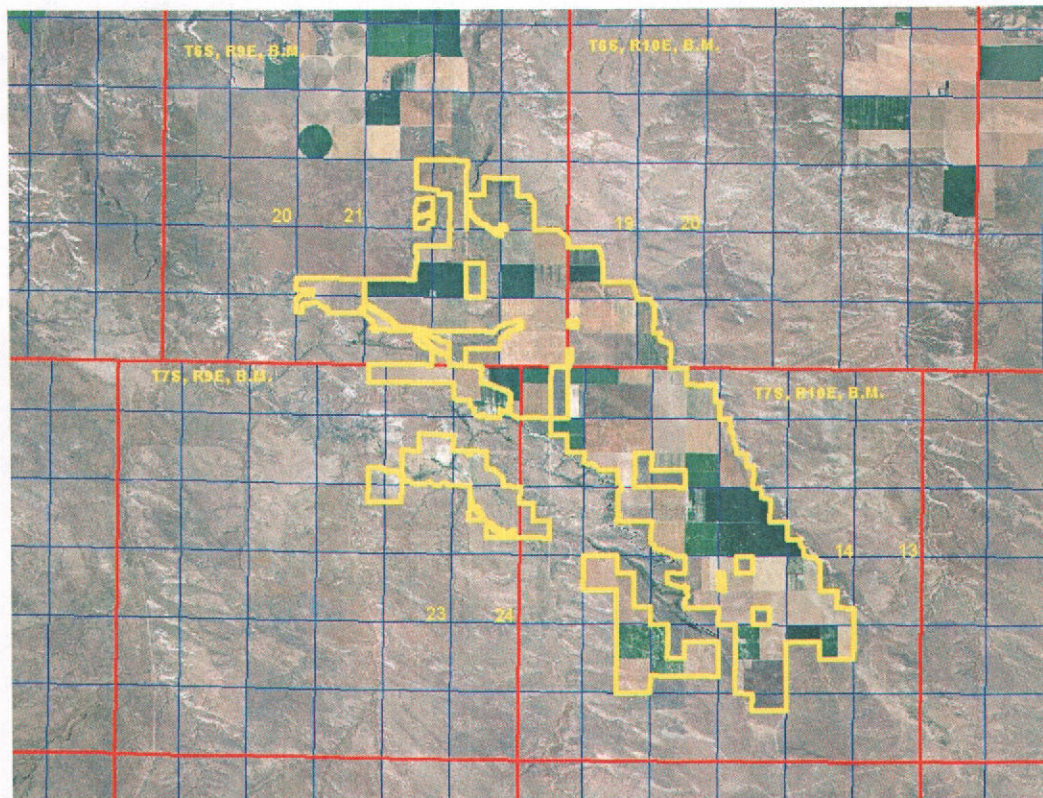


State of Idaho
Department of Water Resources
Water Right License
WATER RIGHT NO. 2-02262

BOUNDARY OF THE LICENSED PLACE OF USE



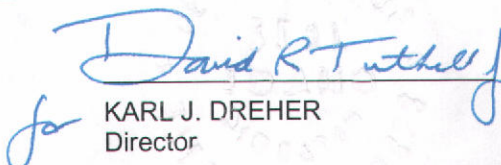
3 0 3 6 Miles

-  Grindstone Butte 02-2262 digital boundary
-  Township/Range
-  Sections



This license is issued pursuant to the provisions of Section 42-219, Idaho Code. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed and sealed this 30th day of December, 2005.


