



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 20, 2010

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

STANDLEE FAMILY PARTNERSHIP LLC
STANDLEE FAMILY LTD PARTNERSHIP
M & W KMA LLC
826 S 1700 E
EDEN ID 83325

RE: WATER SUPPLY BANK APPLICATIONS TO LEASE 51-13005, 51-13006, 51-13007, 51-13008, 51-13011, 51-13014, 51-13035 AND 51-13037, AND RENT 51-13007 AND 51-13008

Dear Lessors/Renters:

The Department of Water Resources ("Department") has completed its review of your applications to lease water right nos. 51-13007, 51-13008, 51-13035 and 51-13037 to the Water Supply Bank ("Bank"). These rights are accepted into the Bank in accordance with the enclosed 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.

Also enclosed is 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 total rental fee of \$7,056.00 per year was calculated based on the current rental rate of \$14.00 per acre-foot times an annual diversion volume of 504 acre-feet. Ten percent (10%) of the total rental fee is retained by the Department for administrative fees in accordance with Water Supply Bank Rules (IDAPA 37.02.03). The remaining ninety percent (90%) is issued back to the lessor of the rented water right in the form of a warrant. Since you are the lessor and the renter under this agreement, the Department requires that you submit only the portion of the total payment to be retained for administrative fees. Please send a check for **\$705.60** made payable to the Idaho Department of Water Resources along with the original signed agreement within fourteen (14) days so I can complete the processing.

An annual payment of \$705.60 shall be received by the Department prior to March 15 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. Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Monica Van Bussum", with a long horizontal flourish extending to the right.

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s): Rental Agreement (original)
Lease Acceptance (copy)

c: John Westra – IDWR Western Regional Office
Greg Sullivan – Brockway Engineering