

MEMORANDUM

TO: Jeff Peppersack, Water Allocation Bureau Chief
Brian Patton, Water Planning Bureau Chief

FROM: Aaron Marshall, Sr. Water Resource Agent
Water Rights Section

DATE: February 26, 2009

SUBJECT: 2008 Water Supply Bank Annual Report

PURPOSE

The purpose of this memorandum is to provide an annual report of leases, rentals, and other program activity in the Idaho Water Resource Board's (Board) Water Supply Bank (Bank).

STAFF

The Bank is administered by IDWR staff in the Water Rights Section with the equivalent of one full-time employee. I spend approximately 50% of my time working on Bank transactions and the remainder on other water rights activities. Diana Ball is a part-time Water Rights Clerk who spends nearly 100% of her time working on Bank operations.

ACCOMPLISHMENTS

In 2008, the Legislative Services Office conducted a financial post-audit of IDWR which included the Bank program. The audit report did not identify any discrepancies in the Bank's fiscal accounting nor did it recommend any changes in the handling of money for the Bank.

Prior to 2008, we used Excel spreadsheets to track Bank leases and rentals. Due to the rising number of applications and transactions, this method of data management became increasingly cumbersome. In 2008, Diana developed an Access database to track Bank activity. The new database reduced the time required to process applications, audit fiscal data, and send correspondence, among other tasks.

PROCESSING BACKLOGS AND PRODUCTIVITY

Due to the rapid increase in use of the Water Supply Bank over the past few years and limited staff resources, the program has incurred a backlog of unprocessed applications. Recent improvements in data management have increased efficiency in processing Bank applications. These improvements have allowed staff to maintain a high volume of transactions in accordance with the purpose of the Bank.

Lease Applications Received in 2008: 199
Lease Applications Processed in 2008: 96
Current Lease Applications unprocessed: 291

Rental Applications Received in 2008: 85
Rental Applications Processed in 2008: 52
Current Rental Applications unprocessed: 85

FISCAL INFORMATION

The following is a summary of financial accounting for Bank transactions in 2008.

Total Payments received by IDWR for Rentals in 2008: \$78,364.88

Total Administrative Fees Retained by IDWR for Rentals: \$13,702.62

Total Payments Issued to Lessors for Water Rights Rented: \$64,662.26

WATER RIGHTS LEASED TO BANK IN 2008

Idaho law authorizes the Board to accept water rights for lease into the Bank. The following data summarizes the quantity and types of water rights leased to the Bank in 2008.

Total Number of Rights Leased to Bank: 297

Rights from Ground Water Sources: 166

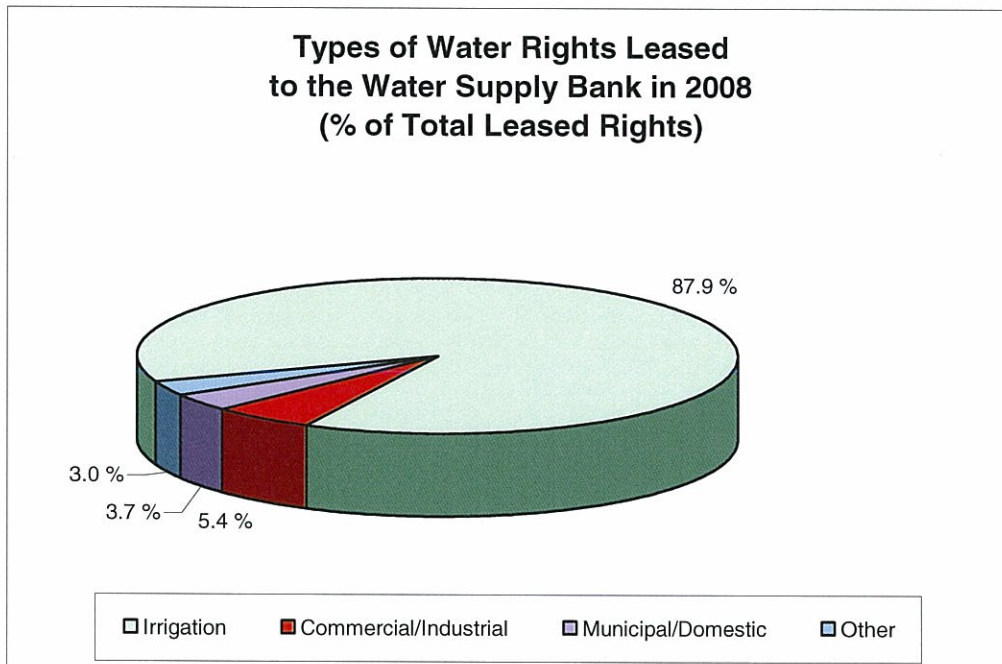
Rights from Surface Water Sources: 131

Rights for Irrigation Use: 261 — 26,216.3 acres idled

Rights for Commercial/Industrial Use: 16

Rights for Municipal/Domestic Use: 11

Rights for Various Other Uses: 9



WATER RIGHTS RENTED FROM BANK IN 2008

Idaho law states that the purpose of the Bank is, in part, to make use of and obtain the highest duty for beneficial use from water and provide a source of adequate water supplies to benefit new and supplemental water uses. The following data summarizes the number and types of rentals from the Bank in 2008.

Total Number of Rights Rented: 109

Total Flow Rate Rented: 62.97 cfs

Total Volume of Water Rented: 11,732.1 acre-feet

*Total Number of Rental Agreements: 58
Rentals from Ground Water Sources: 36
Rentals from Surface Water Sources: 22

Rentals for Irrigation Use: 37 — 2,322.2 acres
Rentals for Commercial/Industrial Use: 3
Rentals for Municipal Use: 5
Rentals for Various Other Uses: 8
Rentals for Instream Flow: 5

*Many rental agreements utilize more than one water right to satisfy the proposed use

