

Memorandum



To: Idaho Water Resource Board
From: Cynthia Bridge Clark and Emily Skoro
Date: March 5, 2021
Re: Boise River Feasibility Study & Anderson Ranch Dam Raise

The following is a status report on the Boise River Feasibility Study (study) and the Anderson Ranch Dam Raise alternative. Staff will provide a more detailed update at the March regular IWRB meeting.

Project Concept

To help address future water needs in the Treasure Valley and southwest Idaho, the Idaho Water Resource Board (IWRB) partnered with the Bureau of Reclamation (Reclamation) to complete a feasibility study of new surface water storage within the Boise River Drainage (study). The study initially included an evaluation of small raises of the three large dams on the Boise River system (Anderson Ranch, Arrowrock, and Lucky Peak Dams) and was later focused on a raise of Anderson Ranch Dam. The concept recommended in Reclamation's Final Feasibility Study is a 6-foot dam raise resulting in approximately 29,000 acre-feet of storage capacity.

The study was authorized under the Water Infrastructure Improvements for the Nation Act (WIIN Act, P.L. 114-322). General requirements under the WIIN Act include:

- Continuing authority only applies to projects determined to be feasible before January 1, 2021. Additionally, projects can only receive federal funds if the project is designated by name in Federal appropriations legislation.
- Reclamation must secure agreement(s) with project partner(s) providing for upfront funding of the non-Federal share of the capital costs, or post-authorization costs, of the project.
- The WIIN Act requires the project to be under construction by December 16, 2021. The term "construction", as defined by Reclamation, means the designing, materials engineering and testing, surveying, and building of water storage including additions to existing water storage and construction of new storage facilities, exclusive of any Federal statutory or regulatory obligations relating to any permit, review, approval, or other such requirement. Reclamation is currently clarifying the details of this requirement.

In 2019, the Idaho Legislature passed House Joint Memorial 4 (HJM004) and House Bill No. 285 (HB285). HJM004 was passed to support the raising of Anderson Ranch Dam as one of the priorities for the State of Idaho in the interest of promoting additional water security. HB285 provided a \$20,000,000 General Fund transfer to the IWRB's Water Management account to address the fiscal impact of HJM004.

Project Status

Final Environmental Impact Statement/Final Feasibility Study/Record of Decision

Reclamation issued a Draft Environmental Impact Statement (DEIS) and Draft Feasibility Report (DFR) on July 31, 2020. The DEIS and DFR identified a 6-foot raise of Anderson Ranch Dam as the preferred alternative. In

October 2020, Reclamation submitted the Final Feasibility Report (FFR) for feasibility determination. In December 2020, the Secretary of the Interior determined the study's recommended plan to be feasible in accordance with the WIIN Act. Reclamation plans to release the Final Environmental Impact Statement (FEIS) in the spring of 2021 and to issue its decision on the alternatives presented in the FEIS in a Record of Decision (ROD) in the summer of 2021.

IWRB/Reclamation Contracting

In accordance with resolution no. 19-2020, passed by the IWRB on November 19, 2020, IWRB will enter into an agreement or contract with Reclamation for construction of the raise, use of water, and operations and maintenance for the new storage. This includes providing for all of the upfront funds necessary to pay the non-federal share of the project costs. When allocating the non-federal portion of the space, the IWRB will enter into sub-contracts with interested water users.

Reclamation will not begin formal contract negotiations until after the ROD is issued and must receive authorization to negotiate with the IWRB through a Basis of Negotiation (BON). Reclamation staff is preparing the BON and coordinating with IDWR/IWRB staff as needed. IDWR staff is actively developing the contract framework in preparation for negotiations. In addition, terms of the agreement will influence the sub-contracts with water users; therefore, the IWRB will work closely with water users in preparation of the agreement.

Contracting New Storage Space - Water User/IWRB Contracting

The IWRB anticipates entering into sub-contracts with water users interested in the new storage space. Staff is developing a water user contract solicitation process to facilitate open and transparent coordination with potential spaceholders. This may be issued as a request for proposals (RFP) to the public that will provide details about project development, costs, and spaceholder contract terms. Staff is currently working to clarify project details and criteria for the solicitation process in coordination with the IWRB and the public. As an information gathering exercise, staff released a survey to water users to develop a better understanding of water user's expectations, interests, and financial capabilities. This information will help the IWRB develop a contracting process and inform discussions with Reclamation. The water user survey results will be discussed during the March IWRB meeting.

Project Financing and Financial Advisor

There are several options for financing the Anderson Ranch Dam raise, though the IWRB anticipates issuing bonds to help fund the non-Federal portion of the project costs. Given the aggressive timeline to develop a plan for financing the project, in coordination with interested water users, staff has contracted with Municipal Capital Markets Group, Inc. to analyze the financing alternatives available to the IWRB and to coordinate with all parties, including bond counsel.

