

MEMORANDUM

Date: May 11, 2010
To: 45-13948 & 45-13950 file
From: Nick Van Dyke
Re: Analysis of Application to Rent Water From Water Supply Bank; Boise Packaging

Narrative: On December 2, 2009, Bruce M. Smith of Moore Smith Buxton & Turcke filed on behalf of Boise Packaging & Newsprint, L.L.C. an application to rent 4.9 acres of irrigation from the water supply bank. The irrigation will be for grass/landscaping around Boise Packaging's plant in Burley. Currently Boise Packaging does not have an authorized irrigation right for the grounds. The rental application will allow for temporary irrigation uses while a more permanent means is sought for.

Authority to File: Bruce Smith is the attorney for the applicant per IDWR records.

Water Right Validity: Two rights were identified that should meet the request of the rental application. Rights 45-13948 and 45-13950 are both irrigation rights that were accepted into the bank on March 20, 2006 (a retroactive acceptance) with an indefinite expiration date. Both 45-13948 & 45-13950 (leased rights) limited together are for the irrigation of 1.96 cfs and 391.2 af on 97.8 acres (4 afa) with priority dates of 1966 and 1975, respectively. A combined total between the two rights leased into the bank was 1.58 cfs and 315.2 af on 78.8 acres. This amount was available in the bank at the time Boise Packaging submitted the rental application.

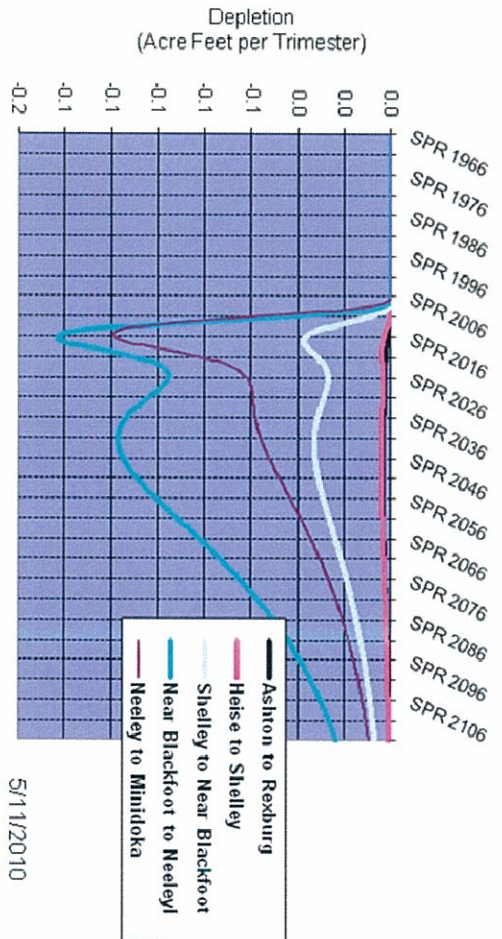
Injury to Other Water Rights: Because both leased rights current authorized diversion point(s) and the proposed point of diversion at the Boise Packaging plant are within non-adjacent cells within the ESPA model, an analysis was performed to determine if depletions from the rental would be injurious. Note that cell number 93, 51 was used for the "from cell." This is because the leased rights have two points of diversion in adjacent cells and for simplicity the cell with a larger portion of the leased rights place of use was selected. The model shows that at no reach are increased depletions greater than 2 af per trimester or greater than 5% over the simulated pre-rental depletions. Therefore no mitigation or additional rental beyond the 19.6 afa should be required for the 4.9 acres requested. See attached graphs.

Enlargement of Use: None anticipated. Rate per acre and acre-feet per acre will remain the same as historically applied on the leased rights authorized place of use.

Local Public Interest: Review staff has no information to suggest this application is inconsistent with the local public interest.

Beneficial Use/Conservation of Water Resources: This rental appears to be consistent with conservation of water resources in Idaho.

Net Transfer Effect Above Milner
(Total Effect With Transfer - Total Effect Without Transfer)

