



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

July 17, 2012

DERUYTER PROPERTIES LP
PO BOX 580
MARSING ID 83639

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-2186**

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 \$3,745 was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 267.5 acre-feet. Please send a check 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.

Additionally, your application sought a rental term of five years. We had an appropriate water right to rent to you for the 2012 season only. If you wish to continue renting water after 2012, please apply again in late 2012 or early 2013.

If you have any questions, please contact me at (208) 287-4907.

Sincerely,

A handwritten signature in cursive script that reads "Monica Van Bussum".

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: John Westra – IDWR Western Regional Office
David B. Shaw – ERO Resources Corp.

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

This is to certify that: DERUYTER PROPERTIES LP
PO BOX 580
MARSING ID 83639
(208) 965-7940

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
	2-2186	1.07 CFS	267.5 AF	53.5 AC
COMBINED RENTAL TOTALS:		1.07 CFS	267.5 AF	53.5 AC

TERM OF RENTAL: May 21, 2012 to October 31, 2012

RENTAL FEE: \$3,745.00

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_____.

GARY SPACKMAN, Director
Department of Water Resources

WATER RIGHT NO. 2-2186
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: DERUYTER PROPERTIES LP
 PO BOX 580
 MARSING ID 83639
 (208) 965-7940

Priority Date: 01/09/1963

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	03/15 to	11/15	1.07 CFS	267.5 AF
	Total:		1.07 CFS	267.5 AF

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

SNAKE RIVER NW¼NW¼ Sec. 1 (L4)Twp 06S Rge 07E ELMORE 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
05S	07E	36		6.6	11.7		4.1	0.5	2.3	25.9	22	0.2							53.5

Total Acres: 53.5

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 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.
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.

WATER RIGHT NO. 2-2186
WATER SUPPLY BANK RENTAL AGREEMENT

CONDITIONS OF WATER USE

10. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 5.0 afa per acre at the field headgate for irrigation of the place of use.