



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

October 18, 2011

FLYING H FARMS PARTNERSHIP
518 OLD HWY 30
MOUNTAIN HOME ID 83647

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 2-7065C AND 2-10450**

Dear Renter:

The Department of Water Resources ("Department") had originally processed your rental application in August of this year. However, further correspondence from you indicated you wished to rent a different combination of water rights. To that end, I have enclosed a **revised** 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 **\$49,994.00** per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 3,571 acre-feet. An annual payment shall be received by the Department prior to the execution of this agreement and prior to April 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 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,


for Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: John Westra – IDWR Western Region Office
Jon Bowling – Idaho Power – PO Box 70; Boise, ID 83707
Dana Hofstetter – Hofstetter Law
Wayne Ipsen – US Ecology

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

This is to certify that: FLYING H FARMS PARTNERSHIP
518 OLD HWY 30
MOUNTAIN HOME ID 83647
(208) 587-8716
steve@flyinghfarms.net

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
2-7065C	8.62 CFS	2,155.0 AF	431.0 AC
2-10450	7.08 CFS	3,000.0 AF	354.0 AC
COMBINED RENTAL TOTALS:	15.7 CFS	3,571.0 AF	785.0 AC

TERM OF RENTAL: April 1, 2012 to October 31, 2012
April 1, 2013 to October 31, 2013
April 1, 2014 to October 31, 2014
April 1, 2015 to October 31, 2015
April 1, 2016 to October 31, 2016

RENTAL FEE: \$49,994.00 annually

The fee for rental of the above-described water is \$49,994.00 per year. An annual payment shall be received by the Department prior to March 15, the beginning of the irrigation season, 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. 2-7065C
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: FLYING H FARMS PARTNERSHIP
 518 OLD HWY 30
 MOUNTAIN HOME ID 83647
 (208) 587-8716
 steve@flyinghfarms.net

Priority Date: 05/14/1970

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	04/01	to 10/31	8.62 CFS	2,155.0 AF
	Total:		8.62 CFS	2,155.0 AF

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

SNAKE RIVER NW¼NW¼ Sec. 6 Twp 06S Rge 08E OWYHEE 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
06S	07E	12									40	40	40	40	40	40	40	40	320
06S	07E	13	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	18	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640

Total Acres: 1600

Acre Limit within Place of Use described: 431

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.

**WATER RIGHT NO. 2-7065C
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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 period of use for the irrigation described in this approval may be extended to a beginning date of 3/15 and an ending date of 11/15 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/1 and after 10/31 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date of this approval.
11. The rental of Right Nos. 2-7065C and 2-10450 under this agreement is limited to the irrigation of 785 acres within the place of use described above in a single irrigation season.
12. The rental of Right No. 2-7065C under this agreement is limited to the irrigation of 431 acres within the place of use described above in a single irrigation season.
13. This rental when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.

WATER RIGHT NO. 2-10450

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: FLYING H FARMS PARTNERSHIP
518 OLD HWY 30
MOUNTAIN HOME ID 83647
(208) 587-8716
steve@flyinghfarms.net

Priority Date: 02/25/1963

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	04/01	to 10/31	7.08 CFS	1,416.0 AF
	Total:		7.08 CFS	1,416.0 AF

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

SNAKE RIVER NW¼NW¼ Sec. 6 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	07E	12									40	40	40	40	40	40	40	40	320
06S	07E	13	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
06S	08E	18	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640

Total Acres: 1600

Acre Limit within Place of Use described: 354

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.

**WATER RIGHT NO. 2-10450
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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 Right Nos. 2-7065C and 2-10450 under this agreement is limited to the irrigation of 785 acres within the place of use described above in a single irrigation season.
11. The use of Right No. 2-10450 under this agreement is limited to the irrigation of 354 acres within the place of use described above in a single irrigation season.
12. This rental when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.