



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 23, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

V & R FARMS LLC
715 SOUTH 750 EAST
BURLEY ID 83318

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK.
WATER RIGHT NO(S). 45-13962**

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.

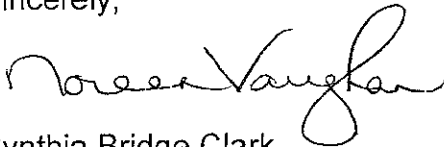
On your rental application you requested rental of a diversion rate of 1.08 cfs and a diversion volume of 220.5 acre-foot for irrigation of 63 acres. The amount of water applied to this rental agreement is the rate and volume proportion to the water right rented and the number of acres to be irrigated: 1.26 cfs and 252.0 acre-feet.

The total rental fee of \$3,528.00 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 252.0 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, an annual payment of **\$352.80** per year shall be received by the Department of Water Resources for the rental fee prior to execution of the rental agreement this year, and prior to March 15, the start of the irrigation season, in all subsequent years for the duration of the rental period. This agreement will be void if the payment is not received in a given year. 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.

Sincerely,



for Cynthia Bridge Clark
Water Allocation Bureau

Encl: 1

c: Allen Merritt– IDWR Southern Regional Office
Cindy Yenter– Watermaster

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

This is to certify that: **V & R FARMS LLC**
715 SOUTH 750 EAST
BURLEY ID 83318
(208) 654-2054

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>Rented Volume</u>	<u>Total Rented Acres</u>
COMBINED	45-13962	1.26 cfs	252 af	63 ac
RENTAL TOTALS:		1.26 cfs	252 af	63 ac

TERM OF RENTAL: 03/20/06 to 11/15/06 and
03/15/07 to 11/15/07

TOTAL RENTAL FEE: \$3,528.00 per year

The fee for rental of the above-described water is \$ 3,528.00 per year. The renter is also the lessor under this agreement and is therefore obligated to pay only the administrative fee of \$ **352.80**. An annual payment shall be received by the Department of Water Resources prior execution of this agreement and prior to March 15, the start of the irrigation season, in all subsequent years for the duration of the rental period. The agreement will be void if the payment is not received in a given year.

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). 45-13962
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: V & R FARMS LLC
715 SOUTH 750 EAST
BURLEY ID 83318
(208) 654-2054

Priority Date: 08/29/1991

Source: GROUND WATER

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	03/15	to 11/15	1.26 CFS	252 AF
	Total: 1.26 CFS			252 AF

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

GROUND WATER SESE Sec. 20 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	27									20.0	4.0	29.0	10.0					63.0

Total Acres: 63.0

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 does not authorize the construction of a well.

**WATER RIGHT NO(S). 45-13962
WATER SUPPLY BANK RENTAL AGREEMENT**

CONDITIONS OF WATER USE

6. 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
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 right holder to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.