Water Right

The IWRB filed a water right permit application on June 7, 2019 for the additional 29,000 AF of storage water that a 6-foot dam raise would generate (Water Right Number 63-34753). A number of protests to the application were filed and preliminary discussion meetings were held with the protestants to better understand the basis of each protest and to discuss the details of the project. Additional project information is now available with the publication of the Feasibility Study and DEIS. Staff will continue discussions with the protestants throughout the spring and summer.

Tentative Schedule -The following is an estimated timeline for milestones in the next 12-months:

12-Month Milestones

Date

Reclamation FEIS Release	Spring 2021
Reclamation Issue ROD	Summer 2021
Water User Contract Coordination	Summer/Fall 2021
Execute Reclamation/IWRB Water Use Contract	Fall 2021
Initiate Construction (Project Final Design)	Fall 2021
WIIN Act Expiration	December 16, 2021

ATTACHMENTS

1. Bureau of Reclamation – Project Update Memo



United States Department of the Interior

BUREAU OF RECLAMATION

Snake River Area Office

230 Collins Road

Boise, ID 83702-4520



IN REPLY REFER TO:

SRA-1308

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VIA ELECTRONIC MAIL ONLY

Mr. Jeff Raybould
Chairman
Idaho Water Resource Board
322 East Front Street
Boise, ID 83702

Ms. Melanie Paquin
Area Manager
Snake River Area Office
230 Collins Road
Boise, ID 83702

Subject: Boise River Basin Feasibility Study / Anderson Ranch Dam Raise Status Update,
Boise Project, Idaho

Dear Mr. Raybould and Ms. Paquin:

This status update is being sent in preparation for the Idaho Water Resource Board (IWRB) meeting on March 18, 2021.

The IWRB and Reclamation have partnered to complete a feasibility study of new surface water storage options on the Boise River (Study). Authorized under Water Infrastructure Improvements for the Nation (WIIN) Act of 2016, the Study focuses on a 6-foot raise of Anderson Ranch Dam in Idaho, resulting in approximately 29,000 acre-feet of new storage space.

Current Status

Recent project activities include:

- Developing and evaluating a plan to mitigate for a potential reservoir restriction during construction.
- Information-sharing about the Study's cost allocation methodology.

Ongoing project activities include:

- Reclamation and IWRB project sub-team are coordinating to plan water right and water contracting processes.

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Completed Key Milestones

Nov. 2017 – Jan. 2019	Reclamation completed initial screening of the three potential dam raise alternatives and developed a project management plan.
July 27, 2018	IWRB passed a resolution supporting the narrowed focus of the Study to a raise at Anderson Ranch Dam.
August 28, 2018	Reclamation and IWRB hosted a Legislative Infrastructure Tour to discuss large water infrastructure projects in Idaho with representatives from Idaho's Congressional delegation.
November 8, 2018	Reclamation and IWRB hosted an informational public open house on the Study in Boise, Idaho.
December 3-7, 2018	Reclamation conducted a Value Planning Study with a final Accountability Report received in February 2019.
December 25, 2018	Reclamation awarded an Indefinite Delivery/Indefinite Quality contract for architect and engineering services to Sundance-EA Joint Venture (Consultant) to complete the Study and environmental compliance activities.
April 30, 2019	Consultant submitted land, structure, infrastructure, and real estate impact assessment (Rim Analysis) for Anderson Ranch Reservoir.
June 7, 2019	IWRB filed a water right permit application for the potential additional storage (Water Right No. 63-34753).
June 19, 2019	Reclamation's Technical Service Center completed feasibility-level design and cost estimates completed for Anderson Ranch Dam raise.
August 9, 2019	Reclamation published the Notice of Intent for an EIS in the Federal Register.
August 27-29, 2019	Reclamation conducted Public Scoping Open Houses in Pine, Boise, and Mountain Home, Idaho.
February 3-7, 2020	Reclamation completed the Design, Estimate, and Construction review of the feasibility-level designs.
April 6-10, 2020	Reclamation completed the Peer Review of the Water Operations Technical Memorandum.
July 31, 2020	Reclamation released the DEIS and Draft Feasibility Report.
October 30, 2020	Reclamation initiated formal Endangered Species Act consultation with NOAA Fisheries and submitted its biological assessment.
December 2020	The Secretary of the Interior determined the Study's recommended plan to be feasible in accordance with the WIIN Act.
December 2020	Reclamation transmitted the Final Feasibility Report to Congress.

December 2020 Fiscal Year 2021 Appropriations legislation secured \$12.88 million in WIIN Act funding for completing the Study, environmental compliance and construction.

Key Critical Path Milestones

Spring / Summer 2021	Reclamation Technical Service Center Design Service Agreement
Winter/Spring 2021	Receive USFWS and NOAA Fisheries Biological Opinions
Spring 2021	Publish Final EIS
Summer 2021	Issue Record of Decision
Fall 2021	Initiate construction activities

Thank you for this opportunity to provide an update on the Boise River Basin Feasibility Study Project. If you have any questions, please contact me at 208-378-5360 or via email at ckeith@usbr.gov

Sincerely,

**CHRISTOPHER
KEITH**

Chris Keith
Project Manager

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CHRISTOPHER KEITH
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