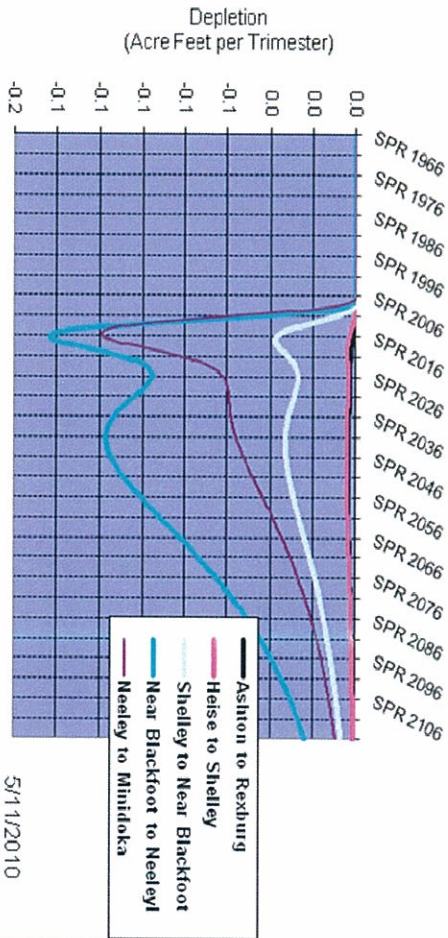


Customer Name: **Boise Packaging**

Transfer No: 123

5/11/2010
Version 3.1

Net Transfer Effect Above Milner
(Total Effect With Transfer - Total Effect Without Transfer)

