

JAN 15 2015

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

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	5.5 cfs	3982 af	N/A	N/A
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Annual Rental Total**5.5 cfs 3982 af N/A N/A****Term of Rental: January 1, 2015 to December 31, 2016****Annual Rental Fee: \$6769.40**

The fee for rental of the above-described water is \$67,694.00, 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 \$6769.40.

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.

SCANNED

JAN 16 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:

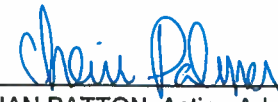
_____
Signature of Renter

Attorney for IGWA_____
Printed Name and Title*

1.14.15_____
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 _____
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date January 15, 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

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			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.

STATE OF IDAHO
WATER RESOURCE BOARDAPPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK

RECEIVED

DEC 15 2014

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) 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 83204Phone 208-232-6101Email rcb@racinelaw.net

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. Maximum Flow Rate (cfs) Maximum Volume (ac-ft) Nature of Use Period of Use
5.5 cfs Fish Propagation/Mitigation 1/1 to 12/31
 to
 to
 Total: 5.5 cfs

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.

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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

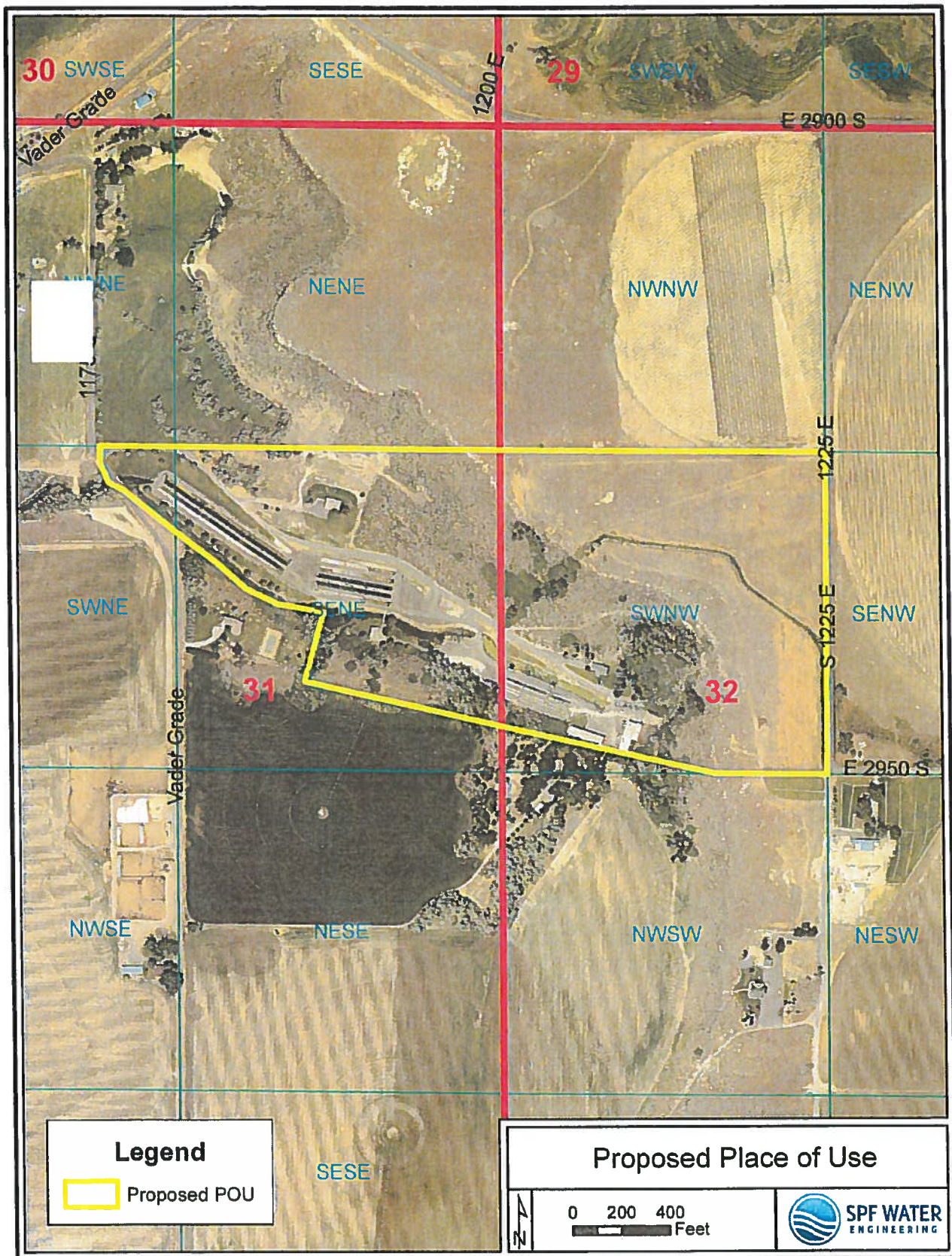
Signature of Applicant

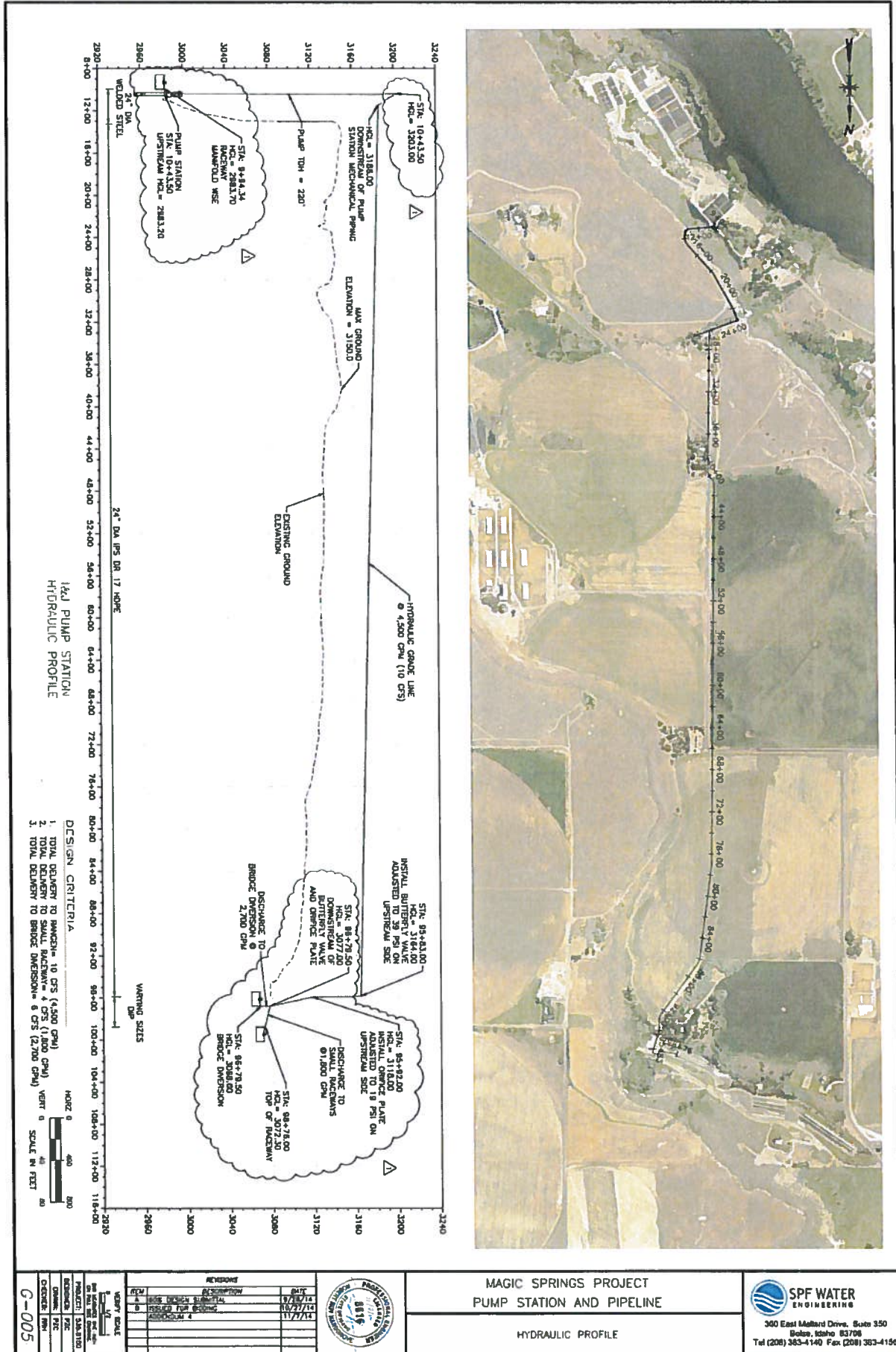
Printed Name and Title*

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







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 16, 2015

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

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

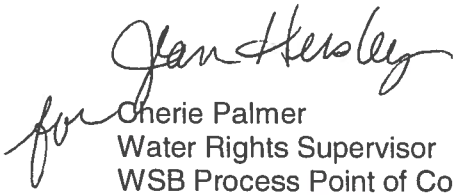
Dear Renter:

Please find enclosed a receipt in the amount of **\$6769.40** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 3982 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,


Cherie Palmer
Water Rights Supervisor
WSB Process Point of Contact

Enclosure(s): Receipt No. C099824
Rental Agreement (copy)

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



RACINE
OLSON
NYE
BUDGE
BAILEY

201 E. Center St.
P.O. Box 1391
Pocatello, ID 83204
OFFICE 208.232.6101
FAX 208.232.6109
racinelaw.net

RECEIVED

JAN 15 2015

DEPARTMENT OF
WATER RESOURCES

Thomas J. Budge
tjb@racinelaw.net

January 15, 2015

Remington Buyer
Water Supply Bank Coordinator
Idaho Department of Water Resources
322 East Front Street, Boise, ID, 83720

Re: IGWA Water Supply Bank Rental Agreement

Dear Remington:

Enclosed please find the following:

1. Water Bank Lease Application with SeaPac's signature as designated applicant.
2. Lease Contract signed by SeaPac.
3. Rental Contract signed by IGWA.
4. \$6,769.40 check for administrative fee.

