

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT

RECEIVED
AUG 12 2014
DEPARTMENT OF
WATER RESOURCES

This is to certify that: **IDAHO POWER**
PO BOX 79
BOISE ID 83707
(208)388-2905

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
63-179C	6/1/1869	Boise River	SNAKE RIVER	8.40 cfs	NA	NA	NA
63-33392	6/1/1869	Fifteen Mile Creek	Boise River	6.55 cfs	NA	NA	NA
63-32580	3/1/1922	Mason Creek	Boise River	6.55 cfs	NA	NA	NA

Annual Combined Rental Totals

8.40 cfs 2,500 af NA NA

Rental Fee: Year 2014 \$33,300.00

Pursuant to a private agreement between the lessor and the renter, the fee for rental of the above-described water is \$33,300. Ten percent of the total cost (\$3,330.00) will go to the Department for administrative costs, and the remainder will be paid to the lessor(s).

Detailed water right specific limitations and conditions attached.

SUPPORT DATA

IN FILE # 63-179C

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:

Jon Bowling
Signature of Renter

Jon Bowling Engineering August 11, 2014
Printed Name and Title* Leader Date

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
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date August 13, 2014

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

LOCATION OF POINT(S) OF DIVERSION

BOISE RIVER

NENENE

Sec. 24, Twp 04N, Rge 02W, CANYON County

BENEFIAL USE

POWER

SEASON OF USE

5/1 TO 10/31

RENTER'S PLACE OF USE: POWER

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
17N	05W	2																X	

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 rented under this agreement is appurtenant to irrigation of 580 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. 63.

RECEIVED
FEB 24 2014
DEPARTMENT OF
WATER RESOURCES

STATE OF IDAHO
WATER RESOURCE BOARD

Water Supply Bank No. _____
(For Department Use Only)

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

Name of Renter Idaho Power Phone @208) 388-2905

Mailing address PO Box 70 Boise, ID 83707 Email jbowling@idahopower.com

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. Maximum Flow Rate (cfs) Maximum Volume (ac-ft) Nature of Use Period of Use
8.4 2500 Power Generation 5-1 to 10-31
 _____ to _____
 _____ to _____
 Total: 8.4 2500

2. Source of water Mason Cr. Ditch C., Boise Basin/Lucky Peak tributary to Snake River

3. Point(s) of Diversion:

Twtp	Rge	Sec	Lot	¼	¼	¼	County
17N	5W	2	3	SE	SE		Washington

4. Lands to be irrigated or place of use:

Twtp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				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** _____

B. OWNERSHIP

1. Do you own the land at the proposed point of diversion? Yes ☒ No ☐
 If no, list owner, contact information, and provide documentation of the authority to use the proposed point of diversion. _____
2. Do you own the land at the proposed place of use? Yes ☒ No ☐
 If no, list owner, contact information, and provide documentation of the 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. Brownlee Power Plant

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

3. Will the proposed place of use receive water from any other source? Yes ☐ No ☒
If yes, describe. _____

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. Power Generation at Brownlee Hydroelectric Project.

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

1. 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. _____

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.

Jonathon C. Bowling
Signature of Applicant

Jonathon C. Bowling, Engineering Leader
Printed Name and Title*

2/12/2014
Date

Signature of Applicant

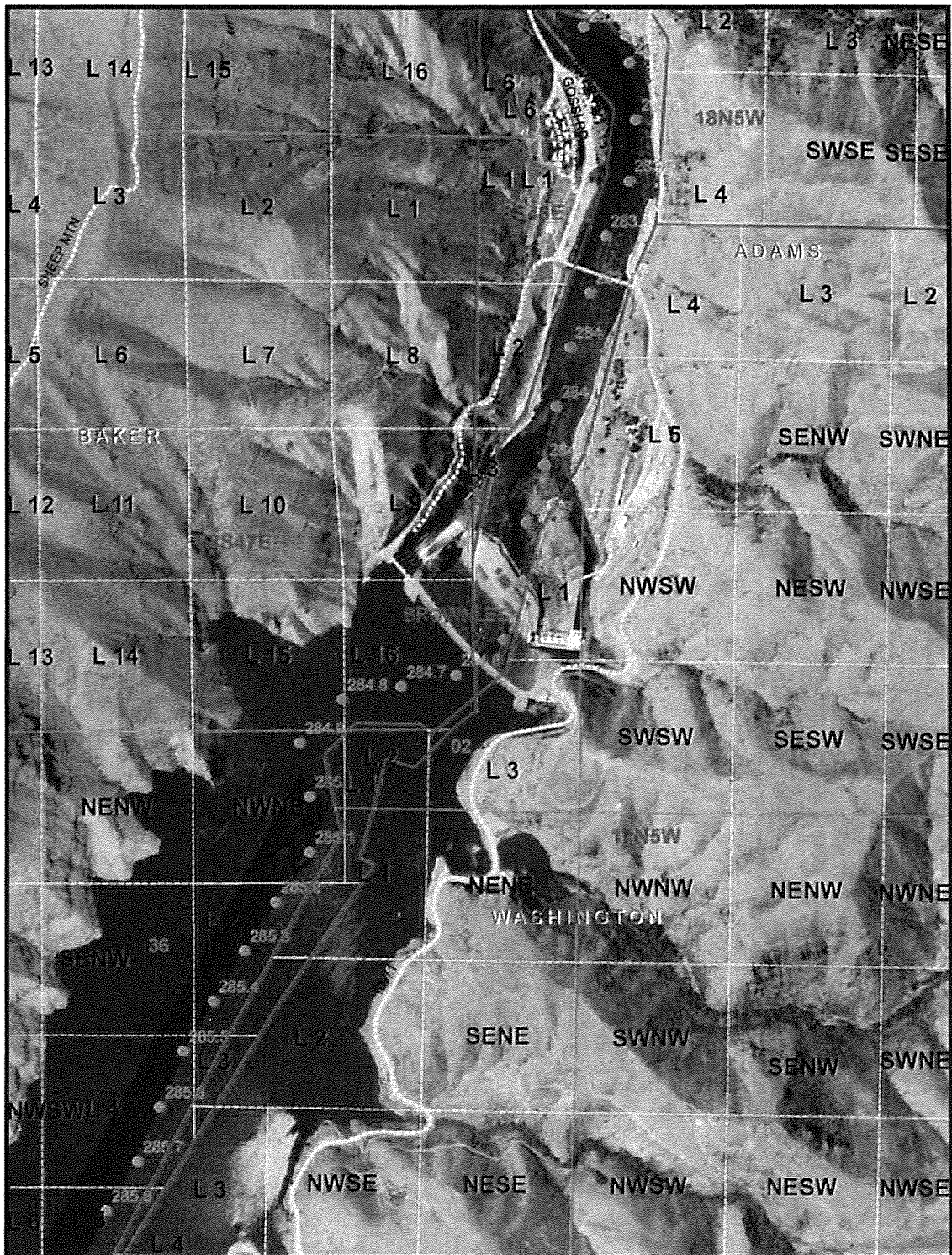
Printed Name and Title*

Date

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

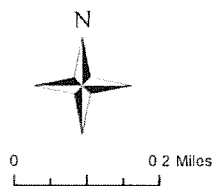
Mail to: Idaho Department of Water Resources, P.O. Box 83720, Boise, ID 83720-0098

BROWNLEE DAM, T.17N., R.5W. SESE SEC. 2 LOT 3



Legend

- ★ zodiac GIS Dam
- zodiac GIS RiverMileMarkers
- zodiac GIS RoadsNavTeq
- Zodiac GIS Townships
- zodiac GIS PLSS
- zodiac GIS PLSSLine



DISCLAIMER:

This drawing is not a formal survey and only provides geographic representation of Idaho Power facilities. A professional survey is recommended for accurate and documented locations of all easements, lines, facilities and property boundaries depicted herein.