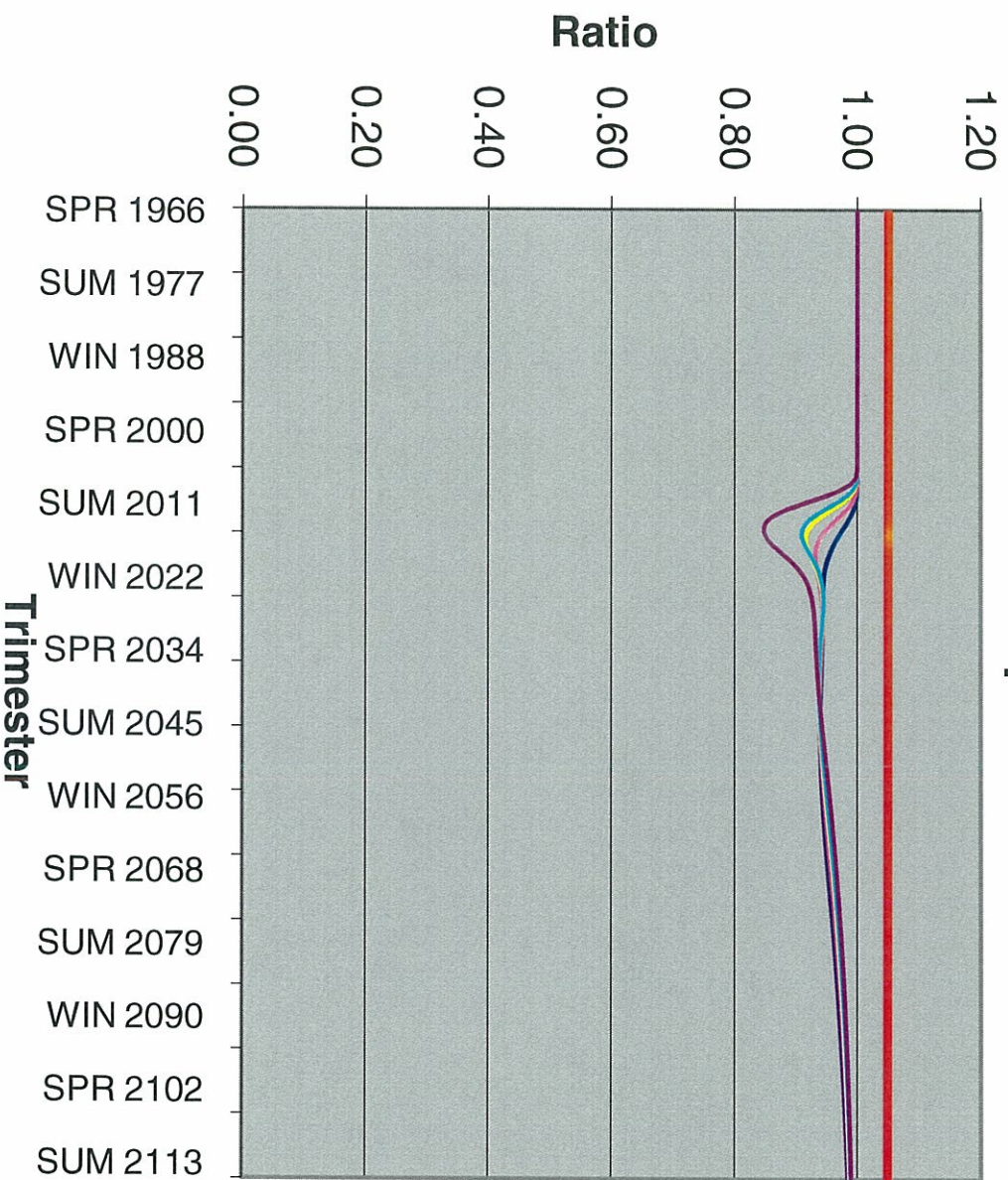


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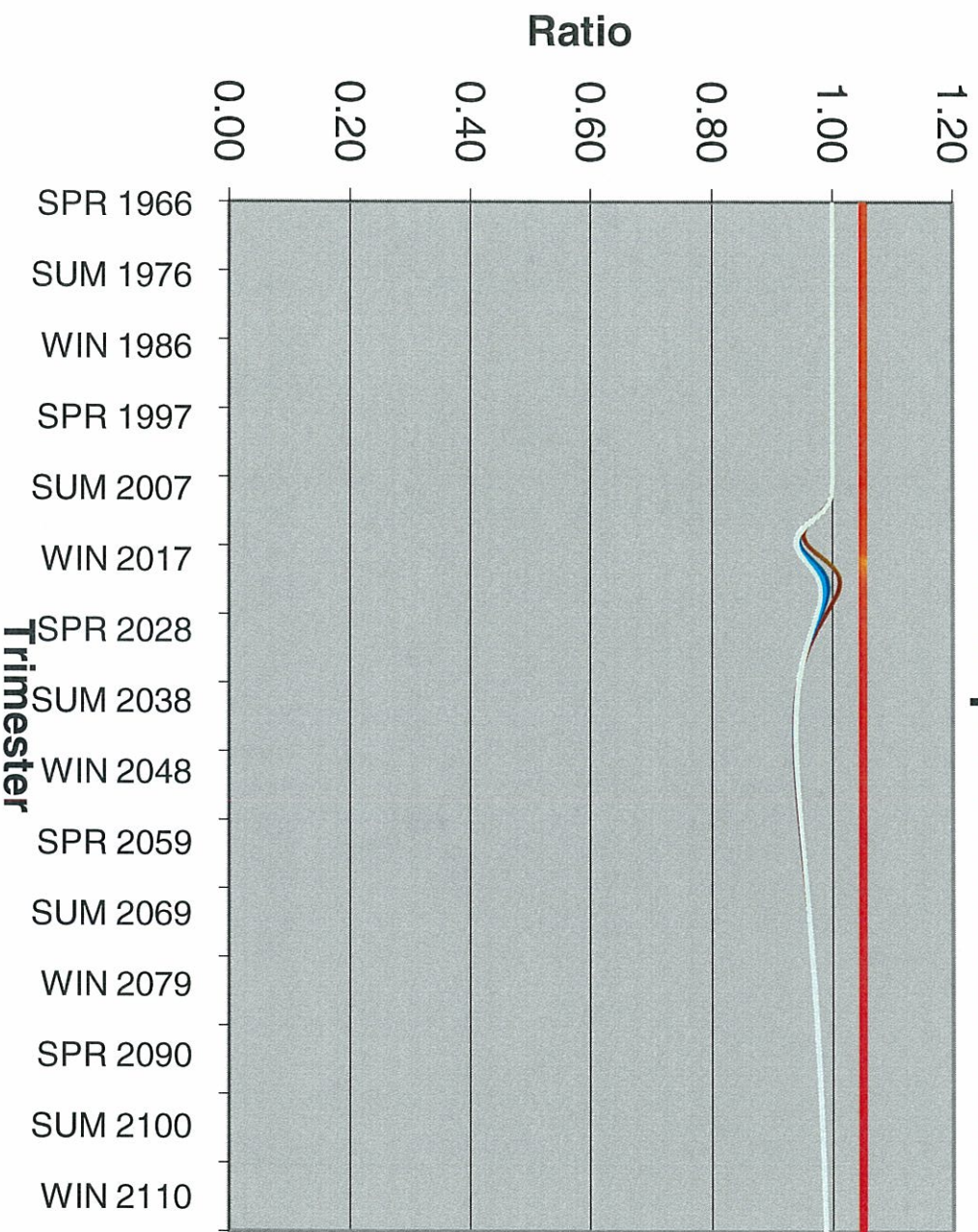
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Change Above Milner as Ratio of Impact With Transfer to Impact Without Transfer



— Asht to
Rexburg
 — Heise to
Shelley
 — Shelley to
Nr. Blackft.
 — Nr. Blackft. to
Neeley
 — Neeley to
Minidoka
 — 5% Limit

Change Below Milner as Ratio of Impact With Transfer to Impact Without Transfer



DWB to Buhl
 Buhl to Kspr
 Kspr to Malad
 Malad to Bancr.
 5% Limit