



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

December 1, 2010

B W INC
250 S BEECHWOOD STE 120
BOISE ID 83709
(208) 375-6666

**RE: APPLICATION TO LEASE ALL OF WATER RIGHT NOS. 63-32593 AND 63-32595
TO THE WATER SUPPLY BANK**

Dear Lessor:

The Department of Water Resources ("Department") has completed its review of your application to lease water right nos. 63-32593 and 63-32595 to the Water Supply Bank ("Bank"). The offered water rights are accepted into the Bank in accordance with the attached Water Supply Bank Lease Acceptance. If you do not agree with the conditions of the Lease Acceptance and would like to withdraw your water rights from the Bank, you must contact the Department within thirty (30) days of receipt of this notification.

The rights will automatically be released from the bank on **December 31, 2012**, unless the rights are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the rights from the Bank, you must submit a request in writing to the Department prior to the release date.

Please review the conditions of acceptance listed on the Lease Acceptance and contact me if you have any questions at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: John Westra – IDWR Western Regional Office
Rex Barrie – Watermaster, Water District 63
Steven Hannula – ERO Resources Corp.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK LEASE ACCEPTANCE

This is to certify that: B W INC
250 S BEECHWOOD STE 120
BOISE ID 83709
(208) 375-6666

has requested to lease the water right(s) listed below to 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") the acquisition of water rights for the Board's Bank, agrees to lease the water right to the Bank as follows:

Summary of Water Rights or Portions Leased to the Bank

Water Right	Lease Rate	Lease Volume	Acre Limit	Total Leased Acres
63-32593	0.43 CFS	NA	NA	74 AC
63-32595	1.05 CFS	NA	NA	74 AC
COMBINED LEASE TOTALS:	1.48 CFS	NA	NA	74 AC

TERM OF LEASE:

Lease Begin Date: February 1, 2008

Expiration Date: December 31, 2012

RENTAL AVAILABILITY:

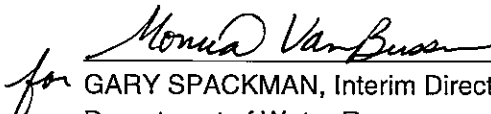
Season of Use: March 1 to November 15

MINIMUM PAYMENT ACCEPTABLE:

Current Rental Rate

Detailed Lease Acceptance attached.

Dated this 2nd day of December, 20 10


for GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 63-32593
WATER SUPPLY BANK LEASE ACCEPTANCE

The water right or portion thereof leased to the bank is described as follows:

Lessor: B W INC
 250 S BEECHWOOD STE 120
 BOISE ID 83709
 (208) 375-6666

Priority Date: 06/01/1877

Source: BOISE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	0.43 CFS	
	Total:		0.43 CFS	

LOCATION OF POINT(S) OF DIVERSION:

BOISE RIVER L7 (SW¼SE¼) Sec. 16 Twp 04N Rge 01E ADA County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
04N	01E	16									10.0	17.0	24.0	23.0					74.0

Total Acres: 74.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
63-32593 and 63-32595			74 AC

CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

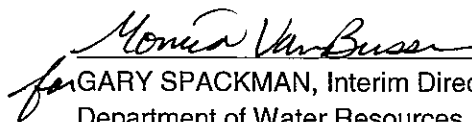
**WATER RIGHT NO. 63-32593
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

8. Acceptance of a right into 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.
9. In accordance with Idaho Code § 42-248 and 42-1409(6), all owners of water rights are required to notify the department of any changes in mailing address or change in ownership of all or part of a water right. Notice must be provided within 120 days of the change.
10. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.
11. This right is also designated as Right No. 64 in the Boise River Stewart Decree and Boise River Water Distribution Report.
12. Diversion for irrigation under this water right prior to April 1 and after October 31 shall occur only as authorized by the Water District 63 Water Master and only when water is being released for flood control by the United States from the Lucky Peak Dam outlet under procedures and requirements for the Memorandum of Agreement between the U.S. Department of the Army and the U.S. Department of the Interior for Flood Control Operations of the Boise River Reservoirs, dated November 20, 1953, the Water Control Manual for Boise River Reservoirs dated April 1985 and any future amendments or revisions made thereto pursuant to state or federal procedures or law; provided that any such use of this water right prior to April 1 and after October 31 shall be subordinated to water rights for storage in Lucky Peak Reservoir, Lake Lowell, Arrowrock Reservoir, and/or Anderson Ranch Reservoir, as decreed in SRBA Case No. 39576.
13. This right shall receive 100 percent of its decreed quantity until the natural flow of the waters of the Boise River shall decrease so that all rights containing this condition cannot receive 100 percent of their decreed quantities, at which time this right and the other rights containing this condition shall first be cut to 75 percent of their decreed quantities, as the natural flow of the river decreases, beginning with the latest rights containing this condition and proceeding to the earliest rights containing this condition in the order of their priority dates, and after all of the rights containing this condition shall have been reduced to 75 percent of their decreed quantities, should the natural flow of the waters of the river decrease below the amount necessary to supply 75 percent of those decreed quantities, then this right and the other rights containing this condition, beginning with the latest and proceeding to the earliest, shall be reduced to 60 percent of their decreed quantities.

The water right(s) is leased to the bank subject to all prior water rights and shall be administered in accordance with Idaho law and applicable rules of the Department of Water Resources.

Dated this 2nd day of December, 2010


GARY SPACKMAN, Interim Director
Department of Water Resources

**WATER RIGHT NO. 63-32595
WATER SUPPLY BANK LEASE ACCEPTANCE**

The water right or portion thereof leased to the bank is described as follows:

Lessor: B W INC
250 S BEECHWOOD STE 120
BOISE ID 83709
(208) 375-6666

Priority Date: 06/01/1891

Source: BOISE RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/01	to 11/15	1.05 CFS	
	Total:			1.05 CFS

LOCATION OF POINT(S) OF DIVERSION:

BOISE RIVER L7 (SW¼SE¼) Sec. 16 Twp 04N Rge 01E ADA County

PLACE OF USE TO BE IDLED UNDER THIS LEASE: 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	
04N	01E	16									10.0	17.0	24.0	23.0					74.0

Total Acres: 74.0

COMBINED LIMITS OF LEASED RIGHT:

<u>Combined Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
63-32593 and 63-32595			74 AC

CONDITIONS OF ACCEPTANCE

1. The water rights referenced above will be rented from the bank at the current rental rate.
2. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
3. While a right is in the bank, the lessor may not use the right without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Idaho Code § 42-351 for illegal diversion and use of water and may include civil penalties pursuant to Idaho Code § 42-1701B.
4. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
5. While a water right is in the bank, forfeiture provisions are stayed.
6. Rental of water under this right is subject to the limitations and conditions of approval of the water right.
7. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.

**WATER RIGHT NO. 63-32595
WATER SUPPLY BANK LEASE ACCEPTANCE**

CONDITIONS OF ACCEPTANCE

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Dated this 2nd day of December, 20 10


for GARY SPACKMAN, Interim Director
Department of Water Resources