

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

AMENDED

This is to certify that: **IDAHO GROUND WATER APPROPRIATORS**
C/O THOMAS J. BUDGE
PO BOX 1391,
POCATELLO, ID 83204
(208) 232-6101

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	Acre Limit	Total Rented Acres
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36-7072	09/05/1969	Thousand Springs	SNAKE RIVER	7.8 cfs	5654.2 af	N/A	N/A
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Annual Rental Total

7.81 cfs 5654.2 af N/A N/A

Term of Rental: January 1, 2015 to December 31, 2016

Annual Rental Fee: \$9612.48

The fee for rental of the above-described water is \$96,124.80, however you have a private agreement with the lessor of water right 36-7072 where you only need to pay for the administrative fee associated with the rental of that water right. The fee that will be retained by the Department to offset administrative costs is 10% of the total, or \$9,612.48.

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.

RELEASED
JAN 27 2015

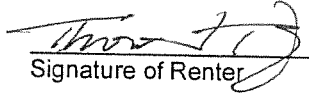
SCANNED

JAN 29 2015

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

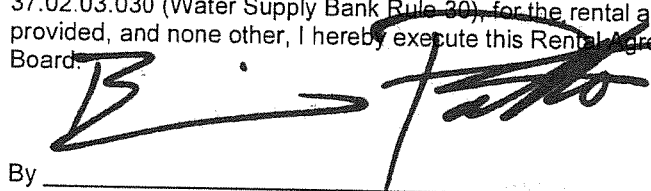
WATER SUPPLY BANK RENTAL AGREEMENT

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:

 Thomas J. Budge, Attorney for IGLWA 1-25-15
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.


By
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date January 27, 2015

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

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

THOUSAND SPRINGS SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 6 Twp 08S Rge 14E GOODING County
TWO POINTS OF DIVERSION LOCATED IN T08S, R14E, S06, LOT 8 SESESE

BENEFICIAL USE

FISH PROPAGATION

SEASON OF USE

01/01 TO 12/31

RENTER'S PLACE OF USE: FISH PROPAGATION

			NE				NW				SW				SE				Totals
Twp	Rng	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	14E	31			H	H													
07S	14E	32							H										

Total Acres:

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 action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
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 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.

11. All conditions specified and ordered by the Director of Water Resources in the Order Approving IGWA's Fourth Mitigation Plan are relevant and apply to this rental agreement.
12. Use of water under this right 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. 130.
13. Prior to diversion of water under this right, the right holder shall install and maintain a measuring device and lockable controlling works of a type acceptable to the Department as part of the pipeline delivering water to the Rangen Facility.

AMENDED
STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED**JAN 27 2015**DEPARTMENT OF
WATER RESOURCES

**APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK**

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) IGWA, acting for and on behalf of NSGWD, MVGWD, Southwest Irr Dist. (collectively "Districts")

Mailing Address c/o Randall C. Budge, PO Box 1391, Pocatello, ID 83204

Phone 208-232-6101

Email rcb@racinelaw.net

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>
<u>7.81 5.5 cfs</u>		<u>Fish Propagation/Mitigation</u>	<u>1/1</u> to <u>12/31</u>
<u>1.26 1.5</u>			to
<u>7.81</u>			to
Total: <u>5.5 cfs</u>			

2. Source of water Magic Springs tributary to Snake River

3. Point(s) of Diversion:

TWP	RGE	SEC	GOVT LOT	1/4	1/4	1/4	County
8S	14E	5			SW	SW	Gooding
8S	14E	6			SE	SE	Gooding
8S	14E	8			NW	NW	Gooding

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	
7S	14E	31									FM								
7S	14E	32										FM							

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. SeaPac of Idaho, Inc. Letter of Intent is attached.

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. Rangen, Inc., PO Box 706, Buhl, ID : Order Approving IGWA's Fourth Mitigation Plan

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 Districts will pump and pipe water from Magic Springs facility to the Rangen hatchery.
2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above.
Rangen water right nos. 36-134B, 36-135A, 36-15501, 36-2551, 36-7694 are also used for fish propagation at the Rangen Fish Hatchery.
3. Will the proposed place of use receive water from any other source? Yes ☒ No ☐
If yes, describe. Martin-Curren Tunnel
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. Mitigation for fish propagation pursuant to IGWA's Fourth Mitigation Plan, CM-MP-2014-006.
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. Transfer Application #79560 and Permit Application for Waste Water.
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 ☐

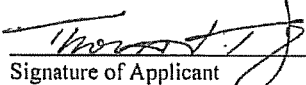
If yes, please specify the number of years desired through proposed rental. 1*

*terminable upon approval of Transfer #79560

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

Thomas J. Budge, Attorney for Renter

Printed Name and Title*

12/12/14

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

LETTER OF INTENT

USE OF WATER FROM SEAPAC OF IDAHO, INC'S MAGIC SPRINGS FACILITY, CONSTRUCTION OF PUMP STATION AND PIPELINE IN EXCHANGE FOR WATER FROM THE AQUA LIFE FACILITY

This Letter of Intent ("LOI") is entered into by and between Idaho Ground Water Appropriators, Inc. ("IGWA"), acting for and on behalf of North Snake Ground Water District, Magic Valley Ground Water District and Southwest Irrigation District (collectively "Districts"), and SeaPac of Idaho, Inc. ("SeaPac").

RECITALS

A. In response to Rangen, Inc.'s ("Rangen") water delivery call, the Idaho Department of Water Resources ("IDWR") determined in its January 29, 2014 order that holders of ground water rights junior to July 13, 1962 must provide 9.1 cfs of direct flow to Rangen. Other delivery calls are pending or may be filed by other Hagerman Valley water right holders seeking to curtail junior ground water users.

B. IGWA represents ground water districts whose members consist of irrigators, municipalities, and commercial and industrial entities with ground water rights. Many of the ground water districts' member's water rights are junior to Rangen and certain other water rights in the Thousand Springs reach of the Hagerman Valley and are subject to curtailment unless a mitigation plan is approved providing replacement water.

C. IGWA and SeaPac support the concepts and implementation of the State of Idaho's *Thousand Springs Water Supply Settlement Framework* designed to provide recharge and other means to stabilize the aquifer, to improve water supplies in the Hagerman Valley and to resolve conflicts between junior and senior water right holders.

D. The Idaho Water Resource Board ("IWRB") owns and operates the Aqua Life Aquaculture Facility Hatchery ("Aqua Life") and has entered into a Letter of Intent with IGWA to make available to IGWA by lease or purchase up to ten (10) cfs of its Aqua Life water rights from adjacent springs as needed to meet the mitigation obligation to Rangen and others in the Hagerman valley. IGWA has entered into negotiations with IWRB seeking to lease and acquire ownership of all of Aqua Life.

E. SeaPac currently has a short-term lease of Aqua Life from IWRB and desires to continue its Aqua Life operations by securing ownership and/or a long-term lease.

F. IGWA desires to secure water from SeaPac's Magic Springs to provide a supply of water for mitigation purposes to Rangen and to other senior rights in the Hagerman Valley.

G. IGWA and SeaPac desire to enter into this Letter of Intent ("LOI") to set forth their intent to commence negotiation of a final agreement providing for the exchange of Magic Springs water for Aqua Life water consistent with the terms set forth below.

TERMS

The Agreement shall have the following terms and conditions:

1. SeaPac will lease or sell to IGWA up to ten (10) cfs of first use water from its Magic Springs water right nos. 36-7072 and 36-8356 and also will provide access to allow IGWA to utilize all discharge water from its Magic Springs facilities as needed to provide mitigation to other water right holders in the Hagerman valley.

