



AGENDA

IDAHO WATER RESOURCE BOARD

Water Supply Bank Committee Meeting No. 1-22

Monday, June 13, 2022

1:00 p.m. (MT)

Water Center

Conference Rooms 602 C&D / Online Zoom Meeting

322 E. Front St.

BOISE

Brad Little

Governor

Jeff Raybould

Chairman

St. Anthony

At Large

Roger W. Chase

Vice-Chairman

Pocatello

District 4

Board Members & the Public may participate via Zoom

[Click here to join our Zoom Meeting](#)

Dial in Option: 1(253) 215-8782

Meeting ID: 896 0379 2042 Passcode: 452736

Jo Ann Cole-Hansen

Secretary

Lewiston

At Large

Dale Van Stone

Hope

District 1

Albert Barker

Boise

District 2

Dean Stevenson

Paul

District 3

Peter Van Der Meulen

Hailey

At Large

Brian Olmstead

Twin Falls

At Large

1. Introductions and Attendance
2. Proposed WSB Rule Revisions
3. Ground Water Rentals within the ESPA
4. Other Items
5. Adjourn

Committee Members: Chair Pete Van Der Meulen, Al Barker, Jo Ann Cole-Hansen, and Brian Olmstead.

* Action Item: A vote regarding this item may be made this meeting. Identifying an item as an action item on the agenda does not require a vote to be taken on the item.

Americans with Disabilities

The meeting will be held telephonically. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Department staff by email jennifer.strange@idwr.idaho.gov or by phone at (208) 287-4800.

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Phone: (208) 287-4800 Fax: (208) 287-6700 Website: idwr.idaho.gov/IWRB/



Water Supply Bank Report:

Analysis of Current & Alternative Rental Price Scenarios

for the Board's bank

June 13th, 2022

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Introduction

Each year, an analysis of the costs for operating versus the revenue generated by the Board’s Water Supply Bank (Bank) has been submitted within an annual report for the Board’s bank. A reoccurring focal point since 2010 is that the cost of processing and maintaining applications and approved transactions exceeds the revenue generated, annually. In 2011, lease application fees were introduced to assist in offsetting the operational costs of the Bank.

Figure 1 below, is from the 2014 Annual Report and shows the deficit in the last two columns, with only 2012 resulting in a positive operating balance. The average from 2010-2014 was a \$51,000 deficit per year.

Year	Rental Fees Collected	Rental Admin Fees Collected	Lease Filing Fees Collected	Total Bank Revenue Collected	Warrants Paid to Lessors	Bank Operational Costs	Bank Operating Balance
2010	\$108,283.00	\$23,283	\$0	\$23,283	\$85,000.00	-\$117,852.00	-\$94,569.00
2011	\$192,824.00	\$48,824	\$28,000	\$76,824	\$144,000.00	-\$117,852.00	-\$41,028.00
2012	\$542,700.03	\$95,553.12	\$40,500	\$136,053.12	\$447,146.91	-\$126,270.00	\$9,783.12
2013	\$605,044.97	\$102,924.20	\$42,500	\$145,424.20	\$502,120.77	-\$203,435.00	-\$58,010.80
2014	\$694,612.24	\$109,882.08	\$75,000	\$184,882.08	\$584,730.16	-\$257,445.65	-\$72,563.57

Figure 1

To continue a comparison of the annual operating balance, Figure 2 below depicts the revenue vs cost from 2013-2019, as it was published in the 2019 Annual Report. The average deficit from 2013-2019 was \$98,000 per year.

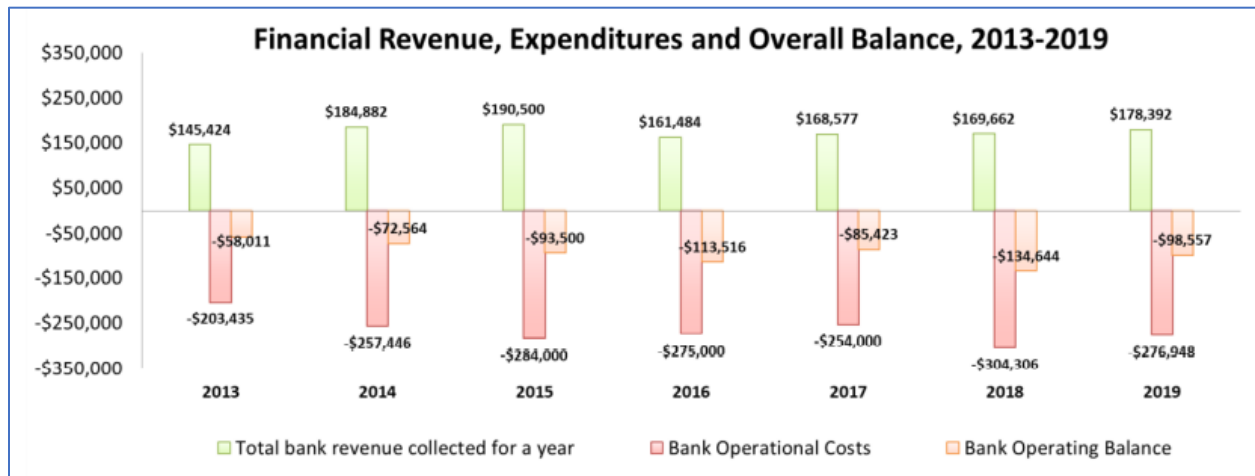


Figure 2

Overview

The revenue received in the form of Administrative Fees, equal to 10% of the total Rental Fee, has been priced at \$17 per acre foot from 2014 through 2017, and \$20 per acre foot, from 2018 through 2022. Pricing in 2023 increases to \$23 per acre foot until 2030. The average cost to process a rental application from 2015 to 2019 was \$650 per application. The average cost to process a lease application during the same time period was \$250 per application. Because lease application fees now cover the average cost per application to process, a more in depth look at processing rentals is required.

Service Function	2015	2016	2017	2018	2019	Average
Annual Applications Processed:						
Leases	*446	*338	176	152	198	**175
Rentals	131	117	122	103	88	112
Average Annual Cost per Application:						
Leases	-\$201.48	-\$206.70	-\$244.18	-\$275.21	-\$351.90	-\$255.89
Rentals	-\$597.90	-\$627.34	-\$613.48	-\$773.42	-\$933.19	-\$709.07

Figure 3

Application Fee

Currently, lease application fees are \$250 per water right, with a maximum of \$500 for stacked water rights. The number of hours to complete a review for a lease application is approximately 6 hours each. The number of hours to complete a review for a rental application is approximately 15.3 hours each, or two and a half times longer.

Of the 100 rental applications reviewed in 2018, 84 resulted in an approved rental, and 54% of those generated an administrative fee of less than \$250. Applying \$250 per rental application in 2018, similarly to the lease application fee, would have generated \$21,000 for the 84 approved rentals. The deficit of the bank in 2018 was \$134,644.

Timing of Applications

Rental application processing begins on November 1st, with staff from the water rights section assisting with processing applications. After March 31st, the number of persons dedicated to assisting with application processing is normally reduced to two FTE’s. In 2021, 25 rental applications were received during the month of March, with an immediate start date request, and four which were received as late as November. See Figure 4, below, where most applications are received during and after processing.

