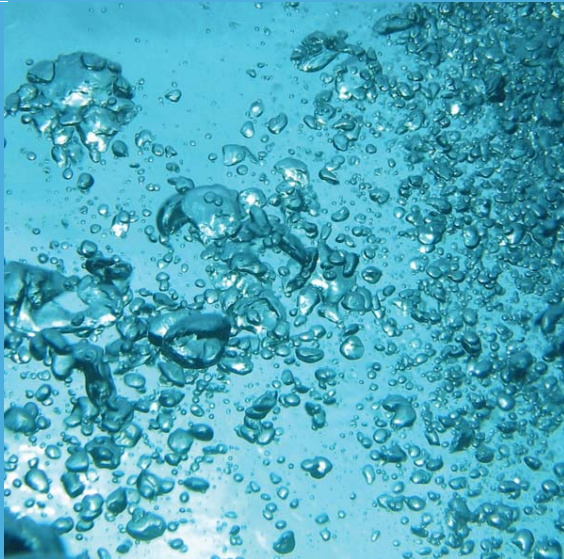


Building a Water Rights Portfolio in Idaho

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Overview

- Boise basin appropriation levels and availability of water
- Current United Water portfolio
- Detailed groundwater/surface water components
- Integrated Municipal Application Package (IMAP)
- Reasonably Anticipated Future Needs (RAFN)
- Planning for future acquisitions and reducing peak day demand with conservation and secondary irrigation systems
- Conclusions



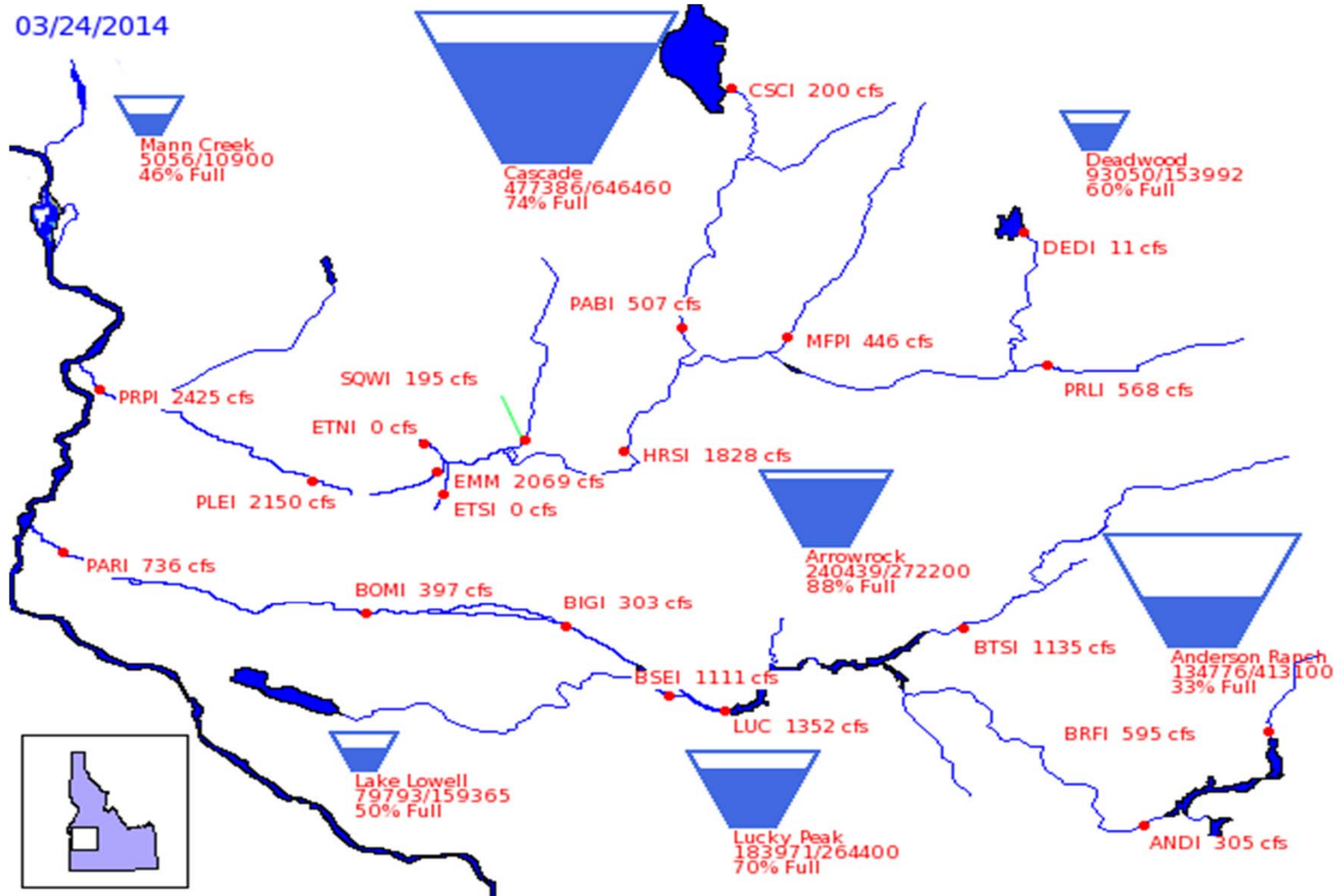
Boise river basin appropriation levels and availability of additional water rights

