AGENDA

IDAHO WATER RESOURCE BOARD

Work Session for Board Meeting No. 1-19
January 24, 2019
1:30 p.m.
Idaho Water Center
Conference Rooms 602 B, C and D
322 E. Front St.
BOISE

1. Roll Call
2. Report from Mark Limbaugh of the Ferguson Group
3. Boise River Feasibility Study Update
4. Treasure Valley Ground Water Model Update
5. Big Lost Hydrologic Investigation Update
6. Priest Lake Water Management Project Update
7. Flood Management Grant Update
8. Water Supply Bank Annual Report

*Action Item: A vote of recommendation regarding this item may be made at 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 in facilities that meet the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Department staff by email nikki.regent@idwr.idaho.gov or by phone at (208) 287-4800.

Memorandum

To: Idaho Water Resource Board (IWRB)

From: Neeley Miller

Date: January 15, 2019

Re: Report by Mark Limbaugh of the Ferguson Group

No Action Required

Mark Limbaugh of the Ferguson Group will provide an update to the Board.

Idaho Water Resource Board
Federal Affairs Report

January 24, 2019

Current Overview

- Partial Government Shutdown
  - Funding for border security/wall on southern border
- FY 2019 Appropriations Bills
  - House passed FY 2019 bills – Senate waiting for President
  - Disaster Relief – storms/volcanoes/floods
  - Pay for furloughed federal workers
  - Corps – Reclamation Funded for FY 2019
- Trump Nominations
  - Senate approved CEQ nominee – President is resubmitting others, including Interior nominees
  - Andrew Wheeler – Nominated for EPA Administrator
  - Secretary of the Interior appointment – TBD

Trump Administration Update

- Department of the Interior
  - Deputy Secretary David Bernhardt – Acting Secretary of the Interior
    - Dr. Timothy Petty – ASWS
    - Brenda Burman – Commissioner of Bureau of Reclamation
  - Other key Senate-confirmed positions – not filled yet
    - Andrea Travnicek (DAS-WS) – Acting AS-FWP
    - FWS – Aurelia Skipwith (DAS-FWP) Nominated in 2018
- Environmental Protection Agency
  - David Ross – Assistant Administrator – Office of Water
    - Lee Forsgren – Deputy Asst. Admin. – Office of Water
- USACE
  - R.D. James, Assistant Secretary Army – Civil Works

Water Infrastructure in the 115th Congress

- Trump Administration Proposal
  - Focused on leveraging federal with non-federal funding
- Congressional Interest – Bipartisan
- 115th Congress Water Infrastructure Legislation
  - AWIA Enacted (WRDA 2018)
  - Energy and Water Development FY 2019 Appropriations
  - Lame Duck – 'Reclamation Title'
- Regulatory streamlining
- Innovative Financing – HR 434/Reclamation WIFIA
  - AWIA Reclamation MOU with EPA

FY 2019 WaterSMART/WIIN Act Funding

- WaterSMART Grants – FY 2019
  - Water and Energy Conservation - $34M
  - Title XVI – $45M
  - Drought Response - $9M
- WIIN Act – FY 2019
  - Water Storage Sec. 4007 - $134M (total authorized $335M – appropriated)
  - Only $33.3M Allocated from FY 2017 Funding – $302M in Funding Yet to be Allocated
  - Projects must be recommended by the Secretary and named in an appropriations bill by Congress in order to receive funding from WIIN Act

IWRB Accomplishments - 2017 and 2018

- Aquifer Recharge
  - FY 2017 and FY 2018 Appropriations Language
    - *SEC. 204. Notwithstanding any other provision of law, during the period from November 1 through April 30, water users may use their diversion structures for the purpose of recharging the Eastern Snake Plain Aquifer, when the Secretary, in consultation with the Advisory Committee and Water District 1 watermaster, determines there is water available in excess of that needed to satisfy existing Minidoka Project storage and hydropower rights and ensure operational flexibility.*
  - Senate Energy and Natural Resource Committee
    - October 2017 Roundtable discussion on removing federal barriers to aquifer recharge
    - Roger Chase, Roundtable panelist on behalf of IWRB
    - Led to legislative language in Reclamation Title of Public Lands package in 2018

IWRB Accomplishments - 2017 and 2018

- Water Supply Infrastructure
  - WIIN Act Water Storage Funding
    - FY 2017 – Boise River Basin Water Storage Feasibility Study (Anderson Ranch Reservoir) selected to receive $750K in federal 50% cost share
    - FY 2019 – Boise River Basin study selected to receive additional funding from Reclamation
      - WIIN Act storage projects must be recommended by the Secretary of the Interior and named in an appropriations bill – currently at a stalemate in Congress
    - Once feasibility study completed – apply for 50% federal cost share on Anderson Ranch Reservoir raise (if determined feasible and recommended for funding under WIIN)

2019 Federal Outlook

- 116th Congress
  - Democrats control of House – 235-198 (one GOP seat in NC in question; PA voters to replace Rep. Marino who resigned)
  - Republicans control of Senate – 53-47 (60-votes needed to control)
- Congressional Priorities
  - Reopen Government
    - Omnibus Spending Bill for FY 2019 (or not)
    - FY 2020 Budget and Appropriations Process
  - Land and Water Package (Includes "Reclamation Title" Negotiated in Lame Duck 115th Congress)
  - Oversight of Trump Administration (House)
  - Regulatory reform – ESA/NEPA/CWA – Slowed down
  - Infrastructure Initiative

IWRB 2019 Federal Priorities

- IWRB – 2019 and Beyond
  - Water Supply Infrastructure Development
    - Boise River Basin
    - Groundwater Recharge legislation
  - Federal Funding
    - WIIN Act
    - WaterSMART Grants
    - Reclamation WIFIA Program
    - USDA NRCS Broadened Authorities for Water Infrastructure

Water Infrastructure in the 116th Congress

- Water Infrastructure Opportunities for Idaho
  - WIIN Act Water Storage Funding – Reclamation
    - Cost Shared Grants – 50% Federal Project / 25% State-led
    - Boise River Basin Storage Study – Anderson Ranch Raise
    - Groundwater Storage Projects Eligible
  - Aquifer Recharge Bill
    - Authority for Use of Reclamation Facilities for Acquifer Recharge
    - Sense of Congress – BLM Easements

Water Infrastructure in the 116th Congress

- Water Infrastructure Opportunities for Idaho (cont.)
  - WIFIA Loans – EPA
    - Finance 49% of Total Cost/T-bill Rates/35-year repayment
    - Available to Credit-Worthy Non-Federal Water Storage Projects (>$20M total cost)
    - Reclamation WIFIA – AWIA MOU Language/New Authority Needed
    - State Revolving Funds – Now Can Receive WIFIA Loans to Capitalize Groups of Projects

Water Infrastructure in the 116th Congress

- Water Infrastructure Opportunities for Idaho (cont)
  - Flood Control Rule Curve Modifications – USACE
    - Ririe Reservoir – MOU with Mitigation Inc.
    - Phase I – Determine Potential for Increased Carryover
  - 2018 Farm Bill
    - EQIP – Cost Shared Irrigation Improvements – Funding Now Available to Irrigation Districts/States – Approx. $2B/Year
    - RCPP – Regional Conservation Partnership Program Cost Shared Grants – Available to State and Local Governments and Irrigation Districts – $300M/Year
    - P.L. 566 Watershed Program – Water Infrastructure Improvements for Small (<250K Acres) – $50M/Year Mandatory Funds

Questions

Mark Limbaugh
The Ferguson Group LLC
1901 Pennsylvania Avenue, NW, Suite 700
Washington, DC 20006
(202) 331-8500
MLimbaugh@tfgnet.com
www.thefergusongroup.com

Memorandum

To: Idaho Water Resource Board

From: Cynthia Bridge Clark, Emily Skoro

Date: January 14, 2019

Re: Boise River Storage Feasibility Study

REQUIRED ACTION: No action is required at this time.

Background

The Idaho Water Resource Board (IWRB) is partnering with the Bureau of Reclamation (Reclamation) to complete a feasibility study of new surface water storage options on the Boise River (study). The study includes an evaluation of small raises of the three large dams on the Boise River system: Anderson Ranch, Arrowrock, and Lucky Peak Dams. In March 2018, the Memorandum of Agreement was signed which formalized the working relationship between the IWRB and Reclamation. The total study cost is estimated to be $6 million. The IWRB, as the non-federal sponsor, has committed to funding fifty percent of the study costs up to $3 million.

Reclamation initiated the feasibility study under the authority of Public Law 111-11, which authorized the study of projects to address water shortages in the Boise River system and was set to sunset in March 2019. In 2018, Public Law 111-11 was extended by 10 years to March 30, 2029. The Water Infrastructure Improvements for the Nation Act (WIIN Act, P.L. 114-322) provides a second authority for the study, and potentially design and construction. The act states that continuing authority only applies to projects determined to be feasible before January 1, 2021. Additionally, projects can only receive Federal funds under the WIIN Act if recommended by the Secretary of the Interior and designated by name in Federal appropriations legislation. Reclamation received $750,000 of WIIN Act funding in 2018 for the Study. Reclamation is continuing to pursue additional funding under the WIIN Act and through standard budget processes.

Status

- After initial technical review of the three dams, Reclamation concluded that an increase in reservoir storage at Arrowrock and Lucky Peak Dams is significantly more complicated than a raise of Anderson Ranch Dam due to the physical and procedural complexities of each facility. Given the WIIN Act requirement to determine project feasibility before January 1, 2021, Reclamation recommended that study efforts should be focused on the raise of Anderson Ranch Dam at this time.
- On July 27, 2018, the IWRB passed a resolution authorizing Reclamation to focus current study analyses on a raise of Anderson Ranch Dam, with the understanding that the feasibility of small raises at Arrowrock and Lucky Peak Dams could be evaluated further in future analyses. The resolution also authorized Reclamation to complete land, structure, infrastructure and real estate impact assessments for all three reservoirs to provide information for current and future feasibility analyses, and it specified that Reclamation and IWRB consult upon the costs of the modified study scope. Finally, through the resolution, the IWRB agreed to continue to pursue an extension to P.L. 111-11 and other authorities and encouraged Reclamation to pursue authorization and funding under the WIIN Act and other authorities to achieve the greatest

support for the development of multi-purpose water projects in the Treasure Valley, including potential raises or increases in reservoir capacity of Anderson Ranch, Arrowrock and Lucky Peak Dams.

- The Board has provided $1.25M to Reclamation to cover costs for the work as of December 2018.

- Completed and upcoming project activities include:
    - Completion of LIDAR data and orthoimagery collection by contractors.
    - Development of land, structure, infrastructure, and real estate impact assessment ("Rim Analysis") by contractors.
    - Technical analyses of Anderson Ranch Dam, including geotechnical exploration and the preparation of a feasibility-level design, cost estimate, and risk assessment are ongoing. Analyses in 2019 will be performed by Reclamation's Technical Service Center in Denver, Colorado.
    - A public open house was held on November 8, 2018, which included a short presentation to introduce the study and information stations with subject matter experts to address questions from the public. Approximately 70 members of the public attended.
    - A Value Planning (VP) Study was conducted on December 3-7, 2018, with a final report expected in January. Reclamation requires VP studies on projects with estimated construction costs exceeding $10M. The VP Study provided a review of technical considerations related the raise of Anderson Ranch Dam. Other topics such as project access, traffic routing, spillway modification, and construction phasing were also reviewed and documented. The findings of the VP study will be considered in the project design and environmental compliance analyses. Reclamation will provide an update to the IWRB on the general findings and how these could influence the feasibility study.
    - Reclamation awarded a contract to complete the feasibility study and environmental compliance efforts in late December 2018 and is planning a schedule for public engagement in order to initiate the formal NEPA process in May.
    - Reclamation is reviewing options for allocation of new potential storage based on available policy guidance and will coordinate with the IWRB and water users in the coming months.
- Roland Springer, the Area Manager of Reclamation's Snake River Area Office, will provide an update on the progress of the feasibility study at the May IWRB meeting.

Current Schedule

- November 2017 - January 2019: Perform initial screening of the three potential dam raise alternatives and develop a Plan of Study
- July 27, 2018 - IWRB passed a resolution authorizing Reclamation to focus current study analyses on a raise of the Anderson Ranch Dam.
- August 28, 1018 - Legislative Infrastructure Tour was held to discuss large water infrastructure projects in Idaho with representatives from Idaho's Congressional delegation.
- November 8, 2018 - Boise River Basin Feasibility Study Open House
- December 3-7, 2018 – Boise River Basin Feasibility Study Value Planning Study

- February 2019 – Receive draft Rim Analysis Report from Contractor (Anderson Ranch)
- April 2019: Receive final Rim Analysis Report from Contractor (all three reservoirs)
- July 2018 – June 2019: Perform feasibility analysis of alternatives (structural, non-structural, and no-action)
- May 2019 – May 2020: Perform formal environmental compliance activities
- June 2020 – August 2020: Undergo approval process of recommended alternative

Memorandum

To: Idaho Water Resource Board (IWRB)

From: Sean Vincent SV

Date: January 13, 2019

Re: Treasure Valley Groundwater Flow Model Development Project

I will give a presentation on the status of the subject groundwater flow model development project at the upcoming IWRB work session in Boise on January 24, 2019.

Update on Treasure Valley Groundwater Flow Model Project

Presented to the Idaho Water Resource Board by Sean Vincent
January 24, 2019

Project description

- Developing transient groundwater flow model
  - Model calibration period 1986-2015

- Collaboration w/ U.S. Geological Survey

USGS/IDWR Final Reports

SVRP

USGS
science for a changing world

Prepared in cooperation with the
IDAHO DEPARTMENT OF WATER RESOURCES
WASHINGTON STATE DEPARTMENT OF ECOLOGY
UNIVERSITY OF IDAHO
WASHINGTON STATE UNIVERSITY

Ground-Water Flow Model for the Spokane Valley-Rathdrum Prairie Aquifer, Spokane County, Washington, and Bonner and Kootenai Counties, Idaho

Scientific Investigations Report 2007–5044

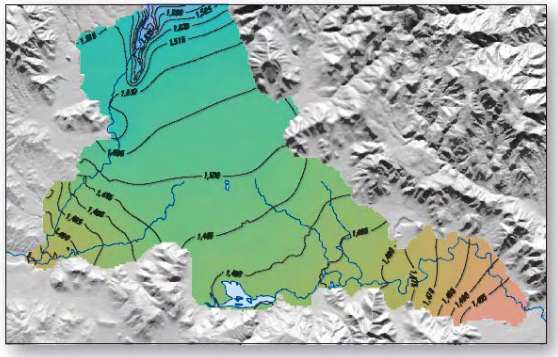
U.S. Department of the Interior
U.S. Geological Survey

WRV

USGS
science for a changing world

Prepared in cooperation with the Idaho Department of Water Resources

Groundwater-Flow Model for the Wood River Valley Aquifer System, South-Central Idaho

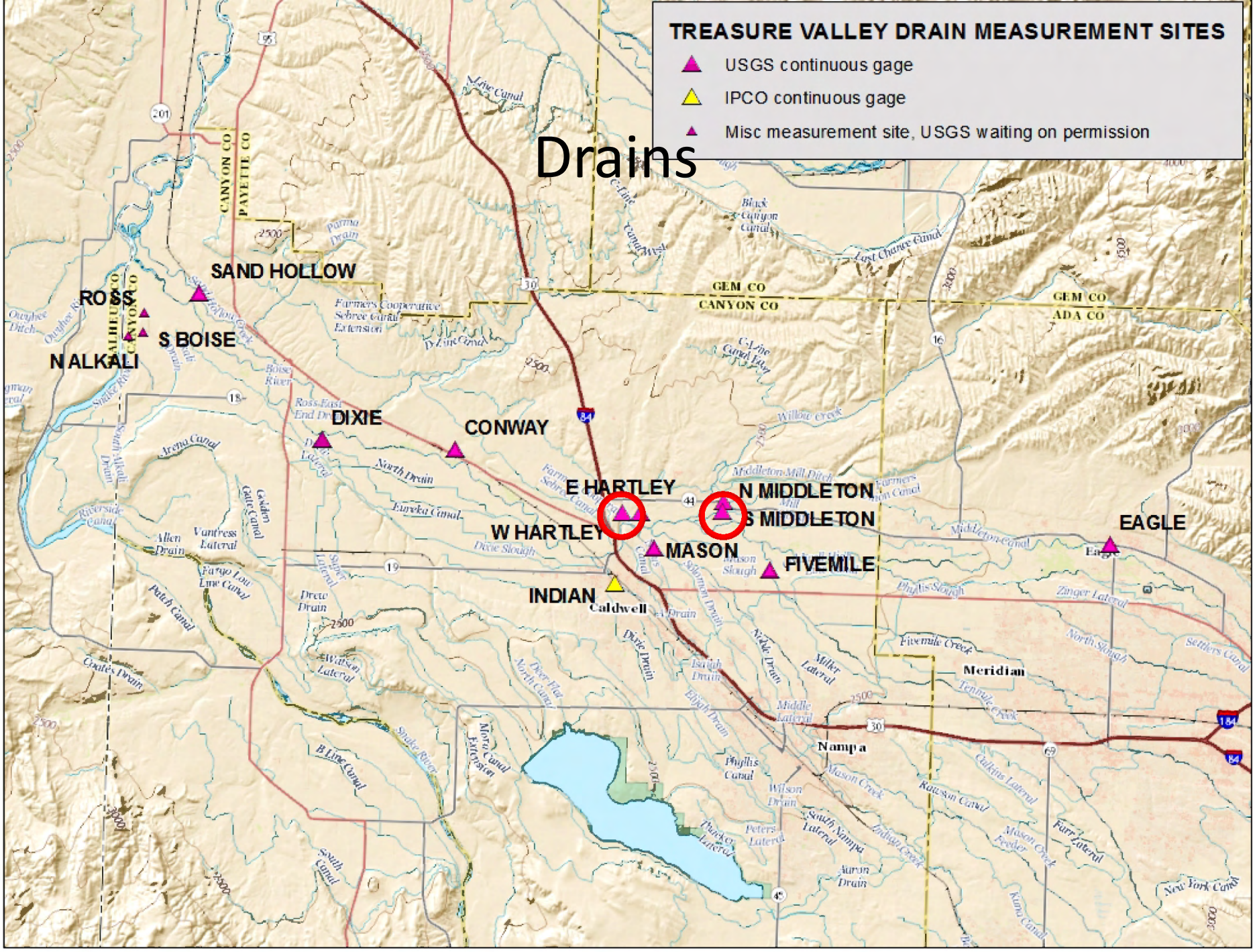


Scientific Investigations Report 2016–5080

U.S. Department of the Interior
U.S. Geological Survey

Project description

- Developing transient groundwater flow model
  - Model calibration period 1986-2015
- Collaboration w/ U.S. Geological Survey
- 5 year project w/ 4 overlapping phases
  - Phase 1 project initiation (complete)
  - Phase 2 data collection = (years 0 - 5)


TREASURE VALLEY DRAIN MEASUREMENT SITES
USGS continuous gage
IPCO continuous gage
Misc measurement site, USGS waiting on permission
Drains
SAND HOLLOW
ROSS
S BOISE
N ALKALI
DIXIE
CONWAY
E HARTLEY
N MIDDLETON
S MIDDLETON
W HARTLEY
MASON
FIVEMILE
EAGLE
INDIAN
Caldwell
Meridian
Nampa
CANYON CO
PAYETTE CO
GEM CO
ADA CO

Agricultural drains

Project description

- Developing transient groundwater flow model
  - Model calibration period 1986-2015
- Collaboration w/ U.S. Geological Survey
- 5 year project w/ 4 overlapping phases
  - Phase 1 project initiation (complete)
  - Phase 2 data collection = (years 0 - 5)
  - Phase 3 hydrogeologic framework (years 0 - 2.5)
  - Phase 4 model development (years 1 - 5)

USGS
science for a changing world

IDWR

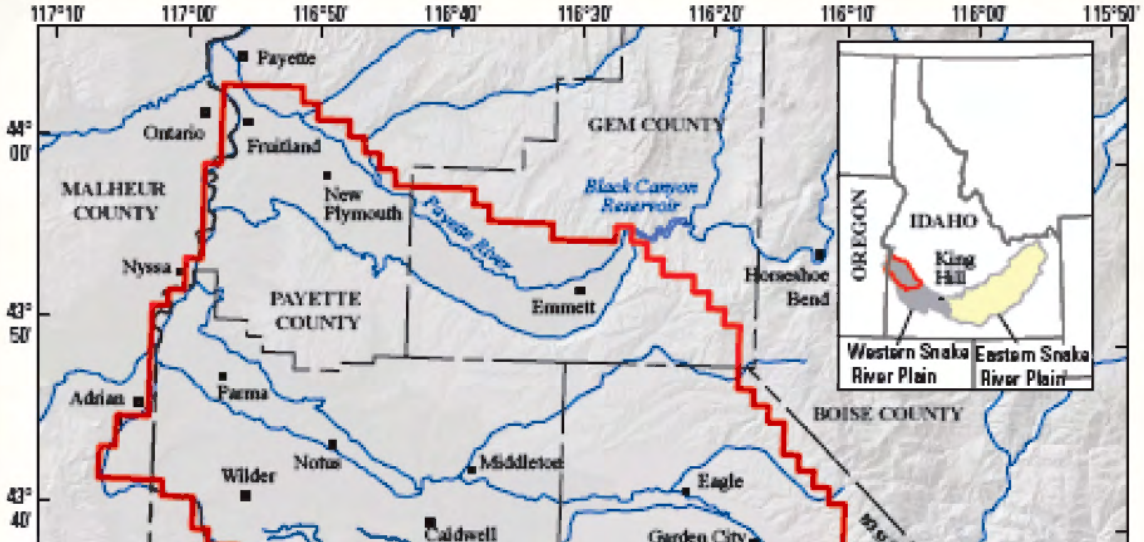
Fact Sheet

A Groundwater-Flow Model for the Treasure Valley and Surrounding Area, Southwestern Idaho

The U.S. Geological Survey (USGS), in partnership with the Idaho Department of Water Resources (IDWR) and Idaho Water Resource Board (IWRB), will construct a numerical groundwater-flow model of the Treasure Valley and surrounding area. Resource managers will use the model to simulate potential anthropogenic and climatic effects on groundwater for water-supply planning and management. As part of model construction, the hydrogeologic understanding of the aquifer system will be updated with information collected during the last two decades, as well as new data collected for the study.

The Treasure Valley

The Treasure Valley is "the agricultural area that stretches west from Boise into Oregon" (U.S. Board on Geographic Names, 2016), although it is commonly referred to as the lower Boise River Basin. The valley contains the three largest and sixth largest cities in Idaho—Boise, Meridian, Nampa, and Caldwell, respectively (fig. 1). The 2016 population of the Treasure Valley was about 630,000, representing about 37 percent of the total population of Idaho (SPF Water Engineering, 2016; U.S. Census Bureau, 2017). Except for



Progress since March 22, 2018 update

- Water District 63 field trip on June 14, 2018

Progress since March 22, 2018 update

- Water District 63 field trip on June 14, 2018

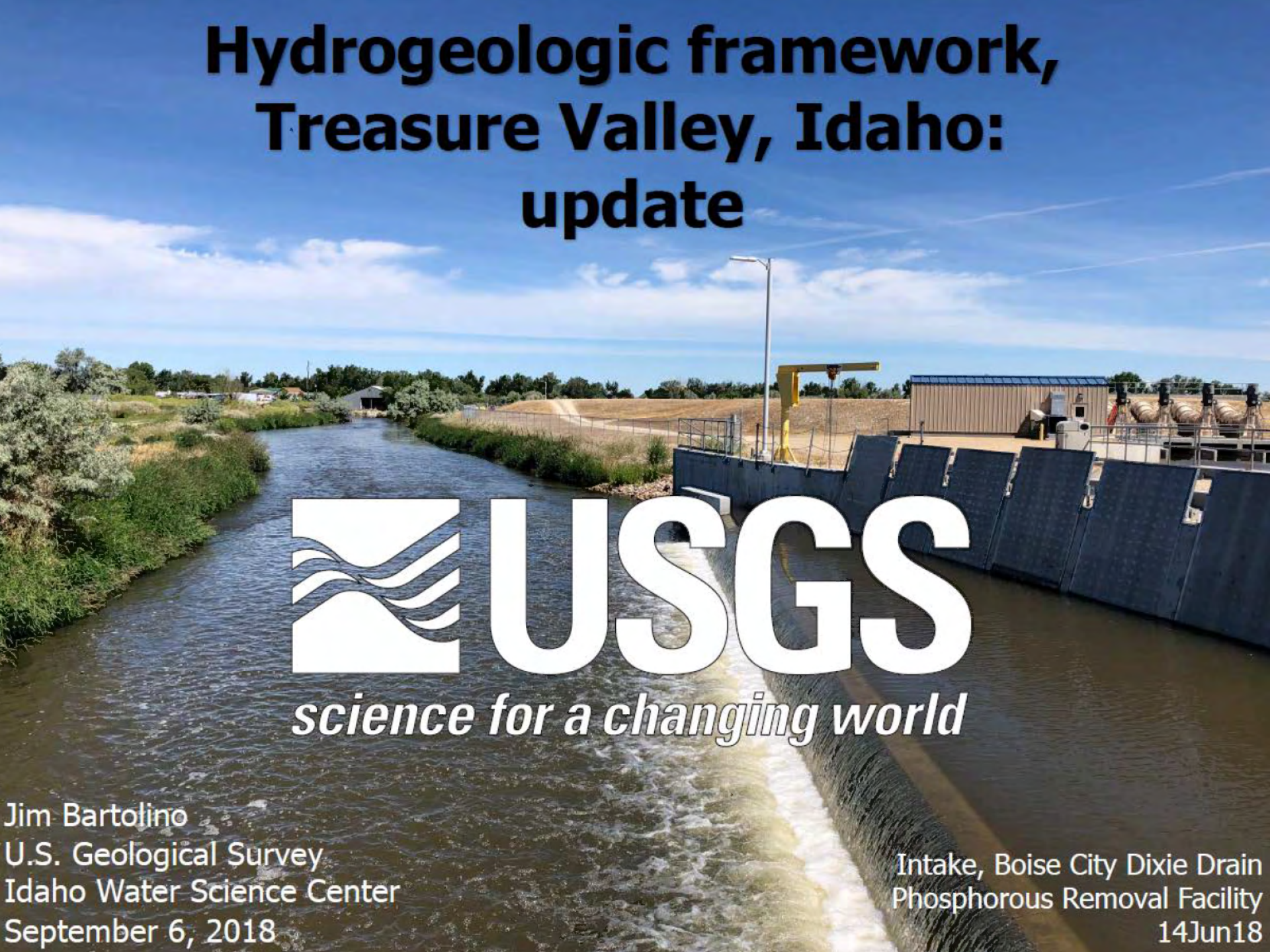
- Geology field trip on June 20, 2018

Progress since March 22, 2018 update

- Water District 63 field trip on June 14, 2018
- Geology field trip on June 20, 2018
- MTAC meetings on September 6 and December 6

MTAC meeting

Hydrogeologic framework, Treasure Valley, Idaho: update



Jim Bartolino
U.S. Geological Survey
Idaho Water Science Center
September 6, 2018

Intake, Boise City Dixie Drain
Phosphorous Removal Facility
14Jun18

Water-level measurements

- 30 multi-level wells
- 101 TV network wells
- 17 City of Meridian monitoring wells
- 81 Suez Water Idaho production wells

- About 1400 wells with 1 or more WL msmts 1986-2015
- About 44,000 wells in IDWR database, about 26,000 1986-2015.
  - Most have a driller-measured water level.

Hydrogeologic framework, Treasure Valley, Idaho: update

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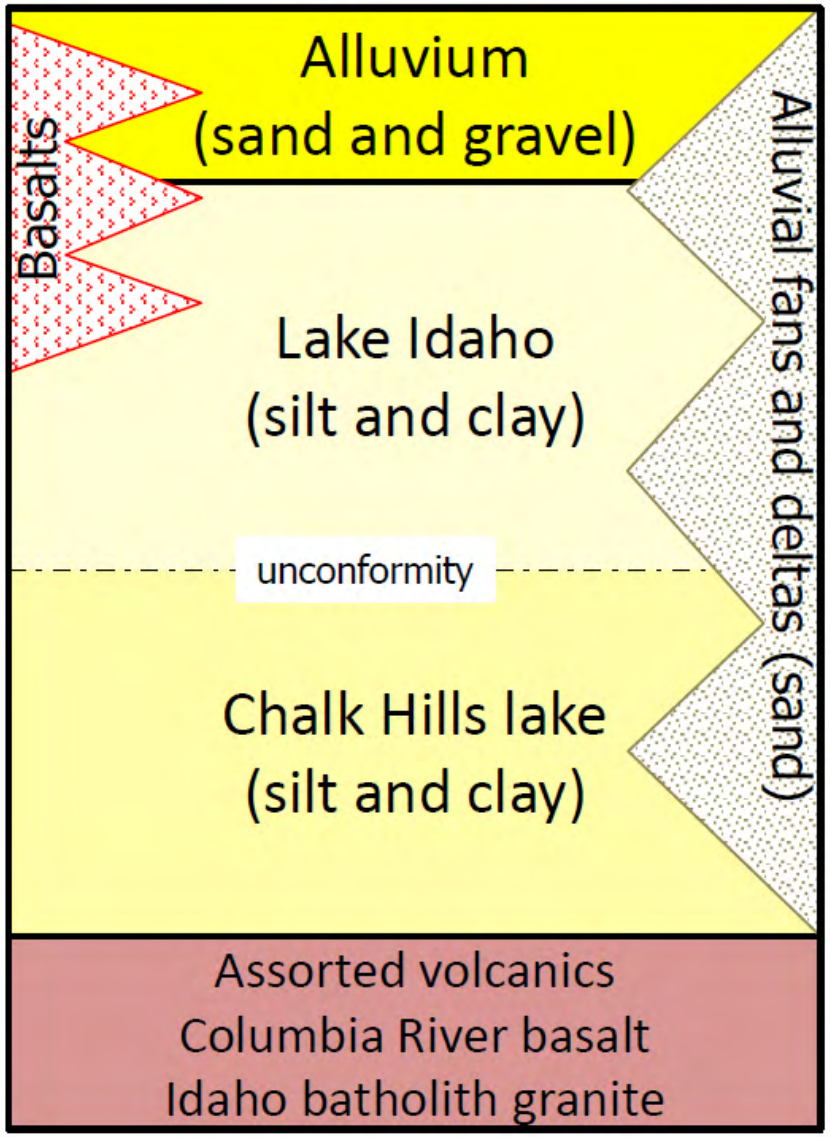
Jim Bartolino
U.S. Geological Survey
Idaho Water Science Center
December 6, 2018

Deltaic sands, Chalk Hills Fm.
Sommercamp Rd
20Jun18

Hydrogeologic units



- Four units based on lithology/depositional environment
  - Lacustrine: fine-grained sediments (silt and clay)
  - Fluvial/alluvial: coarse-grained sediments (sand and gravel)
  - Pliocene/Pleistocene basalts: (basalt and scoria)
  - Bedrock: rhyolite, Columbia River Basalt, Idaho batholith granite

USGS

Using water level measurements to define model layers:
Status and plan

Stephen Hundt

USGS
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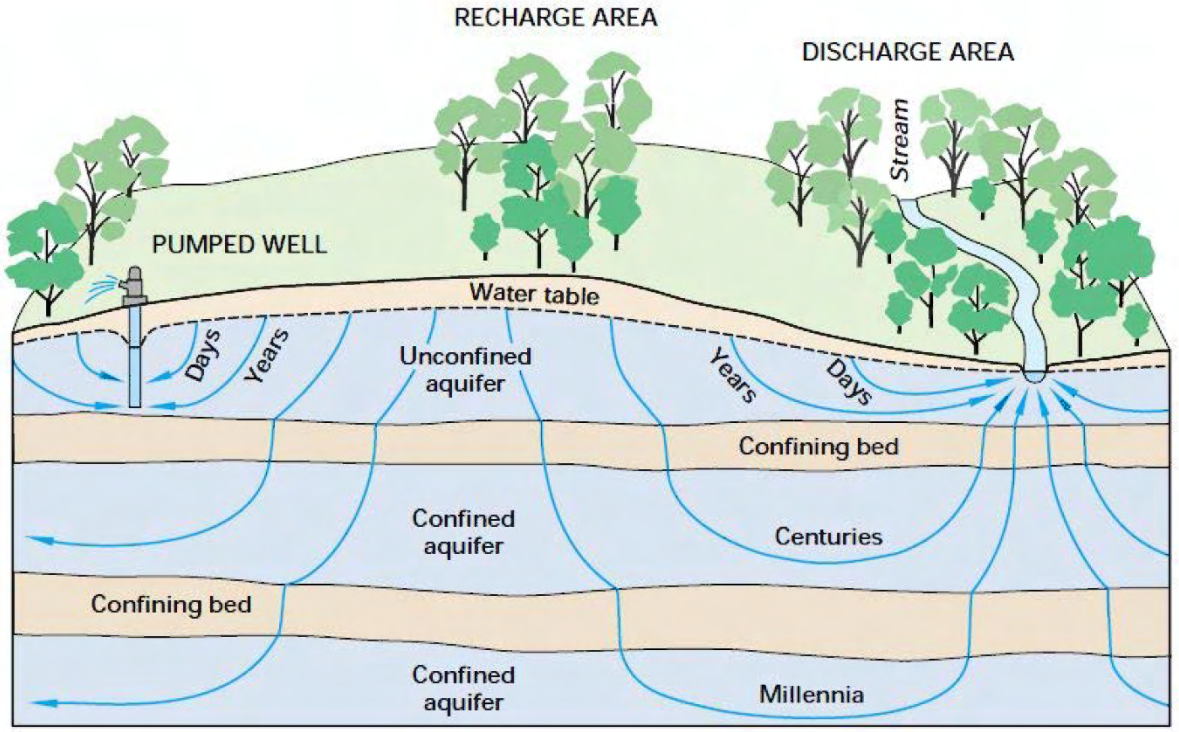
Brief update on Modflow 6 and associated programs

Stephen Hundt

USGS
science for a changing world

Recharge Lag Analysis

Treasure Valley MTAC, 6 December 2018



Indiana Geological Survey

Boise Front Recharge

Presented by Allan Wylie, IDWR

December 2018

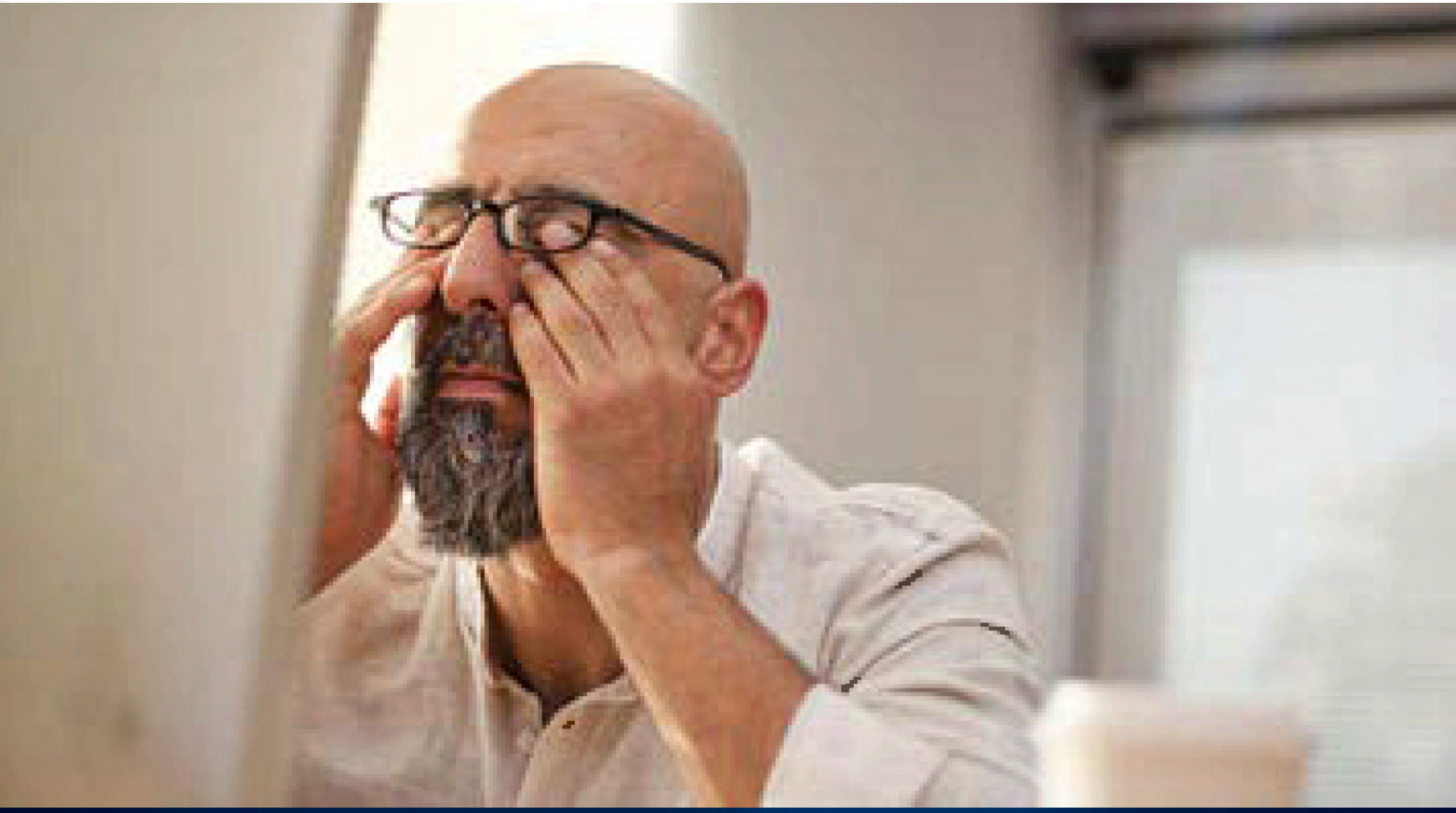
Progress since March 22, 2018 update

- Water District 63 field trip on June 14, 2018
- Geology field trip on June 20, 2018
- MTAC meetings on September 6 and December 6
- A couple of setbacks to the schedule

Schedule setbacks

- Our 2nd IWRRI contractor/GIS analyst was hired by IDWR as Water Resource Agent

Analyzing aerial photos



New GIS Analysts

Drew Nemecek

Zakk Hess

Schedule setbacks

- Our 2nd IWRRI contractor/GIS analyst (Scott Storms) hired by IDWR as Water Resource Agent

- Federal partner furloughed since December 22

Official update from our federal partner

"Due to the lapse in appropriations, I am prohibited from conducting work as a Federal employee, including returning phone calls and emails, until further notice."

Unofficial update from citizen Jim

- Have data from municipal providers
- Nearing completion of first draft of Hydrogeologic Framework report
- Water budget and model construction work will ramp up in 2019


Thank you

Memorandum

To: Idaho Water Resource Board (IWRB)

From: Craig Tesch

Date: January 24, 2018

Re: Big Lost Hydrologic Investigation Update

I will deliver a brief presentation to the Board on the status of the Big Lost Hydrologic Investigation as part of a Department of Energy Supplemental Environmental Project (SEP). In August 2018, the IWRB was provided $2.068 million in funding for the three-year SEP, which includes two components: 1) Expanding the Eastern Snake Plain Aquifer monitoring network and 2) Characterizing the surface and groundwater hydrology of the Big Lost River Basin. The Big Lost River Basin component is budgeted for $1.005 million of the $2.068 million allocation.

The following Big Lost project tasks have been completed since August 2018:

1. Executed $826k in contracts with the United States Geologic Survey (USGS) and the Idaho Geologic Survey (IGS)
    a. USGS - Stream gaging, seepage runs, geophysics, hydrogeologic framework
    b. IGS - Water Budget
2. Installed five stream gages on Big Lost River tributaries and diversions
3. Conducted field tour for principle investigators

Current and future activities for 2019 include the following tasks:

1. Plan and install monitoring wells
    a. Design wells and secure access agreements
    b. Secure drilling services through the State's bid process
    c. Drill and conduct geophysics
    d. Instrument and sample
2. Assist the USGS with Big Lost River seepage runs
3. Coordinate with the USGS and IGS on framework and water budget development

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Water Resource Board

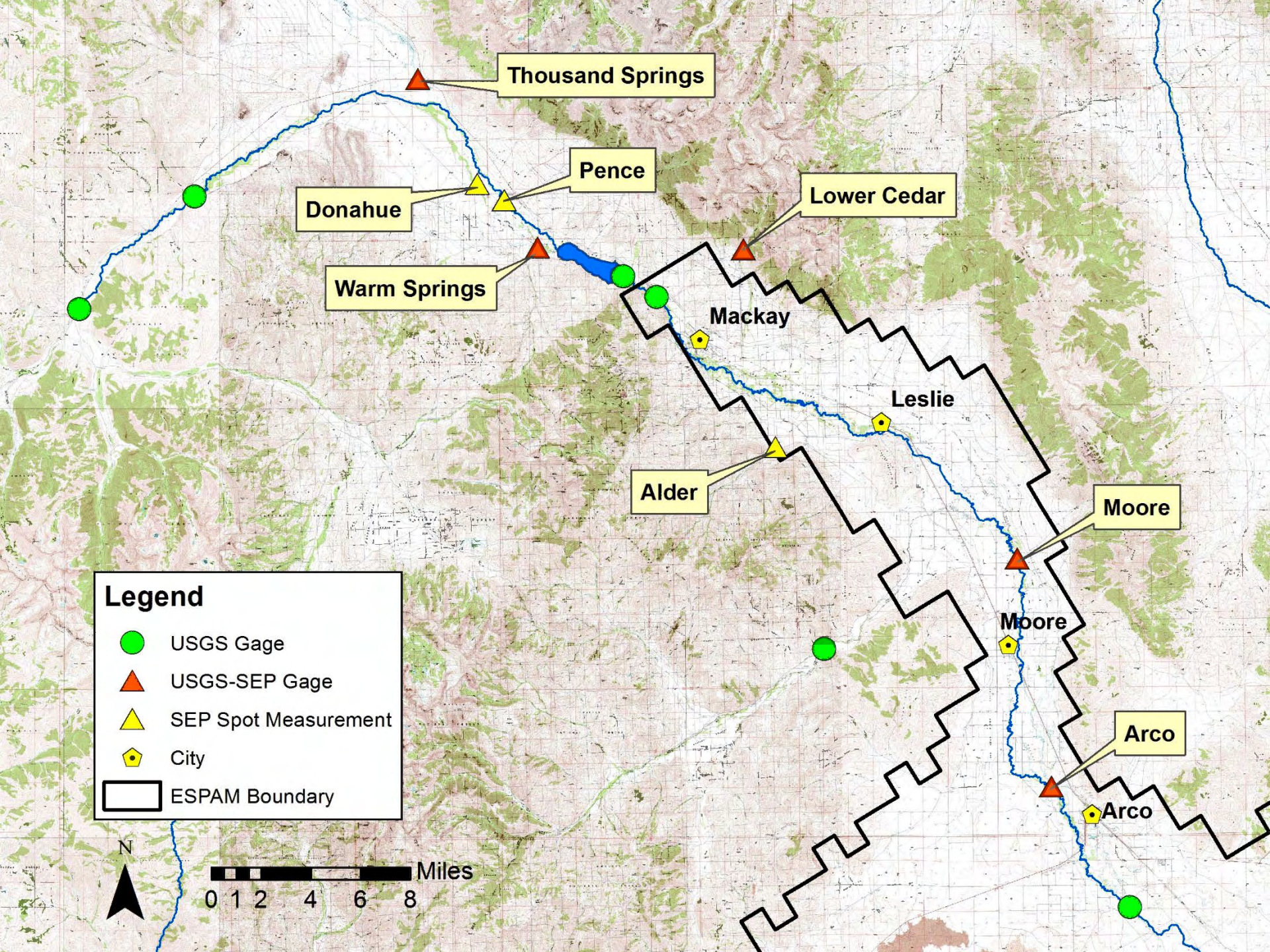
Big Lost Hydrologic Investigation Update

Presented by Craig Tesch, P.G.

January 24, 2019

DOE SEP #2 Big Lost Obligations

SEP Activity	Principle Investigator	Agency	Amount
Stream Gaging	Dave Evetts/Jay Bateman	USGS	$270,870
Seepage Runs	Dave Evetts	USGS	$100,000
Geophysics	Roy Bartholomay/Brian Twining	USGS	$47,356
Hydrogeologic Framework	Lauren Zinsser	USGS	$283,199
Water Budget	Alexis Clark	IGS	$125,000
Total			$826,425


Thousand Springs
Pence
Donahue
Lower Cedar
Warm Springs
Mackay
Leslie
Alder
Moore
Moore
Arco
Arco
Legend
USGS Gage
USGS-SEP Gage
SEP Spot Measurement
City
ESPAM Boundary
N
Miles
0 1 2 4 6 8

Arco Diversion

Thousand Springs Creek

Moore Diversion

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Big Lost River Basin Tour

November 13, 2018

- **Field tour for principle investigators**
- **Surface water sites, well locations, area geology, etc.**

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2019 Big Lost SEP Activities

1. Plan and install monitoring wells
2. Assist USGS with seepage runs
3. Coordinate with USGS and IGS on hydrogeologic framework and water budget


Questions?

Memorandum

To: Idaho Water Resource Board (IWRB)

From: Neeley Miller

Date: January 15, 2019

Re: Priest Lake Water Management Project Update

ACTION: No action needed at this time

Background

- As a result of limited water supply and drought conditions in northern Idaho in 2015 and 2016 it was difficult to maintain required pool levels and downstream flow in the Priest River during the recreational season.
- Priest Lake Water Management Study (Phase 1) was completed in February 2018. The study included the following recommendations:
    - Temporarily raising the surface level of Priest Lake 3 to 6 inches during the recreational season of dry years and integrating real-time streamflow data to allow more flexibility
    - Outlet structure improvements to the scour apron, modifying and strengthening gates, and electrical gate operation
    - Replace the current existing porous breakwater with an impervious sediment retention feature and dredging a portion of the Thororfare channel
- The Phase 1 estimated cost to implement recommendations is approximately $5 million ($2.4 million for outlet structure improvements, and $2.4 - $2.6 million for Thorofare improvements).
- On January 26, 2018 the IWRB passed a resolution asking the Idaho Legislature to repurpose the remaining balance of $2,419,600 in a 2005 CREP appropriation that had not been utilized and direct it towards the Priest Lake Water Management Project. In that resolution, the IWRB also indicated that it expects local contributions of at least $200,000 for the project.
- House Bill 677 passed and approved by the 2018 Legislature included 1) a $2.4 million transfer from the General Fund to the Revolving Development Account, and 2) $2,419,600 of funding in the Revolving Development redirected from the Conservation Reserve Enhancement Program (CREP) to be used for the Priest Lake Water Management Project. On March 27, 2018 Governor Otter signed the budget bill (FY 2019) which includes the funds for the Priest Lake Project.
- On May 18, 2018 the Board adopted a resolution authorizing $600,000 for Engineering and Design work associated with Phase 2 of the Priest Lake Water Management Project.

- Funding Status: $2.4 million + $2.4196 + $200K local contribution -$600K for preliminary engineering design & permitting = $4,419,600 remaining for Final Engineering Design, Bidding Solicitation, Construction and Construction Management.

- In July 2018 Mott MacDonald submitted to IWRB staff the final Priest Lake Water Management Project Phase 2 – Preliminary Engineering Design & Permitting Scope of Work.

- July 2018 – executed contract with Mott MacDonald for Phase 2: Preliminary Engineering Design & Regulatory Permitting

Phase 2 Schedule

Task 1 Data Collection – July to August, 2018

- Kickoff Meeting
- Existing & New Data Collection.
- Site Assessments – Dam, Wetlands, Erosion areas on lake, Thorofare.
- Design Recommendations – Refinement of recommendations from last phase and any new information gathered that could affect the scope of preliminary design.
- Basis of Design – Refinement and update from last phase.
- Steering Committee Meeting #1 – August

Task 2 Preliminary Engineering Design – September to February, 2019

- Regulator Agency & Stakeholder Engagement.
- Steering Committee Meeting #2 – September.
- Public Meeting/Open House – September 27.
- Permitting Level Plans – Draft December; Final January.
- Updated Construction Cost Estimates – Draft December; Final late January.
- Dam Improvements & Dam Safety Report Submittal. Includes discipline reports (Geotechnical, Structural, Hydraulic, etc.) – Draft December; Final late January.

Task 3 Regulatory Permitting – August 2018 to August 2019

- Consultation with Agencies regarding proposed concepts – September 2018.
- Permit Application Documents – Initiated development of documents in September and working on through winter 2018.
- Permit Application Submission – February 2019.

Task 4 Public/Stakeholder Involvement – Ongoing Steering Committee Meeting #1 –August (in person or telecon).

- Steering Committee Meeting #2 – September 2018 (telecon).
- Public Open House –Thursday September 27, 2018 (in person, Priest Lake).
- Steering Committee Meeting #3 – October 2018.
- Steering Committee Meeting #4 – November 2018.
- Steering Committee Meeting #5 – February 2019.

Phase 3 Schedule

Final Engineering Design – TBD Based on status off regulatory permitting process. Likely starting mid-2019.

Final engineering and design and services during bidding and construction are not included in the Phase 2 scope of work, but will likely include the following elements:

- Sealed plans, specifications, cost estimates.
- Final computation package for dam safety review.

Bidding and Construction

- Bidding is anticipated in late 2019/early 2020, with construction anticipated in the fall of 2020.

Memorandum

To: Idaho Water Resource Board (IWRB)

From: Neeley Miller

Date: January 15, 2019

Re: Status Update on Flood Management Grants

No Action Required

House Bill 712 passed and approved by the 2018 Legislature included a FY 2018 transfer of $1,000,000 from the General Fund to the Water Management Fund in the Department of Water Resources budget. This funding was intended for a grant program administered by the Idaho Water Resource Board to provide competitive grants for flood-damaged stream channel repair, stream channel improvement, flood risk reduction, or flood prevention projects.

Staff received a total of eighteen (18) applications during the two rounds of funding. The applications and sponsor's grant documents were evaluated, scored, and ranked according to criteria adopted by Board. The Board authorized funding for fourteen (14) projects throughout Idaho for a total of $1,000,000.

Staff is here today to discuss the status of the Flood Management Grants with the Board.

Boise River
Flood Control District #10

Flood Mitigation Projects

- **Mike Dimmick, District Manager**

www.BoiseRiver.Org

Flood Mitigation Projects

Duck Alley Site – April 1, 2016

www.BoiseRiver.Org

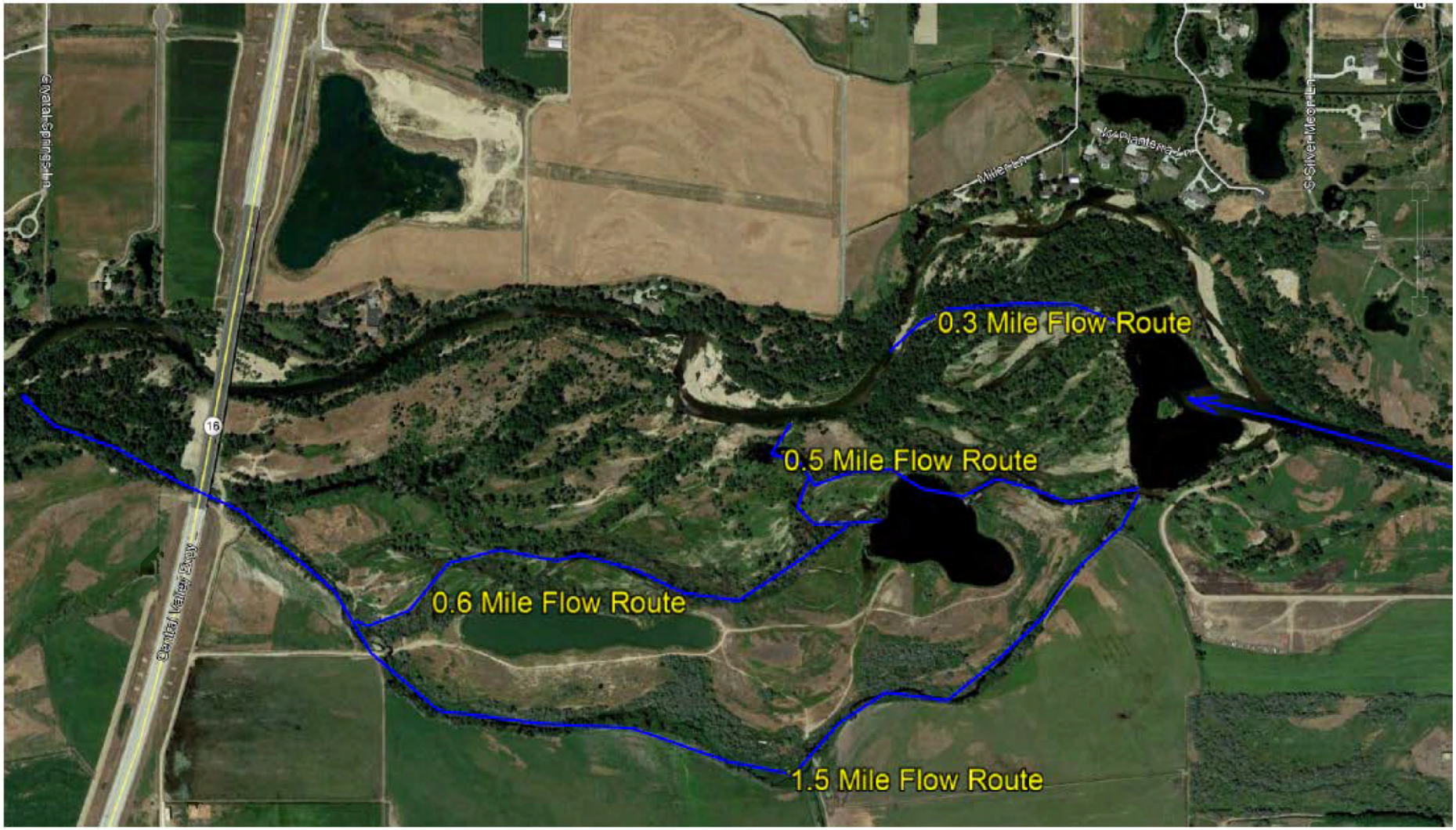
Flood Mitigation Projects

Duck Alley Site – July 18, 2018

www.BoiseRiver.Org

Flood Mitigation Projects

Duck Alley Pit Capture



www.BoiseRiver.Org

Flood Mitigation Projects

New Dry Creek, November 19, 2018

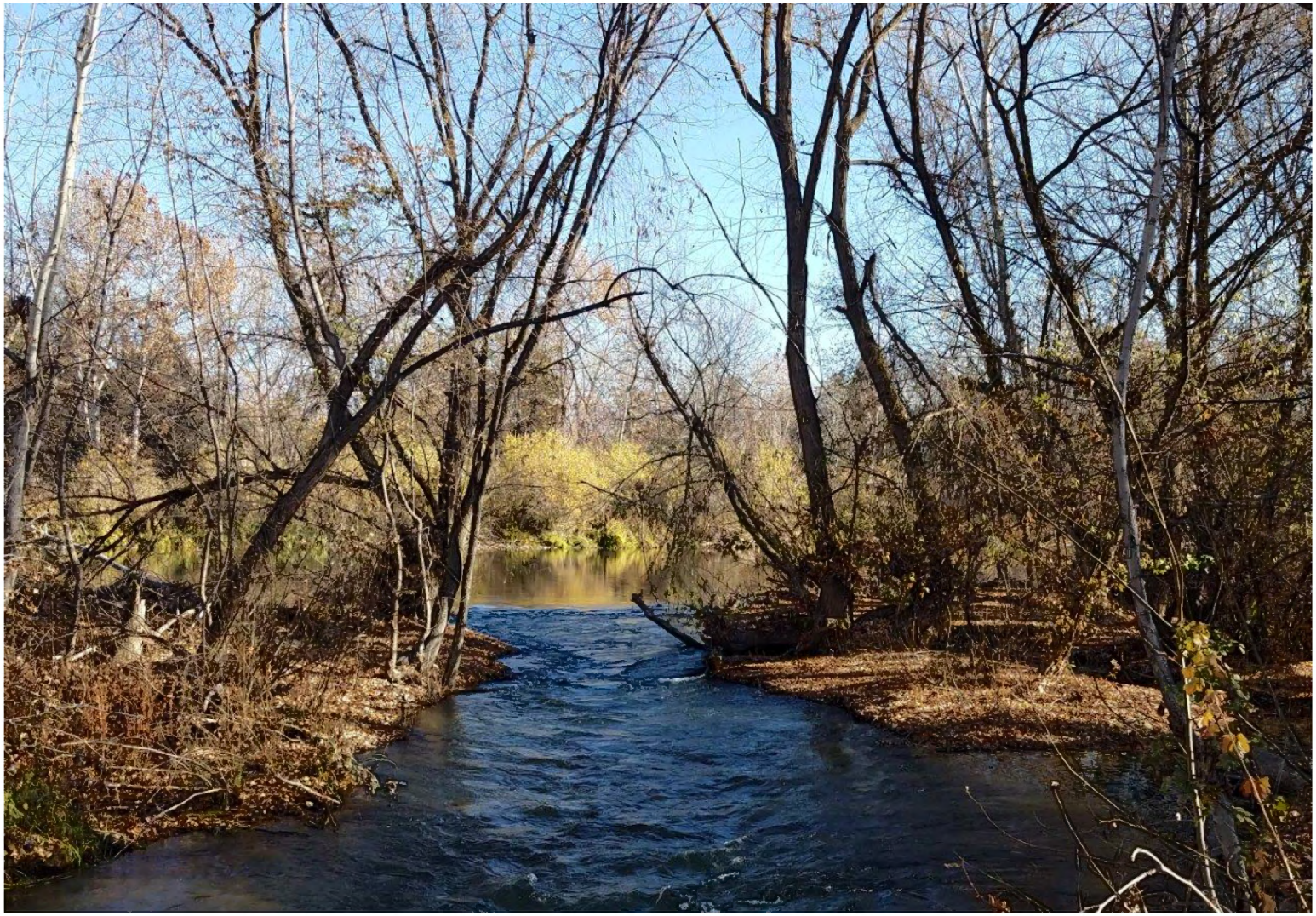
www.BoiseRiver.Org

Flood Mitigation Projects

New Dry Creek, November 12, 2012

Flood Mitigation Projects

New Dry Creek, November 19, 2018



www.BoiseRiver.Org

Flood Mitigation Projects

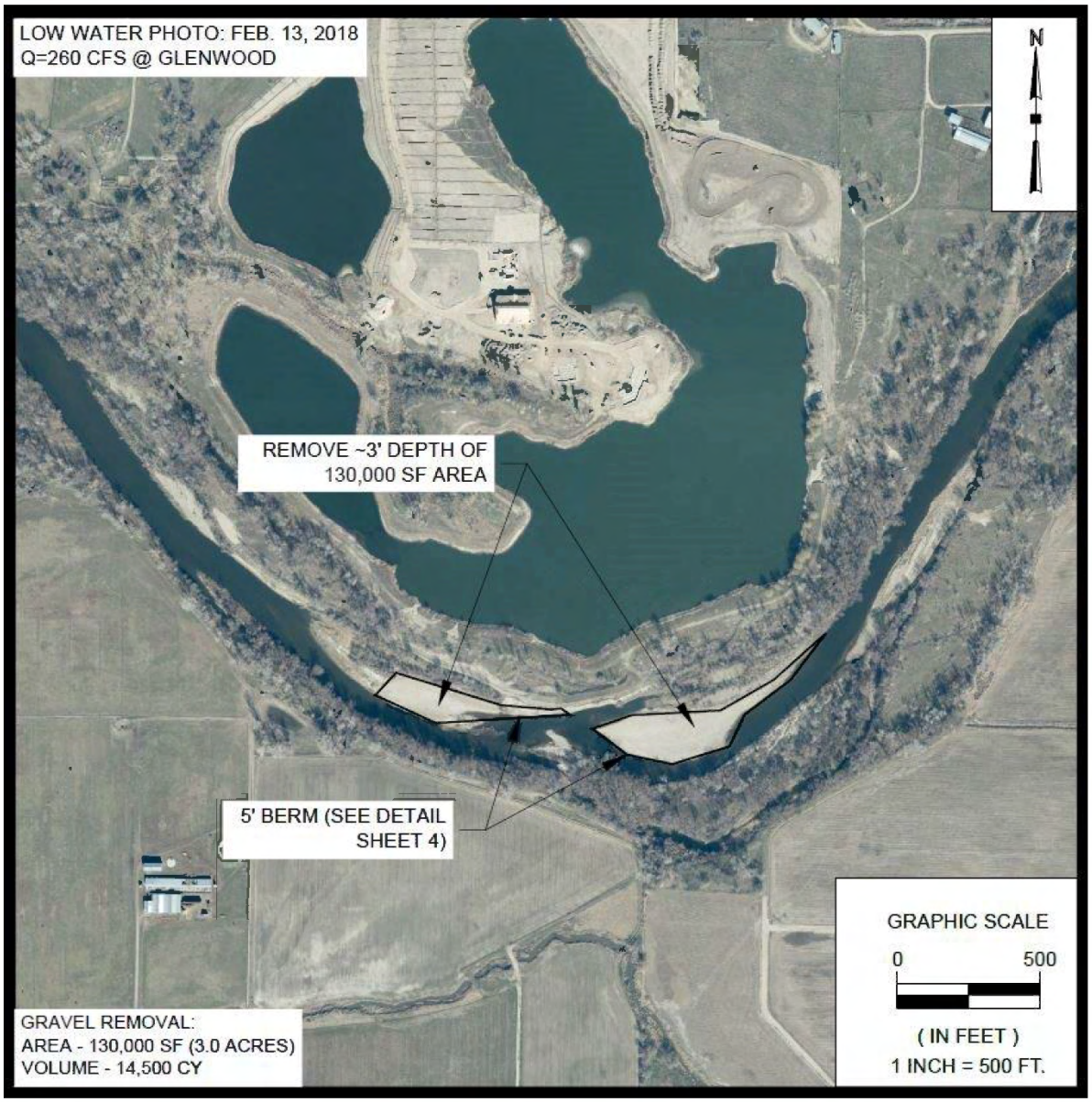
Riverside Village/Garden City, December 2018

www.BoiseRiver.Org

Flood Mitigation Projects Mulchay/Porter , February 23, 2018

www.BoiseRiver.Org

Flood Mitigation Projects
Wells, February 23, 2018



www.BoiseRiver.Org

Flood Mitigation Projects

Eagle Bridge North Channel (April 2016)

www.BoiseRiver.Org

Flood Mitigation Projects

Eagle Bridge North Channel (June 2017)

Flood Mitigation Projects

Eagle Bridge North Channel (February 2018)

www.BoiseRiver.Org

Flood Mitigation Projects

“Geomorphic Nick Point” (2018)

www.BoiseRiver.Org

Boise River

Geomorphic Setting and Perspective

CENTER FOR ECOHYDRAULICS RESEARCH

Take Aways…

- River will not stabilize with time!
- 60 years later the geomorphic consequences of Lucky Peak are catching up to us
- FCD10 has initiated the first comprehensive approach to understanding lower Boise River
- Sediment dynamics are controlled by valley and vegetation conditions
- Historically a very mobile channel within the river corridor
- Channel modifications have made the river narrower, deeper, faster, and more erosive

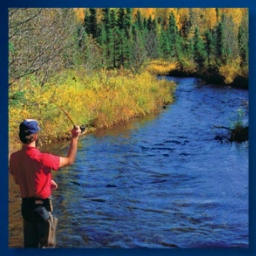
Questions?

