



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:

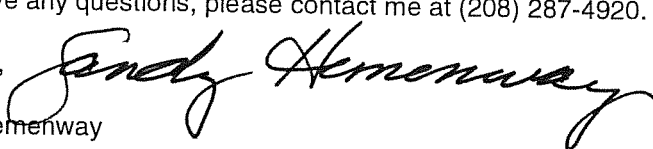
The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. I have enclosed a Water Supply Bank Rental Agreement for your review and signature. Upon signature and return of the original agreement, together with the rental fee described below, the 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 **\$20,400.00** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 1,200.0 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 \$20,400.00 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 \$18,360.00 of the rental fee will be paid to the lessor(s) and 10% or \$2,040.00 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