2. In exchange for water from Magic Springs, IGWA will secure ownership or control of Aqua Life water right nos. 36-1044, 36-2734, 36-15476, 36-2414, and 36-2338 by long-term lease or purchase from IWRB and make them available to SeaPac.

3. IGWA will pay all costs to design, construct, operate and maintain the water collection and intake system, pump station, pipeline and other facilities necessary to deliver up to 10 cfs of first use water together with discharge water from Magic Springs to the head of Billingsley Creek directly up gradient from the Rangen hatchery and/or other locations in the Hagerman valley for mitigation purposes. IGWA will ensure that the diversion and delivery facilities to be constructed will not interfere with the use of SeaPac's remaining water rights at Magic Springs.

4. IGWA shall be responsible to secure from IDWR approval of such mitigation plans, transfer applications and other permits as may be required to change the point of diversion and place of use to accomplish the delivery of Magic Springs water for mitigation purposes. SeaPac hereby grants consent to IGWA to file and process such mitigation plans, transfer applications based on this LOI, with the approvals made subject to this LOI and the contemplated final Agreement between the parties.

5. SeaPac will grant IGWA permanent easements at Magic to design, construct, operate and maintain the water intake and collection facilities, pump station, pipeline and other facilities as necessary for the delivery of water to other locations for mitigation purposes.

6. IWRB will cooperate with IGWA and provide all necessary documents to conduct such investigation as it shall deem appropriate.

7. The Agreement will be contingent upon: (a) IGWA securing an order from IDWR approving mitigation plans providing for the delivery SeaPac's Magic Springs water rights to satisfy the mitigation obligations to Rangen and/or others in the Hagerman valley; (b) IGWA

securing an order from IDWR approving the transfer of the point of diversion and place of use (as necessary) from SeaPac to Rangen and other locations for mitigation; (c) IGWA proceeding to construct and implement the pump and pipeline facilities pursuant to an approved mitigation plan; and IGWA securing ownership or control by long-term lease of Aqua Life and providing it to SeaPac.

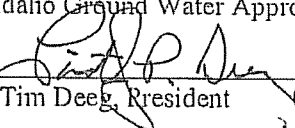
8. This LOI may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute but one and the same agreement. Delivery of an executed counterpart of this LOI via facsimile transmission shall be as effective as delivery of an original signed copy. Thereafter, the parties shall exchange executed originals of this LOI.

9. This LOI is intended as a general expression of the terms and conditions, under which the parties are willing to proceed to prepare, negotiate and if acceptable to all parties in their respective sole discretion, execute a final Agreement. Neither this LOI nor the execution hereof as provided below, shall be binding on any party until the formal Agreement is executed by all parties.

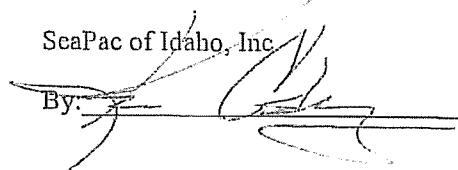
10. Upon execution of this LOI SeaPac will provide access to IGWA to begin engineering work, IGWA will proceed to file and process with IDWR mitigation plans and transfer applications as contemplated and the parties will proceed to negotiate a final Agreement incorporating the terms and conditions as outlined above.