IDAHO
Water Resource Board

Flood Management Grant Program Update

January 24, 2019

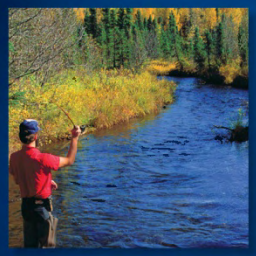
IDAHO
Water Resource Board



Background

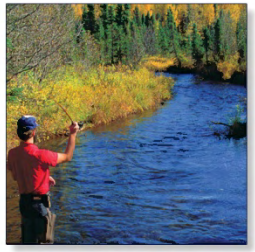
House Bill 712 passed and approved by the 2018 Legislature included a FY 2018 transfer of $1,000,000 from the General Fund to the Water Management Fund in the Department of Water Resources budget. This funding was intended for a grant program administered by the Idaho Water Resource Board to provide statewide competitive grants for flood-damaged stream channel repair, stream channel improvement, flood risk reduction, and flood prevention projects.

IDAHO
Water Resource Board



Program Timeline

- Grant Criteria & Application/Guidance established in May 2018
- Round 1 Applications Due in June
- Round 1 Funding Awarded in July
- Round 2 Applications Due in August
- Round 2 Funding Awarded in September
- Project Implementation is on-going

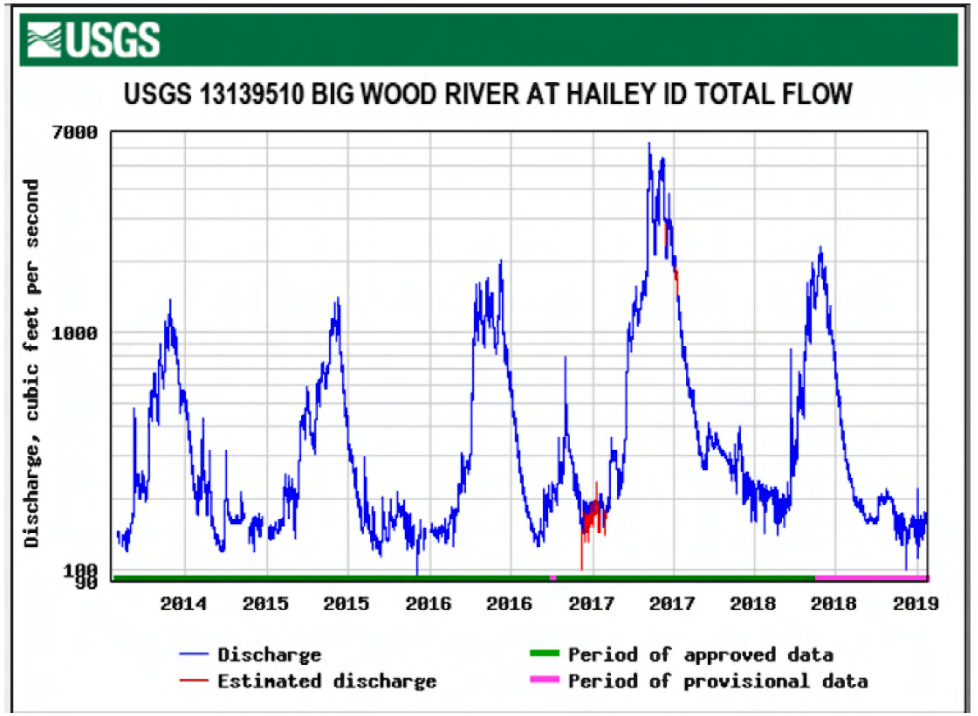


Funded Projects

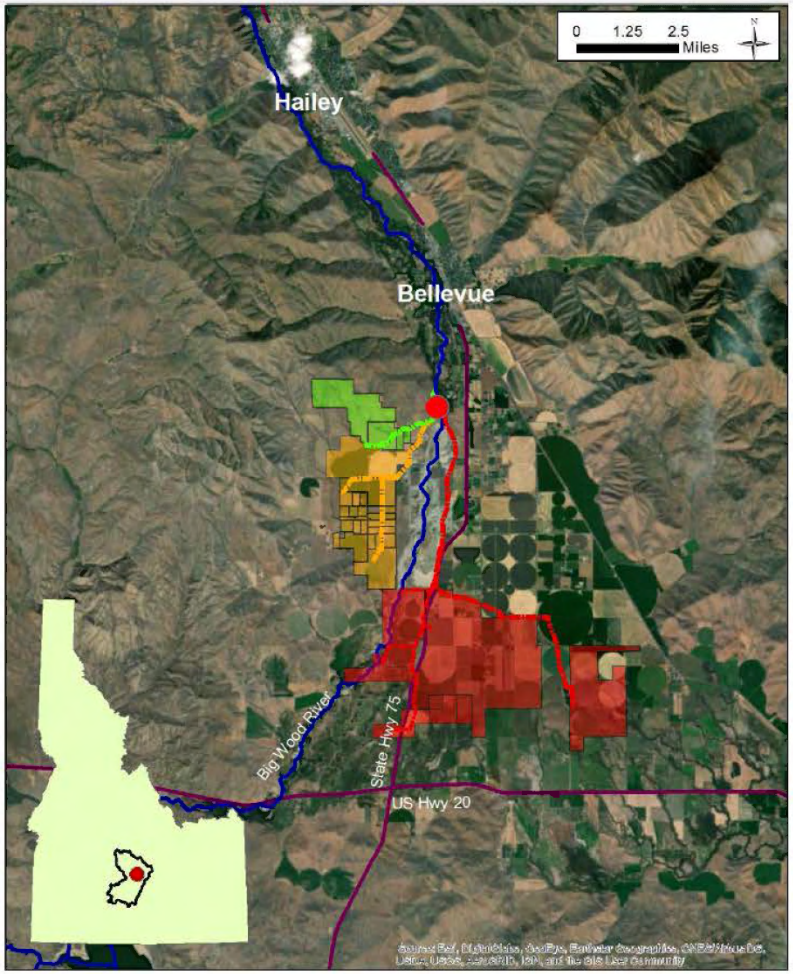
Staff received a total of eighteen (18) applications during the two rounds of funding. The applications and sponsor's grant documents were evaluated, scored, and ranked according to criteria adopted by the Board. The Board authorized funding for fourteen (14) projects throughout Idaho for a total of $1,000,000.

Entity	Awards
Flood Control District 9	$90,000.00
Blaine County	$121,331.00
Cassia County	$42,336.00
Flood Control District 10	$78,400.00
Flood Control District 10	$153,550.00
Flood Control District 10	$38,808.00
Clearwater Soil & Water Conservation District	$155,220.00
Flood Control District 10	$22,000.00
Flood Control District 11	$57,675.00
Twin Lakes/Flood Control District 17	$7,750.00
Twin Falls Canal Company	$85,340
Nez Perce Soil & Water Conservation District	$115,460
Riverside Village HOA/Garden City	$6,025
City of Pocatello	$26,105
Total	**$1,000,000.00**

FLOOD CONTROL DISTRICT NO.9 – Bypass Canal and Bannon Flood Mitigation Project



In July 2018, the IWRB approved a flood management grant of $90,000.00 to Flood Control District No.9 for design and construction of the project, which consists of flood damage mitigation to irrigation delivery structures on the Big Wood River that were impacted by stream channel erosion, construction of instream treatments to prevent future flood damage, and stream channel alignment repairs. Construction commenced in late December, 2018, and the stream channel repairs and improvements are scheduled to be completed by February 1, 2019.



Three Irrigation Diversions: 6,300 acres

- Bypass Canal
- Glendale Canal
- Bannon Ditch

Project Partners

- Upper Wood River Water Users Assoc.
- Bannon Ditch
- Glendale Canal
- Baseline Bypass Canal
- Flood Control Dist. No. 9
- Trout Unlimited

Project Goals

Mitigate flood damage

Realign main channel for water delivery

Reduce sedimentation

Improve riparian habitat and floodplain function

Long-term solution based on river geomorphology

Project Funding

IWRB Flood Mitigation Grant: $90,000

Idaho DEQ Agricultural 319: $65,000

Flood Control District No. 9: $20,000

Private Donation: $20,000

Trout Unlimited: $18,000

Upper Big Wood Water Users Assoc. $38,000 on headgate repairs


Gravel Bar
Headgate


Bannon Ditch
Gravel Bar

Bannon ditch conveyance pipe

Bypass canal headgates

Bypass headgates under construction

Bank Deflector Structure under construction

-Diverts flow
-Streambank habitat
-Formation and maintenance of scour pools

Floodplain Bench and Brush Trenches

Blaine County – Della View Subdivision Flood Mitigation Project

In July 2018, the IWRB approved a flood management grant of $121,331 to Blaine County for the Big Wood River and Della View Flood Reduction project, which consists of activating a side channel on the Big Wood River next to the Della View Subdivision, and installation of drainage improvements in the subdivision to reduce the magnitude and duration of flooding in the area. The construction to activate the side channel was completed in November, 2018.

The construction of drainage improvements in the Della View Subdivision will begin the first week of April. Some of the drainage improvements require substantial coordination with utilities that will be impacted by the improvements. All construction is scheduled to be completed in 2019.

Cassia County – Raft River Channel Project

West bridge abutment rip rap installation

In July 2018, the IWRB approved a flood management grant of $42,336 to Cassia County for the Reid Springs Road Bridge and Raft River Channel Flood Mitigation project, which consists of debris removal, stream channel repairs and improvements, installation of rip rap, and planting of willows for bank stabilization. The initial project goal was to implement the stream channel repairs and improvements for approximately 700-feet of the Raft River channel, but due to extensive permitting requirements, the footprint of the project was reduced to 70-feet upstream of the bridge. The stream channel repairs and improvements, including rip rap installation at the upstream portion of the bridge abutments, were completed in early December.

Twin Falls Canal Company – East Perrine Pond/Wetland Flood Reduction Project

In September 2018, the IWRB approved a flood management grant of $85,340 to the Twin Falls Canal Company for the East Perrine Pond/Wetland Flood Reduction Project, which consists of a 24-acre flood mitigation pond and wetland facility to reduce the magnitude and duration of flooding of agricultural land and subdivisions downstream of the East Perrine Coulee. The project will act as a buffer to reduce flooding impacts downstream of the East Perrine Coulee, and to remove an estimated 3,000 tons of sediment and associated nutrients annually prior to discharging to the Snake River. The removal of the sediments and nutrients will assist in meeting Clean Water Act TMDL water quality targets in the Snake River. Except for wetland plantings, the project was substantially completed in December.

Pond/discharge bay construction

Construction of diversion structure

Clearwater Soil and Water Conservation District – Quartz Creek Project

In July 2018, the IWRB approved a flood management grant of $155,220 to the Clearwater Soil and Water Conservation District for the Quartz Creek project, which consists of the replacement of 16 undersized and unsuitable drainage culverts to reduce the risk of flood damage to a major secondary road. Construction and installation of the drainage culverts commenced in September, and the project was completed by the end of December.

Riverside Village HOA – Boise River Diversion Project

In September 2018, the IWRB approved a flood management grant of $6,025 to the Riverside Village Homeowners Association for the Boise River Diversion project which consists of stream channel stabilization and diversion structure repairs. The project was completed in early December, 2018. The Eco blocks installed to increase the water level at the diversion structure will be removed each year at the beginning of the irrigation season.

More information will be provided as projects are completed.

Any questions?

Memorandum

To: Idaho Water Resource Board

From: Remington Buyer

Date: January 15, 2019

Re: Water Supply Bank Report

REQUIRED ACTION: None.

This memo summarizes the current state of Water Supply Bank program activities, distinguished between rental pools and the Board's bank.

Rental Pools

During the November 2018 Idaho Water Resource Board (IWRB; Board) meeting held in Boise, representatives of the Nez Perce Tribe, the Lewiston Orchards Irrigation District, and the U.S. Bureau of Reclamation (the parties) informed the Board that they were no longer actively pursuing the formation of a storage water rental pool on Lower Lapwai Creek, in IDWR administrative basin 85. The parties are continuing to discuss their options regarding their long-term objectives of developing new ground water supplies for the irrigation district and to transfer title of storage water reservoir assets to the Tribe. As an alternative to the rental pool proposal, the parties may submit a lease and rental application to the Board's bank during 2019.

Pursuant to Idaho Code 42-1765 and Water Supply Bank Rule 40.3 (IDAPA 37.02.03.40.3), the Board may appoint local committees to operate regional rental pools. On May 16th, 2014, the Board issued Certificates of Appointment for five local committees to operate rental pools in IDWR administrative basins 01, 63, 65, 65K and 74. The five year appointments for all five local committees expire this year. Upon the written request of a local committee, the IWRB may reappoint a local committee to operate a regional rental pool for an additional five years. Letters have been sent to each rental pool local committee, to notify them that they may request in writing reappointment as a rental pool local committee. The Board should take an action to reappoint rental pool local committees during or before the May 2019 IWRB meeting in Lewiston.

Presently, the IWRB has not yet received all the 2018 annual reports from the various rental pool local committees. A 2018 Rental Pool report can be drafted once all rental pool reports are received.

Board's bank

Included with this memo is the 2018 Annual Report for the Board's bank. Some highlights of the annual report are that overall Board's bank revenue and lessor warrant payouts increased in 2018, and Water Supply Bank staff were able to decrease their dependence on IDWR Allocation Bureau staff to process lease and rental applications. However, overall operational expenditures increased during 2019 and expenditures continue to exceed collected lease and rental revenue. The total number of applications processed during 2018 decreased slightly during 2018 and application processing workloads appear to be stabilizing. A detailed presentation covering many aspects of the Board's bank annual report will be presented to the Board during the January 2019 IWRB meeting.

In an effort to address current workflow inefficiencies, and to implement workflow improvements desired by Water Supply Bank stakeholders, Water Supply Bank staff implemented a continuous improvement process in the Board's bank during 2018. The continuous improvement process involved surveying and engaging stakeholders about possible ways to increase Water Supply Bank levels of productivity and financial solvency.

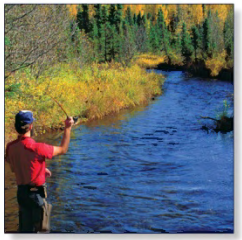
As an initial starting point for the continuous improvement process, a survey was developed and shared primarily with IDWR staff. The results and feedback from the survey were captured in a 2018 Benchmark Report, which is included with this memo. Water Supply Bank staff engaged IDWR regional office staff in Boise, Idaho Falls and Twin Falls, to discuss the findings of the survey, and to identify priority areas of improvement for the Board's bank. The outcomes from all engagement sessions are summarized in the Water Supply Bank Engagement Report version 0.6, also included with this memo.

Currently, all Board's bank water right lessors and renters are being invited to take the survey, which is accessible via the Bank's website: http://www.idwr.idaho.gov/water-supply-bank. It is intended that the survey will be concluded during April 2019, following which the Bank will draft an updated benchmark report. Moving forward, the Board's bank will continue to track and communicated the estimated annual cost required to process lease and rental applications, and future versions of the stakeholder survey can solicit Board's bank stakeholders about their support for implementing a rental application filing fee equivalent to rental application processing costs.

IDAHO
Water Resource Board

Water Supply Bank Program
Board's Bank 2018 Annual Report

Remington Buyer
Water Supply Bank Coordinator
January 24, 2019

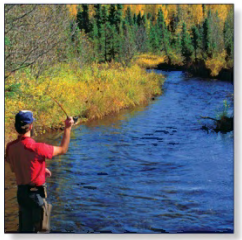
Water Supply Bank Program

Report on Operation of the Board's Bank in 2018

- Program administration
- Application processing
- Financial Solvency

Continuous Improvement Process for the Water Supply Bank

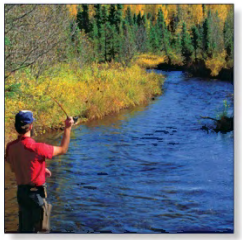
- Committing to continuous improvement
- Stakeholder survey and engagement efforts
- Program improvement project ideas



WSB Program: Board's bank

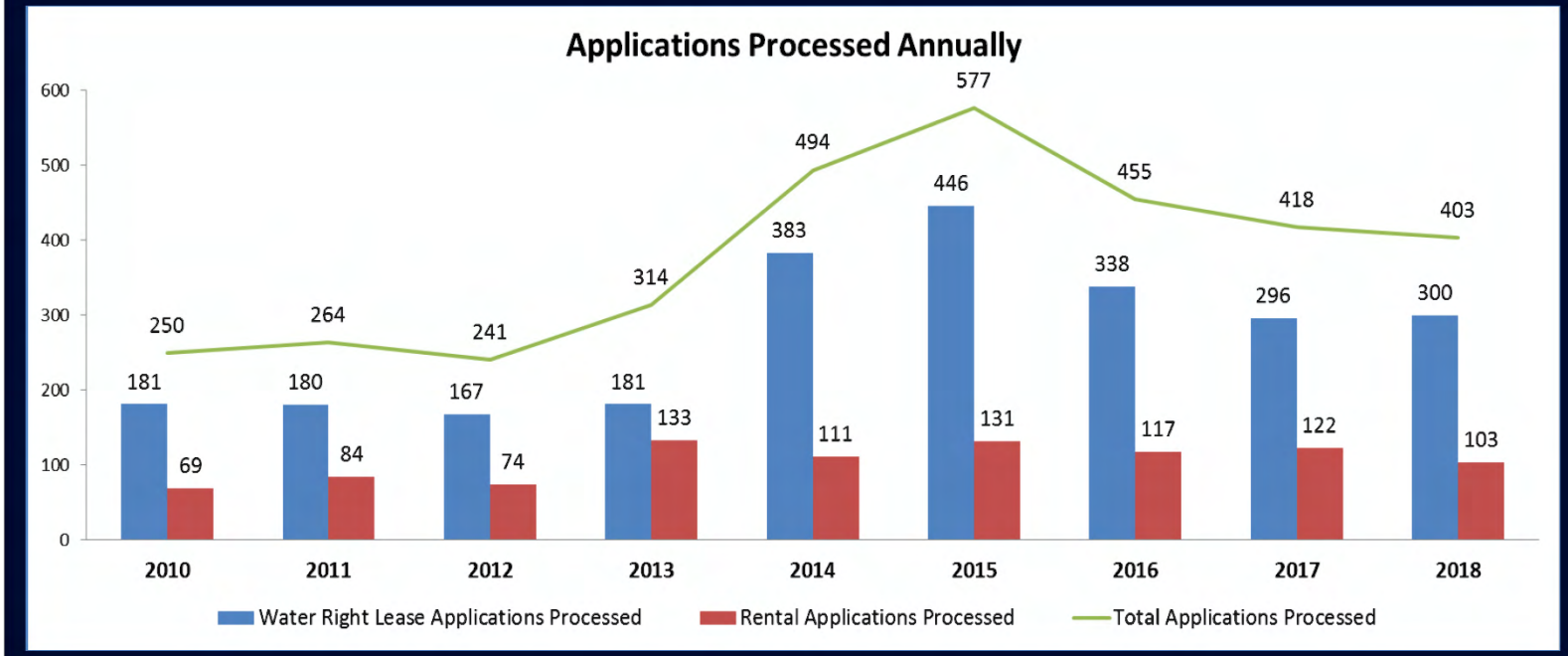
Three takeaways from 2018 operations:

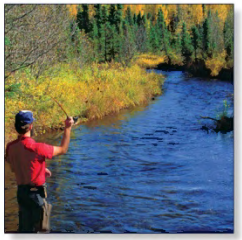
- Program operations are active and stable
- Efficiency improvement projects are being implemented
- Ongoing stakeholder engagement is an important objective



The Board's Bank – 2018 Operations

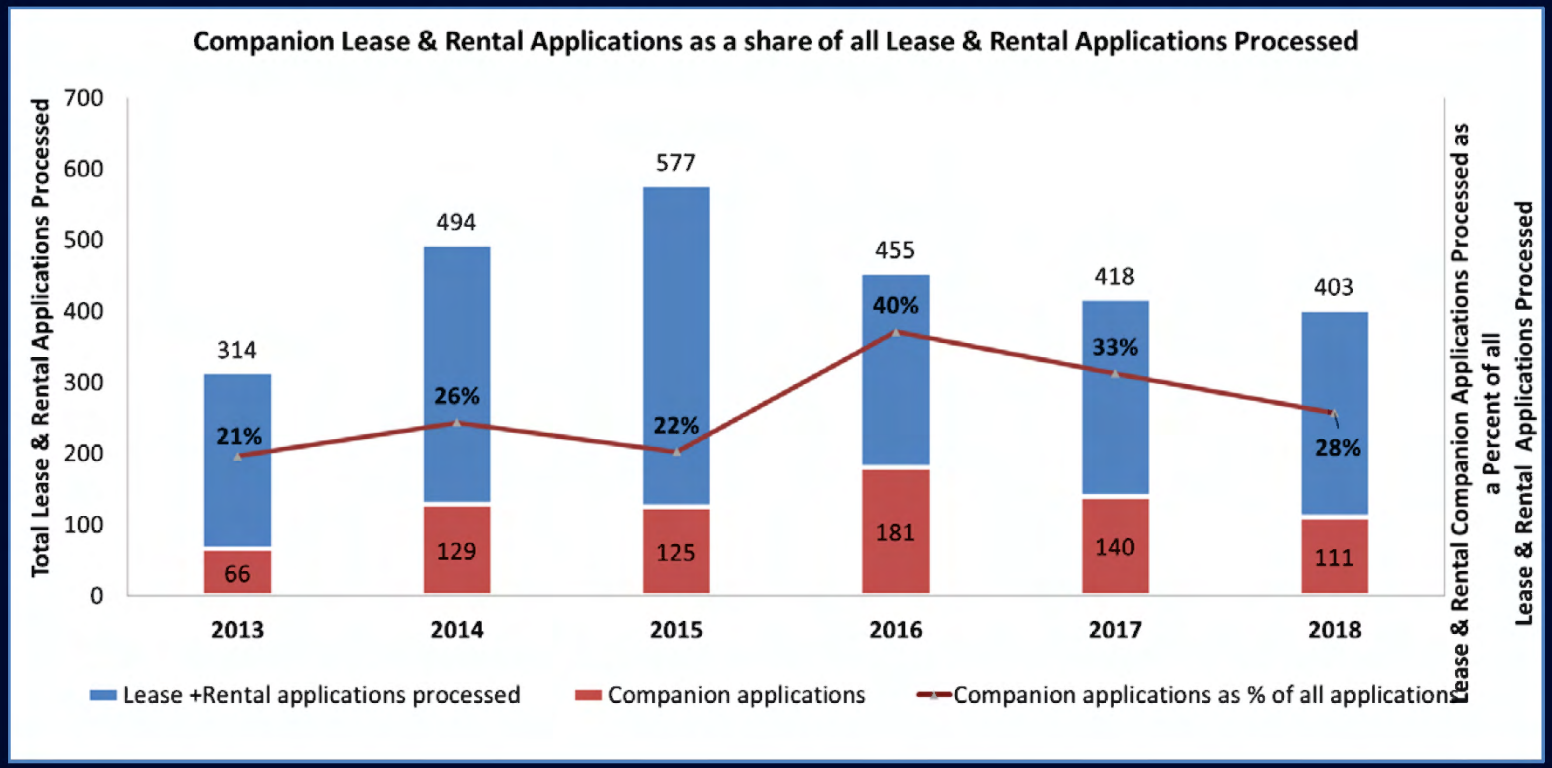
After a peak in 2015, annual lease and rental activity is stabilizing

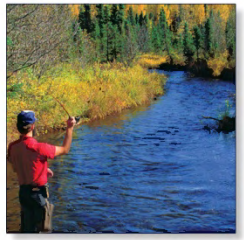




The Board's Bank – 2018 Operations

Companion lease/rentals are approximately 25% of all applications





The Board's Bank – 2018 Operations

A majority of lease applications are renewals (not "new") leases.

1/3 leases are for one year, while

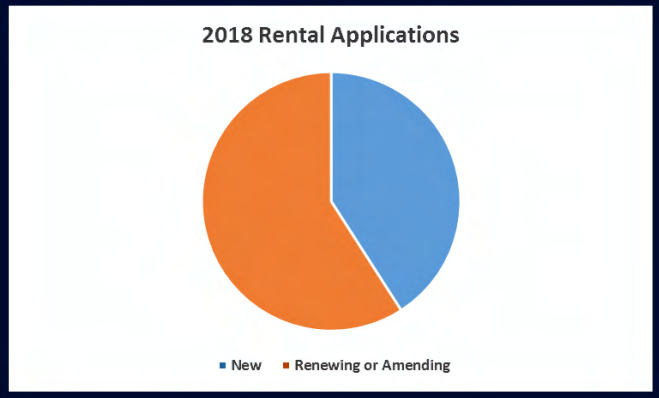
1/2 leases are for 5+ years.

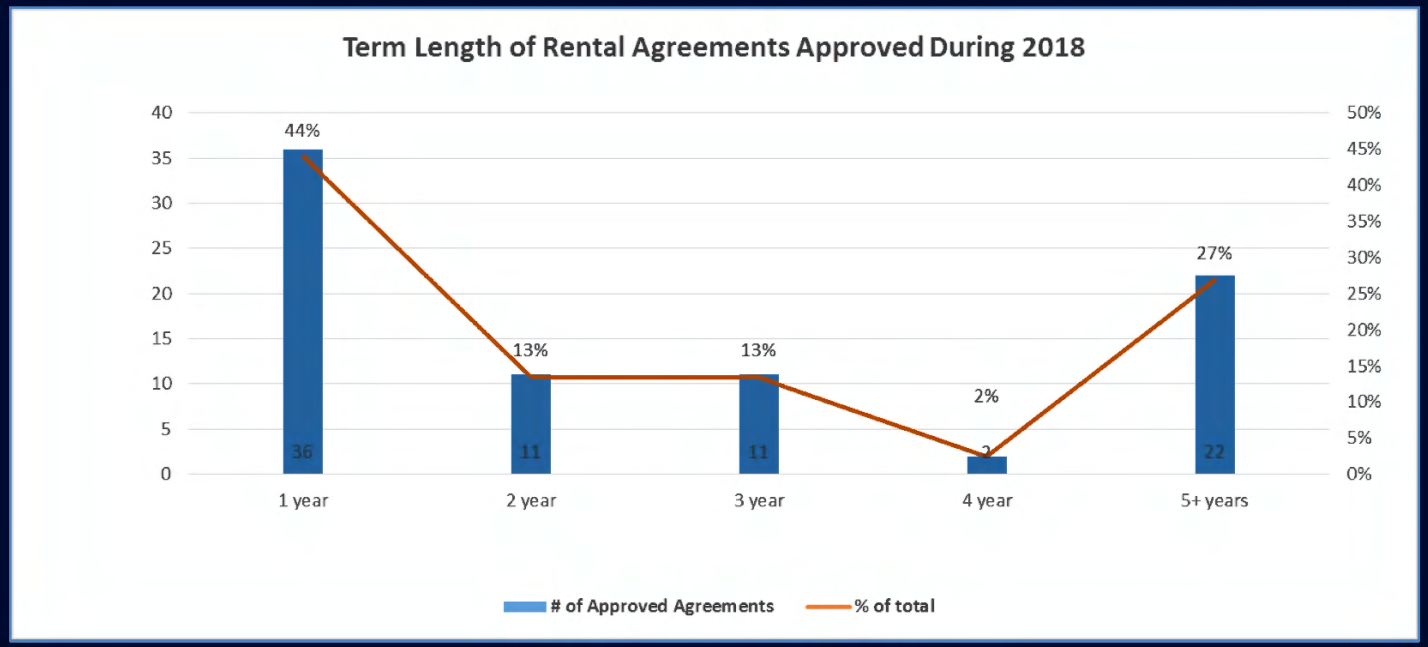
The Board's Bank – 2018 Operations

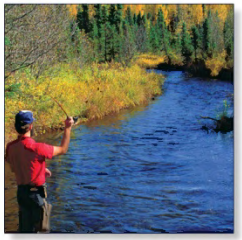
A majority of rental applications are renewals (not "new") rentals.

1/2 rentals are for one year, while

1/3 rentals are for 5+ years.

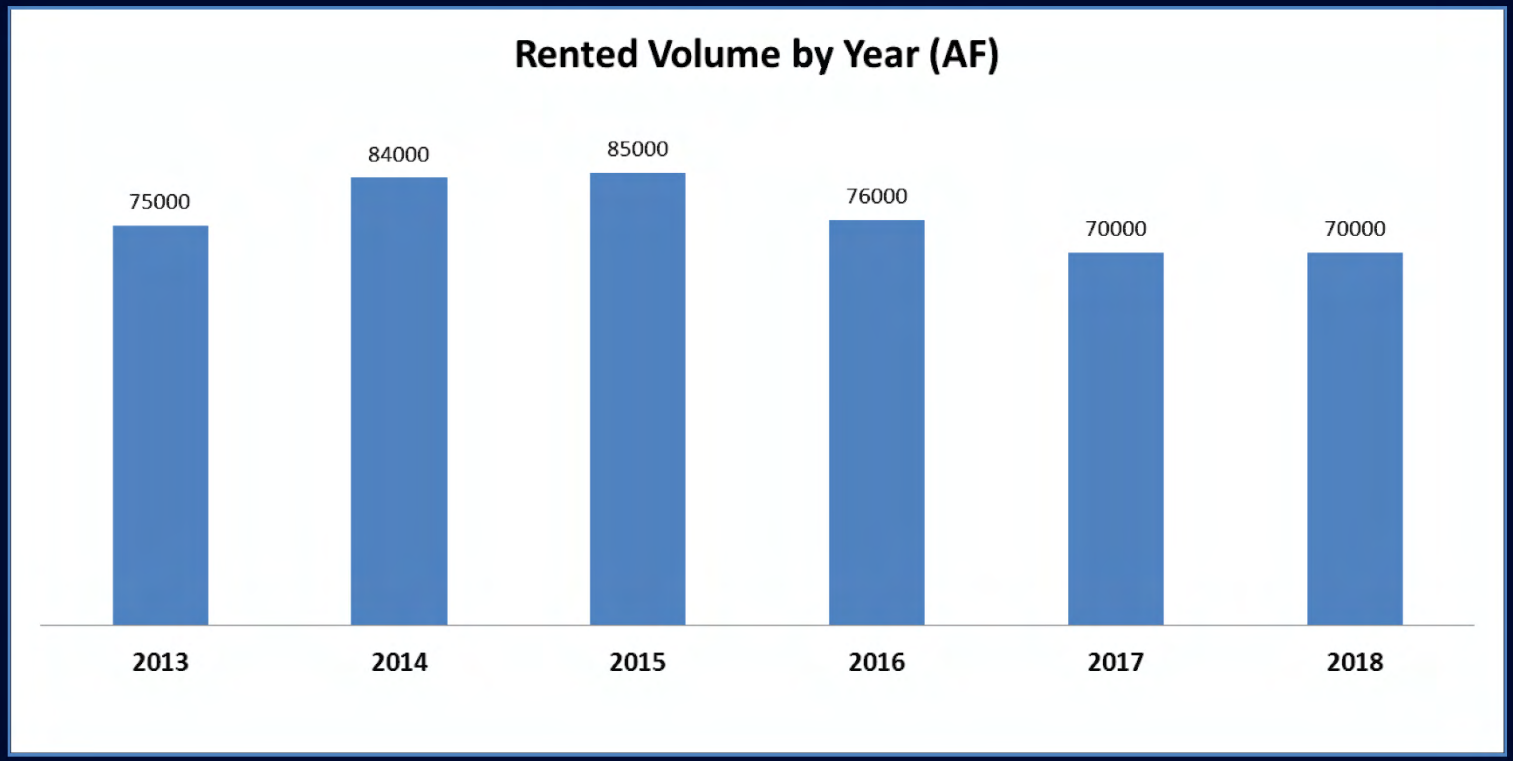


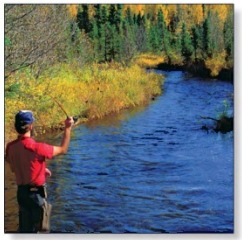




The Board's Bank – 2018 Operations

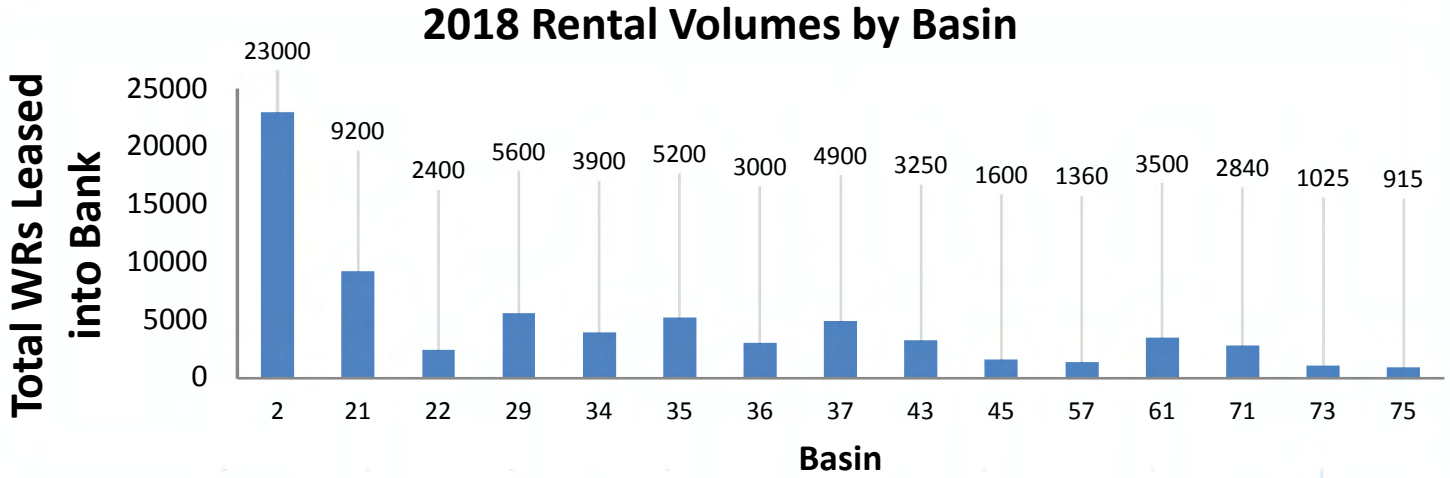
Annual rental volumes are stable





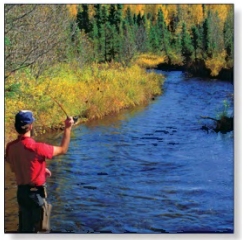
The Board's Bank – 2018 Operations

Rental locations are predominantly Southern & Eastern Idaho



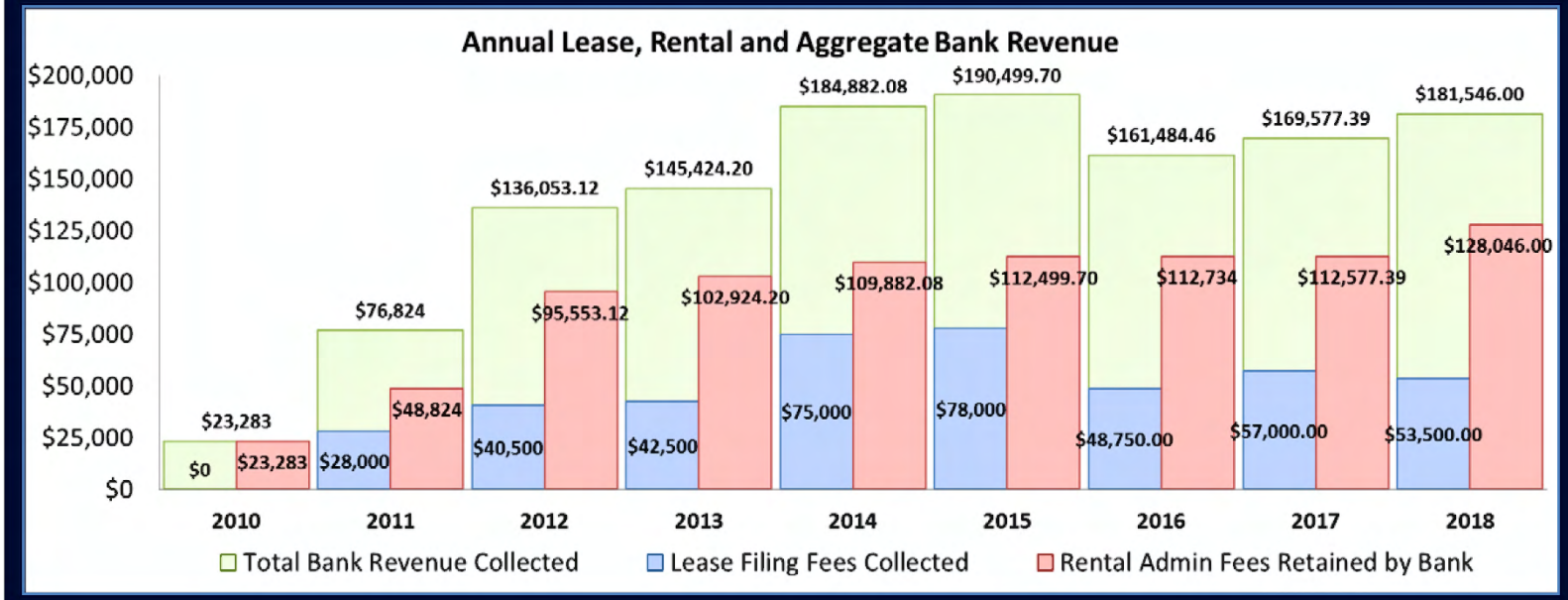
Annual Average: Most Recent Five Years (2014-2018)

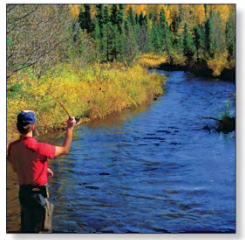
#	Basin	Water Source	Volume	% of Total
1	2	Snake River	17448	20%
2	21	Henrys Fork	9327	11%
3	29	Blackfoot Basin	6998	8%
4	43	Raft River Basin	5100	6%
5	37	Big Wood River Basin	5450	6%
			44323	50%



The Board's Bank – 2018 Operations

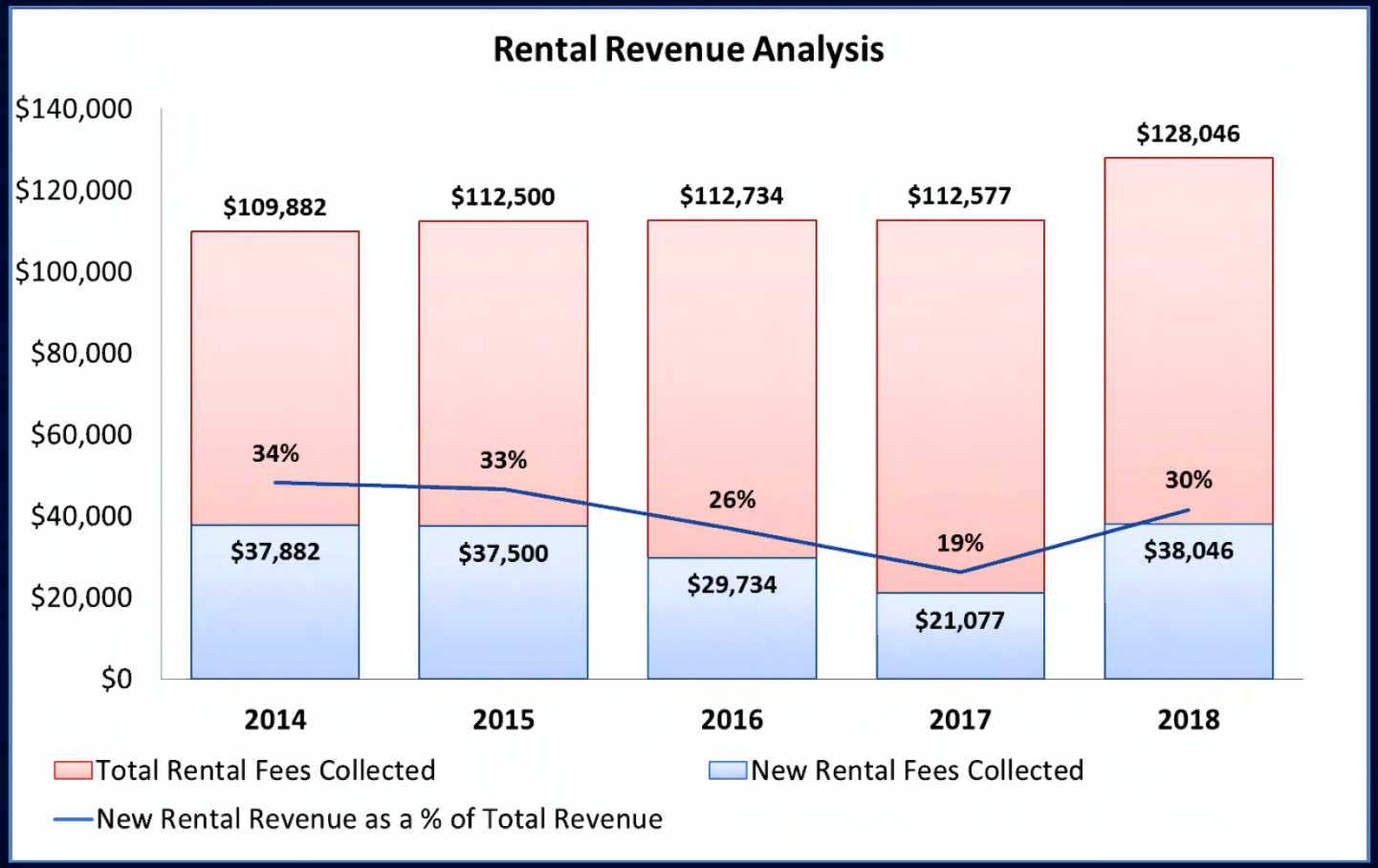
Overall revenue is increasing, led by rental administrative fees:

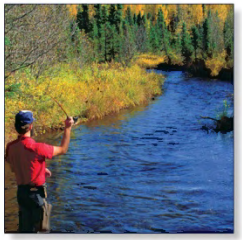




The Board's Bank – 2018 Operations

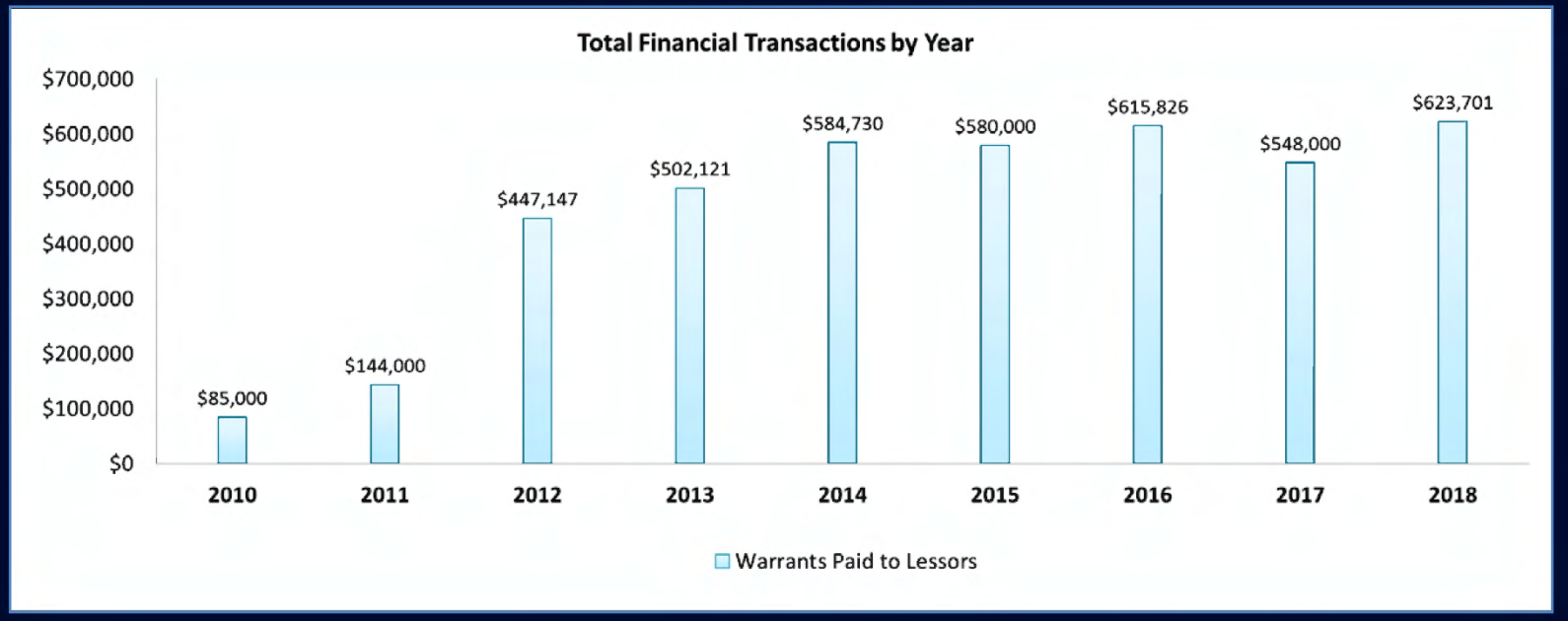
New rentals account for approximately 1/3rd of total rental revenue

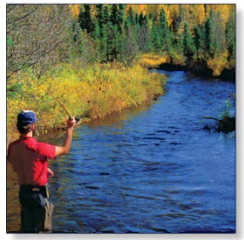




The Board's Bank – 2018 Operations

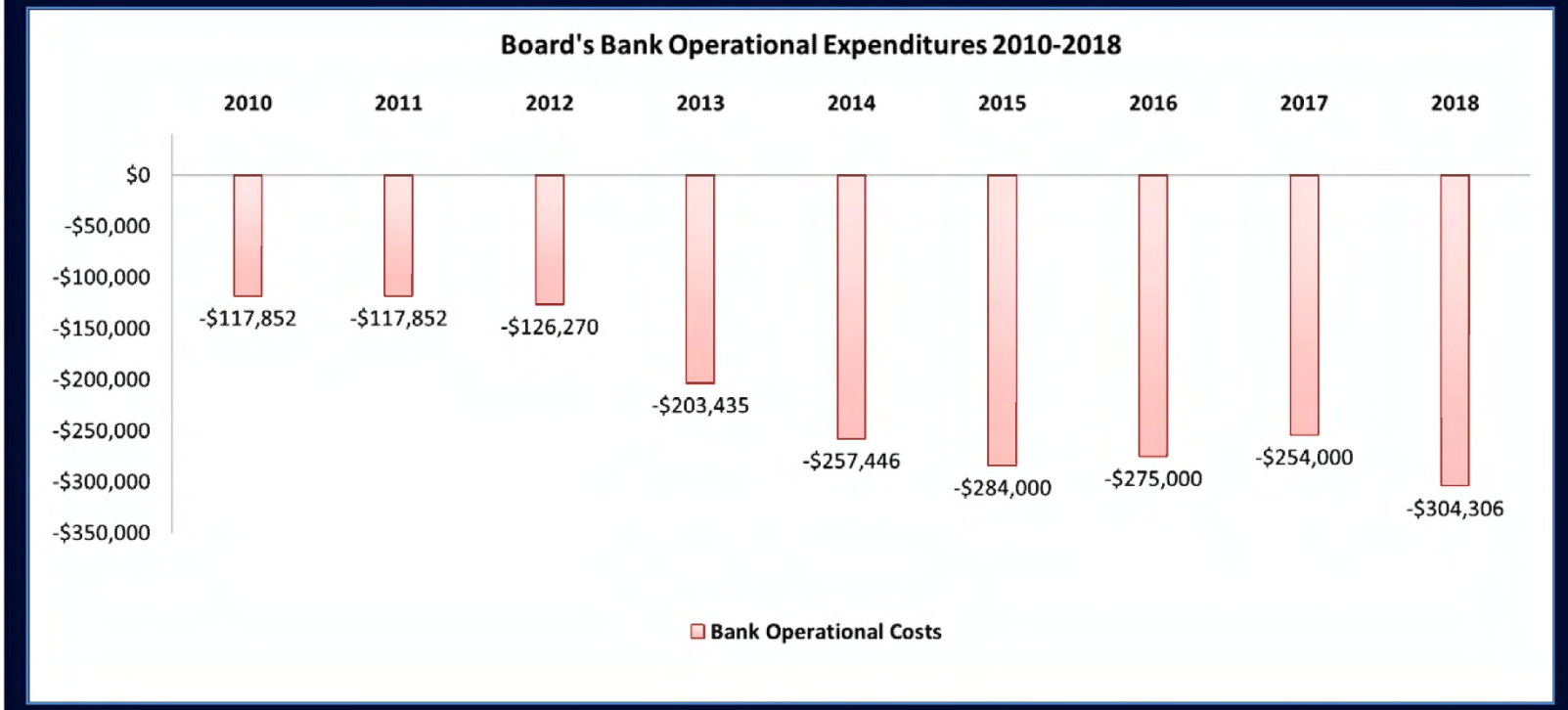
Warrant payments in 2018 were the highest ever

