



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

September 15, 2009

PEP LLC
1356 S 3000 W
ABERDEEN ID 83210

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 35-7246B, 35-7246C, AND 35-8864

Dear Renter:

The Department of Water Resources ("Department") acknowledges receipt of your application to rent water from the Water Supply Bank ("Bank"). Please find enclosed 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.

On the application you requested a rental diversion rate of 2.29 cfs and a diversion volume of 458.4 acre-feet for irrigation of 114.6 acres. The amount of water reflected in this agreement is the rate and volume proportional to the amounts authorized under the water rights rented: 1.37 cfs and 423.6 acre-feet for irrigation of 105.9 acres.

The total rental fee of \$5,930.40 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 423.6 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 37.02.03.01. The remaining ninety percent (90%) is issued back to the lessor of the above-referenced water rights 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. Therefore, a rental fee of **\$593.04** per year must be paid in accordance with the rental agreement. Please send a check made payable to the Idaho Department of Water Resources together with the signed rental agreement. Return the signed agreement and fee to my attention within ten (10) days of receipt of this letter so I can complete the processing.

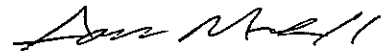
An annual payment shall be received by the Department prior to the execution of this agreement and prior to April 1 in all subsequent years for the duration of the rental period. The agreement will be void if the payment is not received for a given year.

Please note that applications for rental of water must be reviewed in accordance with Idaho Code § 42-1763 and the Department's Water Supply Bank Rule 30 (IDAPA 37.02.03.030). This includes consideration of whether there will be injury to other water rights, whether the proposal would constitute an enlargement of the water rights, whether the water will be put to a beneficial use, whether the water supply available from applicable rights in the Bank is sufficient for the

use intended and whether the proposal is in the local public interest. While a one-year rental usually involves a general review of the water rights and proposed use, rental of water over multiple years may require more comprehensive review, notice to advise anyone who desires to protest the proposed water use, and approval by the Idaho Water Resource Board.

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

Sincerely,



Aaron Marshall
Sr. Water Resource Agent

Enclosure(s)

c: Lyle Swank – IDWR Eastern Regional Office
Ernie Carlsen – State Water District No. 120
Tim Luke – IDWR Water Distribution Section
Jason Helms – Thompson Engineering
T.J. Budge – Racine Olson Nye Budge & Bailey

GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 35-7246B
WATER SUPPLY BANK RENTAL AGREEMENT

The renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described below:

Renter: PEP LLC
 1356 S 3000 W
 ABERDEEN ID 83210
 (208) 397-4698

Priority Date: 09/05/1972

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	0.43 CFS	148.0 AF
	Total:		0.43 CFS	148.0 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GROUND WATER SW¼SW¼ Sec. 27 Twp 04S Rge 30E BINGHAM County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
04S	30E	28			23	21									34	36	3.0	3.0	120.0

Total Acres: 120.0

Acre Limit within Place of Use described: 37.0

COMBINED LIMITS OF RENTAL:

<u>Rented Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
35-7246B, 35-7246C, 35-8864	1.37 CFS	423.6 AF	105.9 AC

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
3. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
4. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer filed by the applicant for this same use.

**WATER RIGHT NO. 35-7246B
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
9. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

WATER RIGHT NO. 35-7246C
WATER SUPPLY BANK RENTAL AGREEMENT

The renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described below:

Renter: PEP LLC
 1356 S 3000 W
 ABERDEEN ID 83210
 (208) 397-4698

Priority Date: 09/05/1972

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 10/31	0.51 CFS	165.6 AF
	Total:		0.51 CFS	165.6 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GROUND WATER SW¼SW¼ Sec. 27 Twp 04S Rge 30E BINGHAM County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
04S	30E	28			23	21									34	36	3.0	3.0	120.0

Total Acres: 120.0

Acre Limit within Place of Use described: 41.4

COMBINED LIMITS OF RENTAL:

<u>Rented Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
35-7246B, 35-7246C, 35-8864	1.37 CFS	423.6 AF	105.9 AC

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
3. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
4. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer filed by the applicant for this same use.

**WATER RIGHT NO. 35-7246C
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
9. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.

WATER RIGHT NO. 35-8864
WATER SUPPLY BANK RENTAL AGREEMENT

The renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described below:

Renter: PEP LLC
 1356 S 3000 W
 ABERDEEN ID 83210
 (208) 397-4698

Priority Date: 07/06/1989

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01 to	10/31	0.43 CFS	110.0 AF
	Total:		0.43 CFS	110.0 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

GROUND WATER SW¼SW¼ Sec. 27 Twp 04S Rge 30E BINGHAM County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
04S	30E	28			23	21									34	36	3.0	3.0	120.0

Total Acres: 120.0

Acre Limit within Place of Use described: 27.5

COMBINED LIMITS OF RENTAL:

<u>Rented Rights</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
35-7246B, 35-7246C, 35-8864	1.37 CFS	423.6 AF	105.9 AC

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 120.
3. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
4. Use of water under this agreement does not constitute a dedication of the water to renter's place of use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer filed by the applicant for this same use.

**WATER RIGHT NO. 35-8864
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

7. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
8. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
9. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
10. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.