



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

May 11, 2010

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

BOISE PACKAGING & NEWSPRINT, L.L.C.
1111 W JEFFERSON SUITE 200
BOISE ID 83702

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 45-13948 & 45-13950**

Dear Renter:

The Department of Water Resources ("Department") acknowledges receipt of your application to rent water from the Water Supply Bank ("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 **\$274.40** per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 19.6 acre-feet. An annual payment shall be received by the Department prior to the execution of this agreement and prior to March 15, the beginning of the irrigation season, 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. Additionally, it is my understanding that thru verbal discussion with Aaron Marshall of the Department Bruce Smith acknowledged that upon processing of this rental application, received December 2, 2009, a second rental application for the same purposes, received January 6, 2010, would be withdrawn. Please include written concurrence of this with the return of the signed rental agreement.

If you have any questions, please contact me at (208) 287-4949.

Sincerely,

Nicholas Van Dyke
Sr. Water Resource Agent

Enclosure(s)

cc: Moore Smith Buxton & Turcke, Chartered -- Bruce M. Smith