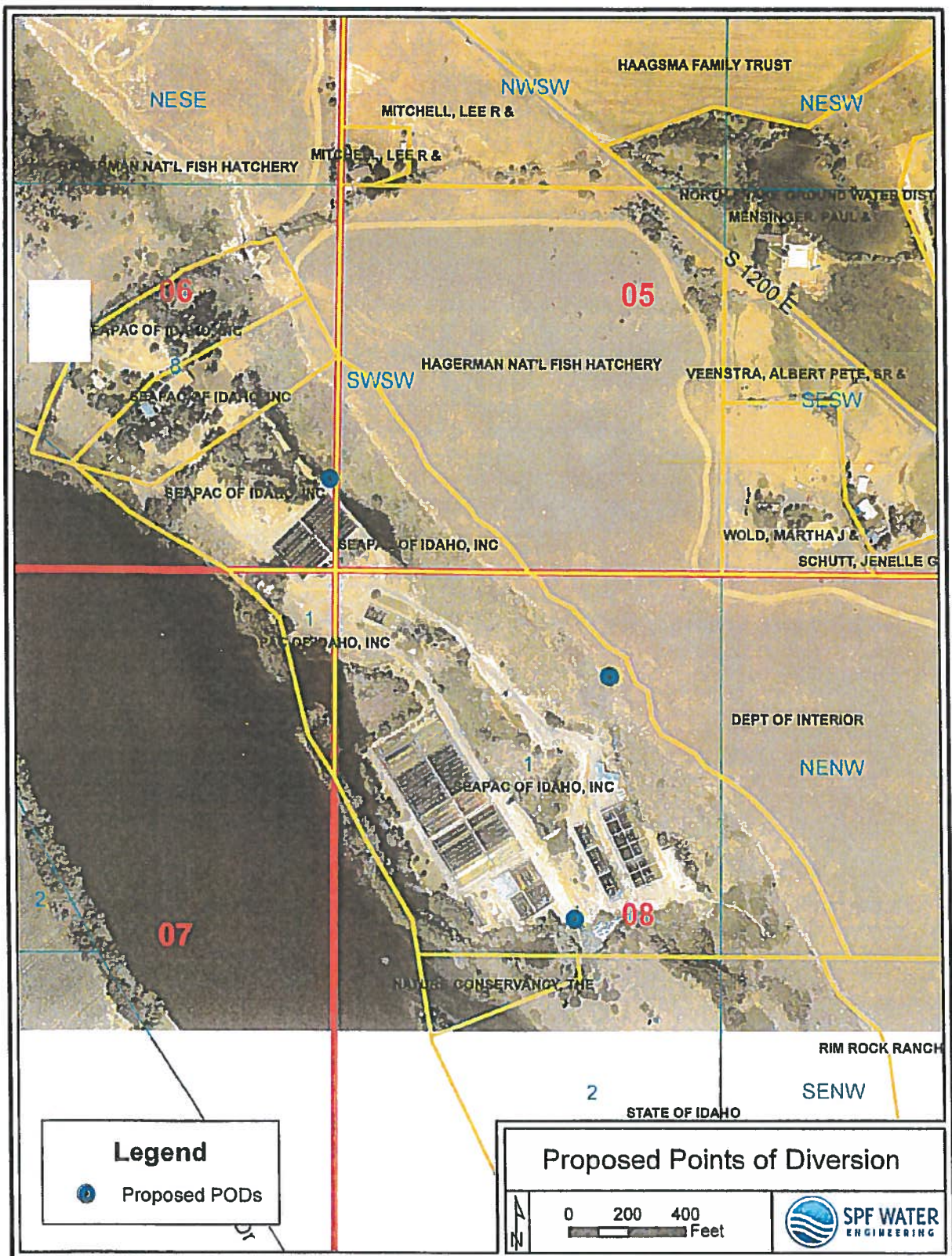
Idaho Ground Water Appropriators, Inc.

