



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

April 20, 2010

CRAIG SEARLE
MOO VIEW COW PALACE
522 E 600 S
BURLEY ID 83318

**RE: WATER SUPPLY BANK APPLICATIONS TO LEASE AND RENT
WATER RIGHT NO. 45-13905**

Dear Mr. Searle:

The Department of Water Resources ("Department") has completed its review of your applications to lease water right no. 45-13905 to the Water Supply Bank ("Bank") and rent this right from the Bank. This right is 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 right from the Bank, you must contact the Department within thirty (30) days of receipt of this notification.

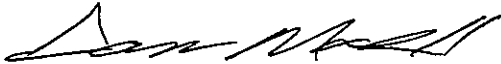
Also enclosed is a Water Supply Bank Rental Agreement for your review and signature. Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A total rental fee of \$4,928.00 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 352 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, **\$492.80** per year. 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 along with the original signed agreement within fourteen (14) days so I can complete the processing.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Aaron Marshall', written in a cursive style.

Aaron Marshall
Sr. Water Resource Agent

Enclosure(s)

c: Allen Merritt – IDWR Southern Regional Office
Cynthia Bridge-Clark – IDWR Water Planning Section
Charles E. Brockway – Brockway Engineering
Brian Higgs – State Water District No. 140