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

August 13, 2014

JON BOWLING
IDAHO POWER
PO BOX 79
BOISE ID 83707

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 63-00179C, 63-32580 AND 63-33392**

Dear Renter:

Please find enclosed a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 2,500 acre-feet of water for power during 2014. 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, 90% of the amount of your private agreement with the lessor or \$30,000.00 of the rental fee will be paid to the lessor(s) and 10% or \$3,330.00 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4879.

Sincerely,

A handwritten signature in black ink, appearing to read "for Sandra Thiel".

Sandra Thiel
Senior Water Rights Agent

Enclosure(s): Rental Agreement (copy)

c: John Westra – IDWR Western Regional Manager
Rex Barrie – State Water District No.63

To: Water Right No(s). 63-179C, 63-33392 and 63-32580

From: Sandra Thiel

Date: 8/12/2014

Re: Rental Fees

Idaho Power had a private agreement with the Mason Creek Ditch Company to rent there water for less than the standard \$17 an acre foot. The rules for the amount of the rental fee that the Department receives are not clear. Idaho Power contends that the %10 paid to the Department should be based upon the rental agreement if that amount is different than the \$17 per acre foot. We agreed to allow them to pay the Department %10 of the \$33,3000 or \$3,330. They are renting 2,500 acre feet.

$\$17 \times 2,500 = 42,500 \times .10 = 4,250.$

Thiel, Sandra

From: Thiel, Sandra
Sent: Tuesday, August 12, 2014 3:16 PM
To: Marston, Sascha
Subject: receipt #C098379

Tracking: Recipient
Marston, Sascha

Delivery
Delivered: 8/12/2014 3:16 PM

Hello Sascha, We have a lease rental agreement between the Mason Creek Ditch company and Idaho Power. They have a private agreement for less than the standard \$17 per acre foot. The payment that we will receive will be based upon 10% of the private agreement. So for receipt C098379 Mason Creek will be paid \$29,970 and the Water Bank – Department Share will be \$3,330. Currently the receipt shows \$29,050 for Mason Creek and \$4,250 for the Banks share. Let me know if you have any questions.

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov



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

August 5, 2014

JON BOWLING
IDAHO POWER
PO BOX 79
BOISE ID 83707

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 63-179C, 63-32580 AND 63-33392

TIME SENSITIVE RESPONSE REQUIRED

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$42,500 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 2,500 acre-feet.

Since you have a private agreement with the lessor of the right(s) and you have already provided the payment according to that agreement. Please find enclosed a receipt in the amount of **\$33,300.00** in connection with the rental of 2500 acre-feet of water for commercial use during 2014. 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.

Please send the signed rental agreement, within 14 days so I can complete processing. Pursuant to the Water Supply Bank Rules, 10% of the total calculated fee, or \$4,250.00 will be retained by the Department to offset administrative costs. The remainder or \$29,050.00 of the rental fee will be paid to the lessor(s).

If you have any questions, please contact me at (208) 287-4879.

Sincerely,

Sandra Thiel
Water Resource Planner

Enclosure(s)
Receipt No. C098379

c: IDWR Front Desk
Sascha Marston – Fiscal



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

July 16, 2014

IDAHO POWER
PO BOX 79
BOISE ID 83707

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 63-179C, 63-32580 AND 63-33392

TIME SENSITIVE RESPONSE REQUIRED

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$42,500 was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 2,500 acre-feet.

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Please send the signed rental agreement, within 14 days so I can complete processing. Pursuant to the Water Supply Bank Rules, 10% of the total calculated fee, or \$4,250.00 will be retained by the Department to offset administrative costs. The remainder or \$29,050.00 of the rental fee will be paid to the lessor(s).

If you have any questions, please contact me at (208) 287-4879.

