



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

C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Director

April 17, 2013

HOUGHLAND FARMS INC
1842 W 800 S
PINGREE ID 83262

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 35-14162, 25-14380, 29-2395, 35-7534B, 35-13340, 35-13362,
35-13991, 43-13595, and 43-13597**

Dear John:

To follow up our phone conversation earlier today, I am resending the revised/amended rental agreement to sign and return, along with the rental fee. I tried to email the agreement as we discussed but my attempts to send were unsuccessful for whatever reason. I have also included Monica Van Bussum's cover letter that accompanied the agreement sent earlier for your records.

Please feel free to contact me at (208) 287-4949 or nick.vandyke@idwr.idaho.gov if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Nicholas Van Dyke".

Nicholas Van Dyke
Sr. Water Resource Agent

Enclosure(s)

c: Luke Marchant – Holden Kidwell Hahn & Crapo PLLC

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

This is to certify that: **HOUGHLAND FARMS INC**
1842 W 800 S
PINGREE ID 83262
(208) 317-5340

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
	25-14380	0.23 CFS	60.0 AF	15.0 AC
COMBINED RENTAL TOTALS:		0.23 CFS	60.0 AF	15.0 AC
	29-2395	0.18 CFS	72.8 AF	18.2 AC
COMBINED RENTAL TOTALS:		0.18 CFS	72.8 AF	18.2 AC
	35-7534B	0.58 CFS	122.0 AF	30.5 AC
COMBINED RENTAL TOTALS:		0.58 CFS	122.0 AF	30.5 AC
	35-13340	0.24 CFS	44.4 AF	11.1 AC
	35-13362	0.03 CFS	5.6 AF	1.4 AC
COMBINED RENTAL TOTALS:		0.33 CFS	50.0 AF	12.5 AC
	35-13991	0.18 CFS	62.4 AF	15.6 AC
COMBINED RENTAL TOTALS:		0.18 CFS	62.4 AF	15.6 AC
	43-13595	0.04 CFS	10.8 AF	2.7 AC
	43-13597	0.01 CFS	5.2 AF	1.3 AC
COMBINED RENTAL TOTALS:		0.05 CFS	16.0 AF	4.0 AC
OVERALL RENTAL TOTALS:		1.55 CFS	383.2 AF	95.8 AC

TERM OF RENTAL: April 1, 2013 to October 31, 2013
April 1, 2014 to October 31, 2014
April 1, 2015 to October 31, 2015

RENTAL FEE: \$5,364.00

The fee for rental of the above-described water is \$5,364.00. \$536.40 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.

**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:

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. 25-14380
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: HOUGHLAND FARMS INC
 1842 W 800 S
 PINGREE ID 83262
 (208) 317-5340

Priority Date: 07/19/1973

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	0.23 CFS	60.0 AF
	Total:		0.23 CFS	60.0 AF

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

GROUND WATER SW¼SE¼SW¼ Sec. 19 Twp 04S Rge 33E BINGHAM 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	
04S	32E	19											24.2	31					55.2
04S	33E	30					23.1	17.5											40.6

Total Acres: 95.8

Acre Limit within Place of Use described: 15.0

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 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.
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.

**WATER RIGHT NO. 25-14380
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. 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. 120.



WATER RIGHT NO. 29-2395
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: HOUGHLAND FARMS INC
 1842 W 800 S
 PINGREE ID 83262
 (208) 317-5340

Priority Date: 02/28/1958

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	0.18 CFS	72.8 AF
	Total:		0.18 CFS	72.8 AF

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

GROUND WATER SW¼SE¼SW¼ Sec. 19 Twp 04S Rge 33E BINGHAM 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	
04S	32E	19											24.2	31					55.2
04S	33E	30					23.1	17.5											40.6

Total Acres: 95.8

Acre Limit within Place of Use described: 18.2

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 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.
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.

**WATER RIGHT NO. 29-2395
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. 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. 120.

WATER RIGHT NO. 35-7534B
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: HOUGHLAND FARMS INC
 1842 W 800 S
 PINGREE ID 83262
 (208) 317-5340

Priority Date: 08/04/1979

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	0.58 CFS	122.0 AF
	Total:		0.58 CFS	122.0 AF

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

GROUND WATER SW¼SE¼SW¼ Sec. 19 Twp 04S Rge 33E BINGHAM 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	
04S	32E	19											24.2	31					55.2
04S	33E	30					23.1	17.5											40.6

Total Acres: 95.8

Acre Limit within Place of Use described: 30.5

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 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.
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.

**WATER RIGHT NO. 35-7534B
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. 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. 120.

WATER RIGHT NO. 35-13340
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: HOUGHLAND FARMS INC
 1842 W 800 S
 PINGREE ID 83262
 (208) 317-5340

Priority Date: 11/13/1972

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	0.24 CFS	44.4 AF
	Total:		0.24 CFS	44.4 AF

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

GROUND WATER SW¼SE¼SW¼ Sec. 19 Twp 04S Rge 33E BINGHAM 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	
04S	32E	19											24.2	31					55.2
04S	33E	30					23.1	17.5											40.6

Total Acres: 95.8

Acre Limit within Place of Use described: 11.1

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 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.
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.