- The Boise river is fully appropriated, no additional storage or direct diversion water is available, except “flood stage” rights. “Drought proof” water rights are older than 1865
- Storage water is held in three reservoirs with a capacity of 1 million acre-feet in aggregate. The majority is held for agricultural uses. In a “normal” year approximately 1 million AF flows out of the basin
- Proposals for expansion of reservoir storage focus on increasing the capacity at existing impoundments. A feasibility study approved in 2014 is looking at increasing the capacity of Arrowrock reservoir
- Existing senior groundwater rights are transferred to new wells drilled by United Water
- Junior groundwater rights are still available to municipal suppliers as new wells are approved and completed

Boise Basin storage reservoirs



03/24/2014



United Water Idaho Water Rights



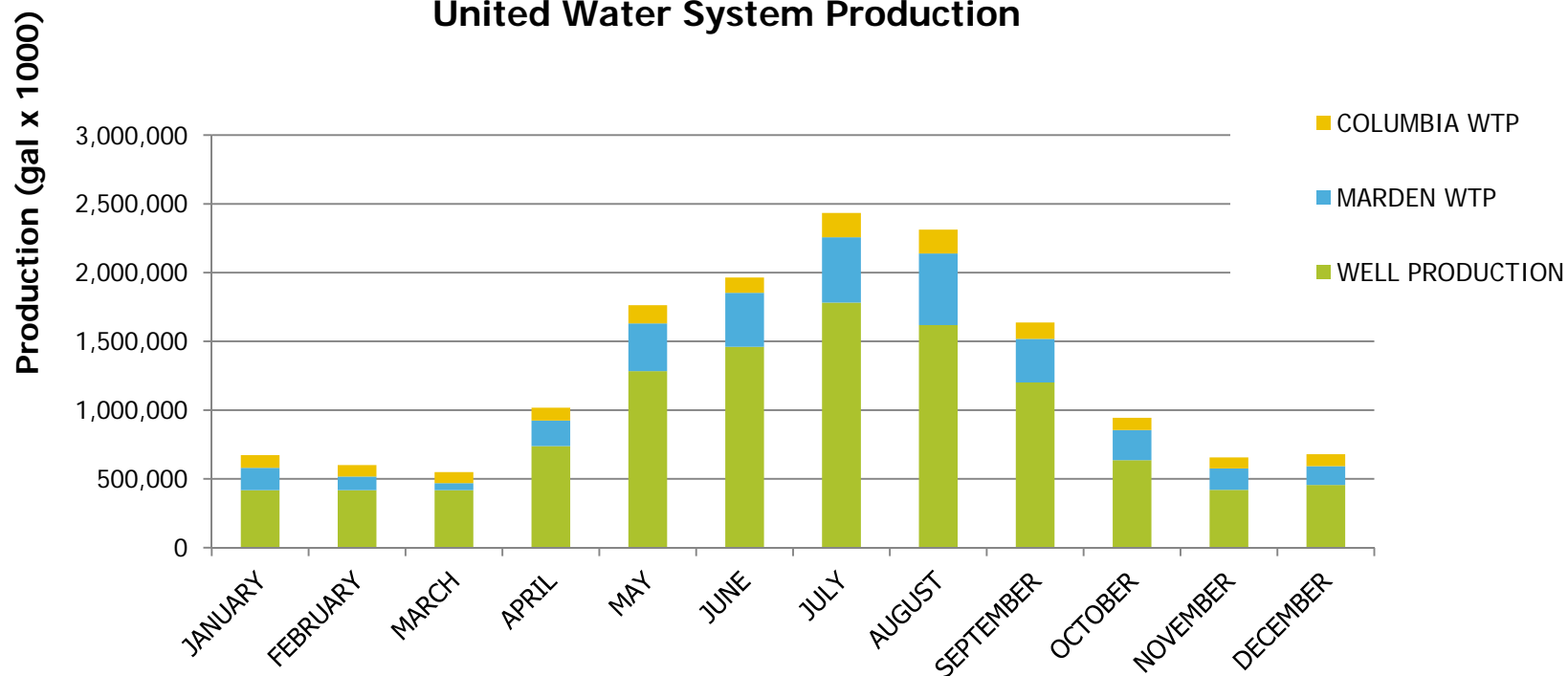
○ Surface Water

- Permits or licenses held by United Water allowing direct diversions, including:
 - Springtime flood flows
 - Natural flow rights
 - Exchange rights (apply during fish augmentation releases to increase in-stream flows)
- Shares held in canal companies
- Storage contracts with Bureau of Reclamation (Lucky Peak and Anderson Ranch reservoirs)

○ Groundwater

- Snake River Basin Adjudication (SRBA) Decreed groundwater rights = 202.9 CFS (132 MGD)
- Non SRBA groundwater rights = 69.4 CFS (45 MGD)
- Groundwater Rights are held as licenses, permits and decrees
 - Total approximately 272 CFS diversion rate (177 MGD)
 - Groundwater rights with priority older than 1987 (SRBA rights) already have multiple points of diversion
 - Post 1987 (non-SRBA) groundwater rights have single points of diversion

United Water System Production



Current Surface Water Rights

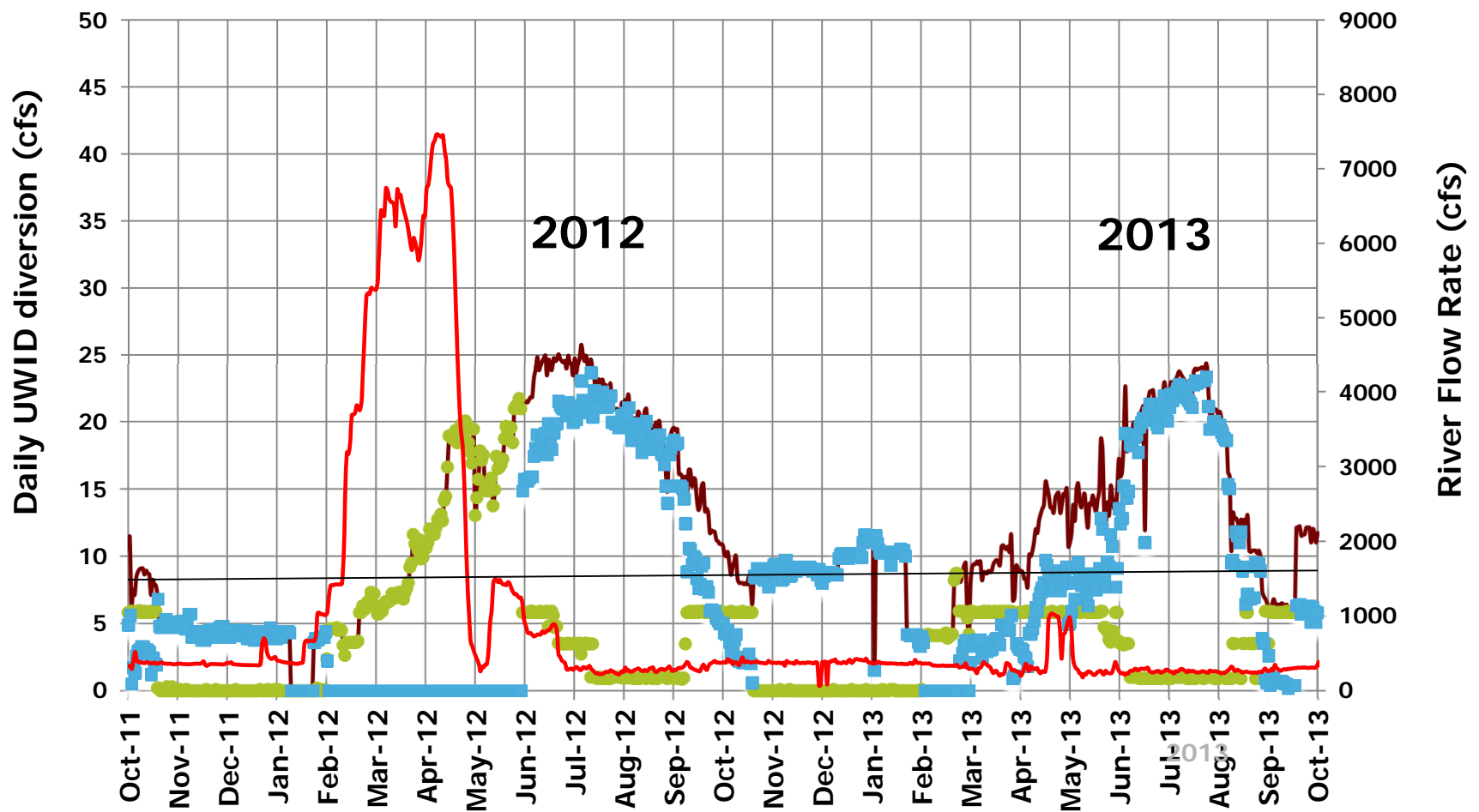


	PRIORITY DATE	DIVERSION RATE CFS	VOLUME LIMIT (ACRE/FT)
NATURAL FLOW			
SOUTH BOISE MUTUAL IRRIGATION CO. (SBMIC)	1889	0.93	172
SOUTH BOISE MUTUAL IRRIGATION CO. (SBMIC)	1889	3.3	682
BOISE FLOOD FLOW/JUNIOR	1995	24.8	N/A
BOISE FLOOD FLOW/JUNIOR & GROUND RECHARGE	2001	20	N/A
WILSON SNAKE RIVER (2745 af max)	1964	11	800
INITIAL BUTTE SNAKE RIVER (9247 af max)	1964	35.21	2400
SHARES IN CANAL			
THURMAN MILL (TM)	1868	0.814	199
BOISE CITY CANAL CO. (BCCC) - Own	1866	0.68	245
BOISE CITY CANAL CO. (BCCC) -10 Year Lease	N/A	6	2160
BOISE VALLEY IRRIGATION DITCH Co (BVID)	1865	0.79	189
CONTRACT/LEASE/STORAGE			
ANDERSON RANCH RESERVOIR B.O.R. (1000 af)	N/A	N/A	1000
CANYON COUNTY (5 yr) /Boise Valley Irrigation Ditch (10 Yr) (1,000 AF)	N/A	N/A	2,500
LUCKY PEAK RESERVOIR B.O.R. Repayment (1100 af)	N/A	N/A	1100
BASIN 63 RENTAL POOL			
ANNUAL BASIN 63 RENTAL POOL	N/A	N/A	Limited by budget Typically 2,500 AF

A tale of two different water years



- Daily non-storage diversion
- Daily diversion from storage
- Daily total diversion
- Boise River near Middleton (cfs)



Integrated Municipal Application Package (IMAP)



IMAP is a proposed water rights transfer of all groundwater rights.

Change in nature of use

- IMAP seeks “Nature of Use” change from “Municipal” to “Reasonably Anticipated Future Needs” (RAFN) as outlined in 1996 Municipal Water Rights Act
- RAFN must be justified by projecting customer population and customer use
- Projection must meet specific criteria as described by Idaho Department of Water Resources
- UW has determined it has sufficient municipal rights to meet future needs for several decades and is seeking a 50 year planning horizon



IMAP seeks "APODs"

- "APOD" means alternate point of diversion
- New wells will be APODs for existing groundwater rights
- New well that is an APOD for an existing water right has junior priority date; this protects other water right holders
- Existing United Water points of diversion will be able to increase withdrawal over the original licensed volume by pumping other UW rights. This can only be done if there is no injury to other water right holders

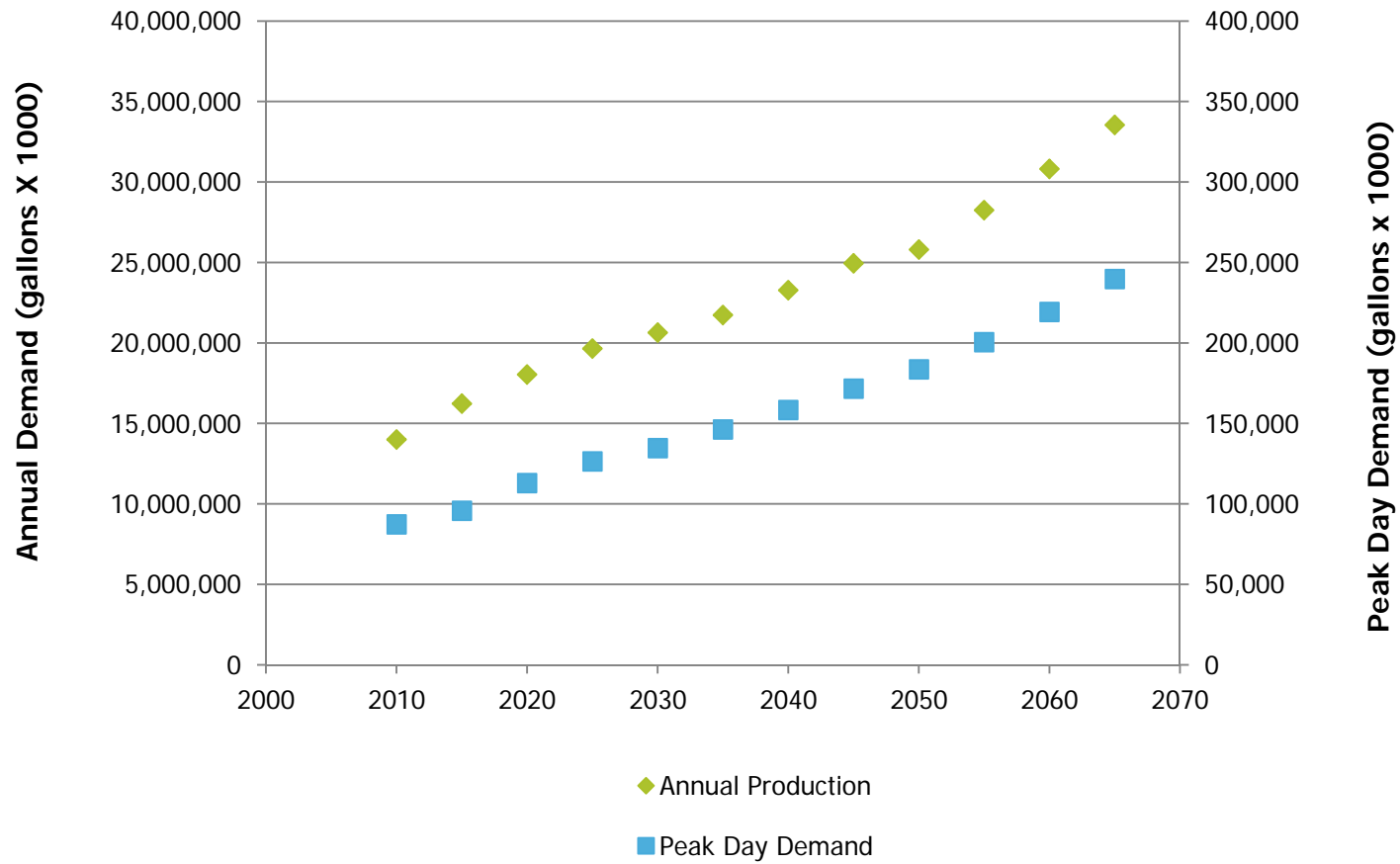
IMAP - It's been a long road...



