



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
Interim Director

February 10, 2012

MIDNIGHT SUN INC VIII
1314 12TH AVE S STE 5
NAMPA ID 83651

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-7062 and 2-7157C**

Dear Renter:

The Department of Water Resources has completed processing 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 **\$31,297.00** per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 2,235.5 acre-feet. An annual payment shall be received by the Department prior to the execution of this agreement and prior to March 1 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.

Please note that condition number 10 of your approval requires a map or shapefile of the proposed place of use prior to execution of the water agreement. We received a satisfactory map by email on February 9, 2012, so this condition is considered satisfied. 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.

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

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: John Westra – IDWR Western Regional Office
Hal Anderson – Idaho Water Engineering

GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 2-7062

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: MIDNIGHT SUN INC VIII
1314 12TH AVE S STE 5
NAMPA ID 83651
(208) 466-0419
CHARLES.BRYAN@UBS.COM

Priority Date: 04/09/1970

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	2.30 CFS	575.5 AF
	Total:		2.30 CFS	575.5 AF

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

SNAKE RIVER Lot 8 Sec. 4 Twp 06S Rge 08E OWYHEE 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	
06S	08E	4										40	40	40			40		160
06S	08E	5						44	40	40	40	40	40	40	40	40	40	40	444
06S	08E	6	44			40													84
06S	08E	7	40		40						40			40	40	40	40	40	320
06S	08E	8	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	9	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	10							40		40	40	40	40		40	40		280
06S	08E	15					40	40	40	40	40	40	40	40					320
06S	08E	16	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	17	40	40	40	40	40	40		40	40	40	40	40	40	40	40	40	600

Total Acres: 4128

Acre Limit within Place of Use described: 115.1

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.

**WATER RIGHT NO. 2-7062
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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.
10. 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 March 15 under this remark is subordinate to all water rights having no subordinated early irrigation use and a priority date earlier than the date a partial decree is entered for this right.
11. Irrigation under this rental agreement is limited to the irrigation of a specific 1,283.7 acres within the 4,128-acre place of use authorized by this rental in a single irrigation season. The specific 1,283.7 acres to be irrigated by the renter shall be identified prior to use by submittal of a land list and a representative electronic shape file or by submittal of a land list and a map sufficiently detailed to allow creation of an electronic shape file to be associated with this right in the geographic information system component of the water rights database maintained by the Department. Before changing the 1,283.7 acres to be irrigated within the 4,128-acre place of use, the renter shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.

WATER RIGHT NO. 2-7157C 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: MIDNIGHT SUN INC VIII
1314 12TH AVE S STE 5
NAMPA ID 83651
(208) 466-0419
CHARLES.BRYAN@UBS.COM

Priority Date: 10/24/1974

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	7.37 CFS	1660.0 AF
	Total:		7.37 CFS	1660.0 AF

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

SNAKE RIVER Lot 8 Sec. 4 Twp 06S Rge 08E OWYHEE 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	
06S	08E	4										40	40	40			40		160
06S	08E	5						44	40	40	40	40	40	40	40	40	40	40	444
06S	08E	6	44			40													84
06S	08E	7	40		40						40			40	40	40	40	40	320
06S	08E	8	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	9	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	10							40		40	40	40	40		40	40		280
06S	08E	15					40	40	40	40	40	40	40	40					320
06S	08E	16	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	17	40	40	40	40	40	40		40	40	40	40	40	40	40	40	40	600

Total Acres: 4128

Acre Limit within Place of Use described: 386.6

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.

**WATER RIGHT NO. 2-7157C
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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.
10. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the lands above.
11. Water shall not be diverted under this right when flows in the Snake River are below established minimum flow amounts of 3,300 cfs at Murphy and 4,750 cfs at Weiser.
12. Irrigation under this rental agreement is limited to the irrigation of a specific 1,283.7 acres within the 4,128-acre place of use authorized by this rental in a single irrigation season. The specific 1,283.7 acres to be irrigated by the renter shall be identified prior to use by submittal of a land list and a representative electronic shape file or by submittal of a land list and a map sufficiently detailed to allow creation of an electronic shape file to be associated with this right in the geographic information system component of the water rights database maintained by the Department. Before changing the 1,283.7 acres to be irrigated within the 4,128-acre place of use, the renter shall submit a new land list and representative electronic shape file or map to the Department prior to the irrigation season in which the change will occur.