

North Fremont Canal Systems, Inc.
Canal Lining Project

Small Scale Water Efficiency WaterSMART Grant Proposal 2022
Funding Opportunity Number: R22AS00195



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Attachment A-Figure 4, Henry’s Fork Reservoirs, and service area (irrigated acres)

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North Fremont Canal Systems, Inc. Canal Lining Project

Small-Scale Water Efficiency Projects FY 2022

Technical Proposal and Evaluation Criteria

Executive Summary

Applicant Info

Date: April 25, 2022

Applicant Name: North Fremont Canal Systems, Inc.-Category A Applicant

City, County, State: Saint Anthony, Fremont, Idaho

Project Manager:

Name: Aaron Dalling

Phone: 208-624-3381

Email: aaron.fmid@myidahomail.com

Project Funding Request: Small Scale Water Efficiency Projects- Total Cost \$103,000.00. North Fremont Canal Systems, Inc. is requesting 50% funding from Reclamation or \$51,500.00.

Project Summary

A one paragraph project summary that provides the location of the project, a brief description of the work that will be carried out, any partners involved, expected benefits and how those benefits relate to the water management issues you plan to address. This information will be used to create a summary of your project for Reclamation's website if the project is selected for funding.

North Fremont Canal Systems, Inc (NFCS) proposes to install 2,400 feet of geomembrane canal liner on the Marysville Lateral of their canal delivery system. This lining will be installed on a section of canal that has been identified as a key section with significant seepage loss and flood risk. The canal bank is made of material that is very permeable, leaving it prone to seepage, washout and potential flooding. This project will be another concrete step towards implementing an alternative in the 2015 Henry's Fork Basin Study that was coordinated and completed with the help of several partners including the Bureau of Reclamation (Reclamation). In the study, piping/lining on the NFCS system was identified as one of the most economical means of conserving water in the Henry's Fork Watershed based on the elimination of seepage loss.

State the length of time and estimated completion date for the proposed project (month/year). Note: Proposed projects shall not have a construction start date that is prior to March 31, 2023. See Section C.7. Construction Start Date Restrictions for additional information.

The desired start date for the project is October of 2023, however this will depend on whether grant funds are obtained. The desired project completion is December of 2023.

This project is not located on a federal facility.

North Fremont Canal Systems, Inc. Canal Lining Project

Project Location

Figure 5 (Attachment B) provides the geographic locations on a map.

Table 1. Location of Canal Lining Project

| Location Name | Latitude | Longitude | County/State |
|--------------------|---------------|----------------|---------------|
| Marysville Lateral | 44°04'01.84"N | 111°20'57.84"W | Fremont/Idaho |

Nearest Towns

The Location of the project on the Marysville Canal Lateral is 6 miles east of Ashton, Idaho.

Technical Project Description

Provide a more comprehensive description of the technical aspects of your project, including the work to be accomplished and the approach to complete the work. This description should provide detailed information about the project including materials and equipment and the work to be conducted to complete the project. This section provides an opportunity for the applicant to provide a clear description of the technical nature of the project and to address any aspect of the project that reviewers may need additional information to understand.

Please do not include your project schedule and milestones here; that information is requested in response to the Evaluation Criterion C—Implementation and Results. In addition, please avoid discussion of the benefits of the project, which are also requested in response to evaluation criteria. This section is solely intended to provide an understanding of the technical aspects of the project.

Please note, if the work for which you are requesting funding is a phase of a larger project, please only describe the work that is reflected in the budget and exclude description of other activities or components of the overall project.

NFCS proposes to install a geomembrane canal liner on 2,400 ft of the Marysville Canal Lateral. The project will include minimal earth work. Only sections with sediment deposits will need to be cleaned and shaped by heavy equipment to prepare for the liner. The liner will be installed above ground according to specifications. NFCS does not own construction equipment, therefore the entire project will be contracted out.

NFCS delivers water to over 500 diversions covering 31,539 acres. NFCS has relatively junior natural flow water rights which makes us highly dependent on storage water. This makes water conservation all the more important.

Table 2-Water Rights

| | Natural Flow (CFS) | Storage Water (AF) |
|------|--------------------|--------------------|
| NFCS | 384 | 29,564 |

Evaluation Criterion A—Project Benefits (35 points)

