Moving water in Idaho

- Transfers
- Rental pools
- Board’s Water Supply Bank
What is “the Bank?”

- Exchange market operated by the IWRB to facilitate marketing of water rights
- Provides mechanism to temporarily change or protect water rights
- Operated by IDWR for the Idaho Water Resource Board (IWRB)

Source: IDAPA 37.02.03.01 and Idaho Code 42-1764
History of the Bank

• 1932 – 14,700 AF storage rented for $0.17/AF
• 1934 – 40,000 AF storage rented for $0.25/AF
• 1937 – $0.50/AF
• Rentals had no statutory authority until 1979/1980
What are the purposes of the Bank?

- Encourage the highest beneficial use of water
- Provide a source of water supplies to benefit new and supplemental uses
- Provide funding source for improving water user facilities and efficiencies

Source: Idaho Code Section 42-1761 and IDAPA 37.02.03
Vocabulary

- Lease – *into* the Bank
- Rent – *from* the Bank
Bank v. Rental Pools

**Board’s Bank**
- Managed by IDWR for the IWRB
- Throughout Idaho
- Ground and surface water – live/natural flow
- IWRB sets rental rate

**Rental pool**
- Managed by local committee
- Specific watersheds
- Largely storage water
- Local committee sets rental rate
Bank v. Transfers

Board’s Bank
- Managed by IDWR for the IWRB
- Throughout Idaho
- Temporary (5 yrs or less)
- Can be advertised, although rare
- Lease or rental
- Can be more expensive

Transfers
- Managed by IDWR
- Throughout Idaho
- Permanent
- Advertise/protest
- Water must be moved
Bank v. Transfers by the numbers

**Board’s Bank**
- FY2011 applications
  - 217 (44 rental & 173 lease)
- FY2011 approvals
  - 343 (60 rental & 283 lease)

**Transfers**
- FY2011
  - 221 applications
- FY2011
  - 261 approvals
Leasing

- Generally 1-5 years
- Filing fee: $250 per water right
  - Cap: $500 for stacked rights
- Protection from forfeiture
- Potential rental fees
Leasing

- Owner must not use right
  - Even if not rented
  - Land is idled for duration
- Lessor receives 90% of rental fees
  - 10% to IDWR
Leasing – review considerations

- Recorded/Ownership
- Forfeiture or abandonment
- Availability of source to fill right
- Consistent with State Water Plan
- In the local public interest
- If rented, no enlargement

Source: IDAPA 37.02.03.025
Renting

• Generally 1-5 years
• If longer, must be approved by IWRB
• Fee: $14 per AF
Renting – review considerations

- No injury to other water rights
- Enlargement of the water right
- Water put to beneficial use
- Sufficiency of water supply
- In the local public interest
- Possible advertisement

Source: IDAPA 37.02.03.030
Renting – review considerations

• Must be hydraulic connection between leased right and rental location
• Rental cannot be for use requiring permanent water right
• Does not authorize new well construction
• Payment must be received
Other implications for Bank

- Water Transactions program – instream flow
- Water Rights Acquisition Program – flow augmentation
- Private individuals cannot establish a minimum streamflow right
2010 Revenue

- $108,000 in rental fees
- $84,000 to lessors
- $24,000 to IDWR

- Multiple lessor/renter agreements
- Private agreements
2010 Revenue

- $24,000 to IDWR
- $59,000 staffing cost
- Operating deficit: $35,000
- Ongoing trend
Projecting 2011 revenue

- Lease application fee brings estimated $37,000 in additional revenue
- If rental revenue and staffing costs remain same:
  - $24,000 + $37,000 = $61,000
- IDWR’s 2010 operational cost: $59,000
The Numbers

Water Supply Bank Activity

# rentals or leases


# rentals current or pending
# leases current or pending
2010 Rentals

- 1 in every 4 leased rights is rented
- Activity varies by basin
  - Boise River
    - 9% of leases rented
  - Upper Snake Wyoming, Portneuf River, and Big Lost River
    - 100% of leases rented
Volume

- Rental volume: 23,191 AF
- Approximate leased volume: 123,658 AF
- Problematic

![Volume (acre feet) rented per basin](chart)
### Rental agreements

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Irrigation</th>
<th>Commercial or Industrial</th>
<th>Municipal</th>
<th>Instream Flow</th>
<th>Various</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>58</td>
<td>37</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>2010</td>
<td>50</td>
<td>33</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>2011 YTD</td>
<td>75</td>
<td>51</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>11</td>
</tr>
</tbody>
</table>

- Number of active rental agreements by type
Future of the Bank

- Increasing activity
  - Moratorium areas
  - Transfer review implications
  - Increased monitoring
- Lease lookup available on website
- Spatial data tracking
Questions