



State of Idaho

DEPARTMENT OF WATER RESOURCES

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May 26, 2009

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

GEORGE KELLEY
PO BOX 25
ALBION ID 83311

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Mr. Kelley:

The Department of Water Resources ("IDWR") acknowledges receipt of your application to rent water from the Water Supply Bank ("Bank") and your letter dated May 5, 2009, to IDWR Director David R. Tuthill, Jr. However, before IDWR can process your application, clarification of your proposal is needed.

On your application, you requested rental of ground water at a maximum diversion rate of 2.0 cubic feet second ("cfs") for irrigation of 480 acres. To avoid enlargement of a water right, rental of a water right from the Bank must maintain proportionality of the elements described by the water right being rented. Typically, water rights for irrigation in Idaho are allocated at a rate of 0.02 cfs per acre. Using this standard, a diversion rate of 2.0 cfs is limited to irrigation of 100 acres.

The cost of renting water from the Bank is based on the annual volume of water rented. Near your farm in Cassia County, the annual duty of water for irrigation is 4.0 acre-feet per acre. The current rental rate set by the Idaho Water Resource Board is \$14.00 per acre-foot of water. Water rights 45-4084 and 45-4236 are leased to the Bank and authorize a combined diversion rate of 1.14 cfs and a combined annual diversion volume of 228 acre-feet for irrigation of 57 acres. Since you are the owner of rights 45-4084 and 45-4236, you are only required to pay the 10% administrative fee to rent these rights from the Bank, which amounts to \$319.20 per year. The cost of renting water from the Bank to irrigate the remaining 423 acres at 4.0 acre-feet per acre is \$23,688.00 per year.

Before IDWR can process your application, please clarify which element is the limiting factor in your rental application; the maximum diversion rate of 2.0 cfs or irrigation of 480 acres.

If you have any questions, please contact me at (208) 287-4943.

Sincerely,

Aaron Marshall
Water Allocation Bureau

c: Allen Merritt – IDWR Southern Regional Office
Cindy Yenter – State Water District No. 140
Paul Arrington – Barker Rosholt & Simpson