

MEMORANDUM

To: File(s) 2-2259

From: Monica Van Bussum

Date: March 9, 2012

Re: Review of Application to Rent a Water Right from the State Water Supply Bank

PURPOSE/NARRATIVE: On December 12, 2011, we received an application from Deruyter Properties LP to rent water to irrigate 115.5 acres for a period of five years. On March 9, 2012, we received a revised land description for the rental. The revised rental agreement reflects the correct PLS (see email from Steve Hannula, attached).

Additionally, on March 8, 2012, the lessors filed to release a portion of the right from the Bank. They desire Deruyter to move forward with the rental, so they are only releasing the portion not rented by Deruyter.

AUTHORITY TO FILE: The application was signed by Nick Deruyter of Deruyter Properties LP.

WATER RIGHT VALIDITY: The water right to be rented has been in the Bank since 2003. However, there was a change of ownership on the right and the new owner had not been contacted to confirm the status of the lease. We sent the new owner a lease confirmation letter that said the water right was leased to the Bank and should remain unused. We received no response from the owner and no returned mail. Since the letter said they didn't have to respond if they wanted the right in the Bank, we can assume no response is a confirmation.

INJURY TO OTHER WATER RIGHTS: No injury is apparent. I corresponded with Steve Lester of IDWR's Western Regional Office and he indicated no concerns from them, either.

ENLARGEMENT OF USE: No enlargement is apparent.

LOCAL PUBLIC INTEREST:

Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES:

The rental appears consistent with conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS:

None.

Van Bussum, Monica

From: Steve Hannula [shannula@eroresources.com]
Sent: Friday, March 09, 2012 12:06 PM
To: Van Bussum, Monica
Subject: RE: Water Supply Bank Questions - Deruyter
Attachments: Fig 1 Mar 2012.pdf

Monica,

Attached is a new pivot layout for the Deruyter Properties LP rental request. The PLS land list is as follows:

T5S, R7E, Sec 36
NWNE = 4
NENW = 33
NWNW = 39
SWNW = 24.5
SENW = 15

As shown on the attached map.

Also, please note the better address:
Deruyter Properties LP
PO Box 580
Marsing, ID 83639

Larry McIntyre apologizes for the delay. Once the revised rental agreement is available, Larry will have the money paid.

Today, March 9, is my last day with ERO Resources. I have accepted a new job with MWH (Boise location). It has been a pleasure working with you. Larry will continue to use ERO, but please extend future correspondence to Dave Shaw at dshaw@eroresources.com.

Thank you.

Steven Hannula
Hydrogeologist

ERO Resources Corporation
208.373.7983 O | 208.484.9961 C | shannula@eroresources.com | www.eroresources.com

From: Van Bussum, Monica [<mailto:Monica.VanBussum@idwr.idaho.gov>]
Sent: Friday, March 09, 2012 8:45 AM
To: Steve Hannula
Subject: RE: Water Supply Bank Questions - Deruyter

Hi Steve,

We're still looking for the payment for Deruyter. The February 2nd letter requests it within 14 days and we're well beyond that. I've also had an inquiry about renting that right elsewhere. Can you give me an update? Thanks.

Monica

From: Steve Hannula [<mailto:shannula@eroresources.com>]
Sent: Thursday, February 23, 2012 10:40 AM
To: Van Bussum, Monica
Subject: Water Supply Bank Questions - Deruyter

Monica,

In a February 2, 2012 letter, you indicated that the Deruyter Properties water supply bank rental request was successfully filled with water right 02-2259. Mr. Deruyter has asked me about the potential of entering into a long term lease agreement, something longer than a 5 yr term. This may be with the owner of 02-2259 or other water right holders. Do you have any concerns/suggestions about Mr. Deruyter discussing a long term lease agreement for 02-2259 with the current owner or with other water rights in the area?

Do you have a preferred Word template of a long-term lease agreement that I can adapt for Mr. Deruyter?