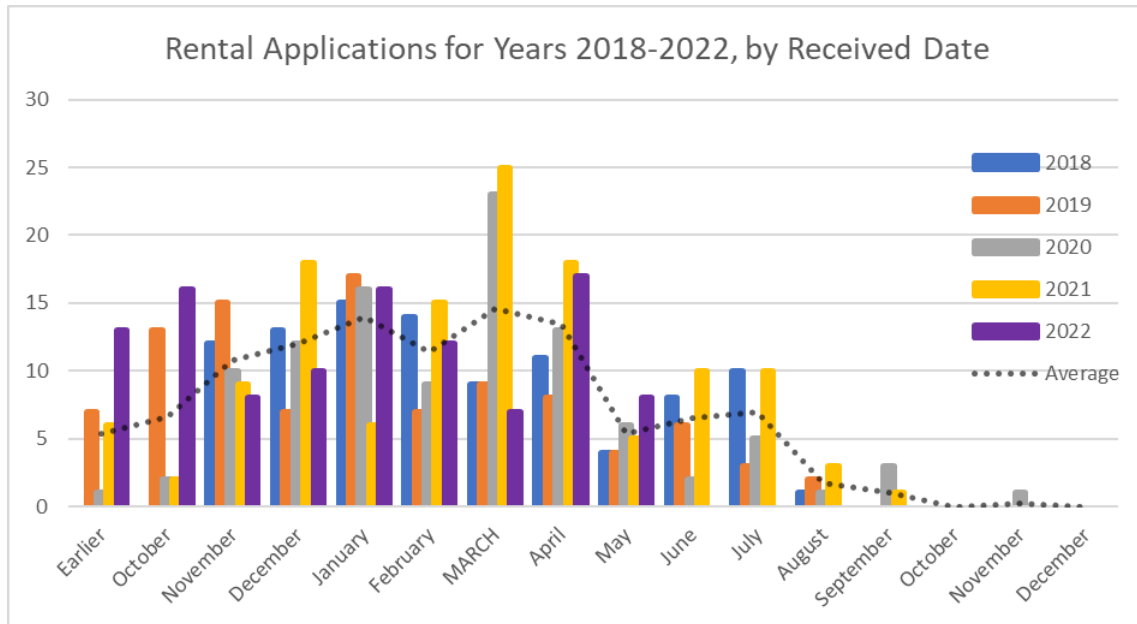


Figure 4

Rental applications received on or prior to November 1st have a November 1 priority for review, and any received after November 1st are reviewed in the order received. Almost 40% of the applications for 2021 were received after March 31st. In 2018, only 12 of the rental applications were received prior to the November 1 processing start date. An additional proposal in the rule change for IDAPA 37.02.03 is for a rental application fee of \$300 per application when received after November 1st, and only \$250 when received on or prior to November 1. Applying this rule would have increased the amount received from \$21,000 to approximately \$25,000 in 2018.

Administrative Fee

The minimum administrative fee, equal to 10% of the rental rate, received on a 2020 rental approval was \$4.00 for fish propagation storage offset, and nearly 33% of all rental applications approved in 2020, generated under \$100 per approval. The maximum administrative fee received on a 2020 rental approval was \$8,542.00, for crop irrigation. Of all the rental applications approved in 2020 and shown in Table 5 at right, about 70% generated less than \$700 in

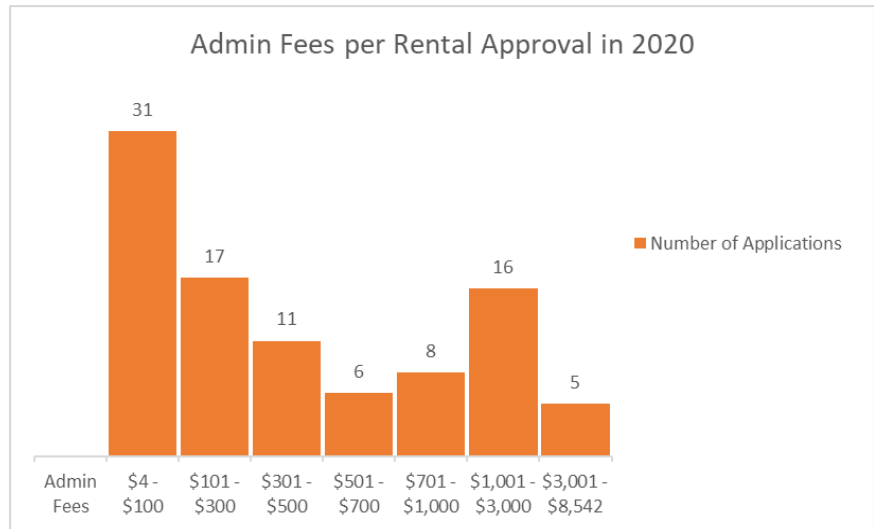


Figure 5

administrative fees each. Due to the high number of rental applications generating less than the cost to process and maintain them, alternative measures to recoup costs need to be implemented.

Applications to IDWR

Current processes within IDWR which impose an application fee include changes in ownership, applications for new appropriation, transfers, and exchanges. The department filing fee for a change in ownership is \$25 for an unsplit water right, and \$100 per split water right, with no fee due to the bank for the change in ownership. Included in the proposal for changes to IDAPA 37.02.03, is a proposal to add an additional fee of \$50 for a change in ownership of a water right leased to the bank. While there are only several changes of ownership to rights leased to the bank each year, it does require data entry to the software to manage ownership, as well as additional calculations in the owner payment from rentals.

Withdrawn Applications

The number of rental applications which were withdrawn after an agreement was drafted, but before a rental fee could be collected represents 5% of the total applications received in 2020. The time spent reviewing and finalizing these rental applications to agreements ranges from one to five months, with a three-month average. The most common reason for withdrawal was an approved transfer to the rental location. Should paying renters be burdened with the additional cost to offset withdrawn and cancelled rental agreements? Non-refundable application filing fees may help to reduce the number of

applications received and subsequently withdrawn, and if it does not at least the associated cost with partial administration of the application is recouped via the filing fee schedule.

Amendments to Applications

Currently there is not a fee schedule for incomplete applications and requests for additional information or changes to rental applications, including changes to transfer applications within Idaho Code 42-221.

A review of the 129 rental applications received in 2021, found 32 applications had requests to the applicant for additional information, amendments to applications by the applicant, multiple requests sent for payment and signature, and 12 were ultimately withdrawn or cancelled prior to finalization due to transfers or ownership changes. An additional fee of \$50 per application for an applicant’s request to change the acres, rate, or diversion, for lease or rental, is also within the proposed changes to the Water Supply Bank rules, IDAPA 37.02.03. Imposing an additional filing fee for amendments due to changes on the rental location or acres/af needed of \$50 would have generated an additional \$350 in revenue for 2020.

Cost accounting

The administrative fee currently in place should also be recognized as part of the annual maintenance cost of each rental agreement, where each year: a rental fee is due, a notice of rental fee due letter is issued, a receipt of funds received for rental is generated, late notice of rental fees is issued, a comprehensive review of rental fees received is used to calculate the amount payable to each water right holder, and notices of conclusions are sent three months prior to the end of the rental agreement, as well as a final conclusion letter after the term has ended. In Table 6 below, rentals active and new will require recording rental fees, and each of the rights rented will require payment to the owner of the right at the end of the year.