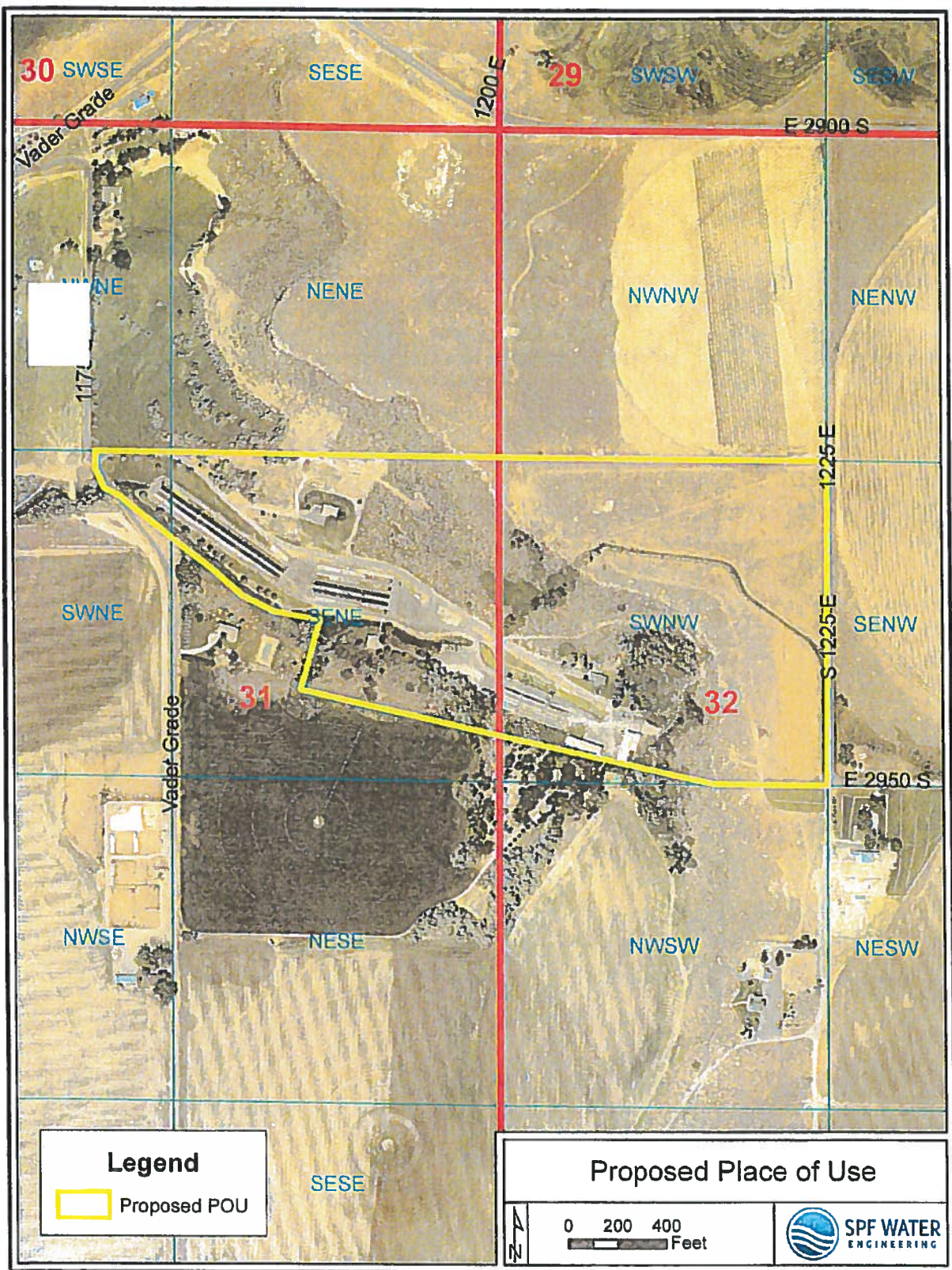
By:

