



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 4, 2013

FORMATION CAPITAL CORPORATION US
812 SHOUP ST
SALMON ID 83467

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO. 75-7073**

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 **\$12,308.00** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 724.0 acre-feet. Due to the renter also being the lessor under this agreement, an annual payment of \$1,230.80 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.

Two payments have been received (C096289 \$108.60, and C096222 \$506.80) leaving a balance of \$615.40. Please send a check for \$615.40 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, the rental fee will be retained by the Department to offset administrative costs. If you have any questions, please contact me at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: James Cefalo – IDWR Eastern Regional Office

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

This is to certify that: FORMATION CAPITAL CORPORATION US
812 SHOUP ST
SALMON ID 83467
(208) 756-4578

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

	<u>Water Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Total Rented Acres</u>
	75-7073	1.00 CFS	724.0 AF	N/A
COMBINED RENTAL TOTALS:		1.00 CFS	724.0 AF	N/A

TERM OF RENTAL: January 1, 2013 to December 31, 2017

RENTAL FEE: \$1,230.80 per year

The total fee for rental of the above-described water is \$12,308.00 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$1,230.80 per year.

An annual payment shall be received by the Department of Water Resources prior to January 1, each year for the duration of the rental period. The agreement will be void if the payment is not received in a given year.

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. 75-7073
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: FORMATION CAPITAL CORPORATION US
 812 SHOUP ST
 SALMON ID 83467
 (208) 756-4578

Priority Date: 11/23/1976

Source: BUCKTAIL CREEK **Tributary to:** SOUTH FORK BIG DEER CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
MINING	01/01	to 12/31	1.00 CFS	724.0 AF
DIVERSION TO STORAGE	01/01	to 12/31	1.00 CFS	724.0 AF
MINING STORAGE	01/01	to 12/31		50.0 AF
MINING FROM STORAGE	01/01	to 12/31		50.0 AF
Total:			1.00 CFS	724.0 AF

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

BUCKTAIL CREEK	NW¼NE¼	Sec. 17	Twp 21N	Rge 18E	LEMHI County
BUCKTAIL CREEK	NE¼NE¼	Sec. 20	Twp 21N	Rge 18E	LEMHI County

RENTER'S PLACE OF USE: MINING, DIVERSION TO STORAGE, MINING STORAGE,
 MINING FROM STORAGE

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
21N	18E	21	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
21N	18E	20	X															X	

CONDITIONS OF WATER USE

- The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
- 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 the ongoing Snake River Basin Adjudication or any other department application process.
- 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.
- This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
- Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer or permit filed by the applicant for this same use.
- Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
- 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.
- 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.
- Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
- The renter is limited to diversion of 724.0 acre-feet per year for the uses authorized under this agreement.