •\$1.0M other aquifers 	\$22.8M
2018	\$22.8M	\$5M ongoing	<ul style="list-style-type: none"> •\$10.2M construction •\$1.1M O&M •\$1.0M other aquifers 	\$15.5M
2019	\$15.5M	\$5M ongoing	<ul style="list-style-type: none"> •\$8.0M construction •\$1.3M O&M •\$1.0M other aquifers 	\$10.2M
2020	\$10.2M	\$5M ongoing	<ul style="list-style-type: none"> •\$7.9M construction •\$1.4M O&M •\$1.0M other aquifers 	\$4.9M
2021	\$4.9M	\$5M ongoing	<ul style="list-style-type: none"> •\$6.8M construction •\$2.0M O&M •\$1.0M other aquifers 	\$0.1M

ESPA Recharge – Estimated Project Schedule

Fiscal Year	Project	Estimated Costs
2016	<ul style="list-style-type: none"> •Winter flow protection in Milner-Gooding Canal •Egin Bench new recharge canal •Great Feeder Canal recharge improvement 	\$2.2M \$1.0M <u>\$0.5M</u> \$3.7M
2017	<ul style="list-style-type: none"> •Winter flow protection in North Side Canal •Milner-Gooding Canal MP31 Recharge Site Expansion •Engineering future years projects •Contingency 	\$5.0M \$0.5M \$0.7M <u>\$1.6M</u> \$7.8M
2018	<ul style="list-style-type: none"> •SWID Pipeline winter flow modification •Milner-Gooding MP29/30 area recharge sites •Wood River recharge site •Additional capacity in Blackfoot-area canals •Engineering future years projects •Contingency 	\$3.8M \$2.3M \$0.4M \$0.5M \$0.8M <u>\$2.4M</u> \$10.2M

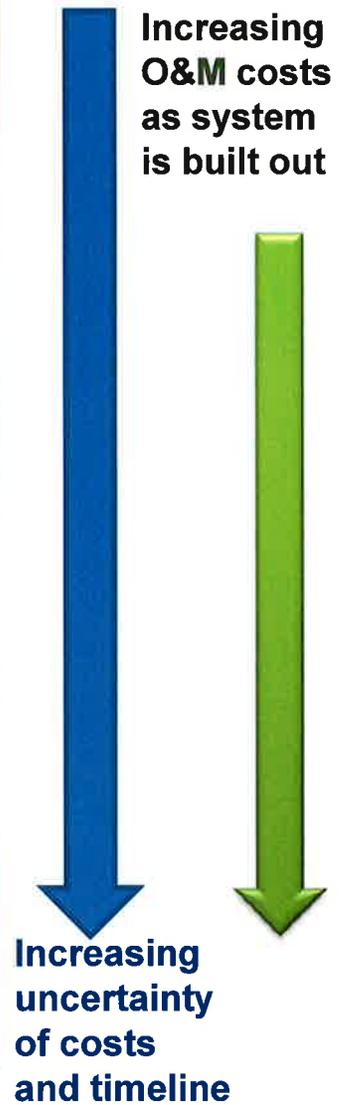
Increasing O&M costs as system is built out



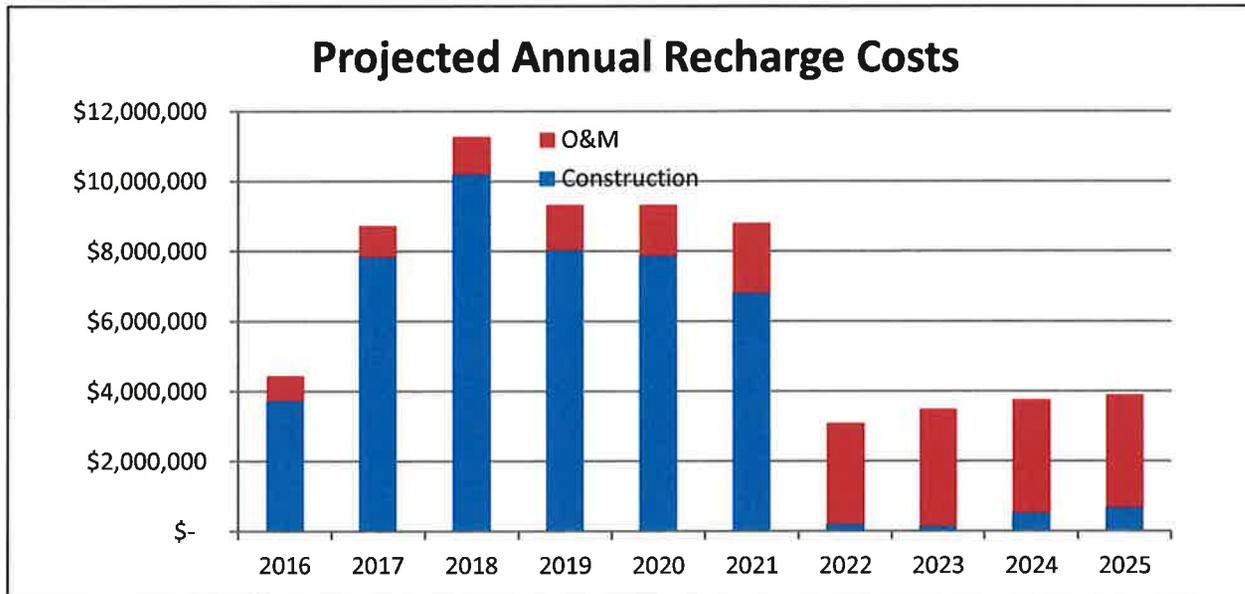
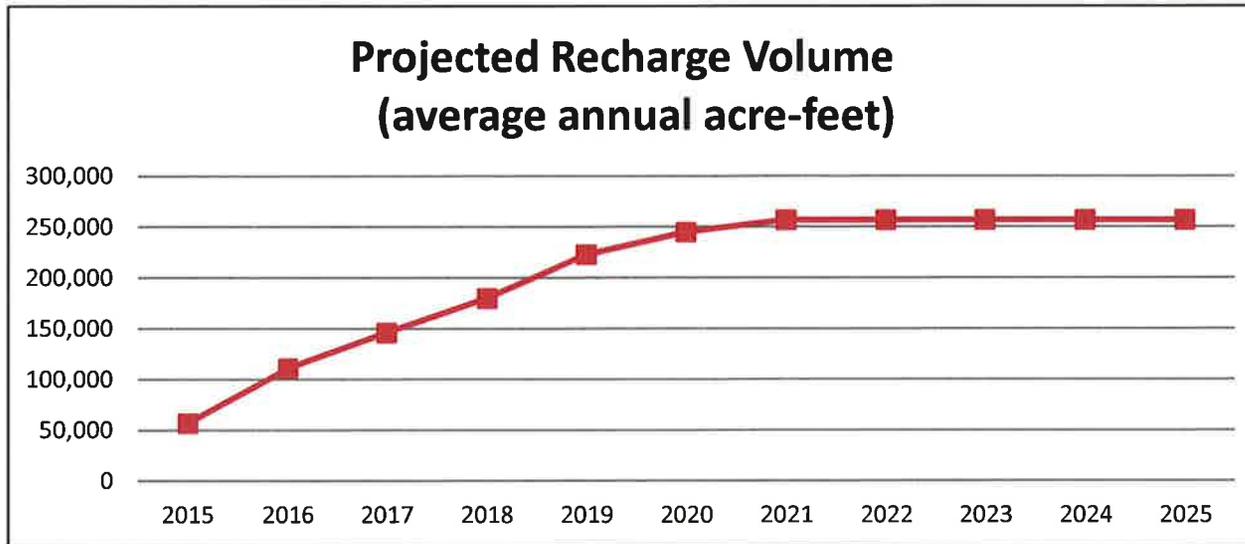
Increasing uncertainty of costs and timeline