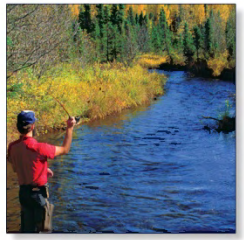




The Board's Bank – 2018 Operations

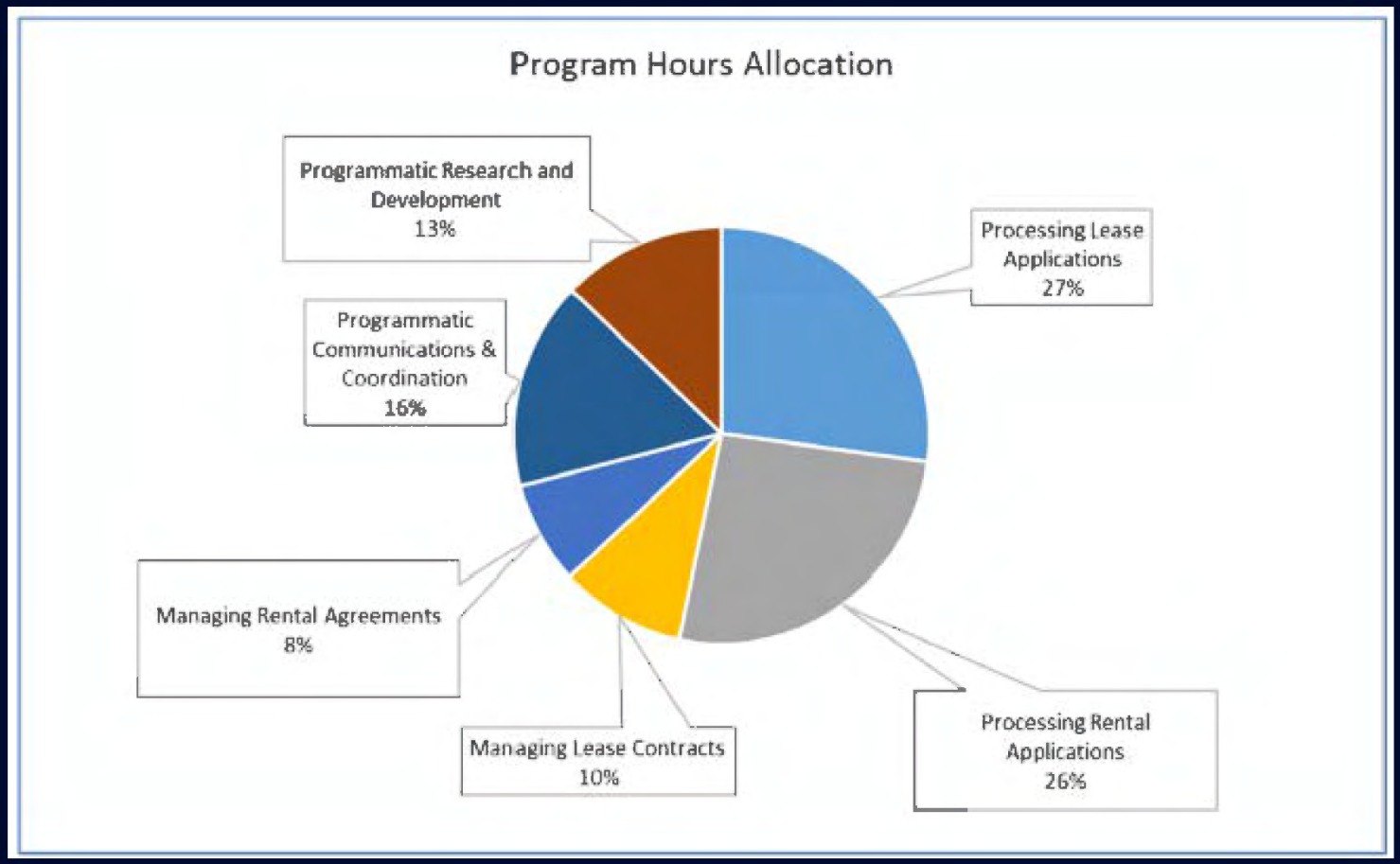
Operational costs increased during 2018

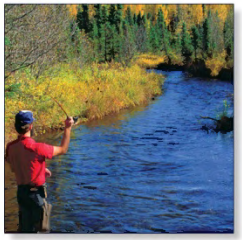




The Board's Bank – 2018 Operations

Time Allocated to Providing Programmatic Service in 2018

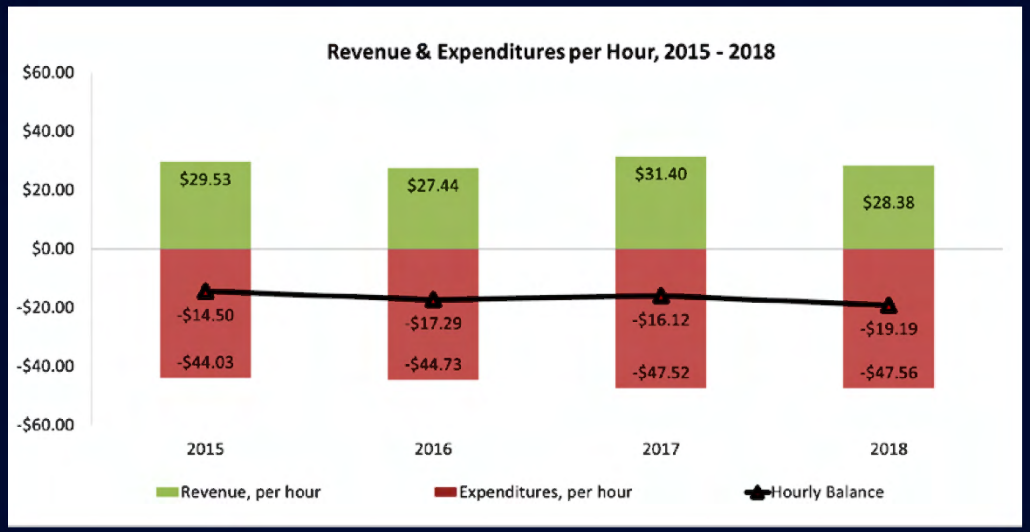


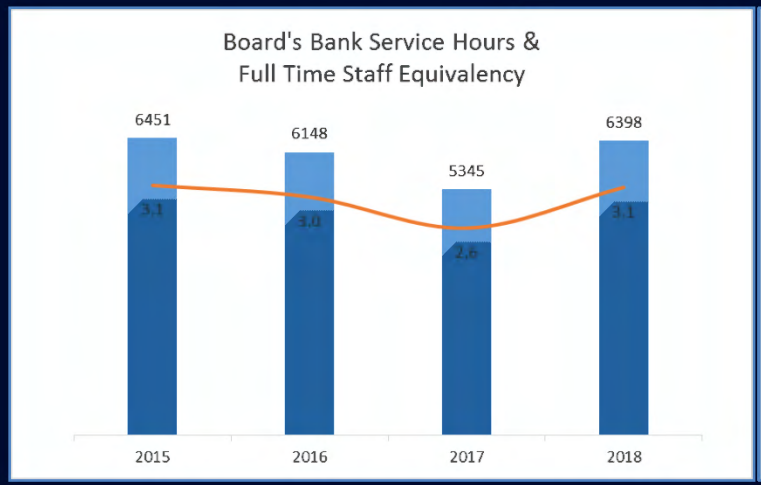


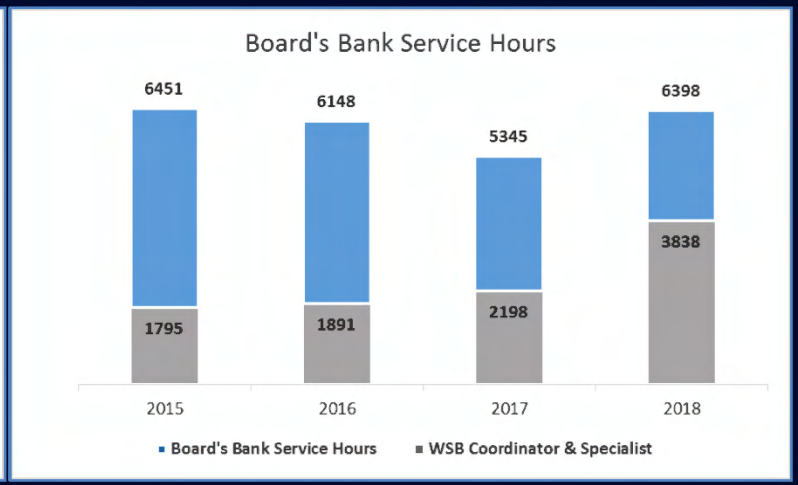
The Board's Bank – 2018 Operations

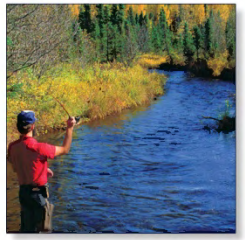
Program costs are relatively stable ($15 ~ $20/hour)

Reliance of Board's bank on Allocation Bureau staff is being reduced



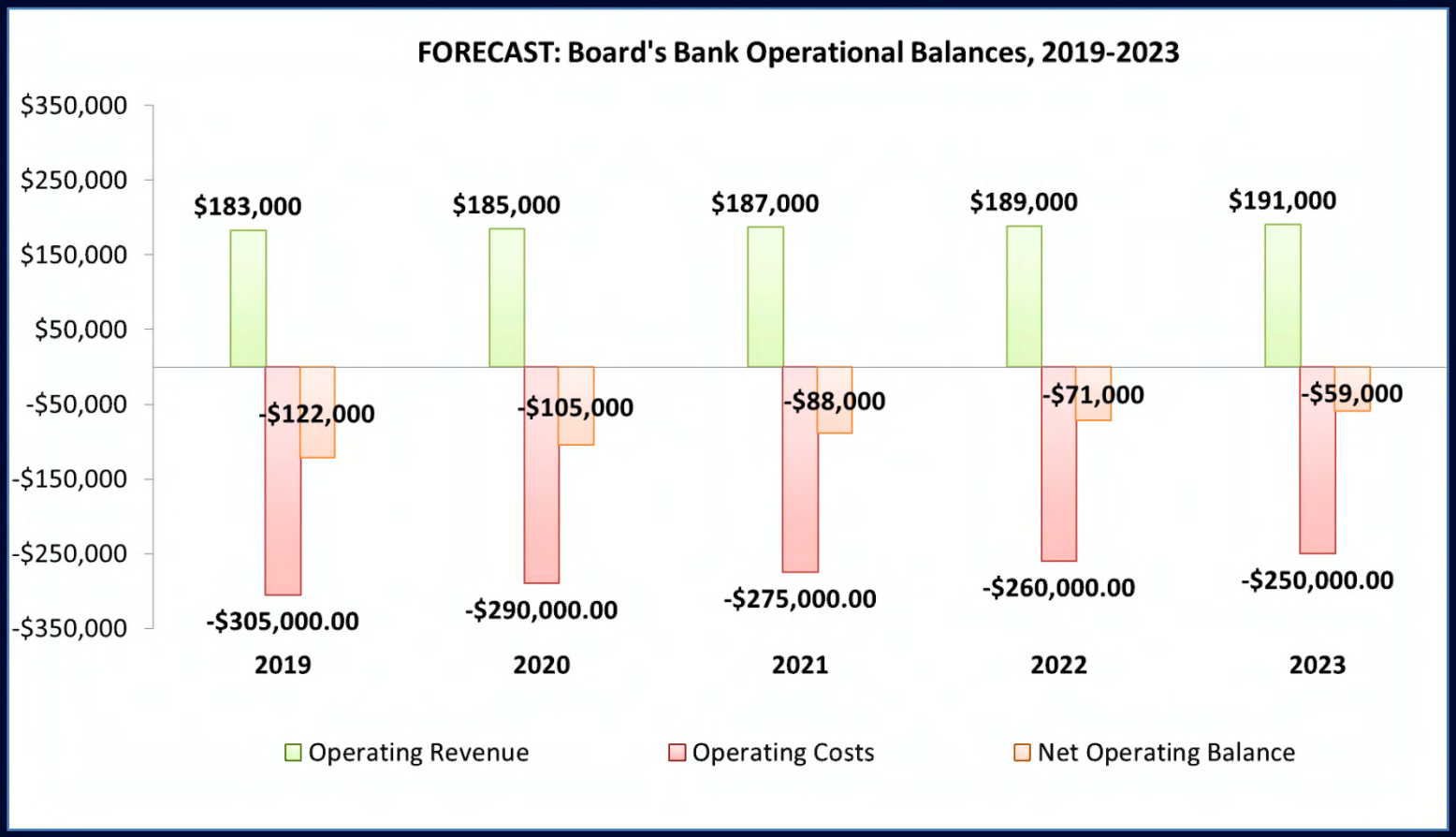






The Board's Bank – Looking Forward

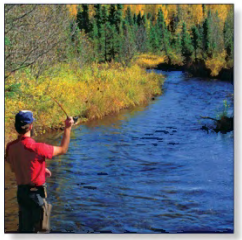
Absent a rental application filing fee, operational deficits are forecast:



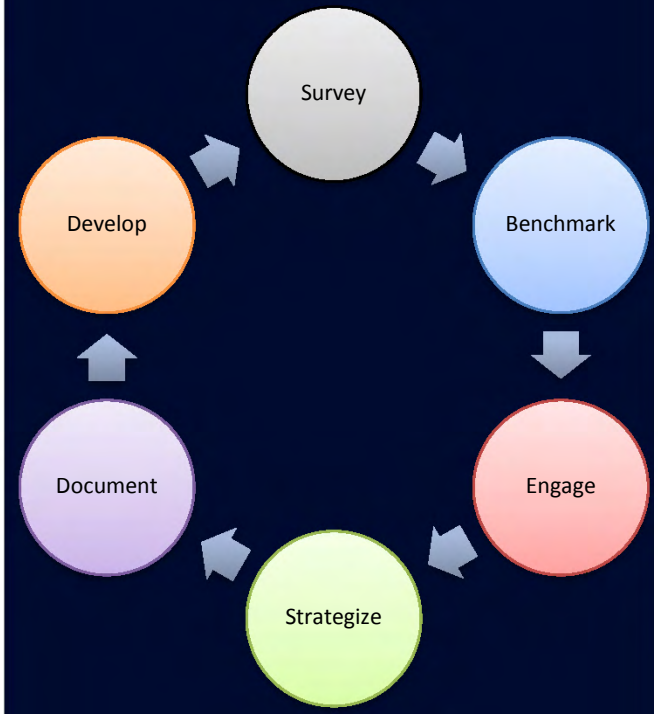
The Board's Bank – 2018 Operations

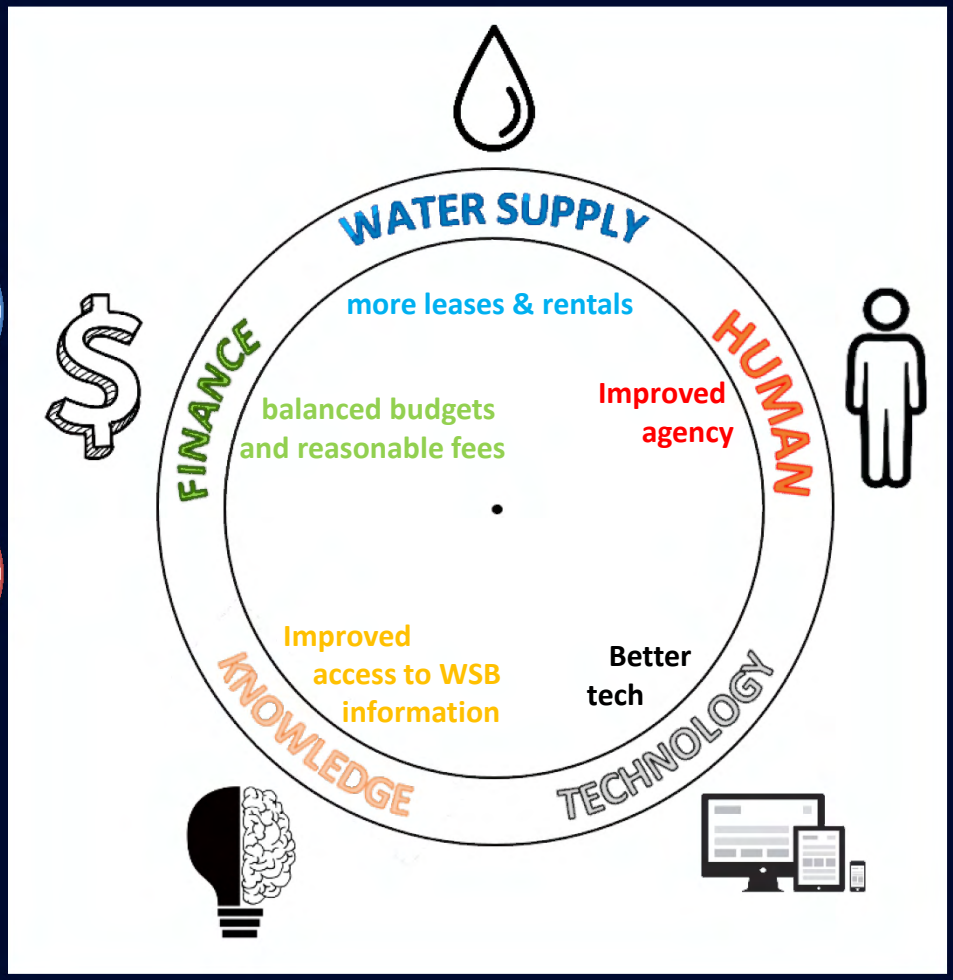
Further improvements to be undertaken:

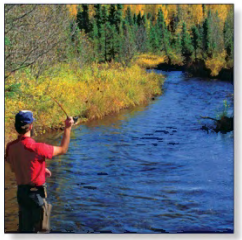
- Updating staff training materials and guidebook
- Strategic engagement of staff and stakeholders
- Work on lowering lease barriers, to increase rental supplies



Board's Bank Stakeholder Engagement

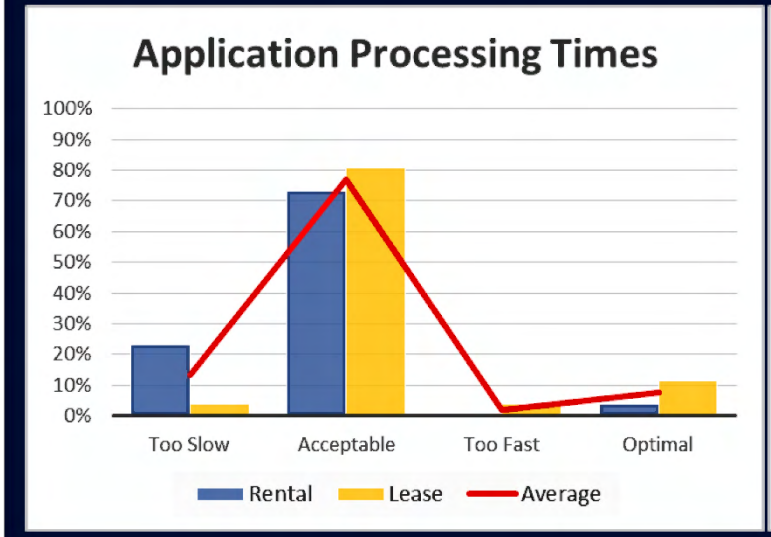


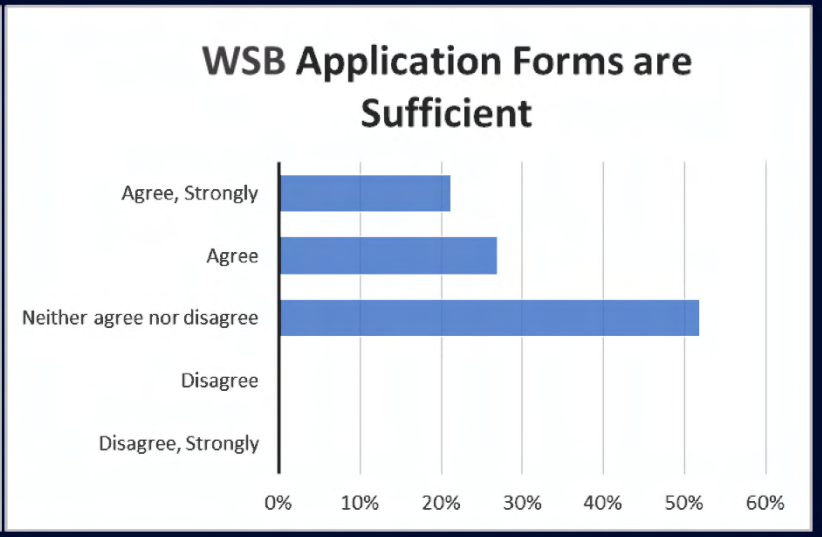


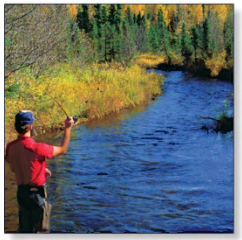


Board's Bank Stakeholder Engagement

Insights from rounds 1 & 2 stakeholder survey & engagement:

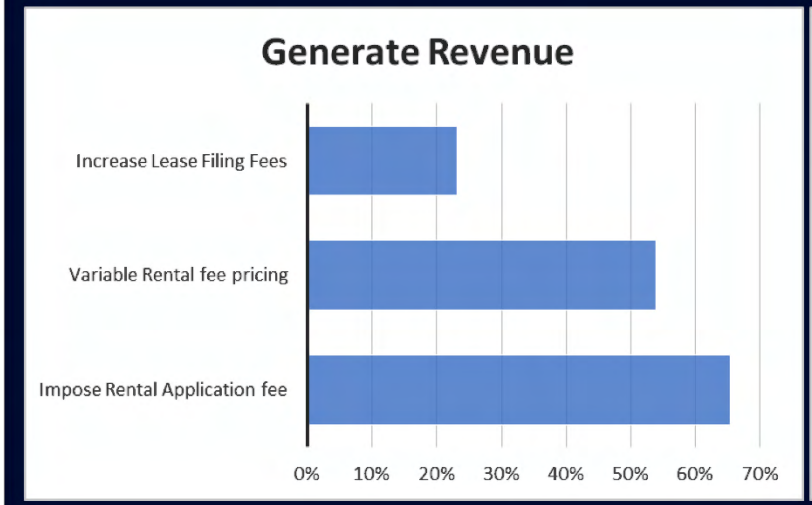


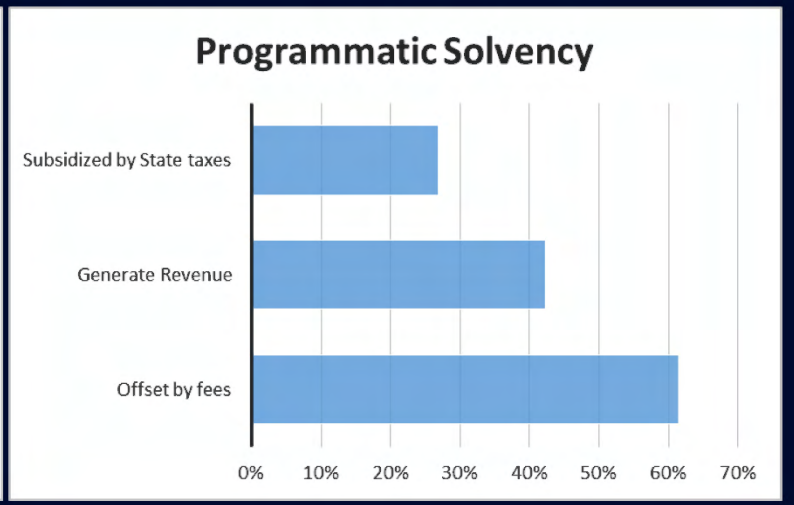


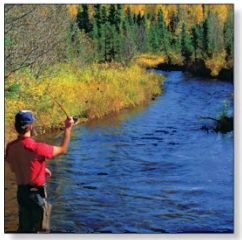


Board's Bank Stakeholder Engagement

Insights from rounds 1 & 2 stakeholder survey & engagement:



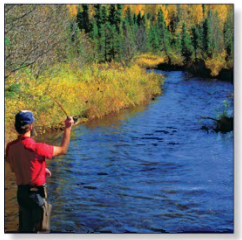


Board's Bank Stakeholder Engagement

Insights from rounds 1 & 2 stakeholder survey & engagement:

Finances	IDWR Bank Team	IDWR Staff	Watermasters & Water District Staff	Water Users & Representatives	Idaho Water Resource Board
The annual operational costs of the Water Supply Bank program should be fully and completely offset through the collection of fees from leases and rentals (Q28)	66 %	62 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Water Supply Bank should generate revenue for improving water user facilities and efficiencies through the collection of fees from leases and rentals (Q29)	25 %	42 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
It is acceptable that operational costs not met through the collection of fees be funded with tax dollars (Q30)	25 %	27 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
**The current lease application filing fee structure ($250/water right, max $500) is "acceptable": (Q31)*	69 %	65 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
I support instituting a rental application filing fee to meet operational costs (Q32)	77 %	65 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
**If a rental application filing fee were instituted, $250 seems "acceptable" (Q33)*	38 %	69 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
I support variable rental prices, based on different water use considerations, such as diversion rate, irrigable acres, diversion volumes, location, priority date, etc. (Q34)	38 %	54 %	Not yet surveyed	Not yet surveyed	Not yet surveyed

The Board's Bank – Looking Forward

2019 objectives:

- Survey lessors & renters, develop benchmark report version 3.0
- Continue to research ways to calculate rental processing costs
- Work on priority resource development projects:

Priority	Resource Development Projects
1	Develop methods and tools (e.g. maps, automated queries and reports or spreadsheets) that enable easy identification of the extent to which water rights leased to the Bank are available to be rented from the Bank for new and supplemental water uses, and develop an online map that lists the location of all active rentals.
2	Develop methods and tools that enable water district staff to accurately determine the diversion rates and volumes of water that are authorized to flow past points of diversion and to specific places of use, for specific durations of time, based on Water Supply Bank leases and rentals. This includes enabling water district staff to quickly know when water right leases and rentals are both being approved, and when they are being concluded.
3	Develop Water Supply Bank 101 and Water Supply Bank 102 presentations and materials that can be delivered to regional and water district staff, to facilitate ongoing training, and which can also be captured and uploaded to the Water Supply Bank's website.
4	Fix the water right proof report tool so that it accurately displays current Water Supply Bank information.

Water Supply Bank

2018 Report for the Board's Water Supply Bank

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Introduction & Background

The Water Supply Bank is a water exchange program 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 and 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).

The Water Supply Bank program consists of two water exchange initiatives: the *Board's water supply bank* (Board's bank) and *rental pools*. The *Board's bank* facilitates the statewide lease and rental of water rights and is operated by IDWR personnel while *rental pools* facilitate the lease and rental of water rights associated with specific watersheds or water sources (e.g. river drainages and reservoir systems) and are operated by IWRB-appointed local committees.

This report summarizes operations of the *Board's bank* during calendar year 2018 and features recent data and trends specific to the:

- processing of lease and rental applications during 2018;
- administration of lease and rental transactions approved for 2018;
- productivity and work accomplishments of Water Supply Bank staff during 2018; and
- management of finances associated with operations during 2018.

Executive Summary

Following the creation of a Water Supply Bank Specialist position during 2017, the Bank increased its operational productivity during 2018 and lessened its dependence on assistance from IDWR staff from the Water Allocation Bureau. Water Supply Bank Specialist Mary Condon was instrumental in contributing to an effort that resulted in a majority of lease and rental applications being processed by the end of summer, which in turn enabled the Bank to issue transaction conclusion notices and warrant payments in October (typically they are issued in December or January). Ms. Condon's contributions to Bank administration also enabled IDWR to reallocate Allocation Bureau staff away from the Bank, to other Departmental administrative activities, increasing efficiencies in other IDWR water right programs. Finally, the Water Supply Bank implemented a continuous improvement process during 2018, which included improving communication and coordination with Board's bank stakeholders.

2018 Accomplishments

Key accomplishments of the Water Supply Bank during the past year include:

- **Improved efficiencies and decreased dependence of Water Allocation Bureau staff**;
- **Early issuance of annual warrant payments**;
- **Improved communications and coordination with program stakeholders; and**
- **Implementation of a continuous improvement framework.**

Lease and Rental Application Processing

If a water user does not fully exercise an authorized water use during a calendar year, they can propose to lease the authorized but unused extent of their water rights to the Idaho Water Resource Board. Approved lease applications allow the IWRB to enter into contract with and to acquire from a water right holder, any unused water right authorizations proposed to be deposited into the Board's bank.

Water rights under contractual lease to the Board's bank form a supply of water from which new and supplemental water uses can be authorized, by means of an approved rental from the Board's bank. Subject to review and approval by the Director of IDWR, successful applications to rent from the Board's bank enable the Board to provide rental agreements to water users who have requested an authorization for a new or supplemental use of water.

Summary of Lease and Rental Applications Processed Annually

Chart 1 below summarizes the total number of water right lease proposals and rental requests that were processed by via the Board's bank during 2018, as well as during recent years. As observed in the chart, the number of lease and rental applications processed annually was relatively stable for the period of 2010 through 2012, before it began to climb significantly during calendar years 2013 through 2015, after which it again began to stabilize in the period of 2016 through 2018.

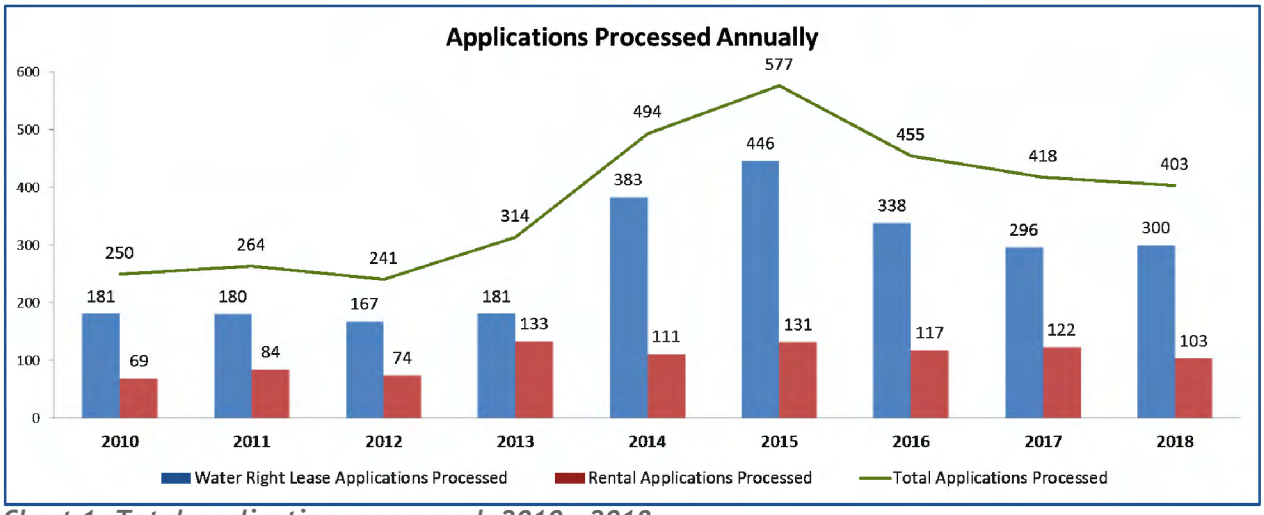

Chart 1. Total applications processed, 2010 - 2018

As observed in Chart 1 above, the total number of water right lease proposals processed by the Board's bank increased slightly during 2018, but remains well below the peak of 577 processed in 2015. The total number of rental requests processed annually has also declined over this same period, from a peak of 131 rentals in 2015, to 103 rentals processed during 2018. Although lease application processing has declined since 2015, year-over-year declines are slowing (see Chart 2 on the next page) and data from the past five to ten years reveals an overall increase in total applications processed annually by the Board's bank. It is anticipated that declines in annual application processing numbers will cease in the next few years, after which annual application processing numbers are expected to again begin climbing slowly and incrementally.

Chart 2 below depicts the year-over-year percentage change in annual lease and rental applications processing for the past five years.

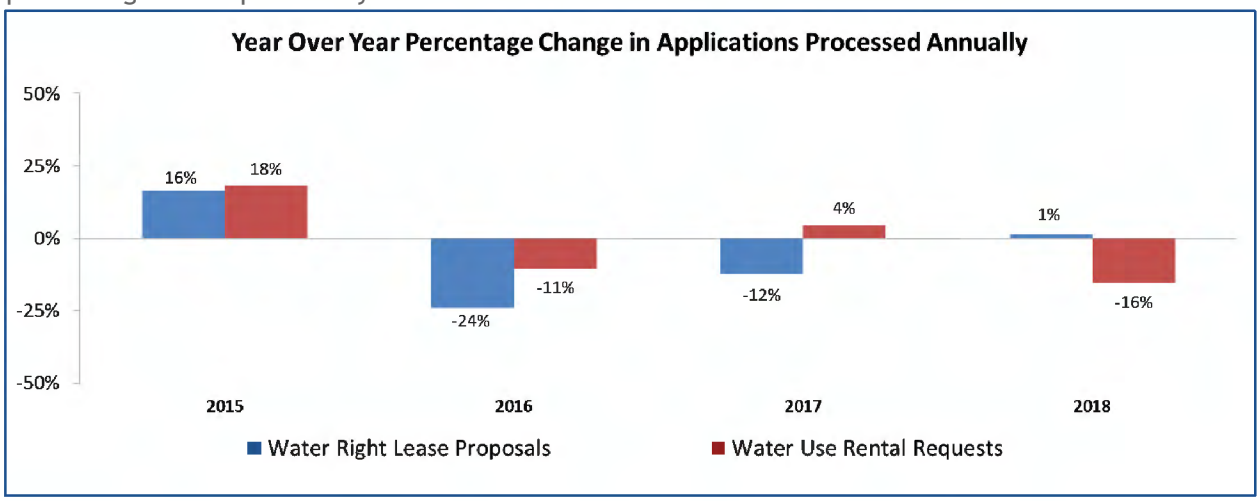

Chart 2. Year-over-year percentage change in annual applications processed, 2014 - 2018

In reflecting on the five year period of 2014 through 2018, the Board's bank processed an average of 353 leases, as well as 117 rentals, annually, for a total of 469 annual applications. These five-year annual averages are more or less equivalent to the application processing numbers observed in 2016. As previously mentioned, it is assumed that declines in annual application processing numbers will soon ceased and application processing numbers will again begin to increase. Based on this assumption, if annual application processing numbers increase incrementally from their current levels and then stabilize at the recent, five year average of 469 application per year, a simple linear forecast for application processing numbers for the next five years is proposed in Chart 3 below.

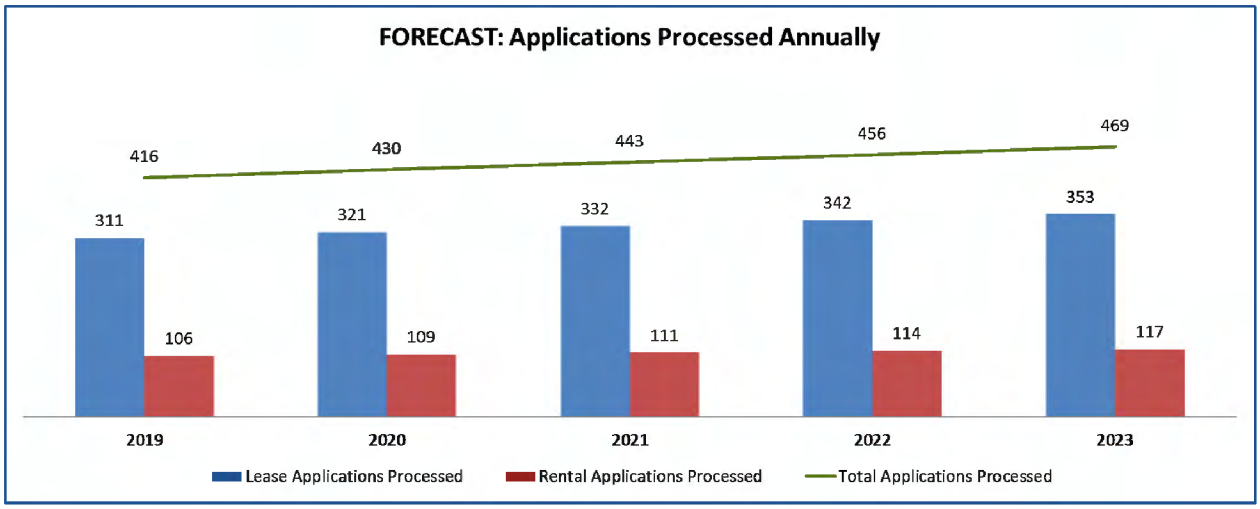

Chart 3. Forecast annual application processing numbers, 2019-2023

Companion Lease-Rental Applications

Companion applications are pre-established lease/rental transactions, in which the water right lessor and the water right renter agree to a proposed transaction through the Board's bank, prior to submitting it to IDWR for review and approval. As a percentage of all applications processed, companion applications accounted for approximately one in three lease and rental applications proposed during 2018. Chart 4 plots out the water right lease proposals processed during 2018 that were exclusively deposited into the Board's bank in order to facilitate a rental.

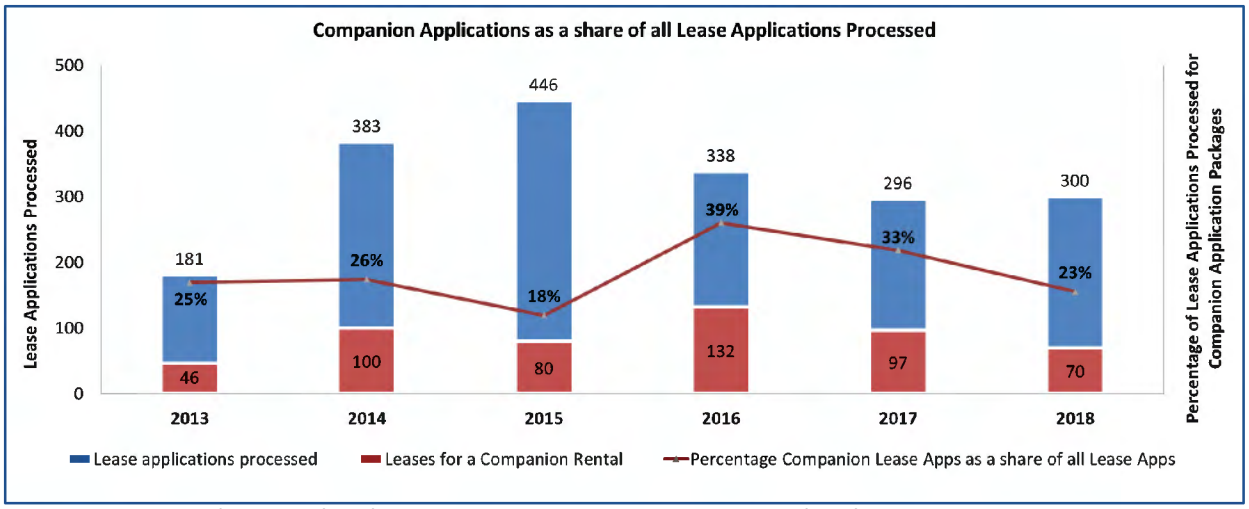

Chart 4. Companion applications as a percentage of lease applications, 2013-2018

As observed in Chart 4 above, 23% of water right lease proposals processed during 2018 were intended for a specific rental request, a trending decline over the recent years. Additionally, as witnessed in Chart 5 below, when companion leases and rentals processed in 2018 (n=111) were considered against all lease and rentals submitted during 2018 (n=403) it is acknowledged that companion packages represented nearly a third of all transactions approved last year.

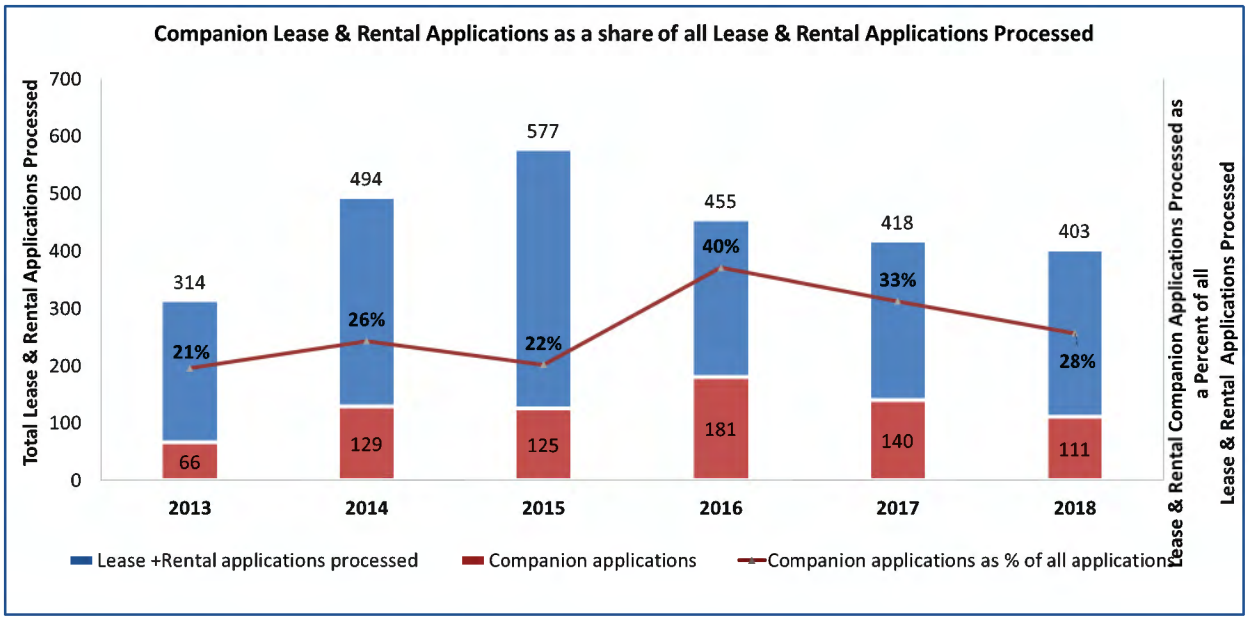

Chart 5. Companion applications as a percentage of all Bank applications, 2013- 2018

New Applications and Renewing or Amending Applications

Some applications processed by the Board's bank during the year do not result in leases or rentals for the same year. One way in which this can occur is if a water right holder submits a lease proposal at the end of the calendar year, for the same calendar year, but the proposal is not processed until early in the next calendar year. Additionally, the Bank frequently processes lease and rental applications toward the end of the calendar year, for transactions that are not intended to commence until the next calendar year. As such, the total applications processed in a year can differ from the total number of applications approved for a specific year.

Of the 300 water right lease proposals processed during 2018, it was intended that 71% (n=213) should commence in 2018, while 86% (n=89) of the 103 rentals processed during 2018 were intended for rentals beginning in 2018. Charts 6 and 7 below depict that, of the 213 leases and 89 rentals submitted to begin during 2018, 21% (n=45) of leases were for water rights not already leased to the Bank, while the majority of leases (n=168, or 79%) were submitted to renew or amend an already active lease contract. Similarly, of the 103 rentals that requested a 2018 start date, 41% (n=36) were new applications for rentals not already approved by the Bank, while 59% (n=52) requested a renewal or amendment to an already active rental agreement.

Chart 6. New vs renewing or amending leases processed during 2018

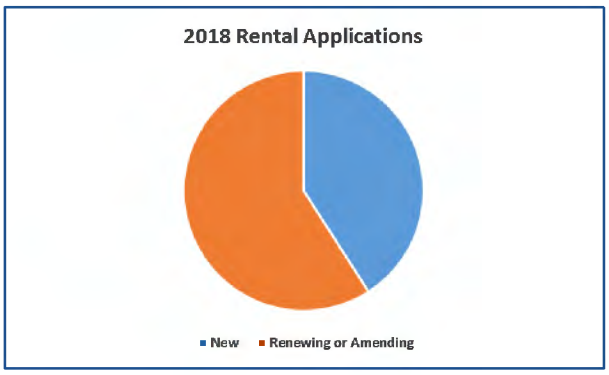

Chart 7. New vs renewing or amending rentals processed during 2018

Lease Contracts and Rental Agreement Approvals

Approved water right lease proposals become Water Supply Bank lease contracts, while approved water right rental requests become Water Supply Bank rental agreements. Water rights that share a common place of use can be leased into the Board's bank on a single lease contract, so the total number of water right lease proposals might not equal the total number of lease contracts approved. Additionally, not all lease and rental applications submitted to the Board's bank result in approvals. From the 300 water rights proposed for lease during 2018, 137 water right lease contracts were approved for 2018, of which, one third were single year leases, while more than half were leases of five or more years.

Additionally, of the 103 rental applications processed in 2018, 82 rental agreements were approved for 2018, a majority of which were only for one year in duration. Charts 8 and 9 below visualize the total number of lease contracts and rental agreements approved during 2018, along with the total number and percent of transactions approved for one, two, three, four or five-plus years.

Chart 8. Duration of lease contracts approved in 2018, absolute and percent of all approved

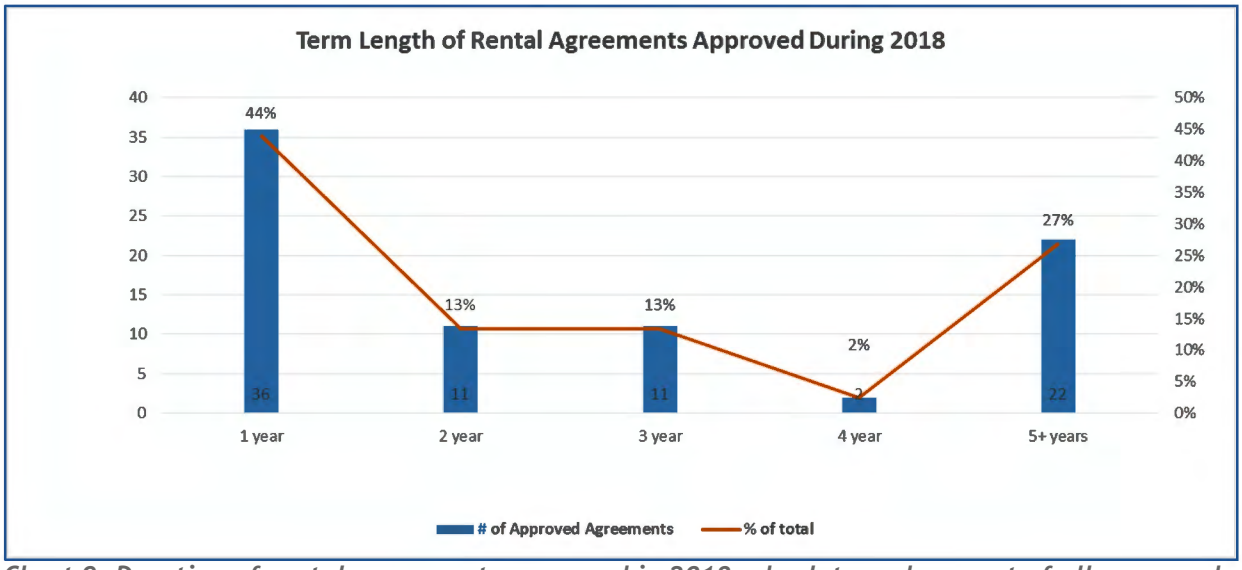

Chart 9. Duration of rental agreements approved in 2018, absolute and percent of all approved

In addition to the 137 lease contracts approved in 2018, 530 lease contracts were already active. As such, the 137 contracts approved for 2018 represented 21% of the sum total of 667 contracts active during 2018. Similarly, the 82 rental agreements approved for 2018 represented 46% of the sum total of 180 rental agreements that were active during 2018. These figures are charted in charts 10 and 11 on the next page.

Chart 10. New vs already approved lease contracts, active during 2018

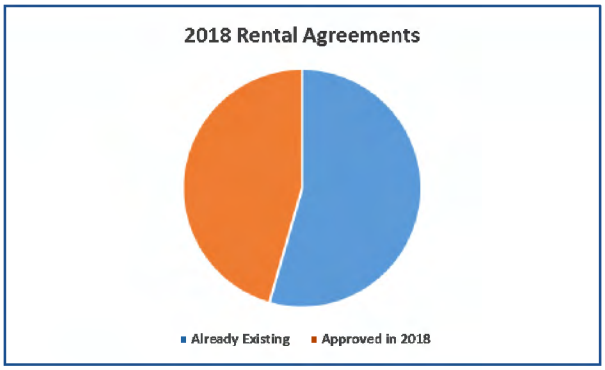

Chart 11. New vs already approved rental agreements, active during 2018

Of note, the Bank received 7 requests to cancel active lease contracts during 2018, as well as 5 requests to early terminate rental agreements approved for 2018. The 7 early-terminated lease contracts represented less than 1% of all lease contracts that would have been active during 2018, while the 5 early-terminated rental agreements represented 3 % of all rental agreements that would have been active during 2018.

Application Processing Times

Consistent with efforts begun in 2014, the Bank processes as many rentals as early as possible. Whereas prior to 2014, the Bank processed a majority of rentals in April, May, June and July, the most active month for the execution of rental requests during 2018 was March.

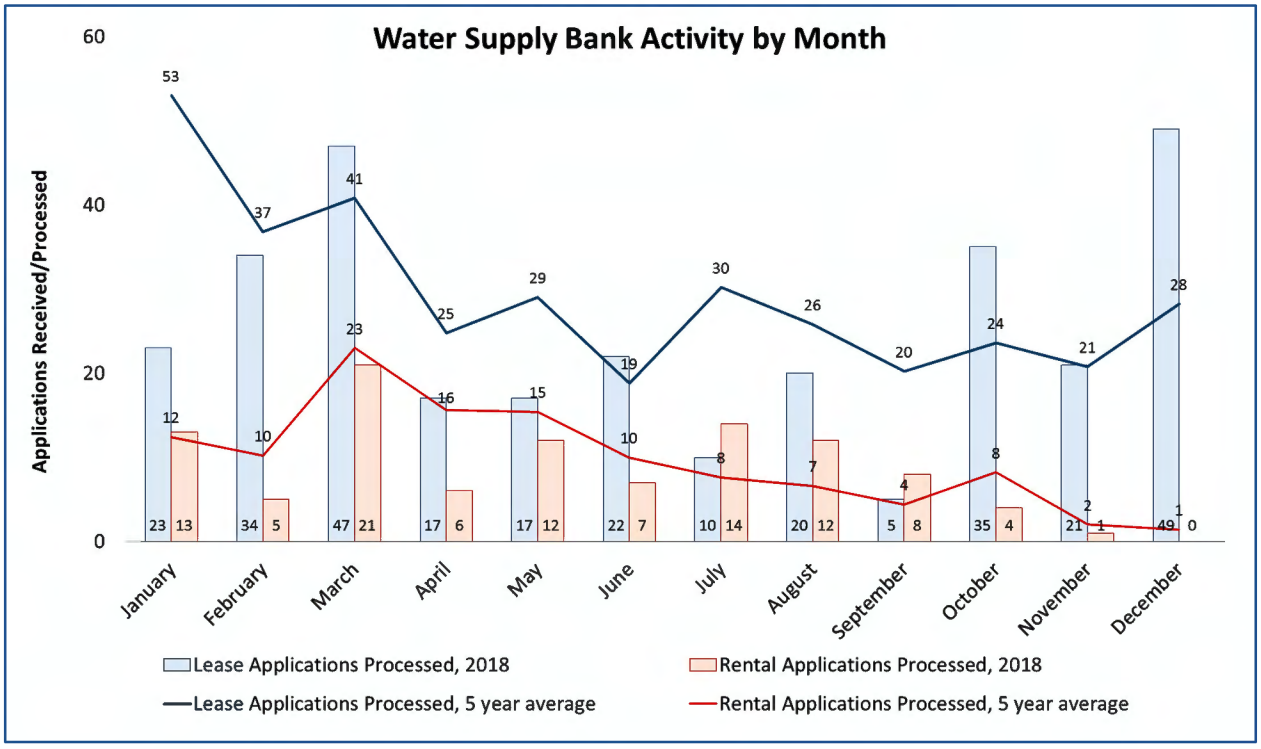

Chart 12. 2017 Application Processing & Processing Averages, 2013-2018

In Chart 12 on the preceding page, where a monthly red bar is above the red trendline, this represents a greater-than-average number of rental requests processed in that month. The payoff from this effort is that water users who submitted irrigation rental requests in 2017 and early 2018 obtained an irrigation authorization from IDWR, prior to the start of the 2018 irrigation season.

A final, notable data point is that the Board's bank experienced an overall increase in median application processing times during 2018. Beginning in 2017, the Board's bank began tracking the median number of days between when an application was formally received by IDWR, and the date it was formally withdrawn, denied, or executed as an approved lease contract or rental agreement. (Note: this is not the median number of days required to review and make a recommendation on an application, which is a smaller number, but instead, is the total number of days required to completely process and dispose of an application.)

In 2017, the median number of days that elapsed between receipt and final processing of a lease application was 20, and this number doubled to 41 days during 2018. Similarly, the median number of days that elapsed between receipt and final processing of a rental request during 2017 was 60, and this number increased to 85 days during 2018.

Lease and Rental Transaction Management

Once lease and rental applications are approved, the Board's bank is responsible for collecting and disbursing rental payments for each year that a rental or lease is under active management. During 2018, approximately 70,000 acre feet of water was rented from the Bank, observed in Chart 13, which is roughly equivalent to the volumes of water rented in previous years.

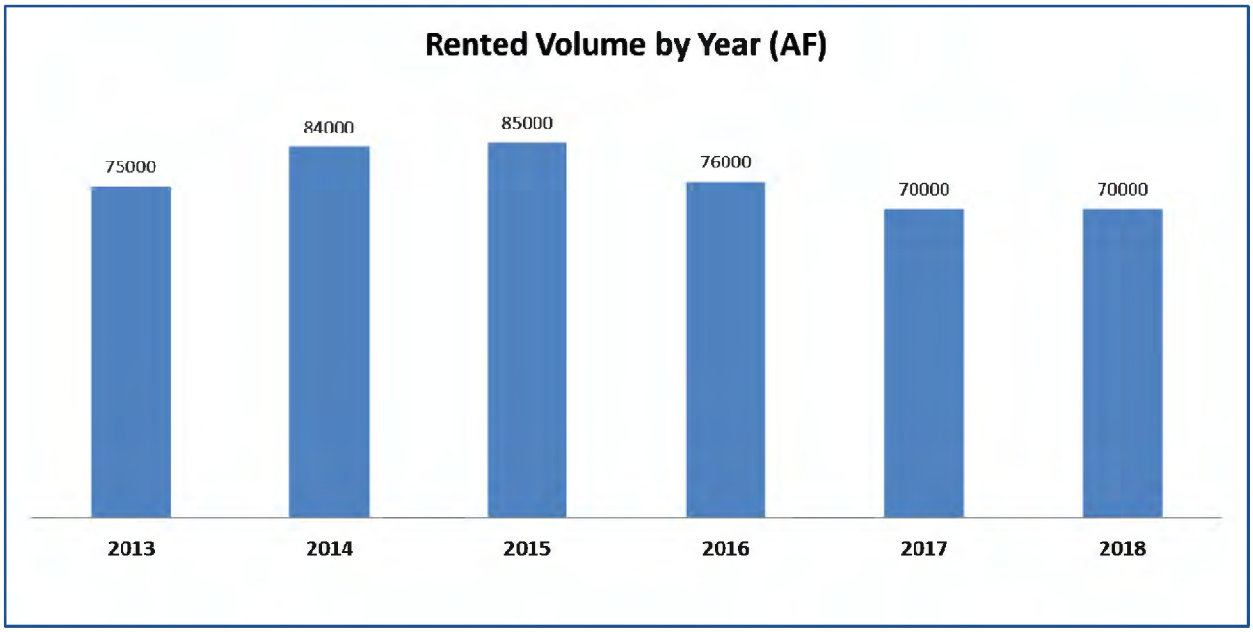

Chart 13. Annual rental volumes

Consistent with trends over the past five years, the majority of water rented in 2018 came from basins 2 (Snake River, below Milner Dam), 21 (Henrys Fork of the Snake River), 29 (Blackfoot basin), 35 (ESPA ground water from the American Falls region) and 37 (Wood River Valley & Camas Prairie).

2018				
#	Basin	Water Source	Volume	% of Total
1	2	Snake River	23000	33%
2	21	Henrys Fork	9200	13%
3	29	Blackfoot Basin	5600	8%
4	35	ESPA – American Falls	5200	7%
5	37	Big Wood River Basin	4900	7%
			47900	54%

Table 1. Most active basins, by annual acre-foot rental volumes, for 2018

Annual Average: Most Recent Five Years (2014–2018)				
#	Basin	Water Source	Volume	% of Total
1	2	Snake River	17448.4	20%
2	21	Henrys Fork	9326.667	11%
3	29	Blackfoot Basin	6997.8	8%
4	43	Raft River Basin	5100.2	6%
5	37	Big Wood River Basin	5450.2	6%
			44323.3	50%

Table 2. Most active basins, by annual acre-foot rental volumes, for the past five years: 2014-2018

Rentals from the five basins identified in Table 1 above accounted for over half of all water rented from the Board's bank during 2018. Over the last five years, basins 2 (Snake River below Milner Dam), 21 (Henrys Fork of the Snake River), 29 (Blackfoot), 43 (Raft River) and 37 (Wood River Valley & Camas Prairie) accounted for close to half of the total average annual rental volumes. Chart 14 below reports the annual average rental volumes, by basin, for the period of 2014 through 2018.