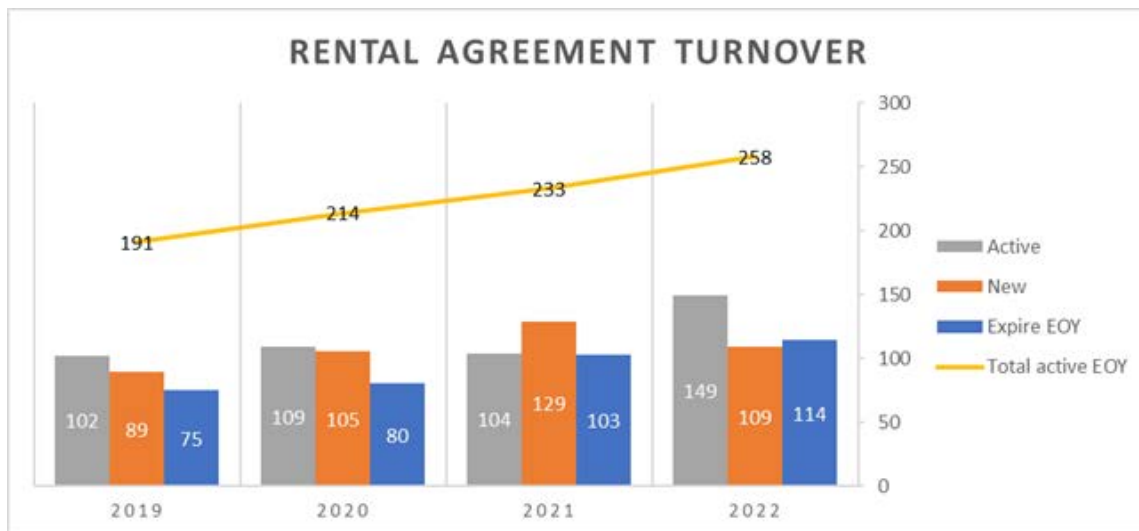


Table 6

An alternative approach to the \$250/\$300 rental application fee would be a sliding scale, the same as the application fees charged for changes in points of diversion or place of use, in Section 42-221, Idaho Code. This sliding scale approach would result in an additional \$48,960 per year, with a minimum fee of \$200 per application for 30 of the rentals approved in 2020, \$500 per application for 45 of the approvals in 2020, and between \$600 to \$2,310 per application for the remaining 19 rentals approved in 2020. Three of the approved rentals would have cost more than \$1,000 per application to file using the sliding scale for an application fee.

Additionally, item 7 below is an additional \$250 for a change in nature of use, which requires more time than most rental applications. Some examples include recharge and mitigation by non-use.

42-221. FEES OF DEPARTMENT. The department of water resources shall collect the following fees, which shall constitute a fund to pay for legal advertising, the publication of public notices and for investigations, research, and providing public data as required of the department in the performance of its statutory duties:

O. For filing an application to change the point of diversion, place, period or nature of use of water under a vested water right:

1. For a quantity of 0.2 c.f.s. or less, or for a storage volume of 20 acre feet or less \$200
2. For a quantity greater than 0.2 c.f.s. but not exceeding 1.0 c.f.s., or for a storage volume greater than 20 acre feet but not exceeding 100 acre feet \$500
3. For a quantity greater than 1.0 c.f.s. but not exceeding 20 c.f.s., or for a storage volume greater than 100 acre feet but not exceeding 2,000 acre feet \$500
plus \$80.00 for each additional c.f.s. or part thereof or 100 acre feet or part thereof over the first 1.0 c.f.s. or 100 acre feet.
4. For a quantity greater than 20.0 c.f.s. but not exceeding 100 c.f.s., or for a storage volume greater than 2,000 acre feet but not exceeding 10,000 acre feet \$2,020
plus \$40.00 for each additional c.f.s. or part thereof or 100 acre feet or part thereof over the first 20.0 c.f.s. or 2,000 acre feet.
5. For a quantity greater than 100 c.f.s. but not exceeding 500 c.f.s., or for a storage volume greater than 10,000 acre feet but not exceeding 50,000 acre feet \$5,220
plus \$20.00 for each additional c.f.s. or part thereof or 100 acre feet or part thereof over the first 100 c.f.s. or 10,000 acre feet.
6. For a quantity greater than 500 c.f.s., or for a storage volume greater than 50,000 acre feet \$13,220
plus \$4.00 for each additional c.f.s. or part thereof or 100 acre feet or part thereof over the first 500 c.f.s. or 50,000 acre feet.
7. For any application to change the nature of use of water under one (1) or more vested water right(s), an additional fee of \$250 shall apply.

All fees received by the department of water resources under the provisions of this chapter shall be transmitted to the state treasurer for deposit in the water administration account.

37.02.03 – WATER SUPPLY BANK RULES

000. LEGAL AUTHORITY (RULE 0).

This chapter is adopted under the legal authority of Section 42-1762, Idaho Code. (7-1-21)T

001. TITLE AND SCOPE (RULE 1).

01. Title. The title of this chapter is IDAPA 37.02.03, “Water Supply Bank Rules.” (7-1-21)T

02. Scope. These rules were first adopted by the Water Resource Board in October 1980 as mandated by Section 42-1762, Idaho Code enacted in 1979. The rules govern the Board’s operation and management of a Water Supply Bank provided for in Sections 42-1761 to 42-1766, Idaho Code. The purposes of the Water Supply Bank, as defined by statute, are to encourage the highest beneficial use of water; provide a source of adequate water supplies to benefit new and supplemental water uses; and provide a source of funding for improving water user facilities and efficiencies. These rules are to be used by the Water Resource Board in considering the purchase, sale, lease or rental of natural flow or stored water, the use of any funds generated therefrom, and the appointment of local committees to facilitate the lease and rental of stored water. The purchase, sale, lease or rental of water shall be in compliance with state and federal law. The adoption of these rules is not intended to prevent any person from directly selling or leasing water by transactions outside the purview of the Water Supply Bank Rules where such transactions are otherwise allowed by law. (7-1-21)T

002. -- 009. (RESERVED)

010. DEFINITIONS (RULE 10).

01. Board. The Idaho Water Resource Board. (7-1-21)T

02. Board's Water Supply Bank. The water exchange market operated directly by the Board to facilitate marketing of water rights. (7-1-21)T

03. Director. The Director of the Idaho Department of Water Resources. (7-1-21)T

04. Department. The Idaho Department of Water Resources. (7-1-21)T

05. Lease. To convey by contract a water right to the Board’s water supply bank or stored water to a rental pool operated by a local committee. (7-1-21)T

06. Local Committee. The committee which has been designated by action of the Board to facilitate marketing of stored water by operating a rental pool pursuant to Section 42-1765, Idaho Code. (7-1-21)T

07. Natural Flow. Water or the right to use water that exists in a spring, stream, river, or aquifer at a certain time and which is not the result of the storage of water flowing at a previous time. (7-1-21)T

08. Rent. To convey by contract a water right from the Board’s water supply bank or stored water from a rental pool. (7-1-21)T

09. Rental Pool. A market for exchange of stored water operated by a local committee. (7-1-21)T

10. Stored Water. Water made available by detention in surface reservoirs or storage space in a surface reservoir. (7-1-21)T

11. Water Right. The right to divert and beneficially use the public waters of the state of Idaho including any storage entitlement. (7-1-21)T