ESPA Recharge – Estimated Project Schedule

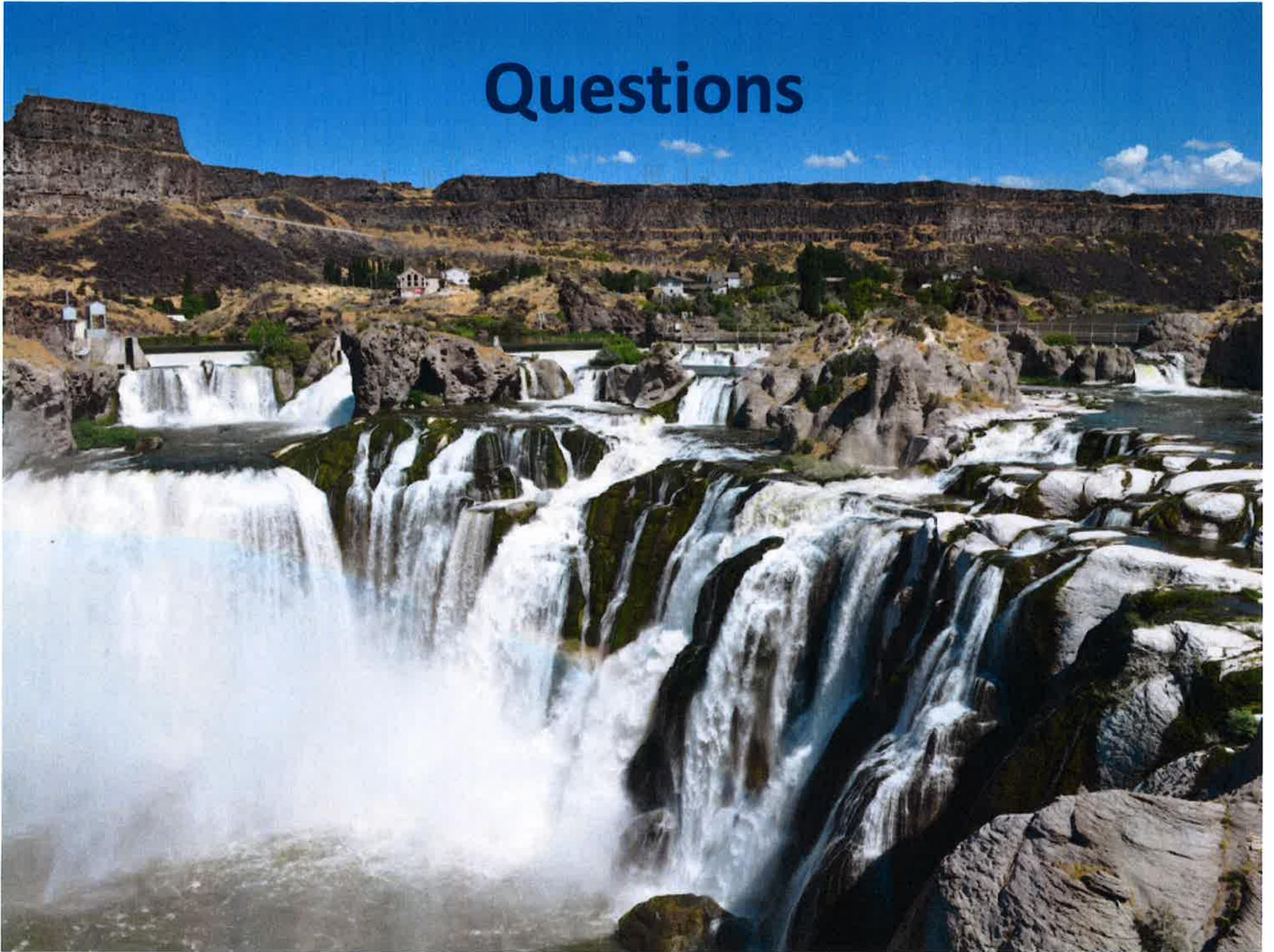
Fiscal Year	Lower Basin	Estimated Costs
2019	<ul style="list-style-type: none"> •Recharge facility on A&B pipeline •North Side Canal Wilson Canyon recharge sites •Recharge facilities in Idaho, South Fork, and Blackfoot-area canals •Engineering future years projects •Contingency 	\$1.8M
		\$2.3M
		\$1.4M
		\$0.6M
		<u>\$2.2M</u>
		\$8.0M
2020	<ul style="list-style-type: none"> •Pump to recharge project •Recharge facility expansion in Aberdeen-Springfield Canal •Facility repairs/replacements •Contingency 	\$4.5M
		\$0.9M
		\$0.6M
		<u>\$1.9M</u>
		\$7.9M
2021	<ul style="list-style-type: none"> •Pump to recharge project •Facility repairs/replacements •Contingency 	\$4.5M
		\$0.6M
		<u>\$1.7M</u>
		\$6.8M



ESPA Recharge (Accelerated Schedule)



Questions



Alternative Water Sustainability Funding – ESPA Aquifer Recharge

- \$2.5M one-time General Fund appropriation
- \$5M Ongoing General Fund appropriation
- Continue \$5M cigarette tax distribution
 - Declining source of revenue

Alternative Water Sustainability Funding – ESPA

Aquifer Recharge

Fiscal Year	Projected Fiscal Year Beginning Balance	Projected Income (Gov. Revised Budget)	Projected Expenditures (accelerated schedule)	Projected Fiscal Year End Balance
2017	\$2M	<ul style="list-style-type: none"> •\$5M cigarette tax rec'd in FY16 •\$5M ongoing •\$2.5M one-time •\$4M GWD interim loan payment 	<ul style="list-style-type: none"> •\$7.8M construction •\$0.9M O&M •\$1.0M other aquifers 	\$8.8M
2018	\$8.8M	<ul style="list-style-type: none"> \$5M ongoing \$5M cigarette tax rec'd in FY17 	<ul style="list-style-type: none"> •\$10.2M construction •\$1.1M O&M •\$1.0M other aquifers 	\$6.5M
2019	\$6.5M	<ul style="list-style-type: none"> \$5M ongoing \$5M cigarette tax rec'd in FY18 	<ul style="list-style-type: none"> •\$8.0M construction •\$1.3M O&M •\$1.0M other aquifers 	\$6.2M
2020	\$6.2M	<ul style="list-style-type: none"> \$5M ongoing \$4M cigarette tax rec'd in FY19 	<ul style="list-style-type: none"> •\$7.9M construction •\$1.4M O&M •\$1.0M other aquifers 	\$4.9M
2021	\$4.9M	<ul style="list-style-type: none"> \$5M ongoing 	<ul style="list-style-type: none"> •\$6.8M construction •\$2.0M O&M •\$1.0M other aquifers 	\$0.1M