



Idaho Water Supply Bank

2017 Rental Pools Report

This page left intentionally blank.

Introduction & Background

The Water Supply Bank is a water exchange market operated by the Idaho Water Resource Board (IWRB; Board), through the Director of the Idaho Department of Water Resources (IDWR), in association with water districts with IWRB-appointed local rental committees, to facilitate the acquisition and voluntary exchange of water rights, for new and supplemental water uses.

The Bank is operated pursuant to sections 42-1761 through 42-1766 Idaho Code, and Idaho Administrative Code IDAPA 37.02.03 (Water Supply Bank Rules). IDWR staff process the lease and rental of water rights, while IWRB-appointed local committees facilitate the lease and rental of water through regional rental pools.

Rental pools exist to facilitate the lease and rental of storage water from reservoirs on the Snake River, above Milner Dam (Water District 01 Rental Pool), as well as the Boise River watershed (Water District 63 Rental Pool), and the Payette River watershed (Water District 65 and 65-K Rental Pools). Additionally, a rental pool exists to facilitate leases and rentals of natural flow water rights in the Lemhi River watershed (Water District 74 Rental Pool) and the Shoshone-Bannock Tribes operate a Tribal Water Supply Bank to lease and rent Tribal storage water from Palisades and American Falls reservoirs. This report summarizes storage water lease and rental transactions during 2017 within the water district 01, 63, 65 and 65-K rental pools.

Rental Pool Structure

Through a lease, water supplies are credited to regional rental pools, following which, they can be rented from the rental pool to satisfy new and supplemental water uses. The Water Supply Bank is authorized to change the elements of water rights credited to the Bank, and the elements of storage water rights associated with and/or equivalent to storage water entitlements leased and credited to a rental pool can similarly be changed via a rental of water from a rental pool. Common pools and private pools exist within regional rental pools to facilitate leases and rentals; water supplies credited to common pools are rented at fixed, pre-established rental prices, while water leased to private pools can be rented at negotiated rental rates.

2017 Activity Summary

A sum total of 596,018 acre-feet (AF) of storage water was leased to the rental pools of Water District Nos 1, 63, 65, and 65-K during 2017, of which, 556,557 AF (94%) was rented for new and supplemental water uses. The United States Bureau of Reclamation (USBOR) rented 412,151 AF (74%) of all water during 2017, to satisfy annual flow augmentation commitments. USBOR flow-augmentation activities were accomplished through the rental of 253,719 AF of storage water from common pools and USBOR also leased and rented to itself uncontracted storage water totaling 158,432 AF. Conversely, 144,406 AF of storage water was rented during 2017 by water users in Idaho who sought authorization to satisfy new and supplemental water uses.

The Board levied a 10% administrative surcharge on all rental pool rentals, which in 2017 resulted in revenue of \$553,014.77. The following is a brief summary of 2017 regional rental pool activity.

Upper Snake Rental Pool, Water District No. 1

The Upper Snake Rental Pool is comprised of storage water from Henrys Lake, Island Park, Grassy Lake, Jackson Lake, Palisades Reservoir, Ririe Reservoir, American Falls Reservoir, Lake Walcott and the Milner Pool. The rental pool features both a common rental pool and a private rental pool. Within the common pool, 5,000 AF of storage is dedicated to a small pool (to accommodate rentals of less than 100 AF), while a large pool of 60,000 AF exists to satisfy requests by rental pool participants, where the rental volume exceeds 100 AF. The common pool also features a segment dedicated to satisfying USBOR flow augmentation rentals, per annual lease and rental volumes established based on a pre-determined schedule (see Table 1 on the next page).

The price to rent storage water from the Upper Snake River Rental Pool common pool is established by approved rental pool procedures. Small and large common pool rental prices vary annually and are a function of whether the reservoir system fills in a given year, as well as whether USBOR is able to rent the prescribed volumes established on Table 1. For 2017, the rental rates prescribed were as follows:

- \$ 6.00/AF - if the storage system fills; or
- \$14.50/AF - if the storage system does not fill, but USBOR can rent the agreed upon flow-augmentation volumes agreed upon in Table 1 (on the next page); or
- \$22.00/AF - if the storage system does not fill and USBOR is unable to rent the prescribed volume as established on Table 1 (on the next page).

For 2017, the Upper Snake Rental Pool common pool rental rate was \$6.00/AF. The price for USBOR flow-augmentation rentals was \$14.50/AF.

