

Comments Received on the Water Markets TM and Responses

#	Page	Line	Comment	Comment Category <sup>a</sup>	Response (if necessary)
1	2	100	The authority for the water supply bank is with the Idaho Water Resource Board not the Idaho Department of Water Resources. IDWR acts as staff for the IWRB and the director of IDWR has independent authority to review rental applications for injury. Changes are needed throughout the document.	1	Comment addressed in the TM.
2	2	107	Reclamation has also rented water from the ShoBan water supply bank.	2	True, but not in within the last five years. BOR declined to lease water from the ShoBan water supply bank when the price increased above \$14/AF.
3	2	115	I think it would be worth mentioning the Big Wood River rental pool. It is an experiment that will probably fail but the model may have application in other instances.	1	Added some text assuming that the comment is referring to the Wood River Basin Enhancement Water Supply Bank.
4	2	126	Both "lease" terms should be "rental" to be consistent with common usage	1	
5	2	129	"lease" at the end of the line should be rental	1	
6	2	130	After "Leases" add "and rentals"	1	
7	3	136	Strike "agricultural" these water districts deliver water to all water users	1	
8	3	164	I don't think the WD63 rental pool is even close to WD01 and probably not to WD65. Don't confuse the delivery of Reclamation uncontracted space for flow augmentation with leasing and rental of rental pool water.	1	Added some text to clarify.
9	3	168	The authority for flow augmentation is carefully worded to not address instream flow requirements, the water releases are for flow augmentation but there are no instream flow targets.	1	
10	1	51-53	This "high-level" review that does not provide recommendations about a proposed market structure is in direct contrast to the storage analyses that provide hard engineering information such as storage amounts, approximate costs and expected results for a variety of projects. The water market "high-level" study smacks of an academic survey article. The money for its preparation would have been better spent developing a proposed market structure that would fully or partially resolve the water needs identified in the Water Needs Assessment. This would have provided for a closer "apple to apple" comparison with other options for determining the next step analyses in the HFBS. Instead, the Market Analysis seems to leave the water market option one step back in the HFBS—at the development stage of reconnaissance alternatives. As it stands, little comment is needed because this report simply provides a factual survey of many possible market alternatives and factors.	2	Per the scope of work, the intent of the analysis was to describe existing water markets to inform stakeholders of the potential market structures and the opportunities and challenges associated with expanding water markets as a management tool in the Upper Henrys Fork. Development of a recommended market approach would require a level of analysis well beyond what was contemplated for this study.
11	3	178	Which of the "case study" markets described in this section would best fit the water needs situation in the Henrys Fork?	2	
12	5	238-239	It is not apparent how the "long growing season and ample water supply" supports high water values as stated in this sentence. Ample water supplies would suggest that there is no water shortage that would support high water values. The number of cuttings would not support higher marginal water values, because each cutting would likely require approximately the same amount of water with the same economic return per cutting. Absolute water values per acre would likely be higher because each acre would have a larger total quantity water right to support the additional cuttings.	2	Fixed costs of production are an important component of farm profitability and the contribution of irrigation water to net returns. The comment assumes that these costs are not a relevant consideration which is contrary to observed market activity and pricing.
13	10	463-464	The analysis states that "[t]he costs of operating a publicly-funded program could be compared to the costs of developing additional surface storage, for example, to assess relative cost-effectiveness." This analysis of relative cost effectiveness should have been done in the Water Market Analysis.	2	

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14	11	499-500	The analysis states that “[e]xpanding water market opportunities in the region beyond those provided by existing programs is likely to require higher prices. However, there is a limit to the prices that existing agricultural user can afford to pay.” This price limit is an extremely important piece of information and should have been determined in the Water Market Analysis. Previous work by WestWater Research for the ESPA CAMP should be able to inform what this price is.	2	
15	11	506-508	The analysis notes that “[a]dditional analysis would be necessary to compare the costs of a publicly supported water market program to funding of alternative water supply projects (e.g. development of additional above-ground storage capacity).” This additional analysis should be done for the Water Market Analysis to provide the apple-to-apple comparison to allow for decisions on the next stage of the HFBS.	2	
16	11	513	Insert the phrase “ <b>or lower value</b> ” between “inactive” and “water rights”.	1	
17	11	516-524	A number of the characterizations of the ESPA CAMP aquifer recharge program in this paragraph are not accurate and it is not clear why they were inserted in the Water Market Analysis. Specifically, it is not accurate to call all of the water used in the recharge program as “excess storage water” and it was never intended that the 600,000 af goal was to be achieved solely by recharge with available water supplies. In fact, half of the ESPA CAMP 600,000 af goal was to be achieved by water demand reduction. Rather than wordsmith this paragraph, all of this language should be stricken through the word “however” in line 524.	1	The wording in the referenced paragraph does not appear to be inconsistent with the comment. Slight changes to the text were incorporated to more clearly indicate that the 600,000 AF goal was not intended to be achieved solely through recharge activities.