

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

This is to certify that: **IDAHO WATER RESOURCE BOARD**
322 E FRONT ST
PO BOX 83720
BOISE ID 83720-0098
208-287-4800

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

Water Right	Priority Date	Source	Tributary	Rented Rate	Annual Rented Volume	Total Rented Acres
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71-2091D	1/31/1964	Beaver Creek	Salmon River	0.36 cfs	54.3 af	N/A ac
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71-7009	5/4/1970	Salmon River	Snake River	0.75 cfs	111.9 af	N/A ac
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71-10665B	5/1/1954	Beaver Creek	Salmon River	1.31 cfs	32.4 af	N/A ac
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71-2091C	1/31/1964	Beaver Creek	Salmon River	0.70 cfs	105.6 af	N/A ac
71-7008	5/4/1970	Beaver Creek	Salmon River	2.92 cfs	438.0 af	N/A ac
*71-7083	7/13/1982	Ground water	N/A	3.48 cfs	600.0 af	N/A ac
71-10665A	5/1/1954	Beaver Creek	Salmon River	3.48 cfs	92.4 af	N/A ac
Combined Limits				3.48 cfs	636.0 af	N/A ac

Annual Combined Rental Totals	5.90 cfs	834.6 af	N/A ac
*Annual Actual Rental Totals	3.93 cfs	556.4 af	N/A ac

****Actual rental totals reflect the consumptive use amounts of the original water rights that are deliverable to the rental point of diversion under this rental agreement.***

Rental Fee:	Years 2015-2017	\$14,188.20 annually
	Years 2018-2022	\$16,692.00 annually
	Years 2023-2034	\$19,195.80 annually

The fee for rental of the above-described water is \$14,188.20 for years 2015-2017, \$16,692.00 for years 2018-2022 and \$19,195.80 for years 2023-2034. Because the renter has a private agreement in place with the lessor, only the administrative fee for ten percent of the total rental will be charged to cover administrative costs: \$1,418.82 for years 2015-2017, \$1,669.20 for years 2018-2022, and \$1,919.58 for years 2023-2034. An annual payment shall be received by the Department each year for the duration of the rental period. The agreement will be void if payment is not received in a given year. No rental fees will be refunded once the fee is collected and the start date for a Rental Agreement has passed. Detailed water right conditions are attached.

*Water right 71-7083 is leased into the Bank in combination with 71-2091C, 71-7008 and 71-10665A. For the purposes of this Rental Agreement, water right 71-7083 does not add a benefit and is not necessary for the rental. Conversely, the Department and the lessee gain nothing by having right 71-7083 rented. Water right 71-7083 cannot be rented on its own as it is only used to supplement surface water at the place-of-use.

SUPPORT DATA
IN FILE # 71-2091C

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

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:

 BRIAN PATTON 5/14/2015
Signature of Renter Printed Name and Title* Date
IWRB EXEC-OFFICER

Signature of Renter Printed Name and Title* Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

for By  Date May 19, 2015
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

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

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

The Quantification point:

SALMON RIVER Lot 5 (NW¼NE¼SW¼) Sec. 22 Twp 11N Rge 18E CUSTER County

BENEFICIAL USE

INSTREAM FLOW

SEASON OF USE

04/15 TO 10/15 FOR WATER RIGHTS: 71-2091C, and 71-2091D

05/01 TO 09/30 FOR WATER RIGHT: 71-7008

05/15 TO 09/30 FOR WATER RIGHT: 71-7009

05/01 TO 10/31 FOR WATER RIGHTS: 71-10665A, and 71-10665B

RENTER'S PLACE OF USE:

Instream flow in the reach of the Salmon Wild and Scenic River from confluence of Beaver Creek and the Salmon River (Sec 22, Twp 7N, Rge 14E) to the Quantification Point described for Water Right No 72-16668.

CONDITIONS APPLICABLE TO ALL RENTED WATER RIGHTS

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. Use of water under this agreement shall not prejudice any pending permanent transfer applications that the renter has filed to modify other water rights for irrigation of the subject lands nor shall it prejudice any future rental agreement that may be made of the subject water right after this rental agreement expires.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. The water rented under this agreement is appurtenant to irrigation of 278.2 acres.

11. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 170, sub-district 71.
12. The water right(s) referenced above is accepted into the bank and rented in accordance with a private agreement formulated between the lessor and the renter. Administrative fees will be paid based on the current rental rate.
13. The water use of 71-2091C, 71-7008, 71-7083 and 71-10665A under this rental agreement shall not exceed a maximum diversion rate of 3.48 cfs and 636 af at the field headgate.



