

CITY OF KETCHUM  
RESOLUTION NO. 22-017

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KETCHUM, BLAINE COUNTY, STATE OF IDAHO, MAKING CERTAIN FINDINGS; AUTHORIZING THE MAYOR TO SIGN ON BEHALF OF THE CITY OF KETCHUM THE BIG WOOD RIVER GROUND WATER MANAGEMENT AREA ADVISORY COMMITTEE GROUNDWATER MANGAMENT PLAN TERM SHEET; AUTHORIZING COUNSEL FOR THE CITY OF KETCHUM TO APPROVE AS TO FORM AND CONTENT THE CITIES/SVWSD/SVC TERM SHEET RE: BIG WOOD RIVER GWMA MANAGEMENT PLAN; DIRECTING THE CITY CLERK; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by the City Council of the City of Ketchum, Blaine County, State of Idaho:

**Section 1. Findings**

The City Council finds that a management plan has been negotiated for the Big Wood River Ground Water Management Area by the various parties holding ground water rights and surface water rights in the Management Area; that the Plan includes a term sheet designated the Cities/SVWSD/SVC Term Sheet Re: Big Wood River GWMA Management Plan that requires certain contributions from the City to funds that will enhance conservation and water supply in the Management Area; that the Plan will be in effect for a period of three years; that approval of the Plan by the City will protect the City's water supply from possible curtailment during the term of the Plan; and that it is in the best interests of the City to approve the Big Wood River Ground Water Management Plan and the Cities/SVWSD/SVC Term Sheet.

**Section 2. Authorizing the Mayor and Counsel for the City of Ketchum**

The Mayor is hereby authorized to sign the Big Wood River Ground Water Management Area Advisory Committee Groundwater Management Plan Term Sheet on behalf of the City of Ketchum. Brian T. O'Bannon is authorized to sign as counsel for the City of Ketchum the approval of the Cities/SVWSD/SVC Term Sheet as to form and content.

**Section 3. Directing the City Clerk**

The City Clerk is hereby directed to file this Resolution forthwith in the official records of this City.

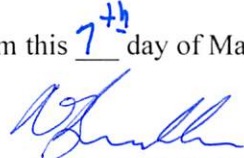
**Section 4. Effective Date**

This resolution shall be in full force and effect upon its passage.

PASSED AND ADOPTED by the Council of the City of Ketchum this 7<sup>th</sup> day of March, 2022.

ATTEST

  
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Tara Fenwick, City Clerk

  
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Neil Bradshaw, Mayor  
City of Ketchum

**CITIES/SVWSD/SVC TERM SHEET RE:  
BIG WOOD RIVER GWMA MANAGEMENT PLAN**

This term sheet describes participation in a management plan for the Big Wood River Ground Water Management Area (“GMWA”) by the Cities of Bellevue, Hailey, and Ketchum (collectively, the “Cities”), Sun Valley Water & Sewer District (“SVWSD”), and Sun Valley Company (“SVC”) for a term of three years, upon which the plan shall be reevaluated by the parties. For purposes of Paragraph 10 below, the parties (“Parties”) to this term sheet are Cities, SVWSD, SVC, Big Wood Canal Company (“BWCC”), and the Big Wood and Little Wood Waters Users Association (“BWLWWUA”). This term sheet shall be part of a GWMA Management Plan (“GWMA Plan”) for Basin 37 and is not effective unless a GWMA Plan is adopted by the Director of IDWR. The Cities, SVWSD, and SVC do not waive any claims or defenses with respect to their respective water rights or water uses or their potential groundwater pumping impacts on surface waters.

This term sheet addresses the Cities’, SVWSD’s, and SVC’s contributions to the GWMA Plan only for the Cities’ and SVWSD’s municipal water rights and SVC’s commercial water right for snowmaking at River Run. A list of these water rights is included as Attachment 1. The Cities of Hailey and Ketchum are members of the Galena Ground Water District with respect to their irrigation water rights, and their irrigation under those rights would be addressed in any GWMA Plan applicable to Galena Ground Water District. Pursuant to Idaho Code Section 42-233b, the Cities’, SVWSD’s, and SVC’s non-irrigation water rights will not be subject to administration on a time priority basis so long as the Cities, SVWSD, and SVC are in compliance with an approved groundwater management plan.