Sincerely,

Sandra Thiel
Water Resource Planner

Enclosure(s)
Receipt No. C098379

c: IDWR Front Desk
Sascha Marston – Fiscal
Liz Cresto – IDWR State Office

MEMORANDUM

Date: July 2, 2014

To: Water right files 63-179C, 63-33392 and 63-32580

From: Sandra Thiel

Re: Idaho Power's Application to Rent Water from the Water Supply Bank, Right 63-179C, 63-33392 and 63-32580

Purpose/Narrative: Idaho Power submitted an application to rent water from the bank on February 24, 2014. The rental will be for 8.4 cfs and 2,500 acre-feet for hydropower use at the Brownlee Dam on the Snake River. The right being rented will be 63-179C, which was leased into the bank in April 2014 for 2014 only. Idaho Power initially rented 700 acre feet of water right 63-179C in 2012. In 2013 they rented 2,500 acre feet. In 2014 63-179C was leased into the bank with 63-33392 and 63-32580. 13.92 cfs and 580 acres were leased. This provides enough volume to satisfy the rental.

The 2500 acre-feet sought, though a bit high is acceptable. The right was decreed without a volume defined. At $8.4 \text{ cfs} * 147 \text{ days} * 1.9835 = 2,449.2 \text{ acre-feet}$. (147 days between June 7 and October 31). After speaking with Liz Cresto of the Department's Hydrology Section, the gauge at Middleton has a margin of error greater than the difference between 2500 and 2,449.2 acre-feet.

Authority to File: John Bowling, Engineering Leader for Idaho Power, signed the application.

Water Right Validity: 63-179C was partially decreed in April of 2012. 13.92 cfs was leased into the bank for 2012 and 2013. There is sufficient water to cover the rental.

Injury to Other Water Rights: None anticipated.

Enlargement of Use: None anticipated.

Local Public Interest: No issues identified.

Beneficial Use/Conservation of Water Resources: The rental appears to be consistent with conservation of water resources in Idaho.

Department Staff or Watermaster Comments: Angie Grimm expressed concerns about the distance between the lease and the rental (attached email). Liz Cresto, who works with water right accounting, pointed out that the Middleton gage varies as much as 20 cfs from one day to the next. The natural fluctuation in the river is greater than the rental volume making it difficult to determine if the water is actually delivered (attached email). Angie also requested that the overlapping water rights not be unstacked to avoid enlargement.

Comments were requested from the water master. None were received.

Thiel, Sandra

From: Grimm, Angie
Sent: Wednesday, July 02, 2014 7:00 AM
To: Thiel, Sandra
Subject: RE: Water supply bank rental

Sandra,

Good morning! Steve asked me to respond to your request for comments/concerns regarding the Idaho Power rental of 63-179C referenced below.

One concern that comes to mind, which may or may not be an issue with the WSB rental, is the significant distance (100's of river miles) between the original POD on the Boise River and the proposed rental POD at Brownlee Dam. The other item that comes to mind that would need to be addressed is the overlap of rights (staked rights should not be unstaked) to avoid enlargement, as you mentioned in your email. Other than that, it looks good to me. No local area concerns come to mind. Let me know if you need any more info from us.

Thanks,
Angie

Angela M. Grimm, P.G.
Water Resources Agent, Sr.
IDWR - Western Region
2735 Airport Way
Boise, ID 83705-5082
(208) 334-2190 phone
(208) 334-2348 fax

From: Thiel, Sandra
Sent: Tuesday, June 24, 2014 9:30 AM
To: Lester, Steve
Subject: FW: Water supply bank rental

Hello, I can't find a sent email that indicates that I sent this to you. Have you already seen this?

I am processing a rental application submitted by Idaho Power for water right 63-179C. Idaho Power has rented this right in 2012 and 2013. Mason Creek Ditch company submitted a lease for 2014 that included rights 63-33392 and 63-32580. These rights are stacked and I believe the rental should also account for that. However, they do not add any volume to the rental. The attached files include a memo that describes the rental and a map showing the both the lease and rental locations. Please let me know if you have any concerns. Thanks

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208) 287-4881
sandra.thiel@idwr.idaho.gov

Thiel, Sandra

From: Cresto, Liz
Sent: Thursday, June 12, 2014 8:13 AM
To: Thiel, Sandra
Subject: RE: water supply bank rental

Do you have to add the rights 63-3392 and 63-32580? My concern is that those rights are not Boise River rights. Rex does not deliver or regulate water on Mason Creek or Five Mile Creek. I thought the intent of the right was to only deliver Boise River water. Adding or combining it with the other rights seem to add another complicating layer. That's just my opinion.