for KARL J. DREHER
Director



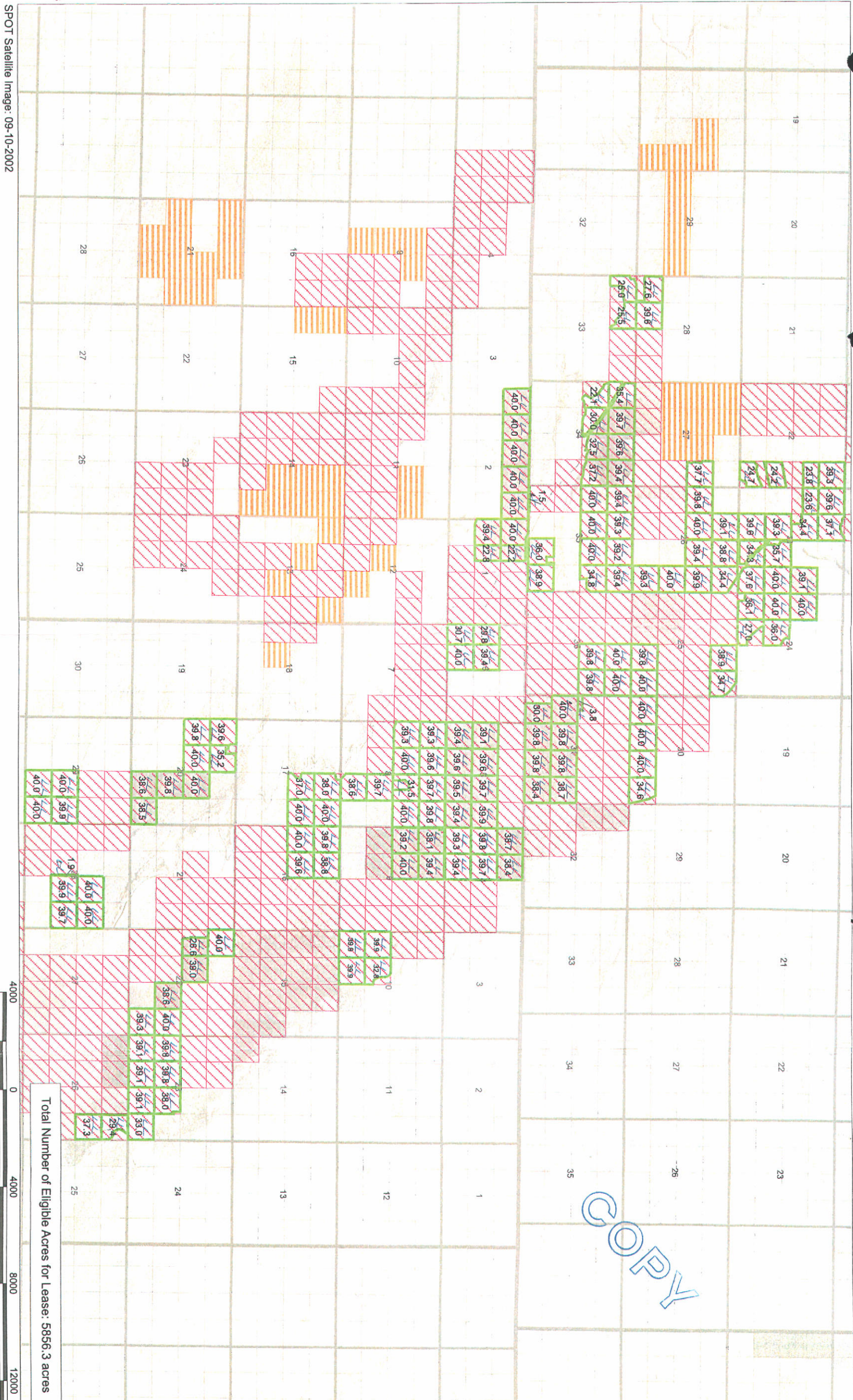
Prepared by: M. Williams
Idaho Department of Water Resources
1300 South Orchard Street
Boise, ID 83709
(208) 327-7800

Water right boundaries identify the quarter quarters within the licensed or permitted place of use, but do not represent the number of acres authorized.

T06S
T07S

- ELIGIBLE
- INELIGIBLE
- QUESTIONABLE
- Water Permit 2-2262
- Water Permit 2-2314
- Township/Range Lines
- Section Lines
- Quarter/Quarter Lines

SPOT Satellite Image: 09-10-2002



Applicant Signature: *Mustafa Alkhalil* Pres. GBMC. Date: 4/1/04

USBOR Signature: *Paul J. Jorg* Date: 1/2/07

Grindstone Butte Mutual Canal Company
2004 Snake River Pilot Leasing Program
Rental of Water from the Water Supply Bank
Prepared: March 31, 2004

