



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

June 20, 2007

C. L. "BUICH" OTTER
Governor

DAVID R. IUTHILL, JR.
Interim Director

GEORGE KELLEY
PO BOX 25
ALBION ID 83311

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK.
WATER RIGHT NO(S). 45-4084, 45-4236 AND 45-2505**

Dear Mr Kelley:

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 will also sign the 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 rental of a diversion rate of 2.0 cfs and a diversion volume of 228 acre-feet for irrigation of 120 acres and a permissible place of use of 360 acres. The amount of water reflected in this rental agreement is the rate and volume proportional to the amounts authorized under the water right(s) rented and the number of acres to be irrigated: 2.24 cfs, 480 acre-feet, and 120 acres.

The total rental fee of \$3,192.00 for water right(s) 45-4084 and 45-4236 was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 228 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 right(s) in the form of a warrant. Since you are the lessor and the renter of water right(s) 45-4084 and 45-4236 under this agreement, the department requires that you submit only **\$ 319.20**, which is the portion of the total payment to be retained for administrative fees.

The total rental fee of **\$ 3,528.00** for water right(s) 45-2505 was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 252 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

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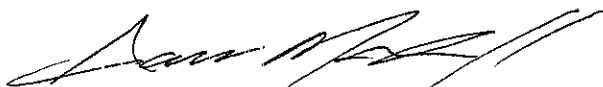
ninety percent (90%) is issued back to the lessor of the above referenced water right(s) in the form of a warrant.

Therefore, a total rental fee of **\$3,847.20** 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 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 regarding this matter, please feel free to contact me at (208) 287-4943

Sincerely,



Aaron Marshall
Water Allocation Bureau

Enc: 1

c: Allen Merritt – IDWR Southern Regional Office
Paul Arrington – Barker Rosholt and Simpson LLP

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

This is to certify that: **GEORGE KELLEY**
PO BOX 25
ALBION ID 83311

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>
45-4084	0.54 cfs	108 af	27 ac
45-4236	0.60 cfs	120 af	30 ac
45-2505	1.10 cfs	252 af	63 ac

COMBINED RENTAL TOTALS:	2.24 cfs	480 af	120 ac
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RENTAL TERM: 04/15/07 to 10/31/07

RENTAL FEE: \$ 3,847.20

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____.

DAVID R. TUTHILL, JR., Director
Department of Water Resources

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**WATER RIGHT NO(S). 45-4084
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: GEORGE KELLEY
PO BOX 25
ALBION ID 83311

Priority Date: 04/01/1958

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 54 CFS	108 AF
	Total:		0 54 CFS	108 AF

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

GROUND WATER NE¼NE¼ Sec. 35 Twp 11S Rge 24E CASSIA 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	
11S	24E	25									30.0	30.0	30.0	30.0					120.0
11S	24E	36					30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0					240.0

Total Acres: 360.0

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. 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.
3. 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.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. This rental agreement does not authorize the construction of a well.

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**WATER RIGHT NO(S). 45-4084
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

6. Use of water under this agreement shall not prejudice any pending permanent transfer applications that the renter has filed to modify other water rights for irrigation of the subject lands nor shall it prejudice any future rental agreement that may be made of the subject water right after this rental agreement expires.
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.
11. The rate of diversion when combined with all other water rights for the same land shall not exceed 0.02 cfs for each acre of land.
12. The diversion and use of water for irrigation under right 45-4084 is limited to 27 acres within the authorized place of use described above.

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**WATER RIGHT NO(S). 45-4236
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: GEORGE KELLEY
PO BOX 25
ALBION ID 83311

Priority Date: 06/15/1961

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	0.60 CFS	120 AF
	Total:		0.60 CFS	120 AF

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

GROUND WATER NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec 35 Twp 11S Rge 24E CASSIA 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	
11S	24E	25									30.0	30.0	30.0	30.0					120.0
11S	24E	36					30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0					240.0

Total Acres: 360.0

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. 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.
3. 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.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. This rental agreement does not authorize the construction of a well.

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**WATER RIGHT NO(S). 45-4236
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

- 6 Use of water under this agreement shall not prejudice any pending permanent transfer applications that the renter has filed to modify other water rights for irrigation of the subject lands nor shall it prejudice any future rental agreement that may be made of the subject water right after this rental agreement expires
- 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.
- 11 The rate of diversion when combined with all other water rights for the same land shall not exceed 0.02 cfs for each acre of land
- 12 The diversion and use of water for irrigation under right 45-4236 is limited to 30 acres within the authorized place of use described above

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**WATER RIGHT NO(S). 45-2505
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: GEORGE KELLEY
PO BOX 25
ALBION ID 83311

Priority Date: 11/02/1955

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	1.10 CFS	252 AF
	Total: 1.10 CFS			252 AF

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

GROUND WATER NE¼NE¼ Sec 35 Twp 11S Rge 24E CASSIA 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	
11S	24E	25									30.0	30.0	30.0	30.0					120.0
11S	24E	36					30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0					240.0

Total Acres: 360.0

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. 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.
3. 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.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. This rental agreement does not authorize the construction of a well.

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**WATER RIGHT NO(S). 45-2505
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

6. Use of water under this agreement shall not prejudice any pending permanent transfer applications that the renter has filed to modify other water rights for irrigation of the subject lands nor shall it prejudice any future rental agreement that may be made of the subject water right after this rental agreement expires
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
11. The rate of diversion when combined with all other water rights for the same land shall not exceed 0.02 cfs for each acre of land.
12. The diversion and use of water for irrigation under right 45-2505 is limited to 63 acres within the authorized place of use described above

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