This year's rental is from 5/1 to 10/31, correct? If so the volume you quoted from that last paragraph would have to be increased for the additional days. However you want to round the volume is fine with me. The point I was trying in the past was that this right is extremely difficult to guarantee delivery because it is just extra flow in the river and not delivered through a point of diversion. The rental is for 8.4 cfs. It is not uncommon for the gage at Middleton to swing 20+ cfs from one day to the next and that's when Rex is trying to hold the river at a constant flow. When the natural fluctuation in the river is greater than the rental volume it is hard to say if that water was actually delivered. My understanding is that Idaho Power is fully aware of this situation and are okay with it.

Liz

From: Thiel, Sandra
Sent: Tuesday, June 10, 2014 9:23 AM
To: Cresto, Liz
Subject: water supply bank rental

Hello, I am working on a rental of water right 63-179C. According to the correspondence you weighed in on the issue September 2012 (attachment). We have allowed this water right to be rented for the past 2 years. I propose to add the two overlapping water rights, 63-33392 and 63-32580, to the rental. They don't add any volume but they should be considered as part of the package. I've made no other significant changes to the rental but I wanted to give you a chance to comment.

The following paragraph was included in last year's memo on the rental. Do you think it still reflects the information or do we need to make changes?

*The 2500 acre-feet sought, though a bit high is acceptable. The right was decreed without a volume defined. At 8.4 cfs * 147 days * 1.9835 = 2,449.2 acre-feet. (147 days between June 7 and October 31). After speaking with Liz Cresto of the Department's Hydrology Section, the gauge at Middleton has a margin of error greater than the difference between 2500 and 2,449.2 acre-feet.*

Sandra Beer Thiel
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83720-0098
(208)287-4881
sandra.thiel@idwr.idaho.gov



February 14, 2014

Martin C. Galvin
Mason Creek Ditch Company
P.O. Box 115
Middleton, ID 83644

Subject: Mason Creek Ditch Company WR 63-179C

Dear Mr. Galvin:

Attached for reference please find a copy of a Water Supply Bank rental application to be submitted to IDWR. This application is for the rental of approximately 2,500 acre-feet of Mason Creek Ditch Company water, WR 63-179C, to be delivered at approximately 8.4 cfs from 5/1/2014 to 10/31/2014. The 8.4 cfs rate is the 60 percent Stewart Decree reduced rate of the full rate of 14.2 cfs. The full rental price will be \$33,300.00.

If you agree with the terms of this rental, which are similar to 2013, please sign below and return to me.

If you have any questions please contact me at (208) 388-2905 or jbowling@idahopower.com.

Sincerely,

Jonathon C. Bowling, PE
Engineering Leader


Martin C. Galvin Date



February 14, 2014

Remington Buyer
Water Supply Bank Coordinator
Idaho Department of Water Resources
322 E. Front St.
Boise, ID 83720

RECEIVED
FEB 24 2014
DEPARTMENT OF
WATER RESOURCES

Subject: Mason Creek Ditch Company WR 63-179C

Dear Mr. Buyer:

Attached please find a Water Supply Bank rental application and a check for \$33,300.00. This application is for the rental is for 2,500 acre-feet of Mason Creek Ditch Company water, WR 63-179C, to be delivered at approximately 8.4 cfs from 5/1/2014 to 10/31/2014. The 8.4 cfs rate is the 60 percent Stewart Decree reduced rate of the full rate of 14.2 cfs.

Marty Galvin and Idaho Power have agreed to the above terms in lieu of the current rental rate.

Please contact Marty Galvin at (208) 880-1097 to confirm terms.

If you have any questions please contact me at (208) 388-2905 or jbowling@idahopower.com.

Sincerely,

Jonathon C. Bowling, PE
Engineering Leader