



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

MAY 31, 2006

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

UNITED STATES BUREAU OF RECLAMATION
1PN-3100, 1150 N CURTIS ROAD STE 100
BOISE ID 83706-1234

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK.
WATER RIGHT NO(S). 85-2146, 85-4483, 85-15424**

Dear Renter:

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.

The total rental fee of \$4,256.00 was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 304.0 af. 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.

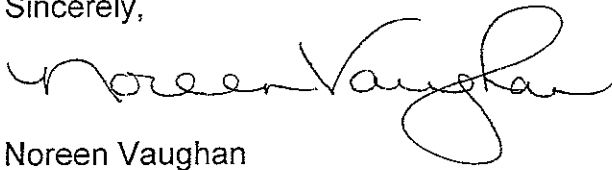
Since you are the lessor and the renter under this agreement, the department requires that you submit only the portion of the total payment to be retained for administrative fees. Therefore, a rental fee of **\$425.60** must be paid in accordance with the rental agreement. Please send a check made payable 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, please feel free to contact me at (208) 287-4954.

Sincerely,

A handwritten signature in black ink, reading "Noreen Vaughan". The signature is fluid and cursive, with the first name "Noreen" and last name "Vaughan" clearly distinguishable.

Noreen Vaughan
Water Allocation Bureau

Encl: 1

c: IDWR Northern Regional Office