**WATER RIGHT NO. 35-13340
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. 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. 120.
12. Use of Right Nos. 35-13340 and 35-13362 when combined under this rental is limited to a total combined diversion rate of 0.33 cfs, a total combined annual diversion volume of 50.0 AF and the irrigation of a combined total of 12.5 acres within the place of use described above in a single irrigation season.



WATER RIGHT NO. 35-13362
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: HOUGHLAND FARMS INC
 1842 W 800 S
 PINGREE ID 83262
 (208) 317-5340

Priority Date: 11/13/1972

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	0.03 CFS	50.0 AF
	Total:		0.03 CFS	50.0 AF

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

GROUND WATER SW¼SE¼SW¼ Sec. 19 Twp 04S Rge 33E BINGHAM 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	
04S	32E	19											24.2	31					55.2
04S	33E	30					23.1	17.5											40.6

Total Acres: 95.8

Acre Limit within Place of Use described: 1.4

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 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.
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.

**WATER RIGHT NO. 35-13362
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. 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. 120.
12. Use of Right Nos. 35-13340 and 35-13362 when combined under this rental is limited to a total combined diversion rate of 0.33 cfs, a total combined annual diversion volume of 50.0 AF and the irrigation of a combined total of 12.5 acres within the place of use described above in a single irrigation season.

WATER RIGHT NO. 35-13991
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: HOUGHLAND FARMS INC
 1842 W 800 S
 PINGREE ID 83262
 (208) 317-5340

Priority Date: 06/21/1955

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	0.18 CFS	62.4 AF
	Total:		0.18 CFS	62.4 AF

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

GROUND WATER SW¼SE¼SW¼ Sec. 19 Twp 04S Rge 33E BINGHAM 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	
04S	32E	19											24.2	31					55.2
04S	33E	30					23.1	17.5											40.6

Total Acres: 95.8

Acre Limit within Place of Use described: 15.6

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 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.
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.

**WATER RIGHT NO. 35-13991
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. 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. 120.
12. Irrigation under this right for this rental is limited to 15.6 acres within the place of use described above in a single irrigation season.



WATER RIGHT NO. 43-13595
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: HOUGHLAND FARMS INC
 1842 W 800 S
 PINGREE ID 83262
 (208) 317-5340

Priority Date: 05/04/1978

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	0.04 CFS	10.8 AF
	Total:		0.04 CFS	10.8 AF

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

GROUND WATER SW¼SE¼SW¼ Sec. 19 Twp 04S Rge 33E BINGHAM 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	
04S	32E	19											24.2	31					55.2
04S	33E	30					23.1	17.5											40.6

Total Acres: 95.8

Acre Limit within Place of Use described: 2.7

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 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.
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.

**WATER RIGHT NO. 43-13595
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. 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. 120.
12. Irrigation under this right for this rental is limited to 0.6 acres within the place of use described above in a single irrigation season.
13. Use of Right Nos. 43-13595 and 43-13597 when combined under this rental is limited to a total combined annual diversion rate of 0.05 cfs, a total combined annual diversion volume of 16.0 AF and the irrigation of a combined total of 4.0 acres within the place of use described above in a single irrigation season.



WATER RIGHT NO. 43-13597
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: HOUGHLAND FARMS INC
 1842 W 800 S
 PINGREE ID 83262
 (208) 317-5340

Priority Date: 05/04/1978

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	0.01 CFS	5.2 AF
	Total:		0.01 CFS	5.2 AF

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

GROUND WATER SW¼SE¼SW¼ Sec. 19 Twp 04S Rge 33E BINGHAM 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	
04S	32E	19											24.2	31					55.2
04S	33E	30					23.1	17.5											40.6

Total Acres: 95.8

Acre Limit within Place of Use described: 1.3

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 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.
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.

**WATER RIGHT NO. 43-13597
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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. 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. 120.
12. Irrigation under this right for this rental is limited to 0.3 acres within the place of use described above in a single irrigation season.
13. Use of Right Nos. 43-13595 and 43-13597 when combined under this rental is limited to a total combined annual diversion rate of 0.05 cfs, a total combined annual diversion volume of 16.0 AF and the irrigation of a combined total of 4.0 acres within the place of use described above in a single irrigation season.



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

C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Director

March 29, 2013

HOUGHLAND FARMS INC
1842 W 800 S
PINGREE ID 83262

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 35-14162, 25-14380, 29-2395, 35-7534B, 35-13340, 35-13362,
35-13991, 43-13595, and 43-13597**

Dear Renter:

The Department of Water Resources received a request from the rightholder of Right No. 35-14162 asking that 35-14162 be released from the Bank. Your rental was previously authorized under 35-14162, but we were able to review other leased rights in the area and provide you with a comparable rental agreement for the rest of your rental term.

I have enclosed a new Water Supply Bank Rental Agreement for your review and signature. Please review and sign this amended agreement. Once we receive your signed copy, we will sign it myself and send a copy to you.

A rental fee of \$5,364.00 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 384.0 acre-feet. This payment will be due within 14 days of this letter. 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. Per the Water Supply Bank rules, \$536.40 of this fee will be retained by the Department for administrative costs. The balance, \$4,827.60 will be paid to the rightholder.

If you have any questions, please contact us at this office.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: Lyle Swank – IDWR Eastern Regional Office
James Cefalo – Watermaster, Water District 120
Luke Marchant – Holden Kidwell Hahn & Crapo PLLC