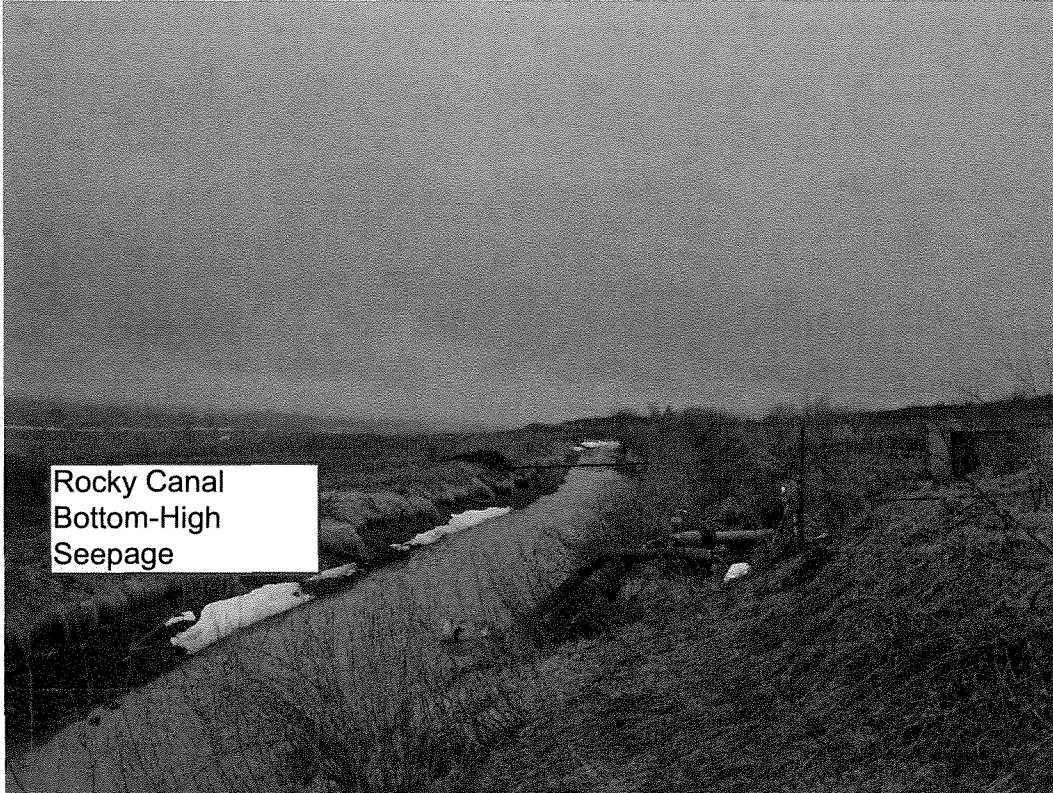
Up to 35 points may be awarded based upon evaluation of the benefits that are expected to result from implementing the proposed project. This criterion considers a variety of project benefits, including the significance of the anticipated water management benefits and the public benefits of the project. This criterion prioritizes projects that modernize existing infrastructure to address water reliability concerns, including making water available for multiple beneficial uses and resolving water related conflict in the region.

Benefits to the Category A Applicant's Water Delivery System: Describe the expected benefits to the Category A applicant's water delivery system. Address the following:

- *Explain the significance of the anticipated water management benefits for the Category A applicant's water delivery system and customers.*

The section of canal to be lined winds around a side-hill with significant elevation drop to the southeast. The canal bed is rocky, and the canal loses a significant portion of water (See Figure 1).

Figure 1-Marysville Canal-East End of Section to be lined



Based upon measurements with our Streampro Acoustic Doppler Current Profiler we are losing 9% in this 2,400-foot section of canal. The average diversion of the Marysville Canal Lateral over the last two years has been 24,311-acre feet. At 9% loss we are losing 2,188-acre feet per year. Additionally, because the canal is much higher in elevation than the land to the southeast there is significant flooding danger (See Figure2).

Figure 2-Marysville Canal-West End of Section to be Lined



Consider:

o Are customers not currently getting their full water right at certain times of year?

Yes, NFCS customers will likely not receive a full allocation to their storage space in 2022. This year it looks like NFCS will only receive a 50-60% allocation of storage water in Island Park and Grassy Lake Reservoirs. More than half of that is water we were able to carry over from 2021. This project will help us conserve water in the current year and allow us to carry additional water into subsequent dry years. If this project had been installed in previous years, we would have had more water available this year.

o Does this project have the potential to prevent lawsuits or water calls?

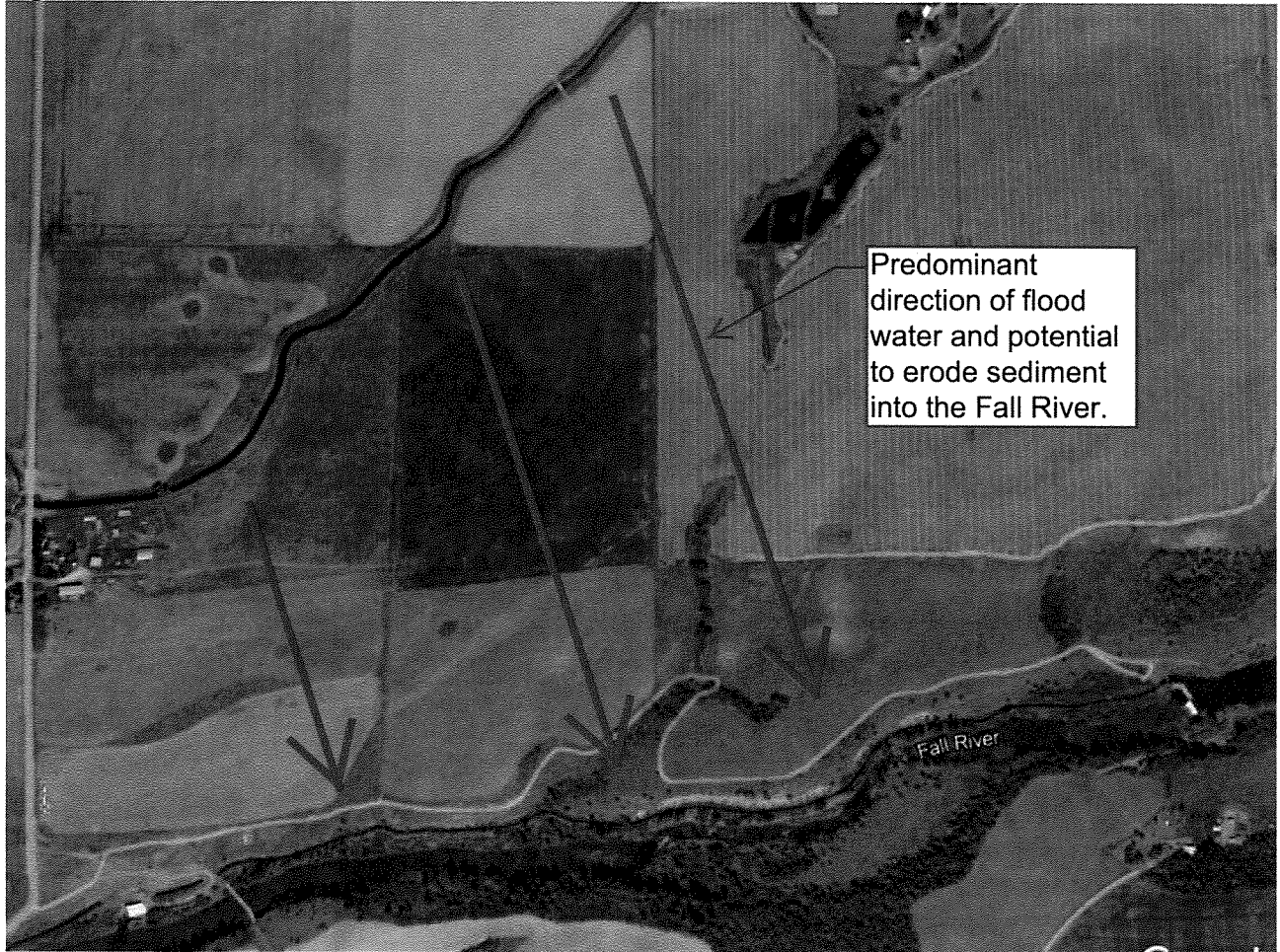
Yes, this project will result in a more efficient, timely and fair delivery of water to irrigators. As such it will prevent non-delivery lawsuits against the NFCS.