**STATE OF IDAHO
WATER RESOURCE BOARD**

APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

RECEIVED

JAN 14 2015

DEPARTMENT OF
WATER RESOURCES

This application must be prepared in accordance with the minimum requirements listed to be acceptable for processing by the Department. Incomplete applications will be returned.

Name of Renter(s) Idaho Water Resource Board

Mailing Address 322 E Front St. PO Box 83720 Boise, ID 83720-0098

Phone 208.287.4800

Email

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. <u>Maximum Flow Rate (cfs)</u>	<u>Maximum Volume (ac-ft)</u>	<u>Nature of Use</u>	<u>Period of Use</u>
0.75cfs	111.9	Minimum Stream Flow	05/01 to 10/31
Total:			

Total: _____

2. Source of water Salmon River

tributary to Snake River

3. Point(s) of Diversion:

TWP	RGE	SEC	GOVT LOT	¼	¼	¼	County
11N	18E	22	5	NW	NE	SW	Custer

4. Lands to be irrigated or place of use:

[illegible]

If the use is for irrigation, show total number of acres proposed through rental.

Total Acres	N/A
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B. OWNERSHIP

1. Do you own the land at the proposed point of diversion?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed point of diversion. No diversion, instream use.

2. Do you own the land at the proposed place of use?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed place of use.

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system.
The rented water will be delivered to the IWRB Salmon River Minimum Stream Flow (72-16668).
2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above.

3. Will the proposed place of use receive water from any other source? Yes ☒ No ☐
If yes, describe. Other water bank rentals from Beaver Creek and Fourth of July Creek will provide flows to the MSF.
4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed. The rented water will be used to increase instream flow for ESA-listed species through the Columbia Basin Water Transactions Program. The rented water will be delivered to the MSF reach of WR 72-16668.
5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental? Yes ☐ No ☒
If yes, describe. _____
6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation? Yes ☐ No ☒
If yes, describe. _____

E. RENTAL TERM

Do you wish to rent water from the Board's bank for more than one (1) year? Yes ☒ No ☐
If yes, please specify the number of years desired through proposed rental. 20 (IWRB authorized)

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.

If this application is approved, the applicant agrees to the following:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
4. The Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.

Signature of Applicant

Roger Chase, IWRB Chairman
Printed Name and Title*

1-14-15
Date

Signature of Applicant

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, P.O. Box 83720, Boise, ID 83720-0098

STATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANKRECEIVED
JAN 14 2015
DEPARTMENT OF
WATER RESOURCES

This application must be prepared in accordance with the minimum requirements listed to be acceptable for processing by the Department. Incomplete applications will be returned.

Name of Renter(s) Idaho Water Resource BoardMailing Address 322 E Front St. PO Box 83720 Boise, ID 83720-0098Phone 208.287.4800

Email _____

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. Maximum Flow Rate (cfs) 8.77 cfs Maximum Volume (ac-ft) 722.7 Nature of Use Minimum Stream Flow Period of Use 05/01 to 10/31

_____ to _____

_____ to _____

Total: _____

2. Source of water Beaver Creek tributary to Salmon River

3. Point(s) of Diversion:

TWP	RGE	SEC	GOVT LOT	1/4	1/4	1/4	County
11N	18E	22	5	NW	NE	SW	Custer

4. Lands to be irrigated or place of use:

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

If the use is for irrigation, show total number of acres proposed through rental.

Total Acres N/A

B. OWNERSHIP

1. Do you own the land at the proposed point of diversion?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed point of diversion. No diversion, instream use.

2. Do you own the land at the proposed place of use?

Yes ☐ No ☒

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed place of use. No POU - instream use.

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system.

The rented water will be delivered to the IWRB Salmon River Minimum Stream Flow (72-16668).

2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above.

3. Will the proposed place of use receive water from any other source?

Yes ☒ No ☐

If yes, describe. Other water bank rentals from the Salmon River and Fourth of July Creek will provide flows to the MSF.

4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed. The rented water will be used to increase instream flow for ESA-listed species through the Columbia Basin Water Transactions Program. The rented water will be delivered to the MSF reach of WR 72-16668.

5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental?

Yes ☐ No ☒

If yes, describe. _____

6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation? Yes ☐ No ☒

If yes, describe. _____

E. RENTAL TERM

Do you wish to rent water from the Board's bank for more than one (1) year?

Yes ☒ No ☐

If yes, please specify the number of years desired through proposed rental. 20 (IWRB authorized)

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.

