To: ESPA CAMP

RE: Fee based system

The Funding Working Group has recommended that any collection mechanism for the ESPA Plan be mandatory, administratively efficient and not require an election. An aquifer user fee is one option that may meet this criteria. The goal of a user fee system is to ensure the least amount of administrative overhead costs for collecting the fee coupled with an assurance that the revenue derived from such a fee will be equitable for the class it is assessed and that such revenue will be expended for the benefit of those that are paying the fee. In this case the fee would be for the implementation of the Comprehensive Aquifer Management Plan on the Eastern Snake Plain Aquifer.

The ESPA Plan established that the assessment fee for surface water users within the ESPA is at $1 per acre and $2 per an acre of ground water users . In addition, municipalities, spring users, commercial and hydropower interests have funding participation targets. This fee assessment is not designed to be voluntary; rather it will be a mandatory annualized fee.

The fee could be assessed based on a water right. Theoretically those that possess the rights are the ones that will derive the benefit so the consumptive utilization of surface and ground water for the purposes of irrigation of cropland would end up paying. While certainly in many cases cooperative systems that assess a fee for utilization will pay the fee, but largely that fee will be passed on to the end user through their own assessment process.

Throughout Idaho code there are several mandatory fees that are paid for the same public purpose, but through several classifications. The transportation system comes to mind where fees vary on automobiles based on age. The revenue derived is used back to the benefit of the drivers.

The IDWR would annually assess a aquifer user fee in a predictable and simple manner through a billing system for those within the ESPA CAMP area and would ultimately collect the funds. This system could be farmed out to a bank that has experience doing monthly billings for utilities.

The money collected would go into a separate dedicated account within the IDWR administered by the Water Board based on allocation planning and input from the advisory committee.

The fee system eliminates the need for coordination through multiple districts or local governments which would siphon money off in overhead costs. It eliminates the need for a vote on the creation of a new district and creates the ability of the government of Idaho to develop the different classes so that the fees can be assessed at different rates for different utilizations.

In theory while the fund within IDWR would only be able to retain actual cash payments, a separate system for credits could be used to either offset assessments and/or tracked for the purpose of maximizing efforts within a particular project.