o What are the consequences of not making the improvement?

If this project is not implemented this section of canal will continue to lose a significant portion of water to seepage. There is also significant flood risk which will continue without this project. If the bank of the canal were to fail it would be difficult and time consuming to fix. This would result in thousands of acres going with out irrigation water, harming crop production and the local economy. Also, if the canal bank

fails the water will flow downhill across farmland until it returns to the Fall River. A flood would likely wash thousands of tons of sediment into the Fall River (See Figure 3).

Figure 3-Potential for Sediment Wash with Canal Breach



o Are customer water restrictions currently required?

Yes, in 2022 NFCS will likely only be able to deliver a 50-60% allocation of total storage water. It is likely several thousand acres within NFCS will sit fallow in 2022 due to a lack of irrigation water.

o Other significant concerns that support the need for the project.

Broader Benefits: Describe the broader benefits that are expected to occur as a result of the project. Consider:

Will the project improve broader water supply reliability at sub-basin or basin scale?

Yes, this project will benefit the Henry's Fork Watershed in addition to the entire Upper Snake River Watershed. Water rights in our area are administered by Water District 01 which reaches from Henry's Lake on the north to Milner Dam on the south and west. If we are able to implement this project, it will aid in efficient water management. If we use less water, it will benefit all junior water rights within Water District 01 or the Upper Snake River Basin.

• *Will the proposed project increase collaboration and information sharing among water managers in the region? Please explain.*

Yes, this project has instigated a working relationship with Fremont-Madison Irrigation District (FMID). We have been working with them to determine the current seepage losses and if funded will continue working with them to implement and evaluate the project.

• *Will the proposed project positively impacts/benefit various sectors and economies within the applicable geographic area (e.g., impacts to agriculture, environment, recreation, and tourism)? Please explain.*

Yes, this project will increase the water reliability for an irrigated agriculture economy that averages over 145 million in crop sales per year in Fremont County, Idaho. Currently, we are facing a potential global food supply shortage, resulting in significant food inflation. In tough water years, projects like this are critical to stretch a limited water supply and produce as much food and fiber as possible.

This area is especially important for food supply in that it is a designated seed potato management area. This is the largest seed potato production area in the country. Hundreds of farmers throughout the Pacific Northwest depend on this area for seed potatoes to grow their crops of commercial potatoes for human consumption. The Pacific Northwest produces roughly 60% of our nation's total potato crop.

In addition to providing the water for our local agriculture economy, the Henry's Fork is a world-famous fly-fishing destination. This project will result in reduced outflow from the reservoirs during the irrigation season, allowing for increased flows in the winter which will more closely mimic nature. This increased winter flow is critical for trout habitat.

Reducing outflow from the reservoirs during the irrigation season will benefit water quality in the rivers. Water quality in the rivers will be improved during the summer when most of the fishing occurs. Benefiting overall habitat in this way will increase trout populations bringing in additional anglers and thereby benefiting the local economy.

It will also maintain higher levels in the reservoirs benefiting recreation on the reservoirs themselves including, boating, fishing, camping, etc. also benefiting the local economy.

Tourism will benefit because of the environmental and recreational improvements. Full reservoirs are also aesthetically pleasing which will benefit tourism and its economic impacts.

• *Will the project complement work being done in coordination with NRCS in the area (e.g., the area with a direct connection to the districts water supply)? Please explain.*

Yes, NRCS programs have helped NFCS convert many of our earthen canal channels to gravity pressurized pipelines. This section does not have enough elevation change to gain pressure from a pipeline. A liner will have the same impact on eliminating seepage loss for a more economical price.

• *Will the project help address drought conditions at the sub-basin or basin scale? Please explain. Please note, on-farm improvements*

The proposed project will specifically benefit the Henry's Fork Basin. It will also benefit the entire Upper Snake River Basin. This project will result in less water diversion from the river. This will allow us to stretch our water supply further into the growing season in drought years and provide additional water to carry over into subsequent drought years.

This project will allow more water to remain in Island Park and Grassy Lake Reservoirs. Once these reservoirs are full, the excess water spills into American Falls Reservoir and fills it. This is one of the benefits to the entire Upper Snake River Basin.

Evaluation Criterion B—Planning Efforts Supporting the Project (30 points)

Up to **30 points** may be awarded based on the extent to which the proposed on-the-ground project is supported by an applicant's existing water management plan, water conservation plan, System Optimization Review, or identified as part of another planning effort led by the Category A applicant. This criterion prioritizes projects that are identified through local planning efforts and meet local needs.

