



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

October 5, 2011

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

HORIZON ORGANIC DAIRY LLC
2577 E 500 S
PAUL ID 83347

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 36-2254A, 36-2284 and 36-8401**

Dear Renter:

The Department of Water Resources ("Department") acknowledges receipt of your application to rent water from the Water Supply Bank ("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 \$3,154.20 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 225.3 acre-feet. However, since you are the renter and the lessor, you need only pay the 10% administrative fee of **\$315.42**. An annual payment shall be received by the Department prior to the execution of this agreement and prior to March 15 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,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: Allen Merritt – IDWR Southern Regional Office
Greg Sullivan – Brockway Engineering PLLC
Cindy Yenter – Watermaster, Water District 130
Robert E. Williams – Counsel for Horizon Organic Dairy – 153 E Main; Jerome, ID 83338

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:

Water Right	Rented Rate	Annual Rented Volume	Total Rented Acres
36-2254A	0.47 CFS	156.0 AF	39.0 AC
36-2284	0.33 CFS	69.3 AF	56.3 AC
36-8401	0.02 CFS	0.0 AF	11.0 AC

TERM OF RENTAL: March 15, 2011, to November 15, 2011
March 15, 2012, to November 15, 2012

The total fee for rental of the above-described water is \$3,154.20. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$315.42. 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.

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:

By: _____
(Print Name) (Signature)

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. 36-2254A

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: HORIZON ORGANIC DAIRY LLC
2577 E 500 S
PAUL ID 83347
(208) 438-8450

Priority Date: 3/16/1954

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.47 CFS	156.0 AF
	Total:		0.47 CFS	156.0 AF

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

GROUND WATER	NW¼SE¼NE¼	Sec. 17	Twp 09S	Rge 21E	JEROME County
GROUND WATER	NW¼NE¼SE¼	Sec. 20	Twp 09S	Rge 21E	JEROME County
GROUND WATER	SE¼SE¼NE¼	Sec. 27	Twp 09S	Rge 21E	JEROME County
GROUND WATER	NW¼NE¼SW¼	Sec. 27	Twp 09S	Rge 21E	JEROME 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
09S	21E	17													32.9	23.4			56.3

Total Acres: 56.3

Acre Limit within Place of Use described: 39.0

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. 36-2254A
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. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
12. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 130.
13. Rental of Right Nos. 36-2254A and 36-2284 is limited to a total combined annual diversion rate of 0.80 cfs, a total combined annual diversion volume of 225.3 AF at the field headgate, and the combined total of 56.3 acres in a single irrigation season.
14. Lease of this right is limited to 39.0 acres within the place of use described above in a single irrigation season.
15. Lease of Right Nos. 36-2254A, 36-2284 and 36-8401 is limited to a total combined annual diversion rate of 0.82 cfs, a total combined annual diversion volume of 225.3 AF at the field headgate, and the combined total of 56.3 acres in a single irrigation season.
16. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion.

WATER RIGHT NO. 36-2284 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: HORIZON ORGANIC DAIRY LLC
2577 E 500 S
PAUL ID 83347
(208) 438-8450

Priority Date: 05/16/1955

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.33 CFS	69.3 AF
	Total:		0.33 CFS	69.3 AF

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

GROUND WATER	NW¼SE¼NE¼	Sec. 17	Twp 09S	Rge 21E	JEROME County
GROUND WATER	NW¼NE¼SE¼	Sec. 20	Twp 09S	Rge 21E	JEROME County
GROUND WATER	SE¼SE¼NE¼	Sec. 27	Twp 09S	Rge 21E	JEROME County
GROUND WATER	NW¼NE¼SW¼	Sec. 27	Twp 09S	Rge 21E	JEROME 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
09S	21E	17													32.9	23.4			56.3

Total Acres: 56.3

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. 36-2284
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. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
12. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 130.
13. Rental of Right Nos. 36-2254A and 36-2284 is limited to a total combined annual diversion rate of 0.80 cfs, a total combined annual diversion volume of 225.3 AF at the field headgate, and the combined total of 56.3 acres in a single irrigation season.
14. Lease of Right Nos. 36-2254A, 36-2284 and 36-8401 is limited to a total combined annual diversion rate of 0.82 cfs, a total combined annual diversion volume of 225.3 AF at the field headgate, and the combined total of 56.3 acres in a single irrigation season.
15. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion.

WATER RIGHT NO. 36-8401
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: HORIZON ORGANIC DAIRY LLC
 2577 E 500 S
 PAUL ID 83347
 (208) 438-8450

Priority Date: 3/16/1954

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	0.02 CFS	0.0 AF
	Total:		0.02 CFS	0.0 AF

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

GROUND WATER	NW¼SE¼NE¼	Sec. 17	Twp 09S	Rge 21E	JEROME County
GROUND WATER	NW¼NE¼SE¼	Sec. 20	Twp 09S	Rge 21E	JEROME County
GROUND WATER	SE¼SE¼NE¼	Sec. 27	Twp 09S	Rge 21E	JEROME County
GROUND WATER	NW¼NE¼SW¼	Sec. 27	Twp 09S	Rge 21E	JEROME 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
09S	21E	17													32.9	23.4			56.3

Total Acres: 56.3

Acre Limit within Place of Use described: 11.0

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. 36-8401
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. The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
12. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 130.
13. Rental of Right Nos. 36-2254A and 36-2284 is limited to a total combined annual diversion rate of 0.80 cfs, a total combined annual diversion volume of 225.3 AF at the field headgate, and the combined total of 56.3 acres in a single irrigation season.
14. Lease of this right is limited to 11.0 acres within the place of use described above in a single irrigation season.
15. Lease of Right Nos. 36-2254A, 36-2284 and 36-8401 is limited to a total combined annual diversion rate of 0.82 cfs, a total combined annual diversion volume of 225.3 AF at the field headgate, and the combined total of 56.3 acres in a single irrigation season.
16. The right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion.