



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

March 23, 2016

OWYHEE FARMING CO LLC
PO BOX 310
AMERICAN FALLS ID 83211

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-2370, 2-7001, 2-10020, 57-179, 2-2361, 2-2261D, 2-7064, 2-7237A, 2-10181, 2-10189, 2-10316, 2-10434 AND 2-10450**

Dear Renter:

Please find enclosed a receipt in the amount of **\$116,026.40** in connection with the rental of 9,032.90 acre-feet of water for irrigation use during 2016. Upon receipt of this letter, you are authorized to divert water in compliance with the conditions of water use described in your rental agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$104,423.76 of the rental fee will be paid to the lessor(s) and 10% or \$11,602.64 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4910.

Sincerely,

Clay Webster
Water Resource Agent
WSB Process Point of Contact

for

Enclosure(s): Receipt No. C101697

c: Sascha Marston – Fiscal

Skaggs, Pam

From: Skaggs, Pam
Sent: Friday, March 18, 2016 8:19 AM
To: 'Hattie Zobott'
Cc: jmccllland@westernmort.com; Greg Sullivan
Subject: RE: Owhyhee Farming Co LLC, and Murphy Flatts WSB Rentals
Attachments: Owyhee Farming Co LLC - 2016 Rentals & Fees.pdf

Hattie,

I have attached copies of the first summary page of the two active rentals and the 2016 Rental Fee request letter.

The fees shown on the letter cover all the rights on the two rental documents. The group of Basin 57 rights shown on the 2014-2018 rental are represented in the rental fee request letter by 57-179 for 890 af. This is the full amount of water rented under the Basin 57 rights as shown in the subtotal of the rental agreement labeled "Combined Rental Totals". This grouping is for our accounting purposes and warrant payments to right holders at the end of the year, but can seem confusing to renters.

The total amount due for these two 2016 rentals is the \$116,026.40 listed as the total on the rental fee letter.

I hope this answers all of your questions. Let me know if I can be of any further assistance in this matter.

Pam

Pamela S. Skaggs
Water Rights Supervisor
Idaho Department of Water Resources
322 E Front St
PO Box 83720
Boise ID 83720-0098
Phone (208) 287-4951
Fax (208) 287-6700

From: Hattie Zobott [mailto:hattie.zobott@brockwayeng.com]
Sent: Thursday, March 17, 2016 4:32 PM
To: Skaggs, Pam <Pam.Skaggs@idwr.idaho.gov>
Cc: jmccllland@westernmort.com; Greg Sullivan <greg.sullivan@brockwayeng.com>
Subject: Owhyhee Farming Co LLC, and Murphy Flatts WSB Rentals

Dear Pam,

Thank you for tracking down the rental information for Owyhee Farming Co LLC and Murphy Flatts. Would you please resend the due notice, in email form, to jmccllland@westernmnmorth.com. We would appreciate a Cc to a Brockway email as well. I understand that the fee was paid last year on March 17, 2016, and this year is due as soon as possible.

The summary of what I understood is below:

Reference WR numbers are
2-2261D- Owyhee Farming LLC, \$100,675.40 Rental Contract Expires at the end of 2016—1,600 acres
2-2361-Murphy Flatts, ~\$15,351 Rental Contract Expires at the end of 2018--200.6 acres
57-??? -Murphy Flatts—you are investigating this still

Total is still pending.

I understand that it may take time to track down the notice. The client will pay promptly once the notice is sent via email. Thank you for your help in working through this.

Regards,

Hattie Zobott, P.E.

Brockway Engineering, PLLC
2016 Washington St. North, Suite 4
Twin Falls, ID 83301
(208) 736-8543
hattie.zobott@brockwayeng.com

All information, calculations, maps, drawings, or other documents transmitted via e-mail are preliminary unless explicitly stated in the e-mail text or in the documents themselves.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

This is to certify that: **OWYHEE FARMING**
PO BOX 310
AMERICAN FALLS IDAHO 83211

RECEIVED
JUN 06 2014
DEPARTMENT OF
WATER RESOURCES

COPY

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

<u>Water Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Acre Limit</u>	<u>Total Rented Acres</u>
57-00179	0.02 CFS	890 AF	NA	197.8 AC
57-00180B	0.01 CFS	890 AF	NA	197.8 AC
57-00181	3.50 CFS	890 AF	NA	197.8 AC
57-07152	NA	175.9 AF	NA	197.8 AC
COMBINED				
RENTAL TOTALS:	3.50 CFS	890 AF	NA	197.8 AC
2-2361	2.74 CFS	921.1 AF	182.9 AC	200.6 AC
2-2370	0.07 CFS	17.5 AF	3.5 AC	200.6 AC
2-7001	2.88 CFS	10.2 AF	200.6 AC	200.6 AC
2-10020	2.72 CFS	3.0 AF	186.4 AC	200.6 AC
COMBINED				
RENTAL TOTALS:	2.74 CFS	951.8 AF	200.6 AC	200.6 AC
OVERALL				
RENTAL TOTALS:	6.24 CFS	903 AF	200.6 AC	200.6 AC
Term of Rental:				
April 25, 2014 to December 31, 2014				
April 25, 2015 to December 31, 2015				
April 25, 2016 to December 31, 2016				
April 25, 2017 to December 31, 2017				
April 25, 2018 to December 31, 2018				
Rental Fee:				
<u>\$15,351.00</u> annually 2014 through 2017				
<u>\$18,060.00</u> for 2018				

The fee for rental of the above-described water is \$15,351.00 for 2014 through 2017. The fee for 2018 will be \$18,060.00. Ten percent (\$1,535.10 for 2014 through 2017 and \$1,806.00 for 2018) will go to the Department for administrative costs, and the remainder will be paid to the lessor. An annual payment shall be received by the Department prior to February 1, the beginning of the irrigation season, each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

Detailed water right specific limitations and conditions are attached.