Plan Development: Describe how your project is supported by an existing planning effort. Identify the planning effort and who developed it. If the planning effort was not developed by the Category A applicant, describe the Category A applicant's involvement in developing the planning effort.

Support for the Project: Describe to what extent the proposed project is supported by the identified plan.

Address the following:

- Is the project identified specifically in the planning effort?

Canal lining/piping of NFCS has been specifically identified in planning efforts such as the Henry's Fork Basin Study and the Henry's Fork Drought Management Plan.

- Explain whether the proposed project implement a goal or address a need or problem identified in the existing planning effort?

Henry's Fork Basin Study-2015

Canal Lining/Piping of the NFCS was specifically identified as one of the most economical alternatives for conserving water on a per acre foot basis within the Henry's Fork Watershed in the 2015 Henry's Fork Basin Study. See Table 3-Highlighted in green.

Table 3-Quantitative Comparison of Alternatives from the Henry’s Fork Basin Study

| Alternative | Total Cost | Cost per acre-foot | Effect to Water Budget | Effects to Environment |
|----------------------------------|-----------------------------|--------------------|---|--|
| Lane Lake Dam | \$462,000,000 | \$4,600 | 101,000 acre-feet new stored water | Moderate |
| Spring Creek Dam | \$41,760,000 | \$3,900 | 10,800 acre-feet new stored water | Significant |
| Moody Creek Dam | \$123,920,000 | \$3,600 | 10,800 acre-feet new stored water | Significant |
| Upper Badger Creek Dam | \$128,940,000 | \$2,700 | 47,000 acre-feet new stored water | Significant |
| Teton Dam | \$492,210,000 | \$1,900 | 202,000 acre-feet new stored water | Significant |
| Island Park Dam Storage Increase | \$6,400,000 | \$240 | 26,700 acre-feet new stored water | Low |
| Ashton Dam Raise | \$28,210,000 | \$1,382 | 20,400 acre-feet new stored water | Low |
| Groundwater Recharge | \$10,000,000- to 13,620,000 | \$2,700- \$4000 | 7,500 – 10,000 acre-feet recharged or 1.6-3.2 cfs increase in fall streamflows | Low |
| Water Market | Varies with the program | | Better management of existing supply | Low |
| Canal Automation | \$1,588,000 | \$491- 2,843 | Better management of existing supply, improved streamflows | Low |
| Piping in North Fremont Region | \$97,000,000 | \$361 | Eliminates canal seepage. Recent projects demonstrate 10,000 acre-feet saved annually | Low |
| Demand Reduction | Varies with the program | \$1,860- \$3,600 | 2 to 5 acre-feet are saved per acre of demand reduction. | Moderate, potential for secondary economic impacts |

Henry’s Fork Drought Management Plan-2018

Canal lining/piping on NFCS was also specifically identified as an alternative to conserve water and mitigate the impacts of drought in the Henry’s Fork Drought Management Plan which was developed by Fremont-Madison Irrigation District, Reclamation and a few other irrigation companies and conservation groups.

Criterion C—Implementation and Results (20 points)

Up to 20 points may be awarded based upon the extent to which the applicant is capable of proceeding with the proposed project upon entering into a financial assistance agreement. Applicants that describe a detailed plan (e.g., estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates) will receive the most points under this criterion.

- Describe the implementation plan for the proposed project. Please include an estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates.

The schedule provided below outlines timing of the major tasks and milestones for the proposed project. The environmental evaluation should be relatively simple as their will be minimal ground disturbance and only in areas that have been previously disturbed. We do not plan to start construction until the fall of 2023 after the water has been turned out of the canal for the year. This should provide ample time to

complete the environmental evaluation. Once construction is commenced, this project should be completed in 30 days or less.

| NFCS Canal Lining Project | 2022 | | | | 2023 | | | | | | | | | | | |
|--------------------------------------|------|-----|-----|-----|------|-----|-------|-------|-----|------|------|-----|------|-----|-----|-----|
| | Sept | Oct | Nov | Dec | Jan | Feb | March | April | May | June | July | Aug | Sept | Oct | Nov | Dec |
| Activity | | | | | | | | | | | | | | | | |
| Award of WaterSMART Grant | | | | | | | | | | | | | | | | |
| Develop and sign WaterSMART Contract | | | | | | | | | | | | | | | | |
| Environmental Evaluation | | | | | | | | | | | | | | | | |
| Installation of Liner | | | | | | | | | | | | | | | | |

- Describe any permits that will be required, along with the process for obtaining such permits.

There are not any required permits for this project. All equipment to be installed will be installed on privately owned property.

- Identify and describe any engineering or design work performed specifically in support of the proposed project.

This project does not require any design engineering. The engineering work necessary for the installation of the equipment is included in the proposals relied upon for budget calculation.

- Describe any new policies or administrative actions required to implement the project.

There are no new policies or administrative actions that will need to be implemented. The proposed project will enhance the ability to manage water under current policies and administrative mechanisms, without requiring new policies or changes in administration.

- Describe the timeline for completion of environmental and cultural resource compliance.

In our schedule we have given seven months to complete the environmental and cultural resource compliance and could stretch it to a year before we impacted our current schedule. We will not be modifying any structures. There will be some dirt work, but it will be minor and only in areas that have been previously disturbed.

Was the timeline for completion of environmental and cultural resource compliance discussed with the local Reclamation office?

We have not specifically discussed the timeline for this project with Reclamation, however Aaron Dalling, project manager has worked with Reclamation on several projects and has some understanding of the time it takes. We have left a year in the project schedule to complete the environmental and cultural compliance. We will work diligently to provide the information necessary for Reclamation to complete the review.

