

WATER DISTRICT NO. 65-K, LAKE FORK CREEK

RENTAL POOL PROCEDURES

RULE 1. AUTHORITY AND STATEMENT OF PURPOSE

- 1.1 These procedures have been adopted pursuant to Idaho Code, Section 42-1765 and Rule 40 of the Water Supply Bank Rules of the Idaho Water Resource Board to assure orderly operation of the Lake Fork Creek Rental Pool. Under no circumstances shall these procedures be construed to limit or restrict the authority of the Director of the Department of Water Resources, the Water Resource Board, Water District No. 65-K Advisory Board, or the Watermaster of Water District 65-K (Lake Fork Creek) in discharging their duties as set forth in the statutes of the state of Idaho. Anyone leasing water to, or renting water from, such space shall be subject to all applicable water laws of the state of Idaho.
- 1.2 It is the purpose of these procedures to:
 - a. Provide a process, consistent with applicable statutes and administrative rules, by which stored water supplies may be made available for a specified period of time to water users who need additional water.
 - b. Provide incentives for those owning reservoir space and having stored water, which is surplus to their needs, to lease such space/water to the Rental Pool to be made available to other users, and which will serve to protect the local public interest.
 - c. Establish a recognized system through which water supplies can be located, identified and subsequently rented to a water user.
 - d. Provide a source of revenue for Water District No. 65-K to make improvements in distribution of water and aid in increasing the conservation of water in the Lake Fork Creek drainage basin.
 - e. Provide that available water supplies may be leased to the Rental Pool by the Lessor and rented from the Rental Pool for any beneficial purpose recognized by the laws of the State of Idaho, provided that other water rights are not injured, irrigators are not deprived of supplemental storage by renting water for uses other than irrigation, and the use is consistent with the conservation of water resources within the state of Idaho.

RULE 2. DEFINITIONS:

- 2.1 **ACRE-FOOT** is a volume of water sufficient to cover one acre one foot deep.
- 2.2 **YEAR** refers to a normal calendar year.
- 2.3 **BOARD** means the Idaho Water Resource Board.
- 2.4 **COMMITTEE** or **LOCAL COMMITTEE** means the Advisory Board of Water District No. 65-K.
- 2.5 **DEPARTMENT** means the Idaho Department of Water Resources or IDWR.
- 2.6 **DIRECTOR** means the Director of the Idaho Department of Water Resources.
- 2.7 **DISTRICT** means Lake Fork Creek Water District No. 65-K.
- 2.8 **LEASE** is the agreement through which a specific amount of storage space or/stored water is obtained by the Rental Pool for use during a year.
- 2.9 **RENTER** is the person renting water from the Rental Pool.
- 2.10 **LESSOR** is the person leasing space/water to the Rental Pool.
- 2.11 **PERSON** means any company, corporation, association, firm, agency, individual, partnership, government agency or other entity.
- 2.12 **RENTAL AGREEMENT** is the agreement through which a Renter obtains the right to a specific amount of storage space or stored water from the Rental Pool.
- 2.13 **RENTAL POOL** refers to the water leasing and renting activities administered by the Local Committee appointed by the Water Resource Board.
- 2.14 **SPACE** means all or any portion of the active capacity of a reservoir measured in acre-feet.
- 2.15 **STORED WATER** is the water that accrues to reservoir space and is available for use.
- 2.16 **WATERMASTER** means the Watermaster of Water District No. 65-K.

RULE 3. GENERAL:

- 3.1 It is the policy of the local committee of Water District

No. 65-K to operate the Rental Pool for the maximum beneficial use of available stored water.

- 3.2 Operation of the Rental Pool will be by and for the irrigators within the district through the Committee. These procedures are designed to assure that stored water is maintained and first made available primarily for irrigation use.
- 3.3 The operation of the Rental Pool shall be consistent with the statutes creating the Water Supply Bank and the rules of the Board.
- 3.4 Space will be accepted by the Committee on a contingency basis.
- 3.5 Payments to the lessor will be made only if stored water is subsequently rented from the Rental Pool.
- 3.6 The space of storage water leased to the Rental Pool that is rented for uses below the mouth of Lake Fork Creek shall be the last space to fill in the ensuing year.
- 3.7 No storage water leased to the Rental Pool shall be rented for uses below the mouth of the Lake Fork Creek without the express written consent of the board of directors of the Payette River Water District 65 Rental Pool.
- 3.8 It is the policy of the Committee to facilitate annual leases and rentals, and to base all transactions on water stored (storage) rather than reservoir space.

RULE 4. MANAGEMENT:

- 4.1 The Committee shall have the following responsibilities:
 - a. To provide direction to the watermaster in the operation of the Rental Pool within the overall framework of these adopted procedures.
 - b. To notify the department and the watermaster of any rentals where water will be moved from the place of use authorized by the permit, license or decree authorizing the stored water right.
 - c. To set policies for the investment and disbursement of funds generated by the Rental Pool in conformity with Public Depository Law, Chapter 1, Title 57, Idaho Code.
- 4.2 The watermaster shall act as the manager of the Rental Pool. This authority shall include accepting space into

the Rental Pool, executing rental agreements on behalf of the Committee, accepting and transmitting funds to the district treasurer for deposit and disbursement.

