



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

March 26, 2012

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

SNAKE RIVER DAIRIES LLC
15188 S CAN ADA RD
MELBA ID 83641

RE: APPLICATION TO RENT WATER RIGHT NO. 63-7270B FROM THE WATER SUPPLY BANK

Dear Applicants:

The Department of Water Resources is sending an amended rental agreement for your rental of water right 63-7270B for your review and signature. Upon signature and **return** of the original agreement, together with the rental fee, 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.

The rental fee of \$8,818.60 was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 629.9 acre-feet. Since you are the lessor and the renter under this agreement, the Department requires that you submit only the 10% administrative fee. Therefore, a rental fee of **\$881.86** must be paid in accordance with the rental agreement. Please send a check made payable to the Idaho Department of Water Resources together with the signed rental agreement, within fourteen (14) days so I can complete the processing. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice to the Department at least 30 days prior to the fee due date. If you have any questions, please contact me at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure: Rental Agreement (original)

c: Dylan Lawrence – Moffatt Thomas

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

This is to certify that: SNAKE RIVER DAIRIES LLC
15188 S CAN ADA RD
MELBA ID 83641
(208) 495-2034

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
	63-7270B	1.39 CFS	629.9 AF	140.0 AC
COMBINED RENTAL TOTALS:		1.39 CFS	629.9 AF	140.0 AC

TERM OF RENTAL: March 1, 2012 to November 15, 2012
March 1, 2013 to November 15, 2013
March 1, 2014 to November 15, 2014
March 1, 2015 to November 15, 2015
March 1, 2016 to November 15, 2016

RENTAL FEE: \$8,818.60

The fee for rental of the above-described water is \$8,818.60 per year. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$881.86. An annual payment shall be received by the Department prior to March 1 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 _____ 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, Interim Director
Department of Water Resources

WATER RIGHT NO. 63-7270B 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: SNAKE RIVER DAIRIES LLC
15188 S CAN ADA RD
MELBA ID 83641
(208) 495-2034

Priority Date: 10/07/1969

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 11/15	1.39 CFS	629.9 AF
	Total:		1.39 CFS	629.9 AF

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

GROUND WATER	SE¼SE¼	Sec. 20	Twp 01S	Rge 01W	ADA County
GROUND WATER	NW¼NW¼	Sec. 29	Twp 01S	Rge 01W	ADA 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	
01S	01W	20													40	25	26	40	131
01S	01W	29	33																33

Total Acres: 164

Acre Limit within Place of Use described: 140

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. 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.

**WATER RIGHT NO. 63-7270B
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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.
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. After specific notification by the Department, the right holder shall install a suitable measuring device or shall enter into an agreement with the Department to use power records to determine the amount of water diverted and shall annually report the information to the Department.
12. This right when combined with all other rights shall provide no more than 0.02 cfs per acre no more than 4.5 afa per acre at the field headgate for irrigation of the lands above.
13. The use of water for irrigation under this right may begin as early as March 1, provided other elements of the right are not exceeded. The use of water before April 1 under this remark is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date a partial decree is entered for this right.