12. Water Supply Bank. The water exchange market operated by the Water Resource Board pursuant to Section 42-1761 through 42-1766, Idaho Code, and these rules and is a general term which includes the Board's water supply bank and rental pools. (7-1-21)T

13. Year. A time period of twelve (12) consecutive months. (7-1-21)T

14. Person. Any company, corporation, association, firm, agency, individual, partnership, Indian tribe, government or other entity. (7-1-21)T

011. -- 024. (RESERVED)

025. ACQUISITION OF WATER RIGHTS FOR THE BOARD'S WATER SUPPLY BANK (RULE 25).

01. General. The Board may purchase, lease, accept as a gift or otherwise obtain rights to natural flow or stored water and credit them to the Board's water supply bank. These water rights may then be divided or combined into more marketable blocks provided that there is no injury to other right holders, or enlargement of use of the water rights, and the change is in the local public interest. Any person proposing to sell or lease water rights to the Board's water supply bank, or to otherwise make water available through the water supply bank for the purposes of Section 42-1763A, Idaho Code, shall file a completed application with the Director on a forms or in a format provided by the Department and provide such additional information as the Board or Director may require in evaluating the proposed transaction. The completed application form shall state the period of time a water right is offered for lease, or the period of time that storage water will be released for fish migration purposes in accordance with Section 42-1763A, Idaho Code, and the payment terms, if any, requested by the applicant. (7-1-21)T

02. Application. Submitted with the completed application shall be: (7-1-21)T

a. Evidence that the water right has been recorded through court decree, permit or license issued by the Department. If the right is included in an ongoing adjudication, a copy of the claim is required; (7-1-21)T

b. Proof of current ownership of the water right by the applicant; (7-1-21)T

c. Information that the water right has not been lost through abandonment, or forfeiture as defined by Section 42-222(2), Idaho Code; (7-1-21)T

d. Evidence to demonstrate the relative availability of water in the source to fill the water right; and (7-1-21)T

e. The written consent of such company, corporation or irrigation district to the proposed sale or lease must accompany the application if the right to the use of the water, or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district. (7-1-21)T

f. A lease application filing fee of two hundred fifty dollars (\$250) per water right up to a maximum total of five hundred dollars (\$500.00) for overlapping water rights which have a common place of use or common diversion rate or diversion volume. The lease filing fee described herein shall be deposited in the Water Administration Account and shall not apply to applications to lease stored water into rental pools described in Rule 40. (7-1-21)T

03. Review. Upon receipt of the completed application the Director will review it for completeness and make such further review as he deems necessary to adequately brief the Board on the proposed transaction. (7-1-21)T

04. Inadequate Application. If an application is not complete, the Director will correspond with the applicant to obtain the needed information. If the requested information is not returned in thirty (30) days, the application will no longer be considered a valid request to place a water right into the Board's water supply bank.

(7-1-21)T

05. Consideration. The Board may consider an application at any regular or special meeting.

(7-1-21)T

06. Criteria. The Board will consider the following in determining whether to accept an offered water right into the Board's water supply bank:

(7-1-21)T

a. Whether the applicant is the current owner, title holder or contract water user of the water right proposed to be transferred to the Board's water supply bank or has authority to act on behalf of the owner;

(7-1-21)T

b. Whether all necessary consents have been filed with the Board;

(7-1-21)T

c. Whether the information available to the Board indicates that the water right has been abandoned or forfeited;

(7-1-21)T

d. Whether the offering price or requested rental rate is reasonable;

(7-1-21)T

e. Whether acquisition of the water right will be contrary to the State Water Plan;

(7-1-21)T

f. Whether the application is in the local public interest as defined in Section 42-1763, Idaho Code;

(7-1-21)T

g. The probability of selling or renting the water right from the Board's water supply bank.

(7-1-21)T

h. Whether there are sufficient funds on hand to acquire the water right for the Board's water supply bank, provided that, if there are insufficient funds, or if in the opinion of the Board, existing funds should not immediately be expended for such acquisition, the Board may find that the water right should be acquired on a contingency basis, with payment to be made to the seller or lessor only after water is subsequently sold or rented from the Board's water supply bank, and

(7-1-21)T

i. Such other factors as determined to be appropriate by the Board.

(7-1-21)T

07. Resolution of Board. The Board may by resolution accept an application to sell or lease a water right to the Board's water supply bank, or to otherwise make water available through the water supply bank for the purposes of Section 42-1763A, Idaho Code. An application to lease together with the resolution accepting it becomes a lease and the water right is placed into the Board's water supply bank upon adoption of the resolution. A resolution accepting an application to sell a right to the Board's water supply bank will provide authority for the chairman of the Board to enter an agreement to purchase the water right. The resolution may include conditions of approval, including but not limited to, the following:

(7-1-21)T

a. A condition providing the length of time the water right will be retained in the Board's water supply bank.

(7-1-21)T

b. A condition describing the terms for payment to the owner of the water right and the sale or rental price from the Board's water supply bank.

(7-1-21)T

c. Other conditions as the Board determines appropriate, including a condition recognizing that water is being made available through the water supply bank pursuant to the provisions of Section 42-1763A, Idaho Code, for purposes of fish migration.

(7-1-21)T

08. Placement of Water Right. Effect of placement of a water right into the Board's water supply bank.

(7-1-21)T

a. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the

conditions of acceptance.

(7-1-21)T

b. Upon acceptance of a water right into the Board's water supply bank, the owner of the water right is not authorized to continue the diversion and use of the right while it is in the Board's water supply bank, unless the water right is for hydropower and is placed in the Board's water supply bank to be released for salmon migration and power production purposes.

(7-1-21)T

c. A water right which has been accepted shall remain in the Board's water supply bank for the period designated by the Board unless removed by resolution of the Board.

(7-1-21)T

d. The owner of the water right shall remain responsible to take actions required to claim the water right in an adjudication or other legal action concerning the water right and to pay taxes, fees, or assessments related to the water right.

(7-1-21)T

e. The forfeiture provisions of Section 42-222(2), Idaho Code are tolled during the time period the water right is in the Board's water supply bank, pursuant to the provisions of Section 42-1764, Idaho Code.

(7-1-21)T

026. -- 029. (RESERVED)

030. SALE OR RENTAL OF WATER RIGHTS FROM THE BOARD'S WATER SUPPLY BANK (RULE 30).

01. General. The Board may in its discretion initiate the process to sell or rent water rights from the Board's water supply bank to achieve the purposes stated in Rule 1. The Board may from time to time, as water rights are available, authorize the Director to announce the availability of the rights from the Board's water supply bank, establishing a time and date for receiving applications in the office of the Director to purchase or rent the water rights. An application shall be on a form or in a format provided by the Director. The sale or rental price shall be the price, if any, as determined by the Board. The Director will evaluate applications with respect to the purposes of Rule 1, as to whether there will be injury to other water rights, whether the proposal would constitute an enlargement of the water right, whether the water will be put to a beneficial use, whether the water supply available from applicable rights in the Board's water supply bank is sufficient for the use intended, and whether the proposal is in the local public interest. For applications submitted pursuant to the interim authority provided by Section 42-1763A, Idaho Code, the Director will only make an evaluation as to whether the proposed use of water will cause injury to other water rights. The Director may defer the evaluation of potential injury to other water rights conditioned upon the right of any affected water right holder to petition the Director pursuant to Section 42-1766, Idaho Code, to revoke or modify the rental approval upon a showing of injury.

