Idaho Water Supply Bank
2016 Rental Pools Report
Introduction & Background

The Idaho Water Supply Bank (Bank) is a water exchange market operated by the Idaho Water Resource Board (Board) that allows natural flow water rights and storage water to be temporarily leased and rented for new and supplemental beneficial uses. The Water Supply Bank is comprised of two components: regional rental pools for exchanges of storage water, and The Board’s Bank, which authorizes the temporary rental of natural flow water rights. This report summarizes 2016 lease and rental transactions through regional rental pools.

Regional rental pool administration is coordinated by local committees, which are appointed by the Board to approve temporary leases and rentals of storage water for a period of up to five years. Committee appointments are for a duration of five years. The Board has authorized local committees to operate five rental pools in Idaho; rental pools in Water Districts 1, 63, 65 and 65-K lease and rent allocations of storage water from regional reservoirs, while the Water District 74 rental pool accommodates the partial season lease and rental of natural flow water rights to satisfy Idaho Water Resource Board minimum stream flow water rights in the Lemhi River and its tributaries. The Shoshone-Bannock Tribe also operates a rental pool as part of their Water Supply Bank. This report summarizes the 2016 lease and rental of water through the Water Districts No. 1, 63, 65 and 65-K rental pools.

2016 Activity Summary

Collectively between the rental pools of Water District No 1, 63 and 65, 540,644 acre-feet (AF) of stored water was made available for rental and transfer through the rental pools. Of this total volume, 206,851 AF (38%) was uncontracted storage water that was transferred through the rental pools by the Bureau of Reclamation to accomplish annual flow-augmentation obligations. The other storage water volume (333,793 AF) transferred through the rental pools consisted of 185,210 AF dedicated to “common pools” (for general rental by rental pool participants) and 148,583 AF of volume dedicated as pre-established private leases between lessors and renters. The Board levies a 10% administrative surcharge on all common pool and private pool rentals, which in 2016 resulted in revenue of $578,516.10. The following briefly summarizes regional rental pool transactions.
Upper Snake Rental Pool, Water District No. 1

The Upper Snake Rental Pool is the most active of the Board’s rental pools. The Upper Snake Rental Pool consists of a 5,000 AF small pool (for rental requests of less than 100 AF), a 60,000 AF large pool (for larger rentals by rental pool participants), a pool specific to the Bureau of Reclamation (Bureau) (allowing for rentals to meet flow augmentation obligations, based on a pre-determined volume chart) and a supplemental pool (to allow for the rental of storage to satisfy hydropower uses below Milner Dam). Private rental opportunities between rental pool participants are also possible outside of the common pool. The annual rental rate for large, small and Bureau pools of storage water (common pool storage water) is based on annual volume of water allocated to the Upper Snake Reservoir System and may be as low as $6/AF, or as high as $22/AF. Variable private rental rates are allowed for private leases. The IWRB collects 10% of the rental price for all common pool and private rentals.

The Bureau of Reclamation transferred 93,963 AF of water through the rental pool, of which 60,000 was through the common pool (with the remaining 33,963 AF being a transfer of uncontracted storage water). There were also rentals of 33,584 AF of water from the common pool, as well as private leases of 148,583 AF of water. In total, 242,167 AF of water was rented from the Water District 1 rental pool and subject to the IWRB 10% administrative fee. Water District 1 rental pool activity resulted in revenue of $455,100.17 in 2016.

Boise River Rental Pool, Water District No. 63

The Boise River Rental Pool rents storage allocations from Anderson Ranch, Arrow Rock, Lucky Peak and Lake Lowell Reservoirs. The Water District has established that the rental rate for storage water is $14.27/AF, with the Board receiving $1.43 per AF. 93,514 AF of water was leased into and through the Water District 63 rental pool in 2016, inclusive of 77,888 AF of uncontracted storage water that was transferred through the rental pool by the Bureau of Reclamation to accomplish flow augmentation obligations. Of the 15,626 AF of common pool contributions, 3,126 AF was rented for in basin uses, while 12,500 AF was rented by the Bureau of Reclamation for flow augmentation purposes. The IWRB levied an administrative fee on the 15,626 AF of water rented from the Water District 63 common pool, resulting in revenue of $22,345.18 during 2016.
Payette River Rental Pool, Water District No. 65

The Payette River Rental Pool authorizes the lease and rental of storage water from lakes and reservoirs on the Payette River system. Water District 65 has established that the rental rate for in-basin uses is $2/AF while out of basin uses rent for $14.27/AF. The Board receives either $0.20/AF or $1.43/AF depending on rental uses.

A total of 76,000 AF of water was leased to the common pool during 2016; 6,000 AF of common pool water was dedicated for in-basin uses and 70,000 AF of water was leased for out of basin rentals. Of the total leased amount, 74,854 AF was rented, with 1,146 AF of storage water left unrented in 2016. The Bureau of Reclamation accessed 165,000 AF of rental pool water for flow augmentation purposes (the Bureau rented 70,000 AF of water from the common pool and they transferred 95,000 AF of uncontracted storage through the rental pool). The rental of the 74,854 AF of water from the Water District 65 rental pool provided the Board with $101,070.74 in administrative fees levied during 2016.

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

The Lake Fork of the Payette River is a separate rental pool, administered by the Watermaster of Water District 65-K. This rental pool rents storage water along the Lake Fork drainage. The water rental rate is $13.28/AF. As of March 4, 2016, no report has been yet filed by the Watermaster of Water District 65-K and the amount of water rented through the Water District 65-K rental pool during 2016 is unknown.

Lemhi River Rental Pool, Water District No. 74

The Lemhi River rental pool is administered by the Watermaster of Water District 74. As of March 4, 2016, no report has been yet filed by the Watermaster of Water District 74 and the amount of water rented through the Water District 74 rental pool during 2016 is unknown.
Summary of 2016 Rental Pool Activity (does not include Bureau of Reclamation transfers of uncontracted storage space):

<table>
<thead>
<tr>
<th>Rental Pool</th>
<th>2015 Rental Rates &amp; Administrative Fees</th>
<th>Volume Leased into the Rental Pool</th>
<th>Volume Rented from the Rental Pool</th>
<th>IWRB Revenue from Rental Pool Rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water District 1</td>
<td>$14.50/AF (reservoirs didn’t fill but enough water was available for flow augmentation rentals)</td>
<td>242,166.7 AF</td>
<td>242,166.7 AF</td>
<td>$455,100.17</td>
</tr>
<tr>
<td>Water District 63</td>
<td>$14.27/AF (IWRB 10% admin fee = $1.43/AF)</td>
<td>15,626 AF</td>
<td>15,626 AF</td>
<td>$22,345.18</td>
</tr>
<tr>
<td>Water District 65</td>
<td>$2/AF for in-basin uses, $14.27/AF for out of basin uses, (IWRB 10% admin fee = $0.20/AF for in basin rentals and 1.43/AF for out of basin rentals)</td>
<td>76,000 AF</td>
<td>74,853.7 AF</td>
<td>$101,070.74</td>
</tr>
<tr>
<td>Water District 65-K</td>
<td>$13.28/AF rental rate (IWRB 10% admin fee = $1.33/AF)</td>
<td>0 AF</td>
<td>0 AF</td>
<td>$0.00</td>
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<tr>
<td>Total Volume Leased and Rented in 2014:</td>
<td>333,822.7 AF</td>
<td>332,676.4 AF</td>
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<tr>
<td>Administrative Fees Levied by the IWRB:</td>
<td></td>
<td></td>
<td></td>
<td>$578,516.09</td>
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</tbody>
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