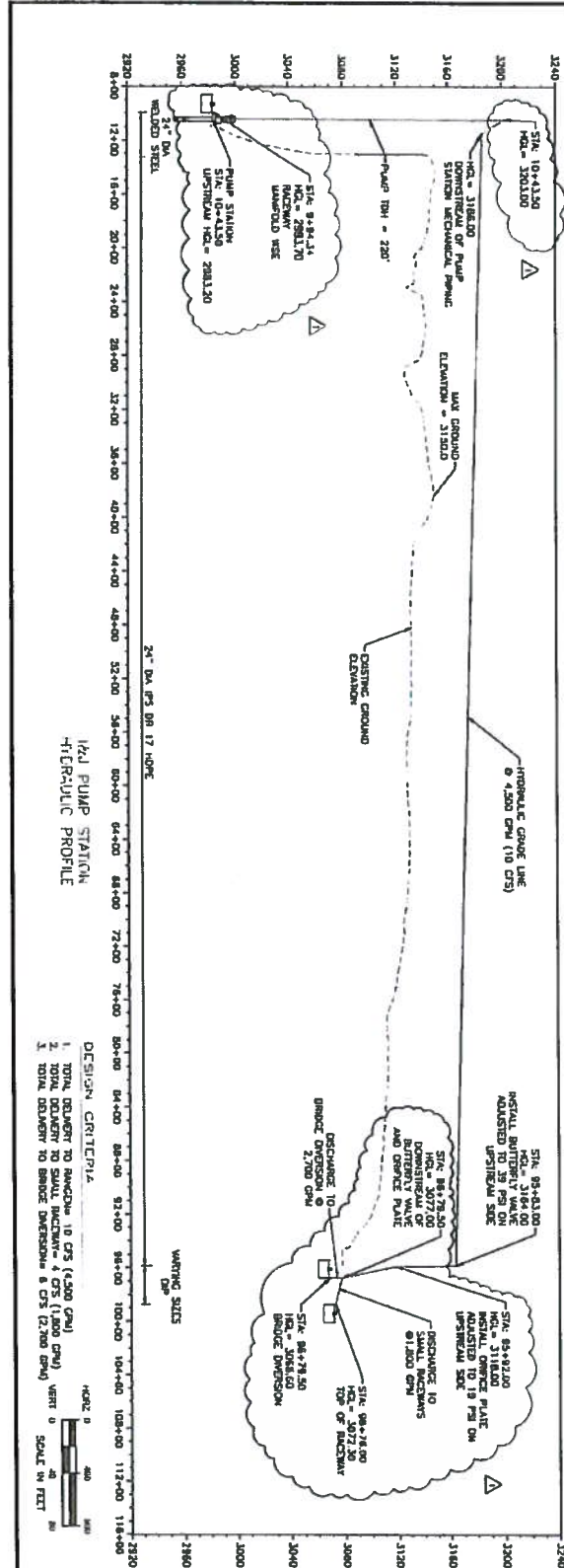

Tim Deeg, Resident

SeaPac of Idaho, Inc.

By: 







300 East Mallard Drive, Suite 350
Boise, Idaho 83700
Tel (208) 363-4140 Fax (208) 363-4150



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

January 28, 2015

IDAHO GROUND WATER APPROPRIATORS
C/O THOMAS J BUDGE
PO BOX 1391
POCATELLO ID 83204

AMENDED

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 36-7072**

Dear Renter:

Please find enclosed a receipt in the amount of **\$2,843.08, the remainder of the rental fee** and a copy of a fully executed Amended Water Supply Bank Rental Agreement in connection with the rental of 5654.2 acre-feet of water for fish propagation 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 of the right(s).

If you have any questions, please contact me at (208) 287-4944.

Sincerely,

for Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure(s): Receipt No. C099860
Rental Agreement (copy)

c: Sascha Marston – Fiscal
Allen Merritt – IDWR Southern Regional Office
Cindy Yenter – State Water District No. 130



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

January 27, 2015

IDAHO GROUND WATER APPROPRIATORS
C/O THOMAS BUDGE
PO BOX 1391
POCATELLO ID 83204

RE: RENTAL OF WATER RIGHT NO. 36-7072 FROM THE WATER SUPPLY BANK

Dear Mr. Budge,

Please find enclosed two lease contracts and a rental agreement for 7.81 cfs of water through the Water Supply Bank. The Water Supply Bank confirms receipt of payment from you in association with the rental of this water; the lease and rental documents can be executed once we receive signed copies of the lease contracts and the rental agreement.