(7-1-21)T

02. Notice. The Director may give notice of an intended rental as he deems necessary, provided that prior to approving any application for purchase, or for rental for a period of more than five (5) years, he shall give notice as required in Section 42-222(1), Idaho Code.

(7-1-21)T

03. Approval. Sale or rental shall be approved only for use of water within the state of Idaho. The Director shall consider in determining whether to approve a rental of water for use outside of the state of Idaho those factors enumerated in Section 42-401(3), Idaho Code, except that this evaluation shall not be required for applications submitted pursuant to the interim authority provided by Section 42-1763A, Idaho Code.

(7-1-21)T

04. Consideration. All applications received on or prior to the announced date for receiving applications shall be considered as having been received at the same time. Applications received after the close of the application date may be considered only if sufficient available water remains in the Board's water supply bank after all acceptable, timely applications have been filed.

(7-1-21)T

05. Authorized to Rent. The Director is authorized to rent water rights offered by the Board from the Board's water supply bank for a period up to five (5) years, but shall submit applications for purchase, or rental for a period of more than five (5) years to the Board for action. The Director will advise the Board on applications which require Board approval under Rule Subsection 025.06 whether he can approve the application in whole or in part or

with conditions to comply with Section 42-1763, Idaho Code. (7-1-21)T

06. Board Review. The Board will review applications for purchase or which propose the rental of water rights for a duration of more than five (5) years, and may approve, approve with conditions or may reject the applications as the Board determines to best meet the purposes of Rule 1 and promote the interest of the people of the state of Idaho. (7-1-21)T

07. Order of Consideration. When renting water from the bank, the Director and the Board shall consider rental of water rights in the order the rights were leased to the bank, with first consideration for the rights which have continuously been in the bank the longest period of time provided the rights are suitable for the purpose of the renter. (7-1-21)T

031. -- 034. (RESERVED)

035. HANDLING OF MONEY ASSOCIATED WITH THE BOARD'S WATER SUPPLY BANK (RULE 35).

Payments received by the Department from the sale or rental of water rights from the Board's water supply bank shall be handled as follows: (7-1-21)T

01. Credited Amount. Ten percent (10%) of the gross amount received from the sale or rental of a water right from the Board's water supply bank and the entire lease application fee received pursuant to Rule 025 shall be credited to the Water Administration Account created by Section 42-238a, Idaho Code, or to the federal grant fund if the payment is received from a federal agency, for administrative costs of operating the Water Supply Bank. The ten percent (10%) charge described herein shall not apply to stored water rented from the rental pools described in Rule 040. (7-1-21)T

02. Excess Funds. Any funds in excess of the amount needed to compensate the owner of the water right in accordance with the resolution accepting the water right into the Board's water supply bank and the administrative charge of Rule Subsection 035.01 shall be credited to the Water Management Account created by Section 42-1760, Idaho Code, for use by the Board for the purposes of Rule 1. (7-1-21)T

036. -- 039. (RESERVED)

040. APPOINTMENT OF LOCAL RENTAL POOL COMMITTEES (RULE 40).

01. Board Meetings for Committee Appointments. The Board may at any regular or special meeting to consider appointing an entity to serve as a local committee to facilitate the lease and rental of stored water. At least ten (10) days prior to the meeting, the entity seeking appointment shall provide to the Director information concerning the organization of the entity, a listing of its officers, a copy of its bylaws and procedures, if applicable, a copy of the proposed local committee procedures, pursuant to which the local committee would facilitate the lease and rental of stored water, together with a copy of each general lease and rental form proposed to be used by the local committee. The local committee procedures must be approved by the Board and must provide for the following: (7-1-21)T

a. Determination of priority among competing applicants to lease stored water to the rental pool and to rent stored water from the rental pool; (7-1-21)T

b. Determination of the reimbursement schedule for those leasing stored water into the rental pool; (7-1-21)T

c. Determination of the rental price charge to those renting stored water from the rental pool; (7-1-21)T

d. Determination of the administrative charge to be assessed by the local committee; (7-1-21)T

e. Allocation of stored water leased to the bank but not rented; (7-1-21)T

f. Notification of the Department and the watermaster of any rentals where stored water will be moved from the place of use authorized by the permit, license, or decree establishing the stored water right; (7-1-21)T

g. Submittal of applications to rent water from the rental pool for more than five (5) years to the Board for review and approval as a condition of approval by the local committee; (7-1-21)T

h. Prevention of injury to other water rights; (7-1-21)T

i. Protection of the local public interest, except for applications submitted pursuant to the interim authority provided by Section 42-1763A, Idaho Code; (7-1-21)T

j. Consistency with the conservation of water resources within the state of Idaho, except for applications submitted pursuant to the interim authority provided by Section 42-1763A, Idaho Code; (7-1-21)T

k. Management of rental pool funds as public funds pursuant to the Public Depository Law, Chapter 1, Title 57, Idaho Code. (7-1-21)T

02. Local Committee Procedures. The local committee procedures shall provide that a surcharge of ten percent (10%) of the rental fee charged per acre foot of stored water rented from the rental pool shall be assessed and credited to the revolving development account and the water management account established in Sections 42-1752 and 42-1760, Idaho Code, in such proportion as the Board in its discretion shall determine. Such moneys, together with moneys accruing to or earned thereon, shall be set aside, and made available until expended, to be used by the Board for the purposes of Rule 1 unless the surcharge is prohibited by statute, compact or inter-governmental agreement. (7-1-21)T

03. Review by Director. The Director will review the local committee procedures and submit them along with the Director's recommendation to the Board. The lease and rental form must receive the Director's approval. The Board may designate the applying entity as the local committee for a period not to exceed five (5) years. A Certificate of Appointment will be issued by the Board. The Board may extend the appointment for additional periods up to five (5) years, upon written request of the local committee. The Board may revoke a designation upon request of the local committee, or after a hearing pursuant to the promulgated Rules of Practice and Procedure of the Board, if the Board determines that the local committee is no longer serving a necessary purpose or is not abiding by its own approved procedures, these rules or applicable statutes. (7-1-21)T

04. Annual Report. The local committee shall report annually on the activity of the rental pool on forms provided by the Board. (7-1-21)T

05. Submission of Amendments to Procedures to Board. Amendments to the approved procedures of an appointed local committee which change the amount charged for the rental of stored water shall be submitted to the Board by April 1st of any year. The amendment will be considered approved by the Board unless specifically disapproved at the first regular Board meeting following the amendment action of the local committee. The Board may, upon good cause being determined by the Board, specifically approve of amendments submitted after April 1 of any year. (7-1-21)T

041. -- 999. (RESERVED)

37.02.03 – WATER SUPPLY BANK RULES

000. LEGAL AUTHORITY (RULE 0).

This chapter is adopted under the legal authority of Section 42-1762, Idaho Code. (7-1-21)T