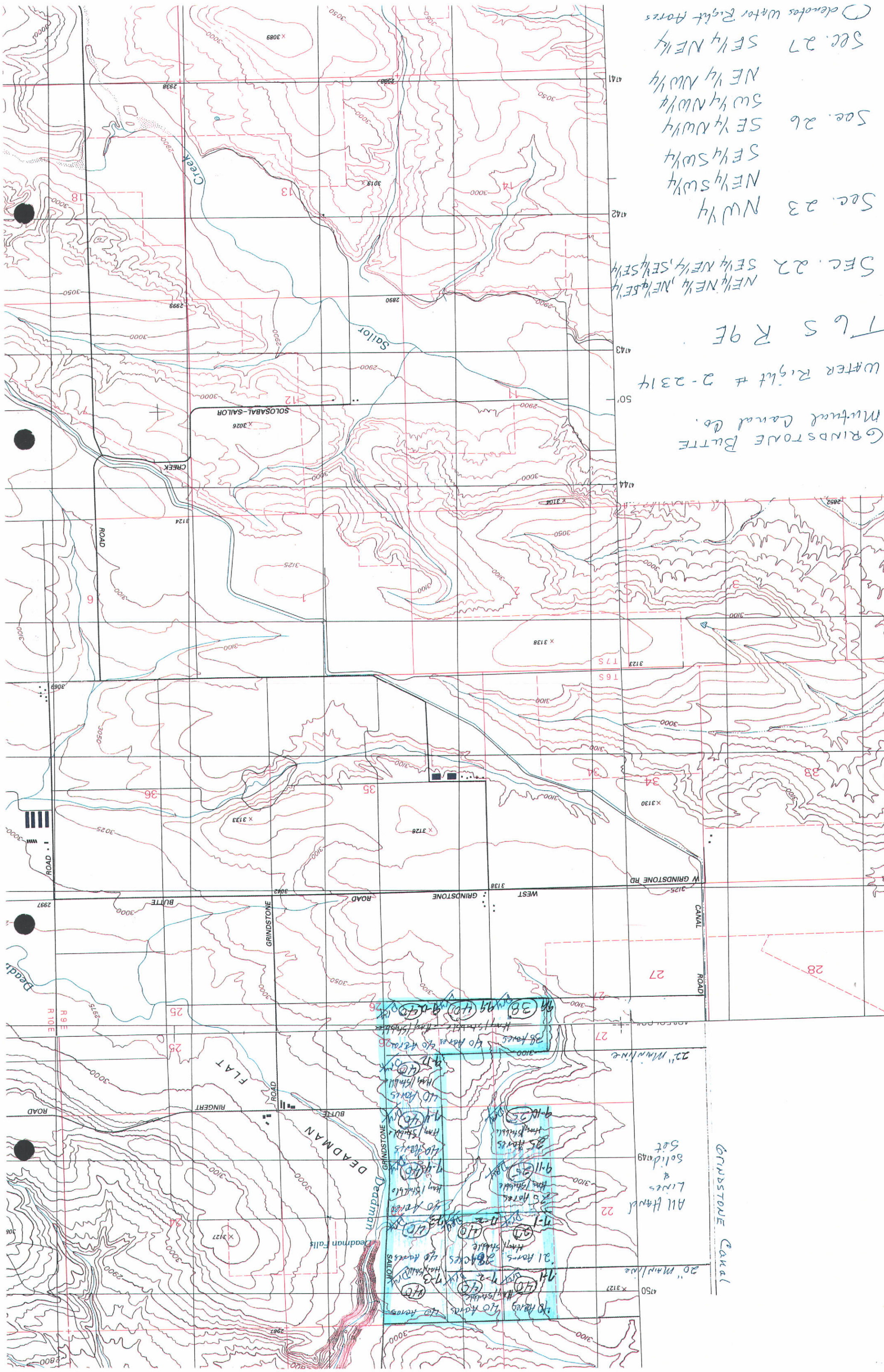
(C) denotes water Right of Way

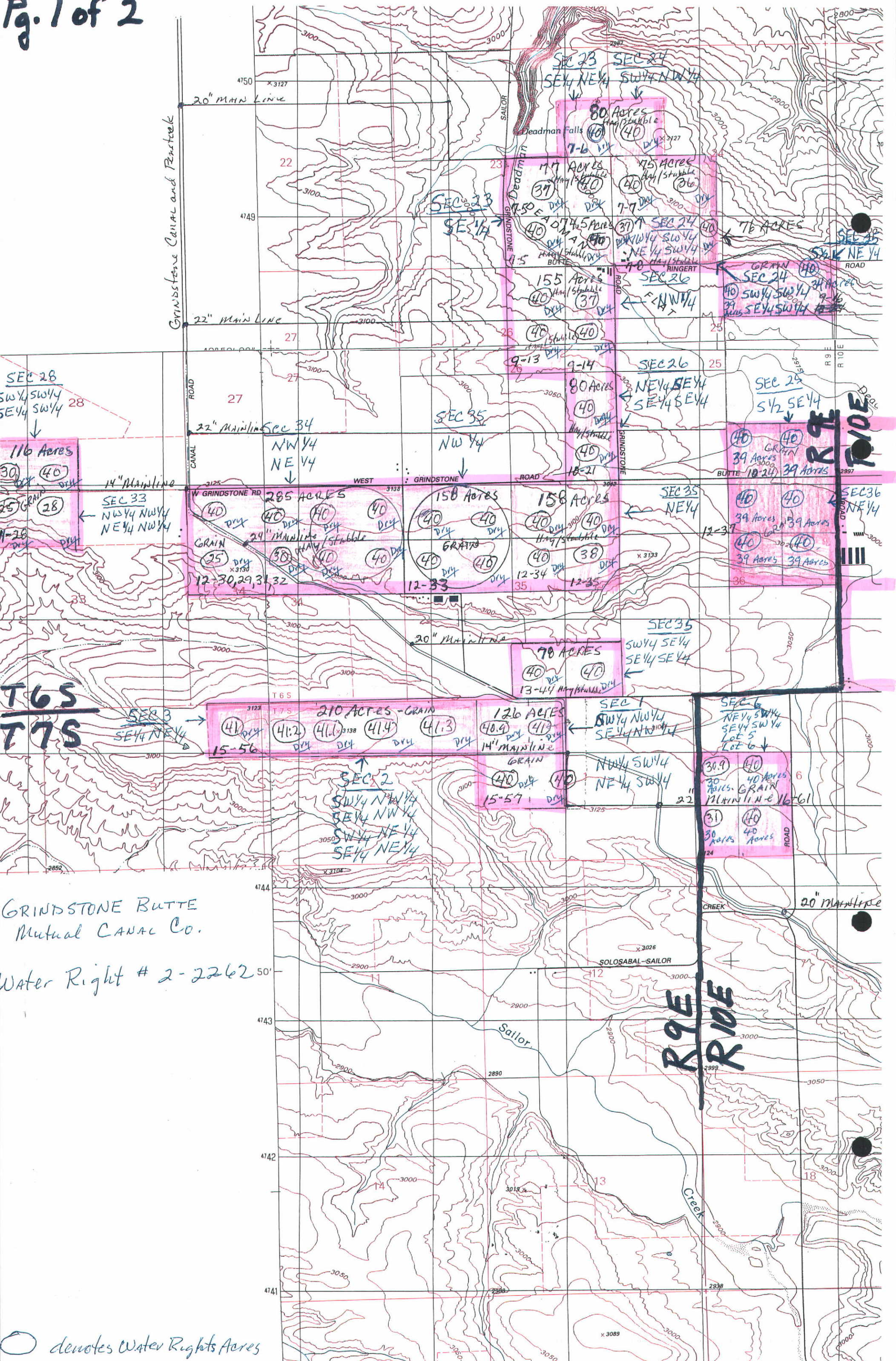
Sec. 27 SE 1/4 NE 1/4
NE 1/4 NW 1/4
SW 1/4 NW 1/4
SE 1/4 NW 1/4
NE 1/4 SW 1/4
SE 1/4 SW 1/4
Sec. 23 NW 1/4
NE 1/4 SW 1/4
SE 1/4 SW 1/4
Sec. 22 NE 1/4 NE 1/4 SE 1/4
SE 1/4 NE 1/4 SE 1/4

