



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 1, 2009

PETER M THOMAS TRUST LP
PO BOX 642
KETCHUM ID 83353

RE: APPLICATIONS TO THE WATER SUPPLY BANK, WATER RIGHT NO. 37-22255

Dear Mr. Thomas:

The Department of Water Resources ("Department") has completed its review of your application to lease water right no. 37-22255 to the Water Supply Bank ("Bank"). The offered water 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.

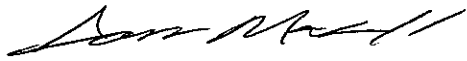
Also enclosed is a Water Supply Bank Rental Agreement for your review and signature. Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and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

On the application you requested a diversion rate of 2.85 cfs for irrigation of 67.2 acres. The amount of water reflected in this agreement is consistent with Department standards for irrigation of 67.2 acres in Blaine County, 1.34 cfs and 235.2 acre-feet.

The total rental fee of \$3,292.80 was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 235.2 acre-feet. Ten percent (10%) of the total rental fee is retained by the Department for administrative fees in accordance with the Water Supply Bank Rules, IDAPA 37.02.03. The remaining ninety percent (90%) is issued back to the lessor of the above referenced water right. 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 **\$329.28** 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, 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", with a stylized, cursive script.

Aaron Marshall
Sr. Water Resource Agent

Enclosure(s): Lease Acceptance (copy)
Rental Agreement (original)

c: Allen Merritt – IDWR Southern Regional Office
Kevin Lakey – State Water District No. 37
Greg Sullivan – Brockway Engineering PLLC

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT**

This is to certify that: PETER M THOMAS TRUST LP
PO BOX 642
KETCHUM ID 83353
(208) 622-4987

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board") being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

	<u>Water Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Total Rented Acres</u>
	37-22255	1.34 CFS	235.2 AF	67.2 AC
COMBINED RENTAL TOTALS:		1.34 CFS	235.2 AF	67.2 AC

TERM OF RENTAL: July 31, 2009 to November 1, 2009

RENTAL FEE: \$329.28

The total fee for rental of the above-described water is \$3,292.80. The undersigned renter is also the lessor under this agreement, and is therefore obligated to pay only the administrative fee of \$329.28.

Detailed water right specific limitations and conditions attached.

The undersigned 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 in this agreement:

Dated this _____ day of _____, 20_____.

By: _____
(Print Name)

(Signature)

(Title if on behalf of company or organization)

Having determined that this agreement satisfies the provisions of Section 42-1763, Idaho Code, and, IDAPA 37.02.03030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this ____ day of _____, 20_____.

GARY SPACKMAN, Interim Director
Department of Water Resources

WATER RIGHT NO. 37-22255
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: PETER M THOMAS TRUST LP
 PO BOX 642
 KETCHUM ID 83353
 (208) 622-4987

Priority Date: 05/01/1883

Source: BIG WOOD RIVER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	04/01	to 11/01	1.34 CFS	235.2 AF
	Total:		1.34 CFS	235.2 AF

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

BIG WOOD RIVER SE¼SW¼NE¼ Sec. 5 Twp 02N Rge 18E BLAINE County

RENTER'S PLACE OF USE: IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
02N	18E	4						9.3	15.7										25.0
02N	18E	5													36.0			6.2	42.2

Total Acres: 67.2

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. The renter shall install a removable pump as part of the diverting works constructed pursuant to this agreement.
3. The renter shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion.
4. 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. 37.
5. Use of water under this agreement when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
6. 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 the ongoing Snake River Basin Adjudication or any other department application process.
7. 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.

**WATER RIGHT NO. 37-22255
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

8. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
9. Use of water under this agreement shall not prejudice any action of the Department in its consideration of application for transfer no. 75052 filed by the applicant for this same use.
10. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
11. 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.
12. 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.
13. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.