

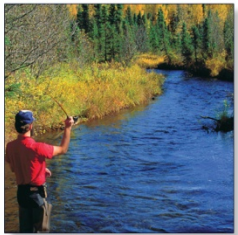


# Idaho's Water Supply Bank

Monica Van Bussum

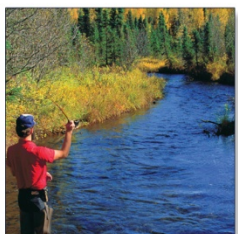
October 27, 2011





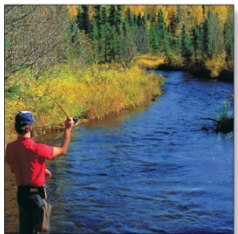
## Moving water in Idaho

- 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)

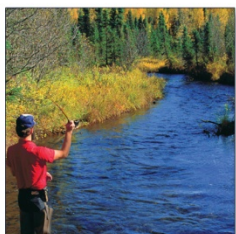


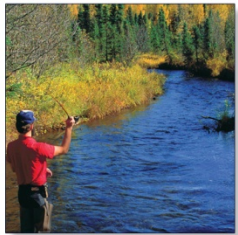
## History of the Bank

- 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?

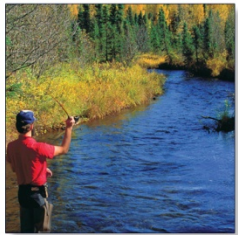
- Encourage the highest beneficial use of water
- Provide a source of water supplies to benefit new and supplemental uses
- Provide funding source for improving water user facilities and efficiencies





## Vocabulary

- Lease – *into* the Bank
- Rent – *from* the Bank



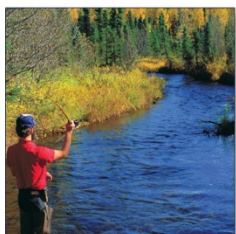
## Bank v. Rental Pools

### 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



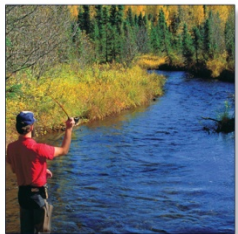
## Bank v. Transfers

### 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



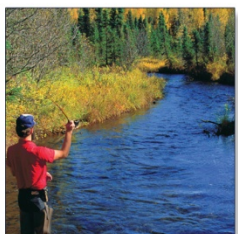
## Bank v. Transfers by the numbers

### Board's Bank

- FY2011 applications
  - 217 (44 rental & 173 lease)
- FY2011 approvals
  - 343 (60 rental & 283 lease)

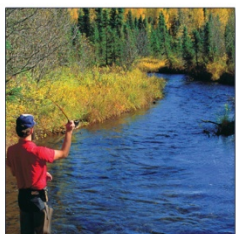
### Transfers

- FY2011
  - 221 applications
- FY2011
  - 261 approvals



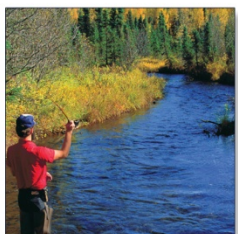
## Leasing

- 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

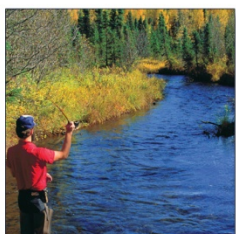


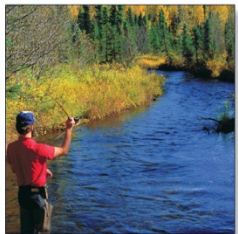
## Renting

- Generally 1-5 years
  - If longer, must be approved by IWRB
- Fee: \$14 per AF

## Renting – review considerations

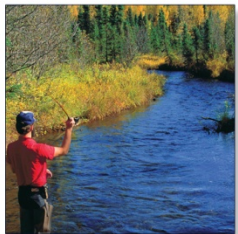
- No injury to other water rights
- Enlargement of the water right
- Water put to beneficial use
- Sufficiency of water supply
- In the local public interest
- Possible advertisement





