

**Bell Rapids farmland to be dried up ... State makes historic move to buy back water rights**

Originally published Thursday, March 10, 2005

By Julie Pence

Times-News writer, Twin Falls, ID 83301

BOISE — In an historic move, the state of Idaho signed on Wednesday a letter of intent to buy 98,826 acre feet of water near Hagerman. It is the first time Idaho has bought rights instead of issued them. However, the deal isn't done in the eyes of all.

The only thing farm manager John O'Connor was willing to say late Wednesday was that a deal between the state and the Bell Rapids Mutual Irrigation Co. to sell water rights was still in the tire-kicking stage. "There are two things that have to happen before a sale is finished," O'Connor said. "You have to have a check to cash, and you have to have a title transfer."

O'Connor hadn't seen either. He had just heard a lot of talk that a deal had indeed been struck between the Idaho Water Resource Board and the irrigation company that since 1971 has made farming possible on the 25,000 acres of land. O'Connor inherited his farm from his father, who was one of the original desert-entry members of the project. In the beginning, the plan was farmers would pump their irrigation water from the Snake River that is immediately below the plateau above Hagerman known as Bell Rapids.

Farmers made plenty of money on high-cash crops like potatoes in the early years. But as the decades passed, the price of electricity to pull that water from the river and spread it around began cutting into profit margins. It got to the point that "Their ability to continue what they've been doing has been challenging, to say the least," said Karl Dreher, director of the Idaho Department of Water Resources.

So, when the state of Idaho issued an offer in December to farmers on the Eastern Snake River Plain Aquifer to sell their water rights, the Bell Rapids irrigators saw a way out.

The state made the offer to replenish water in the river to help make up for six years of drought plus satisfy Endangered Species Act requirements for salmon recovery. It's only one part of a puzzle, Dreher noted, in a complicated effort by state leaders and irrigators from King Hill to Ashton to reduce strain on the aquifer and the Snake River.

Thirty entities submitted bids to sell water rights on 190,000 acre feet of water. An acre foot is enough water to cover 1 acre 1 foot deep.

In the letter of intent signed Wednesday, the state would pay \$22.5 million to the Bell Rapids Mutual Irrigation Co. for 98,826 acre feet of river water. Greg Brown, president of the company, had already signed the letter on Tuesday. The Times-News could not reach Brown by phone. It is the first time the state of Idaho has bought back water rights rather than issue them. Dreher said other Western states have bought back water rights for conservation measures, however.

Wednesday's action is only the first of such transactions, said House Speaker Bruce Newcomb, R-Burley. The reason the state began negotiations with Bell Rapids before the others is the company made the lowest bid plus it was the largest block of water rights up for sale, Newcomb said. Negotiations took longer than expected, Dreher said, but the parties came together soon enough for Bell Rapids farmers to avoid planting for the 2005 season.

Now the Legislature will have to approve a bridge loan, said Majority Leader Lawrence

—OVER—

Denney, R-Midvale. Bell Rapids landowners will get \$16 million down and the remainder will be annual interest-free payments over five years, according to a Water Resources press release.

If the Legislature approves the loan, the Water Board will pay that money back to the state with money received from the Bureau of Reclamation, which will lease the water the state bought from Bell Rapids.

The Bureau of Reclamation is to lease up to 60,000 acre feet annually to support salmon and steelhead recovery. The Water Board's bond payments would probably run about \$1 million a year, so the Bureau's rental fees of about \$4 million per year would more than cover the bill, Denney said.

During high-water years when the Bureau doesn't need to lease water for fish recovery, lawmakers are mulling a plan to have the Water Board issue bonds, and water users on the Eastern Snake River Plain Aquifer would pay an assessment to pay back the bonds, Denney said.

Newcomb has said in the past the average price per acre for southern Idaho farmland runs about \$1,500 with water rights but that once it's dried up it depreciates to about \$150, even if it's used for grazing.

No one was available for comment late Wednesday on what Bell Rapids farms are worth with water, but Dreher said the 20,000 acres that isn't already in a conservation reserve program could be turned into dry-land grazing.

Rep. Doug Jones, R-Filer, who represents some of Bell Rapids, said that translates into lower property taxes, which will affect taxing districts such as Twin Falls County, the Hagerman School District and the Twin Falls County Highway District.

But though Bell Rapids land might wind up worth one-tenth what it was with water, Jones said land elsewhere in Twin Falls County might increase in value because some Bell Rapids farmers will be lining up to buy it. In addition, contract crops such as barley, beans, potatoes and beets will need new homes, he said.

"Look for the farm sales to be on the rise, though," Jones said.

O'Connor said, "This deal has happened so fast. You know I need to see something in writing. I'm not going to sell anything until it's done."

Times-News writer Julie Pence can be reached in Boise at (208) 343-5553 or by e-mail at [jpence@magicvalley.com](mailto:jpence@magicvalley.com)  
From Magicvalley.com, an on-line division of the Times-News, published daily at 132 W. Fairfield St., Twin Falls, ID 83301 by Lee Publications, Inc