If this application is approved, the applicant agrees to the following:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
4. The Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.

Signature of Applicant

Roger Chase, IWRB Chairman

Printed Name and Title*

Date

1-14-15

Signature of Applicant

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, P.O. Box 83720, Boise, ID 83720-0098

IN THE MATTER OF THE
BEAVER CREEK RENTAL
FOR THE WATER TRANSACTION
AGREEMENT

WHEREAS, Chinook salmon, steelhead, and bull trout habitat in the Upper Salmon River basin is limited by seasonally disconnected tributaries; and

WHEREAS, Beaver Creek has been identified as a high priority stream for flow restoration efforts, to provide high quality habitat for anadromous Chinook salmon and steelhead and resident bull trout, and the 2004 Snake River Water Rights Agreement (Also known as the Nez Perce Agreement) commits the state to providing incentives for improving fish habitat which includes improving or protecting flow conditions to augment stream flows, and

WHEREAS, it is in the interest of the State of Idaho to maintain the reconnection of Beaver Creek to encourage recovery of ESA-listed Chinook salmon, steelhead, and bull trout; and

WHEREAS, the Idaho Water Resource Board (Board) has contracted with DOT LLP to rent their water rights from Beaver Creek and Salmon River for instream purposes since 2004; and

WHEREAS, there is funding available to secure 20-year lease and rental agreements with DOT LLP, or its successors, to protect 9.88 cfs instream in Beaver Creek and the Salmon River, and

WHEREAS, the Board will compensate DOT LLP or its successors, \$20 per acre per irrigation season for said rental for an annual payment of \$5564 for 278.2 acres and a 20-year total of \$111,280; and

WHEREAS, the lease and rental fees for said agreement will not exceed \$36,887.42, and

WHEREAS, a proposal for \$148,167.42 has been submitted to the Columbia Basin Water Transactions Program to be used to fund said lease/rental agreement; and

WHEREAS, staff anticipates the funds being placed in the Idaho Water Resource Board (IWRB) Revolving Development Account for annual payment to the water right owners; and

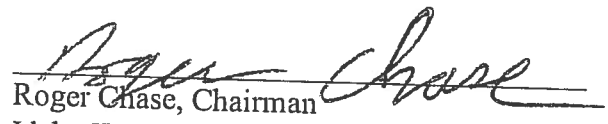
WHEREAS, the Beaver Creek transaction is in the public interest and is in compliance with the State Water Plan.

WHEREAS, this resolution supercedes the Beaver Creek funding resolution approved by the Idaho Water Resource Board at the November 5, 2014 meeting; and

NOW THEREFORE BE IT RESOLVED that the IWRB authorizes the Chairman to enter into a lease/rental agreement for water rights 71- 2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B for delivery to minimum stream flow 72-16668, using an amount not to exceed \$148,167.42.

NOW THEREFORE BE IT FURTHER RESOLVED that this resolution is subject to the condition that the IWRB receives the requested funding from the Bonneville Power Administration through the Columbia Basin Water Transaction Program in the amount of \$148,167.42.

DATED this 20th day of March, 2015.


Roger Chase, Chairman
Idaho Water Resource Board

ATTEST: 
VINCE ALBERDI, Secretary

Salmon River MSF WR 72-6668





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 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

May 20, 2015

IDHAO WATER RESOURCE BOARD
322 E FRONT ST
PO BOX 83720
BOISE ID 83720-0098

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 71-2091D, 71-1009, 71-10665B, 71-2091C, 71-7008, 71-7083
AND 71-10665A**

Dear Renter:

Please find a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 834.6 acre-feet of water for instream flow during 2015. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, the rental fee will be retained by the Department to offset administrative costs since you have a private agreement with the lessor.

If you have any questions, please contact me at (208) 287-4946.

Sincerely,

For Michele Edl
Senior Water Resource Agent

Enclosure(s): Rental Agreement (copy)

c: Sascha Marston – Fiscal
Allen Merritt – IDWR Southern Regional Office
Jan Skrukud/Nick Miller – State Water District No. 71/170
Morgan Case – IWRB

AFFIDAVIT OF PUBLICATION

State of Idaho, County of Custer, ss:

I, Susan Callahan, representing the Challis Messenger, a weekly newspaper, published at Challis, Idaho, do solemnly swear that the notice hereto attached and made a part hereof, was published in the regular and entire issue of the Challis Messenger for 2 consecutive weeks, commencing with the issue dated 2/12 2015 and ending with the issue dated 2/19 2015

Susan Callahan

STATE OF IDAHO

COUNTY OF CUSTER

On this 23rd day of FEB. in the year of 2015, before me, a Notary Public,

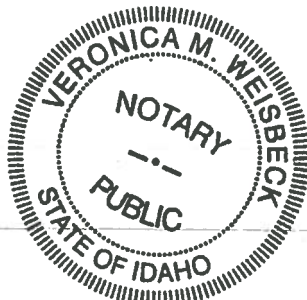
personally appeared Susan Callahan, known or identified to me to be the person whose name, subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledged to me that he executed the same.