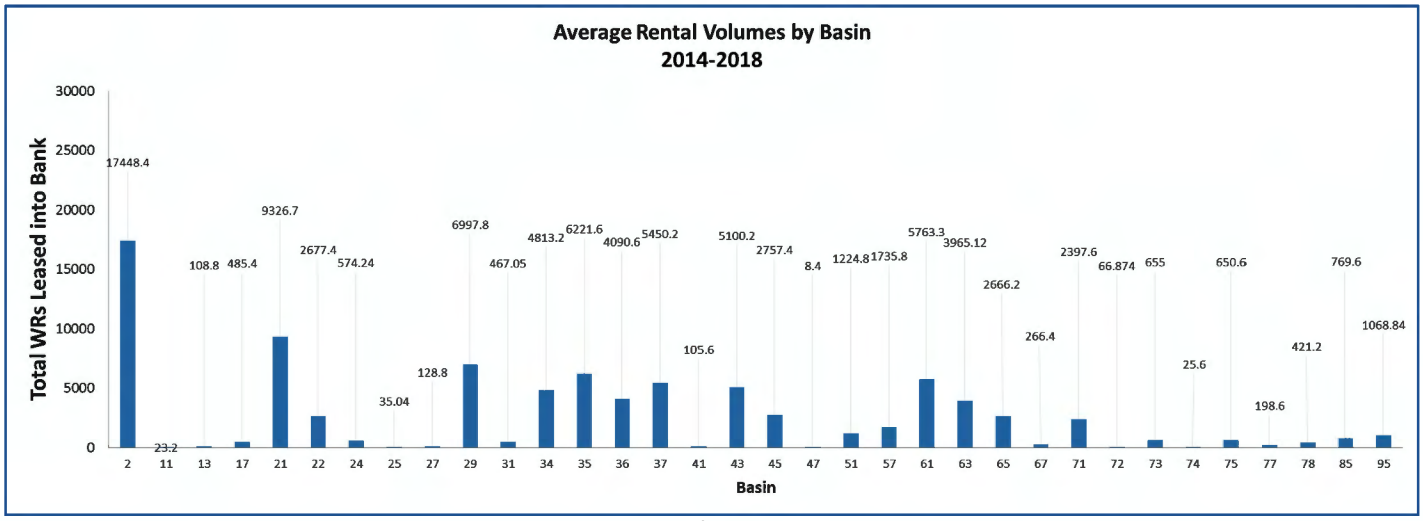

Chart 14. Average annual rental volumes, by basin, 2014-2018

Programmatic Operations

The primary operational functions of the Board's bank are to:

1) process lease and rental applications;
2) manage active lease and rental transactions;
3) communicate and coordinate aspects of application processing and transaction management with program stakeholders; and,
4) conduct research and development work to implement program improvements and efficiencies.

Human Resources

In 2018, 6,398 hours were logged by IDWR staff who provided Board's bank services. Chart 15 below depicts the hours logged from 2015 through 2018, as well as the full-time equivalency (FTE) of Board's bank personnel, per the total annual hours logged (one FTE = 2080 hours). Board's Bank service hours were higher in 2018 than in past years. The total hours for the Water Supply Bank Coordinator and Specialist positions accounted for close to 60% of all staff hours logged during 2018.

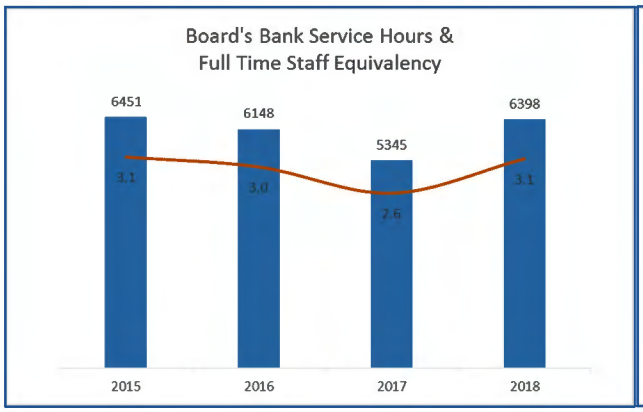

Chart 15. Board's bank service hours & FTEs

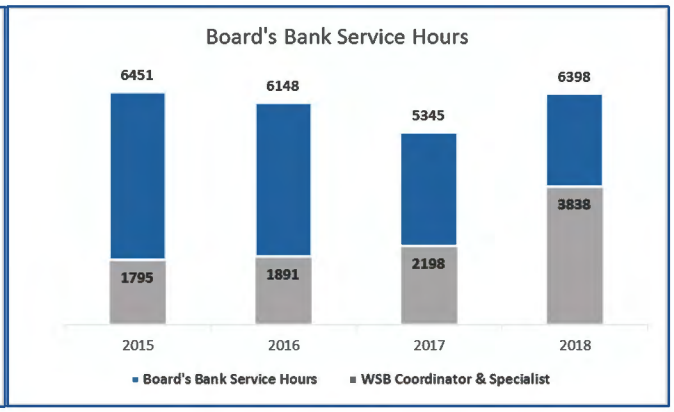

Chart 16. Board's bank service hours

Processing Applications & Managing Transactions

By considering the specific work tasks performed by IDWR staff who provide Board's bank services, it is possible to estimate the percentage of all time allocated to specific functions. Of the 6,398 total hours logged providing Board's bank services during 2018, Table 3 below breaks down the estimated number of hours allocated to specific functions while Chart 17 on the following page visualizes these functions as a percentage of total hours utilized to provide Board's bank services.

Service Function	Hours Logged	Percent of All Hours
Processing lease applications	1,736	27 %
Processing rental applications	1,675	26 %
Processing applications, total	***3,386***	***53 %***
Managing lease contracts	622	10 %
Managing rental agreements	510	8 %
Managing transactions, total	***1,132***	***18 %***
Communications & coordination	1,034	16 %
Research & development	821	13 %
All services	***6,398***	***100 %***

Table 3. Board's bank service hours, by service function

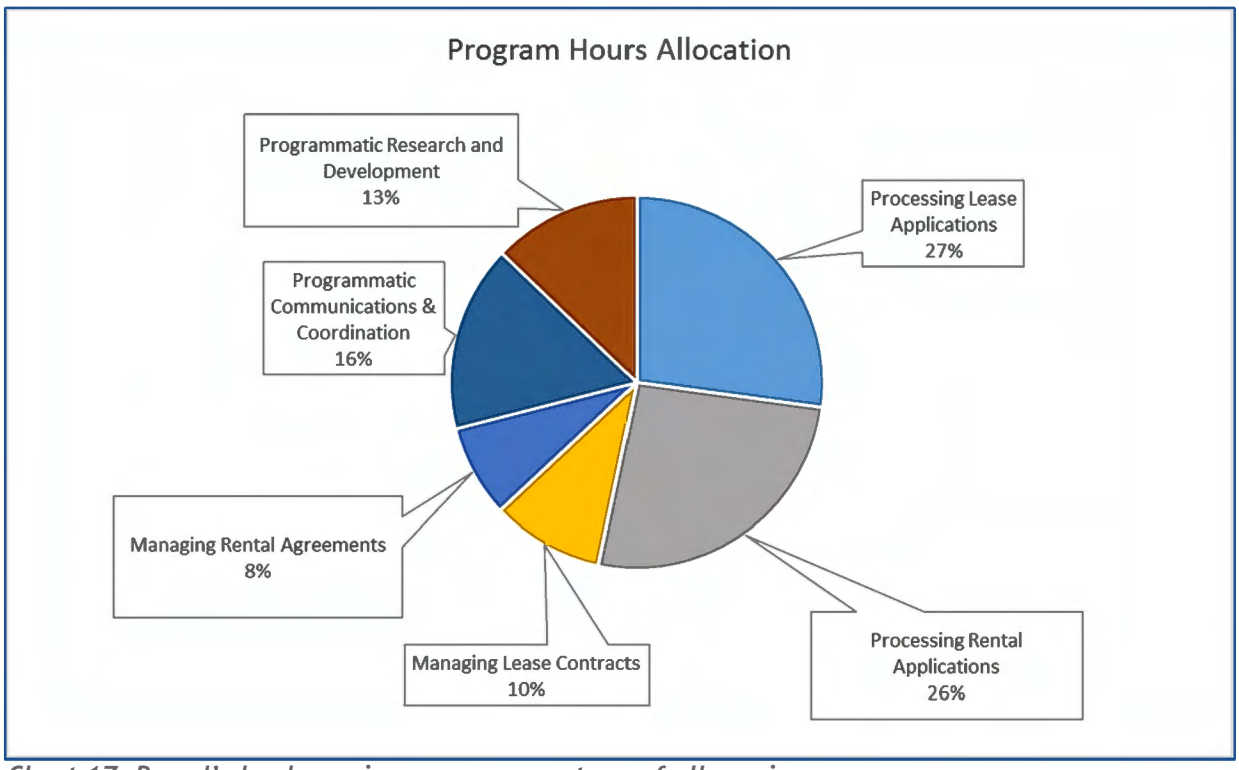

Chart 17. Board's bank services, as a percentage of all services

Communications & Coordination

Processing applications and managing lease and rental transactions requires coordination with various stakeholders, inside IDWR, regional water districts and across Idaho's water user community. To improve coordination amongst Water Supply Bank stakeholders, a continuous improvement process was implemented during 2018, and the following was accomplished:

- a stakeholder survey was developed and disseminated to all IDWR staff and a select number of water district staff;
- a stakeholder survey (benchmark) report was published, detailing survey findings;
- engagement sessions were held with various stakeholders at IDWR regional offices, to discuss the survey findings, and to obtain input on Water Supply Bank areas of improvement desired of stakeholders; and
- engagement reports were produced, in which priority Water Supply Bank specific research and development projects desired by stakeholders were documented.

During 2019, the Board's bank will continue to collect survey responses from the Idaho water user community at large, and additional stakeholder engagement sessions are planned.

Financial Management

The Board's bank requires one lease application per water right and one rental application per requested beneficial use. The cost to submit a lease application is $250. Where multiple water rights are stacked together, the bank caps the lease application filing fee at a maximum of $500. There is no cost to submit a rental application.

Board's bank revenue increased by 7% in 2018, which is likely largely attributable to the increase in rental rates from $17/acre foot to $20/acre foot. Lease and rental fees from 2018 and past years are depicted in Chart 18 below.

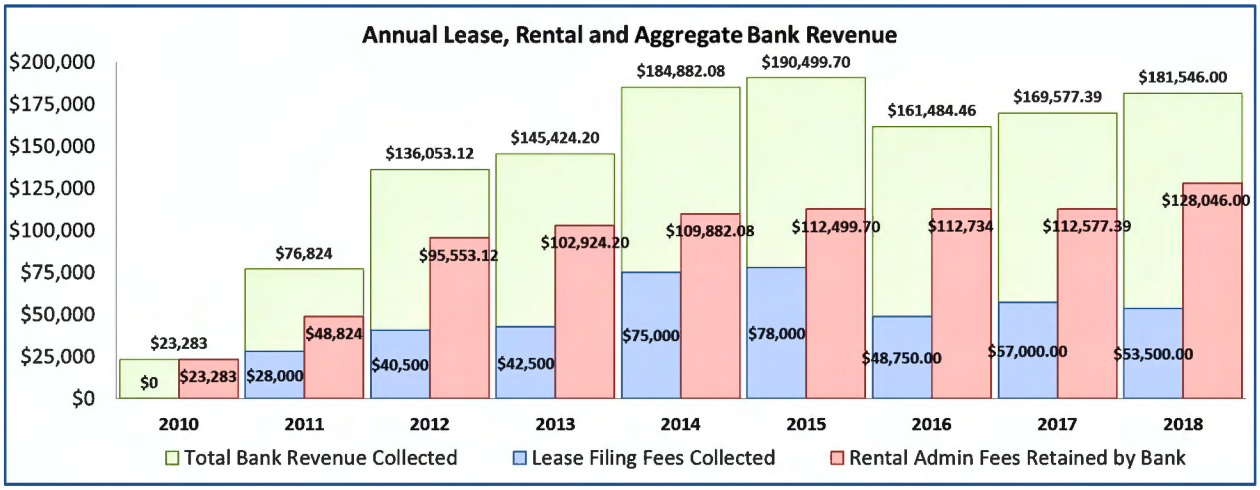

Chart 18. Annual revenue from lease application filing fees and rental admin fees

Due to a decline in lease filing fees collected during 2018, the percentage of all revenue obtained through rental fees increased, from 66% to 71%, as depicted in Chart 19 below.

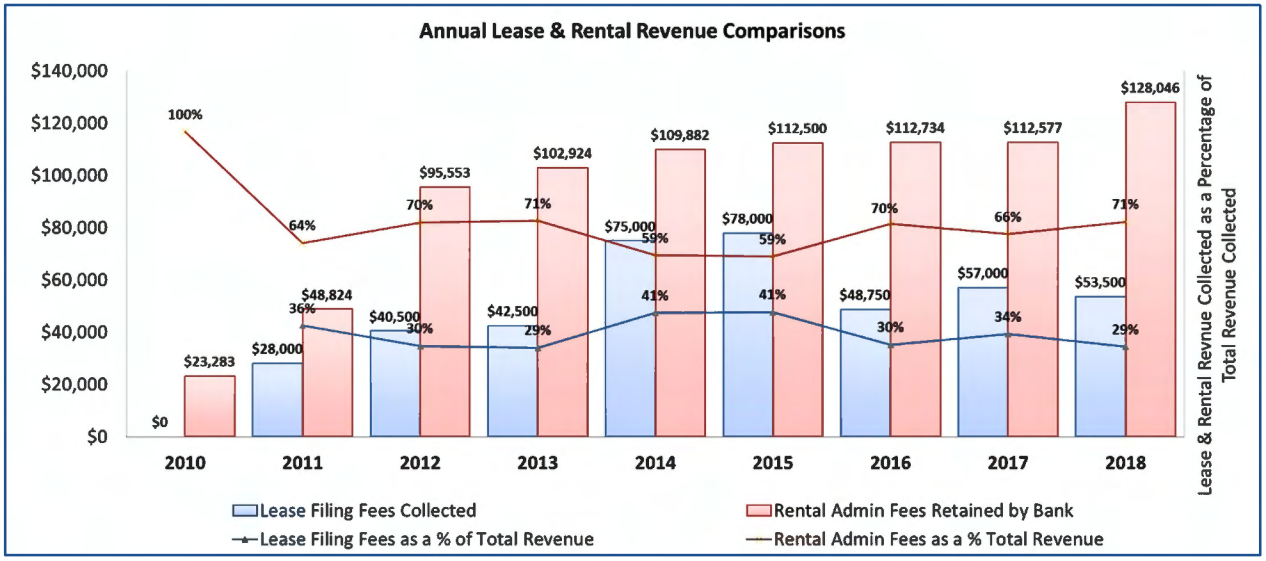

Chart 19. Annual revenue from leases and rentals as a percentage of total revenue

The 300 water rights proposed for deposit into the bank during 2018 represented a real year-over-year increase of 4 water right leases (or 1%), while the 103 rental requests processed by the Bank were a decline of 16% from the previous year high of 122 rental requests. The $128,046 rental revenue collected during 2018 reflects admin fees for both new rentals processed and approved during 2018, as well as rentals active during 2018, but which were approved in previous years.

Of note, approximately one third of the rental revenue collected during 2018 ($38,046) came from new rentals approved during and for 2018. Consistent with previous years, and as visualized in Chart 20, a majority of rental revenue collected last year came from already-active, multi-year rentals approved prior to 2018.

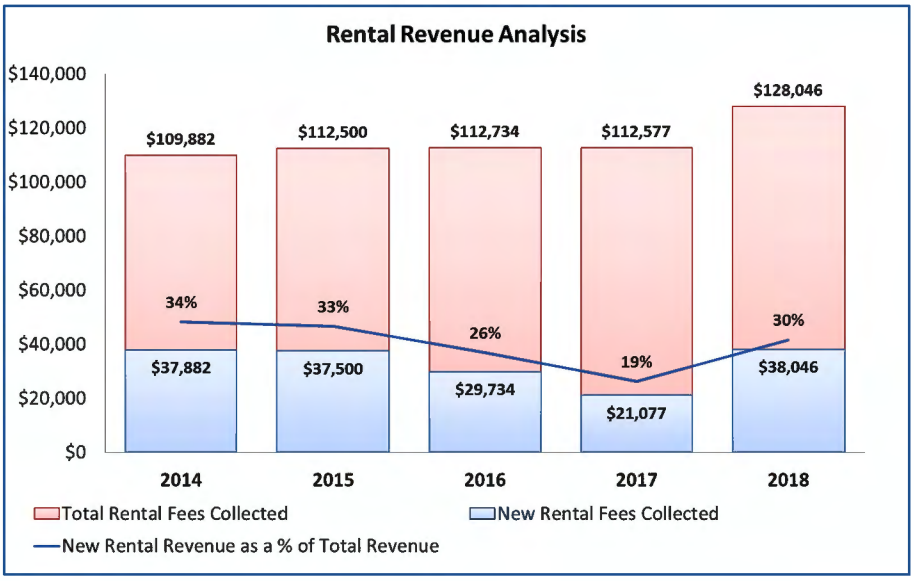

Chart 20. Rental fees collected as a percent of all rental fees

Consistent with an overall increase in rental revenue to the Board's bank during 2018, the value of water rental payments from the Bank to water right lessors (which in Idaho are called warrants) also increased during 2018. A total of $565,500 was paid out by the Board's bank to water right lessors for 2018 rental payments, which is depicted in Chart 21 below.

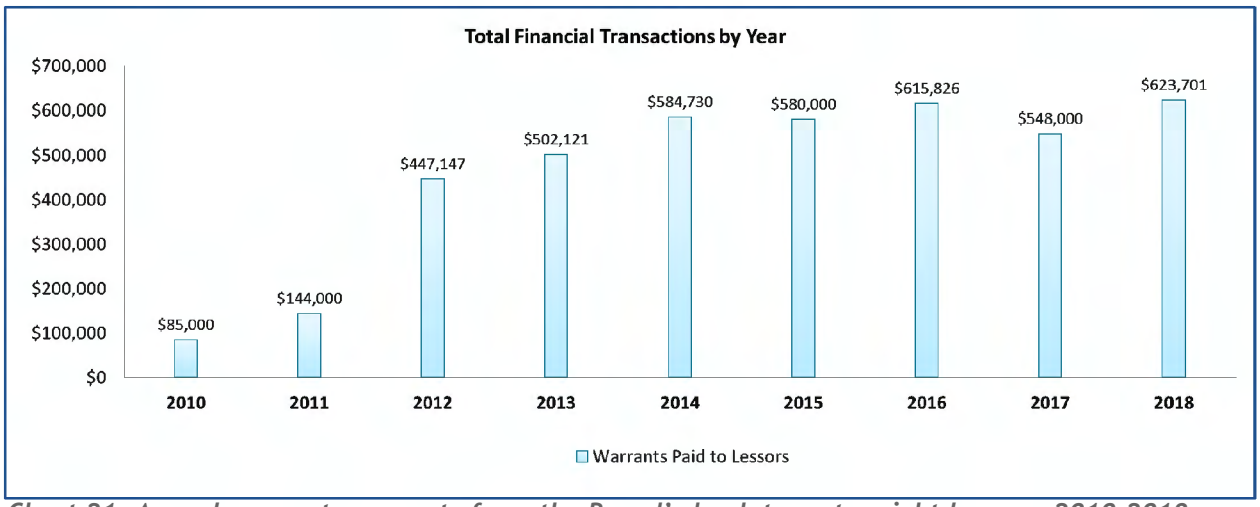

Chart 21. Annual warrant payments from the Board's bank to water right lessors, 2010-2018

Of particular importance, the vast majority of 2018 rental warrant payments were distributed to water right lessors before the end of October of 2018. Typically warrant payments are issued in December and January.

Programmatic Solvency

The primary expenditures necessary to operate the Board's bank include:
1) staff compensation and overhead (salaries, office equipment and office service costs);
2) coordination and communication charges (advertising and stakeholder engagement costs); and
3) resource research and development charges (technology development and maintenance costs, staff education and consulting fees);

In 2018, operational expenditures totaled $304,306. There were no expenditures for resource research and development initiatives and 1% of expenditures (approximately $2,000) was spent on advertising and stakeholder engagement efforts. Staff compensation and overhead accounted for the majority of expenditures during 2018. As depicted in Chart 22, 2018 expenditures represented an increase over expenditures from previous years.

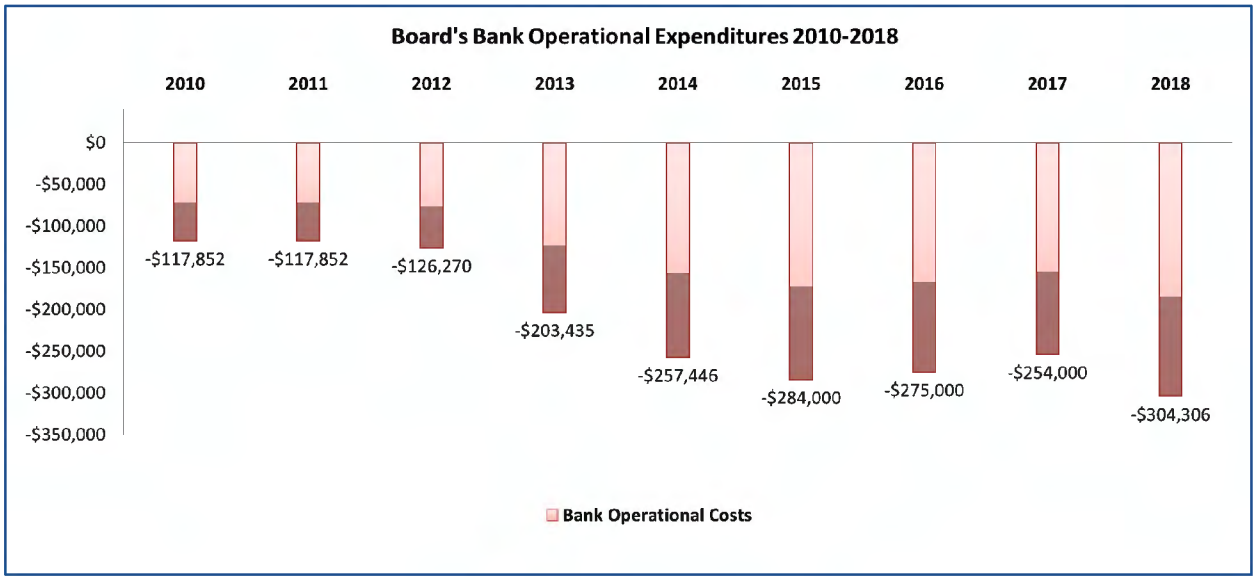

Chart 22. Annual operational expenditures, 2010-2018

Dividing total revenue generated during 2018 ($181,546) by total hours logged providing Board's bank services (6,398) reveals that the Bank generated hourly revenue of $28.92. However, dividing operational expenditures (of $304,306) by hours logged reveals the Bank incurred a negative hourly operational cost of -$47.56. Between these two figures, Chart 23 reveals that the net hourly cost to operate the Board's bank in 2018 was -$19.19.

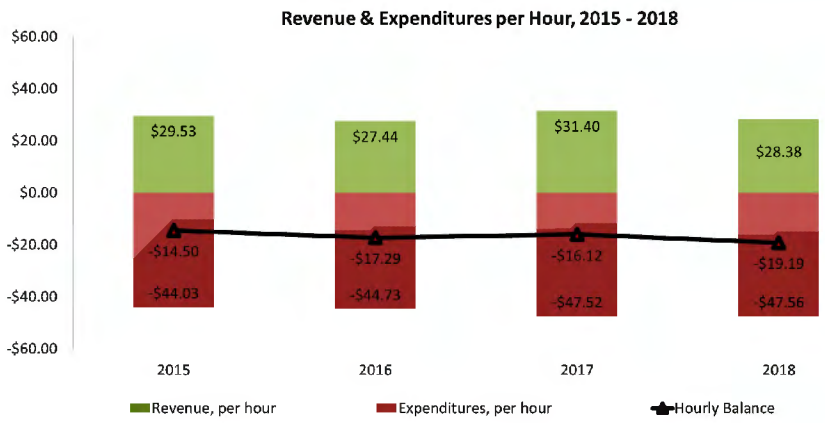

Chart 23. Annual hourly operational costs, 2015-2018

In considering the core service functions of the Board's bank, it is possible to estimate costs required to provide specific services, which can be estimated by taking the total hours logged to provide a specific Board's bank service, and then multiplying the total by the Bank's average hourly operational cost (-$47.56). Table 4 below summarizes costs associated with providing specific service functions within the Board's bank, as well as the revenue collected through the provision of those services, during 2018.

Service Function	Hours Logged	Annual Cost	Revenue Collected	Balance
Processing lease applications	1,736	-$82,565	$53,500	-$29,065
Processing rental applications	1,675	-$79,665	$38,046	-$41,619
Processing applications, total	***3,411***	***-$162,230***	***$91,546***	***-$70,684***
Managing lease contracts	622	-$29,585	$0	-$29,585
Managing rental agreements	510	-$24,255	$90,000	$65,745
Managing transactions, total	***1,132***	***-$53,840***	***$90,000***	***$36,160***
Communications & coordination	1,034	-$49,181	$0	-$49,181
Research & development	821	-$39,055	$0	-$39,055
All services	***6,398***	***-$304,306***	***$181,546***	***-$122,760***

Table 4. Board's bank service costs, by service function

As observed above in Table 4, a negative operating balance of approximately -$123,000 occurred in 2018. This amount is represented as the orange bar in Chart 24 below. The negative operating balance is the difference between revenue collected from filing and administrative fees, and operational expenditures.

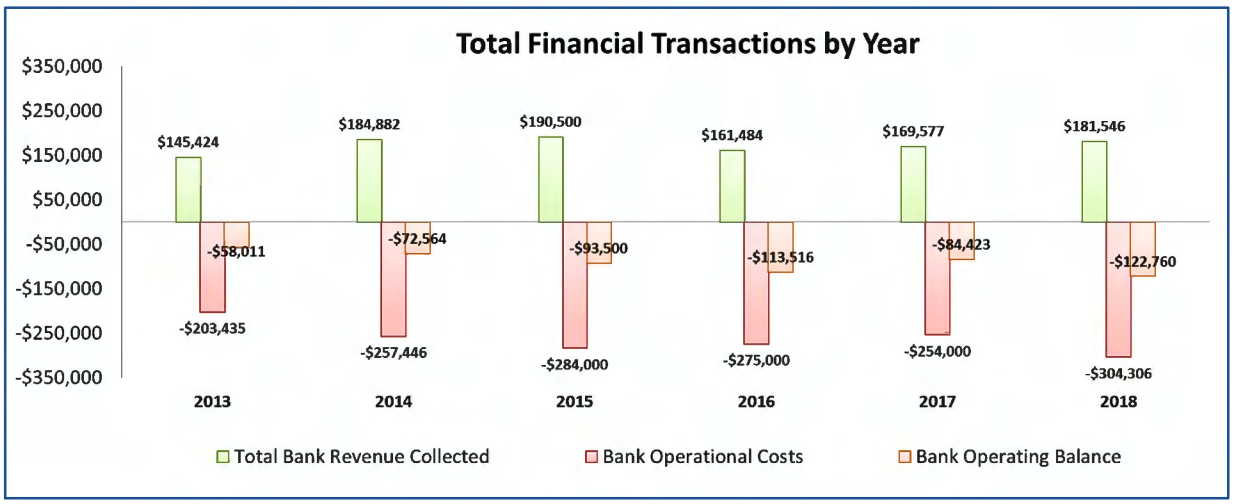

Chart 24. Board's bank operational finances, 2013-2018

Application Fees

The Board's bank charges a filing fee of $250 per water right (or $500 for multiple stacked water rights) to lease a water right to the Bank, and there is no charge to file a rental application. By considering the hours logged in processing applications as well as the actual number of applications processed annually, it is possible to estimate the annual average number of hours allocated to process lease and rental applications. Multiplying annual average hours-per-application amounts by annual hourly operational cost allows for an estimate of the average processing cost per application.

Table 5 below lists the average lease and rental application processing costs for 2018.

Service Function	Hours Logged	Applications Processed	Hours per Application	Cost per Application
Processing lease applications	1,736	300	5.8	-$275.21
Processing rental applications	1,675	103	16.3	-$773.42
Average application processing	***3,411***	***403***	***8.5***	***-$404.26***

Table 5. Board's bank application processing costs, for calendar year 2018

Per Table 5, overall during 2018, the average lease application required just under one day of staff time for full processing, and the average rental request required a little more than two days for processing. The above method comparing service hours logged, applications processed and annual average hourly operational costs incurred can be applied to data from calendar years 2015 through 2018 to reveal that, over the most recent four years, the estimated average cost to process a lease application is just under $250, and the average cost to process a rental application is $650. These estimates are presented in Table 6 below.

Service Function	2015	2016	2017	2018	Average
Annual Applications Processed:					
Leases	446	338	296	300	345
Rentals	131	117	122	103	119
Annual Service Hours Logged:					
Processing Leases	2,041	1,562	1,521	1,815	1,715
Processing Rentals	1,779	1,641	1,575	1,692	1,668
Annual Average Hours per Application:					
Leases	4.6	4.6	5.1	5.8	5.0
Rentals	13.6	14.0	12.9	16.3	14.2
Annual Average Hourly Operating Cost:	-$44.03	-$44.73	-$47.52	-$48.39	-$45.96
Average Annual Cost per Application:					
Leases	-$201.48	-$206.70	-$244.18	-$275.21	-$231.89
Rentals	-$597.90	-$627.34	-$613.48	-$773.42	-$653.03

Table 6. Board's bank application processing costs, calendar years 2015 through 2018

Programmatic Forecasts and Future Objectives

In order to maintain the solvency of the Board's bank, through revenue neutral or revenue positive operations, one or more of the following must occur:

- annual operational expenditures need to be controlled and kept as low as possible;
- hours logged to provide core services need to be controlled and kept as low as possible;
- filing fees for rental applications must be implemented;
- variable rental rates should be explored and considered; and
- research and development initiatives must continue, to find ways for increasing productivity, by maintaining or increasing application processing capacity without increasing overall operational expenditures or the number of hours logged to process applications.

Forecasting forward, it is reasonable to expect the Board's bank to operate with annual expenditures of approximately $250,000 while keeping IDWR staff hours logged to the Board's bank at or below 5,200. These are the amounts associated with operation of the Bank with 2.5 FTEs. If the Board's bank can be operated with these targeted hour and operational cost amounts, average operational costs of $48/hour can be maintained, allowing for stabilized operational expenditures, following which, the gap between revenue collected and operational expenditures incurred can be narrowed.

Chart 25 below presents a possible scenario where annual operating costs of $250,000 and 5,200 FTE hours are slowly realized over the next five years while, at the same time, incremental increases in filing fee and rental admin fee collection amounts are also realized (filing and rental fees projected based on applications processed, per Chart 3 on page 4 of this report).

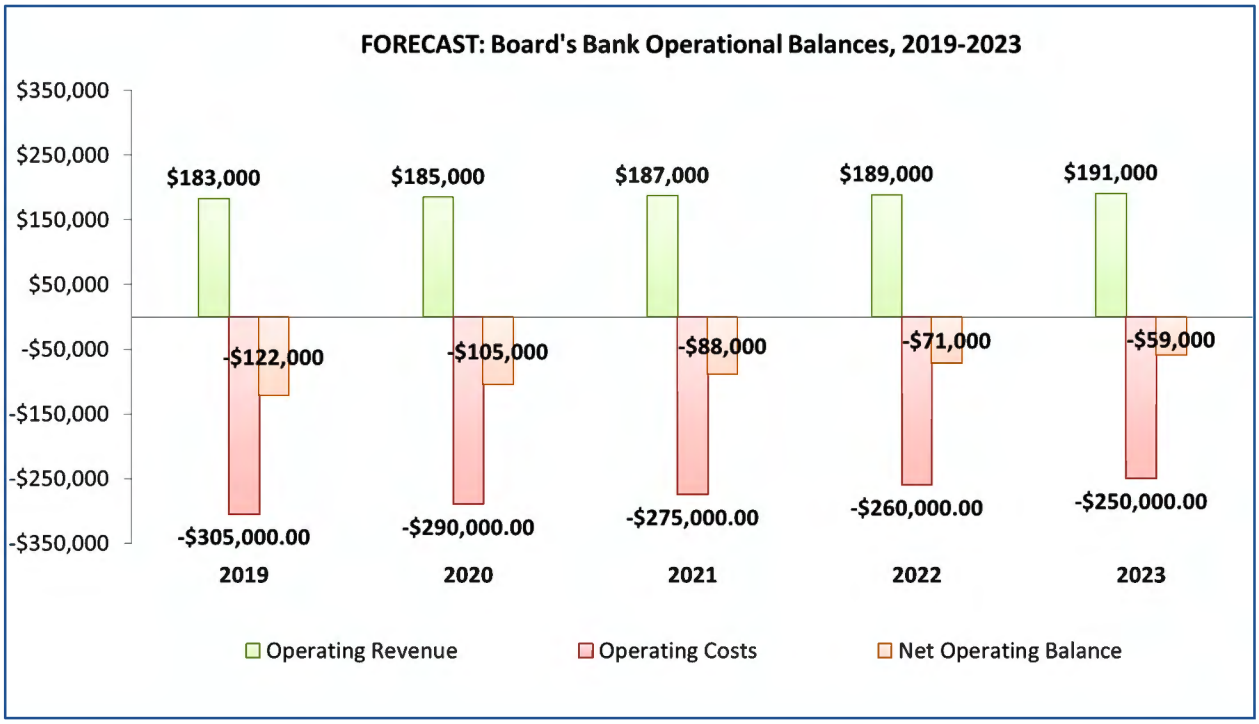

Chart 25. Forecasted Board's bank operational finances, 2019-2023

As visualized in Chart 25 on the previous page, even as the Board's bank achieves controlled expenditures of $250,000, a negative operating balance will persist until additional administrative actions are taken, including, but not limited to: establishing a rental application filing fee, allowing for variable rental rates (to allow for increased rental fees for some rentals), and increasing productivity by investing in time and labor saving technologies.

Through implementation of the continuous improvement process initiated during 2018, the Board's bank has begun to survey stakeholders about their support for instituting a rental application filing fee. As of December 2018, fifty responses were received (primarily from IDWR staff) and more than two thirds of respondents affirmed they supported implementing a rental application filing fee, however there was no clear consensus on a specific filing fee amount. The stakeholder survey is presently being distributed to all Board's bank lessors, renters, and their representatives, so that non-IDWR stakeholder support for implementation of a rental application filing fee can also be determined.

Moving forward, the Board's bank will continue to track annual estimates of the costs associated with processing lease and rental applications, so that a reasonable, average rental application filing fee can be proposed to mirror rental application processing costs. These processing costs can be reported in the annual Water Supply Bank report for the Board's bank. Additionally, future versions of the stakeholder survey can further query Water Supply Bank stakeholders and the water user community about specific filing fee amounts, to better ascertain their support for a range of filing fee options.

IDAHO WATER SUPPLY BANK
2018 BENCHMARK REPORT

Idaho Department of Water Resources

Mission

The Water Supply Bank shall make use of and obtain the highest duty for beneficial use from 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. (Idaho Code 42-1761)

Version 0.2 – November 13, 2018

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Table of Contents

Introduction

The Idaho Water Supply Bank (WSB; Bank) is a water marketing institution in Idaho. Sustainable delivery of water market services by the WSB requires continuous investment in, and improvement of, water marketing processes, methods, and tools. In an attempt to best manage research and development of Bank-specific improvement projects, a WSB stakeholder survey was conducted to ascertain stakeholder sentiments regarding the Bank's current level of service, as well as stakeholder support for potential WSB improvement project ideas. This report summarizes the findings of WSB stakeholder surveys conducted during summer and fall 2018.

The fall 2018 stakeholder survey consisted of 40 questions which were categorized amongst six sections: Mission & Culture; Service; Workloads, Processes & Resources; Supply & Demand; Finances, and Leadership & Adaptive Management. Additionally, a general feedback section enabled survey respondents to provide free-form input on the administration of the Bank.[1] The fall 2018 survey was a modified (shortened) version of an earlier stakeholder survey conducted (in June 2018) with IDWR state office (Water Supply Bank team) staff who actively work in the WSB program. Thirteen IDWR Water Supply Bank team members participated in the summer 2018 version of the survey. The fall 2018 survey was made available to all other IDWR staff, as well as a few water district watermasters, and 26 responses were collected.[2]

The following summarizes the status of already-conducted and planned stakeholder surveys and benchmark reports:

	Surveyed	Survey Revision	Benchmark Report Date	Benchmark Report Version
Initial Survey Development	April 2018	May 2018	N/A	N/A
IDWR Water Supply Bank Team	June 2018	July 2018	July 2018	V 0.1
IDWR Staff + select watermasters	September 2018	TBD	November 2018	V 0.2
Watermasters & Water District Staff	Not yet surveyed	TBD	TBD	V 0.3
Water Users & Representatives	Not yet surveyed	TBD	TBD	V 0.4
Idaho Water Resource Board	Not yet surveyed	TBD	TBD	V 1.0

Table 1

This report first summarizes survey responses in their entirety, grouped by the six survey categories listed above. Following a detailed reporting of all survey responses, stakeholder answers to survey questions were re-categorized and attributed to either one of the five core resources of the Bank (human, knowledge, technology, financial and water supplies), or to secondary factors, including: stakeholder sentiments, operational productivity and programmatic solvency. The final section, Recommendations, includes concluding remarks about the survey responses.

[1] See page 19 for the full list of survey questions and categories.

[2] IDWR's 2017 annual report indicates the agency employs 160 full time staff. Subtracting three non-IDWR staff watermaster responses from the 26 responses collected during the fall 2018 survey, and dividing this amount by the approximately 150 agency staff who had not yet taken the survey, reveals that fall 2018 survey responses were collected from approximately 15% of the agency (N = 23 / 150)

Survey Results

The following pages list summarized stakeholder survey responses. All questions asked on the survey are referenced, and data is represented as the percent of all responses that answered a question in the affirmative (i.e. either "agree", or "agree strongly").

Mission and Culture

The mission of the Water Supply Bank, stated in statute, Idaho Code 42-1761, holds that: "***the Water Supply Bank shall make use of and obtain the highest duty for beneficial use from 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.***" The culture of the Water Supply Bank is a reflection on how WSB stakeholders collaborate and cooperate to achieve the mission of the Bank. A Water Supply Bank vision statement should tie culture and mission together, through a declaration of how the Bank is to be operated through adherence to and promotion of water marketing values.

Mission & Culture	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**
I have a clear understanding of the mission of the Water Supply Bank (Q2)	92 %	81 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
I have a clear understanding of how my involvement with the Water Supply Bank program impacts utilization and management of the Water Supply Bank (Q3)	77 %	54 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Water Supply Bank is successful at accomplishing its mission (Q4)	62 %	58 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
I have a clear understanding of the long-range, improvement process for the Water Supply Bank (Q5)	38 %	23 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Water Supply Bank program does not discriminate against water users and/or water uses when making lease and rental decisions (Q6)	85 %	73 %	Not yet surveyed	Not yet surveyed	Not yet surveyed

Table 2

Overall, IDWR staff are generally clear about how their interactions with the Bank impacts utilization of Bank resources (Q3) and staff perceive that the Bank is moderately successful at accomplishing its mission (Q4). Staff were unclear about long-range WSB improvement processes (Q5).

Improved communication regarding the development and implementation of long-range plans to improve operation of the Water Supply Bank will help improve perceptions regarding the Water Supply Bank's success at accomplishing its mission.

Service

Two full-time staff are assigned to the Water Supply Bank, and anywhere from two to eight additional IDWR State Office, Water Allocation Bureau staff assist with Water Supply Bank operations throughout the year, particularly during the period of November through April when the Bank prioritizes the processing of rental applications. Review and input on leases and rentals by IDWR Regional Office and Water District staff is also part of Water Supply Bank operations.

Service	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**
I am treated with respect by the people who provide WSB Services (Q7)	100 %	88 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The people who provide WSB services are sufficiently trained and able to do their job well (Q8)	85 %	85 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The people who provide WSB services possess all necessary information and technology resources required to do their job well (Q9)	70 %	46 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The people who run the Water Supply Bank are a coordinated group who work well with other IDWR and Water District staff (Q10)	77 %	73 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The people who provide Water Supply Bank services are provided with opportunities to develop and improve their professional skills (Q11)	54 %	35 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The people who run the Water Supply Bank effectively share information in a timely manner (Q12)	58 %	69 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
Overall, the people who run the Water Supply Bank perform high quality work (Q13)	85 %	77 %	Not yet surveyed	Not yet surveyed	Not yet surveyed

Table 3

Overall, IDWR staff perceive that the WSB Team promotes responsible governance by treating people with respect (Q7), working well with IDWR regional office and water district staff (Q10), and by performing high quality work (Q13).

Although WSB Team members are perceived to be well trained and able to do their jobs well (Q8), IDWR staff do not perceive that WSB Team members possess all necessary information and technology resources required to do their jobs well (Q9) and staff also perceive that WSB Team members could do better when it comes to sharing WSB information stakeholders in a timely manner (Q12).

WSB service can be improved through investments in research and development, to improve WSB knowledge and technology resources (Q9), and to provide WSB Team members with opportunities to further develop and improve their professional skills (Q11).

Workloads, Processes & Resources

Survey responses below reveal perceptions regarding the ease with which Water Supply Bank stakeholders are able to manage the current workloads of the Water Supply Bank workflow processes, through utilization of resources available to address workloads and workflows.

Workloads, Workflow Processes & Resources	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**
**The MEDIAN number of days from rental application received by IDWR through application review concluded and agreement processed is 60 days, which is: "acceptable" or "optimal" (Q14)*	46 %	77 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
**The MEDIAN number of days from lease application received by IDWR through application review concluded and contract processed is 20 days, which is: "acceptable" or "optimal" (Q15)*	92 %	92 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The lease application form enables me to communicate the information required to meet statutory requirements (Q16)	92 %	50 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The rental application form enables me to communicate the information required to meet the statutory requirements (Q17)	92 %	46 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Water Supply Bank website is sufficiently detailed and provides an acceptable amount of Water Supply Bank information (Q18)	54 %	50 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The map tools on the Water Supply Bank website are easy to use and provide a sufficient/reasonable amount of information (Q19)	54 %	35 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
An optional, online Water Supply Bank lease and rental application submission process is highly desirable (paperless) (Q20)	85 %	62 %	Not yet surveyed	Not yet surveyed	Not yet surveyed

Table 4

* Percentage of responses that answered: "acceptable" (2) or "optimal" (4)

Processing Times – Overall, IDWR staff perceive that current lease and rental application processing times are acceptable (Qs 14 & 15). However the WSB Team perceives that rentals should be processed more quickly.

Applications – IDWR staff generally perceive that the current format of paper lease and rental application forms are sufficient for the purposes of submitting leases and rentals, however a significant number of responses to questions 16, 17, 18 and 19 indicate that IDWR staff believe WSB application forms and information tools on the WSB website can be significantly improved upon. This correlates with overall positive responses to question 20 which asked whether a paperless application process is "highly desirable".

Supply and Demand

The following survey responses revealed preferences for specific supply and demand management policies of the Water Supply Bank:

Supply & Demand	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**
The Water Supply Bank should actively focus on increasing available water supplies, by targeting increases in water right leases to the Bank (Q21)	46 %	19 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Water Supply Bank should consider alternative methods to prioritize the processing of applications instead of the current 'first come, first served' model (Q22)	23 %	23 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Water Supply Bank should prioritize processing applications based on the nature of water uses in different locations (Q23)	25 %	15 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Bank should allow for use of all available water supplies, even in water short areas where water use competition is high (Q24)	38 %	35 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Water Supply Bank should maintain a list of water rights that are available for purchase (Q25)	46 %	69 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Water Supply Bank should actively seek to purchase water rights that can be sold by the Bank (Q26)	25 %	31 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
When the state of Idaho is curtailing water from a specific source within a basin or watershed, the bank should continue to rent water rights not subject to curtailment (Q27)	8 %	46 %	Not yet surveyed	Not yet surveyed	Not yet surveyed

Table 5

IDWR staff do not support actively growing the rentable supply of water in the Water Supply Bank by increasing leases to the Bank (Q21) and there is disagreement as to whether the Bank should facilitate the purchase of water rights from the Bank (Qs 25 and 26). This is also reflected in feedback comments from some survey respondents, who voiced concern that increasing water supplies (through more leases) would increase staff workloads, which would negatively impact the ability of the team to process applications in a timely and efficient manner.

IDWR staff perceptions are that it may not be appropriate for the Bank to exhaust all available rental water supplies in water short areas (Q24), which indicates support for demand management policies. This sentiment is also notable in responses to the question of renting water rights in curtailment areas, where IDWR staff perceive it may not be appropriate to rent water rights in times of shortage and cutbacks (Q27). This is intriguing, as some Bank rentals are approved to specifically supplement (i.e. mitigate) existing water uses that might be subject to curtailment.

Finally, staff do not support deviating from a “first come, first served” model of application processing (Q22), nor is there strong staff support for prioritizing the processing of applications based on particular water uses being leased and/or rented (Q23).

Finances

The following survey responses pertain to questions related to financial management of the Water Supply Bank:

Finances	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**
The annual operational costs of the Water Supply Bank program should be fully and completely offset through the collection of fees from leases and rentals (Q28)	66 %	62 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
The Water Supply Bank should generate revenue for improving water user facilities and efficiencies through the collection of fees from leases and rentals (Q29)	25 %	42 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
It is acceptable that operational costs not met through the collection of fees be funded with tax dollars (Q30)	25 %	27 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
**The current lease application filing fee structure ($250/water right, max $500) is "acceptable": (Q31)*	69 %	65 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
I support instituting a rental application filing fee to meet operational costs (Q32)	77 %	65 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
**If a rental application filing fee were instituted, $250 seems "acceptable" (Q33)*	38 %	69 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
I support variable rental prices, based on different water use considerations, such as diversion rate, irrigable acres, diversion volumes, location, priority date, etc. (Q34)	38 %	54 %	Not yet surveyed	Not yet surveyed	Not yet surveyed

Table 6

* Percentage of responses that answered: "acceptable" (3), and not "too low" (1), "low" (2), "high" (4) or "too high" (5)

Generally, IDWR staff feel that the Bank should be self-funded through the collection of lease and rental fees (Q28) and the Bank should not draw state general funds to offset operational costs (Q230). However, staff also feel strongly that the Bank should not be operated to generate revenue, reflected in low support for building up funds to support improving water user facilities and efficiencies (Q29).

Generally, IDWR staff support a rental application filing fee (Q32), however there is disagreement about what would constitute a reasonable amount for the filing fee (Q33). The operational cost associated with fully processing and managing an average lease and rental transaction should be further investigated, to identify an acceptable rental application filing fee proposal.

Leadership & Adaptive Management

The following survey responses pertain to questions related to leadership and management of the Water Supply Bank:

Leadership & Adaptive Management	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**
I believe Water Supply Bank lease and rental decisions are made in a consistent, standardized and rule-based process (Q35)	69 %	69 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
I feel that the Water Supply Bank program as a whole is managed well (Q36)	84 %	85 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
I am kept informed about Water Supply Bank matters that affect me (Q37)	69 %	58 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
When Water Supply Bank changes are made, they are usually for the better and are aligned with local public interests and water sustainability objectives (Q38)	62 %	50 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
Overall, I have confidence in the decisions made by Water Supply Bank leaders (Q39)	76 %	73 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
I believe Water Supply Bank leadership will consider my recommendations and take action on the results from this survey (Q40)	77 %	65 %	Not yet surveyed	Not yet surveyed	Not yet surveyed
In general, I think feedback and suggestions to improve the Water Supply Bank can be expressed and will be considered (Q41)	92 %	73 %	Not yet surveyed	Not yet surveyed	Not yet surveyed

Table 7

Overall, IDWR staff generally perceive that the Water Supply Bank program is well run, however low responses to questions 37 and 38 indicate that the Water Supply Bank should focus on ways to improve communications, to alert stakeholders about important information, and to keep them informed about when and how the Bank undertakes operational and administrative changes, in efforts to improve water sustainability objectives while meeting local public interests of water users in Idaho.

Core Resources & Secondary Factors

The five *core resources* critical to the operation of the Water Supply Bank are our human resources, knowledge resources, technology resources, financial resources and water [supply] resources. Additionally, *secondary factors* such as stakeholder sentiments, operational productivity and programmatic solvency are relevant to improvement of the Water Supply Bank. On the following pages, the questions already referenced above are re-categorized as pertaining to either human, knowledge, technology, financial or water supply resources, or to stakeholder sentiments, program productivity or program solvency.

Whereas responses above were reported as the overall percentage of stakeholders who favorably supported specific policies or procedures, stakeholder responses below are reported as the average score of a stakeholder group, based either on scale of one through five (with one being strongly disagree, three being neither agree nor disagree, and five being agree, strongly), or an alternative scale, where relevant.

Additionally, survey participant feedback comments are included on the following pages, where they pertain to one of the Bank's core resources, or one of the three secondary factors.

Human Resources

WSB human resources are the collective group of individuals who provide, receive or benefit from delivery of WSB services. They include the WSB Team, other IDWR staff, Water District staff, water users and their representatives, and the Idaho Water Resource Board.

Human Resources	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**	**Average**
I am treated with respect by the people who provide WSB Services (Q7)	4.4	4.5	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.5
The people who provide WSB services are sufficiently trained and able to do their job well (Q8)	4.2	4.2	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.2
The people who run the Water Supply Bank are a coordinated group who work well with other IDWR and Water District staff (Q10)	4.1	4.1	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.1
The people who provide Water Supply Bank services are provided with opportunities to develop and improve their professional skills (Q11)	3.5	3.4	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.5
Overall, the people who run the Water Supply Bank perform high quality work (Q13)	4.1	4.0	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.1
Average	4.1	4.0				4.1

Table 8

Feedback

- It would be worthwhile to have a training session for IDWR employees put on by Water Supply Bank staff.

- More information and training on the Water Supply Bank is desired.

Knowledge Resources

The knowledge resource includes all available processes, methods and tools which contribute to a greater awareness and understanding of operation of the WSB by stakeholders.

Knowledge Resources	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**	**Average**
I have a clear understanding of the mission of the Water Supply Bank (Q2)	4.4	4.2	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.3
I have a clear understanding of how my involvement with the Water Supply Bank program impacts utilization and management of the Water Supply Bank (Q3)	4.1	3.6	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.9
I have a clear understanding of the long-range, improvement process for the Water Supply Bank (Q5)	4.2	2.7	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.5
The people who provide WSB services possess all necessary information and technology resources required to do their job well (Q9)	3.4	3.7	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.6
The people who run the Water Supply Bank effectively share information in a timely manner (Q12)	3.5	3.8	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.7
I am kept informed about Water Supply Bank matters that affect me (Q37)	3.8	3.5	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.7
Average	3.9	3.6				3.8

Table 9

Feedback

- I wish you could put water into the water bank for longer than 5 years.

- Overall, a great program. The WSB program is critical to evaluating a diversion's max authorized diversion rate with current WSB leases or rentals.

- Being in a regional office of IDWR, if I receive questions regarding the WSB, the only option I feel that I have is to refer the customer to the State Office. From my experience that usually entails leaving a voicemail with someone in Boise and it is unclear if the customer ever receives a call back or gets the information they were seeking. I wish I could feel knowledgeable enough to answer at least basic questions in the regional office and it would be nice to have confidence that if customers get referred to the State Office they will get their questions answered.

Technology Resources

Bank technology reflects the sum of innovations, accessible both to internal programmatic staff or external public stakeholders, which provide functionality for the submission, and management of lease proposals and rental requests.

Technology Resources	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**	**Average**
The lease application form enables me to communicate the information required to meet statutory requirements (Q16)	3.5	3.7	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.6
The rental application form enables me to communicate the information required to meet the statutory requirements (Q17)	3.5	3.7	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.6
The Water Supply Bank website is sufficiently detailed and provides an acceptable amount of Water Supply Bank information (Q18)	3.4	3.6	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.5
The map tools on the Water Supply Bank website are easy to use and provide a sufficient/reasonable amount of information (Q19)	3.4	3.3	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.4
Average	3.5	3.6				3.5

Table 10

Presently, the Bank does not possess an online application submission system and paper applications are the only technological means of proposing a lease or requesting a rental. While the Water Supply Bank paper applications are perceived as acceptable, staff believe the website can be improved, particularly through improvement of currently available map tools.

Feedback

- Not easy to see leases available on map or figure out how much water is available to rent.

- The online map is helpful, but it should not have taken the place of the table search that was previously used. It would also be helpful to be able to search rentals in the map and in table form and not just leases.

Financial Resources

Financial resources include all aspects of costs and revenue of the Water Supply Bank program.

Financial Resources	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**	**Average**
**The current lease application filing fee structure ($250/water right, max $500) is: 1= too low; 3= correct; 5= too high (Q31)*	2.8	2.9	Not yet surveyed	Not yet surveyed	Not yet surveyed	2.9
I support instituting a rental application filing fee to meet operational costs (Q32)	4.4	3.9	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.2
**If a rental application filing fee were instituted, $250 seems: 1= too low; 3= correct; 5= too high (Q33)*	4.1	3.2	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.7
I support variable rental prices, based on different water use considerations, such as diversion rate, irrigable acres, diversion volumes, location, priority date, etc. (Q34)	3.2	3.7	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.5
Average	3.7	3.4				3.6

Table 11

Opportunities exist to increase revenue through the imposition of a rental application filing fee and through alternative, variable rental fee structures. Many stakeholders supported a rental application filing fee, particularly for amending active rentals, but some felt $250 might be too high.

Feedback

- Application fees are way too high. Leasing water out of the water bank is ridiculously high in a place like the Camas Prairie that has short growing seasons.

- Lease fees seem high to protect small rights from forfeiture.

- Rental application fee is a good idea, maybe some of it should be refunded if denied?

- Variable rate pricing should be explored. Also, different pricing for different classes of use.

Water Supply Resources

Water supply resources reflect the management of the actual supply of water associated with water rights leased to and rented from the Bank. The forces of water supply and demand are different across Idaho. In some basins, demand outstrips supply and every drop of water leased into the Bank is rented, and rentals received late in a calendar year cannot be approved. Also, from time to time, the Bank receives inquiries about the purchase of water rights from the Bank, which is not possible until the Bank implements policies to maintain a ledger of water rights offered for sale to and from the Bank.

Water Supply Resources	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**	**Average**
The Water Supply Bank should actively focus on increasing available water supplies, by targeting increases in water right leases to the Bank (Q21)	3.1	3.0	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.1
The Bank should allow for use of all available water supplies, even in water short areas where water use competition is high (Q24)	3.3	3.0	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.2
The Water Supply Bank should maintain a list of water rights that are available for purchase (Q25)	3.2	3.9	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.6
The Water Supply Bank should actively seek to purchase water rights that can be sold by the Bank (Q26)	2.1	3.2	Not yet surveyed	Not yet surveyed	Not yet surveyed	2.7
When the state of Idaho is curtailing water from a specific source within a basin or watershed, the bank should continue to rent water rights not subject to curtailment (Q27)	2.1	3.2	Not yet surveyed	Not yet surveyed	Not yet surveyed	2.7
Average	2.8	3.3				3.1

Table 11

Feedback

- Small amounts of water rented in high demand areas should cost more to rent.

Stakeholder Sentiment

The survey gauged stakeholders regarding their support for present and possible future changes to WSB operations, policies and procedures.

Stakeholder Sentiments	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**	**Average**
An optional, online Water Supply Bank lease and rental application submission process is highly desirable (paperless) (Q20)	4.5	4.0	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.3
The Water Supply Bank should prioritize processing applications based on the nature of water uses in different locations (Q23)	2.6	2.9	Not yet surveyed	Not yet surveyed	Not yet surveyed	2.8
I believe Water Supply Bank lease and rental decisions are made in a consistent, standardized and rule-based process (Q35)	3.8	3.9	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.9
I feel that the Water Supply Bank program as a whole is managed well (Q36)	4.3	4.0	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.2
When Water Supply Bank changes are made, they are usually for the better and are aligned with local public interests and water sustainability objectives (Q38)	3.9	3.8	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.9
Overall, I have confidence in the decisions made by Water Supply Bank leaders (Q39)	4.2	3.9	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.1
I believe Water Supply Bank leadership will consider my recommendations and take action on the results from this survey (Q40)	4.2	3.9	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.1
In general, I think feedback and suggestions to improve the Water Supply Bank can be expressed and will be considered (Q41)	4.7	4.1	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.4
Average	4.0	3.8				4.0

Table 12

Feedback

- It seems like the Bank is doing well, but my sense is the demand outstrips the ability of the Department to process the applications. My involvement with the Bank is fairly remote, so I am not familiar with the issues they face and the realities they are dealing with.

- There should be a total time limit on how long a water right can be leased into, maybe only 10 years, then it should be put to use on the land it was designated to be used on.

- I have limited interaction with the WSB, but I believe overall it is managed well.

- The Water Supply Bank is a benefit to the people of Idaho

Operational Productivity

The ability for the WSB Team, other stakeholders and constituents to understand WSB workflows, operate WSB tools, and successfully submit and process applications into lease contracts and rental agreements can be summed in the table "Productivity," below.

Productivity	**IDWR Bank Team**	**IDWR Staff**	**Watermasters & Water District Staff**	**Water Users & Representatives**	**Idaho Water Resource Board**	**Average**
I have a clear understanding of how my involvement with the Water Supply Bank program impacts utilization and management of the Water Supply Bank (Q3)	4.1	3.6	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.9
The Water Supply Bank program does not discriminate against water users and/or water uses when making lease and rental decisions (Q6)	4.5	4.2	Not yet surveyed	Not yet surveyed	Not yet surveyed	4.4
**The MEDIAN number of days from rental application received by IDWR through application review concluded and agreement processed is 60 days, which is: 1) too slow; 2) acceptable; 3) too fast; or 4) optimal (Q14)*	1.6	3.4	Not yet surveyed	Not yet surveyed	Not yet surveyed	2.5
**The MEDIAN number of days from lease application received by IDWR through application review concluded and contract processed is 20 days, which is: 1) too slow; 2) acceptable; 3) too fast; or 4) optimal (Q15)*	2.1	3.0	Not yet surveyed	Not yet surveyed	Not yet surveyed	2.6
Average	3.1	3.6				3.4

Table 13

Feedback

- I struggled with the questions regarding prioritizing processing applications. It seems that I have two different answers depending upon the application type; rental or lease. Leases should be processed based on demand but, it seems fair to process rentals on a first come first serve basis.