## 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



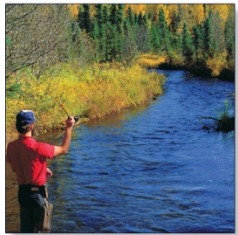
## Other implications for Bank

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



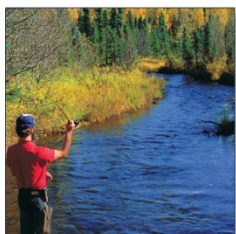
## 2010 Revenue

- \$108,000 in rental fees
  - \$84,000 to lessors
  - \$24,000 to IDWR
- Multiple lessor/renter agreements
- Private agreements



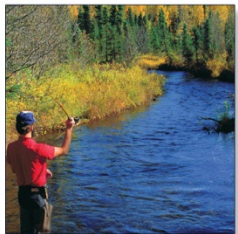
## 2010 Revenue

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



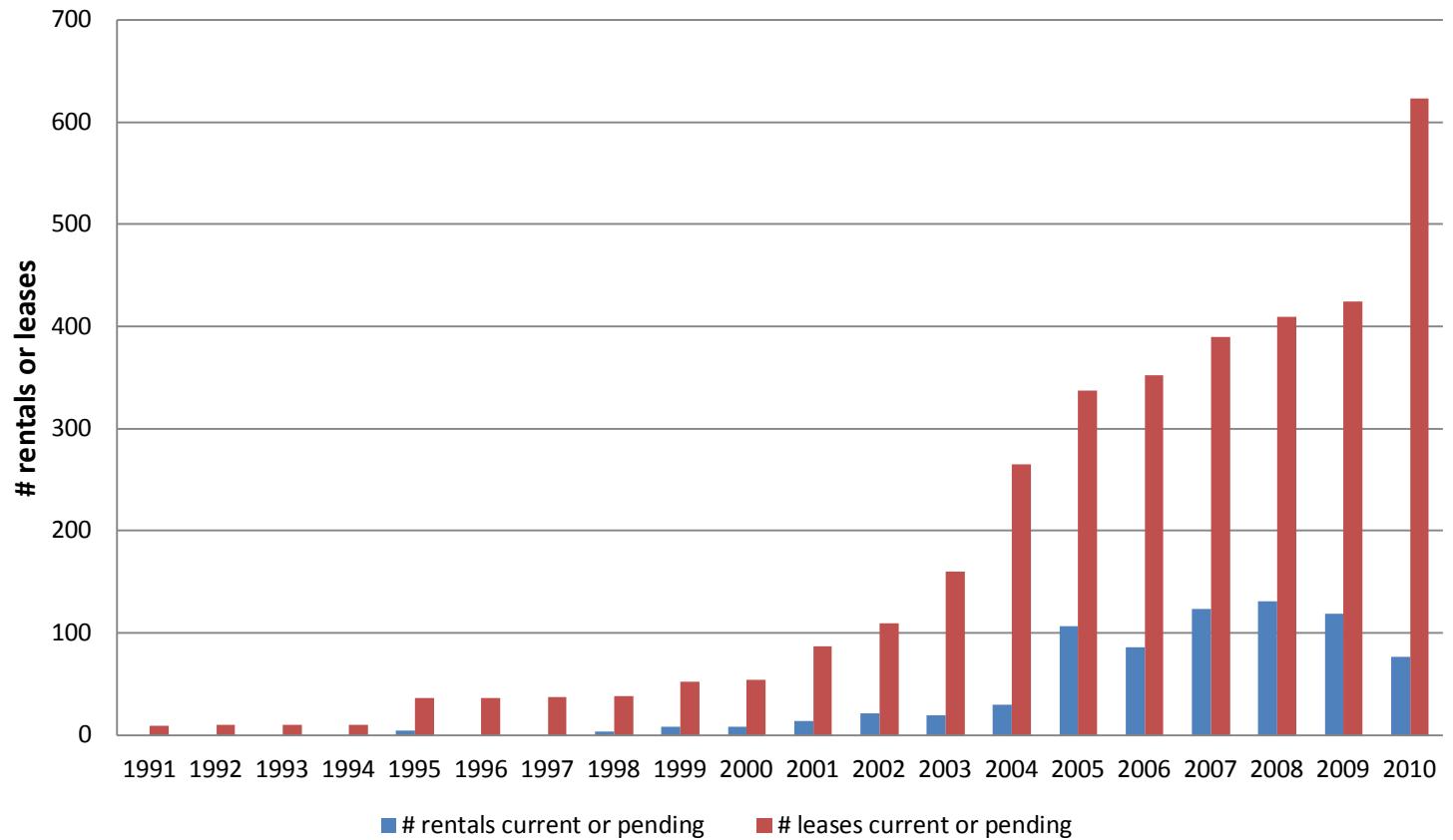
## Projecting 2011 revenue

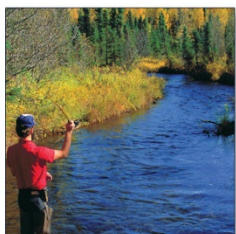
- Lease application fee brings estimated \$37,000 in additional revenue
- If rental revenue and staffing costs remain same:
  - $\$24,000 + \$37,000 = \$61,000$
  - IDWR's 2010 operational cost: \$59,000



