



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

May 22, 2013

GARY SPACKMAN
Director

GEORGE or BILL KELLEY
PO BOX 25
ALBION ID 83311

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 45-2509 and 45-13522**

Dear Renter:

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 **\$24,384.80** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 1,434.4 acre-feet. An annual payment shall be received by the Department prior to the execution of this agreement and prior to March 15 in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$24,384.80 made payable to the Idaho Department of Water Resources, together with the signed rental agreement, to my attention within 14 days so I can complete the processing. Pursuant to the Water Supply Bank Rules, 90% or \$21,946.32 of the rental fee will be paid to the lessor(s) and 10% or \$2,438.48 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4920.

Sincerely,

Sandy Hemenway
Sr. Water Resource Agent

Enclosure(s)

c: IDWR Front Desk
Alan Merritt – IDWR Southern Regional Office
Brian Higgs – Watermaster, Water District 140
Paul L. Arrington – Barker Rosholt & Simpson LLP
Tim Luke – IDWR State Office

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

This is to certify that: **GEORGE KELLEY
BILL KELLEY
PO BOX 25
ALBION ID 83311
(208)673-5364**

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	Rented Rate	Annual Rented Volume	Total Rented Acres
45-13522	1.05 CFS	354.4 AF	88.6*
45-02509	4.24 CFS	1,080.0 AF	270.0*

COMBINED

RENTAL TOTALS:

Limited to 291.0 acres*

5.29 CFS

1,434.4 AF

358.6*

TERM OF RENTAL:

February 12, 2013 to December 31, 2013

RENTAL FEE:

\$24,384.80 annually

The fee for rental of the above-described water is \$24,384.80. \$2,438.48 will go to the Department for administrative costs and the remainder will be paid to the lessor. An annual payment shall be received by the Department prior to April 1, the beginning of the irrigation season, each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

Detailed water right specific limitations and conditions attached.

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:

Dated this _____ day of _____, 20_____.

By: _____
(Print Name)

(Signature)

(Title if on behalf of company or organization)

Having determined that this agreement satisfies 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 conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this ____ day of _____, 20_____.

BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

WATER RIGHT NO. 45-2509
WATER SUPPLY BANK RENTAL AGREEMENT

The 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 below:

Renter: GEORGE KELLEY
 BILL KELLEY
 PO BOX 25
 ALBION ID 83311
 (208)673-5364

Priority Date: 11/30/1955

Source: GROUNDWATER **Tributary to:**

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	4.24 CFS	1,080.00 AF
	Total:		4.24 CFS	1,080.00 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GROUND WATER NE¼NE¼ Sec. 35 Twp 11S Rge 24E CASSIA County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
11S	24E	25									25	26	27.5	27.5					106.0
11S	24E	36					1.5	.5	30	30	31.5	30	30	31.5					185.0

Total Acres: 291.0

Acre Limit within Place of Use described: 270.0

CONDITIONS OF WATER USE

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. This rental agreement does not authorize the construction of a well.
6. 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.
7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. 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.

**WATER RIGHT NO. 45-2509
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

9. 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.
10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
11. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
12. 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. 140.
13. Use of this right with right no. 45-13522 is limited to a total combined diversion rate of 4.24 cfs and to a total combined annual diversion volume of 1434.4 AF.
14. This right is limited to the irrigation of 270.0 acres within the authorized place of use in a single irrigation season.
15. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.

WATER RIGHT NO. 45-13522
WATER SUPPLY BANK RENTAL AGREEMENT

The 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 below:

Renter: GEORGE KELLEY
 BILL KELLEY
 PO BOX 25
 ALBION ID 83311
 (208)673-5364

Priority Date: 03/15/1976

Source: GROUNDWATER **Tributary to:**

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15 to	11/15	1.05 CFS	354.40 AF
	Total:		1.05 CFS	354.40 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GROUND WATER NE¼NE¼ Sec. 35 Twp 11S Rge 24E CASSIA County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
11S	24E	25									25	26	27.5	27.5					106.0
11S	24E	36					1.5	.5	30	30	31.5	30	30	31.5					185.0

Total Acres: 291.0

Acre Limit within Place of Use described: 88.6

CONDITIONS OF WATER USE

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. This rental agreement does not authorize the construction of a well.
6. 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.
7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. 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.

**WATER RIGHT NO. 45-13522
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

9. 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.
10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
11. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
12. 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. 140.
13. Use of this right with right no. 45-2509 is limited to a total combined diversion rate of 4.24 cfs and to a total combined annual diversion volume of 1434.4 AF.
14. This water right is subordinate to all water rights with a priority date earlier than April 12, 1994, that are not decreed as enlargements pursuant to Section 42-1426, Idaho Code. As between water rights decreed as enlargements pursuant to Section 42-1426, Idaho Code, the earlier priority right is the superior right.
15. This right is limited to the irrigation of 88.6 acres within the authorized place of use in a single irrigation season.
16. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the place of use.