Programmatic Solvency

Programmatic solvency requires that WSB operational efficiencies exceed operational deficiencies. It is manifested in the extent to which revenue generated from processing and managing of WSB transactions are capable of exceeding the costs associated with processing and managing transactions. Programmatic solvency also pertains to the ability of the Bank to meet a core aspect of the WSB mission statement, which anticipates that the Bank should be operated in a manner such that it can be a source of funding for improving water user facilities and efficiencies.

Solvency	IDWR Bank Team	IDWR Staff	Watermasters & Water District Staff	Water Users & Representatives	Idaho Water Resource Board	Average
The annual operational costs of the Water Supply Bank program should be fully and completely offset through the collection of fees from leases and rentals (Q28)	3.6	3.7	Not yet surveyed	Not yet surveyed	Not yet surveyed	3.7
The Water Supply Bank should generate revenue for improving water user facilities and efficiencies through the collection of fees from leases and rentals (Q29)	2.2	3.1	Not yet surveyed	Not yet surveyed	Not yet surveyed	2.7
It is acceptable that operational costs not met through the collection of fees be funded with tax dollars (Q30)	2.6	2.9	Not yet surveyed	Not yet surveyed	Not yet surveyed	2.8
Average	2.8	3.2				3.1

Table 14

IDWR staff perceived that the cost of Water Supply Bank operations should primarily be met through the collection of lease and rental fees and that Bank expenses should not be offset through the utilization of general fund tax dollars. Staff were equally unexcited about the notion that the Bank should generate revenue for water user facilities and efficiencies. In effect, IDWR staff perceive that the Bank should be operated like a co-op, or a non-profit, where operational expenditures are largely offset through the collection of fees, but where revenue is not actively pursued.

Figure 1 below visualizes three modes of programmatic service delivery; non-profit operations exist between profit generating operations on one end, and profit-indifferent, public service operations on the other end.

Public Service	Non-Profit	For-Profit

Figure 1 – a continuum of programmatic solvency

Feedback

Feedback recommended that the Bank reduce operational expenses through investments in IT projects that improve productivity and operational efficiencies.

Recommendations

Strengthen awareness of the WSB's mission and culture by establishing a WSB vision statement that emphasizes the common values that exist between sustainable water management and water marketing.

Continue to invest in technological advancements to improve productivity and reduce processing times and costs. Specifically, pursue development of:

- an active rental map, for the WSB website, similar to the active lease map;
- a tabular search tool on the WSB website, to accompany the lease and rental maps, similar to the previous lease search tool;
- an paperless, electronic application submission and receiving process for leases and rentals.

Quantify an estimated average cost necessary to receive, process, and manage a rental application, to establish a reasonable rental filing fee.

Improve WSB FAQ's and develop a WSB application completion and submission guide for water users and their representatives, to explain the importance of each question on the application form.

Continue to survey stakeholders about whether they support actively trying to grow the supply of water rights leased to the Bank.

Consider updating WSB lease applications, to include a question regarding whether a water right lessor is open to the sale of their water right. If lease forms are updated, the Bank could maintain a ledger of leased water rights that are available for purchase.

Continue to survey stakeholders regarding their approval of the rental of water rights in areas subject to curtailment actions, to that Bank rental and water management policies are aligned with local public interests.

Improve WSB information sharing amongst water users, water districts and IDWR regional offices, by education stakeholders about WSB operations through annual engagement sessions.

Investigate ways to meaningfully invest in WSB team members, by supporting their involvement in relevant educational and professional development opportunities.

Continue to develop, implement and communicate progress on long-range WSB improvement plans and projects, in order to build confidence in stakeholders that continued progress is being pursued and achieved.

Appendix A: Survey Questions and Categories

1	Group	First, who are you?
2	Mission & Culture	I have a clear understanding of the mission of the Water Supply Bank
3	Mission & Culture	I have a clear understanding of how my involvement with the Water Supply Bank program impacts utilization and management of the Water Supply Bank
4	Mission & Culture	The Water Supply Bank is successful at accomplishing its mission
5	Mission & Culture	I have a clear understanding of the long-range, improvement process for the Water Supply Bank
6	Mission & Culture	The Water Supply Bank program does not discriminate against water users and/or water uses when making lease and rental decisions
7	Service	I am treated with respect by the people who provide WSB Services
8	Service	The people who provide WSB services are sufficiently trained and able to do their job well
9	Service	The people who provide WSB services possess all necessary information and technology resources required to do their job well
10	Service	The people who run the Water Supply Bank are a coordinated group who work well with other IDWR and Water District staff
11	Service	The people who provide Water Supply Bank services are provided with opportunities to develop and improve their professional skills
12	Service	The people who run the Water Supply Bank effectively share information in a timely manner
13	Service	Overall, the people who run the Water Supply Bank perform high quality work
*14	Workloads, Workflow Processes & Resources	The MEDIAN number of days from rental application received by IDWR through application review concluded and agreement processed is 60 days, which is
*15	Workloads, Workflow Processes & Resources	The MEDIAN number of days from lease application received by IDWR through application review concluded and contract processed is 20 days, which is
16	Workloads, Workflow Processes & Resources	The lease application form enables me to communicate the information required to meet statutory requirements
17	Workloads, Workflow Processes & Resources	The rental application form enables me to communicate the information required to meet the statutory requirements
18	Workloads, Workflow Processes & Resources	The Water Supply Bank website is sufficiently detailed and provides an acceptable amount of Water Supply Bank information
19	Workloads, Workflow Processes & Resources	The map tools on the Water Supply Bank website are easy to use and provide a sufficient/reasonable amount of information
20	Workloads, Workflow Processes & Resources	An optional, online Water Supply Bank lease and rental application submission process is highly desirable (paperless)
21	Supply & Demand	The Water Supply Bank should actively focus on increasing available water supplies, by targeting increases in water right leases to the Bank
22	Supply & Demand	The Water Supply Bank should consider alternative methods to prioritize the processing of applications instead of the current 'first come, first served' model
23	Supply & Demand	The Water Supply Bank should prioritize processing applications based on the nature of water uses in different locations
24	Supply & Demand	The Bank should allow for use of all available water supplies, even in water short areas where water use competetion is high
25	Supply & Demand	The Water Supply Bank should maintain a list of water rights that are available for purchase
26	Supply & Demand	The Water Supply Bank should actively seek to purchase water rights that can be sold by the Bank
27	Supply & Demand	When the state of Idaho is curtailing water from a specific source within a basin or watershed, the bank should continue to rent water rights not subject to curtailment

28	Finances	The annual operational costs of the Water Supply Bank program should be fully and completely offset through the collection of fees from leases and rentals
29	Finances	The Water Supply Bank should generate revenue for improving water user facilities and efficiencies through the collection of fees from leases and rentals
30	Finances	It is acceptable that operational costs not met through the collection of fees be funded with tax dollars
**31	Finances	The current lease application filing fee structure ($250/water right, max $500) is:
32	Finances	I support instituting a rental application filing fee to meet operational costs
*33	Finances	If a rental application filing fee were instituted, $250 seems
34	Finances	I support variable rental prices, based on different water use considerations, such as diversion rate, irrigable acres, diversion volumes, location, priority date, etc.
35	Leadership & Adaptive Management	I believe Water Supply Bank lease and rental decisions are made in a consistent, standardized and rule-based process
36	Leadership & Adaptive Management	I feel that the Water Supply Bank program as a whole is managed well
37	Leadership & Adaptive Management	I am kept informed about Water Supply Bank matters that affect me
38	Leadership & Adaptive Management	When Water Supply Bank changes are made, they are usually for the better and are aligned with local public interests and water sustainability objectives
39	Leadership & Adaptive Management	Overall, I have confidence in the decisions made by Water Supply Bank leaders
40	Leadership & Adaptive Management	I believe Water Supply Bank leadership will consider my recommendations and take action on the results from this survey
41	Leadership & Adaptive Management	In general, I think feedback and suggestions to improve the Water Supply Bank can be expressed and will be considered
42	Feedback	Final Feedback

*Multiple choice answers - see next table for available choices to these questions

**Linear scale from Too Low to Too High, in which the center would represent “Acceptable”

*	**Multiple Choice Questions**	**Available choices**
14	The MEDIAN number of days from rental application received by IDWR through application review concluded and agreement processed is 60 days, which is	Too Slow, Acceptable, Too Fast, Optimal
15	The MEDIAN number of days from lease application received by IDWR through application review concluded and contract processed is 20 days, which is	Too Slow, Acceptable, Too Fast, Optimal
31	The current lease application filing fee structure ($250/water right, max $500) is:	Too Low, Low, Acceptable, High, Too High
33	If a rental application filing fee were instituted, $250 seems	Appropriate, Inappropriate (no filing fee), Too Low, Too High

Appendix B: Additional Feedback from Survey Respondents

Responses from the first survey, for WSB Team members, during June 2018:

- I appreciate the survey. It represents a focus on continuous process improvement to achieve cost-effective, quality results.

- Answering the questions would be much easier if the intros weren't so overly wordy

- I think question (31) might be better worded as: The Bank should not be concerned with "balancing" water use "supplies and" demands in parts of the state where water use congestion and competition is high, and the Bank should allow for full exhaustion of all available, rental water supplies *

- I think this is a helpful tool to continue to improve the program.

- I hope that when this survey is sent to external customers, it goes to the little guys as well as the big operations.

- I'm unsure on most of these questions for the same reasons. I can think of potential costs and benefits in each situation, but I don't feel like I know enough to respond firmly in the positive or the negative.

- KUDOS for creating this questionnaire to create a better working environment and developing better working processes.

- Most of these questions don't have a black and white answer.

- Most questions don't have simple answers.

-…really like the questions at the top of the page about the forms and length of processing, those seem extremely helpful and concrete.

- (Service Section) I have no idea what the intro has to do with the questions.

- This is a very thorough survey and covers great areas! I might add a section or some more questions specific to the WSB software for staff"

- Would it be possible to move forward without answering all questions?

- Some sections are quite long with questions that are abstract- I found myself rereading several questions many times in order to understand the nuance of what was being asked.

Responses from the second survey, for IDWR staff generally, during September 2018:

- Application fees are way too high. Leasing water out of the water bank is ridiculously high in a place like the Camas Prairie that has short growing seasons. I wish you could put water into the water bank for longer than 5 years.

- It would be worthwhile to have a training session for IDWR employees put on by Water Supply Bank staff.

- Lease fees seem high to protect small rights from forfeiture. Not easy to see leases available on map or figure out how much water is available to rent. Rental application fee is a good idea, maybe some of it should be refunded if denied? Small amounts of water rented in high demand areas should cost more to rent. There should be a total time limit on how long a water right can be leased into, maybe only 10 years, then it should be put to use on the land it was designated to be used on.

- It seems like the Bank is doing well, but my sense is the demand outstrips the ability of the Department to process the applications. My involvement with the Bank is fairly remote, so I am not familiar with the issues they face and the realities they are dealing with.

- I have limited interaction with the WSB, but I believe overall it is managed well.

- Overall, a great program. The WSB program is critical to evaluating a diversions max authorized diversion rate with current WSB leases or rentals.

- I struggled with the questions regarding prioritizing processing applications. It seems that I have two different answers depending upon the application type; rental or lease. Leases should be processed based on demand but, it seems fair to process rentals on a first come first serve basis.

- More information and training on the Water Supply Bank is desired.

- The Water Supply Bank is a benefit to the people of Idaho

- The online map is helpful, but it should not have taken the place of the table search that was previously used. It would also be helpful to be able to search rentals in the map and in table form and not just leases.

- Being in a regional office of IDWR, if I receive questions regarding the WSB, the only option I feel that I have is to refer the customer to the State Office. From my experience that usually entails leaving a voicemail with someone in Boise and it is unclear if the customer ever receives a call back or gets the information they were seeking. I wish I could feel knowledgeable enough to answer at least basic questions in the regional office and it would be nice to have confidence that if customers get referred to the State Office they will get their questions answered.

- Variable rate pricing should be explored. Also, different pricing for different classes of use.

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Idaho Water Supply Bank

Stakeholder Engagement Report

Version 0.6: Specific to all Engagement Sessions Held During 2018

Contents

Versioning

The following is information specific to the versioning of this engagement report:

Version	Publication Date	Publication Information
0.1	July 10, 2018	- Engagement Report template drafted
0.2	July 25, 2018	- Engagement report specific to WSB Team engagement session held July 20, 2018
0.3	November 30, 2018	- Engagement report specific to State and Western Regional office staff engagement session held in Boise November 15, 2018
0.4	November 30, 2018	- Engagement report specific to engagement session held in IDWR's Eastern Regional Office, November 27, 2018
0.5	November 30, 2018	- Engagement report specific to engagement session held in IDWR's Southern Regional Office, November 28, 2018
0.6	December 3, 2018	- Engagement report summarizing all engagement sessions held during 2018.

Engagement Session Report Summary

Idaho's Water Supply Bank (WSB; Bank) is a water market operated by the Idaho Water Resource Board (IWRB; Board), through the Director of the Idaho Department of Water Resources (IDWR). In association with local rental committees and water districts, the Bank facilitates voluntary exchanges and/or acquisitions of water rights, to authorize new and supplemental water uses in Idaho. The Bank is operated pursuant to Idaho Code sections 42-1761 through 42-1766 and in conformance with Idaho Administrative Procedure Act 37.02.02 (Water Supply Bank Rules). IWRB-appointed local rental committees are authorized to facilitate the marketing of water supplies consistent with IWRB-approved local procedures.

Water Supply Bank operations involve five core resources: humans, knowledge, technology, finances, and water supplies. The provision of water market services by the Water Supply Bank requires effective development and management of these resources, which is accomplished through utilization of various processes, methods and tools. Sustainable delivery of water market services provided by the Water Supply Bank requires continuous investment in and improvement of Bank processes, methods and tools.

As part of a continuous improvement process for the Bank, a stakeholder survey was developed to ascertain perceptions of current water market levels of service provided by the Bank, as well perceptions regarding the state of development for WSB resources, processes, methods and tools. Stakeholder survey feedback was captured in a benchmark report. Benchmark reports were discussed with stakeholders who participated in engagement sessions held during 2018 (the dates of the various engagement sessions are listed in the versioning table on the previous page).

This report summarizes engagement session feedback from various IDWR staff and a select number of water district staff who participated in strategic engagement sessions during 2018.

Engagement Session Insights

1. **Improvement in publicly accessible WSB knowledge resources are a top priority for stakeholders**
   A majority of participants advocated for improving the Water Supply Bank public website, by updating it to include more specific and relevant information about Bank operations, and for it to feature improved search tools, making it easier for stakeholders to obtain Water Supply Bank information, particularly water availability search data.

2. **Improved information access by water district staff is desired**
   Water district staff need to know when water rights are being banked and/or rented at various points of diversion, and they articulated that a tool to easily query lease and rental information at specific points of diversion is desirable, as is a tool to easily identify whether a water right lease and rental is active or concluded.

3. **Engagement session participants desire additional WSB education**
   A significant number of engagement session participants stated that they appreciated being invited to the engagement sessions and they want more WSB-information. There was a request that the Bank do more to cover the history of Water Supply Bank operations, as well as to Bank develop and record "Water Supply Bank 101 and 102" presentations that can be accessed via IDWR's public facing and internal websites.

Engagement Session Format

An all-day engagement session was delivered to IDWR State Office staff who are core members of the Water Supply Bank Team, as well as their supervisors. Following this initial engagement session, the refined, half-day session below was developed for delivery to other IDWR staff, as well as to a select number of water district staff. The following agenda was delivered to facilitate engagement sessions with the following groups, on different dates, at different locations:

IDWR State Office (WSB Team) staff, July 20th, 2018 – Boise, Idaho.

IDWR State Office and IDWR Western Regional Office staff, November 15th, 2018 – Boise, Idaho.

IDWR Eastern Region and Water District 01 staff, November 27th, 2018 – Idaho Falls, Idaho.

IDWR Southern Region and Water Districts 37, 37B and 140 staff, Nov 27th, 2018 – Twin Falls, Idaho.

1) Welcome, agenda setting and ice breaker
   Preparing engagement session participants for a successful day.

2) Introduction to the Water Supply Bank and the continuous improvement framework
   Reflecting on the concept of water banking, the history of water banking and Water Supply Bank administration in Idaho, as well as current and future Water Supply Bank operations understood through a discussion of a Bank-specific continuous improvement process.

3) Discussion of the benchmark survey and the benchmark report
   Collecting participant feedback on the stakeholder survey, discussions of survey feedback data as well as the benchmark report, and summarizing of key takeaways from the survey.

4) Group resource development project brainstorming and discussion
   Discussing with participants the development of ideas for future, short-term and long-term Water Supply Bank improvement projects. An engagement session facilitator led participants in the categorization of improve ideas, to identify if they primarily pertained to the Bank's human, knowledge, technology, financial or water supply resources. Participants also ranked and prioritize research and development project ideas.

5) Engagement session wrap-up
   Concluding remarks, reflections on the day and a discussion of “next-steps” in the Bank's ongoing continuous improvement process.

Engagement session attendees, agenda item summaries and participant commentary is available by referencing Engagement Session Reports versions 0.2, 0.3, 0.4 and 0.5.

Resource Development Project Ideas

Beyond introducing engagement session participants to the past and present operations of the Bank, engagement sessions enabled participants to help envision new ideas for improving the Bank's processes, methods and tools, to:

- increase agency amongst staff and stakeholders, to nurture autonomy and reduce uncertainty in decision making by all individuals who interact with the Water Supply Bank;
- articulate a vision of what better technology resources for the Bank means, by specifying the features and functionality required of the various software systems used by Bank stakeholders;
- improve access to WSB information, by centralizing and standardizing information storage, retrieval and management;
- establish consensus on reasonable Water Supply Bank fixed and variable fees and costs; and
- implement sound lease and rental water supply management policies.

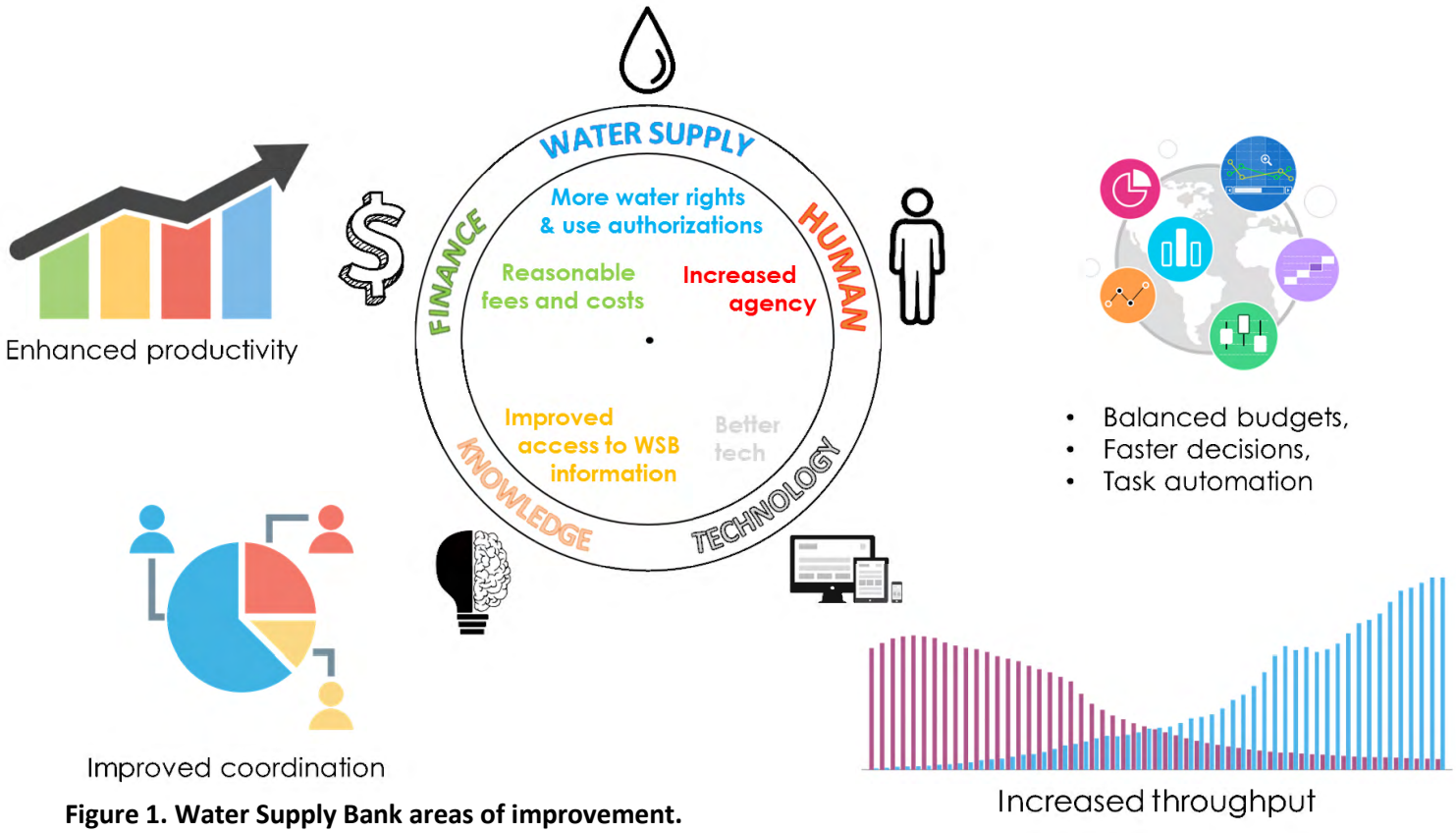


Figure 1. Water Supply Bank areas of improvement.

Engagement session participants collaborated in small groups to consider their current interactions with the Bank, while contemplating how those interactions might be improved through resource development projects. Project ideas, specific to the five core resources of the Water Supply Bank, are summarized on the following pages.

Knowledge Resource Project Ideas

The Bank should develop a simplified and interactive "Water Supply Bank 101" education and outreach presentation, relevant to all stakeholders, but targeted at new IDWR and water district staff, water users and members of the public, to educate about the history of water banking and Water Supply Bank operations in Idaho, as well as the present use and future development of methods and tools necessary for operation of Idaho's Water Supply Bank program. The presentation should also explain when, how and why the Bank engages key stakeholders as part of the process to complete water right lease and rental evaluation reviews and recommendations.

The Bank should follow up the WSB 101 training with "WSB 102" education and outreach materials that define in detail specifically how Bank team members evaluate and approve leases of water rights into the Bank, as well as how water rights are rented from the Bank. Where possible, the materials should provide detailed information about when, how and why leases and rentals result in different outcomes, such as applications not being approved because of validity concerns, or because of encumbrances (e.g. pre-existing commitments to mitigation plans or agreements not divert), or where applications are approved as unrentable water right leases. The WSB 102 presentation should also address when the Bank will and will not approve rentals of water for new or supplemental purposes (i.e. adding new points of diversion to specific water sources, renting to offset mitigation obligations, using water on new, previously undeveloped lands).

Bank team members should record their delivery of the WSB 101 and 102 presentations and make them accessible on IDWR's public and internal websites.

Water Supply Bank training and engagement sessions should be delivered to IDWR regional office and water district staff on an ongoing, recurring basis.

The Bank should develop policies (and invest in technology tools) to satisfy injury evaluation requirements while allowing water modeling processes to be eliminated, automated or simplified.

The Bank should develop procedures (and invest in technology tools) that assist water district staff to track how much water is authorized to flow past points of diversion and to specific places of use, for specific durations of time, based on new lease and rental approvals, and to know when flow rates and volumes should subsequently be adjusted based on the expiration of leases and rentals.

The Bank should work with water district staff to ensure water measurement conditions are placed on rental agreements in instances where it is relevant and warranted, and deadlines for receiving rentals should be considered if and when they are formally requested by the members of a water district.

The Bank's website should be updated as follows:

1. *update the **F**requently **A**sked **Q**uestions section;*
2. *display an interactive map of points of diversion and places of use associated with active rentals;*
3. *prominently advertise the Water Supply Bank's mission and vision statements;*
4. *improve the accessibility of information specific to new, pending lease and rental applications;*
5. *make WSB 101 and WSB 102 presentation materials (and videos) downloadable;*
6. *clarify how and when to contact key WSB team members, for general or specific WSB questions;*

To avoid unproductive engagements with applicants (or their representatives), the Water Supply Bank should more thoroughly pre-screen applications and develop a "Go; No Go" section of the lease and rental review checklist, and return all "No Go" applications that feature missing information.

When applications are marked "deficient" and applicants (or their representatives) are provided with 30 days to address deficiencies, if requested information is received within 30 days (and applications are no longer deficient), the "received" date for the applications should not be the original "received" date, but should instead be a new "received and accepted for review" date, in order to discourage the submission of incomplete applications, which might be submitted largely in order to secure an early place in the application processing cue.

The Water Supply Bank lease and rental review checklist forms should be revised to include a section where Bank application screeners and reviewers can identify frequently incomplete or missing answers to specific questions, that result in knowledge gaps and uncertainty about water use information, and thereby cause delays in processing and/or necessitate follow-up engagements with applicants to obtain better information, thus slowing down application processing. Once common "data gap" questions are identified, the Bank should revise the wording of key questions on the application form, to minimize ambiguity and encourage better responses. The minimum acceptability (Go; No Go) checklist should also be revised to facilitate the flagging of applications where questions are answered with unacceptable responses that don't meet minimum acceptability standards.

The Water Supply Bank lease and rental review checklist forms should be revised to include a section where screeners and reviewers can succinctly record reasons why, in spite of acceptable minimum application information being provided, applications are still not able to be processed in a timely manner (i.e. an area to record if processing is delayed due to a need to coordinate with other IDWR staff, bureaus, regional offices, water masters, etc.), including the reasons for the delay, and the eventual outcome and resolution of the concerns that necessitated any delays.

The Bank should develop an application guide, to explain to members of the public how to complete lease and rental applications, in which it can be emphasized that a failure to complete an application correctly can result in the return of an application.

There should be a Water Supply Bank link and section on WeNet to provide relevant information for staff about the Water Supply Bank program.

Human Resource Project Ideas

Water Supply Bank staff should process transfers (particularly of water rights leased to the Bank) to better understand the complications associated with transferring leased water rights.

The Bank should continue to investigate ways to effectively balance WSB-specific human resource needs amongst and between regional and state office staff.

The Bank should continue to standardize its review processes, to identify key steps and concepts (buzz words) which can enable future automation.

The Bank should coordinate more closely with Enforcement Bureau and legal staff, perhaps through annual training opportunities, to ensure decision making processes are aligned across Departmental programs, which will improve confidence and efficiency in Water Supply Bank decision making.

Financial Resource Project Ideas

The Bank needs to develop a method to quantify the time required to process and manage leases and rentals, and to assign dollar values to that time, to better communicate the financial costs necessary to operate the Water Supply Bank.

The Bank should investigate whether $500 per stack of water rights is sufficient to cover all costs associated with managing stacked water rights.

The Bank should continue working to identify an appropriate rental application filing fee that can reasonably offset operational costs that are incurred to process and manage the average rental request.

The Bank should explore implementing lease and rental management fees, separate from the application processing fees, to account for the average fixed costs associated with managing multi-year transactions.

The Bank should consider allowing variable rental rates and a rental fee schedule that "slides" based on the extent of the water right elements being rented (i.e. diversion rates, priority dates, volumes, etc. and which could be similar to water right transfer fee schedule), and the Bank should allow the price of water to vary within and between basins, to accommodate regional price sensitivities, but it should work to prevent water from being priced like a commodity.

The Bank should consider allowing competitive rentals to go to the highest bidders.

Water Supply Resource Project Ideas

Develop methods, processes and tools to enable easy auditing of water right leases and rentals (i.e. ensuring leased water remains unused, and that rented water is used as authorized under a rental).

Consider whether to lower the 10% admin fee for water right sales, to encourage the sale of water rights to and/or through the Water Supply Bank.

Allow water districts to request an annual deadline be established for receiving and approving rentals.

Investigate limiting the length of time that water rights can be leased to and rented from the Bank.

Make it easy to query and determine the amount of water that has been leased into the Bank in a defined area, or from a defined water source, as well as the amount of water that remains available for rental within an area, or from a water source.

The Bank should reserve a portion of all leased water from a particular source and/or basin, to ensure small, non-corporate water users can easily access rentable water supplies.

Technology Resource Project Ideas

Document a method and develop a tool (e.g. a spreadsheet downloadable from the Bank's website) to identify (in a printable report) active water right leases and rentals.

Develop a tool and make it accessible from the Bank's website that quickly identifies how much water remains available to be rented from a leased water right and how many water rights are available to be rented, from a specific basin and water source, during a defined period of time.

Simplify the lease and rental application process and make it possible to submit applications online. If possible, the application form should be simplified to a map-centric, online submission system which features a maximum of seven questions, to make the application process simpler and more powerful.

The Bank should allow online data entry for applications and should enforce the submission of mandatory information for online applications (to reduce accepting incomplete applications).

Develop a simplified way to search Water Supply Bank documents in IDWR's electronic (eDoc) management system.

Fix the water right proof report tool so that it accurately displays Water Supply Bank information.

Update the IDWR information search application so that it functions as a "one stop shop" tool and displays Water Supply Bank information specific to a water right.

The Bank should develop and implement an application processing wiki (or spreadsheet tool), to classify and categorize applications that are not processed in a timely fashion, and to record the reason for processing delays. The tool could also record the eventual outcomes of the delay and/or the results of increased coordination with other IDWR staff, sections, bureau, regional offices, water districts, etc. The wiki/spreadsheet could feature tags and keywords unique to the application, to allow for ease in future research and sorting of transaction information. This could be similar to the "peer reviewed" Version of the Field Examiner's Handbook.

Priority Resource Development Project Ideas

From the above ideas, the following are selected as priority Water Supply Bank development projects:

Priority	Resource Development Projects
1	Develop methods and tools (e.g. maps, automated queries and reports or spreadsheets) that enable easy identification of the extent to which water rights leased to the Bank are available to be rented from the Bank for new and supplemental water uses, and develop an online map that lists the location of all active rentals.
2	Develop methods and tools that enable water district staff to accurately determine the diversion rates and volumes of water that are authorized to flow past points of diversion and to specific places of use, for specific durations of time, based on Water Supply Bank leases and rentals. This includes enabling water district staff to quickly know when water right leases and rentals are both being approved, and when they are being concluded.
3	Develop Water Supply Bank 101 and Water Supply Bank 102 presentations and materials that can be delivered to regional and water district staff, to facilitate ongoing training, and which can also be captured and uploaded to the Water Supply Bank's website.
4	Fix the water right proof report tool so that it accurately displays current Water Supply Bank information.

Engagement Session Evaluation

Overall, engagement session participants were appreciative of the Bank's outreach efforts. The following table summarizes participant satisfaction responses from all engagement sessions held in 2018. The sum total of all scores for a specific session are reported, along with averages for each session, and overall:

Session Item	(1) Unsatisfactory	(2) Could be Improved	(3) Neither Good nor Bad	(4) Decent	(5) Excellent	Average
Welcome and Introduction with Rosemary		1	4	14	22	4.4
Past, Present and Future of the Bank with Mary		2	2	27	13	4.2
Stakeholder Engagement Survey and Report with Remington		3	5	25	11	4.0
Group Exercise with Rosemary			5	17	23	4.4
Overall Impressions			3	25	15	4.3

Based on the feedback from engagement session participants, the results of the survey and stakeholder report were the least appreciated part of the engagement session, and staff very much appreciated the presentation on the past, present and future of the Bank, as well as the opportunity to engage each other in group brainstorming exercises. Future engagement sessions can be improved by further summarizing and highlighting data from the stakeholder survey, so that more time can be allocated to discussing the past, present and future of the Bank, along with group project idea brainstorming.

AGENDA

IDAHO WATER RESOURCE BOARD

Board Meeting No. 1-19
January 25, 2019
8:00 a.m.
Idaho Water Center
Conference Rooms 602 B, C and D
322 E. Front St.
BOISE

1. Roll Call
2. Public Comment
3. Agenda & Approval of Minutes*
4. Board Elections*
5. Board Member Committees*
6. Financial Report
7. ESPA Cities Settlement Agreement*
8. ESPA Recharge Update
9. Legislation of Interest
10. Director's Report
11. Snake River Trust Water Right Discussion
12. Executive Session – Board will meet pursuant to Idaho Code §74-206(1) subsection (f), for the purpose of communicating with legal counsel regarding legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. Topic: Basin 02 Water Right Protests. Executive Session is closed to the public.

Following adjournment of Executive Session – meeting reopens to the public.

13. Non-Action Items for Discussion
14. Next Meeting & Adjourn

* 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 in facilities that meet the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations to attend, participate in, or understand the meeting, please make advance arrangements by contacting Department staff by email nikki.regent@idwr.idaho.gov or by phone at (208) 287-4800.

DRAFT IWRB STANDING COMMITTEES AND MEMBERSHIP 2019

Financial Programs

Purpose: Develops policy and direction for the IWRB's financial programs including loans, grants, revenue bonds, and project expenditures. Develops guidance for standard interest rates and terms for loans. Oversees revenue generating features of IWRB's programs. Recommends loan approvals to full Board.

Vince Alberdi, Chair
Dale Van Stone
Jo Ann Cole-Hansen
Roger Chase
Al Barker

Water Storage Projects

Purpose: Develops policy and direction for Idaho's efforts to increase water storage capacity, including surface storage and underground storage. Oversees studies of potential storage projects, and considers future steps for potential storage projects.

Jeff Raybould, Chair
Pete Van Der Meulen
Al Barker
Bert Stevenson

Water Resource Planning

Purpose: Develops policy and direction for the IWRB's planning programs, including State Water Plan, Basin Plans, and CAMPs. Oversees progress and completion of State Water Plan, Basin Plans, and CAMPs. Oversees plan implementation progress. Makes recommendations about new planning efforts and approaches.

Jeff Raybould, Chair
Al Barker
Jo Ann Cole-Hansen
Bert Stevenson
Pete Van Der Meulen

Streamflow Enhancement and Minimum Streamflow

Purpose: Develops policy and direction for the Upper Salmon Streamflow Enhancement (Water Transactions) Program together with program partners, including review of project proposals. Develops policy and direction for the IWRB's minimum streamflow program, including development of new MSF water rights and protection and administration of existing MSF water rights.

Pete Van Der Meulen, Chair
Roger Chase
Vince Alberdi
Dale Van Stone

Cloud Seeding Committee

Purpose: Develops policy and direction to determine Board Support and participation in clouding seeding projects statewide. Reviews project proposals and monitors program effectiveness.

Al Barker, Chair
Pete Van Der Meulen
Jeff Raybould

Upper Snake River Advisory Committee

Purpose: A committee chaired by a Water Board member to discuss Upper Snake Basin reservoir, river, and recharge operations with relevant parties that make up the committee.

Roger Chase, Chair
Jeff Raybould

Water Supply Bank

Purpose: Develops policy and direction for the Water Bank. Recommends changes, and oversees operations. Oversees operation of rental pools in cooperation with local committees appointed by IWRB. Reviews proposed changes to rental pool procedures. Makes recommendations about establishment of new rental pools.

Al Barker, Chair
Dale Van Stone
Vince Alberdi
Roger Chase

Aquifer Stabilization Committee

Purpose: Develops policy and direction to determine Board support and participation in aquifer stabilization activities in the ESPA, Big Wood, Treasure Valley and other areas. Reviews project proposals and monitors program effectiveness. Oversees recharge operations.

Bert Stevenson, Chair
Jeff Raybould
Jo Ann Cole-Hansen
Al Barker
Vince Alberdi

Memorandum

To: Idaho Water Resource Board

From: Brian Patton & Neeley Miller

Date: January 15, 2019

Re: Financial Status Report

As of **December 31, 2018** the IWRB's available and committed balances are as follows:

Secondary Aquifer Fund:	
Committed/earmarked but not disbursed	$22,232,251
Uncommitted Balance	$3,095,575
Revolving Development Account:	
Committed/earmarked but not disbursed	$24,381,732
Loan principal outstanding	$26,430,246
Uncommitted Balance	$756,008
Anticipated loanable funds available next 1 year	$4,256,008
Water Management Account	
Committed/earmarked but not disbursed	$1,010,853
Uncommitted Balance	$9,915
Total committed/earmarked but not disbursed	**$47,624,836**
Total loan principal outstanding	**$26,430,246**
Total uncommitted balance	**$3,861,498**

- The committed/earmarked balance in the Water Management Account includes the majority of the $1M legislative appropriation for the Flood Management Grant Program per HB 712. As grant disbursements are made the balance of this account will be adjusted to reflect those changes.

- The uncommitted balance in the Secondary Aquifer Fund includes $2,589,897 received to-date from the cigarette tax during the current fiscal year to be will be budgeted for FY 2020.

- Loan applications that we are tracking include:

Potential Applicant	Project	Loan Amount	Comment
Twin Falls Canal Company	Check Structures	$2M	Planning to use BOR WaterSmart for matching dollars

Idaho Water Resource Board
Budget and Committed Funds
as of December 31, 2018

SECONDARY AQUIFER PLANNING, MANAGEMENT, & IMPLEMENTATION FUND

FYE 2018 Cash Balance		**25,684,783.11**
FY 2019 Revenue		
Interest Earned State Treasury	280,724.99	
HB547 - State Recharge & Aquifer Stabilization (SRAS)	2,589,896.60	
SB1176, Section 4 - Water Sustainability	5,000,000.00	
Department of Energy Grant	113,350.00	
TOTAL FY 2019 REVENUE		**7,983,971.59**
FY 2019 Expenditures		
SRAS Equipment & Supplies - FY 18	(13,530.06)	
SRAS Equipment & Supplies - FY 19	(19,836.09)	
SRAS Conveyance Costs - FY 18	(4,224,908.87)	
SRAS Conveyance Costs - FY 19	(28,777.79)	
SRAS Site Monitoring - FY 18	(74,918.82)	
SRAS Site Monitoring - FY 19	(68,889.37)	
SRAS Regional Monitoring - FY 18	(82,007.31)	
SRAS Regional Monitoring - FY 19	(64,960.62)	
Water, Civil, & Environmental Inc (CON01269)	(72,589.91)	
Quadrant Consulting Inc (CON01261)	(44,846.33)	
Quadrant Consulting Inc (CON01337)	(1,686.62)	
New Sweden Irrigation District (CON01212)	(7,820.00)	
Big Wood Canal Company (CON01226)	(21.75)	
Big Wood Canal Company (CON01293)	(465,954.00)	
North Side Canal Company (CON01199)	(1,131,768.51)	
Quadrant Consulting Inc (CON01296)	(9,882.93)	
Big Wood Canal Company (Dietrich Drop - CON01281)	(68,404.75)	
Farmer Friend Irrigation Co Ltd (CON01297)	(105,841.65)	
The Ferguson Group	(32,015.88)	
Idaho Water Users Association	(5,080.00)	
Steve Stuebner - Media Services	(9,001.28)	
Wnke, Inc	(6,761.60)	
Lost Valley Reservoir Company (CON01282)	(20,571.00)	
WS Hydrology Monitoring - FY 18	(36,900.21)	
WS Hydrology Monitoring - FY 19	(35,637.37)	
Franklin & Marshall College (CON01266)	(1,940.00)	
Ralston Hydrologic Services	(12,576.68)	
University of Arizona	(570.00)	
Misc Costs for Lewiston Study (FedEx, etc.)	(47.36)	
Wood River Model Misc Expenditures (room rentals, refreshments, etc.)	(5,284.91)	
USGS - 6605 (Treasure Valley Modeling) FY18	(102,424.05)	
University of Idaho (CON01210, TV Model)	(9,246.95)	
University of Idaho (CON01273, GIS)	(14,036.00)	
Treasure Valley Model Misc Expenditures	(251.99)	
Brown & Caldwell (CON01320 Treasure Valley Recharge Study)	(45,909.14)	
Department of Interior - Boise River Feasability Study (FY2018)	(500,000.00)	
Department of Interior - Boise River Feasability Study (FY2019)	(250,000.00)	
Department of Energy Grant expenditures	(103,140.93)	
Department of Energy Grant expenditures (Big Lost costs)	(6,868.46)	
Brown & Caldwell (CON01201, MHAFB Project)	(597,860.61)	
Birds of Prey - Right of Way Resolution	(58,129.00)	
Misc Costs for MHAFB Project	(6.87)	
TOTAL FY 2019 EXPENDITURES		**(8,340,927.67)**
FY 2019 Cash Balance		**25,327,827.03**

COMMITTED FUNDS THRU FY 2018	**Budget**	**Amended**	**Obligated**	**Expenditures**	**Carry forward**	**Committed**
Cooperative Weather Modification Program (Cloud Seeding - CON01109)	492,000.00		492,000.00	(354,917.64)		137,082.36
Department of Energy SEP grant ($251,000)	**200,000.00**		**251,000.00**	**(259,472.83)**		**(8,472.83)**
Mountain Home Air Force Base (PCA 29800)	**1,000,000.00**	**900,000.00**	**1,900,000.00**	**(1,164,267.65)**		**735,732.35**
Remaining Initial Funds	**1,692,000.00**	**900,000.00**	**2,643,000.00**	**(1,778,658.12)**	**0.00**	**864,341.88**
ESPA Recharge Operations						
FY 2018 Equipment & Supplies	100,000.00		100,000.00	(100,000.00)		0.00
FY 2018 Conveyance Cost	2,500,000.00	2,200,000.00	4,700,000.00	(4,521,636.83)		178,363.17

FY 2018 Site Monitoring	150,000.00		150,000.00	(150,000.00)		0.00		
FY 2018 Regional Monitoring	200,000.00		200,000.00	(200,000.00)		0.00		
Total ESPA Recharge Operations	**2,950,000.00**	**2,200,000.00**	**5,150,000.00**	**(4,971,636.83)**	**0.00**	**178,363.17**		
ESPA Managed Recharge Infrastructure								
Milner-Gooding Dietrich Drop hydro plant bypass (CON01281)	50,000.00	1,450,000.00	1,500,000.00	(68,404.75)		1,431,595.25		
NSCC Wilson Lake Infrastructure Project (CON01199)	4,000,000.00	800,000.00	4,800,000.00	(1,339,071.55)		3,460,928.45		
Northside Canal Recharge Site (CON01240, CON01261)	328,636.45		328,636.45	(91,771.27)		236,865.18	400,000.00	Contract $600,000.00
Richfield Site Development (CON01226, 1234)	150,000		150,000.00	(128,067.93)		21,932.07		
AFRD2 MP 28 Hydro Plan Tailbay (CON01247)	81,800.00		81,800.00	(11,800.00)		70,000.00		
NSID Recharge Site Development	250,000.00		250,000.00			250,000.00		
Egin Lakes Phase II	500,000.00	80,000.00	580,000.00	(95,275.75)		484,724.25		
Total ESPA Managed Recharge Infrastructure	**5,360,436.45**	**2,330,000.00**	**7,690,436.45**	**(1,734,391.25)**	**0.00**	**5,956,045.20**		
Managed Recharge Investigations								
South Fork Engineering & Site Evaluation (CON01163, 1164, 1165)	200,000.00	(34,000.00)	166,000.00	(114,758.97)		51,241.03		
NSID Recharge Feasibility (CON01212)	200,000.00		200,000.00	(52,855.00)		147,145.00		
Butte & Market Lake Canal Co (CON01168)	39,000.00		39,000.00	(32,512.46)		6,487.54		
Woodville Canal Co (CON01169)	17,000.00		17,000.00	(7,536.69)		9,463.31		
AFRD2 - MP 34 Investigation (CON01238)	45,000.00		45,000.00	(11,750.04)		33,249.96		
Reserved for additional investigations and engineering (CON01269)	104,471.25	34,000.00	138,471.25	(147,524.37)		(9,053.12)		
Total Managed Recharge Investigations	**605,471.25**	**0.00**	**605,471.25**	**(366,937.53)**	**0.00**	**238,533.72**		
STATEWIDE STUDIES & PROJECTS								
TREASURE VALLEY								
Treasure Valley Modeling (USGS 6605)	500,000.00		500,000.00	(284,809.14)		215,190.86		
Boise River Storage Studies	1,000,000.00		1,000,000.00	(1,000,000.00)		0.00		
TREASURE VALLEY TOTAL	**1,500,000.00**	**0.00**	**1,500,000.00**	**(1,284,809.14)**	**0.00**	**215,190.86**		
WOOD RIVER VALLEY								
Wood River Valley Aquifer GW Model (USGS 6601)	200,000.00		200,000.00	(100,617.33)		99,382.67		
Canyon Creek Recharge Site	50,000.00	90,000.00	140,000.00			140,000.00		
WOOD RIVER VALLEY TOTAL	**250,000.00**	**90,000.00**	**340,000.00**	**(100,617.33)**	**0.00**	**239,382.67**		
WEISER BASIN								
Weiser River Basin Project/Lost Valley Reservoir	30,000.00		30,000.00	(20,571.00)		9,429.00		
WEISER BASIN TOTAL	**30,000.00**	**0.00**	**30,000.00**	**(20,571.00)**	**0.00**	**9,429.00**		
NORTHERN IDAHO AQUIFERS								
Lewiston Study Phase II	109,273.09		109,273.09	(58,122.36)		51,150.73		
NORTHERN IDAHO AQUIFERS TOTAL	**109,273.09**	**0.00**	**109,273.09**	**(58,122.36)**	**0.00**	**51,150.73**		
OTHER STATEWIDE STUDIES & PROJECTS								
Aquifer monitoring network enhancements in priority aquifers	100,000.00		100,000.00	(100,000.00)		0.00		
Cooperative Cloud Seeding Program								
Operations & Maintenance (1/3 of total)	600,000.00	18,000.00	618,000.00	(580,000.00)		38,000.00		
Administrative expenses (public information, staff training, etc)	80,000.00		80,000.00	(41,943.85)		38,056.15		
Professional Assistance for securing Federal Funding	100,000.00		100,000.00	(96,399.29)		3,600.71		
NRCS Snow Survey contribution USDA (CON01177)	100,000.00	100,000.00	200,000.00	(100,000.00)		100,000.00		
Total Statewide Studies & Projects	**980,000.00**	**118,000.00**	**1,098,000.00**	**(918,343.14)**	**0.00**	**179,656.86**		
TOTAL COMMITTED FUNDS THRU FY 2018	**13,477,180.79**	**5,638,000.00**	**19,166,180.79**	**(11,234,086.70)**	**0.00**	**7,932,094.09**	**Adjustments**	**Notes**

FY 2019 BUDGET	Budget (as approved - May 2018)	Amendments	Budget (as amended)	Obligated	Expenditures	Carry forward	Committed	
ESPA Managed Recharge Operations							-	
Equipment & Supplies	89,000.00		89,000.00	89,000.00	(19,836.09)		69,163.91	
Conveyance Cost	3,500,000.00		3,500,000.00	3,500,000.00	(28,777.79)		3,471,222.21	
Recharge Monitoring	554,550.00		554,550.00	554,550.00	(68,889.37)		485,660.63	
Regional Monitoring	200,000.00		200,000.00	200,000.00	(64,960.62)		135,039.38	
Total ESPA Managed Recharge Operations	**4,343,550.00**	**0.00**	**4,343,550.00**	**4,343,550.00**	**(182,463.87)**	**0.00**	**4,161,086.13**	
ESPA Managed Recharge Infrastructure								
North Side CC - Wilson Canyon Site	1,750,000.00	150,000.00	1,900,000.00	1,900,000.00			1,900,000.00	
AFRD2 MP29 Site (CON01296)	2,150,000.00		2,150,000.00	2,150,000.00	(9,882.93)		2,140,117.07	CON01296
AFRD2 MP28 Hydro Plant Tailbay - Big Wood Canal (CON01293)	1,000,000.00	400,000.00	1,400,000.00	1,400,000.00	(465,954.00)		934,046.00	CON01293

South Fork & other small Upper Valley sites	1,000,000.00		1,000,000.00	1,000,000.00	(105,841.65)		894,158.35 CON01297, CON01298, CON01299
A&B Irrigation - Injection Wells	550,000.00		550,000.00	550,000.00			550,000.00
Reserved for Additional Recharge Projects	500,000.00	(400,000.00)	100,000.00	100,000.00			100,000.00
Total ESPA Managed Recharge Infrastructure	**6,950,000.00**	**150,000.00**	**7,100,000.00**	**7,100,000.00**	**(581,678.58)**	**0.00**	**6,518,321.42**
Managed Recharge Investigations							
North Side CC - Recharge Sites	200,000.00		200,000.00	200,000.00			200,000.00
Large Upper Valley Sites	200,000.00		200,000.00	200,000.00			200,000.00
Big/Little Wood Sites	200,000.00		200,000.00	200,000.00			200,000.00
Reserved for additional investigations and engineering	300,000.00		300,000.00	300,000.00	(1,686.62)		298,313.38
Total Managed Recharge Investigations	**900,000.00**	**0.00**	**900,000.00**	**900,000.00**	**(1,686.62)**	**0.00**	**898,313.38**
ESPA Hydrologic Monitoring (DOE - Year 1 of 3 = $928,000)							
	310,000.00		310,000.00	310,000.00			310,000.00
ESPA Hydrologic Monitoring (DOE - Year 1 of 3 = $928,000)	**310,000.00**	**0.00**	**310,000.00**	**310,000.00**	**0.00**	**0.00**	**310,000.00**
TREASURE VALLEY							
Treasure Valley Modeling Year 3 of 5 (USGS 6605)	500,000.00		500,000.00	500,000.00			500,000.00
Boise River Storage Studies (final payment)	1,000,000.00		1,000,000.00	1,000,000.00	(250,000.00)		750,000.00
Southeast Boise Groundwater Management Area Monitoring	100,000.00		100,000.00	100,000.00			100,000.00
Treasure Valley Recharge Study	200,000.00		200,000.00	200,000.00	(45,909.14)		154,090.86
Treasure Valley DCMI Water Conservation Study	200,000.00		200,000.00	200,000.00			200,000.00
TREASURE VALLEY TOTAL	**2,000,000.00**	**0.00**	**2,000,000.00**	**2,000,000.00**	**(295,909.14)**	**0.00**	**1,704,090.86**
CAMAS PRAIRIE							
Ground & Surface Water Monitoring	75,000.00		75,000.00	75,000.00			75,000.00
CAMAS PRAIRIE TOTAL	**75,000.00**	**0.00**	**75,000.00**	**75,000.00**	**0.00**	**0.00**	**75,000.00**
BIG LOST							
Hydrologic Monitoring (DOE - Year 1 of 3 = $1.14M)	380,000.00		380,000.00	380,000.00	(6,868.46)		373,131.54
BIG LOST TOTAL	**380,000.00**	**0.00**	**380,000.00**	**380,000.00**	**(6,868.46)**	**0.00**	**373,131.54**
PALOUSE BASIN							
Water Sustainability Projects	100,000.00		100,000.00	100,000.00			100,000.00
PALOUSE BASIN TOTAL	**100,000.00**	**0.00**	**100,000.00**	**100,000.00**	**0.00**	**0.00**	**100,000.00**
BEAR RIVER BASIN							
Water Sustainability Projects	250,000.00		250,000.00				0.00
BEAR RIVER BASIN TOTAL	**250,000.00**	**0.00**	**250,000.00**	**0.00**	**0.00**	**0.00**	**0.00**
STATE-WIDE							
Aquifer monitoring network enhancements in priority aquifers	200,000.00		200,000.00	200,000.00	(35,637.37)		164,362.63
Cooperative Cloud Seeding Program							
Operations & Maintenance (1/3 of total)	800,000.00		800,000.00	800,000.00			800,000.00
Cloud Seeding Modeling Project	470,000.00		470,000.00	470,000.00			470,000.00
Operations Costs for add'l generators & Upper Snake aircraft	425,000.00		425,000.00	425,000.00			425,000.00
Administrative expenses (public information, staff training, etc)	80,000.00		80,000.00	80,000.00	(11,841.60)		68,158.40
Professional Assistance for securing Federal Funding	100,000.00		100,000.00	100,000.00	(32,015.88)		67,984.12
STATE-WIDE TOTAL	**2,075,000.00**	**0.00**	**2,075,000.00**	**2,075,000.00**	**(79,494.85)**	**0.00**	**1,995,505.15**
Unspecified Projects in Other Areas or Carry-over	**505,210.00**	**(150,000.00)**	**355,210.00**				
TOTAL FY 2019 BUDGETED FUNDS	**17,888,760.00**	**0.00**	**17,888,760.00**	**17,283,550.00**	**(1,148,101.52)**	**0.00**	**16,135,448.48**

IDAHO WATER RESOURCE BOARD
Sources and Applications of Funds
as of December 31, 2018
REVOLVING DEVELOPMENT ACCOUNT

Original Appropriation (1969)	$500,000.00
Legislative Audits	($49,404.45)
IWRB Bond Program	($15,000.00)
Legislative Appropriation FY90-91	$250,000.00
Legislative Appropriation FY91-92	$280,700.00
Legislative Appropriation FY93-94	$500,000.00
IWRB Studies and Projects	($249,067.18)
Loan Interest	$11,013,249.58
Interest Earned State Treasury (Transferred)	$2,024,549.58
Filing Fee Balance	$47,640.20
Bond Fees	$1,469,601.45
Arbitrage Calculation Fees	($12,000.00)
Protest Fees	($995.00)
Series 2000 (Caldwell/New York) Pooled Bond Issuers fees	$43,657.93
2012 Ground Water District Bond Issuer fees	$373,300.00
Bond Issuer fees	$21,107.59
Attorney fees for Jughandle LID	($3,600.00)
Attorney fees for A&B Irrigation	($4,637.50)
Water Supply Bank Receipts	$6,103,277.65
Legislative Appropriation FY01	$200,000.00
Pierce Well Easement	$2,000.00
Transferred to/from Water Management Account	$317,253.80
Legislative Appropriation 2004, HB843	$500,000.00
Legislative Appropriation 2009, SB 1511 Sec 2, Teton/Minidoka Studies	$1,800,000.00
Legislative Appropriation 2009, SB 1511 Sec 2, Teton/Minidoka Studies Expenditures	($1,229,460.18)
Weiser Galloway Study - US Army Corps of Engineers	($1,533,047.30)
Boise River Storage Feasibility Study	($333,000.00)
Geotech Environmental (Transducers)	($6,402.61)
Priest Lake Improvement Study (16-Mar-16)	($289,252.25)
Treasureton Irrigation Ditch Co	($5,000.00)
Transfer from Aqualife Hatchery Sub-Account	$1,117,800.85
Transfer from Pristine Springs Sub-Account	$554,882.10

Mountain Home AFB Water Sustainability Project		
Legislative Appropriation 2014, HB 479 Sec 1 and 2	$4,000,000.00	
JR Simplot - WR Purchase	($2,500,000.00)	
LeMoyne Appraisal LLC	($10,500.00)	
IWRB WSB Lease Application	($750.00)	
Integrated Delivery Solutions - Mark Alpert	($34,459.18)	
Brown & Caldwell - Owner's Advisor	($1,218,298.11)	
SPF Engineering - WR Transfer	($118,715.75)	
Skinner-Fawcett - Bond Counsel	($31,602.41)	
Pillsbury, Winthrop, & Shaw - DBO Counsel	($79,839.30)	
Project Costs (mailings, travel, teleconference calls)	($1,769.91)	
Publishing Costs	($1,648.16)	
Water District 02 Assessments	($2,417.18)	
Balance for Mountain Home AFB Water Sustainability Project		**$0.00**
Galloway Dam & Reservoir Project		
Legislative Appropriation 2014, HB 479 Sec 1 and 2	$2,000,000.00	
Galloway Dam & Reservoir Project Costs (HB 479)	($124,708.68)	
Balance Galloway Dam & Reservoir Project		**$1,875,291.32**
Boise River (Arrowrock Enlargement) Feasibility Study (HB479)		
Legislative Appropriation 2014, HB 479 Sec 1 and 2	$1,500,000.00	
Boise River (Arrowrock Enlargement) Feasibility Study Costs (HB479	($543,661.63)	
Balance Boise River (Arrowrock Enlargement) Feasibility Study (HB479)		**$956,338.37**
Island Park Enlargement (HB 479)		
Legislative Appropriation 2014, HB 479 Sec 1 and 2	$2,500,000.00	
Island Park Enlargement Costs (HB 479)	($189,217.65)	
Balance Island Park Enlargement (HB 479)		**$2,310,782.35**
Water Supply Bank Computer Infrastructure (HB 479)		
Legislative Appropriation 2014, HB 479 Sec 1 and 2	$500,000.00	
Water Supply Bank Computer Infrastructure Costs (HB 479)	($497,350.75)	
Balance Water Supply Bank Computer Infrastructure (HB 479)		**$2,649.25**
Cash Balance of Legislative Appropriation 2014, HB 479 Sec 1 and 2		**$5,145,061.29**
Priest Lake Water Management Project		
Legislative Appropriation (2018, HB 677 Sec 5)	$2,400,000.00	
Legislative Approval (2018, HB 677 Sec 6	$2,419,580.50	
Contract Expenditures - Mott MacDonald (CON01290)	($219,602.63)	
Balance for Priest Lake Water Management Project		**$4,599,977.87**

