



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

February 25, 2011

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

PORTNEUF MARSH VALLEY CANAL CO LTD
C/O TOM BARNES
PO BOX 31
DOWNEY ID 83234

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 29-51 AND 29-11277**

Dear Renter:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. Enclosed, please find 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 **\$2,941.00** per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 2100 acre-feet. The total fee would have been \$29,400.00 but, because you have a private agreement with the lessor, the fee is \$2,941.00, \$2,940.00 (10% of the full rental payment) to the Department of Water Resources and \$1.00 to Portneuf Irrigating Company.

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,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: Lyle Swank – IDWR Eastern Regional Office
Steve Hebdon – Watermaster, Water District 29
Chris Robinson – Portneuf Irrigating Co.

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

This is to certify that: PORTNEUF MARSH VALLEY CANAL CO LTD
 C/O TOM BARNES
 PO BOX 31
 DOWNEY ID 83234
 (208) 317-4203
 TANDJBARNES@GMAIL.COM

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
29-51	10.5 CFS	2100.0 AF	600.0 AC
29-11277	10.5 CFS	2100.0 AF	600.0 AC
COMBINED RENTAL TOTALS:	10.5 CFS	2100.0 AF	600.0 AC

TERM OF RENTAL: April 1, 2011 to October 31, 2011
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

RENTAL FEE: \$2,941.00

The fee for rental of the above-described water is \$29,400.00 per year. Because of a private agreement with the lessor, the fee is \$2,941.00 per year, \$2,940.00 for the Department of Water Resources and \$1 for the lessor. An annual payment shall be received by the Department prior to April 1, 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. 29-51
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: PORTNEUF MARSH VALLEY CANAL CO LTD
C/O TOM BARNES
PO BOX 31
DOWNEY ID 83234
(208) 317-4203
TANDJBARNES@GMAIL.COM

Priority Date: 03/27/1889

Source: PORTNEUF RIVER **Tributary to:** SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/16	to 09/15	10.5 CFS	2100.0 AF
	Total: 10.5 CFS			2100.0 AF

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

PORTNEUF RIVER L3 (SE¼NW¼) Sec. 22 Twp 09S Rge 37E BANNOCK County

RENTER'S PLACE OF USE: IRRIGATION

600 acres within the digital boundary of Portneuf Marsh Valley Canal Co. Ltd.

COMBINED LIMITS OF RENTED RIGHTS:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
29-51 and 29-11277	10.5 CFS	2100.0 AF	600.0 AC

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 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.

**WATER RIGHT NO. 29-51
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

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 renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.
11. 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. 29.
12. The boundary encompassing the place of use for this water right is described with a digital boundary as authorized by Idaho law. The data comprising the digital boundary are stored in the electronic document management system of the Department and are incorporated into this approval by this reference.
13. Place of use is within the area served by the Portneuf Marsh Valley Canal Company Limited.
14. The use of water for irrigation under this right may begin as early as April 1 and may continue to as late as October 31, provided other elements of the right are not exceeded. The use of water before April 15 and after September 15 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.
15. The operation and administration of this water right is subject to the terms and conditions of the Portneuf River Settlement Agreement, Basin 29: Portneuf River filed with the SRBA District Court April 22, 2005.

WATER RIGHT NO. 29-11277
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: PORTNEUF MARSH VALLEY CANAL CO LTD
C/O TOM BARNES
PO BOX 31
DOWNEY ID 83234
(208) 317-4203
TANDJBARNES@GMAIL.COM

Priority Date: 08/07/1932

Source: PORTNEUF RIVER **Tributary to:** SNAKE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	04/15	10.5 CFS	2100.0 AF
IRRIGATION	09/16 to	10/31	10.5 CFS	2100.0 AF
Total:			10.5 CFS	2100.0 AF

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

PORTNEUF RIVER L3 (SE¼NW¼) Sec. 22 Twp 09S Rge 37E BANNOCK County

RENTER'S PLACE OF USE: IRRIGATION

600 acres within the digital boundary of Portneuf Marsh Valley Canal Co. Ltd.

COMBINED LIMITS OF RENTED RIGHTS:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
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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 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.
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