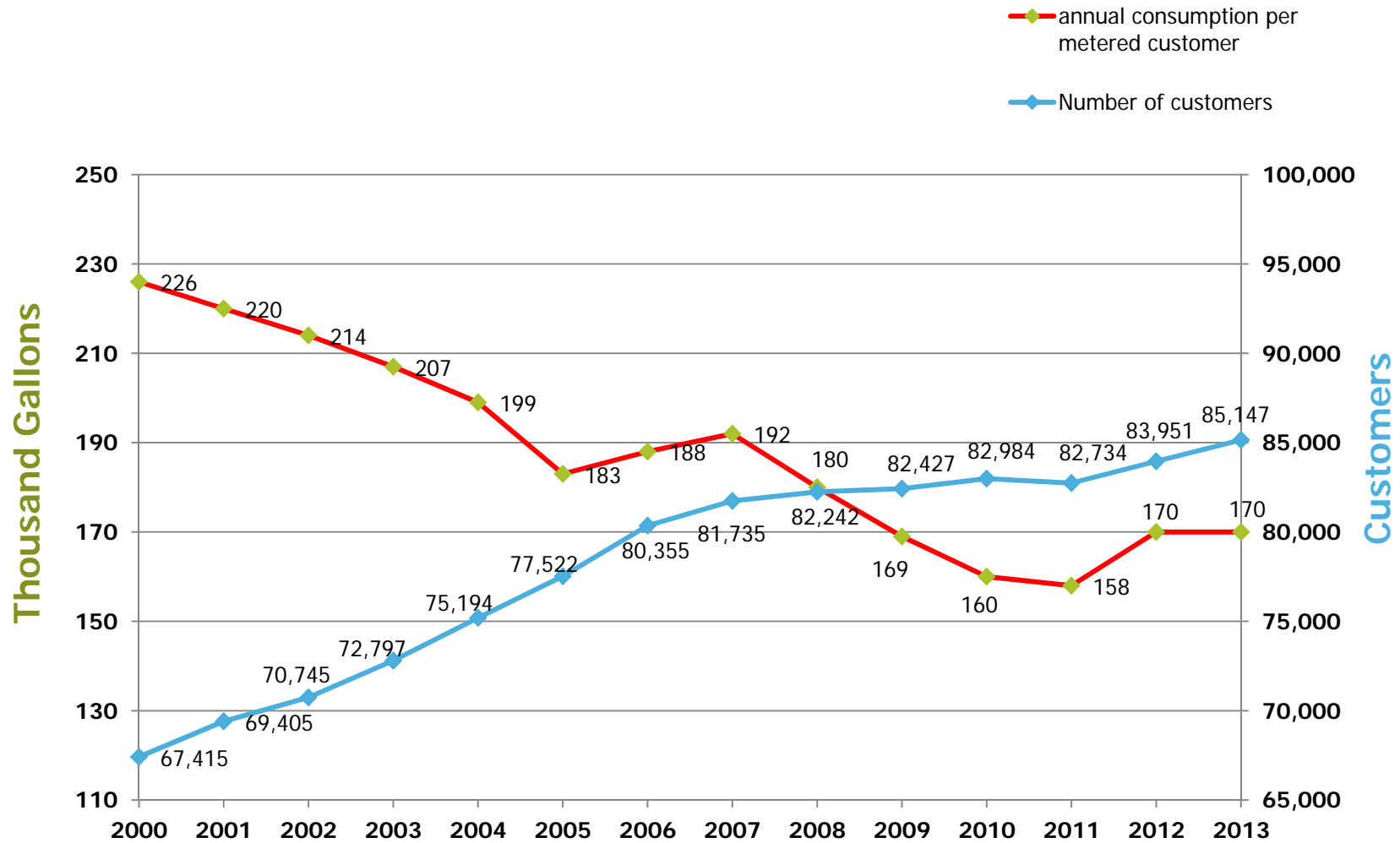
- IMAP originally submitted in 2001
 - 20 protestants including several cities, irrigation companies, Bureau of Reclamation
 - General uncertainty on protestants part of how IMAP might impact their interests
 - Stayed in 2003 by the IDWR Director in anticipation of the completion of the Snake River Basin Adjudication (SRBA)

- United Water re-launched IMAP in 2011
 - 2009 SRBA decrees confirmed UWs portfolio
 - Currently, majority of protestants have withdrawn
 - Neighboring municipalities that were protestants now support IMAP
 - UW working to finalize update on post-recession RAFN projection & address the remaining protestants concerns
 - Seeking best path forward: Either by contested hearing, IDWR processing/ evaluation, or both
 - To be continued....

United Water Idaho Projected RAFN



Consumption trends





Water right preservation/optimization strategies

- Pursue IMAP to successful conclusion (groundwater)
- Actively seek (surface water) diversion or storage water rights to purchase
- Negotiate with canal companies for renewal of long-term and annual leases/rentals, and purchase of additional shares (surface water)
- Seek to participate in any effort to expand basin storage space (surface water)
- Usage per customer has dropped by almost half over the last 20 years
- Continue strong conservation program and message
 - Water efficient landscape classes
 - Demonstration gardens
 - Distribution of water saving devices and messages to the community

Conclusions



- Boise basin outlook
- Existing water rights
- IMAP outlook
- RAFN conclusions
- Planning for future needs