Aqualife Hatchery Sub-Account		
Aqualife Hatchery, HB644, 2014	($1,885,000.00)	
Aqualife Lease receipt from Seapac	$114,720.00	
Tax Payments	($1,419.15)	
Lemoyne Appraisal for Aqualife facility	($10,500.00)	
Loan payments received	$2,900,000.00	
Transfer to Main Rev Dev Account	($1,117,800.85)	
Aqualife Hatchery Sub-Account Available to Main Rev Dev Account		**$0.00**
Bell Rapids Water Rights Sub-Account		
Legislative Appropriation 2005, HB392		$21,300,000.00
Bureau of Reclamation Principal Amount Lease Payment Paid		$8,294,337.54
Bureau of Reclamation Interest Paid		$179,727.97
Bureau of Reclamation Remaining Amount Lease Payment Paid		$9,142,649.54
BOR prepayment for Bell Rapids		$1,302,981.70
BOR payment for Bell Rapids		$1,313,236.00
BOR payment for Bell Rapids		$1,040,431.55
BOR prepayment for Bell Rapids		$1,055,000.00
BOR payment for Alternative Financing Note		$7,117,971.16
Total Bell Rapids Water Rights Sub-Account Revenue	$50,746,335.46	
Interest Earned State Treasury	$697,670.48	
Total Bell Rapids Water Rights Sub-Account Expenditures	($51,318,859.29)	
Cash Balance Bell Rapids Water Rights Sub-Account		$125,146.65
Commited Funds		
Ongoing Bell Rapids Finance Costs (trustee fees, WD02)	$125,146.65	
TOTAL COMMITTED FUNDS	$125,146.65	
Bell Rapids Water Rights Sub-Account Balance after Committments		($0.00)
Pristine Springs Project Sub-Account		
Loan Interest	$2,119,124.67	
Payment from Magic Valley & North Snake GWD for Pristine Spring	$4,912,500.23	
Other Pristine Springs Project Sub-Account Revenue	$18,548,758.70	
Total Pristine Springs Project Sub-Account Expenditures	($16,760,529.16)	
Total Pristine Springs Project Sub-Account Transfers	($7,993,300.00)	
Funds to RP CAMP & TV CAMP Sub-Account	($271,672.34)	
Transfer to Main Rev Dev Account	($554,882.10)	
Cash Balance Pristine Springs Sub-Account		**$0.00**
Pristine Springs Committed Funds		
Loan Interest to be transferred to Aquifer Planning Fund	$0.00	
Loan Principal to be transferred to Aquifer Planning Fund	$0.00	
TOTAL COMMITTED FUNDS	$0.00	
Loans Outstanding for Purchase of PS Water Rights		
Loan to North Snake & Magic Valley GWD	$10,000,000.00	
Payments from North Snake & Magic Valley GWD	($4,912,500.23)	
Total Loans Outstanding	$5,087,499.77	
Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account		
Pristine Springs Hydropower and Rental Revenues		$271,672.34
Interest Earned State Treasury		$573.11
Spokane River Forum		($18,000.00)
Treasure Valley Water Quality Summit		($500.00)
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station		($20,000.00)
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study (CON00989)		($70,000.00)
Idaho Washington Aquifer Collaborative		($10,000.00)
Committed Funds		
Kootenai-Shoshone Soil & Water Cons. Dist. - Agrimet Station	$0.00	
Spokane River Forum	$0.00	
Rathdrum Prairie-Spokane Valley Aquifer Pumping Study	$0.00	
Treasure Valley Water Quality Summit	$0.00	
Idaho Washington Aquifer Collaborative	$0.00	
TOTAL COMMITTED FUNDS	$0.00	
Balance Rathdrum Prairie CAMP & Treasure Valley CAMP Sub-Account		**$153,745.45**
Upper Salmon/CBWTP Sub-Account		
Water Transaction Projects Payment Advances from CBWTP/Accord		$5,657,653.73
PCSRF Funds for Administration of Non-Diversion Easements on Lemhi River		$222,257.16
Interest Earned State Treasury		$209,063.75
Transfer to Water Supply Bank		($106,535.98)
Change of Ownership		($600.00)
Appraisals/Closing Costs		($13,386.48)
Payments for Water Acquisition		($1,869,760.06)
Cash Balance CBWTP Sub-Account		**$4,098,692.12**
Committed Funds		
Administration of Non-Diversion Easements on Lemhi River	$126,105.89	
Alturas Lake Creek (Breckenridge)	$0.00	
Bayhorse Creek (Peterson Ranch)	$28,952.25	
Badger Creek (OWBP)	$10,511.60	
Beaver Creek (DOT LLP)	$114,994.78	
Big Hat Creek	$0.26	
Big Timber Tyler (Leadore Land Partners)	$417,694.86	
Bohannon Creek DJ (Barbara Stokes)	$752,773.81	

Bohannon Creek BS (Betty Stokes)	$329,815.10	
Canyon Creek/Big Timber Creek (Beyeler)	$392,394.09	
Carmen Creek (Bill Slavin)	$196,684.93	
Carmen Creek (Bruce Slavin)	$123,421.32	
Fourth of July Creek (Vanderbilt)	$15,671.59	
Iron Creek (Phillips)	$0.00	
Iron Creek (Koncz)	$189,065.83	
Kenney Creek Source Switch (Gail Andrews)	$22,324.43	
Lemhi - Big Springs (Merrill Beyeler)	$55,154.49	
Lemhi River & Little Springs Creek Kauer (McFarland Livestock Co)	$18,843.48	
Little Springs Creek (Snyder)	$251,630.25	
Lower Eighteenmile Creek (Ellsworth Angus Ranch)	$1,777.78	
Lower Lemhi Thomas (Robert Thomas)	$900.00	
Pahsimeroi-Little Mud Creek (Bar G Farm)	($954.98)	
P-9 Bowles (River Valley Ranch)	$250,732.63	
P-9 Charlton (Sydney Dowton)	$16,596.07	
P-9 Dowton (Western Sky LLC)	$198,873.68	
P-9 Elzinga (Elzinga)	$245,990.50	
Patterson-Big Springs PBSC9 (Silver Bit Angus/S Whitworth)	$167,615.32	
Pole Creek (Salmon Falls Land)	$606,760.55	
Pratt Creek (Mulkey)	$77,523.77	
Spring Creek (Richard Beard)	$542.88	
Spring Creek (Ella Beard)	$795.69	
Whitefish (Leadore Land Partners)	$147,479.89	
Total Committed Funds	$4,760,672.74	
CBWTP Sub-Account Balance after Committments		**($661,980.62)**
Water District 02 WaterSmart Grant Sub-Account		
Received from BOR for BORWS2	$118,058.42	
Received from BOR for BORWS3	$59,960.43	
Payments made to contractors for BORWS2	($118,058.42)	
Payments made to contractors for BORWS3	($59,960.43)	
Balance WaterSmart Grant Sub-Account		**$0.00**
Water Supply Bank Sub-Account		
Interest Earned State Treasury	$17,846.89	
Payments received from renters	$3,670,519.90	
Payments made to owners	($3,426,451.01)	
Cash Balance Water Supply Bank Sub-Account		**$261,915.78**
Committed Funds:		
Owners Share	$244,068.89	
Total Committed Funds	$244,068.89	
Water Supply Bank Sub-Account Balance after Committments		**$17,846.89**
Eastern Snake Plain Sub-Account		
Legislative Appropriation 2005, HB392	$7,200,000.00	
Legislative Appropriation 2005, HB392, CREP Program	$3,000,000.00	
Interest Earned State Treasury	$2,014,551.18	
Loan Interest	$256,260.39	
Bell Rapids Water Rights Closing Costs	($6,558.00)	
First Installment Payment to Bell Rapids Irr. Co. (Partial)	($361,800.00)	
Second Installment Payment to Bell Rapids Irr. Co. (Partial)	($361,800.00)	
Third Installment Payment to Bell Rapids Irr. Co. (Partial)	($361,800.00)	
Fourth Installment Payment to Bell Rapids Irr. Co. (Partial)	($614,744.00)	
Fifth Installment Payment to Bell Rapids Irr. Co. (Final)	($1,675,036.00)	
Reimbursement from Commerce & Labor W-Canal	$74,709.77	
Transfer to Pristine Springs Sub Account	($1,000,000.00)	
Reimbursement from Magic Valley GWD - Pristine Springs	$500,000.00	
Reimbursement from North Snake GWD - Pristine Springs	$500,000.00	
Reimbursement from Water District 1 for Recharge	$159,764.73	
Palisades (FMC) Storage Costs	($3,519,790.74)	
Reimbursement from BOR for Palisades Reservoir	$2,381.12	
W-Canal Project Costs	($326,834.11)	
Black Canyon Exchange Project Costs	($158,872.00)	
Black Canyon Exchange Project Revenues	$23,800.00	
2008 Recharge Conveyance Costs	($14,580.00)	
2009 Recharge Conveyance Costs	($355,253.00)	
2010 Recharge Conveyance Costs	($484,231.62)	
Transfer to Priest Lake Sub-Account (2018 HB 677, Sec 6)	($2,419,580.50)	
Additional recharge projects preliminary development	($28,909.30)	
Pristine Springs Project Costs	($6,863.91)	
Cash Balance Eastern Snake Plain Sub-Account		**$2,034,814.01**
Loans and Other Commitments		
Commitment - Remainder of Bell Rapids Water Rights Purchase (1)	$361,620.00	
Commitment - CREP Program (HB392, 2005)	$0.00	
Commitment - Priest Lake Water Mgmt Project (HB677, 2018)	$0.00	
Commitment - Additional recharge projects preliminary development	$337,594.00	
Commitment - Palisades Storage O&M	$10,000.00	
Commitment - Black Canyon Exchange Project (fund with ongoing re	$442,252.95	
Total Loans and Other Commitments	$1,151,466.95	
Eastern Snake Plain Sub-Account Balance after Committments		**$883,347.06**

CREP Loans Outstanding:			
American Falls-Aberdeen GWD (CREP)	$58,040.75		
Bonneville Jefferson GWD (CREP)	$37,408.43		
Magic Valley GWD (CREP)	$55,176.62		
North Snake GWD (CREP)	$26,331.95		
TOTAL ESP CREP LOANS OUTSTANDING	$176,957.75		
Uncommitted Eastern Snake Plain Sub-Account Balance		**$706,389.31**	
Dworshak Hydropower Project			
Dworshak Project Revenues			
Power Sales & Other	$9,855,178.73		
Interest Earned State Treasury	$664,914.70		
Total Dworshak Project Revenues	$10,520,093.43		
Dworshak Project Expenses			
Transferred to 1st Security Trustee Account	$148,542.63		
Construction not paid through bond issuance	$226,106.83		
1st Security Fees	$314,443.35		
Operations & Maintenance	$2,829,822.72		
Powerplant Repairs	$180,409.72		
Bond payoff	$391,863.11		
Capital Improvements	$318,366.79		
FERC Payments	$81,693.07		
Total Dworshak Project Expenses	($4,491,248.22)		
Cash Balance Dworshak Hydropower Project		**$6,028,845.21**	
Dworshak Project Committed Funds			
Emergency Repair/Future Replacement Fund	$1,655,441.60		
FERC Fee Payment Fund	$5,973.89		
Total Dworshak Project Committed Funds	$1,661,415.49		
Balance Dworshak Funds into Main Revolving Development Account			**$4,367,429.72**
TOTAL			**$27,755,583.98**

Loans Outstanding:	Amount Loaned	Principal Outstanding	
A&B Irrigation District (Pipeline & Pumping Plant, Dec)	$3,500,000.00	$2,971,279.88	
A&B Irrigation District (Pipeline & Pumping Plant, Sept)	$3,500,000.00	$3,106,407.72	
Aberdeen-Springfield Canal Company (WRB-491; Diversion structure)	$329,761.00	$41,857.30	
Bee Line Water Association (Sep 23, 2014; System Improvements)	$600,000.00	$599,999.99	
Canyon County Drainage District No. 2 (28-Nov-12; Drain tile pipeline	$35,000.00	$16,089.41	
Chaparral Water Association (21-Jan-11; Well deepening & improveme	$68,000.00	$10,441.57	
Clearview Water Company	$50,000.00	$36,655.11	
Cloverdale Ridge Water Corp. (irrigation system rehab 25-sep-09)	$106,400.00	$5,850.47	
Consolidated Irrigation Company (July 20, 2012; pipeline project)	$500,000.00	$449,809.77	
Dalton Water Association	$1,036,900.00	$797,077.08	
Enterprise Irrigation District (14-Jul-06; Pipeline project)	$37,270.00	$660.60	
Enterprise Irrigation District (North Lateral Pipeline)	$105,420.00	$0.00	
Evans Water Corporation & HOA	$20,000.00	$16,982.40	
Foothill Ranch Homeowners Association (7-oct-11; well rehab)	$150,000.00	$93,031.49	
Goose Lake Reservoir Corp	$320,000.00	$309,999.99	
Idaho Ground Water Appropriators (IGWA)	$3,208,115.35	$2,185,977.35	
Jefferson Irrigation Company (9-May-2008 Well Replacement)	$81,000.00	$13,377.13	
King Hill Irrigation District (24-Sep-10; Pipeline replacement_	$300,000.00	$31,129.93	
Lake Reservoir Company (29-July-11; Payette Lake-Lardo Dam Outle	$594,000.00	$15,156.69	
Last Chance Canal Company (14-July-2015, diversion dam rebuild)	$2,500,000.00	$1,967,217.74	
Lava Hot Springs, City of	$347,510.00	$18,875.89	
Lindsay Lateral Association (Engineering Design Project & Pipeline Stu	$19,700.00	$8,166.12	
Marsh Center Irrigation Company (13-May-05; Hawkins Dam)	$236,141.00	$72,558.88	
Marysville Irrigation Company (18-May-07, Pipeline Project Phase 1)	$625,000.00	$62,679.90	
Marysville Irrigation Company (9-May-08, Pipeline Project Phase 2)	$1,100,000.00	$281,486.61	
North Fremont Canal Systems (25-Jan-13; Marysville Project)	$2,000,000.00	$1,283,788.81	
North Side Canal Company (Phase 1 - canal rehab project)	$1,846,092.61	$1,763,160.02	
North Side Canal Company (Phase 2 & 3 - canal rehab project)	$2,711,115.08	$2,711,115.08	
Outlet Water Association (22-Jan-16; new well & improvements)	$100,000.00	$86,314.02	
Pinehurst Water District (23-Jan-15)	$100,000.00	$57,008.60	
Point Springs Grazing Association (July 20, 2012; stock water pipeline)	$48,280.00	$27,132.57	
Preston-Whitney Irrigation Company (29-May-09; Fairview Lateral Pipel	$800,000.00	$0.00	
Producers Irrigation Company	$173,000.00	$46,719.16	
Skin Creek Water Association	$188,258.00	$12,507.67	
Spirit Bend Water Association	$92,000.00	$0.00	
St. Johns Irrigating Company (14-July-2015; pipeline project)	$1,429,775.00	$1,366,627.34	
Sunset Heights Water District (17-May-13; Exchange water project)	$48,000.00	$15,458.41	
Twin Lakes Canal Company (Winder Lateral Pipeline Project)	$500,000.00	$168,758.73	
Valley County Local Improvement District No. 1/Jughandle HOA (well p	$907,552.00	$514,429.20	
TOTAL LOANS OUTSTANDING			**$21,165,788.63**

Loans and Other Funding Obligations:	
Senate Bill 1511 - Teton Replacement and Minidoka Enlargement Studies	$678,161.82
Boise River Storage Feasibility Study	$13,578.15
Weiser-Galloway Study (28-May-10)	$461,620.87
Priest Lake Improvement Study (16-Mar-16)	$81,141.01
Dalton Water Association	$239,822.92
Dover, City of (23-Jul-10; Water Intake project)	$194,063.00

Goose Lake Reservoir Corp	$0.01	
North Freement Canal Systems (October 2018)	$4,300,000.00	
North Side Canal Company (Phase 4 - canal rehab project)	$642,792.31	
Producers Irrigation Company (23-May-16; new wells)	$70,872.50	
St. Johns Irrigating Company (14-July-2015; pipeline project)	$11,869.78	
TOTAL LOANS AND OTHER FUNDING OBLIGATIONS		**$6,693,922.37**
Uncommitted Funds		($104,127.02)
TOTAL		**$27,755,583.98**

(1) Actual amount needed may vary depending on final determination of water actually purchased and interest income received.

Idaho Water Resource Board
Sources and Applications of Funds
as of December 31, 2018
WATER MANAGEMENT ACCOUNT

Original Appropriation (1978)		1,000,000.00
Legislative Audits		(10,645.45)
IWRB Appraisal Study (Charles Thompson)		(5,000.00)
Transfer funds to General Account 1101(HB 130, 1983)		(500,000.00)
Legislative Appropriation (6/29/1984)		115,800.00
Legislative Appropriation (HB988, 1994)		75,000.00
Turned Back to General Account 6/30/95, (HB988, 1994)		(35,014.25)
Legislative Appropriation (SB1260, 1995, Aquifer Recharge, Caribou Dam)		1,000,000.00
Interest Earned		120,475.04
Filing Fee Balance		2,633.31
Water Supply Bank Receipts		841,803.07
Bond Fees		277,254.94
Funds from DEQ and IDOC for Glenns Ferry Water Study		10,000.00
Legislative Appropriation FY01		200,000.00
Western States Wate Council Annual Dues		(7,500.00)
Tranfer to/from Revolving Development Account		(317,253.80)
Legislative Appropriation (SB1239, Sugarloaf Aquifer Recharge Project)		60,000.00
Legislative Appropriation (HB 843 Sec 6, ESPA Settlement Water Rentals)		520,000.00
Legislative Appropriation (SB1496, 2006, ESP Aquifer Management Plan)		300,000.00
Legislative Appropriation (HB 320, 2007, ESP Aquifer Management Plan)		849,936.99
Legislative Appropriation (HB 712, Sec 1, 2018, Flood Management Program)		1,000,000.00
Grants Disbursed for Legislative Appropriation (HB 712, Sec 1, 2018, Flood Mgmt Pg)		(100,523.00)
Grants Disbursed		(1,632,755.21)
TOTAL		**3,764,211.64**
IWRB Expenditures		
Lemhi River Water Right Appraisals	$31,000.00	
Expenditures Directed by Legislature		
Obligated 1994 (HB988)	$39,985.75	
SB1260, Aquifer Recharge	$947,000.00	
SB1260, Soda (Caribou) Dam Study	$53,000.00	
Sugarloaf Aquifer Recharge Project (SB1239)	$55,953.69	
ESPA Settlement Water Rentals (HB 843 2004)	$504,000.00	
ESP Aquifer Management Plan (SB1496, 2006)	$300,000.00	
ESP Aquifer Management Plan (HB320, 2007)	$801,077.75	
TOTAL IWRB AND LEGISLATIVE DIRECTED EXPENDITURES		**(2,732,017.19)**
WATER RESOURCE BOARD RECHARGE PROJECTS		**(11,426.88)**
CURRENT ACCOUNT BALANCE		**1,020,767.57**
Committed Funds:		
Grants Obligated		
Cottonwood Point Water & Sewer Association	$0.00	
Preston - Whitney Irrigation Company	$7,500.00	
Water District No. 1 (Blackfoot Equalizing Reservoir Automation)	$35,000.00	
Flood Management Program grants (HB712, Sec 1, 2018)		
Flood Control District 9	$90,000.00	
Blaine County	$84,813.00	
Cassia County	$42,336.38	
Flood Control District 10	$78,400.00	
Flood Control District 10	$153,550.00	
Flood Control District 10	$38,808.00	
Clearwater Soil & Water Conservation Dist	$155,220.00	
Flood Control District 10	$22,000.00	
Flood Control District 11	$57,675.00	
Twin Lakes/Flood Control Dist 17	$7,750.00	
Twin Falls Canal Company	$21,335.00	
Nez Perce Soil & Water Conservation Dist	$115,460.00	
Riverside Village HOA	$6,025.00	
City of Pocatello	$26,105.00	
Balance Flood Management Program grants	$899,477.38	
Legislative Directed Obligations		
Sugarloaf Aquifer Recharge Project (SB1239)	$4,046.31	

ESPA Settlement Water Rentals (HB 843, 2004)	$16,000.00	
ESP Aquifer Management Plan (SB1496, 2006)	$0.00	
ESP Aquifer Management Plan (HB320, 2007)	$48,829.24	
TOTAL GRANTS & LOANS OBLIGATED & UNDISBURSED		**1,010,852.93**
Uncommitted Funds		9,914.64
CURRENT ACCOUNT BALANCE		**1,020,767.57**

Memorandum

To: Idaho Water Resource Board

From: Wesley Hipke

Date: January 10, 2019

Re: Coalition of Cities / Surface Water Coalition

REQUIRED ACTION: Action required at the January 26, 2019 IWRB meeting.

Attached is a resolution for the IWRB to consider at the January 26 meeting. The resolution is for the IWRB to enter into an agreement to recharge water for the Cities as part of their settlement agreement with the Surface Water Coalition.

I. Background

The Surface Water Coalition (SWC) filed a delivery call in 2005 under IDWR's Conjunctive Management Rules impacting numerous junior water rights across the ESPA. The Idaho Ground Water Appropriators (IGWA) reached a settlement agreement with the SWC in 2015. This agreement did not cover all of the impacted junior water rights. A group of cities (Cities) have worked with the SWC, IGWA, and IDWR to develop their own settlement agreement. As part of the agreement the Cities can provide water for the IWRB's ESPA Managed Recharge Program. A list of the current Cities involved in the agreement is located at the end of this memo.

II. Summary of the Proposed Mitigation Obligation

The following provides a brief summary of the most recent proposed agreement focusing on the key components that could affect the IWRB's recharge program.

The Cities will collectively supply an average mitigation of 7,650 af/yr, with a minimum requirement of 1,000 af/yr, commencing on January 1, 2019. All mitigation water will be used for aquifer enhancement projects on the ESPA, unless the Parties (SWC & Cities) agree otherwise. The Cities will also pay for all costs related to their own aquifer enhancement projects and recharge. The Cities are also obligated to provide a yearly report on their mitigation activities.

The following activities will count 1:1 towards meeting the mitigation obligations:

1) Managed Recharge:
   - Turning the water over to IWRB's ESPA Managed Recharge Program.
     - If Cities choose to use the IWRB to conduct the recharge an agreement will need to be established to determine IWRB's fees for conducting the recharge and other necessary administrative details.
   - Using any other entity(ies) to conduct recharge must meet the following criteria:

- A minimum of 50% of the volume is recharged east of the Great Rift
- The recharge occurs at any of the sites identified in Table 12 of the McVay Report or any other recharge site having an average minimum simulated retention period greater than or equal to 17.5% after five years.
- The water to be recharged would not otherwise incidentally recharge the ESPA, excluding municipal waste water.

2) Ground water to surface water conversions within the ESPA.
3) Temporary or permanent dry up (retirement) of irrigated lands within the ESPA.
4) Other Activities as agreed to by the Parties.

If IGWA's required annual mitigation obligation equals or exceeds 340,000 af/yr than the Cities obligation will increase to 9,640 af/yr.

The Cities agree to support continued funding of state-sponsored managed aquifer recharge of the ESPA.

III. Current Signatory Cities to the Agreement

The agreement is structured such that additional cities can participate in the Agreement in the future. The cities currently listed on the proposed agreement are:

- Bliss,
- Burly
- Carey
- Delco
- Dietrich
- Gooding
- Hazelton
- Heyburn
- Idaho Falls
- Jerome
- Paul
- Pocatello
- Richfield
- Rupert
- Shoshone
- Wendell

McHUGH BROMLEY
ATTORNEYS AT LAW, PLLC

Cities/IGWA/SWC Settlement Agreement

Chris Bromley and Candice McHugh

Discussion Items

- Cities/IGWA/Cities Settlement Agreement
- Internal Cities Agreement
- Status of ESPA Ground Water Management Area

Settlement Agreement – Background

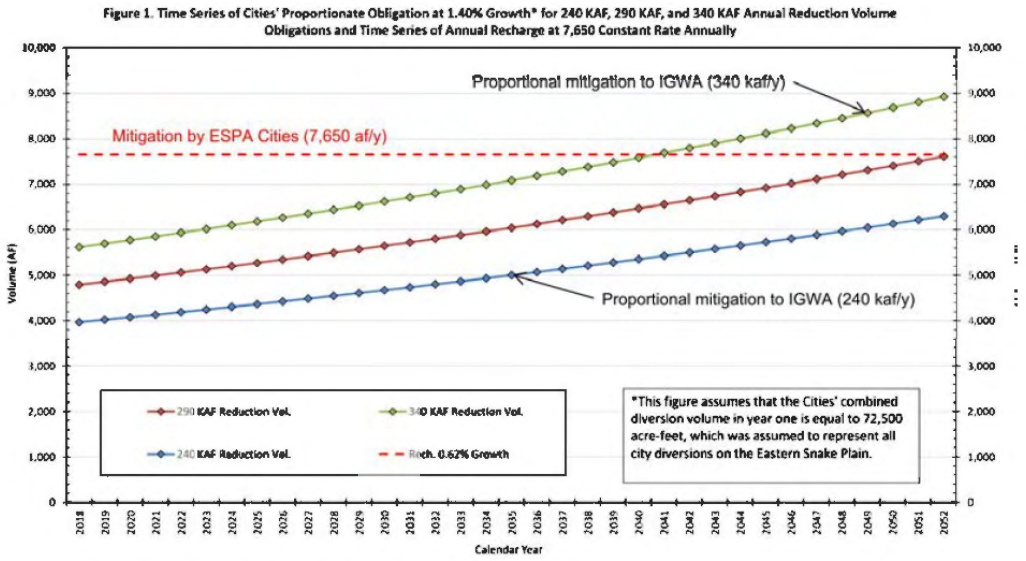
- Prior to designation of the ESPA GWMA, cities were in compliance with IDWR's conjunctive management orders and associated statutory and court decisions
- "Coalition of Cities" were mitigating in the Rangen, Inc. delivery call through recharge
  - Bliss, Burley, Carey, Declo, Dietrich, Gooding, Hazelton, Heyburn, Jerome, Paul, Richfield, Rupert, Shoshone, and Wendell
- Coalition of Cities, City of Idaho Falls, and the City of Pocatello (collectively the "Cities") were entering into annual mitigation agreements with the SWC for storage water

Settlement Agreement – Background

- In 2015, IGWA and SWC entered into their Final Settlement Agreement
- Among other things, the IGWA/SWC agreement required permanent reduction in pumping and benchmark water levels in the 19 "sentinel wells"
- The IGWA/SWC framework was unworkable for ESPA cities, and IGWA and SWC acknowledged as much
- Combined with designation of the ESPA GWMA, the Cities began negotiations with IGWA and SWC to resolve the delivery call and GWMA disputes

Settlement Agreement – Key Provisions

- Cities will provide 7,650 af/y through "aquifer enhancement activities"
- Why 7,650 af/y?



- Cities are over-mitigating to gain certainty
- Cities will apportion the 7,650 af/y amongst participants

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Settlement Agreement – Key Provisions

- What are "aquifer enhancement activities"
  - Delivery of water to IWRB for recharge
  - Recharge of ESPA by the Cities – 50% above Great Rift
  - Ground water to surface water conversions, temporary or permanent dry ups, or other activities agreed to by the parties
- These "aquifer enhancements" receive a 1:1 credit
- Cities' obligation will increase to 9,640 af/y if IGWA's obligation increases from 240,000 af/y to 340,000 af/y
- Volumes are based on a 5-year rolling average
- Cities will annually provide a minimum of 1,000 acre-feet

Settlement Agreement – Key Provisions

- Safe harbor from SWC and/or IGWA delivery calls
- Compliance is measured by the 5-year rolling average volumes, not the "sentinel wells"
- Agreement is good for 35 years or when total ESPA municipal pumping equals 120,000 acre-feet, whichever occurs first
- Agreement covers all ESPA municipal pumping
- Any ESPA city may join
  - So far Ammon, Atomic City, Blackfoot, Firth, Iona, and Rexburg

Settlement Agreement – Key Provisions

- GWD members may withdraw as to SWC assessments
- The 16 cities will withdraw objection to ESPA GWMA designation
- Cities will support continued funding of state-sponsored managed recharge of the ESPA
- Parties agree to seek legislative support for this Agreement
  - "Upon execution, the Parties shall provide this Agreement to Idaho's Senate Resources and Environment Committee. The Parties agree to use their best efforts to seek passage of a Senate Concurrent Resolution to approve this Agreement, similar to *Senate Concurrent Resolution 136* [sic] (2016)."
- Cities, IGWA, SWC have been contacted by legislative leadership regarding proposed legislation

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Internal City Agreement

Internal City Agreement – Main Purposes

- Cities agreed to provide 7,650 af/y to SWC if IGWA's obligation is 240,000 af/y
- If IGWA's obligation to the SWC increases to 350,000 af/y, Cities' obligation increases to 9,640 af/y
- Cities that did not sign the Agreement may join
- City of Pocatello has agreed to provide storage water and to facilitate this Internal City Agreement
- Main purposes of the Internal City Agreement
  - How to apportion the obligation
  - How other cities may join

Internal City Agreement – Apportionment

- Equal weight will be given to a city's water right priority dates and volume pumped
- Adjustments to volume pumped will occur every 3 years
- Cities will be required to report their pumped volumes annually which will be included in an April 1 report to IDWR, IGWA, SWC
- Flexibility will be provided to allow cities to provide their own projects subject to approval of all cities

Internal City Agreement – Other Cities

- All ESPA cities will be able allowed to participate
- There will be a form notice to participate to allow other cities to join

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Questions?

BEFORE THE IDAHO WATER RESOURCE BOARD

IN THE MATTER OF EASTERN SNAKE PLAIN AQUIFER STABILIZATIN AND MANAGED AQUIFER RECHARGE	RESOLUTION TO APPROVE ACCEPTING AND RECHARGING WATER AS PART OF A SETTLEMENT AGREEMENT BETWEEN THE SURFACE WATER COALITION AND VARIOUS CITIES THROUGHOUT THE ESPA AND PROVIDE SIGNATORY AUTHORITY

WHEREAS, the State of Idaho relies on spring discharge from the Eastern Snake Plain Aquifer (ESPA) through the Thousand Springs to assist in the meeting minimum streamflow water rights at the Murphy Gage established under Swan Falls Agreement; and

WHEREAS, the ESPA has been losing approximately 216,000 acre-feet annually from aquifer storage since the 1950's resulting in declining groundwater levels in the aquifer and declining spring flows from the aquifer; and

WHEREAS, the Eastern Snake Plain Aquifer Comprehensive Aquifer Management Plan (ESPA CAMP), identified managed recharge as a key strategy of achieving the goal of aquifer stabilization and recovery; and

WHEREAS, the 2016 Idaho Legislature passed and approved Senate Concurrent Resolution 136 directing to IWRB to develop the capacity to achieve 250,000 acre-feet of annual average managed recharge to the ESPA by December 31, 2024; and

WHEREAS, the Surface Water Coalition (SWC) filed a delivery call in 2005 with the Idaho Department of Water Resources (IDWR) under the Conjunctive Management Rules (IDAPA 37.03.11 et seq.)

WHEREAS, the ground water rights of the cities on the ESPA have been subject to IDWR administration, including curtailment, as a result of the SWC delivery call; and

WHEREAS, IDWR designated the ESPA as a Ground Water Management Area (GWMA) on November 2, 2016.

WHEREAS, a group of cities (Cities) on the ESPA desire to implement a long-term resolution to mitigation obligation under both the SWC Delivery Call and the ESPA-GWMA (Settlement Agreement) that allows for cities to continue to grow and develop.

WHEREAS, the Cities as part of the Settlement Agreement between the SWC, Participating Members of the IGWA, and Cities ("Final Settlement Agreement"), seeks a contract with Board through which it can assign to the Board variable amounts of City water to be recharged by the Board.

NOW, THEREFORE BE IT RESOLVED that the IWRB agrees to utilize water transferred from the Cities as part of the IWRB ESPA managed Recharge Program to recharge the ESPA aquifer; and

NOW, THEREFORE BE IT FURTHER RESOLVED that the IWRB will be compensated for recharging the water received from the Cities; and

NOW, THEREFORE BE IT FURTHER RESOLVED that the IWRB authorizes its chairman or designee, Brian Patton, Executive Officer to the IWRB, to execute the necessary agreements or conduct managed

recharge for the Cities as part of the Final Settlement Agreement.

DATED this 25th day of January, 2019.

_____
ROGER W. CHASE, Chairman
Idaho Water Resource Board

ATTEST _____
VINCE ALBERDI, Secretary

Memorandum

To: Idaho Water Resource Board

From: Wesley Hipke

Date: January 14, 2018

Re: ESPA Managed Recharge Program Status Report

REQUIRED ACTION: No action is required at the January 25, 2019 IWRB meeting.

I. ESPA Recharge Program Goals for 2019

In addition to maximizing recharge activities, a primary goal for program development this year is to formalize processes critical to program operation and coordination with current and future partners. Several IWRB Aquifer Stabilization Committee meetings will be scheduled to address program administration questions including but not limited to:

- Establish terms for long-term conveyance contracts in the Lower Valley (current 5-year contracts start to expire in the fall of 2019).
- Establish terms for long-term conveyance contracts in the Upper Valley (contracts are currently renewed on an annual basis).
- Standardize managed recharge practices such as: criteria for suspension of recharge in canals during wet years, water quality monitoring (cost and responsibility), requirements for entities conducting IWRB recharge (e.g. annual inspection of facilities, approved water quality monitoring programs).
- Prioritize capacity development activities to meet ESPA managed recharge goals.

II. 2018/2019 Recharge Season Summary

Natural Flow and Storage Water Authorized for IWRB Recharge:

- Storage Water from Surface Water Coalition (SWC) - 58,500 af donated
  - All of the SWC water was diverted for recharge above Minidoka Dam (Upper Valley).
- Natural Flow - Snake River Water Rights
  - Water Right no. 01-7054 - 1,200 cfs (1980 priority) – Water Supply Bank rental/lease application renewal in process (rental POD and POU located in the Upper Valley)
  - Water Right no. 01-7142 - 2,831 cfs (1998 priority), POD - North Side Canal Company
  - Water Right no. 01-10609 - 3,738 cfs (1998 priority), POD - Southwest Irrigation District, Burley Irrigation District, Twin Falls Canal Co, A&B Irrigation District,

American Falls Reservoir District No. 2, Minidoka Irrigation District, & Milner Irrigation District

2018/2019 IWRB Recharge Summary:

The 2018/2019 recharge season officially began on August 16, 2018 with the delivery of storage water donated by the SWC. Recharge in the lower valley below Minidoka Dam began on October 22, 2018. Table 1 and Figure 1 summarize IWRB recharge activities as of January 15, 2019.

Table 1. IWRB Recharge Summary – 2018/2019*

System	Area	Start / End of Recharge	Duration of Recharge (Days)	Median Recharge Rate (cfs)	Current Recharge Rate (cfs)	Volume Recharged (Acre-feet)*
Snake River	Lower Valley	Oct 26 - ongoing	86	91	605	25,600
	Upper Valley	Aug 16 - Nov 3	80	307	0	56,182
	Snake River Total		**152**	**161**	**605**	**81,782**
Big/Little Wood River	Big Wood Canal Co.	Nov 19 - ongoing	58	8	15	1,163
		ESPA TOTAL	**152**	**161**	**620**	**82,945**

* As of Jan 15, 2019 - Recharge Volumes are preliminary and subject to change.

Lower Valley Recharge Status:

The IWRB's natural flow recharge water rights came into priority in the Lower Valley on October 22, 2018. The water available for recharge has increased from 500 cfs at the start of the season to approximately 700 cfs (current releases from Minidoka Dam). Milner Dam pool elevation was lowered for maintenance around the first of the year. Pool elevations are expected to be restored in early to mid-February. Impacts of the maintenance activities are referenced in the summary of recharge operations below.

- **Southwest Irrigation District (SWID)** conducted IWRB recharge from on October 22, to December 28, 2018. SWID is unable to divert water for recharge at the lowered Milner pool elevation. The district chose to perform maintenance activities during this time, but intends to resume recharge diversions of 50 to 60 cfs once the pool levels are increased to normal winter time elevations.

- **Twin Falls Canal Co. (TFCC)** conducted recharge from October 23, 2018 to January 8, 2019. Recharge diversions will be paused for approximately three weeks to perform canal maintenance.
- **American Falls Reservoir District No. 2 (AFRD2)** started recharge on December 29, 2018 after completing canal maintenance and improvements in the canal at the MP 28 hydroplant by-pass. Currently, AFRD2 is recharging over 400 cfs and plans to increase recharge flow to greater than 500 cfs depending on weather conditions.
- **North Side Canal Co. (NSCC)** completed the majority of the scheduled infrastructure improvements to the four hydro plant by-passes and started recharge on January 5, 2019. NSCC is currently recharging approximately 155 cfs and has been able to maintain this volume for over a week.

Upper Valley Recharge Status:

At this time the IWRB's recharge water rights are not expected to be in priority above Minidoka Dam.

Big/Little Wood River Recharge Summary:

BWCC began diverting approximately 8 cfs from the Big Wood River to recharge at the Devils Headgate recharge site on November 19, 2018. On January 9, 2019, BWCC started diverting water from the Little Wood River to the Richfield recharge site at a rate of approximately 7 cfs.

IWRB Recharge 2018/2019 Projections:

The most recent weather forecasts predict drier and warmer than normal spring conditions. The snow pack is currently between 70% and 80% of the long-term median for this time of year and the reservoir system is 74% full. Though conditions may change, the probability that water will be available for recharge as a result of flood control releases is good at this time. The next IWRB Upper Snake River Advisory meeting is scheduled for February 13, 2019 to discuss reservoir fill and some of the factors impacting operations. Conditions will be monitored to adapt recharge activities as water supply and system operations change.

IWRB recharge is currently projected to range from 170,000 to 210,000 af for the 2018/2019 recharge season. This estimate is based on the assumption that no natural flow will be available for recharge in the Upper Valley and very little will be available on the Big and Little Wood River systems. The lower bound assumes the minimum flow of 550 cfs is available for recharge in the Lower Valley. The high bound assumes sufficient natural flow is available in the Lower Valley to exceed predicted managed recharge capacity, approximately 950 cfs from February 1 to March 31. It also assumes that weather conditions are conducive to delivery of managed recharge and that the canals are able to adjust flow rates as needed. In cooperation with recharge partners

and stakeholders, and as canal maintenance activities are completed, efforts will be made to maximize managed recharge with the water available.

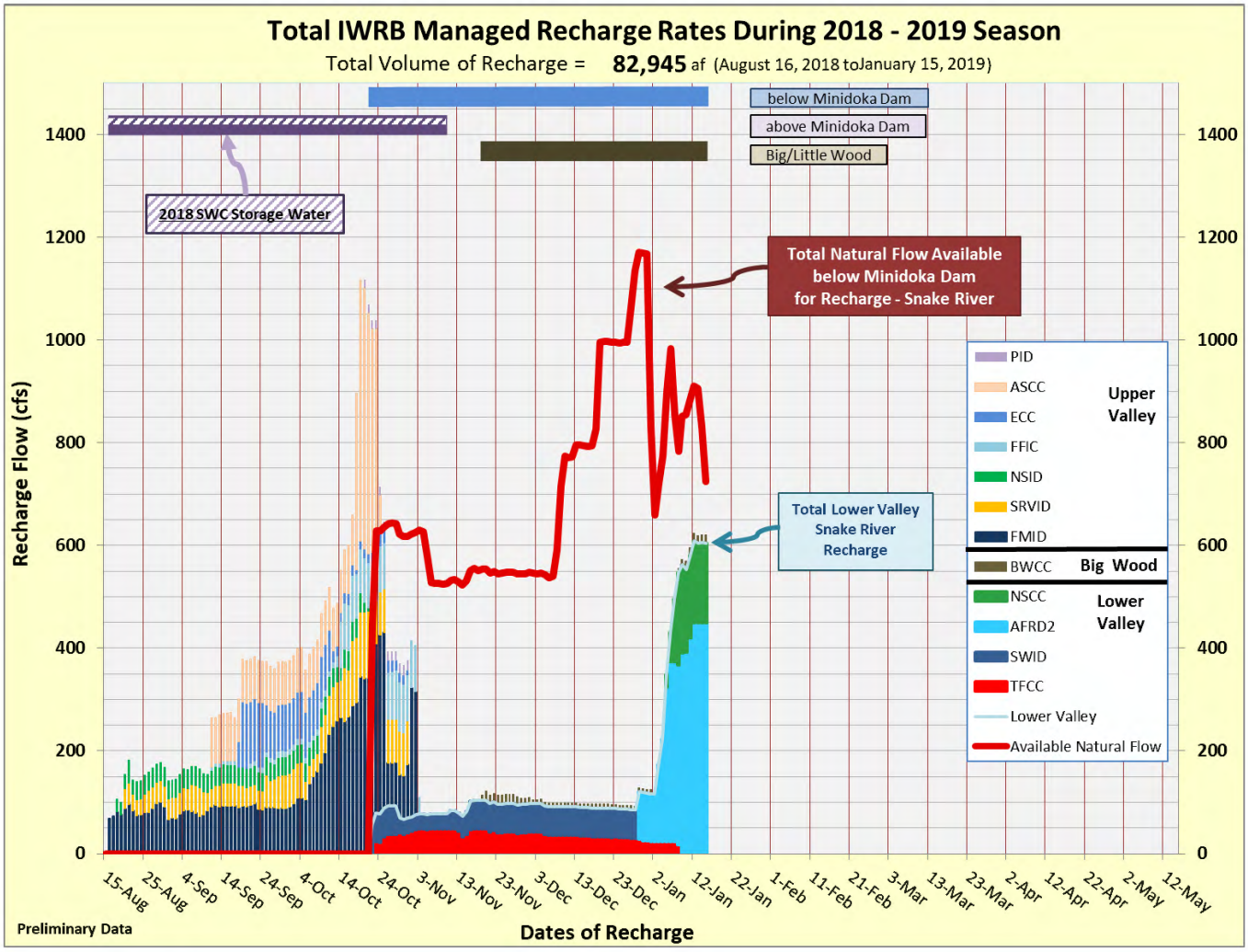


Figure 1. IWRB daily recharge flows for the 2018/2019 season.

III. ESPA Recharge Program Projects and Buildout Activities

The IWRB is focused on the development of additional recharge capacity throughout the ESPA to meet the managed recharge goal of an average 250,000 af/yr. For managed recharge projects involving infrastructure improvements to which the IWRB provided funding, a Memorandum of Intent (MOI) was developed to establish a long-term agreement (twenty years) between the IWRB and the entity implementing the project. The MOI acknowledges: 1) the IWRB provided financial assistance for a project; and 2) the entity agreed to deliver and prioritize delivery of the IWRB's recharge water as compensation for financial assistance from the IWRB.

ESPA Managed Recharge Infrastructure Project Summary

The IWRB allocated over $20 million dollars from 2013 through fiscal year 2019 for infrastructure improvements to increase managed recharge throughout the ESPA. For fiscal year 2019, the IWRB budgeted $8 million for development of managed recharge throughout the ESPA. The status of the current projects in the Lower and Upper Valleys is included in Tables 2 and 3, respectively. A summary of the projected recharge projects is presented in Table 4.

Table 2. Current IWRB ESPA Managed Recharge Projects - Lower Valley						
IWRB Partner	**Project Name**	**Project Type**	**Status**	**Approved Funds**	**Scheduled Completion**	**Description /** Key Items
AFRD2	Dietrich Drop Hydro Plant Winter By-pass	Design / Construction	Active	$1,500,000	Fall 2019	**Winter recharge by-pass of the Dietrich Drop Power Plant** • Finalize cost and project schedule – May 2018 • Draft FERC submittal for forebay improv. (3 mo. review) – Dec 2018 • Constr. of tail race gate & bypass improv. – Jan 2019 • Final FERC submittal for forebay improv. (6 mo. review) – Mar 2018 • Construction of forebay improv. – Fall 2019
AFRD2	MP 28 Hydro Plant Tailbay	Design / Construction	Active	$1,400,000	Jan/Feb 2019	**Isolating tailbay and improving forebay of the hydro plant during winter recharge** • Design Completion – Sept 2018 • Start Construction – Oct 2018 • Complete in canal work – Dec 2018
North Side CC	Hydro Plants (4) Improvements for Winter By-pass	Design / Construction	Active	$5,074,581	Jan 2019	**Winter recharge by-pass of the hydro plants between the Milner Pool and Wilson Lake** • Phase I const. complete – Mar 2018 • FERC approval for const. – Apr 2018 • Contractor hired - July 2018 • Construction started – Aug 2018
BLM	Wilson Canyon & MP 29 Right-of-Way	EA / Investigation	Active	$100,000	Feb 2019	**BLM Right-of-Way for Wilson Canyon & MP29 Site** • Meet with BLM concerning the Draft EA – Sept 2018 • Scoping info & Public Comment – Oct 2018 • Final EA submitted to BLM for review Jan 2019 • Submit Final EA to BLM – Feb 2019 **Completion of project is highly dependent on the current Federal Gov. shutdown.**

North Side CC	Wilson Canyon Site	Design / Construction	Active	$1,900,000	Spring 2019	**Design & construction of recharge site** • Design completed & Bid advertisement – Sept 2018 • Start construction of in-canal improv. - Nov 2018 • Submit GW Quality Plan – Jan/Feb 2019 • BLM ROW & constr. outside the canal – Feb 2019 (dependent on BLM ROW) • Complete with in-canal improv. – Mar 2019 • Completion of monitor wells – Spring 2019

Table 3. Current IWRB ESPA Managed Recharge Projects - Upper Valley						
IWRB Partner	**Project Name**	**Project Type**	**Status**	**Approved Funds**	**Scheduled Completion**	**Description /** Key Items
Fremont-Madison ID	Egin Lakes Phase II	Construction	Active	$580,000	Spring 2019	**Construction of Egin Lakes Phase II - recharge capacity expansion** • BLM approval – Oct 2018 • Construction on new recharge areas – Spring 2019
Farmers Friend Irrigation Co.	H. Jones Site	Construction	Active	$170,000 / Final Cost $125,000	Spring 2019	**Construction of recharge site & monitoring plan** • Evaluation of site complete – Jan 2018 • Start of construction – Aug 2018 • Completion of construction – Sept 2018 • GW monitoring plan approved by IDEQ – Oct 2018 • GW monitor well drilled – Feb 2019
Great Feeder Canal Co.	Ward Site	Construction	Active	$120,000	Spring/Summer 2019	**Construction of recharge site** • Evaluation of area complete – Jan 2018 • Start of construction – Spring 2019 • Submit GW monitoring plan – Spring 2019 • Drill monitor well – Spring/Summer 2019
Butte Market Lake Co.	Injection Well Test	Testing / Construction	Active	$110,000	??	**Development of injection well** • Project on hold as BMLCC determines if they want to move the project forward.

Table 4. Projected Lower & Upper Valley - IWRB ESPA Managed Recharge Projects						
IWRB Partner	**Project Name**	**Project Type**	**Status**	**Approved Funds**	**Scheduled Completion**	**Description /** Key Items
AFRD2	MP 29 Recharge Site	Design	Planning	None at this time	Dec 2019	**Preliminary Design of potential recharge site at MP29** • Survey data delivered - Feb 2018 • Concept Options & Cost Estimate – Oct 2018 • Design & Cost Estimated – April 2019 • Board Approval – May 2019 • Start construction – Oct 2019 • In canal construction complete – Nov 2019
North Side CC	Additional Managed Recharge Sites below Wilson Lake	Survey, Design	Planning	None at this time	Fall/Winter 2019	**Preliminary Design of potential recharge site** • Staff Evaluation and additional survey data – Summer 2018 • LiDAR Survey Data – Nov 2018 • Analysis of survey – Jan/Feb 2019 • Design and Cost Estimate – Spring/Summer 2019
	Upper Valley – Large Scale Recharge Project	Evaluation	Planning	None at this time	Fall 2019?	**Evaluation of the Upper Valley to determine the potential of developing a large scale managed recharge project** • Analysis of available data & report of potential areas – Jan 2019 • Ranking of best areas – Spring 2019 • Evaluation of areas – Summer/Fall 2019

IDAHO
Water Resource Board

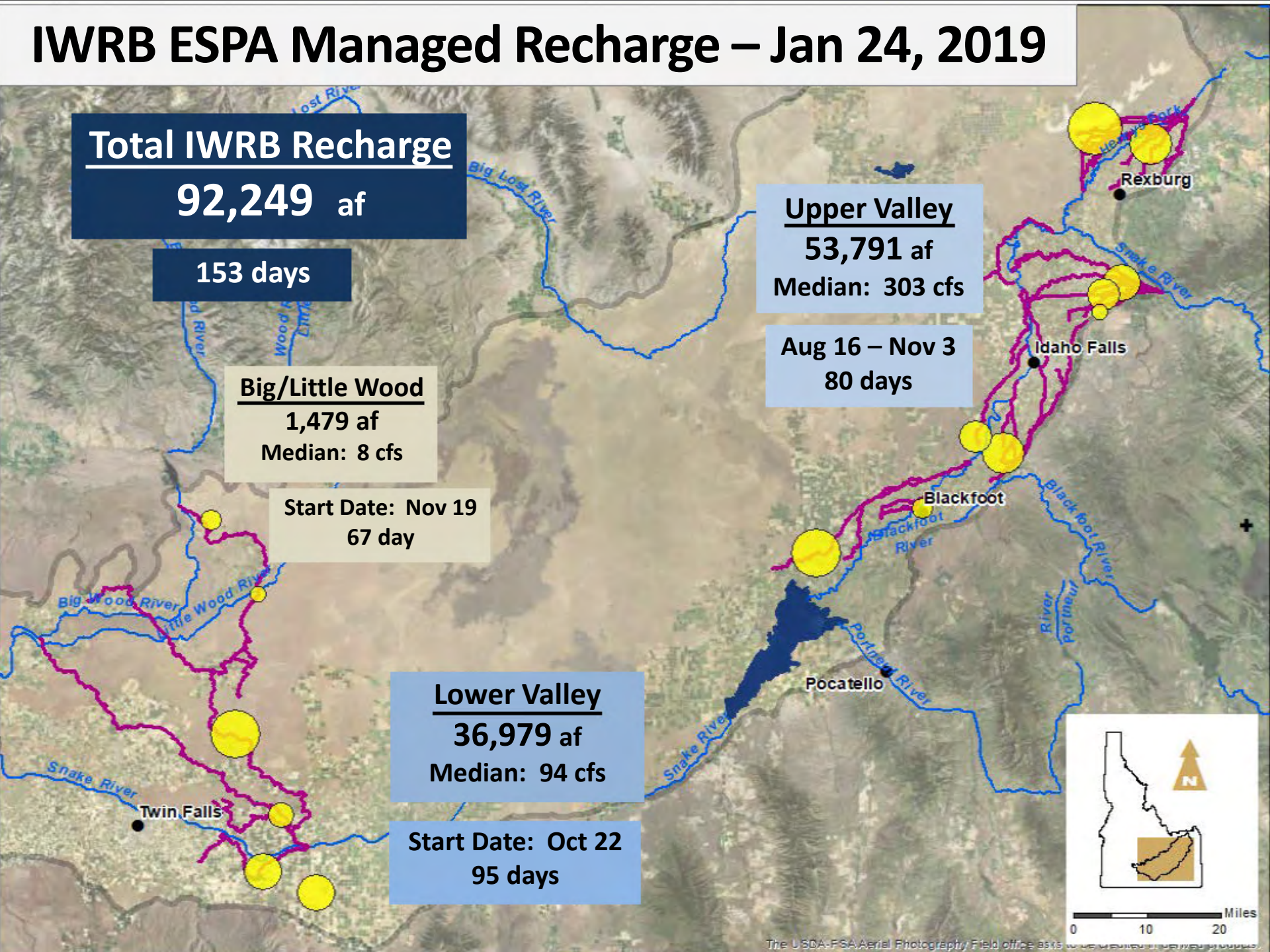
ESPA Managed Recharge Program Update

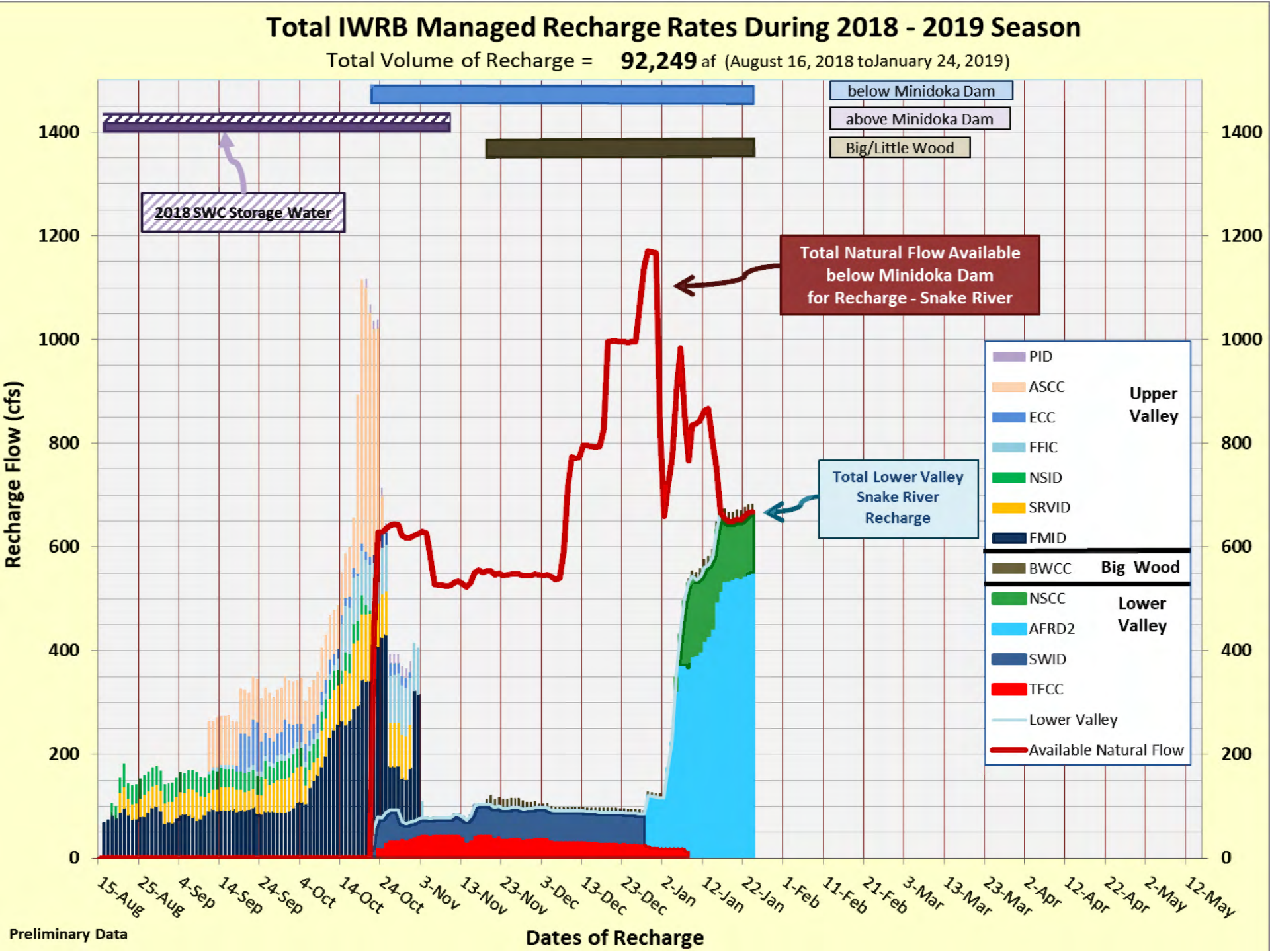
IWRB Board Meeting

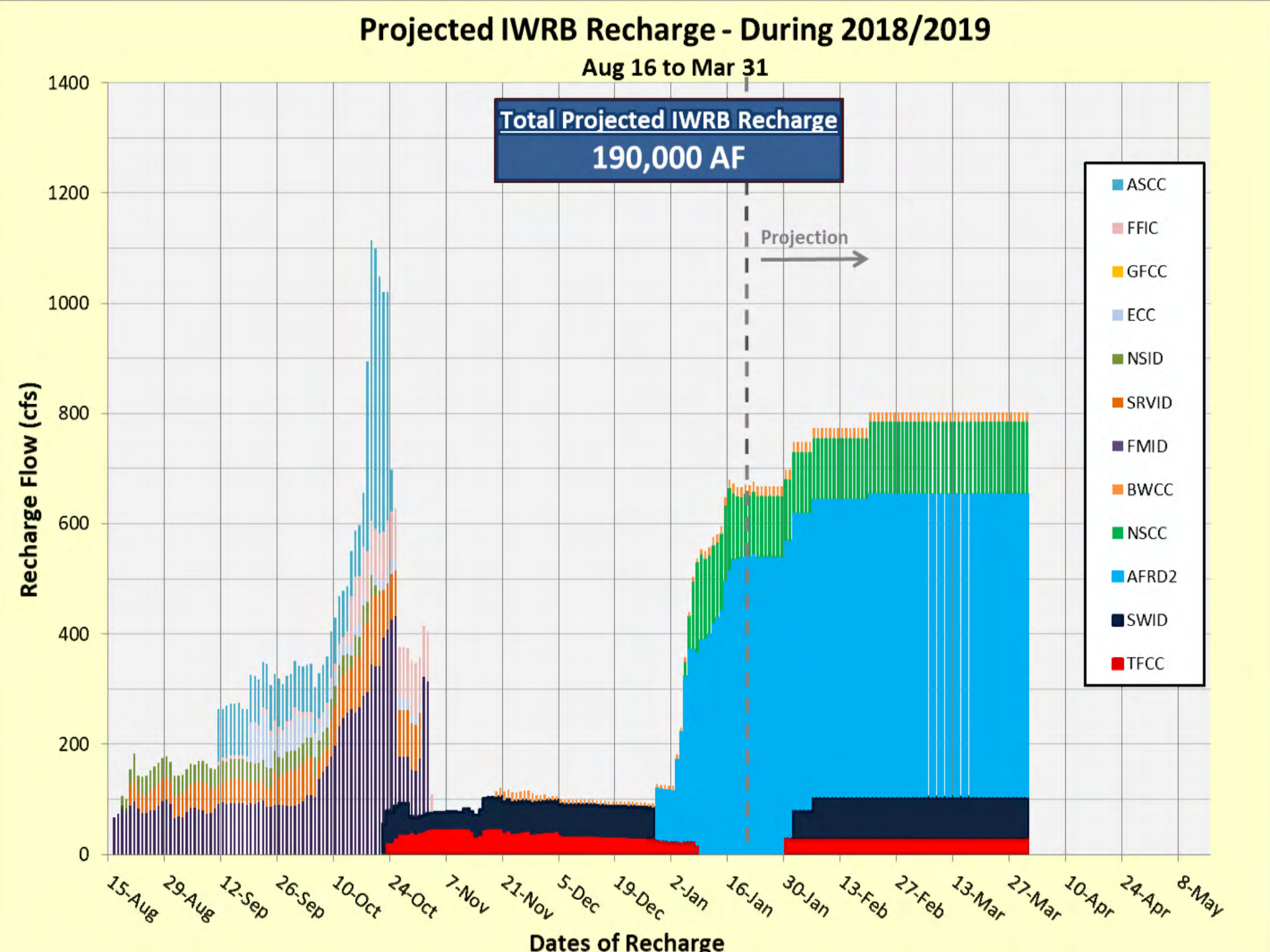
Wesley Hipke
IWRB Recharge Program Manager