Evaluation Criterion D—Nexus to Reclamation (5 Points)

Up to **5 points** may be awarded based on the extent that the proposal demonstrates a nexus between the proposed project and a Reclamation project or activity. Describe the nexus between the proposed project and a Reclamation project or activity, including:

- Is the proposed project connected to a Reclamation project or activity? If so, how? Please consider the following:

Yes, this project is a part of Reclamations Minidoka Project, FMID delivers storage water to our canal system and is contracted for that storage in Island Park and Grassy Lake Reservoirs with Reclamation. NFCS also holds storage water in Palisades Reservoir through Palisades Water Users Incorporated which is also contracted with Reclamation. The Island Park and Palisades water is delivered via exchange.

o Does the applicant receive Reclamation project water?

Yes, NFCS receives water from Island Park, Grassy Lake and Palisades Reservoirs.

o Is the project on Reclamation project lands or involving Reclamation facilities?

Yes, the project will be located on lands that are a part of the Minidoka Project, serving land irrigated with water from Island Park, Grassy Lake and Palisades Reservoirs. The project will not be installed on Reclamation facilities but will specifically benefit the overall operations of Island Park and Grassy Lake Reservoirs which are reclamation facilities.

o Is the project in the same basin as a Reclamation project or activity?

Yes, the proposed project will better manage water resources within the Henry's Fork Basin.

o Will the proposed work contribute water to a basin where a Reclamation project is located?

Yes, the proposed project will be performed within NFCS and FMID, which is a part of Reclamation's Minidoka Project. It will therefore benefit the district and Reclamation through better management of water resources and reduce overall demand.

Evaluation Criterion E—Presidential and Department of the Interior Priorities (10 points)

*Up to 10 points may be awarded based on the extent that the project demonstrates support for the Biden-Harris Administration's priorities, including E.O. 14008: Tackling the Climate Crisis at Home and Abroad, E.O. 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, and the President's memorandum, Tribal Consultation and Strengthening Nation-to-Nation Relationships. Points will be allocated based on the degree to which the project supports the priorities listed, and whether the connection to the priority(ies) is well supported in the application. **Without repeating benefits already described in previous criteria, describe in detail how the proposed project supports a priority(ies) below.***

Sub-criterion No. E1. Climate Change *Points will be awarded based on the extent the project will reduce climate pollution; increase resilience to the impacts of climate change; protect public health; and conserve our lands, waters, oceans, and biodiversity. Address the following as relevant to your project.*

Combating the Climate Crisis *E.O. 14008: Tackling the Climate Crisis at Home and Abroad, focuses on increasing resilience to climate change and supporting climate- resilient development. For additional information on the impacts of climate change throughout the western United States, see: <https://www.usbr.gov/climate/secure/docs/2021secure/2021SECUREReport.pdf>. Please describe how the project will address climate change, including:*

- Please provide specific details and examples on how the project will address the impacts of climate change and help combat the climate crisis.*

Climate change has increased our dependance on reservoirs as less and less water is stored in the mountains in the form of snow. This increases the need for water conservation so that we don't continually overdraft our reservoirs which can degrade habitat in the reservoirs and rivers themselves.

- Does this proposed project strengthen water supply sustainability to increase resilience to climate change? Does the proposed project contribute to climate change resiliency in other ways not described above?*

Yes, this project will help us conserve water, making it available for long-term drought sequences and extreme weather patterns caused by climate change.

Sub-criterion No. E2. Disadvantaged or Underserved Communities *Points will be awarded based on the extent to which the Project serves economically disadvantaged or underserved communities in rural or urban areas.*

- Will the proposed project serve or benefit a disadvantaged or historically underserved community? Benefits can include, but are not limited to, public health and safety by addressing water quality, new water supplies, or economic growth opportunities.*

The community this project services is not designated as disadvantaged or historically underserved. However, this project's benefits to recreation and wildlife will provide some opportunity for economic growth. These industries provide several different types of jobs that could benefit disadvantaged or historically underserved people.

- Please describe in detail how the community is disadvantaged based on a combination of variables that may include:

- Low income, high and/or persistent poverty

The average income for our area is above the poverty line. Having said that, projects like this one that improve economic growth opportunities in the areas of agriculture, recreation and tourism may have some benefit to those in our area that do struggle and fall below the poverty line.

- High unemployment and underemployment

Our area has a low unemployment rate. This project will help improve the local economy and may therefore further benefit the unemployment rate. This project will also provide an opportunity for technical work, which is limited in our area. This may provide an opportunity for those who may be underemployed.

- Racial and ethnic residential segregation, particularly where the segregation stems from discrimination by government entities
- Linguistic isolation

I don't know of examples of residential segregation or discrimination by government in our area.

- High housing cost burden and substandard housing

If funded this project will bring additional money into our local economy benefiting companies and their employees that are seeking affordable housing.

Budget Proposal

The total project cost is the sum of all allowable items of costs, including all required cost sharing and voluntary committed cost sharing, including third-party contributions, that are necessary to complete the project. Please include the following chart (Table 1) to summarize all funding sources. Denote in-kind contributions with an asterisk (*).

NFCS will fund all non-federal contributions entirely with operating revenues. NFCS officially committed to fund the non-federal share of the project in its official resolution. The total cost of the project is \$103,000.00. NFCS is requesting \$51,500 in WaterSMART grant funding.

Budget Table 1. Summary of Non-Federal and Federal Funding Sources

| Funding Source | Amount |
|--------------------------------------|--------------------|
| 1. North Fremont Canal Systems | \$51,500.00 |
| Non-Federal Subtotal | \$51,500.00 |
| Requested Reclamation Funding | \$51,500.00 |

The budget proposal should include detailed information on the categories listed below and must clearly identify all items of cost, including those that will be contributed as non-Federal cost share by the applicant (required and voluntary), third-party in-kind contributions, and those that will be covered using the funding requested from Reclamation, and any requested pre-award costs (Table 2). Table 2.