Please forward the lease contracts to SeaPac of Idaho for signature and please sign the rental agreement on behalf of the Idaho Ground Water Appropriators. Once signed copies of all three of these documents are received in our office, we will sign the documents and they will be considered executed.

If you have any questions, please contact me at (208) 287-4918.

Sincerely,

Remington Buyer
Water Supply Bank Coordinator

Enclosure(s): Lease Contracts (two)
Rental Agreement

Buyer, Remington

From: TJ Budge [tjb@racinelaw.net]
Sent: Tuesday, January 27, 2015 12:09 PM
To: Buyer, Remington; Palmer, Cherie
Cc: Becky J. Harvey
Subject: RE: water supply bank rental agreement 36-7072
Attachments: 20150127 SeaPac Contract 1.pdf; 20150127 SeaPac Contract 2.pdf; 20150127 WSB Rental Agreement.pdf

Remington,

Please find attached the rental agreement with my signature, and two copies of the SeaPac contracts signed by Ken Ashley. Please send me the fully executed rental agreement today if possible.

Thanks,

TJ

T.J. Budge
Attorney



RACINE
OLSON
NYE
BUDGE
BAILEY

208.232.6101 — Phone
208.232.6109 — Fax

201 E. Center St. / P.O. Box 1391
Pocatello, Idaho 83204
www.racinelaw.net

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From: Buyer, Remington [mailto:Remington.Buyer@idwr.idaho.gov]
Sent: Tuesday, January 27, 2015 9:30 AM
To: TJ Budge; Palmer, Cherie
Cc: Becky J. Harvey
Subject: RE: water supply bank rental agreement 36-7072

TJ,

Thank you for amending the lease and rental applications. A new lease contract with SeaPac is required as only 5.5 cfs of water was originally leased into the Bank. Copies of the new lease contract and rental agreement are attached.

Please coordinate with SeaPac for signature on two copies of the lease contract and please sign the rental agreement on behalf of IGWA. Once the two lease contracts and the rental agreement are received by our office, we will sign both lease contracts and return one to SeaPac, and we will sign the rental agreement. All documents will be considered executed once all parties have signed.

Please call me if you have any questions,

Remington Buyer

Water Supply Bank Coordinator
Idaho Department of Water Resources
322 East Front Street, Boise, ID, 83720
T: (208) 287-4918 | F: (208) 287-6700

From: TJ Budge [<mailto:tjb@racinelaw.net>]
Sent: Monday, January 26, 2015 5:25 PM
To: Buyer, Remington; Palmer, Cherie
Cc: Becky J. Harvey
Subject: RE: water supply bank rental agreement 36-7072

Remington,

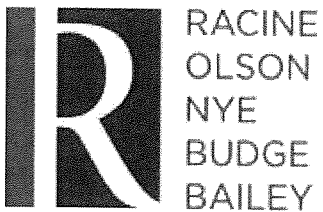
Attached are amended copies of the rental application, lease application, and agreement to increase the amount to 7.81 cfs. The amended agreement can be completed simply by having you or Cherie initial the amendment. If you would prefer to draft a new agreement rather than use my hand-written amendments that would be fine too.

I'll have hard copies delivered to the IDWR office in Boise tomorrow along with a check for \$2,843.08 for the additional administrative fee.

Thanks,

TJ

T.J. Budge
Attorney



208.232.6101 — Phone
208.232.6109 — Fax

201 E. Center St. / P.O. Box 1391
Pocatello, Idaho 83204
www.racinelaw.net

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From: Buyer, Remington [<mailto:Remington.Buyer@idwr.idaho.gov>]
Sent: Friday, January 23, 2015 2:44 PM
To: TJ Budge; Palmer, Cherie
Cc: Bonnie Hill
Subject: RE: water supply bank rental agreement 36-7072

TJ,

Please submit to our office signed, amended lease and rental applications for 7.81 cfs. We can redraft the lease and rental documents for 7.81 cfs once we receive amended applications from SeaPac and IGWA. The difference of 2.31 cfs will result in additional 1672.4 af of rental water, which has an associated administrative fee of \$2843.08.