001. TITLE AND SCOPE (RULE 1).

01. Title. The title of this chapter is IDAPA 37.02.03, “Water Supply Bank Rules.” (7-1-21)T

02. Scope. These rules ~~were first adopted by the Water Resource Board in October 1980 as mandated by Section 42-1762, Idaho Code enacted in 1979. The rules~~ govern the Board’s operation and management of a Water Supply Bank provided for in Sections 42-1761 to 42-1766, Idaho Code. The purposes of the Water Supply Bank, as defined by statute, are to encourage the highest beneficial use of water; provide a source of adequate water supplies to benefit new and supplemental water uses; and provide a source of funding for improving water user facilities and efficiencies. These rules are to be used by the ~~Water Resource~~ Board in considering the purchase, sale, lease or rental of natural flow or stored water, the use of any funds generated therefrom, and the appointment of local committees to facilitate the lease and rental of stored water. ~~The purchase, sale, lease or rental of water shall be in compliance with state and federal law.~~ The adoption of these rules is not intended to prevent any person from directly selling or leasing water by transactions outside the purview of the Water Supply Bank Rules where such transactions are otherwise allowed by law. ()

002. -- 009. (RESERVED)

010. DEFINITIONS (RULE 10).

01. Board. The Idaho Water Resource Board. (7-1-21)T

02. Board's Water Supply Bank. The water exchange market operated directly by the Board to facilitate marketing of water rights. (7-1-21)T

03. Director. The Director of the Idaho Department of Water Resources. (7-1-21)T

04. Department. The Idaho Department of Water Resources. (7-1-21)T

05. Lease. To convey by contract a water right to the Board’s water supply bank or stored water to a rental pool operated by a local committee. (7-1-21)T

06. Local Committee. The committee which has been designated by action of the Board to facilitate marketing of stored water by operating a rental pool pursuant to Section 42-1765, Idaho Code. (7-1-21)T

07. Natural Flow. Water or the right to use water that exists in a spring, stream, river, or aquifer at a certain time and which is not the result of the storage of water flowing at a previous time. (7-1-21)T

~~**08. Person.** Any individual, partnership, corporation, association, governmental subdivision, or public or private organization or entity of any character. ()~~

~~**0809. Rent.** To convey by contract a water right from the Board’s water supply bank or stored water from a rental pool. (7-1-21)T~~

~~**0910. Rental Pool.** A market for exchange of stored water operated by a local committee. (7-1-21)T~~

~~**1011. Stored Water.** Water made available by detention in surface reservoirs or storage space in a surface reservoir. (7-1-21)T~~

1412. Water Right. The legal right to divert and ~~beneficially use~~ or to protect in place the public waters of the state of Idaho, including any storage entitlement, where such right is evidenced by a court decree or a permit or license issued by the Department. ()

1413. Water Supply Bank. The water exchange market operated by the ~~Water Resource~~ Board pursuant to Section 42-1761 through 42-1766, Idaho Code, and these rules and is a general term which includes the Board's water supply bank and rental pools. (7-1-21)T

~~13. Year. A time period of twelve (12) consecutive months.~~ ()

~~14. Person. Any company, corporation, association, firm, agency, individual, partnership, Indian tribe, government or other entity.~~ ()

011. -- 024. (RESERVED)

025. ACQUISITION OF WATER RIGHTS FOR THE BOARD'S WATER SUPPLY BANK (RULE 25).

01. General. The Board may purchase, lease, accept as a gift or otherwise obtain rights to natural flow or stored water and credit them to the Board's water supply bank. These water rights may then be divided or combined into more marketable blocks, provided that there is no injury to other right holders, or enlargement of use of the water rights, and the change is in the local public interest. Any person proposing to sell or lease water rights, or to amend an existing lease contract, to the Board's water supply bank, or to otherwise make water available through the water supply bank for the purposes of Section 42-~~1763A~~1763B, Idaho Code, shall file a completed application with the Director on a forms or in a format, including digital format, provided established by the Department and provide such additional information as the Board or Director may require ~~in~~for evaluating the proposed transaction. The completed application ~~form~~ shall state the period of time a water right is offered for lease, or the period of time that storage water will be released for fish migration purposes in accordance with Section 42-~~1763A~~1763B, Idaho Code, and the payment terms, if any, requested by the applicant. ()

02. Application. Submitted with the completed application shall be: (7-1-21)T

a. Evidence that the water right has been recorded through a court decree or a permit or license issued by the Department. If the right is included in an ongoing adjudication, a copy of the claim is required; ()

b. ~~Proof of current ownership of the water right by the applicant that the applicant currently owns the water right or has the owner's authorization to submit the application. If the right to the use of the water, or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, the written consent of such company, corporation or irrigation district to the proposed sale or lease must accompany the application;~~ ()

c. Information that the water right has not been lost through abandonment, or forfeiture as defined by Section 42-222(2), Idaho Code; (7-1-21)T

d. Evidence ~~to demonstrate~~ demonstrating the relative availability of water ~~in the source to fill to satisfy~~ the water right; ~~and~~ ()

~~**e.** The written consent of such company, corporation or irrigation district to the proposed sale or lease must accompany the application if the right to the use of the water, or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district.~~ ()

f. A lease application filing fee of two hundred fifty dollars (\$250) per water right, up to a maximum total of five hundred dollars (\$500.00) for overlapping water rights which have a common place of use or common diversion rate or diversion volume. ~~The lease filing fee described herein shall be deposited in the Water Administration Account and shall not apply to applications to lease stored water into rental pools described in Rule~~

40. ()

~~03. — Review. Upon receipt of the completed application the Director will review it for completeness and make such further review as he deems necessary to adequately brief the Board on the proposed transaction. ()~~

~~0403. Inadequate Application. Upon receipt of the completed application the Director will review it for completeness and if if an application is not complete, the Director will correspond with the applicant to obtain the needed information. If the requested information is not returned in thirty (30) days, the application will no longer be considered a valid request to place a water right into the Board's water supply bank. Failure to submit the requested information within thirty (30) days will be cause for the Director to void the application. ()~~

~~05. — Consideration. The Board may consider an application at any regular or special meeting. ()~~

~~04. Amendments. To amend a completed lease application to change the number of acres, diversion rate, diversion volume, place of use, or beneficial use offered to the Board's water supply bank, the applicant shall submit a revised lease application and an amendment application fee of fifty dollars (\$50) per water right. ()~~

~~0605. Criteria. The Board will consider the following in determining whether to accept an offered water right into the Board's water supply bank: (7-1-21)T~~

~~a. Whether the applicant is the current owner, title holder or contract water user of the water right proposed to be transferred to the Board's water supply bank or has authority to act on behalf of the owner; (7-1-21)T~~

~~b. Whether all necessary consents have been filed with the Board; (7-1-21)T~~

~~c. Whether the information available to the Board indicates that the water right has been abandoned or forfeited or may have been forfeited; ()~~

~~d. Whether accepting the right into the Board's water supply bank would cause an enlargement of the right because of overlapping water rights which have a common beneficial use, place of use, diversion rate, or diversion volume;~~

~~de. Whether the offering price or requested rental rate is reasonable; (7-1-21)T~~

~~ef. Whether acquisition of the water right will be contrary to the State Water Plan; (7-1-21)T~~

~~fg. Whether the application is in the local public interest as defined in Section 42-~~1763~~202B, Idaho Code; ()~~

~~gh. The probability of selling or renting the water right from the Board's water supply bank. (7-1-21)T~~

~~hi. Whether there are sufficient funds on hand to acquire the water right for the Board's water supply bank, provided that, if there are insufficient funds, or if in the opinion of the Board, existing funds should not immediately be expended for such acquisition, the Board may find that the water right should be acquired on a contingency basis, with payment to be made to the seller or lessor only after water is subsequently sold or rented from the Board's water supply bank, and (7-1-21)T~~

