

## BACKGROUND

Water District No. 65 was formed in 1992 under Idaho Code as a vehicle for the State of Idaho to distribute water according to the prior appropriation doctrine to water right holders on the Payette River. A watermaster is elected annually by the water users, and is then appointed by the Director of the Idaho Department of Water Resources. The watermaster is responsible for delivery of Payette River water and overall Water District management. The Water District is funded through assessments paid by water users on the river and administrative fees charged by the rental pool. "Rental pool" refers to the statutory method by which entities may lease their storage water to other users for beneficial uses consistent with state law. Within the District, a total of 150,000 acres are irrigated by two irrigation districts, ten irrigation companies and many private diversions from the Payette River. The Payette River drains approximately 2 million acres and includes three storage reservoirs within the District (Figure 1).

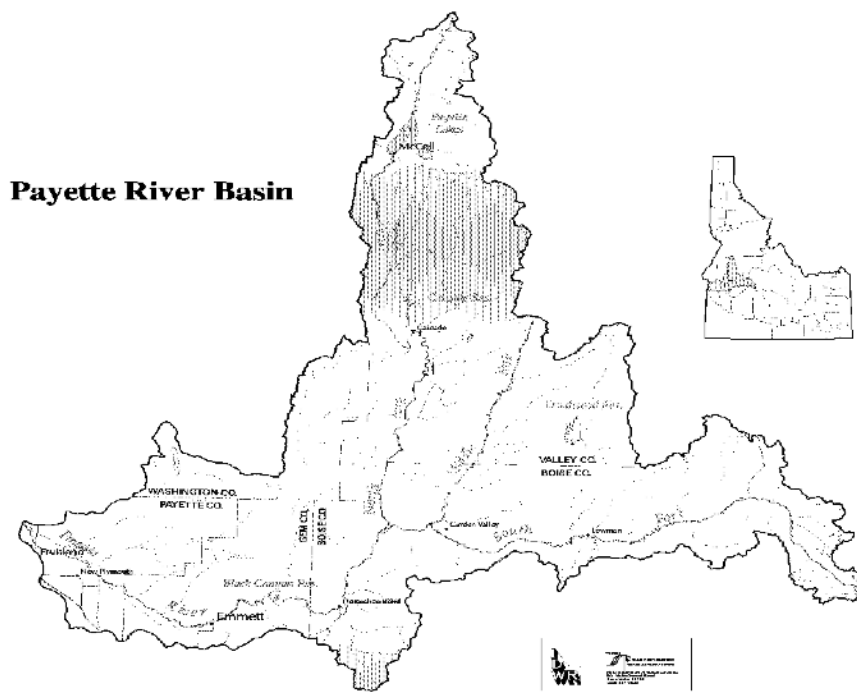


Figure 1: The Payette River Basin

Normally, the basin produces adequate natural flows to meet irrigation demands of the senior water rights on the river. Junior water rights have historically been shut off mid-summer of

every year, thus creating the need for storage water. Two reservoirs, Cascade and Deadwood, were built by the U.S. Bureau of Reclamation during the 1930's and 40's and contain over 800,000 acre feet of active storage capacity, while the third reservoir, the Payette Lake system, was built in the early 1900's by a group of private water users and provides over 35,000 acre feet of storage.

A computer accounting program was developed in 1993, and is used to track river flows and calculate natural flow available for appropriation by water rights on the system. When natural flow drops below the amount being diverted from the river, storage water is released from reservoirs to maintain deliveries. During good water years, water users with storage space in the reservoirs may lease a portion of their storage water to the rental pool. Water users without storage space may rent water from the rental pool.

Beginning in 1995, the water users of Water District No. 65 have employed a full time watermaster to coordinate water deliveries, storage accounting, and overall Water District management. In addition, the watermaster represents Payette River water users on such issues as water quality, tribal and federal instream flow claim negotiations, legislative and public relations issues, and other forums where water issues pertaining to the Payette River are raised.

#### Water Leased for Beneficial Use

Under Idaho Code, the lease and rental of storage water for beneficial uses is coordinated through the Water District's rental pool. The rental pool allows for marketing of storage water for beneficial uses established by the State of Idaho and is governed by rules and regulations approved by the local Water District No. 65 Advisory Board and the Idaho Water Resource Board. Many irrigators on the Payette River utilize this rental pool in order to continue to irrigate after their water right has been shut off. The other major renter of storage water from the District is the U.S. Bureau of Reclamation which rents water for out of basin use for salmon flow augmentation. Payette River rental pool procedures require that any out of basin rentals for salmon flow augmentation constitute the last space to fill the following year. This provision protects irrigation interests with junior water rights, which rely heavily upon their storage space every year, by not subjecting their refill to compete with refill of out of basin uses.