T 6 S R 9 E

Water Right # 2-2314

GRINDSTONE BUTTE
Mutual Canal Co.

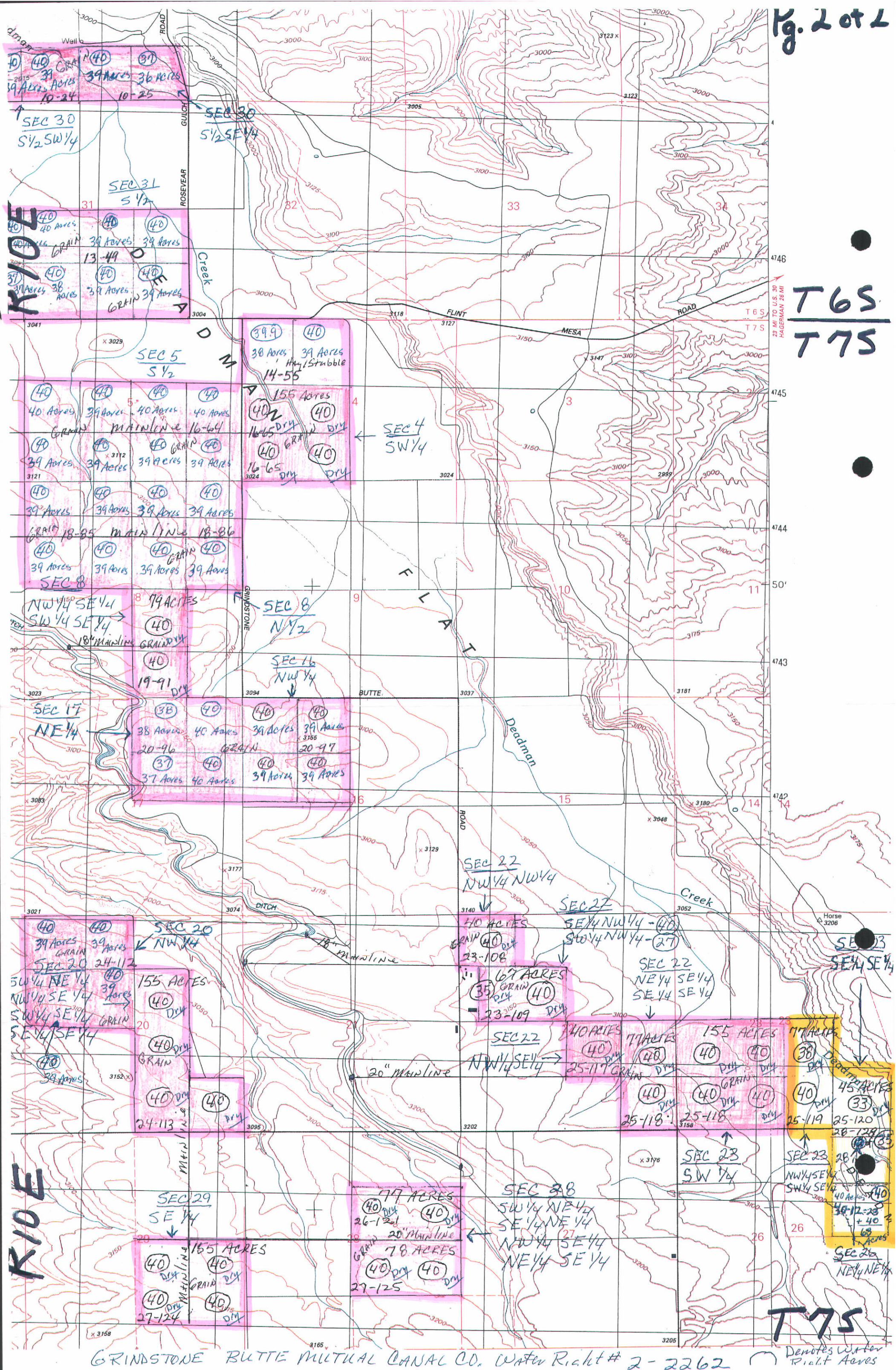




GRINDSTONE BUTTE
Mutual CANAL CO.