~~ij. Such other factors as determined to be appropriate by the Board. (7-1-21)T~~

~~0706. Resolution of Board. The Board may by resolution accept an application to sell or lease a water right to the Board's water supply bank, or to otherwise make water available through the water supply bank ~~for the purposes of Section 42-1763A, Idaho Code~~. An application to lease together with the resolution accepting it~~

becomes a lease and the water right is placed into the Board's water supply bank upon adoption of the resolution. A resolution accepting an application to sell a right to the Board's water supply bank will provide authority for the chairman of the Board to enter an agreement to purchase the water right. The resolution may include conditions of approval, including but not limited to, the following: ()

a. A condition providing the length of time the water right will be retained in the Board's water supply bank. (7-1-21)T

b. A condition describing the terms for payment to the owner of the water right and the sale or rental price from the Board's water supply bank. (7-1-21)T

c. Other conditions as the Board determines appropriate, including a condition recognizing that water is being made available through the water supply bank pursuant to the provisions of Section 42-~~1763A~~1763B, Idaho Code, for purposes of fish migration. ()

0807. Placement of Water Right. Effect of placement of a water right into the Board's water supply bank. (7-1-21)T

~~a. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance. ()~~

~~b.~~ **ba.** Upon acceptance of a water right into the Board's water supply bank, the owner of the water right is not authorized to continue the diversion and use of the right while it is in the Board's water supply bank, unless the water right is for hydropower and is placed in the Board's water supply bank to be released for salmon migration and power production purposes. (7-1-21)T

~~b.~~ **eb.** A water right which has been accepted shall remain in the Board's water supply bank for the period designated by the Board unless removed by resolution of the Board. (7-1-21)T

~~c.~~ **dc.** The owner of the water right shall remain responsible to take actions required to claim the water right in an adjudication or other legal action concerning the water right and to pay taxes, fees, or assessments related to the water right. (7-1-21)T

~~d. A notice of change in ownership filed with the Department for a right leased to the Bank will require an additional processing fee of fifty dollars (\$50) per water right.~~

e. The forfeiture provisions of Section 42-222(2), Idaho Code are tolled during the time ~~period~~ the water right is in the Board's water supply bank, pursuant to the provisions of Section 42-1764, Idaho Code. ()

026. -- 029. (RESERVED)

030. SALE OR RENTAL OF WATER RIGHTS FROM THE BOARD'S WATER SUPPLY BANK (RULE 30).

01. General. The Board may in its discretion initiate the process to sell or rent water rights from the Board's water supply bank ~~to achieve the purposes stated in Rule 1. The Board may from time to time, as water rights are available, authorize the Director to announce the availability of the rights from the Board's water supply bank, establishing a time and date for receiving applications in the office of the Director to purchase or rent the water rights.~~ An application to rent, or to amend an existing rental, shall be on a form or in a format, including digital format, provided established by the Director and shall provide such additional information as the Board or Director may require for evaluating the proposed rental. The ~~sale or~~ rental price shall be the price, if any, as determined by the Board. ~~The Director will evaluate applications with respect to the purposes of Rule 1, as to whether there will be injury to other water rights, whether the proposal would constitute an enlargement of the water right, whether the water will be put to a beneficial use, whether the water supply available from applicable rights in~~

~~the Board's water supply bank is sufficient for the use intended, and whether the proposal is in the local public interest. For applications submitted pursuant to the interim authority provided by Section 42-1763A, Idaho Code, the Director will only make an evaluation as to whether the proposed use of water will cause injury to other water rights. The Director may defer the evaluation of potential injury to other water rights conditioned upon the right of any affected water right holder to petition the Director pursuant to Section 42-1766, Idaho Code, to revoke or modify the rental approval upon a showing of injury.~~ ()

02. Application. Submitted with the completed application shall be:

a. Evidence of authority or permission to use water at the proposed place of use, to divert water at the proposed point of diversion, and to deliver water through the proposed conveyance system, including a canal, lateral or ditch for delivery of water.

b. The proposed beneficial use of water and the quantity of water to be diverted during the rental, including the number of acres to be irrigated if the application is for irrigation.

c. A map of sufficient scale to show the proposed points of diversion and proposed places of use, including the number of acres to be irrigated if the application is for irrigation.

d. A rental application filing fee of three hundred dollars (\$300), except when the application is received by November 1 of the calendar year prior to the proposed rental start date, then the rental filing fee shall be two hundred fifty dollars (\$250).

e. Evidence to support historic use calculations for a change in nature of use of the requested right to the proposed rental use.

03. Inadequate Application. Upon receipt of the completed application the Director will review it for completeness and if an application is not complete, the Director will correspond with the applicant to obtain the needed information. Failure to submit the requested information within thirty (30) days will be cause for the Director to void the application. ()

0204. Notice. The Director may give notice of an intended rental as he deems necessary, provided that prior to approving any application for purchase, or for rental for a period of more than five (5) years, he shall give notice as required in Section 42-222(1), Idaho Code. (7-1-21)T

05. Amendments. To amend a completed rental application to change the number of irrigated acres, diversion rate, or annual diversion volume, the applicant shall submit a new application for rental form along with an application amendment fee of fifty dollars (\$50) per application. ()

~~**03. Approval.** Sale or rental shall be approved only for use of water within the state of Idaho. The Director shall consider in determining whether to approve a rental of water for use outside of the state of Idaho those factors enumerated in Section 42-401(3), Idaho Code, except that this evaluation shall not be required for applications submitted pursuant to the interim authority provided by Section 42-1763A, Idaho Code.~~ ()

0406. Consideration. All applications received on or prior to ~~the announced date for receiving applications~~ November 1 of the calendar year prior to the proposed rental start date shall be considered as having been received at the same time. Applications received after ~~the close of the application date~~ November 1 may be considered only if sufficient available water remains in the Board's water supply bank after all acceptable, timely applications have been filed. ()

07. Criteria. The Director will evaluate applications with respect to the purposes of Rule 1, as to whether there will be injury to other water rights, whether the proposal would constitute an enlargement of the water right, whether the water will be put to a beneficial use, whether the water supply available from applicable rights in the Board's water supply bank is sufficient for the use intended, whether the proposal is in the local public interest, and any other factors as established by the Board. For applications submitted pursuant to the interim authority pro-

vided by Section 42-1763B, Idaho Code, the Director will only make an evaluation as to whether the proposed use of water will cause injury to other water rights. The Director may defer the evaluation of potential injury to other water rights conditioned upon the right of any affected water right holder to petition the Director pursuant to Section 42-1766, Idaho Code, to revoke or modify the rental approval upon a showing of injury. The Director shall consider in determining whether to approve a rental of water for use outside of the state of Idaho those factors enumerated in Section 42-401(3), Idaho Code, except that this evaluation shall not be required for applications submitted pursuant to the interim authority provided by Section 42-1763B, Idaho Code. ()

0508. Authorized to Rent. The Director is authorized to rent water rights offered by the Board from the Board's water supply bank for a period up to five (5) years, but shall submit applications for purchase, or rental for a period of more than five (5) years to the Board for action. The Director will advise the Board on applications which require Board approval under Rule Subsection 025.06 whether he can approve the application in whole or in part or with conditions to comply with Section 42-1763, Idaho Code. (7-1-21)T