# The Numbers

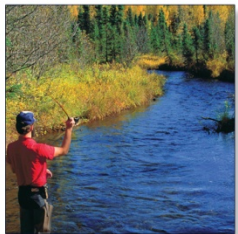
## Water Supply Bank Activity





## 2010 Rentals

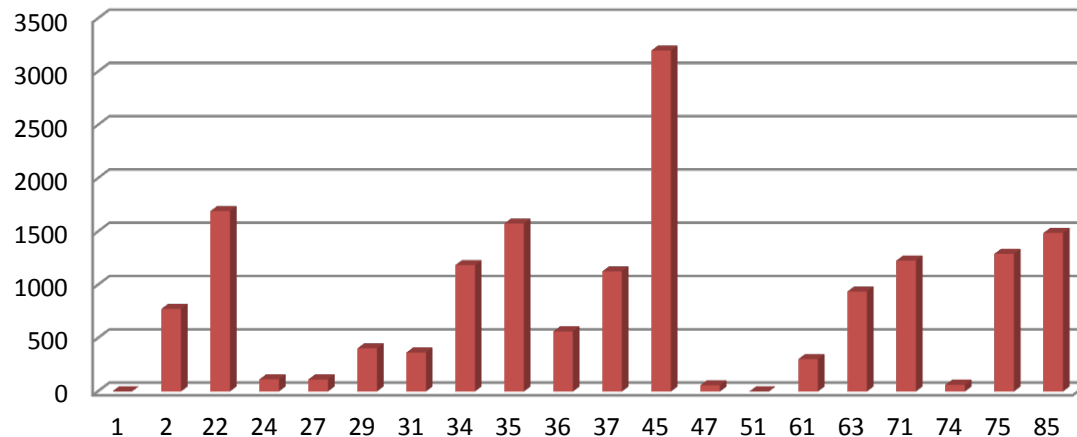
- 1 in every 4 leased rights is rented
- Activity varies by basin
  - Boise River
    - 9% of leases rented
  - Upper Snake Wyoming, Portneuf River, and Big Lost River
    - 100% of leases rented

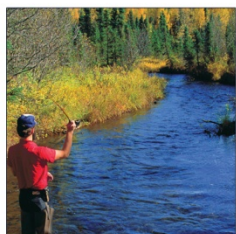


## Volume

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

Volume (acre feet) rented per basin

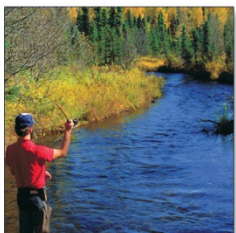




## Rental agreements

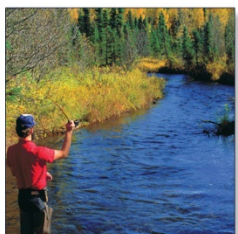
Year	Total	Irrigation	Commercial or Industrial	Municipal	Instream Flow	Various
2008	58	37	3	5	5	8
2010	50	33	4	3	7	3
2011 YTD	75	51	3	3	7	11

- 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