Budget Table 2. Total Project Cost Table

| Source | Amount | % of Total Projects Cost |
|--|---------------------|--------------------------|
| Cost to be reimbursed with the requested Reclamation funding | \$51,500.00 | 50% |
| Cost to be paid by NFCS | \$51,500.00 | 50% |
| 3rd Party Contributions | \$0.00 | 0% |
| Total Project Cost | \$103,000.00 | 100% |

Unit costs must be provided for all budget items, including the cost of services or other work to be provided by consultants and contractors. Applicants are strongly encouraged to review the procurement standards for Federal awards found at 2 CFR §200.317 through §200.326 before developing their budget proposal. If you have any questions regarding your budget proposal or eligible costs, please contact the grants management specialist identified in Section G. Agency Contacts.

It is also strongly advised that applicants use the budget proposal format shown in Table 2 or a similar format that provides this information. It is also strongly advised that applicants use the budget proposal format shown in Table 3 or a similar format that provides this information. If selected for award, successful applicants must submit detailed supporting documentation for all budgeted costs.

Budget Table 3

Budget Table 3-Budget Proposal

| Budget Item Description | COMPUTATION | | Quantity Type | Total Cost |
|---|-------------|----------|---------------------------|---------------------|
| | \$/Unit | Quantity | | |
| Salaries and Wages | | | | |
| none | \$0.00 | 0 | Hours | \$0.00 |
| Fringe Benefits | | | | |
| none | \$0.00 | 0 | Hours | \$0.00 |
| Contractual | | | | |
| NFCS Lining-Marysville Canal Lateral | | | | |
| 2,400ft of Canal Liner 40' wide | \$77,719.00 | 1 | EA | \$77,719.00 |
| labor to install, equipment work and delivery | \$25,281.00 | 1 | EA | \$25,281.00 |
| | | | Total Project Cost | \$103,000.00 |

A full breakdown of the project cost is included in Attachment D.

Budget Narrative Submission of a budget narrative is mandatory. An award will not be made to any applicant who fails to fully disclose this information. The budget narrative provides a discussion of, or explanation for, items included in the budget proposal. The types of information to describe in the narrative include, but are not limited to, those listed in the following subsections. Costs, including the valuation of third-party in-kind contributions, must comply with the applicable cost principles contained in 2 CFR Part §200. In addition, please identify whether the budget proposal includes any project costs that may be incurred prior to award. For each cost, describe:

- The project expenditure and amount

The project's expenditures and amounts are illustrated in budget table 3 and further detailed in Attachment C. We have tried to make this as straight forward as possible by not including wages and fringe benefits etc. All the work will be completed by a contractor. The contractor bid the liner and the installation together.

Final selection of the contractor will be completed in accordance with Idaho laws and any additional requirements of the WaterSMART grant program.

- The date of cost incurrence

All of the costs will be incurred only if the grant is awarded and after the contract is finalized.

- How the expenditure benefits the project

All of the expenditures are directly related to the canal liner and the installation of the canal lining.

Salaries and Wages

None

Fringe Benefits

Identify the rates/amounts, what costs are included in this category, and the basis of the rate computations. Federally approved rate agreements are acceptable for compliance with this item.

None

Travel

Travel related expenses are not eligible for reimbursement under this NOFO and should not be included within the proposed budget.

None

Equipment

If equipment will be purchased, itemize all equipment valued at or greater than \$5,000. For each item, identify why it is needed for the completion of the project and how the equipment was priced. Note: If the value is less than \$5,000, the item should be included under materials and supplies.

If equipment is being rented, specify the number of hours and the hourly rate. Local rental rates are only accepted for equipment actually being rented or leased. If the applicant intends to use their own equipment for the purposes of the project, the proposed usage rates should fall within the equipment usage rates outlined by the United States Army Corps of Engineers (USACE) within their Construction Equipment Ownership and Operating Expense Schedule (EP 1110-1-8) at <https://www.usace.army.mil/Cost-Engineering/EP1110-1-8/>.

Note: If the equipment will be furnished and installed under a construction contract, the equipment should be included in the construction contract cost estimate.

None

If the proposal is selected for award and the awarding Grants Officer determines that the proposed rates fall within those outlined within the USACE publication, no further documentation for this item of cost shall be requested during budget negotiations.

Materials and Supplies

Itemize supplies by major category, unit price, quantity, and purpose, such as whether the items are needed for office use, research, or construction. Identify how these costs were estimated (i.e., quotes, past experience, engineering estimates, or other methodology). Note: If the materials/supplies will be furnished and installed under a contract, the materials/supplies should be identified as a contractual cost in the budget proposal. 19

Contractual

Identify all work that will be accomplished by subrecipients, consultants, or contractors, including a breakdown of all tasks to be completed and a detailed budget estimate of time, rates, supplies, and materials that will be required for each task. For each proposed contract, identify the procurement method that will be used to select the

consultant or contractor and the basis for selection. Please note that all contracts with an anticipated value of \$10,000 or more must use a competitive procurement method. Only contracts for architectural/engineering services can be awarded using a qualifications-based procurement method. If a qualifications-based procurement method is used, profit must be negotiated as a separate element of the contract price. See 2 CFR §200.317 through §200.327 for additional information regarding procurements, including required contract content.

If the proposal is selected for award and the awarding Grants Officer determines that the contractual engineering services costs for design engineering and/or construction management costs within the budget proposal do not exceed 8 percent of total project construction costs, then no further documentation for this item of cost shall be requested during budget negotiations.

