



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

October 11, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

SCOTT DAYLEY
205 NORTH 1250 WEST
PAUL ID 83347

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK.
WATER RIGHT NO(S). 36-7030**

Dear Mr. Dayley:

The Department of Water Resources (department) acknowledges receipt of your application to rent water from the Water Supply Bank. Please find enclosed a Water Supply Bank Rental Agreement for your review and signature. Upon signature and return of the agreement, together with the rental fee described below, the department also will sign the agreement and will 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 your rental application you requested rental of a diversion volume of 22.46 acre-foot for stockwater purposes. The water right rented under this agreement authorizes diversion for irrigation. To accommodate the change in nature of use from irrigation to stockwater, the amount of water reflected in this rental agreement is based on the consumptive portion of the water right rented. The diversion rate was determined based on rate proportion to the total volume rented: 0.15 cfs and 30.0 acre-feet. Additionally, the owner of the water right plans to lease the right to the bank on an annual basis and does not want a rental agreement approved beyond December 31, 2007. The term of the rental agreement is therefore limited to the end of 2007.

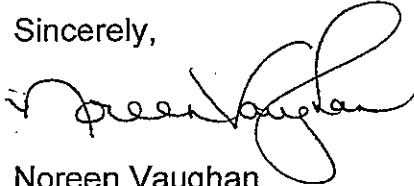
A rental fee of **\$512.00** was calculated based on \$14.00 per acre-foot times a diversion volume of 30.0 acre-feet (\$420.00 per year). Since the rental application was filed for diversion late in the year, the amount charged for rental of water during 2006 was calculated based on the number of days remaining in the year (\$92.00). Please send a check made payable to the Idaho Department of Water Resources together with the signed rental agreement to my attention so I can complete the processing.

Please note that applications for rental of water must be reviewed in accordance with Section 42-1763, Idaho Code, 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 water supply 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 questions, please feel free to contact me at (208) 287-4954.

Sincerely,

A handwritten signature in black ink, appearing to read "Noreen Vaughan", written over a horizontal line.

Noreen Vaughan
Water Allocation Bureau

Encl: 1

c: Allen Merritt – IDWR Southern Regional Office

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

This is to certify that: SCOTT DAYLEY
205 NORTH 1250 WEST
PAUL ID 83347
(208) 438-2828

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>Right</u>	<u>Rented Rate</u>	<u>Annual Rented Volume</u>	<u>Total Rented Acres</u>
	36-7030	0.15 cfs	30.0 af	7.5 ac
COMBINED RENTAL TOTALS:		0.15 cfs	30.0 af	7.5 ac

TERM OF RENTAL: 10/12/06 to 12/31/06 and
01/01/07 to 12/31/07

RENTAL FEE: \$512.00

The fee for rental of the above-described water is \$420.00 per year. The fee for rental of the later portion of 2006 was prorated based on the total annual fee. The total rental fee is \$512.00.

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____.

KARL J. DREHER, Director
Department of Water Resources

WATER RIGHT NO(S). 36-7030
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: SCOTT DAYLEY
 205 NORTH 1250 WEST
 PAUL ID 83347
 (208) 438-2828

Priority Date: 12/03/71

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
STOCKWATER	01/01	to 12/31	0.15 CFS	30 AF
	Total: 0.15 CFS			30 AF

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

GROUND WATER SESE Sec. 07 Twp 9S Rge 22E MINIDOKA County

RENTER'S PLACE OF USE: STOCKWATER

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
09S	22E	07																	X

Total Acres: N/A

CONDITIONS OF WATER USE

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. The water rented under this agreement is appurtenant to irrigation of 7.5 acres.
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.

**WATER RIGHT NO(S). 36-7030
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

5. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
6. This rental agreement does not authorize the construction of a well.
7. Use of water under this agreement shall not prejudice any action of the Department in its consideration of a permanent application for transfer filed by the applicant for this same use.
8. In the event that continued water use is not authorized, the renter agrees to hold the Board, the Director and the state of Idaho harmless from any claim for reimbursement or expenses associated with the development of new and supplemental water uses.
9. Future rentals for the purpose authorized under this agreement may require review of historic beneficial use associated with the water right rented to determine the consumptive volume of water available.
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 right holder to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.