Please feel free to contact me with any questions.

Sincerely,

T. J. BUDGE

MEMORANDUM

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

From: Remington Buyer

Date: January 2, 2015

Re: Review of Applications to Rent Water Rights from the Water Supply Bank

PURPOSE/NARRATIVE: On December 15, 2014, an application was received from Thomas J. Budge, attorney for the Idaho Ground Water Appropriators (IGWA), who propose to lease into the Bank 5.5 cfs from water right 36-7072, and who desire to rent the 5.5 cfs for fish propagation and mitigation purposes at the Rangen fish facility (Rangen). IGWA desires to rent water to provide mitigation to the Rangen facility which is currently experiencing injury due to water shortages emanating from the Eastern Snake Plane Aquifer (ESPA), caused by the diversions of ground water from the ESPA by IGWA members. IGWA is renting the water to provide mitigation water for Rangen. Rangen will ostensibly then be able to use any additional water supplied by the rental for fish propagation purposes.

The rental application specifies renting water from Magic Springs located in section 6 of Township 8S Range 14E and piping the water to Rangen via the I&J pipeline proposal (specified in the IDWR Order Approving IGWA's Fourth Mitigation Plan, dated October 29, 2014). A conversation with Mr. Budge on January 2, 2015 confirmed that IGWA is seeking to rent water under 36-7072 utilizing the I&J pipeline plan.

AUTHORITY TO FILE: IGWA, acting through Mr. Budge, does not own the land where the intended use of rental water will be accomplished. The rental place of use is owned by Rangen. A letter dated November 6, 2014 from Rangen's attorney Justin May confirms that Rangen consents to provide IGWA access to their property in order to lay pipe that is necessary to deliver the rental water. Additionally, Rangen has consented to the delivery of rental water as approved per the conditions of the Director of IDWR's Order Approving IGWA's Fourth Mitigation Plan.

WATER RIGHT VALIDITY: Water right 36-7072 has been leased into the Bank without concerns of validity and is available to rent.

INJURY TO OTHER WATER RIGHTS: Water right 36-7072 non-consumptively utilizes water that emerges from the ESPA at Magic Springs before it flows into the Snake River. The use of rental water from Magic Springs for the purposes of fish propagation at Rangen should be non-consumptive; water will exit Rangen's facility and flow into Billingsley Creek, a tributary to the Snake River. Though water from this rental should ultimately flow back to the Snake River, water delivered to Billingsley Creek could be diverted and/or consumptively used by other water users on Billingsley Creek before returning to the Snake River. The IWRB minimum stream flow water rights 2-201, 2-223 and 2-224 safeguard flows in the Snake River of 3,900 cfs from April 1 through Oct 31 and 5,600 cfs from Nov 1 through Mar 31. Injury to the MSF water rights is possible, however the IWRB is aware of this rental and the rental can be approved with standard conditioning that it is subject to reduction or cancelation if injury is proven.

ENLARGEMENT OF USE: The rental request was made for both fish propagation and mitigation. Rented water is intended to be utilized by Rangen for fish propagation however IGWA's rental of the water is specifically to satisfy mitigation requirements for the impacts to Rangen's water supply, caused by the diversion of ground water by members of IGWA. A recent application for permit proposing the same uses of fish propagation and mitigation (permit 36-16976) was approved only as mitigation due to the fact that IGWA will not be rearing fish with the water, but instead only providing water for mitigation, and any authorization of their use of water for fish propagation purposes would be speculative. Though IGWA is renting water to satisfy mitigation requirements, the intended beneficial use of water is for fish propagation and no enlargement will occur if water right 36-7072 is rented for fish propagation. This rental is thus being drafted for the beneficial use of fish propagation.

LOCAL PUBLIC INTEREST: The rental of water right 36-7072 is to cover mitigation activities specifically identified in IDWR's order approving IGWA's fourth mitigation plan. The mitigation plan is in the local public interest. No concerns about this rental. There is a concern that water from diverted from Magic Springs to Billingsley Creek may ultimately be appropriated within the Billingsley Creek drainage and not return to the Snake River, thus reducing water flowing to the Snake River. The rental of this water through the Bank is thus subject to the right of the prior appropriators to petition for the reduction or cancelation of the rental if injury caused by this rental is proven.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: Fish propagation is a recognized beneficial use of water in Idaho. No concerns.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: Comments were sought from Southern Region staff member and Water District 130 Watermaster Cindy Yenter. Mrs. Yenter did not object to the rental, however she has requested that a condition requiring measuring devices be added to the rental agreement, and she stressed the importance of ensuring that the rental be subject to reduction or cancelation if injury to prior appropriators on the Snake River downstream of Magic Springs can be attributed to this rental.