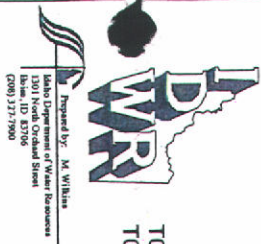
Water Right # 2-2262

○ denotes Water Rights Acres

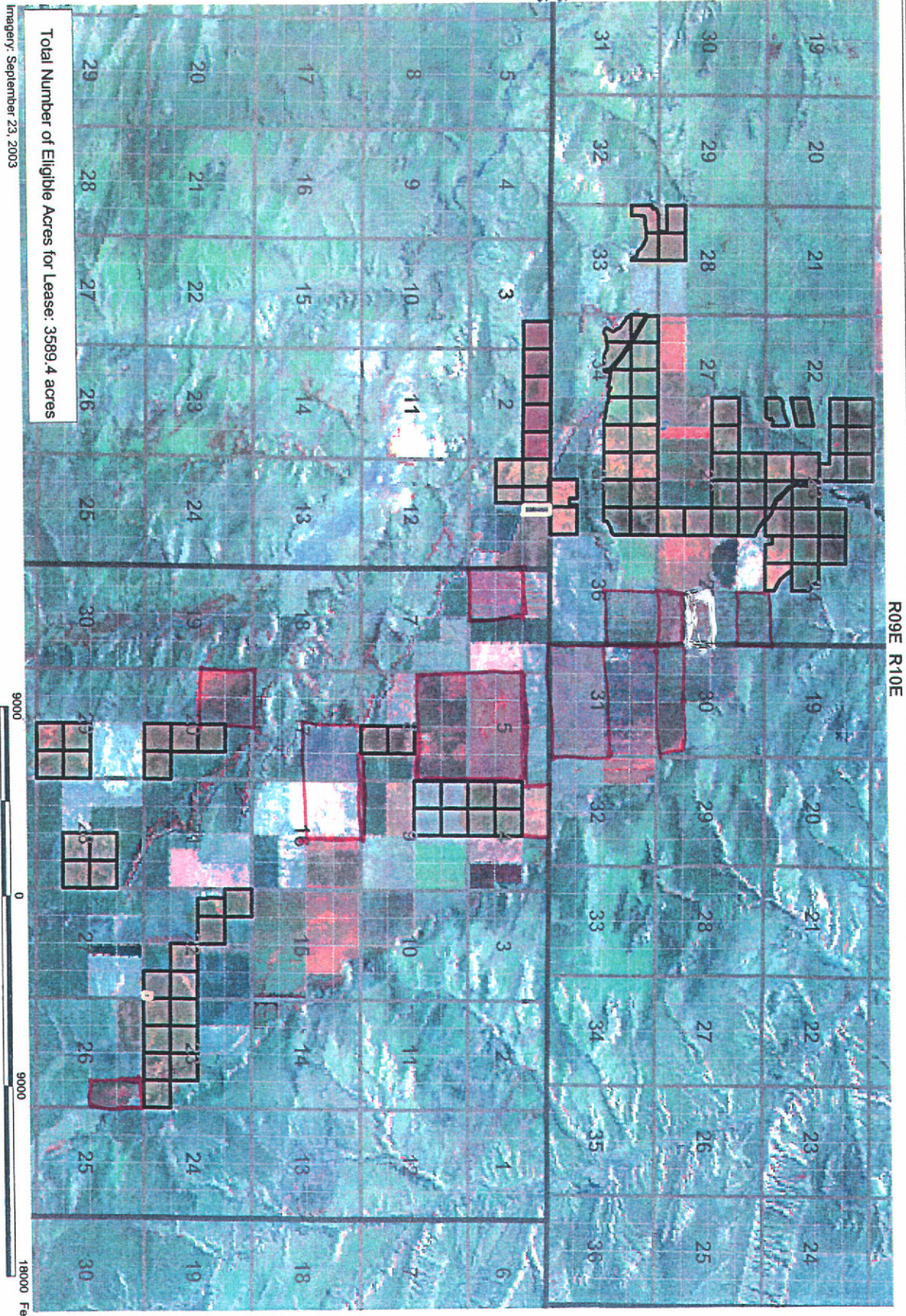


TMS

Denotes Water Right Acres



- ELIGIBLE
- INELIGIBLE
- QUESTIONABLE
- Township/Range Lines
- Section Lines
- Quarter/Quarter Lines



Total Number of Eligible Acres for Lease: 3589.4 acres

Imagery: September 23, 2003

proposed 2004

in 2003, proposed 2004

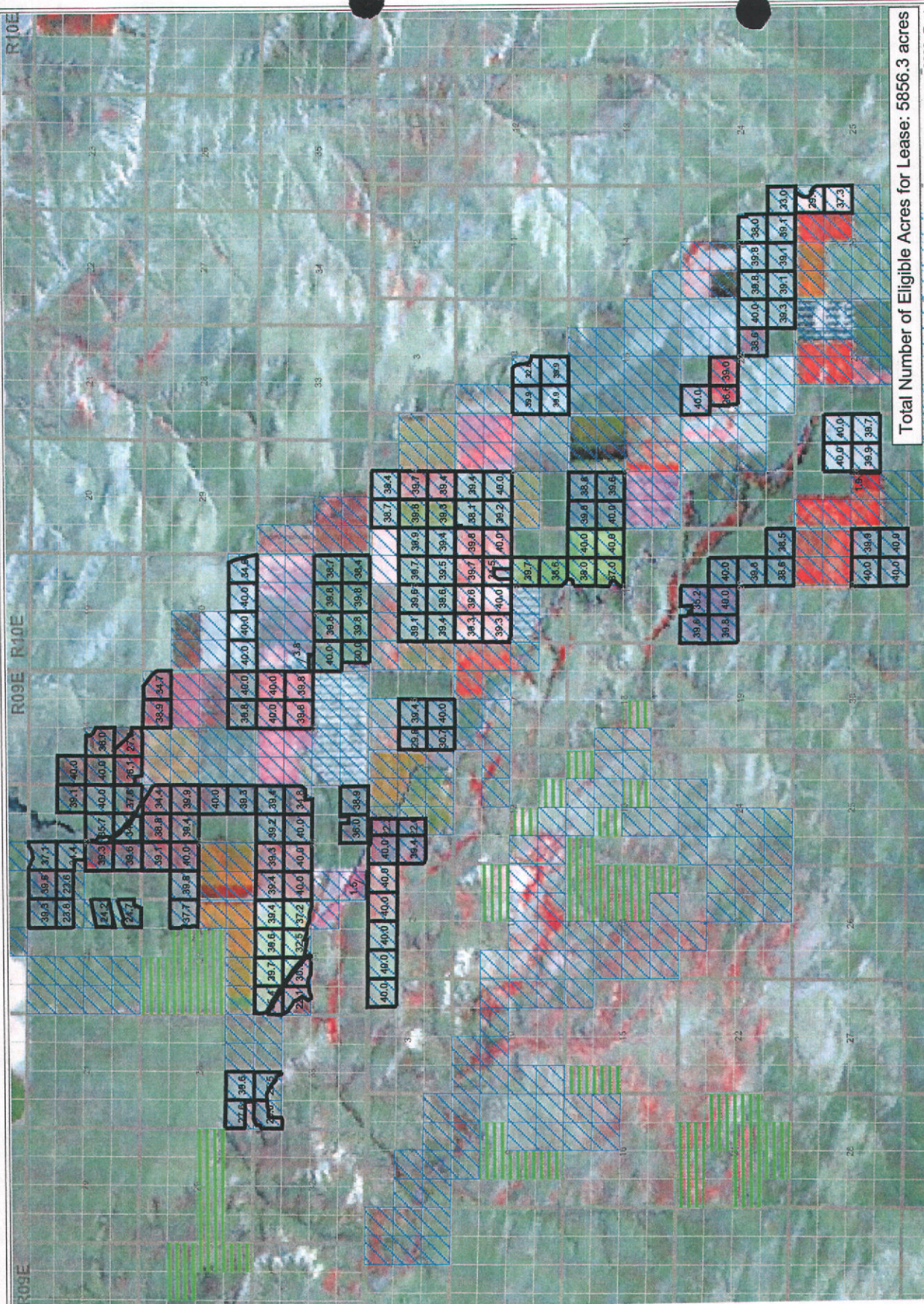
Grindstone Butte Mutual Canal Company

2003 Snake River Pilot Leasing Program Rental of Water from the Water Supply Bank

Prepared: December 2, 2003



Water right boundaries identify the quarter quarters within the licensed or permitted place of use, but do not represent the number of acres authorized.



Total Number of Eligible Acres for Lease: 5856.3 acres

9000 Feet

Landsat 5 Satellite Image: 09-09-2004

- ELIGIBLE
- INELIGIBLE
- Wtr Permit 2-2262
- Wtr Permit 2-2314

- Township/Range Lines
- Section Lines
- Quarter/Quarter Lines

Final Determination of Eligible Acres



GIS/Remote Sensing
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83702
208.287.4800
www.idwr.idaho.gov
Prepared by: M. Williams

Grindstone Butte Mutual Canal Company
2004 Snake River Pilot Leasing Program
Rental of Water from the Water Supply Bank
Prepared: December 14, 2004

644
T735

ROGER G. YOUNG FARM T.5S., R.5E. B.M.

Roger & Young
12-17-04

50/4

NORTH 0°

103.8

2003 CROP POTATOES
HARVESTED MID SEPT. 2003
IRRIGATED FOLLOWING HARVEST
UNTIL WATER WAS TURNED OFF
FOR THE SEASON AROUND 10-26-03.
03-12 & 13-04 SPUD ROWS LEVELED
BY SHALLOW DISCING & HARROW TO
SAVE MOISTURE. 03-19-04 SEEDING
OF WHEAT COVER CROP FINISHED.
PIVOT WAS MOVED BACK & FORTH
180° & 210° FOR BOTH DISCING &
SEEDING. IN AUGUST PIVOT WAS
4 MOVED CCW TO 135°. NOTHING
228.3 WAS HARVESTED IN 2004.
AS OF 12-16-04 THIS FIELD COVER
IS HEADED STANDING WHEAT
& WEEDS. NO 2004
IRRIGATION.

2003 CROP - OLD STAND OF
ESTABLISHED ALFALFA &
IRRIGATED IN THE FALL OF 2003.
06-01-04 THRU 06-11-04 HARVESTED
DRYLAND ALFALFA INCLUDING SOUTH CORNER
2003 CROP - WHEAT W/ALFALFA
AFTER HARVEST FIELD WAS IRRIGATED
IN THE FALL OF 2003.
2004 COVER - ALFALFA
06-01-04 THRU 06-11-04 HARVESTED
DRYLAND ALFALFA INCLUDING
SOUTH CORNER.
NO 2004 IRRIGATION

2003 CROP WHEAT W/ALFALFA
AFTER HARVEST FIELD WAS
IRRIGATED IN THE FALL OF 2003.
2004 COVER - ALFALFA
06-01-04 THRU 06-11-04 HARVESTED
DRYLAND ALFALFA INCLUDING
SOUTH CORNERS.
NO 2004 IRRIGATION

2003 CROP - WHEAT
AFTER HARVEST FIELD WAS
IRRIGATED IN THE FALL OF 2003.
2004 COVER - WHEAT STUBBLE.
NOTHING HARVESTED IN 2004.
NO 2004 IRRIGATION

2003 CROP - WHEAT W/ALFALFA.
AFTER HARVEST FIELD WAS
IRRIGATED IN THE FALL OF 2003.
2004 COVER - WHEAT STUBBLE
& SPOTTY ALFALFA.
NOTHING HARVESTED IN 2004.
NO 2004 IRRIGATION

