

Idaho State Bar Lunch Talk

- Introduction to WestWater Research
- Work that we do & project examples
- Idaho water market summary

Introduction to Me

Contact Information:

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Water Resource Economics | Transaction Services | Water Valuation

- **Background in Engineering.** Worked at water resources engineering firm for 11 years – focus on Native American water rights, water resources management, irrigated agriculture
- **Joined WestWater in 2015.** Interested in economic side of water rights and water resource management. Opened and manage Colorado office as Regional Director for company.
- **Manage Variety of Projects.** Focus on projects in Rocky Mountain region, Tribal client work, and engineering support.

WestWater Research Introduction



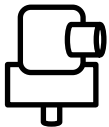
**Water Resource
Economics, Transaction,
and Policy Advisors**



**National Reach and
Regional Expertise**



**Bringing Financial
Perspective**



**Focused Expertise in
Water Markets**



**Data-Driven Analysis
Enabled by *Waterlitix***

WestWater Offices & Selected Project Locations



Main Office

Boise, ID
208-433-0255

West Coast

Sacramento, CA
916-426-6286

Pacific Northwest

Bush Prairie, WA
360-695-5233

Southwest

Phoenix, AZ
602-595-7009

Intermountain

Fort Collins, CO
970-672-1811

WestWater Work Areas

Water Valuation Services

- Providing appraisals of fair market value for water rights
- Various reasons that clients seek appraisals
- Standard process with unique project details

Transaction Advisory Services

- Provide clients with assistance in buying or selling water rights
- Often represent buyers in multi-year acquisition programs
- Data-oriented and structured approach to water transactions

Economic Consulting Services

- Range of projects and clients
- Policy work on water reallocation, water transactions, demand management, water banking
- Technical work on benefits side of water projects for feasibility studies

Water Rights Services

- Assist clients with basic due diligence and water rights management
- Provide water asset inventory & management consulting
- Engineering work related to scenario planning

WestWater Example Projects

Water Valuation Services

Client:

National Fish and Wildlife Foundation



Project:

WestWater is retained by Bonneville Power Administration and the National Fish and Wildlife Foundation to provide economic and water valuation services to the Columbia Basin Water Transaction Program (CBWTP). The Program generates approximately 40,000 acre-feet per year of instream flow benefits through leases and agricultural improvements. WestWater provides a variety of services to the program including policy advisement and water right valuation services for specific transactions.

Transaction Advisory Services

Client:

Shoshone-Bannock Tribes



Project:

WestWater first developed a lease marketing plan in 2008 for the Tribes' contract storage rights in two USBR reservoirs in the Upper Snake River Basin. WestWater has advised the Tribes on several multi-year lease agreements transferring water to hydropower and groundwater mitigation purposes since the plan was initially completed. WestWater continues to provide a wide array of water rights and economic consulting assistance to the Tribes.

WestWater Example Projects

Economic Consulting Services

Client:

U.S. Bureau of Reclamation



Project:

WestWater is responsible for developing benefit estimates for all benefit categories associated with the Shasta Lake water storage project. Work has included: (1) modifying an existing agricultural production model (CVPM) to estimate the value of improved agricultural water supply reliability, (2) applying a market-based model to estimate the economic value associated with changes in urban water supply reliability, and (3) assisting with the development of recreation benefits and ecosystem benefits associated with the investigation alternatives.

Water Rights Services

Client:

Union Pacific Railroad



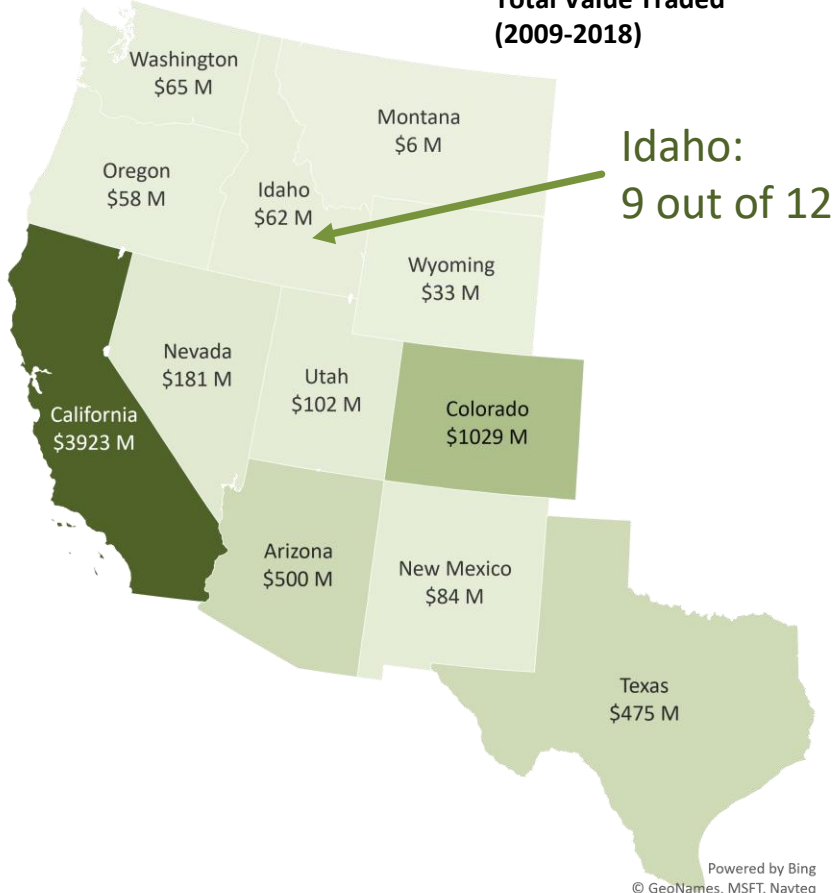
Project:

UPRR retained WestWater beginning in 2010 to assist in identifying its water rights within a 22-state region, assessing the assets' regulatory status and historic use, and identifying their marketability and value. This information was used by UPRR to determine which water rights were surplus and could be monetized. As part of the project, WestWater developed a GIS database of the water rights and associated market assessments. WestWater continues to provide water rights analysis and valuation estimates for UPRR water right holdings.

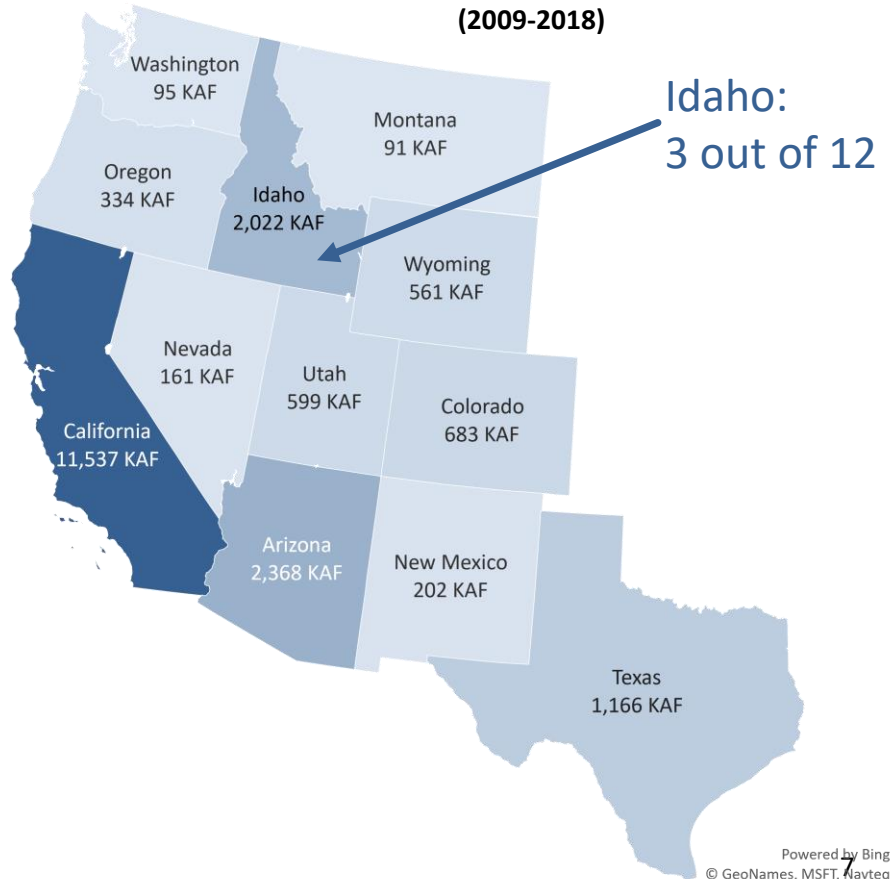
38.2%: 119.29
51.25%: 108.98
61.6%: 99.19