Veronica M. Weisbeck

Notary Public for Idaho

Residing at Challis, Idaho

My commission expires: 1/9/21



RECEIVED

FEB 26 2015

DEPARTMENT OF WATER RESOURCES

NOTICE OF PROPOSED RENTAL FROM THE WATER SUPPLY BANK

Notice is hereby given pursuant to IDAPA Rule 37.02.03.030 (Water Supply Bank Rule 30) that the Idaho Water Resource Board, PO Box 83720, Boise, ID 83720-0098, filed an application on January 14, 2015 to rent Water Right No. 71-7009 for 0.75 cubic feet per second from the Salmon River tributary to the Snake River; and Water Right Nos. 71-2091C, 71-2091D, 71-7008, 71-10665A and 71-10665B for 5.15 cubic feet per second from Beaver Creek tributary to the Salmon River from the Water Supply Bank for a period from January 1, 2015 through December 31, 2034. The proposed rental, beginning in Blaine County, would provide for the in-stream flow use (non-diversion) of a total of 5.90 cubic feet per second for the minimum stream flow in the Salmon River.

Protests may be submitted based on the criteria of Section 42-22, Idaho Code. Protests against approval must be filed with the Idaho Department of Water Resources, PO Box 83720, Boise, ID 83720-0098, with a protest fee of \$25.00 on or before March 2, 2015.

Gary Spackman, Director
Published: February 12 and 19, 2015

John
2-26-15

Palmer, Cherie

From: Case, Morgan
Sent: Thursday, March 05, 2015 3:42 PM
To: Palmer, Cherie
Cc: Edl, Michele
Subject: RE: DOT

Cherie,

Remington informed me of my miscalculation on the rental fees (I used the rental volume from the 2005 rental agreement, which was the consumptive use.) a few weeks ago. I will be getting a new resolution from the Board to authorize that increase in a few weeks and have already gotten approval from the funders for that as well. The annual payment to the landowner will be \$5564/year. Remington had sent along a draft agreement, which showed the standard rental rate for a total payment, so yes, that should be reduced to reflect \$5564 + \$appropriate annual rental fee.

Sorry about the confusion.

Thanks,

Morgan

From: Palmer, Cherie
Sent: Thursday, March 05, 2015 12:06 PM
To: Case, Morgan
Cc: Edl, Michele
Subject: DOT

Morgan,

We are ready to execute the rental for the Boards rental for Salmon/Beaver Creek water through 2034. I am reading your 1/13/2015 letter addressed to me and see that you quoted the administrative fees as \$945.88. Let me show you the breakdown of the fees as Michele and I have calculated:

834.6 af being rented x \$ 1.70 for administrative fees = 1,418.82 for years 2015-2017
834.6 af being rented x \$ 2.00 for administrative fees = 1,669.20 for years 2018-2022
834.6 af being rented x \$ 2.30 for administrative fees = 1,919.58 for years 2023-2034

The filing fee you quote is much different and I can't duplicate your figure. I'm not sure what this does to your contract with the lessor or this rental agreement. Can you please advise me.

Also I understand that you have a private agreement with the land owner to pay them \$20/acre. So annual payments of \$5,564 should be issued to the lessors for the next 20 years? I just want to confirm that is correct.

Cherie

Edl, Michele

From: Case, Morgan
Sent: Friday, February 06, 2015 11:36 AM
To: Edl, Michele
Subject: RE: IWRB rental agreement for DOT rights

Michelle,

The quantification point and the end point coincide, so there is no defined reach for the MSF. I wonder if it would make sense to describe the beginning of the reach at the lowest original irrigation POD and the end at the quantification point. That would be ideal for the Board, if it works for the bank.

Thanks,

Morgan

From: Edl, Michele
Sent: Friday, February 06, 2015 10:13 AM
To: Case, Morgan
Subject: IWRB rental agreement for DOT rights

Morgan,

I am working on the rental agreement for which the DOT water rights are to be dedicated (MSF right 72-16668) The template rental agreement is geared for irrigation use so it doesn't fit this situation very well.