The work will be completed by a contractor. We follow Idaho Law in regard to selecting a contractor. We will also adhere to 2 CFR 200.317 through 200.327.

Third-Party In-Kind Contributions

Identify all work that will be accomplished by third-party contributors, including a breakdown of all tasks to be completed and a detailed budget estimate of time, rates, supplies, and materials that will be required for each task. Third-party in-kind contributions, including contracts, must comply with all applicable administrative and cost principles criteria, established in 2 CFR §200, and all other requirements of this NOFO.

Environmental and Regulatory Compliance Costs

Prior to awarding financial assistance, Reclamation must first ensure compliance with Federal environmental and cultural resources laws and other regulations ("environmental compliance"). Every project funded under this program will have environmental compliance activities undertaken by Reclamation and the recipient.

None

Depending on the potential impacts of the project, Reclamation may be able to complete its compliance activities without additional cost to the recipient. Where environmental or cultural resources compliance requires significant participation by Reclamation, costs incurred by Reclamation will be added as a line item to the budget during development of the financial assistance agreement and cost shared accordingly (i.e., withheld from the Federal award amount). Any costs to the recipient associated with compliance will be identified during the process of developing a final project budget for inclusion in the financial assistance agreement.

None

Other Expenses

Any other expenses not included in the above categories shall be listed in this category, along with a description of the item and why it is necessary. No profit or fee will be allowed.

None

Indirect Costs

Indirect costs that will be incurred during the development or construction of a Project, which will not otherwise be recovered, may be included as part of the applicant's Project budget. Show the proposed rate, cost base, and proposed amount for allowable indirect costs based on the applicable cost principles for the recipient's organization. It is not acceptable to simply incorporate indirect rates within other direct cost line items.

If the applicant has never received a Federal negotiated indirect cost rate, the budget may include a de minimis rate of up to 10 percent of modified total direct costs. For further information on modified total direct costs, refer to 2 CFR §200.68. If the applicant does not have a federally approved indirect cost rate agreement and is proposing a rate greater than the de minimis 10 percent rate, include the computational basis for the indirect expense pool and corresponding allocation base for each rate. Information on "Preparing and Submitting Indirect Cost Proposals" is available from the Department's Interior Business Center, Office of Indirect Cost Services, at <https://ibc.doi.gov/ICS/ierna>. If the proposed project is selected for award, the recipient will be required to submit an indirect cost rate proposal with their cognizant agency within 3 months of award.

We have not included any Indirect Costs

Environmental and Cultural Resources Compliance

Please answer the questions from *Section H.1. Environmental and Cultural Resource Considerations* in this section.

Ground Disturbance will be limited to previously disturbed areas. The depth of disturbance will only be a few inches in places of sediment deposit to shape the channel for the canal liner.

Required Permits or Approvals

Applicants must state in the application whether any permits or approvals are required and explain the plan for obtaining such permits or approvals.

Note that improvements to Federal facilities that are implemented through any project awarded funding through this NOFO must comply with additional requirements. The Federal government will continue to hold title to the Federal facility and any improvement that is integral to the existing operations of that facility. Please see P.L. 111-11, Section 9504(a)(3)(B). Reclamation may also require additional reviews and approvals prior to award to ensure that any necessary easements, land use authorizations, or special permits can be approved consistent with the requirements of 43 CFR Section 429 and that the development will not impact or impair project operations or efficiency.

There will not be any required permits or approvals for this project.

Letters of Support and Letters of Partnership

Please include letters from interested stakeholders supporting the proposed project. To ensure your proposal is accurately reviewed, please attach all letters of support/partnership letters as an appendix. Letters of support received after the application deadline for this NOFO will not be considered in the evaluation of the proposed project. Category B applicants must include a letter from the Category A partner, stating that they are acting in partnership with the applicant and agree to the submittal and content of the proposal (see Section C.1. Eligible Applicants). Letters of Partnership must be received by the application deadline for this NOFO—otherwise the applicant will be considered ineligible and the proposed project will not be evaluated. 21

See Letter of Support on pages 16

Official Resolution

Include an official resolution adopted by the applicant's board of directors or governing body, or, for state government entities, an official authorized to commit the applicant to the financial and legal obligations associated with receipt of a financial assistance award under this NOFO, verifying:

- *The identity of the official with legal authority to enter into an agreement*
- *The board of directors, governing body, or appropriate official who has reviewed and supports the application submitted*
- *The capability of the applicant to provide the amount of funding and/or in-kind contributions specified in the funding plan*
- *That the applicant will work with Reclamation to meet established deadlines for entering into a grant or cooperative agreement*

An official resolution meeting the requirements set forth above is mandatory. If the applicant is unable to submit the official resolution by the application deadline because of the timing of board meetings or other justifiable reasons, the official resolution may be submitted to sha-dro-fafoa@usbr.gov up to 30 days after the application deadline.

See Official Resolution on page 17

Conflict of Interest Disclosure

Per the Financial Assistance Interior Regulation (FAIR), 2 CFR §1402.112, applicants must state in their application if any actual or potential conflict of interest exists at the time of submission.

(a) Applicability.

(1) This section intends to ensure that non-Federal entities and their employees take appropriate steps to avoid conflicts of interest in their responsibilities under or with respect to Federal financial assistance agreements.

(2) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 2 CFR §200.318 apply.

(b) Notification.

(1) Non-Federal entities, including applicants for financial assistance awards, must disclose in writing any conflict of interest to the Department awarding agency or pass-through entity in accordance with 2 CFR §200.112.

(2) Recipients must establish internal controls that include, at a minimum, procedures to identify, disclose, and mitigate or eliminate identified conflicts of interest. The recipient is responsible for notifying the Financial Assistance Officer in writing of any conflicts of interest that may arise during the life of the award, including those that have been reported by subrecipients.

