



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

August 6, 2002

Randy Budge
Racine, Olson, Nye, Budge & Bailey Chartered
Post Office Box 1391
Pocatello, Idaho 83204-1391

Re: FMC Water Right Lease

Dear Randy:

Your letter dated May 23, 2002, seeks Department review and approval of a lease of certain water rights held by FMC Idaho, L.L.C. ("FMC") to American Falls-Aberdeen, Bingham and Bonneville-Jefferson Ground Water Districts ("Districts"). The lease is intended to provide water for the Districts to use to mitigate impacts of ground water pumping by members of the District. Your follow-up letter dated July 31, 2002, includes a revised Page 1 of the lease document reducing the diversion rate leased from Right No. A29-2301 to 3.82 cfs and reducing the annual volume leased under that right, correspondingly.

The Department has reviewed the lease, as amended, and makes the following determinations:

1. The lease is approved to provide water for mitigation to be credited to the Districts. The maximum amount of water credited for the 2002 irrigation season is 11,819.87 acre feet in accordance with the amended lease (5000 acre feet stored water, 6,819.87 from curtailment of ground water pumping). The final amount credited will be determined based upon information submitted by the parties demonstrating that the storage space filled and was made available through the Water District 01 Rental Pool for mitigation use and that the ground water pumping was curtailed by FMC. It is my understanding that the allocation of stored water to FMC was 4,822 acre feet.
2. Placing the FMC's ground water rights included in the lease in the Idaho Water Resource Board Water Bank will toll forfeiture of these rights while held in the Bank. The appropriate forms for placing the rights in the Bank are enclosed. Credit for mitigation pursuant to the lease is not dependent upon rental through the Bank
3. The amount of water credited and other conditions of this approval are subject to revision if the lease is renewed in subsequent years.

Randy Budge
August 6, 2002
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If additional information is needed on this matter, please give me a call at 327-7910.

Sincerely,

A handwritten signature in black ink, appearing to read 'Norman C. Young', written in a cursive style.

Norman C. Young
Administrator
Water Management Division

Enc. Water Bank Lease Forms
cc: Tim Deeg
Ron Carlson – IDWR Idaho Falls