0609. Board Review. The Board will review applications for purchase or which propose the rental of water rights for a duration of more than five (5) years, and may approve, approve with conditions or may reject the applications as the Board determines to best meet the purposes of Rule 1 and promote the interest of the people of the state of Idaho. (7-1-21)T

~~07. — Order of Consideration. When renting water from the bank, the Director and the Board shall consider rental of water rights in the order the rights were leased to the bank, with first consideration for the rights which have continuously been in the bank the longest period of time provided the rights are suitable for the purpose of the renter. ()~~

031. -- 034. (RESERVED)

035. HANDLING OF MONEY ASSOCIATED WITH THE BOARD'S WATER SUPPLY BANK (RULE 35).

01. Fees collected pursuant to Rules 025 and 030, from the acquisition, sale or rental of water rights for or from the Board's water supply bank, shall not apply to rental pools described in Rule 040. Payments received by the Department from the sale or rental of water rights from the Board's water supply bank and shall be handled as follows: ()

~~01a. Credited Amount. The fees received pursuant to Rule 025 for lease applications, amendments and ownership changes, and fees received pursuant to Rule 030 for rental applications, amendments, and Ten ten percent (10%) of the gross amount received from the sale or rental of a water right from the Board's water supply bank, and the entire lease application fee received pursuant to Rule 025 shall be credited to the Water Administration Account created by Section 42-238a, Idaho Code, or to the federal grant fund if the payment is received from a federal agency, for administrative costs of operating the Water Supply Bank. The ten percent (10%) charge described herein shall not apply to stored water rented from the rental pools described in Rule 040. ()~~

~~02b. Excess Funds. Any funds in excess of the amount needed to compensate the owner of the water right in accordance with the resolution accepting the water right into the Board's water supply bank and the administrative charges of Rule Subsection 035.01.a shall be credited to the Water Management Account created by Section 42-1760, Idaho Code, for use by the Board for the purposes of Rule 1. ()~~

036. -- 039. (RESERVED)

040. APPOINTMENT OF LOCAL RENTAL POOL COMMITTEES (RULE 40).

01. Board Meetings for Committee Appointments. The Board may at any regular or special meeting to consider appointing an entity to serve as a local committee to facilitate the lease and rental of stored water. At least ten (10) days prior to the meeting, the entity seeking appointment shall provide to the Director information concerning the organization of the entity, a listing of its officers, a copy of its bylaws and procedures, if applicable, a copy of the proposed local committee procedures, pursuant to which the local committee would facilitate the lease and rental of stored water, together with a copy of each general lease and rental form proposed to

be used by the local committee. The local committee procedures must be approved by the Board and must provide for the following: (7-1-21)T

- a. Determination of priority among competing applicants to lease stored water to the rental pool and to rent stored water from the rental pool; (7-1-21)T
- b. Determination of the reimbursement schedule for those leasing stored water into the rental pool; (7-1-21)T
- c. Determination of the rental price charge to those renting stored water from the rental pool; (7-1-21)T
- d. Determination of the administrative charge to be assessed by the local committee; (7-1-21)T
- e. Allocation of stored water leased to the bank but not rented; (7-1-21)T
- f. Notification of the Department and the watermaster of any rentals where stored water will be moved from the place of use authorized by the permit, license, or decree establishing the stored water right; (7-1-21)T
- g. Submittal of applications to rent water from the rental pool for more than five (5) years to the Board for review and approval as a condition of approval by the local committee; (7-1-21)T
- h. Prevention of injury to other water rights; (7-1-21)T
- i. Protection of the local public interest, except for applications submitted pursuant to the interim authority provided by Section 42-~~1763A~~1763B, Idaho Code; ()
- j. Consistency with the conservation of water resources within the state of Idaho, except for applications submitted pursuant to the interim authority provided by Section 42-~~1763A~~1763B, Idaho Code; ()
- k. Management of rental pool funds as public funds pursuant to the Public Depository Law, Chapter 1, Title 57, Idaho Code. (7-1-21)T

02. Local Committee Procedures. The local committee procedures shall provide that a surcharge of ten percent (10%) of the rental fee charged per acre foot of stored water rented from the rental pool shall be assessed and credited to the revolving development account and the water management account established in Sections 42-1752 and 42-1760, Idaho Code, in such proportion as the Board in its discretion shall determine. Such moneys, together with moneys accruing to or earned thereon, shall be set aside, and made available until expended, to be used by the Board for the purposes of Rule 1 unless the surcharge is prohibited by statute, compact or inter-governmental agreement. (7-1-21)T

03. Review by Director. The Director will review the local committee procedures and submit them along with the Director's recommendation to the Board. The lease and rental form must receive the Director's approval. The Board may designate the applying entity as the local committee for a period not to exceed five (5) years. A Certificate of Appointment will be issued by the Board. The Board may extend the appointment for additional periods up to five (5) years, upon written request of the local committee. The Board may revoke a designation upon request of the local committee, or after a hearing pursuant to the promulgated Rules of Practice and Procedure of the Board, if the Board determines that the local committee is no longer serving a necessary purpose or is not abiding by its own approved procedures, these rules or applicable statutes. (7-1-21)T

04. Annual Report. The local committee shall report annually on the activity of the rental pool on forms provided by the Board. (7-1-21)T

05. Submission of Amendments to Procedures to Board. Amendments to the approved procedures of an appointed local committee which change the amount charged for the rental of stored water shall be submitted

to the Board by April 1st of any year. The amendment will be considered approved by the Board unless specifically disapproved at the first regular Board meeting following the amendment action of the local committee. The Board may, upon good cause being determined by the Board, specifically approve of amendments submitted after April 1 of any year. (7-1-21)T

041. -- 999. (RESERVED)

Overview of Changes, IDAPA 37.02.03, WSB Rules

Scope, Rule 01

Remove wording in scope that is history, unnecessary, and repetitive.

Definitions, Rule 10

Move person definition up in alphabetical order, wording for person and water right consistent with rules of appropriation, IDAPA 37.03.08, and remove year definition.

Acquisition, Rule 25

Update all instances of IC 42-1763B

25.02 – rearrange some wording to bring e up to b

Remove deposit of lease application fee under e to Rule 035, handling money

Inadequate – combined with Review, update return application to match IDAPA 37.03.08, Water Appropriation rules

Add Amendment to applications, and \$50 fee. Changes to applications after they have been fully received cause processing delays and confusion.

Add Change in Ownership fee, and \$50 per water right in the bank. No fee is charged for changes to ownership for rights in the bank, past Water Right filing fee. Updates to software and ownership percentiles for payments take time.

Sale or Rental, Rule 30

General, Part of this language is repeated later or earlier, or moved to new subsection Application.

Application– structure similar to Rule 025 to create consistency – Reduce processing times, confusion from representatives and applicants with clear expectations and requirements.

Add new fee for rental applications, as \$300 per application, unless received by November 1st of the calendar year prior to the requested start date, then it will be \$250. This is to encourage early applications for when processing rentals begin for the next year, and while more personnel are assigned to processing applications.

Add inadequate and amendments, same as Acquisition in Rule 25, again for consistency and clear requirements to reduce hiccups in processing.

*Approval – move language to within 30.08 - Criteria

30.03 – Review – Added, use language from lease review 25.03 for structure flow

*Consideration moved from 30.04 to 30.07

Money, Rule 35

Language from fees received for lease application filing fees is moved here. Structure clarifies where new fees will be deposited.