(c) Restrictions on lobbying. Non-Federal entities are strictly prohibited from using funds under a grant or cooperative agreement for lobbying activities and must provide the required certifications and disclosures pursuant to 43 CFR §18 and 31 U.S.C. 1352. 22

(d) Review procedures. The Financial Assistance Officer will examine each conflict-of-interest disclosure on the basis of its particular facts and the nature of the proposed grant or cooperative agreement, and will determine whether a significant potential conflict exists and, if it does, develop an appropriate means for resolving it.

(e) Enforcement. Failure to resolve conflicts of interest in a manner that satisfies the government may be cause for termination of the award. Failure to make required disclosures may result in any of the remedies described in 2 CFR §200.338, Remedies for noncompliance, including suspension or debarment (see also 2 CFR §180).

There are no conflicts of interest. We will not use these funds for lobbying.

D.2.2.16. Uniform Audit Reporting Statement All U.S. States, local governments, federally recognized Indian Tribal governments, and non-profit organizations expending \$750,000 in U.S. dollars or more in Federal award funds in the applicant's FY must submit a Single Audit report for that year through the Federal Audit Clearinghouse's Internet Data Entry System, in accordance with 2 CFR §200 subpart F. U.S. state, local government, federally recognized Indian tribal governments, and non-profit applicants must state if your organization was or was not required to submit a Single Audit report for the most recently closed fiscal year. If your organization was required to submit a Single Audit report for the most recently closed fiscal year, provide the Employer Identification Number (EIN) associated with that report and state if it is available through the Federal Audit Clearinghouse website. **D.2.2.17.**

Certification Regarding Lobbying Applicants requesting more than \$100,000 in Federal funding must certify to the statements in 43 CFR §18, Appendix A-Certification Regarding Lobbying. If this application requests more than \$100,000 in Federal funds, the Authorized Official's signature on the appropriate SF-424, Application for Federal Assistance form also represents the entity's certification of the statements in 43 CFR §18, Appendix A.

Unique Entity Identifier and System for Award Management

We have registered with SAMS and will maintain it for the life of the agreement.

Our DUNS number is 82585555047 and SAMS CAGE code is 52FE3.



Fremont-Madison Irrigation District



350 North 6th West

PO Box 15

St. Anthony, Idaho 83445

Phone: (208) 624-3381 Fax: (208)624-3990

Email: fmid@myidahomail.com

Officers of the Board

Jeff Raybould-Chairman

Scott Neville-Vice Chairman

Cleve Bagley-Treasurer

Aaron Dalling-Executive Director

Board Members

Nathan Scafe

Mark Ricks

Dennis Fransen

Cade Crapo

April 25, 2022

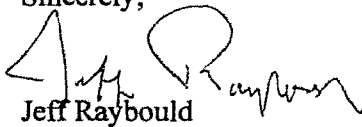
Dear Grant Review Committee,

We are writing this letter to demonstrate our support for the North Fremont Canal Sytems, Inc. canal lining project.

Fremont-Madison Irrigation District (FMID) fully supports this project and the submitted application. We believe this project will provide a significant water savings that will be beneficial not only for North Fremont Canal Systems, Inc. but all water users in the Henry's Fork Basin and the Upper Snake.

This project also helps as we continue to work towards implementation of several of the recommendations from the Henry's Fork Basin Study completed in 2015 with the help of Reclamation and several other partners. Projects like this being implemented show the benefit of such planning efforts.

Sincerely,


Jeff Raybould

North Fremont Canal Systems, Inc.

Official Resolution 2022-01

In the matter of the proposed WaterSMART application to United States Bureau of Reclamation (Reclamation) for lining of the Farmers Own Canal Lateral within North Fremont Canal Systems, Inc. (NFCS).

WHEREAS, Reclamation's Small-Scale Water Efficiency Grants provide funding to non-federal entities to implement actions to increase water supply reliability through investments in existing infrastructure; and

WHEREAS, Reclamation requires that Small-Scale Water Efficiency Grant applicant adopt a resolution verifying (1) the identity of the official with legal authority to enter into agreement, (2) the board of directors, governing body, or appropriate official who has reviewed and supports the application submitted, (3) the capability of the applicant to provide the amount of funding and/or in-kind contributions specified in the funding plan, and (4) that the applicant will work with Reclamation to meet established deadlines for entering into a cooperative agreement; and

WHEREAS, NFCS desires to apply for a Small-Scale Water Efficiency Grant to assist the Canal Company with installing a canal liner within the company, a project designed to improve water use efficiency; and

WHEREAS, The NFCS Board of Directors have reviewed the WaterSmart Grant proposal and supports the grant application; and

NOW, THEREFOR, BE IT RESOLVED that NFCS authorizes application to Reclamation for a WaterSMART grant and authorizes Sean Maupin, President to enter into an agreement with Reclamation for the WaterSMART grant; and

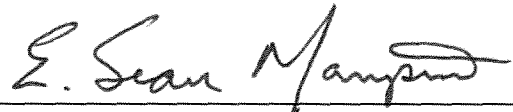
FURTHER IT BE RESOLVED, that Sean Maupin, President will represent NFCS as its legal entity in the cooperative agreement; and

FURTHER IT BE RESOLVED, that NFCS agrees to the WaterSmart funds and will work cooperative with Reclamation to meet established deadlines for entering into a cooperative agreement; and

FURTHER IT BE RESOLVED, that NFCS shall provide or ensure the non-federal portion of the project costs.

Dated this 25 day of April 2022

North Fremont Canal Systems, Inc.

A handwritten signature in black ink that reads "E. Sean Maupin". The signature is written in a cursive style with a horizontal line underneath it.

By: Sean Maupin, President