Remington Buyer

Water Supply Bank Coordinator
Idaho Department of Water Resources
322 East Front Street, Boise, ID, 83720
T: (208) 287-4918 | F: (208) 287-6700

From: TJ Budge [<mailto:tjb@racinelaw.net>]
Sent: Friday, January 23, 2015 10:49 AM
To: Buyer, Remington; Palmer, Cherie
Cc: Bonnie Hill
Subject: water supply bank rental agreement 36-7072

Remington, Cherie –

I suppose you heard the Rangen curtailment has been stayed until February 7th. The order granting the stay requires IGWA to deliver additional water to Rangen once that's done—a total of 7.81 cfs. The current water bank agreement is for 5.5 cfs. As you know, SeaPac has agreed to allow the Districts to use up to 10 cfs, so there is no problem increasing the amount to 7.81 cfs. My preference would be to amend the existing agreement from 5.5 cfs to 7.81 cfs, but I could submit new lease and rental applications for 2.31 cfs if that works better for you. Let me know.

Either way we know we will need to pay an additional administrative fee. Please let me know what that is as well.

Thanks,

TJ

T.J. Budge
Attorney



RACINE
OLSON
NYE
BUDGE
BAILEY

208.232.6101 — **Phone**
208.232.6109 — **Fax**

201 E. Center St. / P.O. Box 1391
Pocatello, Idaho 83204
www.racinelaw.net

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MEMORANDUM

To: Water Right No(s). 36-7072

From: Remington Buyer

Revwd 1/27/15 CP

Date: January 27, 2015

Re: Review of Lease & Rental of Water through the State Water Supply Bank

The Water Supply Bank approved a lease and rental of 5.5 cfs of water right 36-7072 in January 2015 (see previous review memos). On January 15th 2015 a lease contract signed by SeaPac of Idaho, the lessor of the water right, was received by the Water Supply Bank in tandem with a rental agreement for the 5.5 cfs, signed by the Idaho Ground Water Appropriators (IGWA). The lease contract and rental agreement were executed through signature by the Water Supply Bank.

The lease and rental agreement authorized the diversion and transfer of water from SeaPac's place of use, to a place of use owned by Rangen Inc. IGWA was renting the water to provide mitigation water to Rangen in order to avoid an IDWR curtailment of groundwater pumpers who are members of IGWA. IGWA was required to begin providing rental water to Rangen in advance of January 19th, 2015. Due to a violation of a condition of the IDWR Order Approving IGWA's Fourth Mitigation Plan, the January 19th deadline was missed.

IGWA received from the Idaho District Court a two week injunction against the curtailment order however the court ordered an increase in the total water necessary for transfer from SeaPac to Rangen, from 5.5 cfs to 7.81 cfs. This memo addresses the increase in the flow from SeaPac to Rangen, not the original approval of the lease and rental.

AUTHORITY TO FILE: Amended copies of the lease and rental applications have been received from TJ Budge, legal counsel for IGWA. Mr. Budge has the authority to represent both SeaPac on the lease application and IGWA on the rental.

WATER RIGHT VALIDITY: Water right was decreed in 1997 and SeaPac has been and continues to use water authorized under this right. Validity of the right is not a concern.

INJURY TO OTHER WATER RIGHTS: Through adherence to the conditions of the order approving IGWA's fourth mitigation plan, and subject to the right of prior appropriators to demonstrate material injury caused by the lease or rental of this water, the Water Supply Bank can approve the lease and rental of this water without causing injury to other water rights.

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

LOCAL PUBLIC INTEREST: The lease and rental of this water is in the local public interest.

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

DEPARTMENT STAFF OR WATERMASTER COMMENTS: Water District 130 Watermaster comments were obtained regarding the increased flow to Rangen; no additional concerns were expressed regarding the additional leasing or renting of this water through the Bank.