January 25, 2019

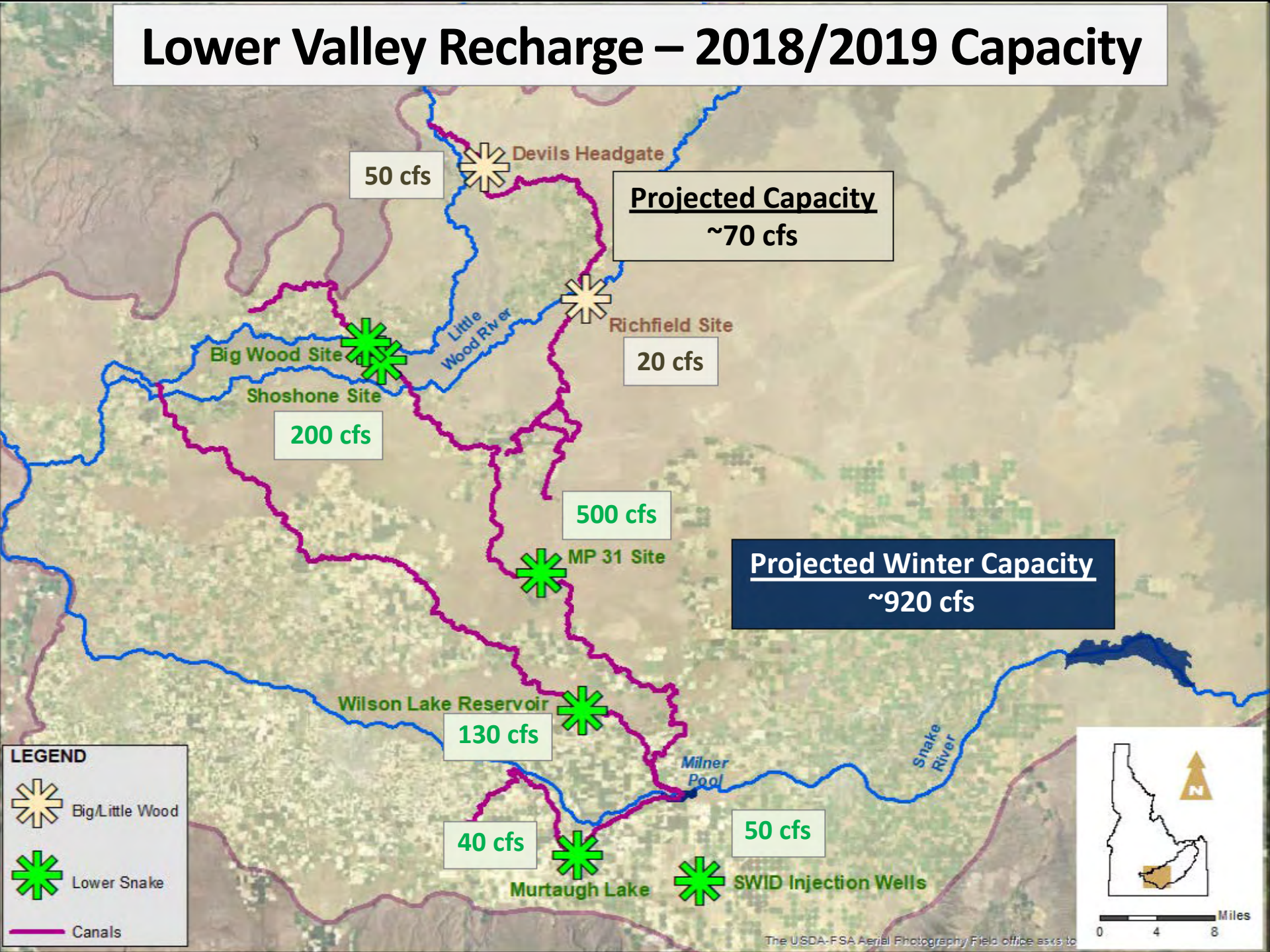
IWRB ESPA Managed Recharge – Jan 24, 2019




Total IWRB Managed Recharge Rates During 2018 - 2019 Season
Total Volume of Recharge = 92,249 af (August 16, 2018 toJanuary 24, 2019)
below Minidoka Dam
above Minidoka Dam
Big/Little Wood
2018 SWC Storage Water
Total Natural Flow Available below Minidoka Dam for Recharge - Snake River
Total Lower Valley Snake River Recharge
PID
ASCC
ECC
FFIC
NSID
SRVID
FMID
Upper Valley
BWCC
Big Wood
NSCC
AFRD2
SWID
TFCC
Lower Valley
Lower Valley
Available Natural Flow
Recharge Flow (cfs)
0
200
400
600
800
1000
1200
1400
15-Aug
25-Aug
4-Sep
14-Sep
24-Sep
4-Oct
14-Oct
24-Oct
3-Nov
13-Nov
23-Nov
3-Dec
13-Dec
23-Dec
2-Jan
12-Jan
22-Jan
1-Feb
11-Feb
21-Feb
3-Mar
13-Mar
23-Mar
2-Apr
12-Apr
22-Apr
2-May
12-May
Dates of Recharge
Preliminary Data


Projected IWRB Recharge - During 2018/2019
Aug 16 to Mar 31
Total Projected IWRB Recharge
190,000 AF
Projection
Recharge Flow (cfs)
1400
1200
1000
800
600
400
200
0
15-Aug
29-Aug
12-Sep
26-Sep
10-Oct
24-Oct
7-Nov
21-Nov
5-Dec
19-Dec
2-Jan
16-Jan
30-Jan
13-Feb
27-Feb
13-Mar
27-Mar
10-Apr
24-Apr
8-May
Dates of Recharge
ASCC
FFIC
GFCC
ECC
NSID
SRVID
FMID
BWCC
NSCC
AFRD2
SWID
TFCC

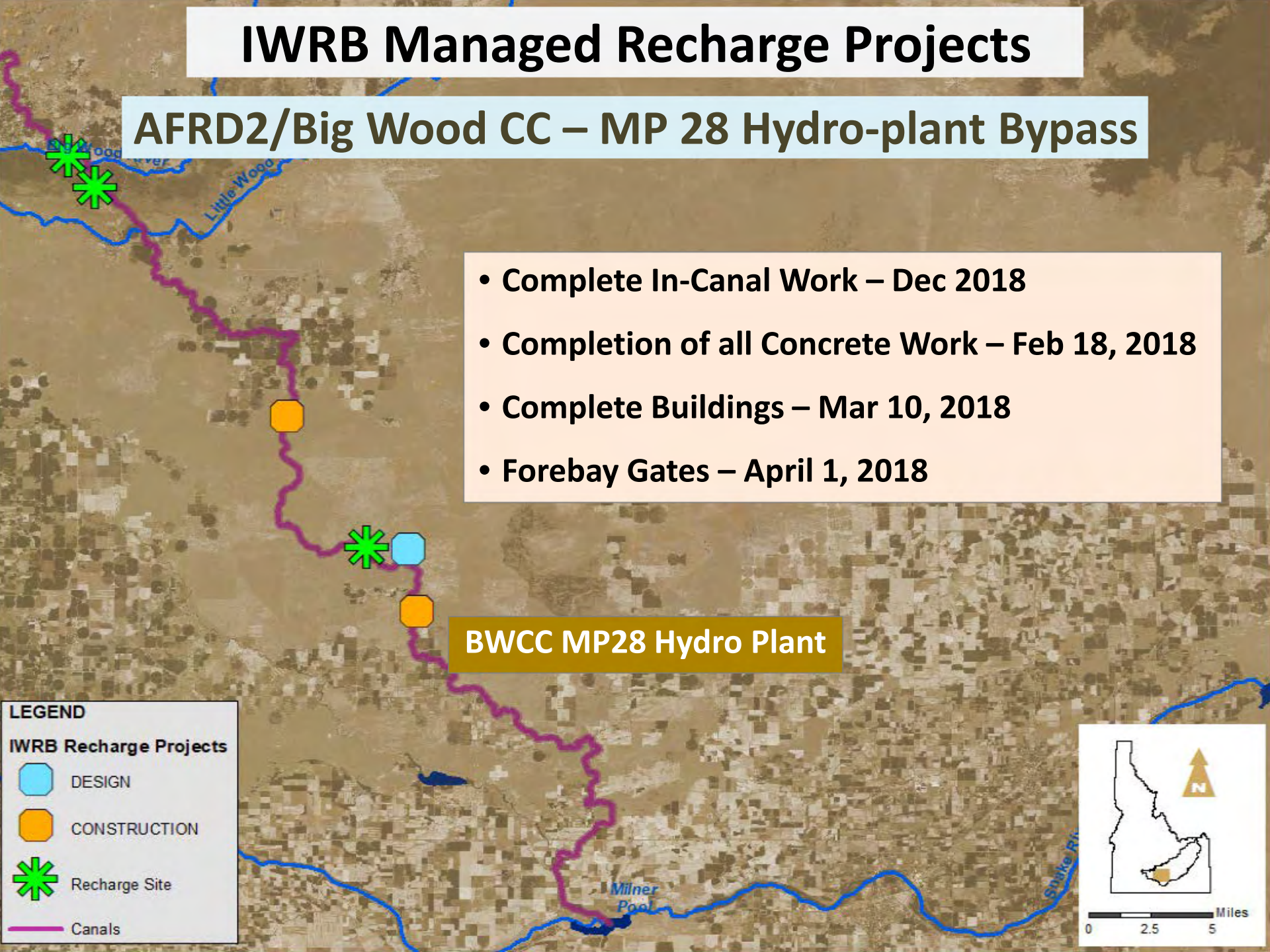
Lower Valley Recharge – 2018/2019 Capacity



IWRB Managed Recharge Projects

AFRD2/Big Wood CC – MP 28 Hydro-plant Bypass

- Complete In-Canal Work – Dec 2018
- Completion of all Concrete Work – Feb 18, 2018
- Complete Buildings – Mar 10, 2018
- Forebay Gates – April 1, 2018



IWRB Managed Recharge Projects

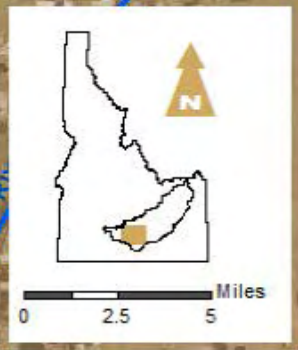
AFRD2/Big Wood CC – MP 28 Hydro-plant Bypass

IWRB Managed Recharge Projects

AFRD2/Big Wood CC – Dietrich Drop Hydro-plant Bypass

- Tailbay Gate and De-icing System Complete - Jan 2019
- Forebay Improvements Submittal to FERC - Mar 2019
- Completion of Forebay Gates – Fall 2019

BWCC Dietrich Drop Hydro Plant



IWRB Managed Recharge Projects

AFRD2/Big Wood CC – Dietrich Drop Hydro-plant Bypass

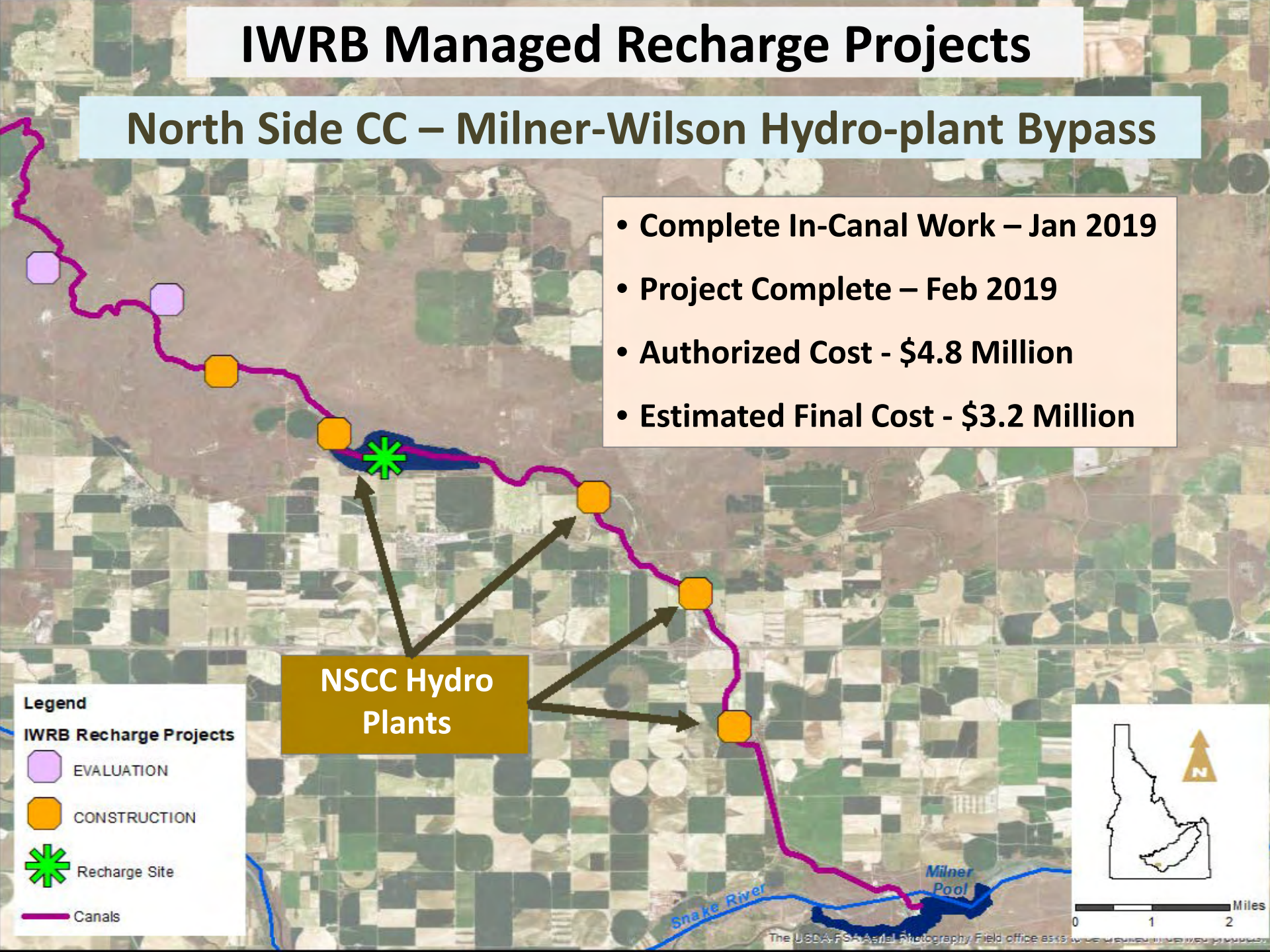
IWRB Managed Recharge Projects

AFRD2/Big Wood CC – Dietrich Drop Hydro-plant Bypass

IWRB Managed Recharge Projects

North Side CC – Milner-Wilson Hydro-plant Bypass

- Complete In-Canal Work – Jan 2019
- Project Complete – Feb 2019
- Authorized Cost - $4.8 Million
- Estimated Final Cost - $3.2 Million



IWRB Managed Recharge Projects

North Side CC – Milner-Wilson Hydro-plant Bypass

IWRB Managed Recharge Projects

North Side CC – Milner-Wilson Hydro-plant Bypass

IWRB Managed Recharge Projects

North Side CC – Wilson Canyon Recharge Site

- In-Canal Construction Complete – Mar 2019
- Submit GW Quality Monitoring Plan – Feb 2019
- BLM Easement for Site Construction - ??
- Project Complete – Spring/Fall 2019

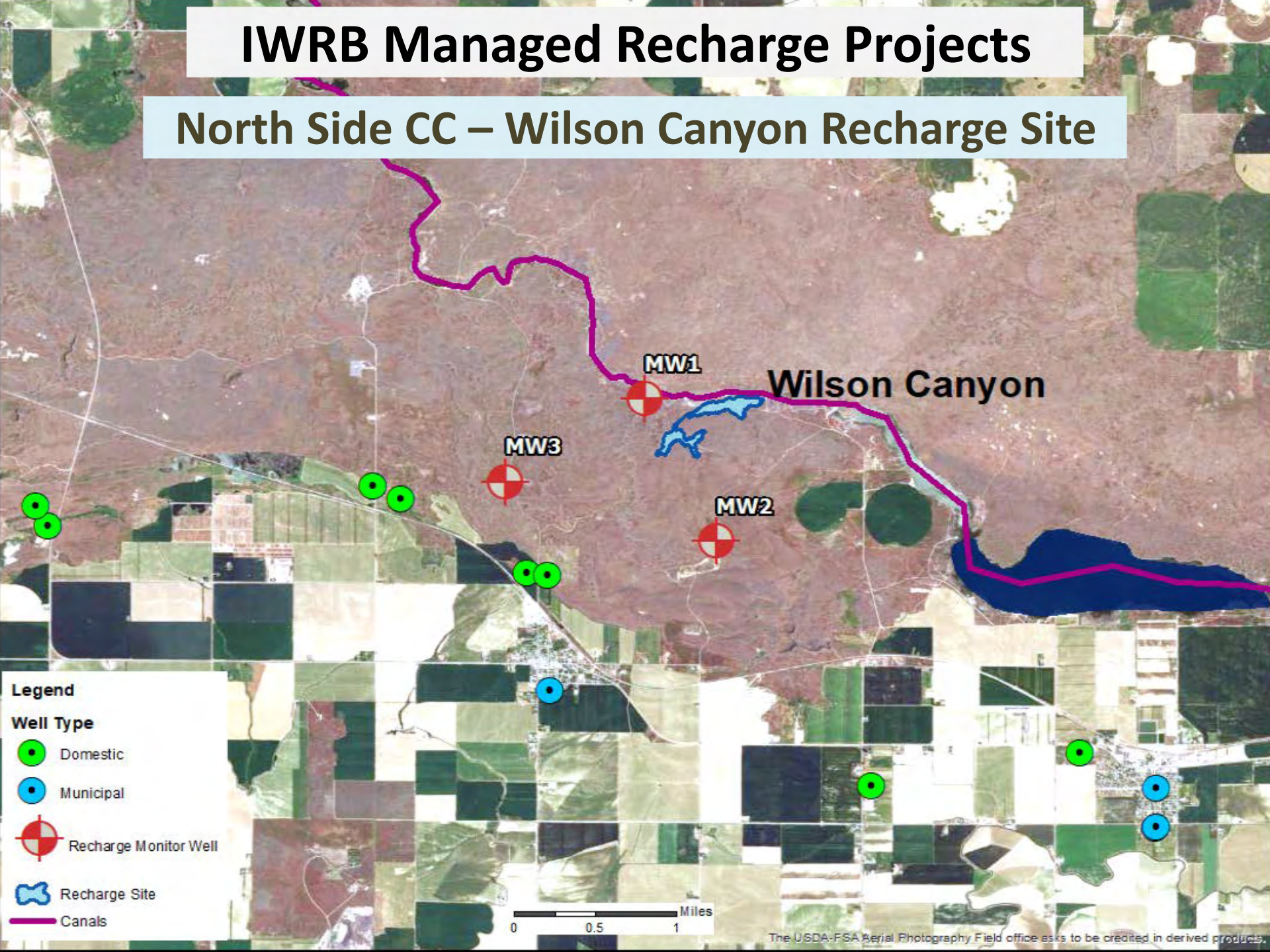
NSCC Wilson Canyon

Snake River

The USDA FSA Aerial Photography Field office

IWRB Managed Recharge Projects

North Side CC – Wilson Canyon Recharge Site



IWRB Managed Recharge Projects

North Side CC – Wilson Canyon Recharge Site

Questions

Memorandum

To: Idaho Water Resource Board

From: Cynthia Bridge Clark

Date: January 15, 2019

Re: Snake River Trust Water Right Discussion

Representatives from the Office of the Idaho Attorney General will give a presentation on the history of "Trust Water" and the Swan Falls Settlement, and discuss how the Department of Water Resources processes water rights under existing rules and statues.

Additional materials will be provided at the Board meeting.

“Trust Water”

under the Swan Falls Settlement

Presentation to the Idaho Water Resource Board - January 25, 2019

Michael C. Orr
Deputy Attorney General
Natural Resources Division
Office of the Attorney General

What is "Trust Water"?

- "Trust Water" consists of:
  - (1) surface waters appropriated by twenty-one hydropower water rights originally perfected by Idaho Power Company (IPC) that are now held in trust by the State of Idaho pursuant to IC 42-203B and partial decrees issued in the SRBA, and
  - (2) surface and ground waters considered to be tributary to the water rights held in trust by the State.
- Putting legal ownership of these water rights in the State as trustee was key to resolving the Swan Falls Controversy.

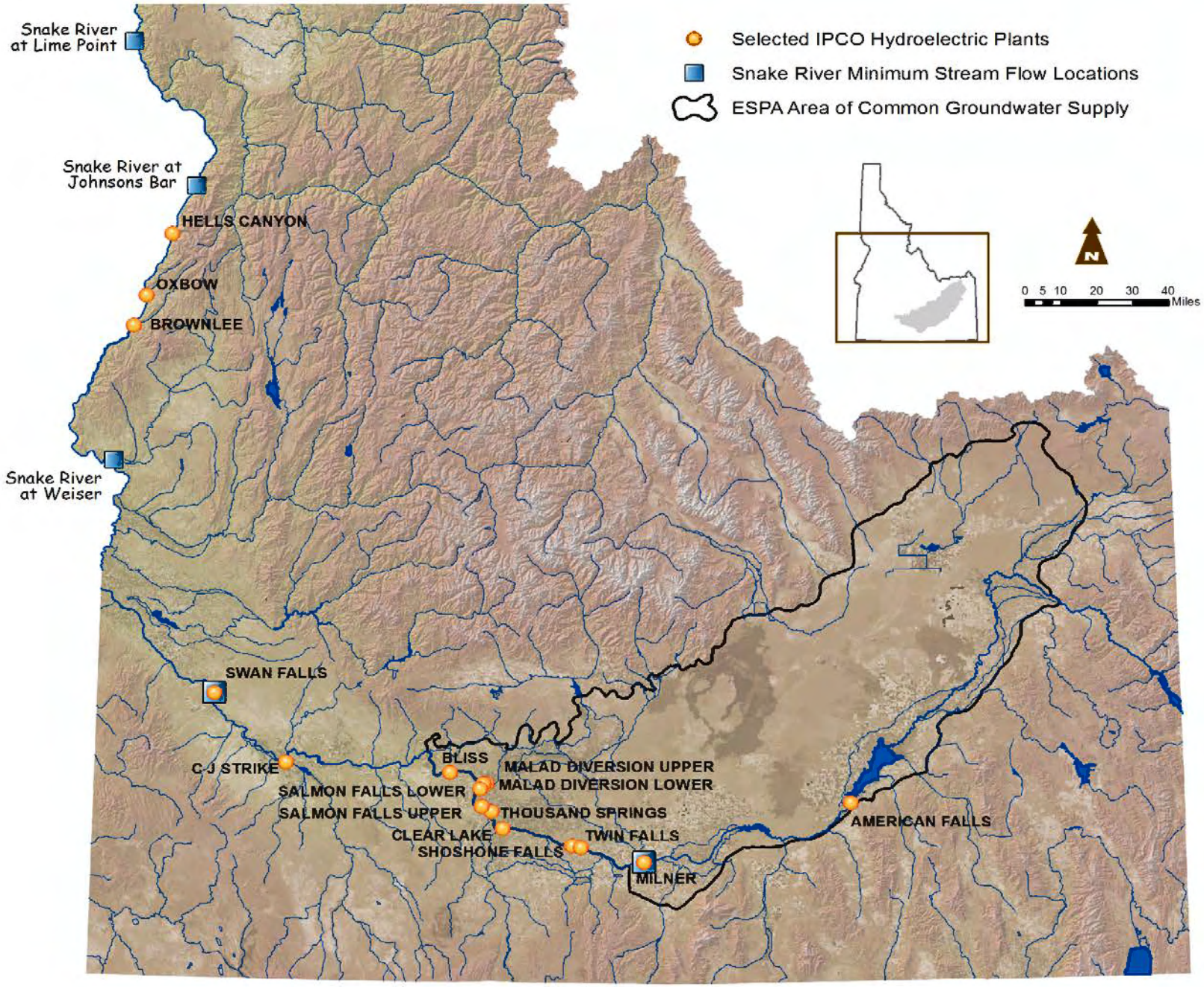
- *Understanding the 1984 Swan Falls Settlement* 52 Idaho Law Review 223-288 (2016)

- *Reallocation of Snake River Trust Water* – Policy 4C, Idaho State Water Plan (2012)

Swan Falls Controversy of 1983-84

- Whether the hydropower water rights for certain IPC projects between Milner and Murphy were, or should be, subordinated to existing and future water rights for consumptive uses.

- Resolved by a complex, multiple-element settlement that was implemented during the period from 1985-89.


Selected IPCO Hydroelectric Plants
Snake River Minimum Stream Flow Locations
ESPA Area of Common Groundwater Supply
N
0 5 10 20 30 40
Miles
Snake River at Lime Point
Snake River at Johnsons Bar
HELLS CANYON
OXBOW
BROWNLEE
Snake River at Weiser
SWAN FALLS
C J STRIKE
BLISS
MALAD DIVERSION UPPER
MALAD DIVERSION LOWER
SALMON FALLS LOWER
SALMON FALLS UPPER
THOUSAND SPRINGS
CLEAR LAKE
TWIN FALLS
SHOSHONE FALLS
MILNER
AMERICAN FALLS

Swan Falls “Agreement”

vs.

Swan Falls “Settlement”

Id. at 587, 661 P.2d at 753. Even though Idaho Power maintains that it never directly agreed to voluntarily transfer its rights to the State, it could still concede to the State's authority or agree not to challenge the State's authority to "regulate" its rights in a manner that would achieve the same result. However, Idaho Power's consent to the State's authority would not necessarily be binding on unrelated hydropower claims.

Accordingly, the Court bases this decision on its interpretation of the Swan Falls Agreement, including the agreement between the parties to enact I.C. § 42-203B, as opposed to deciding the matter based solely on the State's regulatory authority.

> In the past, the phrase "Swan Falls Agreement" has been used to include all of the related actions associated with implementing the October 25, 1984, Agreement, including contracts, legislation, administrative actions and consent decrees. As the State points out in its brief "the Swan Falls Agreement was not a self-executing instrument, but rather proposed a suite of legislative and administrative action that if implemented would resolve the controversy and the legal issues to the mutual satisfaction of the parties." *Memorandum in Support of State of Idaho's Motion for Partial Summary Judgment* at 11.

of legislative, judicial and administrative actions and also set forth the intent of the parties. When read in its entirety, the Court finds the Swan Falls Agreement is not ambiguous as to the ownership of Idaho Power's claims or as concerns the *res* of the trust.

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[14] *See Order Designating Basin-Wide Issue Re: To What Extent, If Any Should the Swan Falls Agreement be Addressed In the SRBA or Memorialized in a Decree.*

SUMMARY
OF
SWAN FALLS REAFFIRMATION SETTLEMENT

Prepared by State of Idaho and Idaho Power Company

The 2009 Framework Reaffirming the Swan Falls Settlement (2009 Framework) sets forth the conditions for settling the current litigation. The terms "Framework" and "Reaffirming" are used intentionally to connote two key points. First, the 2009 Framework is a road map for reaching settlement rather than a final settlement document. Article II of the 2009 Framework describes the executive, legislative and judicial actions that collectively will constitute the settlement of the pending litigation and lays the foundation for cooperative resolution of other important issues. Second, the parties intend the proposed 2009 Reaffirmation Settlement to reconfirm rather than change any of the terms and conditions of the 1984 Swan Falls Settlement. This intent is reflected in

The 2009 Framework Reaffirming the Swan Falls Settlement (2009 Framework) sets forth the conditions for settling the current litigation. The terms "Framework" and "Reaffirming" are used intentionally to connote two key points. First, the 2009 Framework is a road map for reaching settlement rather than a final settlement document. Article II of the 2009 Framework describes the executive, legislative and judicial actions that collectively will constitute the settlement of the pending litigation and lays the foundation for cooperative resolution of other important issues. Second, the parties intend the proposed 2009 Reaffirmation Settlement to reconfirm rather than change any

water rights for the Idaho Power Company facilities located on the reach of the Snake River between Milner Dam and the Murphy Gage carry no entitlement to demand the release of natural flow past Milner Dam or to seek administration of the water rights diverting the waters of the Snake River or surface or ground water tributary to the Snake River upstream from Milner Dam. Second, it will reaffirm the Swan Falls Agreement by decreeing the hydropower water rights for Idaho Power Company's facilities between the Milner Dam and the Murphy Gage consistent with the SRBA District Court's Memorandum Decision and Order on Cross-Motions for Summary Judgment in Consolidated Subcase 00-92023(92-(23) dated April 18, 2008. Finally, it will reaffirm that the 1984 Swan Falls Settlement does not preclude use of water for aquifer recharge.

There are four Articles in the 2009 Framework Reaffirming the Swan Falls Settlement – each has a separate purpose.

Settlement Negotiations: Subordination to Existing Uses

- IPC agreed to subordinate its hydropower water rights to existing uses & proposed uses in which substantial investments had been made

- “The Idaho Power Company’s water rights for its Swan Falls plant cannot be used to prevent consumptive uses from depleting the flow of the Snake River above Swan Falls.”

Settlement Negotiations: Subordination to Future Uses

- The State Water Plan's Murphy Minimum Flow would be raised from 3300 cfs year-round to 3900 cfs/5600 cfs, and the Milner Minimum Flow would remain at "0 cfs."

- IPC's hydropower water rights for flows in excess of 3900 cfs/5600 cfs as measured at Murphy would be subordinated to future uses, if the new uses met certain "Public Interest Criteria."

- The State Water Plan would be amended to incorporate new policies regarding future water development.

Settlement Negotiations: Subordination to Future Uses

- Disagreement over whether IPC's hydropower water rights for flows in excess of 3900/5600 would be immediately subordinated to future uses, or only "subordinatable" to future uses.

- 11th hour impasse that almost ended the settlement negotiations.

Subordination to Future Uses: The "Trust" Concept

- Proposed by Ray Rigby to break the impasse over whether the hydropower water rights for flows in excess of 3900/5600 at Murphy would be "subordinated" or "subordinatable."

- State would take legal title to IPC's hydropower water rights for flows in excess of 3900/5600 as measured at Murphy & hold them in trust.

- The hydropower water rights held in trust by the State would be "subordinatable" to future uses rather than immediately "subordinated."

In doing that you are using the hydropower right to say that the river has, in essence, been fully appropriated, because that right exists, and it's the right to – basically all the flow that gets down there.

Orr Aff., Exh. 46, Tr. p. 20. During that same hearing a question was asked of Pat Kole by Sheryl Chapman of the Idaho Water Users Association:

Pat, in a meeting that you and the attorney general and I had sometime back, the attorney general's office was adamantly opposed to the language that is now [Exhibit] 7B. They were supporting the language that said 'subordinated' but with opposed language that referred to 'water rights shall be subordinated.'

My question to you is why the abrupt turnaround?

Mr. Kole: Well, every time you're in negotiations, you end up having to give up on some points. And what we ended up agreeing to was to, in essence, have the water right placed in trust in the ownership of the state in exchange for which we went with the concept of the subordinateable water right.

Chairman Noh: Mr. Kole and Mr. Nelson, do you concur with that interpretation?

We said alright, but if you are going to be the watermaster then you get out and you take care of it. So it was in that context that you find the adjudication requirement the thought being it doesn't make alot of sense to try and define what's in the river when you haven't the foggiest idea really of the details of the water uses now going on above Swan Falls. The scope of adjudicaton within the McCarran Amendment was simply an effort to make sure that for planning purposes the federal grant had to get involved because you can't plan the river with potentially large undefined claims that aren't part of the planning process. To that I think, was a mutual segment. The trust provision was an idea I think of the state. I seized upon it because it filled what I saw as a major problem the Company had in this thing throughout, which was we could get the state to sign, but how did

we get the state to live up to what they said they would do and that was a major problem from our side. The trust provision could get us around the subordinated versus the subordinatable nature of the water above minimum flow. It remains unsubordinated but its held in trust by the state and it neatly side-stepped the problem but it left us we think with another club to use against the state if it tries to ignore the standard set by the legislation. I believe that would be the major elements of the bill.

a right of review which would I think apply to the entirety of 203.

Senator Ringert — I think the one on page two refers to proceedings under application and 203D on page 4 is review of existing permits, so I just wonder if we do have that coverage.

Tom Nelson — As I said, it was not intended to exclude it. My thought was section 203 in total already has the right of review and the 1701A is the section that creates administrative review, so I think you can incorporate it by reference there even if sub-section 6 doesn't pick it up.

Senator Ringert — Just a comment, I wonder why we have to mention in some places that judicial review is available under 1701A and not mention it in others and I just see the opportunity for the court to decline jurisdiction with a neat little question sometime because of that.

Subordination to Future Uses: “Trust Water Rights”

- “Subordinatable” hydropower water rights held in trust by the State would automatically be subordinated to new uses approved under the “public interest criteria” by issuance of permits for new uses.

- IPC objections to new permit applications would be limited to the “public interest criteria.”

- Issuance of a new permit would effectively “reallocate” water originally appropriated for hydropower to the new use.

- These permits are known as “Trust Water Rights.”

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA	)	
	)	ORDER AMENDING FINAL UNIFIED
Case No. 39576	)	DECREE

Trust Water Right: A water right acquired pursuant to Idaho Code § 42-203B which diverts water first appropriated under hydropower rights held in trust by the State of Idaho. Trust water rights are subordinate to all water rights that enjoy the benefit of the unqualified subordination of hydropower water rights nos. 02-00100, 02-04000A, 02-04001A, 02-02032A, 02-04000B, 02-04001B, 02-02032B, 02001B, 02-02001A, 02-02057, 37-02128, 37-02472, 37-02471, 37-20710, 37-20709, 36-02013, 36-02018 and 36-02026 pursuant to the Swan Falls Settlement.

Order, p.13. The *Final Unified Decree* was entered in the SRBA on August 26, 2014. Due to clerical error resulting from oversight and omission, and contrary to this Court's *Order*, the definition of "Trust Water Right" was omitted from the *Final Unified Decree*. Therefore, pursuant to Idaho Rule of Civil Procedure 60(a), the Court will amend the *Final Unified Decree* for the sole and limited purpose of including the above-quoted definition of "Trust Water Right" consistent with this Court's *Order*.

[1] A copy of the *Order* is attached hereto as Exhibit A.

Idaho Statutes Created the Trust & Govern its Operation

- IPC did not want to be perceived as having voluntarily transferred its hydropower water rights to State ownership
- The Idaho Constitution authorizes the State to "regulate and limit" hydropower water rights. Idaho Const. Art. XV section 3.
- The "trust" was established by IC 42-203B (Ex. 7B).
- The "public interest criteria" were established by IC 42-203C (Ex. 1).

Idaho Code § 42-203B

- " . . . specifically implement[s] the state's power to regulate and limit the use of water for power purposes . . ."

- "The purposes of the trust established by sections (2) and (3) of this section are to assure an adequate supply of water for future beneficial uses and to clarify and protect the right of a user for power purposes . . . ."

- "Any portion of the water rights for power purposes in excess of [a minimum flow established by state action] shall be held in trust by the state of Idaho . . . ."

- "The rights held in trust shall be subject to subordination to and depletion by upstream beneficial users whose rights are acquired pursuant to state law, including compliance with . . . Section 42-203C . . . ."

Idaho Code § 42-203C

- “Hydropower water right—Criteria for reallocation—Weight—Burden of Proof”

- “ . . . the director shall consider . . . whether the proposed use, individually or cumulatively with other existing [or near-future] uses . . . would significantly reduce the amount of trust water available to the holder of the water right for power production . . . .”

- “. . . and, if so, whether the proposed reduction is in the public interest.”

- “The director in making such public interest determinations for purposes of this section shall consider: . . . . [enumerated criteria]”

- “The burden of proof . . . shall be on the protestant.”

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Denver, CO 80202
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Boise, ID 83702-5627
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(208) 388-6935 – Facsimile

Attorneys for Plaintiff Idaho Power Company

IN THE DISTRICT COURT FOR THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA Case No. 39576	
IDAHO POWER COMPANY, Plaintiff, v. STATE OF IDAHO; C.L. "BUTCH" OTTER, Governor of the State of Idaho; LAWRENCE G. WASDEN, Attorney General of the State of Idaho; IDAHO DEPARTMENT OF WATER	COMPLAINT AND PETITION FOR DECLARATORY AND INJUNCTIVE RELIEF

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA	)	**Consolidated Subcase: 00-92023 (92-23)**
	)	
Case No. 39576	)	**MEMORANDUM DECISION AND**
	)	**ORDER ON CROSS-MOTIONS FOR**
	)	**SUMMARY JUDGMENT**
	)	
	)	
	)	

Holding: Granting State of Idaho's *Motion for Summary Judgment* on different grounds. Holding Idaho Power's rights exceeding the minimum flows are held in trust pursuant to the October 25, 1984, Swan Falls Agreement, which the Court finds to be unambiguous. As a term and condition of the Agreement, Idaho Power agreed to the regulatory authority of the State as is now codified at I.C. § 42-203B. The Court makes no ruling regarding the scope of the State's regulatory authority other than as agreed by Idaho Power in the October 25, 1984, Swan Falls Agreement. Holding that trust *res* contains water rights is dispositive of cause of action for mutual mistake. Denying Idaho Power's *Cross-Motion for Summary Judgment.*

I. APPEARANCES

James S. Lochhead, Michael A. Gheleta of Brownstein Hyatt Farber Schreck, PC, Denver, Colorado; John K. Simpson, Shelly M. Davis, Barker Rosholt & Simpson LLP, Boise, Idaho; James Tucker, Idaho Power Company, Boise, Idaho, Attorneys for Idaho Power Company, Boise, Idaho;

Lawrence G. Wasden, Attorney General, State of Idaho; Steven L. Olsen, Karl T. Klein, Michael C. Orr, Deputy Attorneys General of the State of Idaho, Boise, Idaho;

Dave Hensley, Counsel to the Governor, Boise, Idaho;

Josephine Beeman, Beeman & Associates, LLC, Boise, Idaho, Attorney for City of Pocatello.

The argument that the trust contains a "block of water" instead of a water right does not make sense. First, the way in which water flows are encumbered in Idaho is through a water right, not a "block of water." Exhibit 7B to the Agreement and I.C. § 42-203B do not refer to the creation of a new or separate water right to be placed in trust. Rather, both clearly state "Any portion of the *water rights for power purposes* in excess of the level so established *shall be held in trust* . . . ."

Next, in order for the State to impose the public interest criteria restrictions on the appropriation of future water rights and avoid the risk of Article 15 § 3 challenges, the

The argument that the trust contains a "block of water" instead of a water right does not make sense. First, the way in which water flows are encumbered in Idaho is through a water right, not a "block of water." Exhibit 7B to the Agreement and I.C. § 42-203B do not refer to the creation of a new or separate water right to be placed in trust. Rather, both clearly state "Any portion of the *water rights for power purposes* in excess of the level so established *shall be held in trust* . . . ."

rates in the State of Idaho, and the availability, foreseeability and cost of alternative energy sources to ameliorate such impact, to the state and local economy;

(iii) the promotion of the family farming tradition;

(iv) the promotion of full economic and multiple use development of the water resources of the State of Idaho;

(v) whether the proposed development conforms to a staged development policy of up to 20,000 acres per year or 80,00 acres in any four-year period in the Snake River Basin above the Murphy gauge.

No single factor enumerated above shall be entitled to greater weight by the director in arriving at this determination.

agreements shall be subject to ratification by law. The contract entered into by the Governor and the Idaho Power Company on October 24, 1984, is hereby found and declared to be such an agreement, and the legislature hereby ratifies the Governor's authority and power to enter into this agreement.

This Court holds that Exhibit 7B clearly and unambiguously provides that any portion of Idaho Power's water rights in excess of the minimum flows are held in trust by the State, by and through the Governor, for the use and benefit of Idaho Power for power purposes and of the people of the State of Idaho.[15] It is also unambiguous that the *res* of the trust consists of "water rights" as opposed to "water."

assigned or transferred its water rights to the State. See *Affidavit of Greg Panter*.[16] In response, the Court makes the following findings. First, the Agreement was carefully drafted so that Idaho Power would not be directly assigning or transferring its water

rights to the State. *See supra* fn 9. Rather, than transferring or assigning the rights, they were placed in trust pursuant to the State's regulatory authority. Idaho Power was simply conceding to and agreeing not to challenge the State's regulatory authority. In addition to

[16] The *Affidavit of Greg Panter* states: " In my opinion, based on my knowledge of and involvement with the negotiations leading to the execution of the Agreement, had it been a requirement of the Agreement that

available over and above the minimum flows established by the Agreement. There was no discussion of the necessity to transfer or assign any portion of the Company's water rights to the state.

Panter Aff., at 6-7.

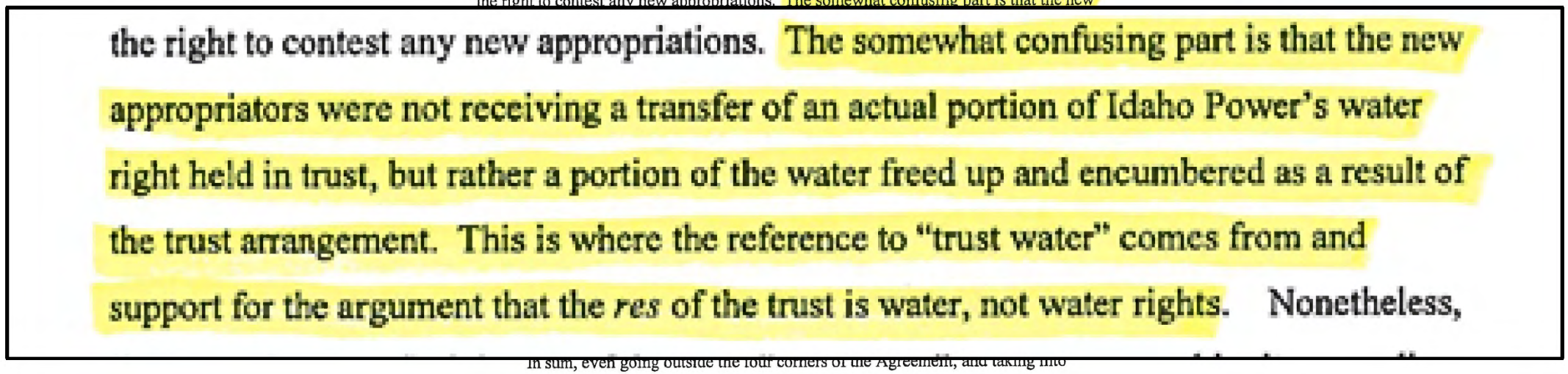
Mr. Panter's affidavit does not create a genuine issue of material fact. First, Mr. Panter's understanding is consistent with the express terms of Exhibit 7B to the Agreement and SB 1008. The operative language of Exhibit 7B and the resulting SB 1008 do not require that Idaho Power "*assign or transfer*" its rights to the State. Rather, the rights are held in trust *by operation of law*. The implementation of such law was not only a condition of the Agreement, but apparently a law which Idaho Power helped to draft. Mr. Panter states that he attended most of the committee hearings on SB 1008.

Agreement and SB 1008. The operative language of Exhibit 7B and the resulting SB 1008 do not require that Idaho Power "*assign or transfer*" its rights to the State. Rather, the rights are held in trust *by operation of law*. The implementation of such law was not only a condition of the Agreement, but apparently a law which Idaho Power helped to draft. Mr. Panter states that he attended most of the committee hearings on SB 1008.

A. One of the matters that had to be addressed was the general question of how to define the company's water rights at Swan Falls. And at that time the existing low flow, historical low flow was approximately, 4,500 c.f.s. The state water plan called for 3,300 c.f.s. So you had 1,200 c.f.s still in the river, if you will. The question was where in that 1,200 c.f.s. would you establish the company's water rights. . . . So the decision was made to divide the 1,200 c.f.s for purposes of the agreement. That's one of the places where IDWR came in and told the committee that if the river were reduced to 3,900 c.f.s in the summer, the same development that took it down to 3,900 in the summer, plus some winter pumping off stream in the winter, would reduce the winter flow to 5,600. So 5,600

rights would not accomplish the same result as the river would not have been fully appropriated. Creating a new or separate right in the name of the State for the purpose of imposing public interest criteria on future appropriations also would not resolve the Article 15 § 3 concerns.

The Agreement made Idaho Power's rights "subordinatable" to future uses. Paragraph 7B to the Agreement provides that Idaho Power has the right to use the entire flow of the river at its various facilities up to the amounts stated in the water licenses for the facilities, but the right to use the flows is subordinate to subsequent future uses as those uses are approved by the State. However, the State was required to apply the public interest criteria in conjunction with approving any new rights. Idaho Power also retained the right to contest any new appropriations. The somewhat confusing part is that the new



In sum, even going outside the four corners of the Agreement, and taking into account the discussions held at the various meetings on the explanation of the Swan Falls Agreement and Senate Bill 1008, as well as the concerns the Agreement was structured to address, the result is consistent with the plain language of the Swan Falls Agreement.

(b) The burden of proof under this section shall be on the protestant.

The public interest criteria was codified at I.C. § 42-203C subject to some revisions.

resolution of this issue requires a preliminary determination of the scope of the subject water rights relative to the respective rights and duties of the State and Idaho Power under the trust arrangement, the SRBA Court has jurisdiction to entertain the preliminary issue.

(ii) Ordering IDWR to re-evaluate water availability, and to take appropriate action, upon the expiration of the 20-year terms of previously granted permits for new appropriations of Trust Water. This issue pertains solely to the administration of water rights. Parties should be prepared to discuss that in light of this decision and the holding in *American Falls Reservoir District No. 2 v. IDWR*, 143 Idaho 862, 154 P.3d 433

(iii) Ordering IDWR to take reasonable steps in the administration of water rights in the Snake River Basin, and therefore to meet its obligation to insure and guarantee the Swan Falls Daily Minimum Flows, including taking into account the multiple-year impacts of ground water pumping in the ESPA. This issue also pertains solely to the administration of water rights. Parties should be prepared to discuss in light

E. Further Proceedings and Discovery Schedule:

The Court will notice up the above-referenced hearing for the purpose of addressing remaining issues in light of the instant decision. Discovery is presently stayed pursuant to the Court's April 15, 2007, ***Order.*** The Court acknowledges that the outcome of this decision may affect how the parties intend to proceed with discovery and/or result in further delays occasioned by post-decision motions. The Court will adjust the scheduling order accordingly to account for the delays which have already occurred as well as any future delays.

Four “Unsubordinated” Hydropower Water Rights Decreed in IPC’s Name

- “ . . . collectively entitle Idaho Power Company to . . . average daily flows of 3900 CFS from April 1 to October 31 and 5600 CFS from November 1 to March 31 as measured at the ‘Murphy Gaging Station’ . . . .”

- “ . . . are satisfied when the average daily flows set forth herein are met or exceeded.”

- Expressly subordinated to water rights with priority dates senior to October 25, 1984, and have no right to call for waters upstream from Milner.

Twenty-One "Subordinatable" Hydropower Water Rights Decreed in State's Name

- "Legal title to this water right is held in trust by the State of Idaho, by and through the Governor, for the benefit of Idaho Power Company as the user of water for power purposes and for the benefit of the people of the State of Idaho."

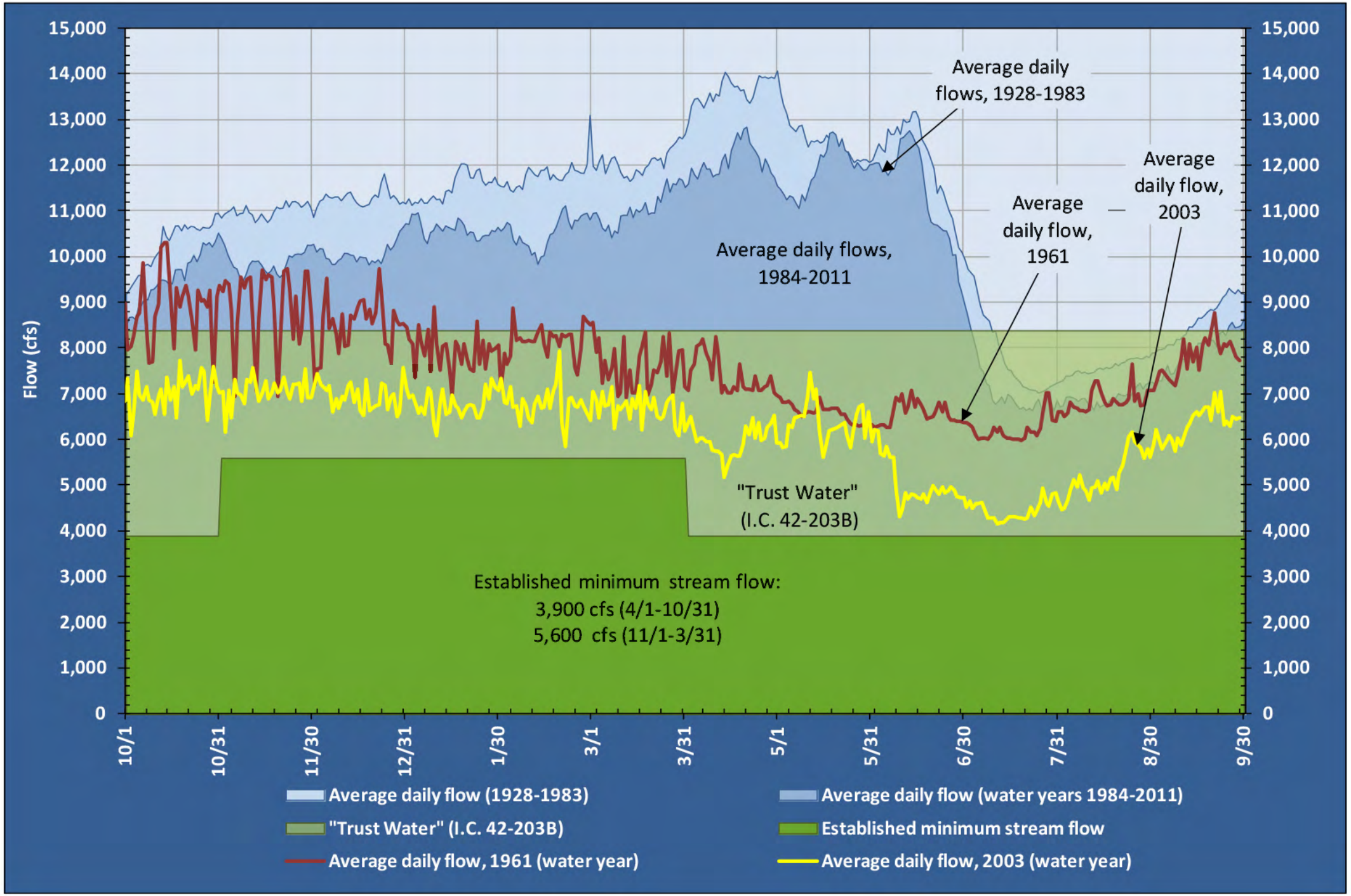
- " . . . This water right shall be subject to subordination to and depletion by any other water right acquired pursuant to applicable state law, unless such other water right is unlawfully exercised or depletes or will deplete the average daily flow of the Snake River below [3900/5600] as measured at the 'Murphy Gaging Station' . . . ."

- Expressly subordinated to water rights with priority dates senior to October 25, 1984, and have no right to call for waters upstream from Milner.

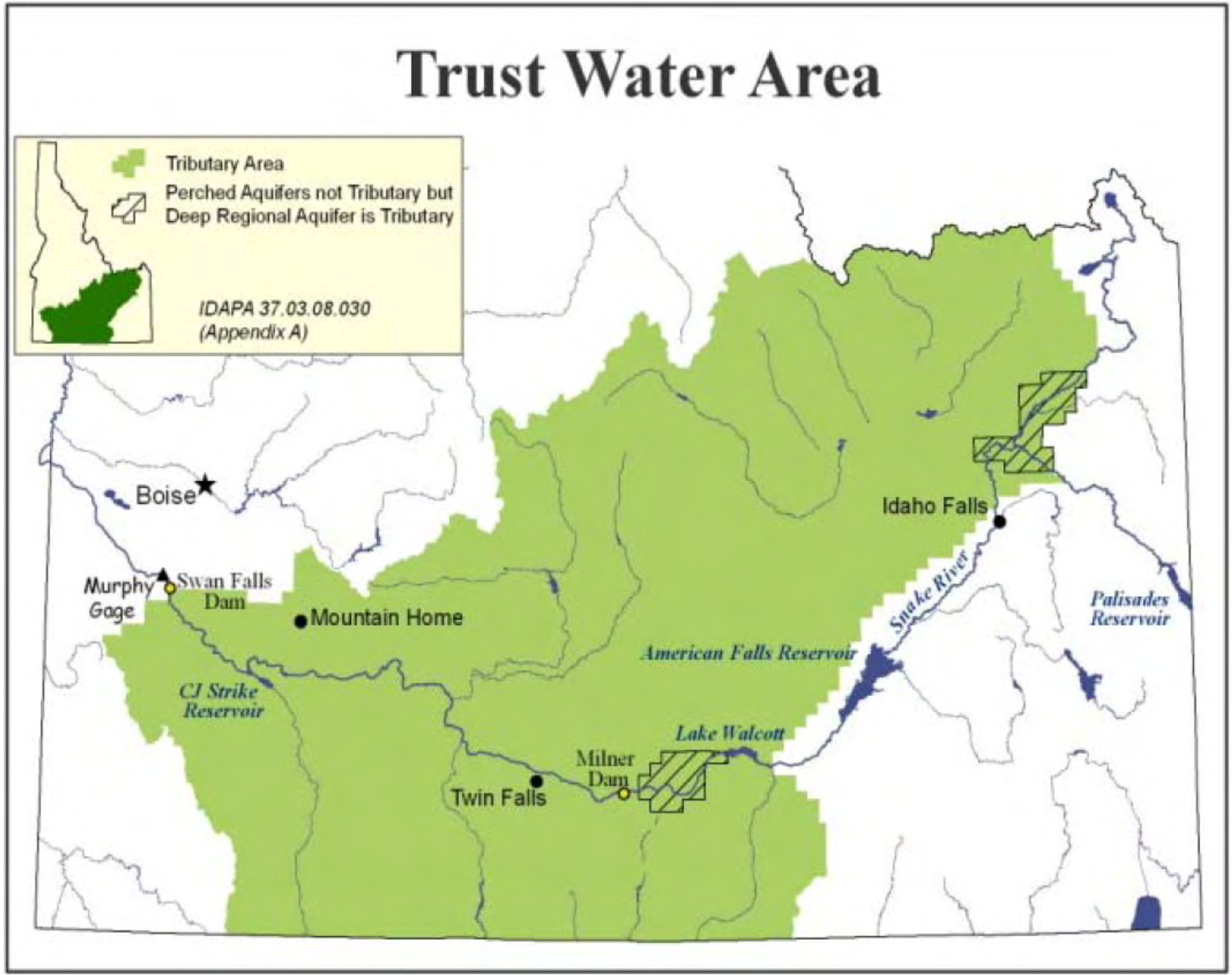
What is “Trust Water”?