Aside from naturally occurring low snowpack and low runoff events, surface water diversions and agricultural irrigation groundwater pumping are the largest contributors to streamflow reductions in the Big Wood River, Silver Creek, and the Little Wood River. The Cities’, SVWSD’s, and SVC’s pumping under their respective non-irrigation groundwater rights represents a small fraction of total groundwater pumping in the GWMA according to the Wood River Valley Groundwater Flow Model v. 1.1. These figures are summarized in Table 1 below:

<b>Table 1</b>			
<b>Area/Entity</b>	<b>2016-2021 Average Annual GW Pumping (Acre Feet)</b>	<b>% of GWMA Model Domain</b>	<b>Source</b>
<b>Total GWMA Pumping (1995-2014)</b>			
WRV1.1 Model Area	47,525	--	Irr season GW CU / on-farm efficiency + Nov-Mar pumping
<b>Non-Irrigation Pumping by SVC, Cities, and SVWSD (2016-2020)</b>			
Sun Valley Company	270.82	0.6%	WMIS No. 1000705
City of Bellevue	377.43	0.8%	WMIS Nos. 1000846, 1000847

City of Ketchum	3137.36	6.8%	WMIS Nos. 1000862, 1000863, 1000864, 1000865, 1000901, 1003175
City of Hailey	1606.62	3.4%	WMIS Nos. 1000850, 1000852, 1001308, 1001309, 1001310, 1001311
SVWSD	3101.22	6.5%	WMIS Nos. 1000868, 1000869, 1000870, 1000871, 1000872, 1000873, 1000874, 1000875, 1000883, 1001247, 1001267, 1001268, 1001346
<b>Total</b>	<b>8493.45</b>	<b>17.9%</b>	

After discussions with BWCC and BWLWWUA, there is consensus that there are few opportunities available at this time for the Cities, SVWSD, and SVC to mitigate their groundwater pumping impacts to the Big Wood River. The Cities, SVWSD, and SVC agree that limiting or reducing their groundwater diversions (and consumptive use) should be promoted to the extent practicable. After consultation with BWCC and BWLWWUA, the Cities, SVWSD, and SVC will participate in a GWMA Plan as follows:

1. Starting in 2022, and every year thereafter, by January 31 for the three-year term of the GWMA Plan approved by the Director of IDWR, the Cities, SVWSD, and SVC each will contribute \$10 per acre-foot<sup>1</sup> of their average annual non-irrigation groundwater diversions (based on a 5-year rolling average of prior diversions) to an account known as the Conservation and Infrastructure, Efficiency Fund (“CIEF Fund”), as more broadly described in the GWMA Plan. The monies contributed to the CIEF Fund by the Cities, SVWSD, and SVC should be used for infrastructure improvements and other permanent measures and may be used for purchasing storage water. The first year’s payment shall be based on the pumping volumes described in Table 1, above. Table 1 shall be updated annually to account for a continuing 5-year rolling average of prior diversions. When the Cities, SVWSD, and SVC make their contribution, they shall also provide to the GWMA Advisory Committee and the CIEF Fund Committee a short report detailing the Cities’, SVWSD’s, and SVC’s respective non-irrigation rights and the measured withdrawals associated with those rights for the prior five years in order to explain the financial contribution to the CIEF Fund.
2. Any projects or storage water purchases funded by the monies contributed to the CIEF Fund by the Cities, SVWSD, and SVC, as described above, shall be approved by the CIEF Fund Committee. The CIEF Fund Committee shall be comprised of an equal number of surface water right holders and ground water right holders in the Water District 37 who are

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<sup>1</sup> This \$10 per acre-foot figure is based on a proposal by Carl Pendleton. The Cities, SVWSD, and SVC understand that \$10 per acre foot is the average annual amount Big Wood Canal Company shareholders pay in annual assessments based on reservoir releases.

elected/appointed in accordance with the bylaws of the CIEF Fund Committee.