Western Water Market: Value and Volume Traded

**Water Transfers by State:
Total Value Traded
(2009-2018)**



**Water Transfers by State:
Total Volume Traded
(2009-2018)**



38.2%: 119.29
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Idaho Water Market: Locations & Types of Trading

Statewide Water Bank

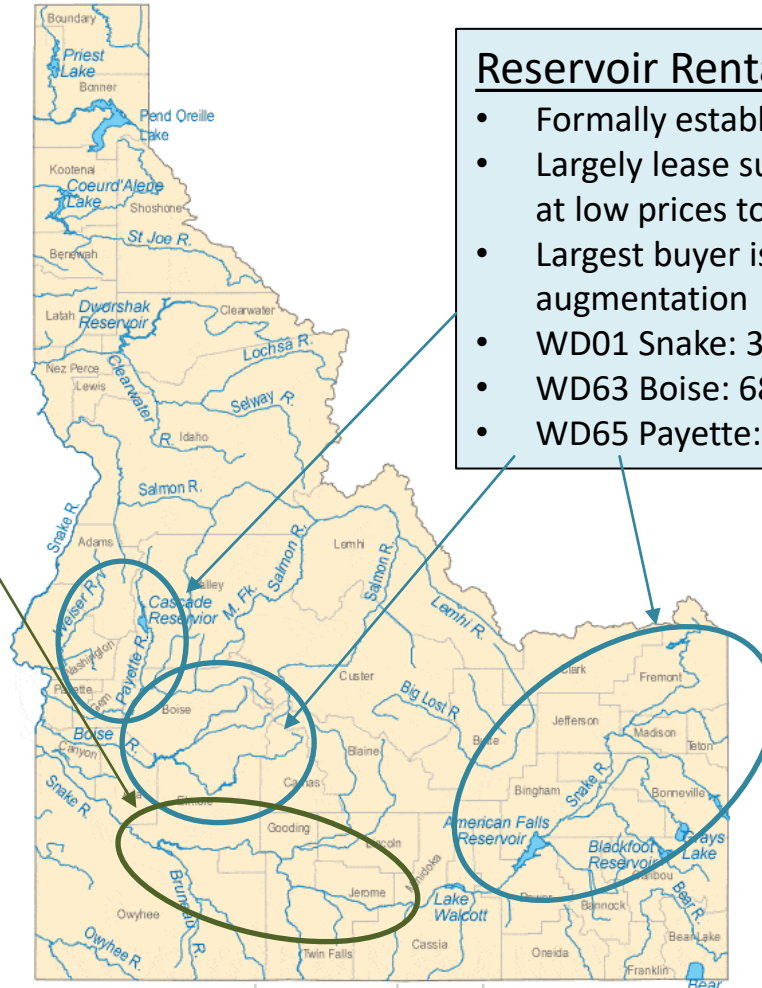
- Established in 1979
- Leases into bank: 250k AF, largely represent unused water rights
- Rentals from bank: 60k to 70k AF, mostly for ag. uses.
- About \$0.6M in annual rental payments

Reservoir Rental Pools

- Formally established in 1979
- Largely lease surplus storage allocations at low prices to ag. and enviro. uses
- Largest buyer is USBR for flow augmentation
- WD01 Snake: 335,000 AF. \$6.2M
- WD63 Boise: 68,000 AF. \$0.4M
- WD65 Payette: 188,000 AF. \$1.4M

Permanent Sales

- No state regulatory framework
- Buyers are mostly municipal, large farm operations, environmental
- Est. annual value \$2M to \$3M
- Relatively few annual sales



Thank You

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