Steven Hannula
Hydrogeologist

ERO Resources Corporation
Consultants in Natural Resources and the Environment
3314 Grace Street | Boise, ID 83703
208.373.7983 O | 208.484.9961 C | shannula@eroresources.com | www.eroresources.com

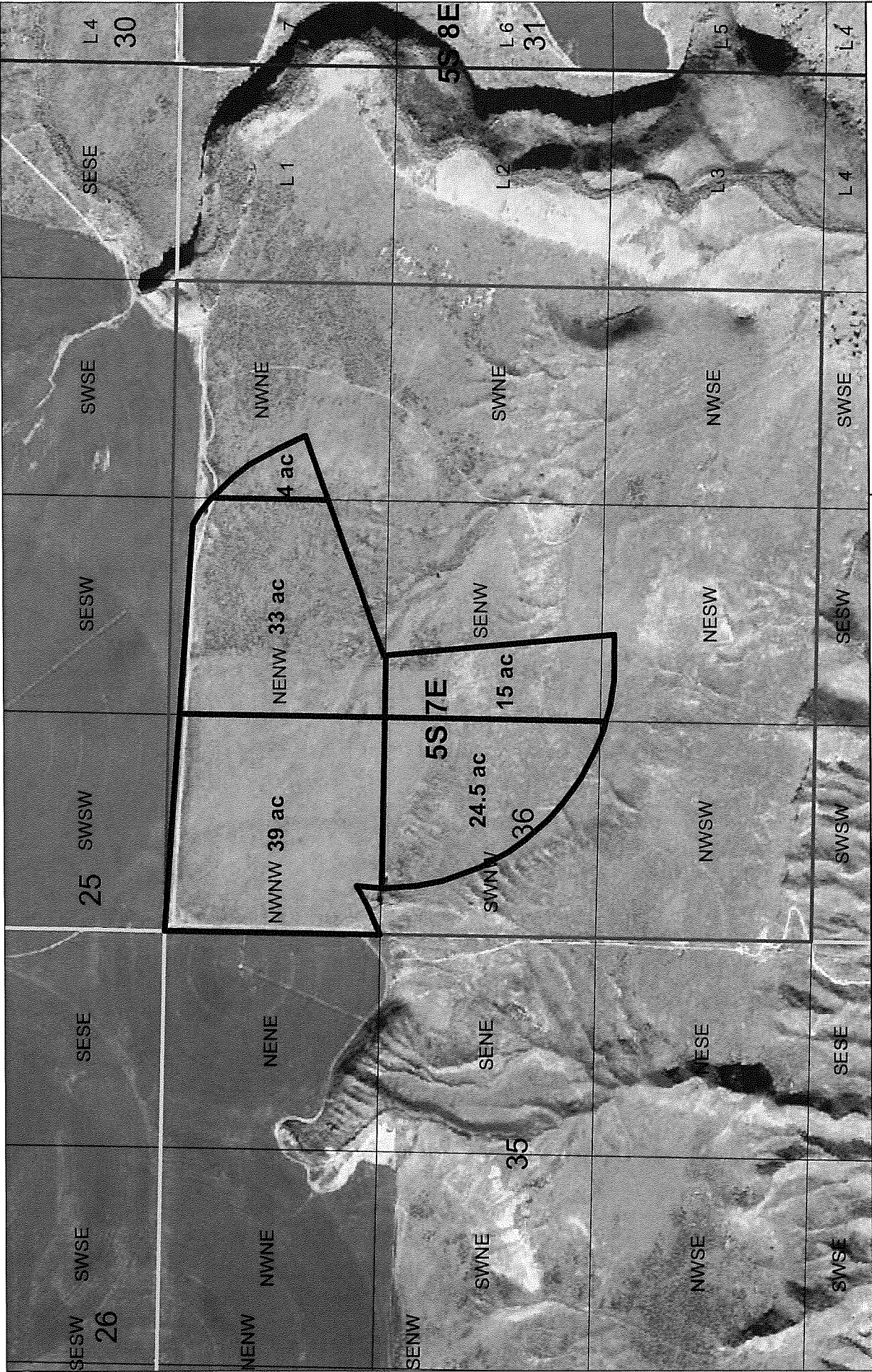


Figure 1

Deruyter Properties LP
Place of Use
for Rental Request

Prepared for: IDWR
Date: Mar 2012



Data Source:
Image Source: NAIP 2011
T5S, R7E Elmore County



Legend

-  Acres for Rented Water 2012
-  Deruyter Property