3. For the three-year term of the GWMA Plan, Cities, SVWSD, and SVC will annually contribute \$3.60 per AF<sup>2</sup> of their respective average annual non-irrigation groundwater diversions (based on a 5-year rolling average of prior diversions) to cloud seeding projects undertaken by Idaho Power that directly benefit the Big Wood River Basin, which funds will be used only for specific cloud seeding projects approved by the Committee (in consultation with Idaho Power and IDWR);
4. Cities', SVWSD's, and SVC's contributions to the CIEF Fund and cloud seeding projects shall be recalculated each year based on the prior 5-year rolling average of non-irrigation groundwater diversions according to WMIS data or other data deemed reliable by the Committee;
5. Cities and SVWSD will continue to implement water conservation measures they deem reasonable and appropriate under their respective circumstances, such as, but not limited to: (i) promoting connection to municipal water systems for uses otherwise authorized under I.C. § 42-111; (ii) adopting tiered rate structures to incentivize less water use; (iii) imposing timing and other restrictions for residential irrigation; (iv) enacting ordinances with maximum lot size and irrigated area targets for new development; and (v) approving development-specific conservation requirements;
6. Cities, SVWSD, and SVC will schedule a meeting with local environmental groups within 60 days of a full GWMA Plan being approved by the Director to investigate potential additional water conservation measures that could be implemented;
7. Cities, SVWSD, and SVC will investigate potential recharge projects to benefit the Big Wood River above Magic Reservoir, which projects may utilize existing water rights held by the Cities, SVWSD, and SVC as well as potential new appropriations of excess Big Wood River flows (i.e. flows existing in years that Magic Reservoir fills and/or releases water for flood control);
8. Cities', SVWSD's, and SVC's contributions to the CIEF Fund must be re-evaluated each year by the Committee to ensure that future contributions are necessary for the purposes set forth in paragraph 2 above;

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<sup>2</sup> This \$3.60 per acre-foot figure is based on information provided by Idaho Power on the average cost per acre-foot of water produced from its cloud seeding program.


9. Cities, SVWSD, and SVC shall not be required to contribute to the CIEF Fund or cloud seeding projects following the termination of any GWMA Plan these terms are incorporated into;
10. Pursuant to Idaho Code Section 42-233b, Idaho Code Section 42-237a.g., and the *Rules for Conjunctive Management of Surface and Ground Water Resources*, IDAPA 37.03.11, the Parties agree that so long as the Cities, SVWSD, and SVC are in compliance with the measures set forth in this term sheet, the Cities', SVWSD's, and SVC's non-irrigation water rights will not be subject to delivery calls or administration on a time priority basis; and
11. Subsequent to any termination of a GWMA Plan these terms are incorporated into, Cities, SVWSD, and SVC shall proportionally be entitled to seek credit (as determined by IDWR) in the event of water rights administration or delivery calls for every additional acre-foot of water capable of delivery to senior surface water users attributable to cloud seeding they funded or infrastructure improvements or other permanent measures funded by the CIEF Fund. At such time a credit is requested, any party is entitled to contest the credit being awarded with the determination by IDWR in their sole discretion.

The Cities, SVWSD, and SVC shall be subject to the terms set forth above only upon their incorporation into a GWMA Plan approved by the Director of IDWR. No party shall be bound by this term sheet upon its termination on December 31, 2024.

The effective date of this term sheet is January 20, 2022.

*Signatures Of Counsel On Following Page*

Approved as to form and content by counsel for the Parties.

 1/27/2022  
\_\_\_\_\_  
Chris M. Bromley                      Date  
*Attorney for Sun Valley Company*

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J. Evan Robertson                      Date  
*Attorney for Sun Valley Water & Sewer Dist.*

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Michael P. Lawrence                      Date  
*Attorney for City of Hailey*

\_\_\_\_\_  
Candice M. McHugh                      Date  
*Attorney for City of Bellevue*

\_\_\_\_\_  
Brian T. O'Bannon                      Date  
*Attorney for City of Ketchum*

\_\_\_\_\_  
Chase T. Hendricks                      Date  
*Attorney for Big Wood &  
Little Wood Water Users Assn.*

\_\_\_\_\_  
W. Kent Fletcher                      Date  
*Attorney for Big Wood Canal Company*