

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

RECEIVED

MAR 14 2013

DEPARTMENT OF
WATER RESOURCES

This is to certify that: FLYING H FARMS PARTNERSHIP
518 OLD HWY 30
MOUNTAIN HOME ID 83647
(208) 587-8716
steve@flyinghfarms.net

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
2-10450	7.08 CFS	1,416.0 AF	354.0 AC
COMBINED RENTAL TOTALS:	7.08 CFS	1,416.0 AF	354.0 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
April 1, 2016 to October 31, 2016

RENTAL FEE: \$19,824.00 annually

The fee for rental of the above-described water is \$19,824.00 per year. An annual payment shall be received by the Department prior to March 15, 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 13th day of March, 20 13.

By: Jeff Harper
(Print Name)

Jeff Harper
(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 14th day of March, 20 13.

Brian Patton
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

SCANNED

MAR 20 2013

WATER RIGHT NO. 2-10450

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: FLYING H FARMS PARTNERSHIP
518 OLD HWY 30
MOUNTAIN HOME ID 83647
(208) 587-8716
steve@flyinghfarms.net

Priority Date: 02/25/1963

Source: SNAKE RIVER Tributary to: COLUMBIA RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	7.08 CFS	1,416.0 AF
	Total:		7.08 CFS	1,416.0 AF

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

SNAKE RIVER NW¼NW¼ Sec. 6 Twp 06S Rge 08E OWYHEE County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
06S	07E	12									40	40	40	40	40	40	40	40	320
06S	07E	13	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	18	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640

Total Acres: 1600

Acre Limit within Place of Use described: 354

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. 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.

**WATER RIGHT NO. 2-10450
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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 use of Right Nos. 2-7065C and 2-10450 under this agreement is limited to the irrigation of 785 acres within the place of use described above in a single irrigation season.
11. The use of Right No. 2-10450 under this agreement is limited to the irrigation of 354 acres within the place of use described above in a single irrigation season.
12. This rental 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 lands above.



MEMORANDUM

DATE: Aug 27, 2015

TO: Water Right File 2-10450

FROM: Clay Webster

RE: Telephone Conversation About Reserving This Water Right For Rental

I received a call from Steve Carvet at Flying H Farms. He inquired about what they would have to do to reserve 2-10450 for rental through the Water Supply Bank. We discussed the lease/rental package for ensuring that a right is not rented by another applicant. We discussed the first come first served approach that is used to process rentals. I explained that if they did a lease/rental package Idaho power would have to request to release the current indefinite lease and reapply for a finite lease with a \$250 fee. He had been working with Jon Bowling on this issue and informed me that he would pursue it further with him.



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

GARY SPACKMAN
Director

March 20, 2015

FLYING H FARMS PARTNERSHIP
518 OLD HWY 30
MOUNTAIN HOME ID 83647

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-10450**

Dear Renter:

Please find enclosed a receipt in the amount of **\$19,824.00** in connection with the rental of 1416 acre-feet of water for irrigation during 2015. Upon receipt of this letter, you are authorized to divert water in compliance with the conditions of water use described in your rental agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$17,841.60 of the rental fee will be paid to the lessor(s) and 10% or \$1,982.40 will be retained by the Department to offset administrative costs.

If you have any questions, please contact me at (208) 287-4910.

Sincerely,

for Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure(s): Receipt No. C100129

c: Sascha Marston – Fiscal