

MEMORANDUM

To: File(s) 29-2284, 29-2301, 29-11342

From: Cynthia Bridge Clark

Date: October 20, 2006

Re: Review/Analysis for Application to Lease a Water Right to the State Water Supply Bank

Applications to lease and rent the water rights referenced above to the Water Supply Bank (bank) were filed in 2005 and in 2006. The applicants provided a private lease agreement with the applications documenting they were given the authority by the water right owners (FMC Corp.) to offer the rights to the bank. In 2005, water right 29-11342 had a status of Disallowed in the Snake River Basin Adjudication (SRBA) so it was not accepted into the bank. In 2006, issues surrounding the validity of the right were resolved such that the Department of Water Resources (department) generated a new recommendation recognizing the active status of the right. Though the right has not been decreed in the SRBA to date, the right has been accepted for lease into the bank based the preliminary findings of department staff.

Additionally, on August 21, 2006, the department received a request to extend the term of the leases for all of the above referenced right to an Indefinite status. An amended application identifying the change was also submitted. Lease Acceptances have been prepared to reflect the change in the lease term.