4.3 The Committee shall decide all issues by a majority vote.

RULE 5. LEASES:

5.1 All leases of space to the Rental Pool and all rental of stored water from the Rental Pool shall be for the year in which the lease agreement is offered and accepted unless extended as provided in paragraph 6.5 below.

5.2 Any contracting entity which owns space in a reservoir located in the district may lease any portion of its space to the Rental Pool.

5.3 Leases accepted by the watermaster are subject to the review and approval of the Committee. Space submitted for lease may be rejected in whole or part by the Committee or it may place special conditions on uses, allocation, and price if, in the judgment of the Committee, accepting said space will not be in the best interest of the Rental Pool and Water District No. 65-K.

5.4 Any lessor, or renter, or applicant aggrieved by a decision of the rental pool committee on matters related to the operations of the Rental Pool may request a hearing before the Committee within 15 days after receiving notice in writing of the decision. After hearing the grievance and after review by the Committee, a decision will be made by the Committee, in writing, setting forth the reasons for its decision, and said review decision must be signed by a majority of the Committee. The decision of the Committee may be appealed to the Board.

5.5 Leases of space to the rental pool shall be on a priority basis as set forth in paragraph 6 of these procedures.

5.6 Leases of space shall be in writing and on forms provided by the watermaster and shall bear the date they were received in the watermaster's office.

5.7 All space leased to the Rental Pool shall be under the control of the watermaster and Committee for the duration of the lease.

5.8 The Committee may allow a contracting entity which owns space in a reservoir located in the district to lease space directly to the Water District 65 rental pool. If such entity desires to lease space to the Water District 65 rental pool, it must obtain the written approval of the Water District 65-K committee.

RULE 6. PRIORITIES AMONG LESSORS:

- 6.1 When a lessor leases space to the Rental Pool, the stored water attributable to such space shall be determined by the watermaster according to the percentage the reservoir fills.
- 6.2 All stored water attributable to space leased to the Rental Pool before June 15 will be rented before any stored water from space leased after June 15.
- 6.3 Lessors who lease space to the Rental Pool by June 15, shall share proportionally in the proceeds from the rental of stored water attributable to such space.
- 6.4 Lessors who lease space to the Rental Pool after June 15, shall receive proceeds from the rental of stored water attributable to such space on a "first come" basis, whereby the first lessor to lease space will be the first paid.
- 6.5 All space/water that has not been rented by the end of the irrigation season, shall revert back to the lessor at the end of the irrigation season of the year leased.

RULE 7. PRIORITIES AMONG RENTERS:

- 7.1 Any stored water available through the Rental Pool for use shall be provided on a priority basis. The first priority for each time category is defined below. The second priority for each time category consists of all water users not defined in that time category. Water shall be rented to second priority renters only upon specific findings of the Committee, in cases when all first priority uses are anticipated to be satisfied.
- 7.2 Priority until June 15 of each year in acquiring stored water from the rental pool shall be given to renters for irrigation within Water District No. 65-K.
- 7.3 After June 15 of each year all remaining unrented stored water in the Rental Pool shall be available to any water user who desires to rent the water for any beneficial use.
- 7.4 Sub-priority among water users of each priority listed above shall be determined by the date on which the water user's signed rental agreement and payment is received at the office of the watermaster. During periods of drought or special conditions, with consideration to local public interest and with the Director's approval, the Committee may develop additional or alternative procedures.

- 7.5 Any water user having once entered into a rental agreement for stored water may request stored water in subsequent years by confirming, in writing, that all the information on the original agreement is true and correct, and by identifying the amount of water he wishes to purchase. The priority in this case will be the date on which payment is received by the watermaster.
- 7.6 Water must be used by the renter during the year of the rental, unless the Committee grants an extension.

RULE 8. RENTAL FEES AND PAYMENTS TO LESSORS:

- 8.1 The price of stored water (including the administrative fee of \$0.50/acre-foot and the Board's 10% surcharge) rented from the rental pool for use upstream from the mouth of Lake Fork Creek is \$2.70 per acre-foot.
- 8.2 Payments to the lessors shall be made in accordance with paragraph 6 and shall be based upon the data published in the annual report of the watermaster. Payments to the lessors shall be considered due and payable once the watermaster has calculated the actual water used within the district for the annual watermaster's report. Payments to the Lessors for water delivered after submittal of the annual watermaster's report shall be made when delivery of the water is completed.
- 8.3 Any administrative revenue in excess of actual costs shall be held in a contingency fund, and may be used for other purposes that the Committee deems to be of benefit to Water District No. 65-K, provided, however, that such uses do not conflict with Idaho Public Depository Law, Chapter 1, Title 57, Idaho Code.
- 8.4 All rental monies shall be maintained in a separate interest-bearing account with accrued interest being distributed on a pro-rata basis at the time payments to lessors are made.