- “Trust Water,” under IC 42-203B, the SRBA Court’s decisions, and the partial decrees, consists of surface waters appropriated by twenty-one hydropower water rights held in trust by the State of Idaho, including surface and ground waters considered to be tributary to the water rights held in trust.

- “Trust Water” is the flow of the Snake River in excess of 3900/5600 as measured at Murphy but less than the decreed water rights at each of IPC’s projects, including tributary surface and ground water downstream from Milner (but none of the surface or ground waters arising upstream from Milner).


Flow (cfs)
15,000
14,000
13,000
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
10/1
10/31
11/30
12/31
1/30
3/1
3/31
5/1
5/31
6/30
7/31
8/30
9/30
Average daily flows, 1928-1983
Average daily flows, 1984-2011
Average daily flow, 1961
Average daily flow, 2003
"Trust Water" (I.C. 42-203B)
Established minimum stream flow:
3,900 cfs (4/1-10/31)
5,600 cfs (11/1-3/31)
Average daily flow (1928-1983)
Average daily flow (water years 1984-2011)
"Trust Water" (I.C. 42-203B)
Established minimum stream flow
Average daily flow, 1961 (water year)
Average daily flow, 2003 (water year)

Trust Water Area



- "Trust Water" is available for use under "Trust Water Rights" whenever the flow of the Snake River as measured at Murphy exceeds 3900/5600.

- "Trust Water Rights" are subject to curtailment whenever the flow of the Snake River as measured at Murphy is less than 3900/5600.

- Murphy Flow Measurement Methodology: "Actual" Flows, "Fluctuations," Director's order (Oct. 27, 2014), IPC hydropower water rights, IWRB minimum stream flow water rights

Applications to "Reallocate" Trust Water

Presentation to the Idaho Water Resource Board
January 25, 2019

by Garrick Baxter
Deputy Attorney General
Office of the Idaho Attorney General

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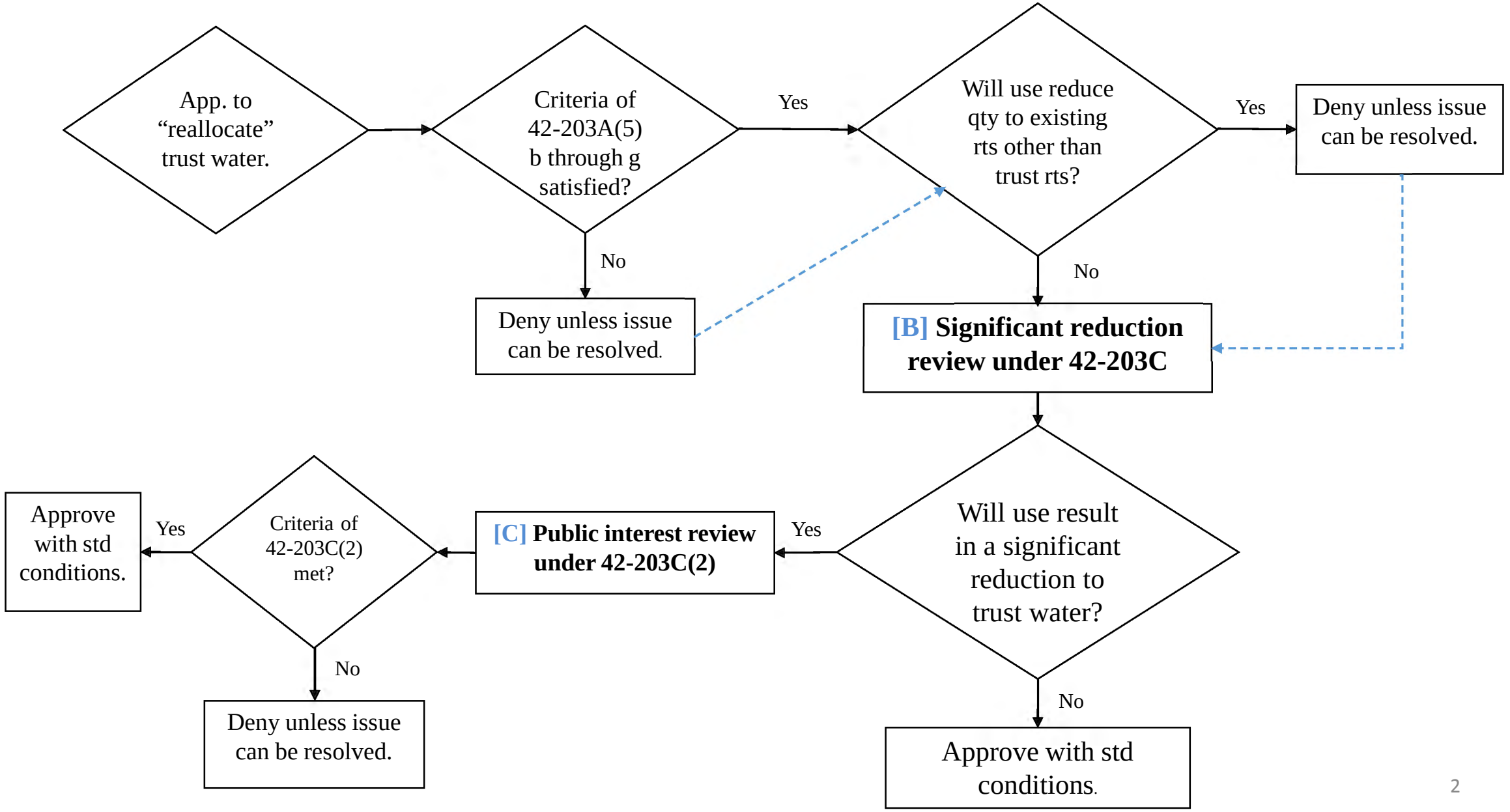


Criteria (b)-(g) of 42-203A(5)

Application satisfies criteria (b)-(g) of 42-203A(5) if:

b) Water supply is sufficient for the purpose for which it is sought to be appropriated.

c) Application is made in good faith, not made for delay or speculative purposes.

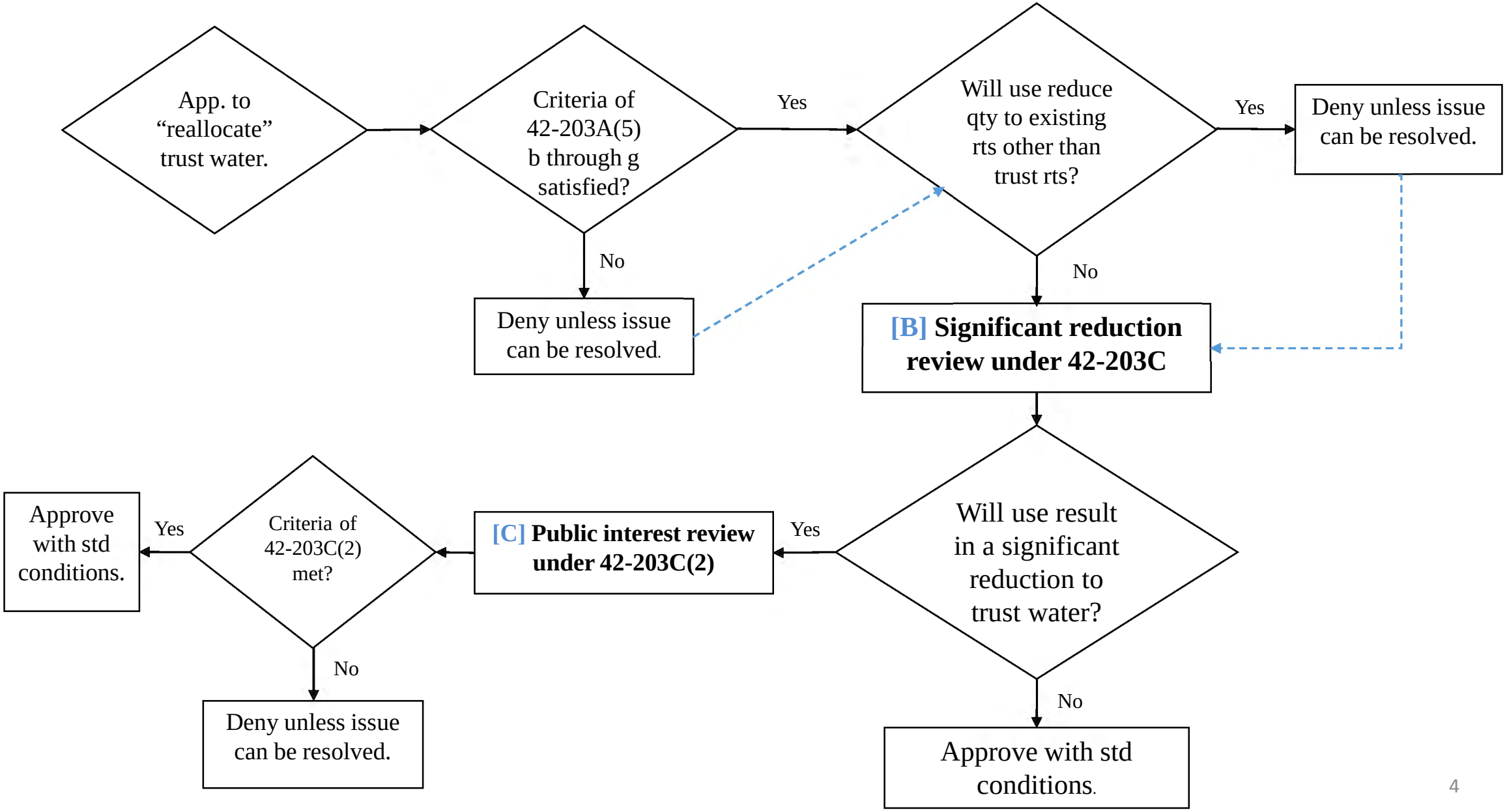
d) Applicant has sufficient financial resources.

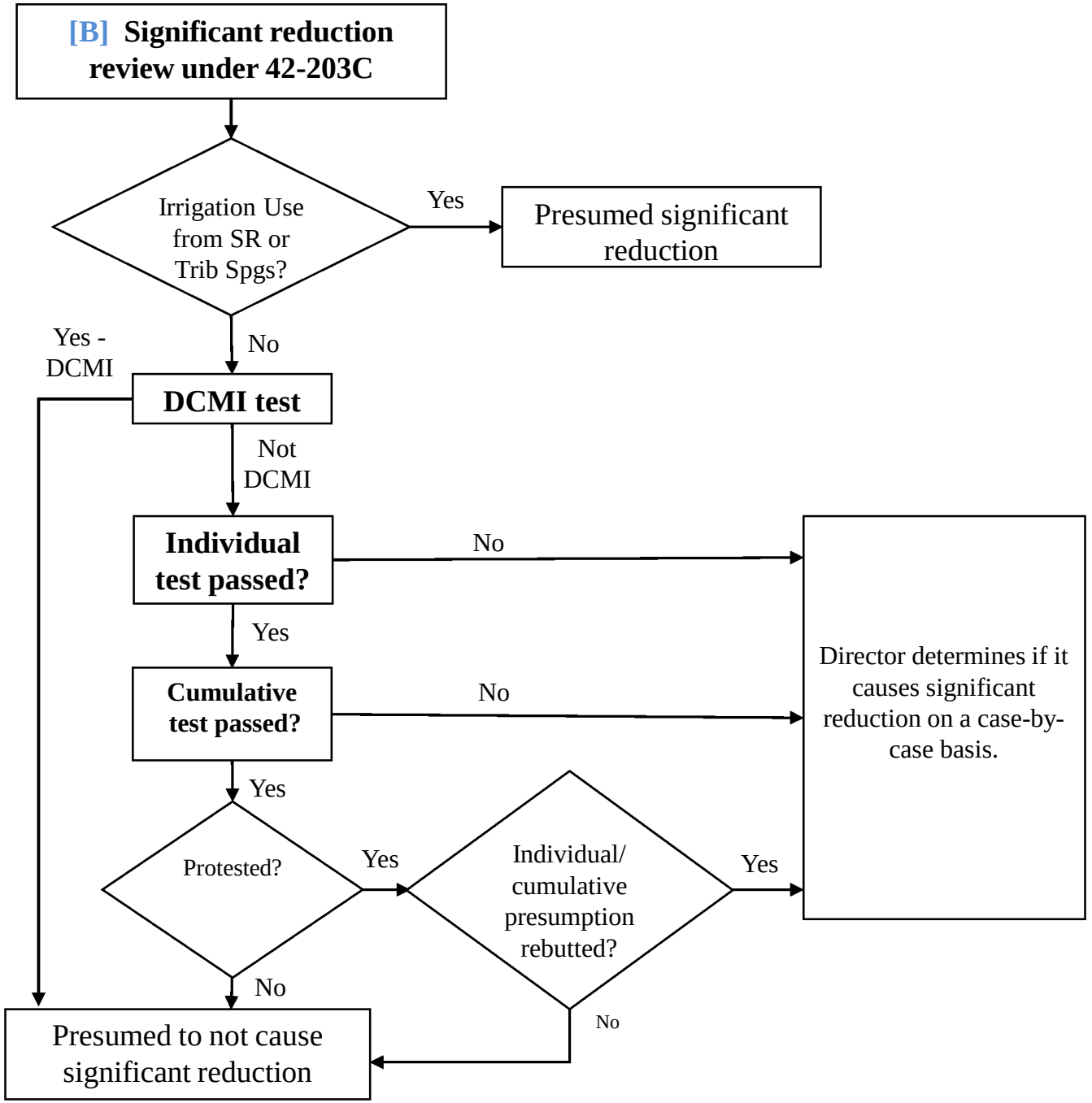
e) Use does not conflict with the local public interest as defined in section 42-202B.

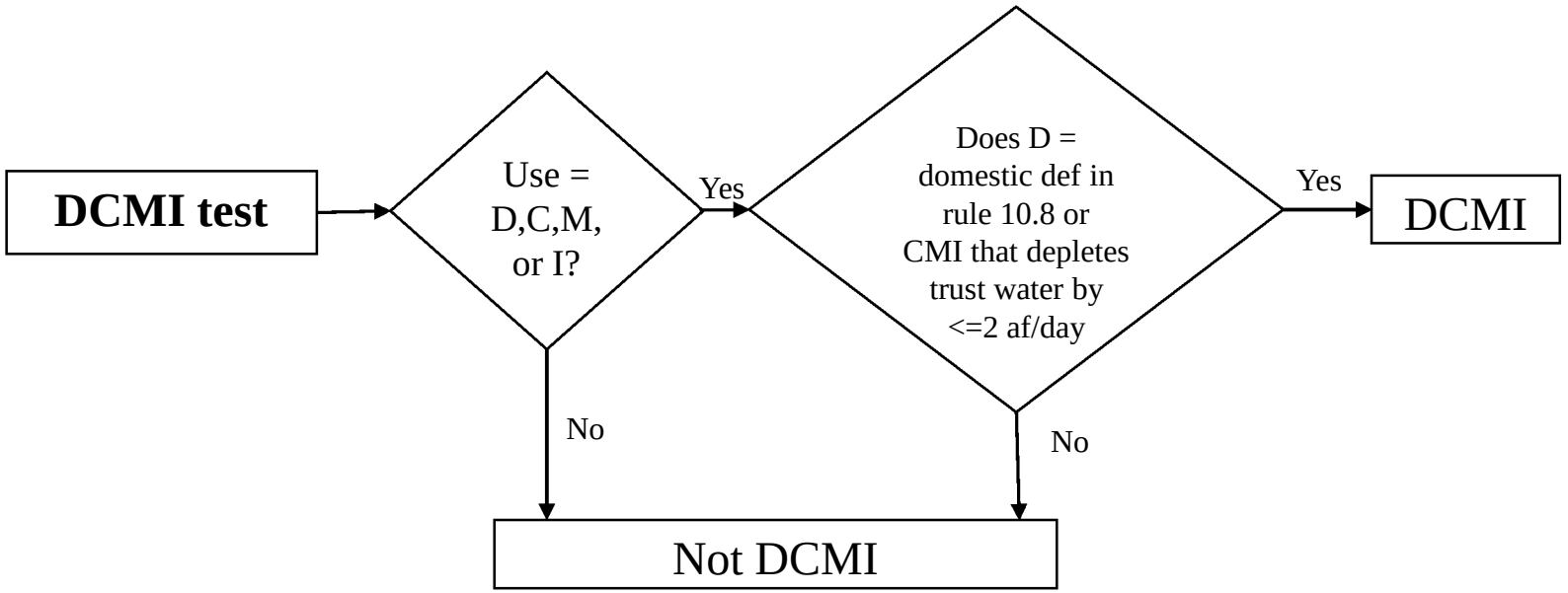
f) Use is not contrary to conservation of water resources within the state of Idaho.

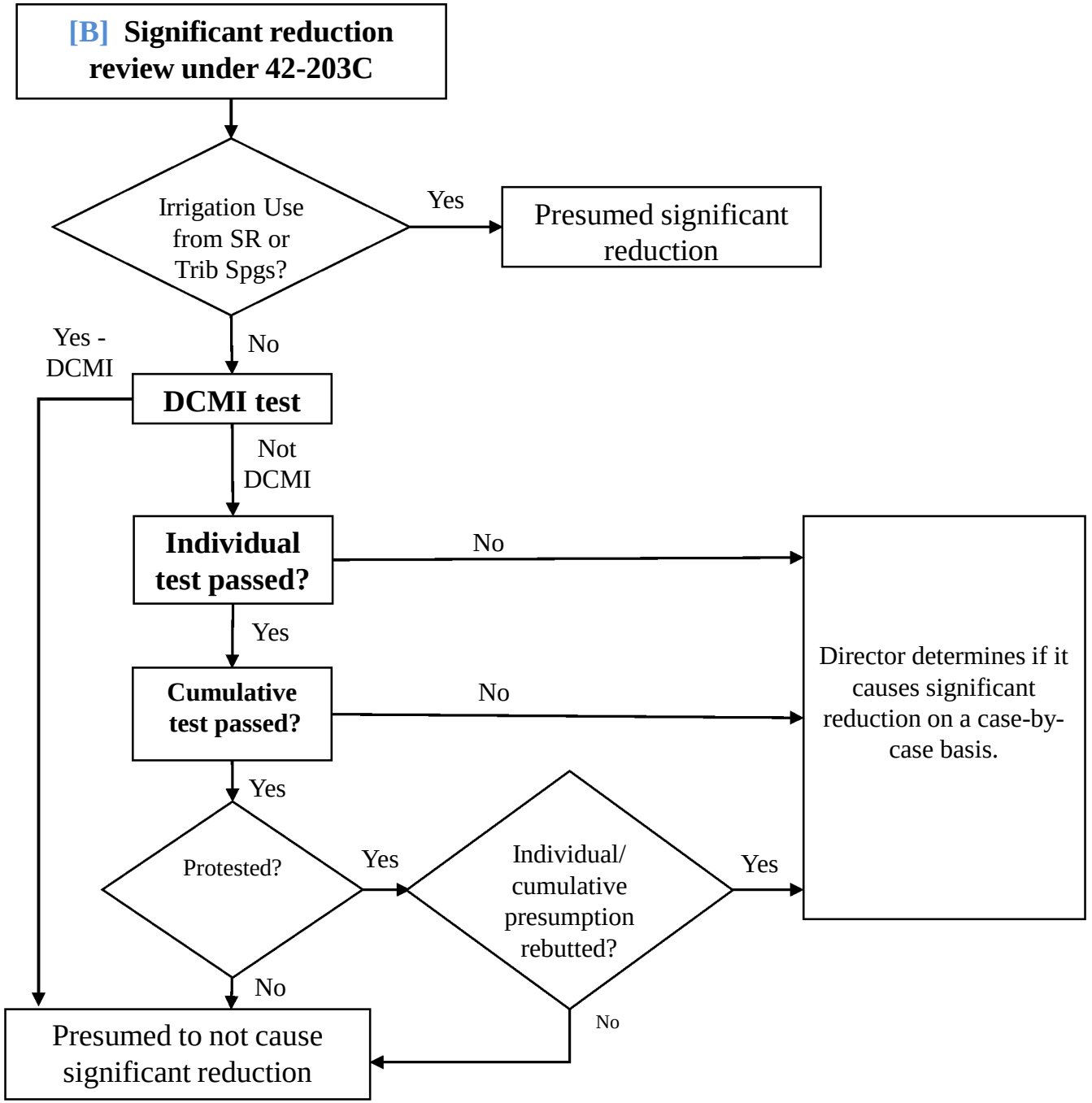
g) Use does not adversely affect the local economy of the watershed or local area within which the source of water for the proposed use originates, in the case where the place of use is outside of the watershed or local area where the source of water originates.

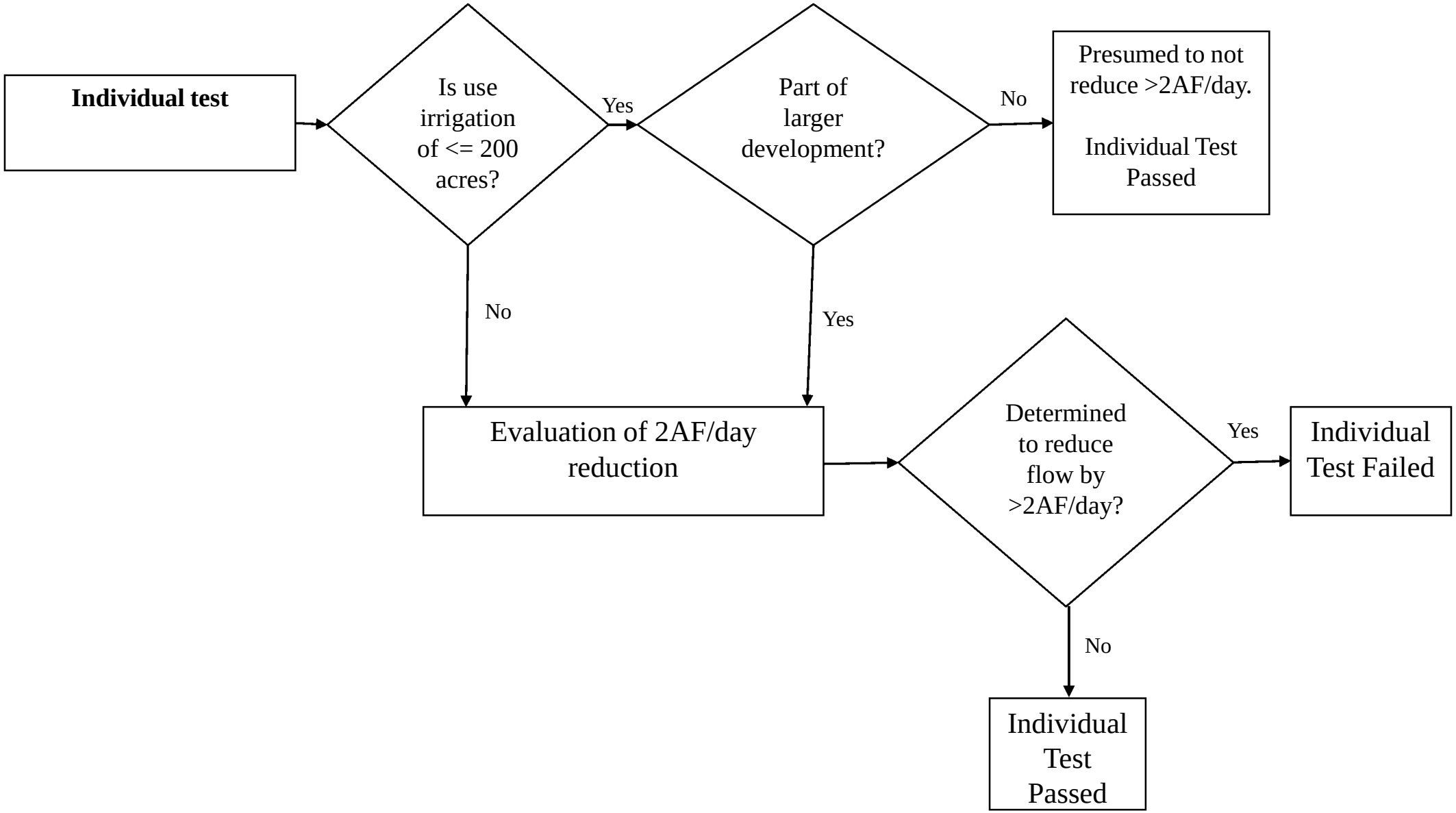
Starting Slide

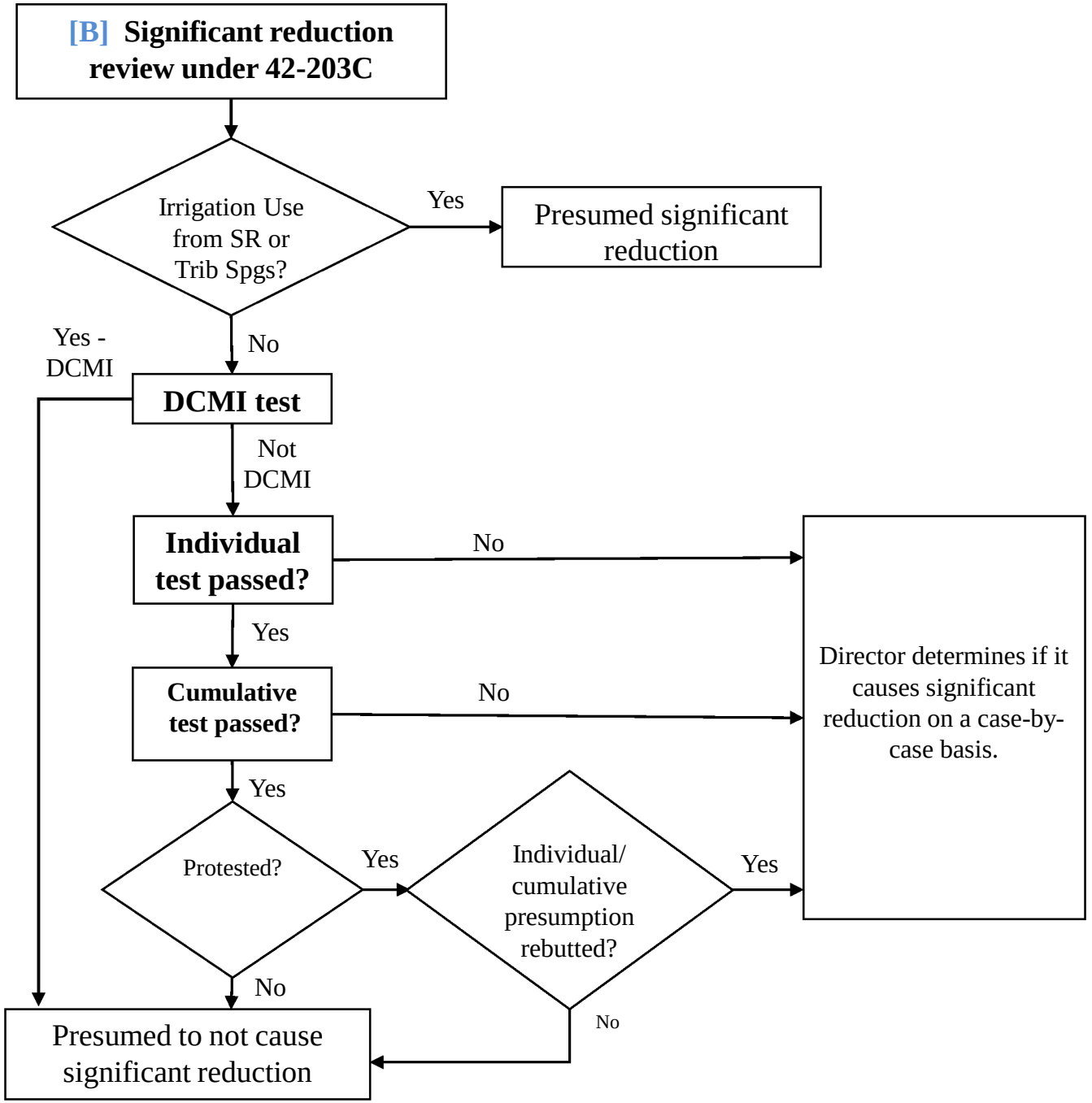


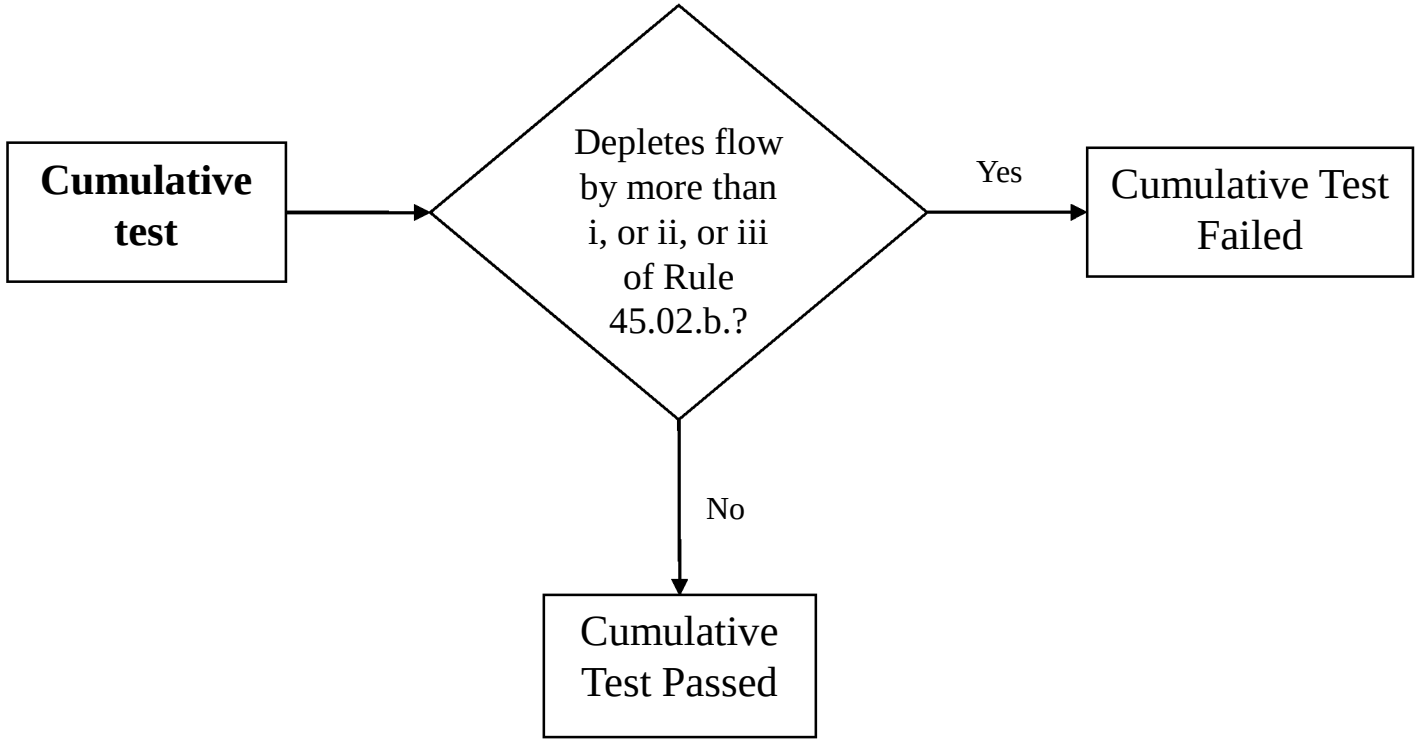

[B] Significant reduction review under 42-203C
Irrigation Use from SR or Trib Spgs?
Yes
Presumed significant reduction
Yes - DCMI
No
DCMI test
Not DCMI
Individual test passed?
No
Yes
Cumulative test passed?
No
Yes
Protested?
Yes
Individual/ cumulative presumption rebutted?
Yes
No
No
Director determines if it causes significant reduction on a case-by-case basis.
Presumed to not cause significant reduction


DCMI test
Use = D,C,M, or I?
Yes
Does D = domestic def in rule 10.8 or CMI that depletes trust water by <=2 af/day
Yes
DCMI
No
No
Not DCMI


[B] Significant reduction review under 42-203C
Irrigation Use from SR or Trib Spgs?
Yes
Presumed significant reduction
Yes - DCMI
No
DCMI test
Not DCMI
Individual test passed?
No
Yes
Cumulative test passed?
No
Yes
Protested?
Yes
Individual/ cumulative presumption rebutted?
Yes
No
No
Director determines if it causes significant reduction on a case-by-case basis.
Presumed to not cause significant reduction


Individual test
Is use irrigation of <= 200 acres?
Yes
Part of larger development?
No
Presumed to not reduce >2AF/day.
Individual Test Passed
No
Yes
Evaluation of 2AF/day reduction
Determined to reduce flow by >2AF/day?
Yes
Individual Test Failed
No
Individual Test Passed


[B] Significant reduction review under 42-203C
Irrigation Use from SR or Trib Spgs?
Yes
Presumed significant reduction
Yes - DCMI
No
DCMI test
Not DCMI
Individual test passed?
No
Yes
Cumulative test passed?
No
Yes
Protested?
Yes
Individual/ cumulative presumption rebutted?
Yes
No
No
Director determines if it causes significant reduction on a case-by-case basis.
Presumed to not cause significant reduction


Cumulative test
Depletes flow by more than i, or ii, or iii of Rule 45.02.b.?
Yes
Cumulative Test Failed
No
Cumulative Test Passed

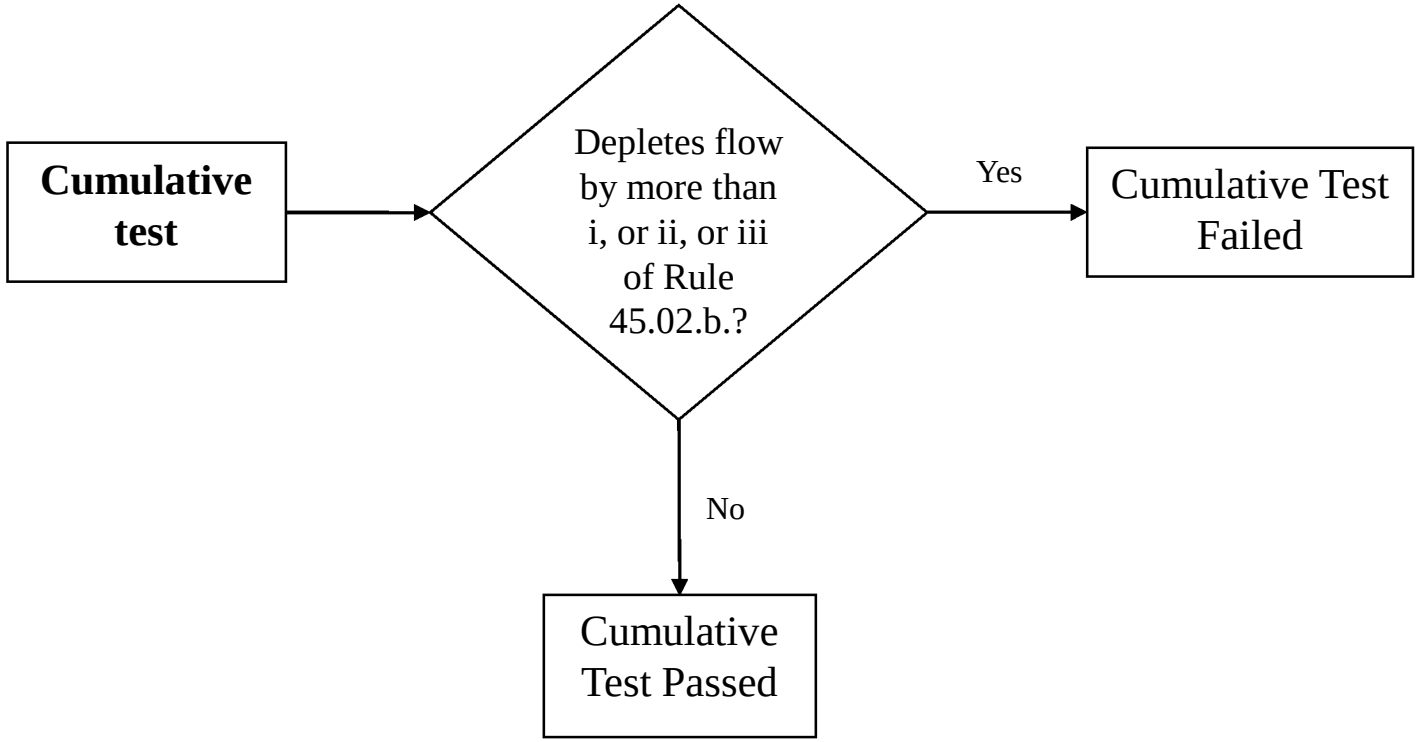
Cumulative test for evaluating significant reduction.

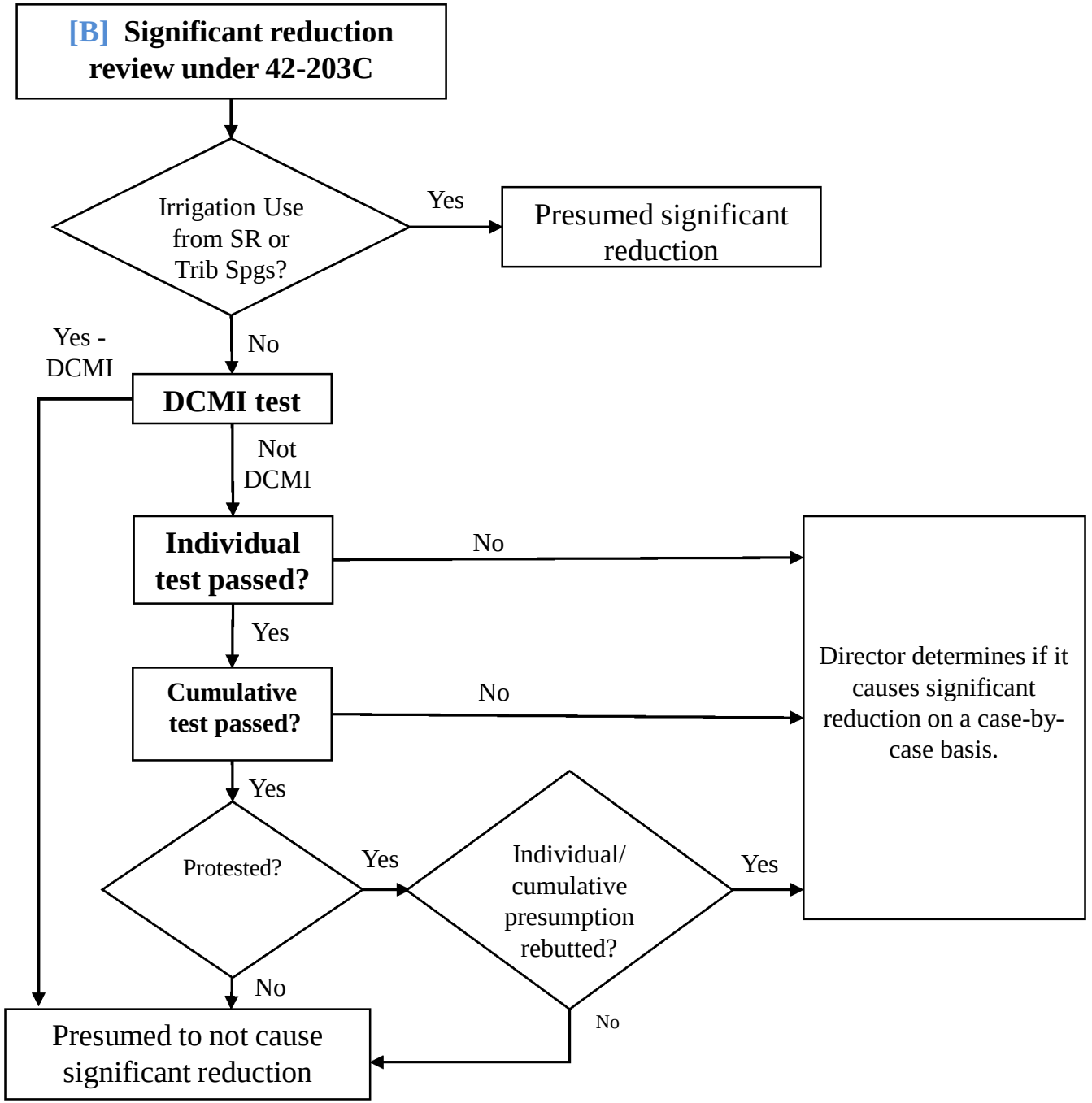
A proposed use will be presumed to not cause a significant reduction, if the use, when fully developed and its impact is fully felt and when considered cumulatively with other existing uses and other uses reasonably likely to exist within twelve (12) months of the proposed use, will not deplete the flow of Snake River measured at Murphy Gauge by more than:

i. Forty thousand (40,000) acre-feet per calendar year when considered with all other uses approved for development of trust water during that calendar year;

ii. Forty thousand (40,000) acre-feet per calendar year using a four (4) year moving average when considered with all other uses approved for development of trust water during that four (4) year period; and

iii. Twenty thousand (20,000) acre-feet per calendar year from filings approved for reallocation of trust water which meet the criteria of Subsection 045.02.a. (the individual test for evaluating significant reduction).


Cumulative test
Depletes flow by more than i, or ii, or iii of Rule 45.02.b.?
Yes
Cumulative Test Failed
No
Cumulative Test Passed


[B] Significant reduction review under 42-203C
Irrigation Use from SR or Trib Spgs?
Yes
Presumed significant reduction
Yes - DCMI
No
DCMI test
Not DCMI
Individual test passed?
No
Yes
Cumulative test passed?
No
Yes
Protested?
Yes
Individual/ cumulative presumption rebutted?
Yes
No
No
Director determines if it causes significant reduction on a case-by-case basis.
Presumed to not cause significant reduction

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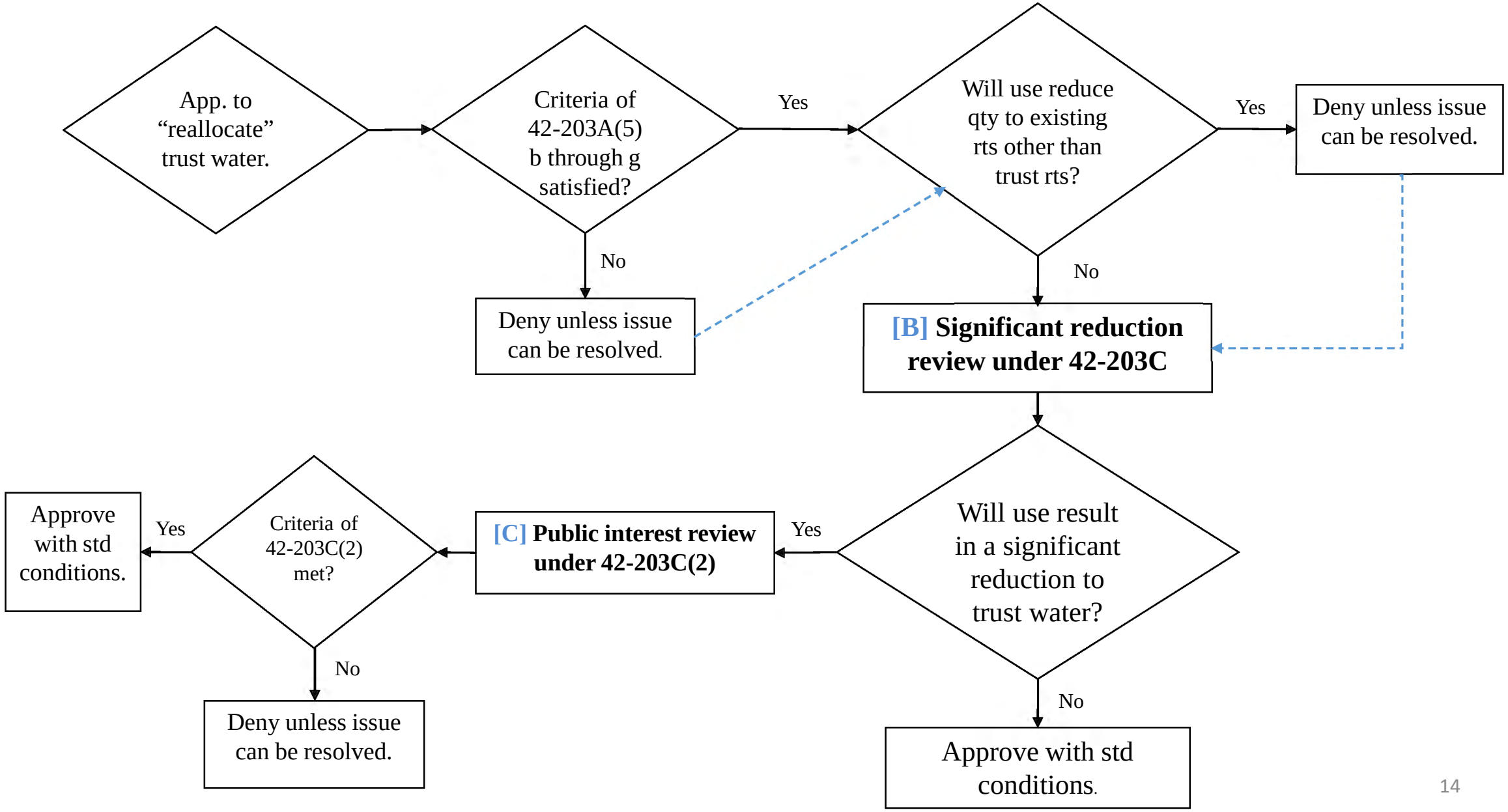

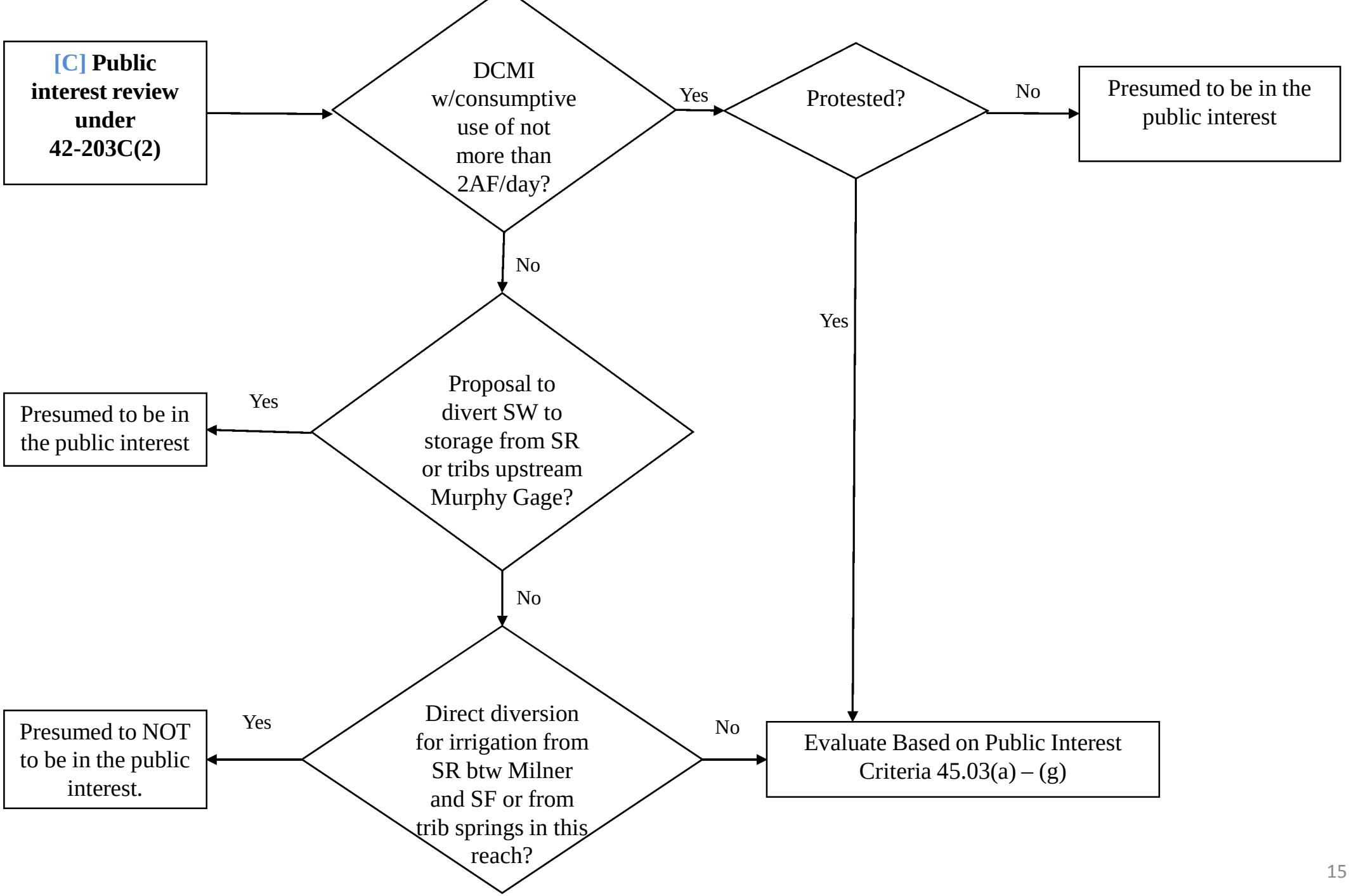
[C] Public interest review under 42-203C(2)
DCMI w/consumptive use of not more than 2AF/day?
Yes
Protested?
No
Presumed to be in the public interest
Yes
No
Proposal to divert SW to storage from SR or tribs upstream Murphy Gage?
Yes
Presumed to be in the public interest
No
Direct diversion for irrigation from SR btw Milner and SF or from trib springs in this reach?
Yes
Presumed to NOT to be in the public interest.
No
Evaluate Based on Public Interest Criteria 45.03(a) – (g)

Public interest criteria

- The Director will consider things like:
  - The potential benefits both direct and indirect, that the proposed use would provide to the state and local economy.
  - The impact the proposed use would have upon the electric utility rates in the state of Idaho.
  - Whether the proposed use will promote the family farming tradition in the state of Idaho.
  - The promotion of full economic and multiple use development of the water resources of the state of Idaho.

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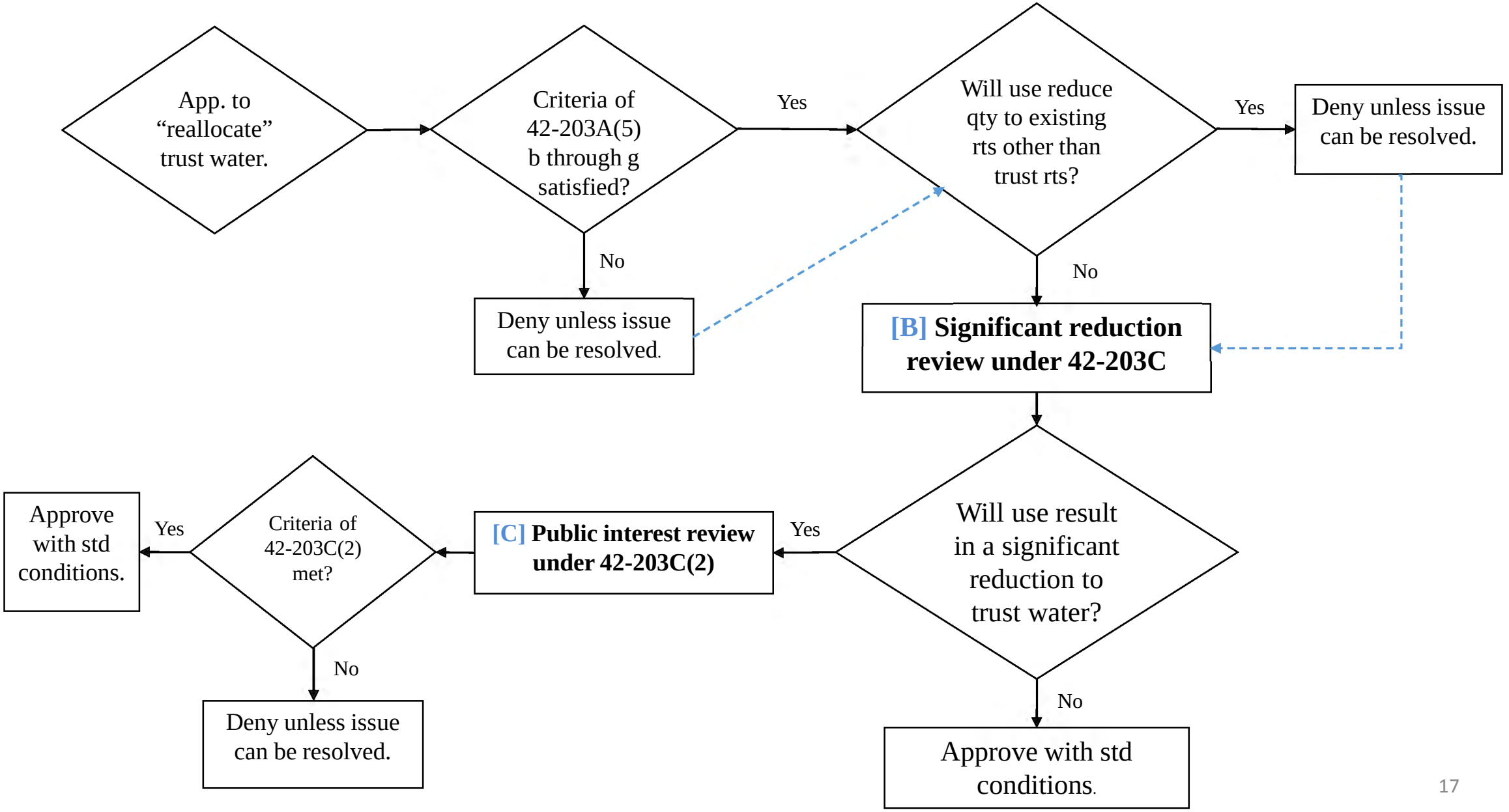

Burden of Proof: As Water Appropriation Rule 40.04 explains, the burden of proof is divided into two parts: (1) the burden of coming forward with evidence to present a prima facie case (also known as the burden of production); and (2) the ultimate burden of persuasion.

The burden is different for each of the criteria the Director must consider:

1. 42-203A(5) criteria
    a. Burden of production:
        i. Applicant has burden of production for all criteria except for criterion (e) (local public interest).
        ii. Criterion (e):
            1. Applicant bears the burden of production for criterion (e) "as to any factor affecting the local public interest of which he is knowledgeable or reasonably can be expected to be knowledgeable."
            2. Protestant bears the burden of production for those factors relevant to criterion (e) "for which the protestant can reasonably be expected to be more cognizant than the applicant."
    b. Burden of persuasion:
        i. Applicant has the ultimate burden of persuasion for all criteria.
2. Significant reduction (42-203C(1)) criteria
    a. Burden of production:
        i. Protestant bears the burden of production.
    b. Burden of persuasion:
        i. Protestant has the ultimate burden of persuasion.
3. Public interest (42-203C(2)) criteria
    a. Burden of production:
        i. Protestant bears the burden of production EXCEPT the applicant shall provide details of the proposed design, construction, and operation of the project and directly associated operations to allow the impact of the project to be evaluated.
    b. Burden of persuasion:
        i. Protestant has the ultimate burden of persuasion.

IWRB 2019 Calendar

JANUARY

S	M	T	W	T	F	S
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6	7	8	9	10	11	12
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FEBRUARY

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MARCH

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APRIL

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MAY

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JULY

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AUGUST

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SEPTEMBER

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OCTOBER

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NOVEMBER

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DECEMBER

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29	30	31				

State Holidays

Board Meetings

IWRB Tour

IWRB Committee Meeting

IWUA

WSWC

IWRB Tour

updated 1/15/19

2019 Calendar Items

Date	Event	Date	Event
1-Jan	State Holiday		
8-Jan	Legislative Session begins		
21-Jan	State Holiday		
22-25-Jan	IWUA Annual Convention		
25-26-Jan	Board Meeting (Boise)		
18-Feb	State Holiday		
20-22-Mar	Western States Water Council Spring Meeting		
21-22-Mar	Board Meeting (Boise)		
9-10 May	Board Meeting (Lewiston)		
27-May	State Holiday		
10-11-June	IWUA Summer Water Law Seminar (Sun Valley)		
4-Jul	State Holiday		
25-26-Jul	Board Meeting (Rexberg)		
2-Sep	State Holiday		
13-14-Sep	Board Meeting (Boise)		
14-Oct	State Holiday		
14-15- Nov	Board Meeting (Boise)		
28-Nov	State Holiday		
25-Dec	State Holiday		