November 1 Carryover 1000s AF	Stipulated Augmentation Rental Water District 1 <-----April 1 to Sept 30 Heise Forecast 1000s AF----->						
	<2,450	<2,920	<3,450	<4,208	<5,042	<5,670	>5,670
0	0	0	0	0	150000	185000	185000
100	0	0	0	0	150000	185000	185000
200	0	0	0	0	150000	185000	185000
300	0	0	0	0	150000	185000	185000
400	0	0	0	0	150000	185000	185000
500	0	0	0	0	150000	185000	185000
600	0	0	0	60000	150000	185000	185000
700	0	0	0	60000	150000	185000	185000
800	0	0	0	60000	150000	185000	185000
900	0	0	60000	60000	150000	185000	185000
1000	0	0	60000	60000	150000	185000	185000
1100	0	0	60000	60000	150000	185000	185000
1200	0	0	60000	60000	150000	185000	185000
1300	0	0	60000	60000	150000	185000	185000
1400	0	0	60000	60000	150000	185000	185000
1500	0	0	100000	150000	185000	185000	185000
1600	0	0	100000	150000	185000	185000	185000
1700	0	0	100000	150000	185000	185000	185000
1800	0	0	100000	150000	185000	185000	185000
1900	0	0	100000	150000	185000	185000	185000
2000	0	0	100000	150000	185000	185000	185000
2100	0	0	100000	150000	205000	205000	205000
2200	0	0	100000	150000	205000	205000	205000
2300	0	0	100000	150000	205000	205000	205000
2400	0	0	100000	150000	205000	205000	205000
2500	0	0	100000	150000	205000	205000	205000
2600	0	0	185000	185000	205000	205000	205000
2700	0	0	185000	185000	205000	205000	205000
2800	0	0	185000	185000	205000	205000	205000
2900	0	0	185000	185000	205000	205000	205000
3000	60000	60000	185000	185000	205000	205000	205000
3100	60000	60000	185000	185000	205000	205000	205000
3200	100000	100000	185000	185000	205000	205000	205000
3300	100000	100000	185000	185000	205000	205000	205000
3400	100000	100000	185000	185000	205000	205000	205000
3500	100000	100000	185000	185000	205000	205000	205000
3600	100000	100000	185000	185000	205000	205000	205000

Table 1 - USBOR Annual Flow Augmentation Rental Volumes

Negotiated rental pricing is also possible within the Upper Snake River Rental Pool. Water users holding title to the use of storage water within the Upper Snake reservoir system can lease their storage water into the Upper Snake River Rental Pool private pool, at negotiated, variable rental rates. Additionally, a supplemental pool exists to satisfy rental requests for hydropower generation below Milner Dam and the price for such rentals are also variable and not fixed by prescribed procedure.

The IWRB collected 10% of the gross rental price for storage water rented through the Upper Snake Rental Pool. However, where a private pool rental does not involve rental fees, no rental fee is levied by the IWRB.

During 2017, 190,474 AF of water was rented from the common pool, of which 185,000 AF was rented by USBOR for flow augmentation purposes, and 5,474 AF was rented by rental pool participants for “in-basin” purposes. USBOR also leased and rented to itself 22,500 AF of uncontracted storage water. A total of 132,454.7 AF of water was privately leased and rented by Upper Snake River water users for other “in-basin” purposes. In total, 345,428.7 AF of water was rented from the Water District 1 rental pool during 2017, resulting in IWRB rental pool revenue of \$454,694.05.

Boise River Rental Pool, Water District No. 63

The Boise River Rental Pool consists of storage water from Anderson Ranch, Arrow Rock, Lucky Peak and Lake Lowell reservoirs. Per Water District 63 Rental Pool procedures in effect for 2017, the rental rate for storage water was \$14.27/AF, with the Board receiving \$1.43 per AF rented. A total of 24,788 AF of storage water was leased into the Boise River Rental Pool common pool during 2017, of which 21,880 AF was rented by USBOR for “out-of-basin” flow augmentation purposes, and 2,908 AF was rented for “in-basin” purposes. USBOR also leased and rented to itself 40,932 AF of uncontracted storage water, for “out-of-basin” flow augmentation purposes.

The IWRB collected 10% of the gross rental price for storage water rented through the Boise River Rental Pool, generating \$35,446.84 from the rental of 65,720 AF during 2017.

Payette River Rental Pool, Water District No. 65

The Payette River Rental Pool consists of storage water from lakes and reservoirs on the Payette River system. Per Water District 65 Rental Pool procedures in effect for 2017, the rental rate for “in-basin” common pool rentals was \$2.00/AF while the “out-of-basin” rental rate was \$14.27/AF. The IWRB collected 10% of the gross rental price for storage water rented through the Payette River Rental Pool.

A total of 89,576.1 AF of water was leased to the Payette River Rental Pool common pool during 2017, of which 3,276.1 AF was dedicated for “in-basin” rentals, while 86,300 AF was dedicated to “out-of-basin” purposes. Fully 3,276.1 AF was rented for “in-basin” uses while USBOR rented 44,039 AF for “out-of-basin” (flow augmentation) activities and the IWRB rented 2,800 AF from the common pool for “out-of-basin” purposes (to exchange Payette reservoir system storage water with storage water in the Upper Snake reservoir system). As such, of the 89,576.1 AF of storage water leased to the Payette River Rental Pool, 50,115.1 AF was rented, and 39,461 AF remained unrented. Additionally, USBOR leased and rented to itself 95,000 AF of uncontracted storage water, bringing the sum total of storage water rented from the Payette River Rental Pool during 2017 to 145,115.1 AF.

IWRB revenue from administrative fees associated with the rental of the 145,115.1 AF of water from the Water District 65 rental pool was \$63,630.99 for 2017.

Lake Fork Rental Pool, Water District No. 65-K

The water advisory committee of Water District 65-K (Lake Fork of the Payette River) is authorized to facilitate leases and rentals of storage water within Water District 65-K. The water rental rate for 2017 was \$14.88/AF. A sum total of 293.21 AF of storage water was rented from the Lake Fork Rental Pool during 2017, generating administrative fee revenue of \$436.34 for the IWRB.