I am looking for a way to describe the renter's place-of-use and the point-of-diversion. I found a precedent that listed the beginning point and the ending point to describe the PODs and the sentence "Instream flow throughout the Salmon Wild and Scenic River from the beginning point to the ending point as described above for water right no 75-13316" to describe the POU.

MSF right 72-16668 has a quantification point and an instream ending point which may be the same thing. Do you know if the reach we are targeting for this rental has a beginning point? Do you have a better idea for describing the renter's POD and POU?

We have about four weeks (while the advertising runs its course) to come up with solutions we like. But I'd like to have it ready to go before I forget the peculiarities.

Thanks
Michele

MEMORANDUM

To: Right(s) 71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B

From: Michele Edl

Date: January 29, 2015

Re: Review & Analysis of the Idaho Water Resource Board's Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: On January 14, 2015, The Idaho Water Resource Board submitted an application to rent Water Rights #71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B. The application proposes to rent water and not use it. Instead the water will be dedicated to providing a minimum stream flow in the Salmon River. (See water right 72-16668). The destination reach of the Salmon River is downstream and northeast of the POU and PODs for all of these rights.

AUTHORITY TO FILE: The IWRB is the only entity with the authority to establish a minimum instream flow in Idaho. The IWRB is the owner of record for SRBA decreed Water Right 72-16668, the relevant minimum streamflow right. In conjunction with the Columbia Basin Water Transaction Program, the Board also has the authority to make long-term funding commitments. A commitment to fund the rental for the next twenty years was made in the IWRB's November 4, 2015 meeting. Brian Patton signed the application on behalf of the Roger Chase, Board Chairman.

WATER RIGHT VALIDITY: Water Rights #71-2091C, 71-2091D, 71-7008, 71-7009, 71-7083, 71-10665A, and 71-10665B were leased into the WSB on , 2015 According to 2006-2013 aerial photography, the water rights have been idled at the former place-of-use in Township 7N, Range 14E, sections 21 and 22.

The water rights are available for rental and can provide the requested volume. The available rate is less than the applicant requested.

INJURY TO OTHER WATER RIGHTS: No injury is apparent.

ENLARGEMENT OF USE: No enlargement is evident through the rental.

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The surface water rights are subject to Water District 71.

The quantity of water involved in this rental will require advertising.

Ground water right 71-7083, is tied by combined use limits to three surface water rights. 71-2091C, 71-7008 and 71-10665A are diverted from Beaver Creek. 71-7083 was developed after the surface water rights and is likely a supplemental ground water right. The ground water right will be idled along with the companion surface water rights. But the ground water will not be conveyed to the minimum stream flow reach via any surface water system.



IDAHO WATER RESOURCE BOARD

January 13, 2015

C.L. "Butch" Otter
Governor

Cherie Palmer
Idaho Department of Water Resources
322 E Front St.
PO Box 83720
Boise, ID 83720-0098

Ms. Palmer:

The Idaho Water Resource Board (IWRB) approved funding for a water transaction on Beaver Creek, tributary to the Salmon River in the Sawtooth Valley and the Upper Salmon River. The approved transaction consisted of a 20-year lease/rental package of the DOT LLP water rights from Beaver Creek and the Salmon River. The water rights will be rented for delivery to the Salmon River minimum stream flow water right at the confluence with the East Fork Salmon River (WR No.72-16668).

As in previous lease/rental transactions, funding will be coming from the Bonneville Power Administration through the Columbia Basin Water Transactions Program (CBWTP) and is intended to cover the lease application fees, rental pool administrative fees (at \$1.70/AF through 2017, and increasing with the planned rate steps), and payment to the landowner of \$20/acre/year (\$5,564/year). IWRB cannot invoice CBWTP for any of those funds unless there are signed 20-year lease and rental agreements to show the funders that the water will be protected instream.

Attached to this letter you will find an IWRB resolution authorizing funding and the rental application. The Board intends to submit a payment of \$7,759.88 at the end of the 2015 irrigation season to cover the \$1250 lease application fee, \$945.88 water bank rental administrative fee, and \$5,564 landowner payment. With the IWRB commitment to submit that payment, the IWRB expects processing to commence. As in the other IWRB rentals for delivery to MSF water rights, future year payments will be transferred to the Water Supply Bank after contract compliance has been verified, typically at the end of the irrigation season.

The IWRB is aware that a rental agreement for 20-years cannot be processed without advertisement of the rental, as was done for the previous 10-year rental.

Please let me know if you have any questions.

Sincerely,

Morgan Case
Project Manager, IWRB Water Transactions Program
208.762.2803

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Pocatello
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