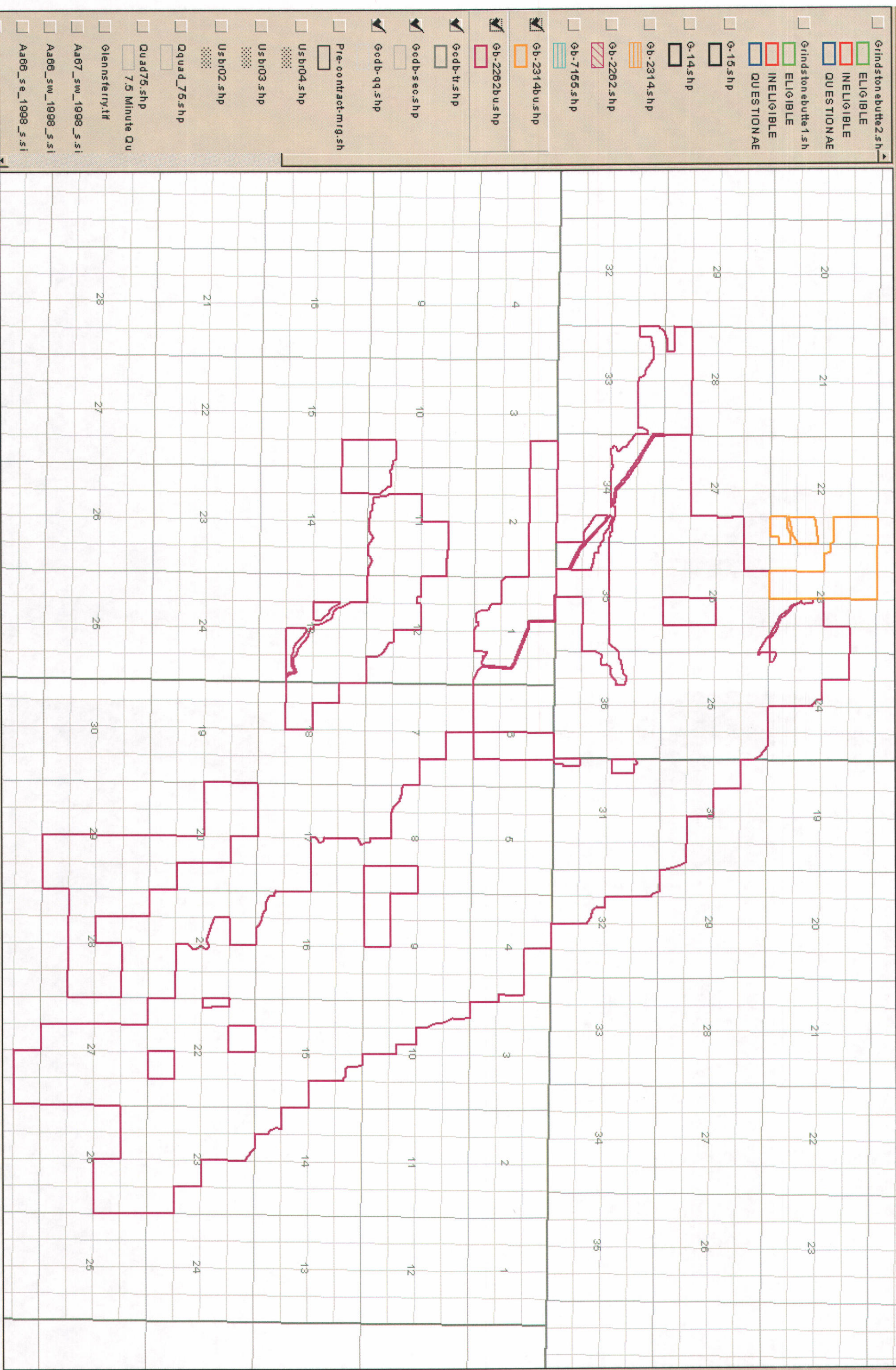
10
104.5

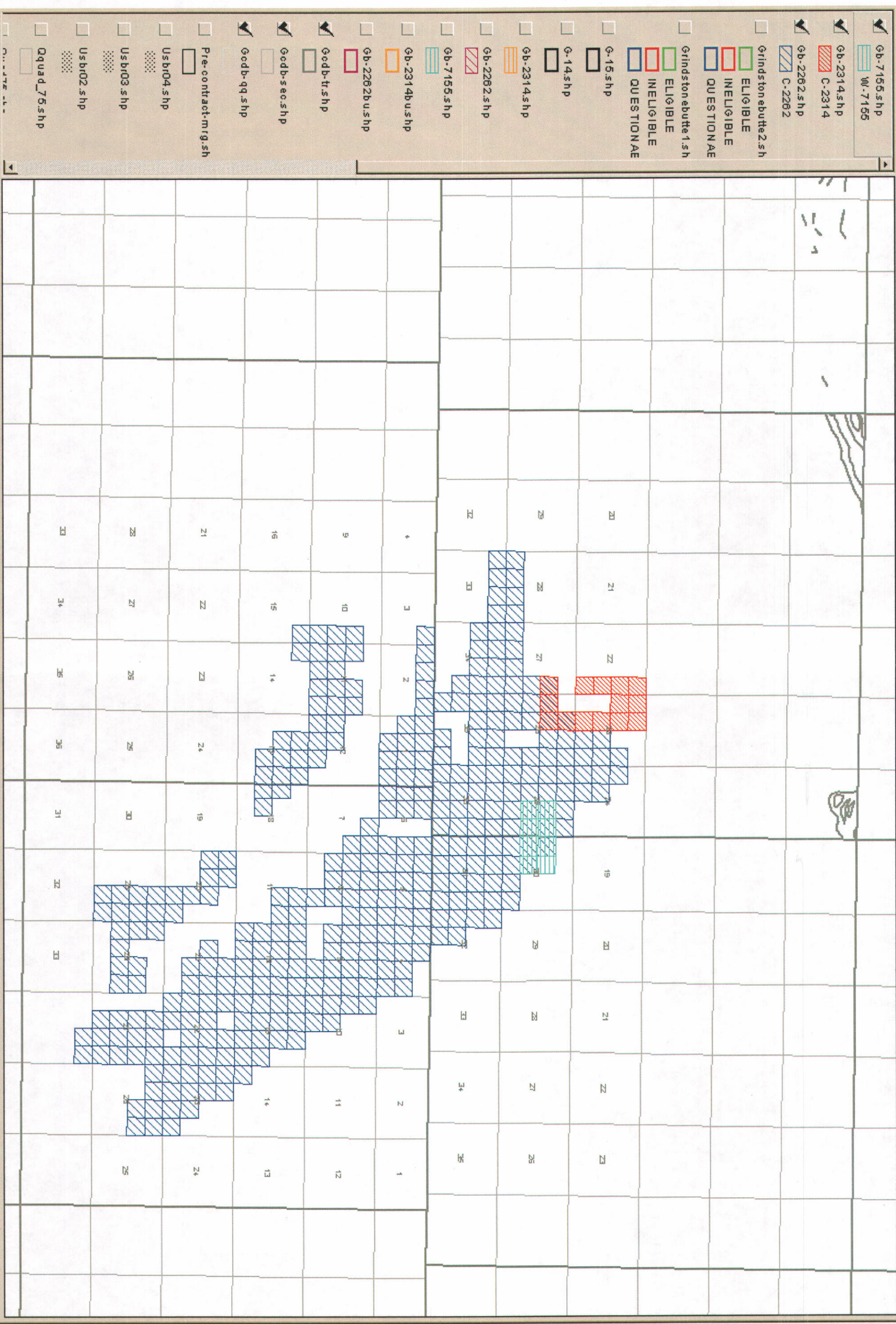
11
1290
3536
HEL

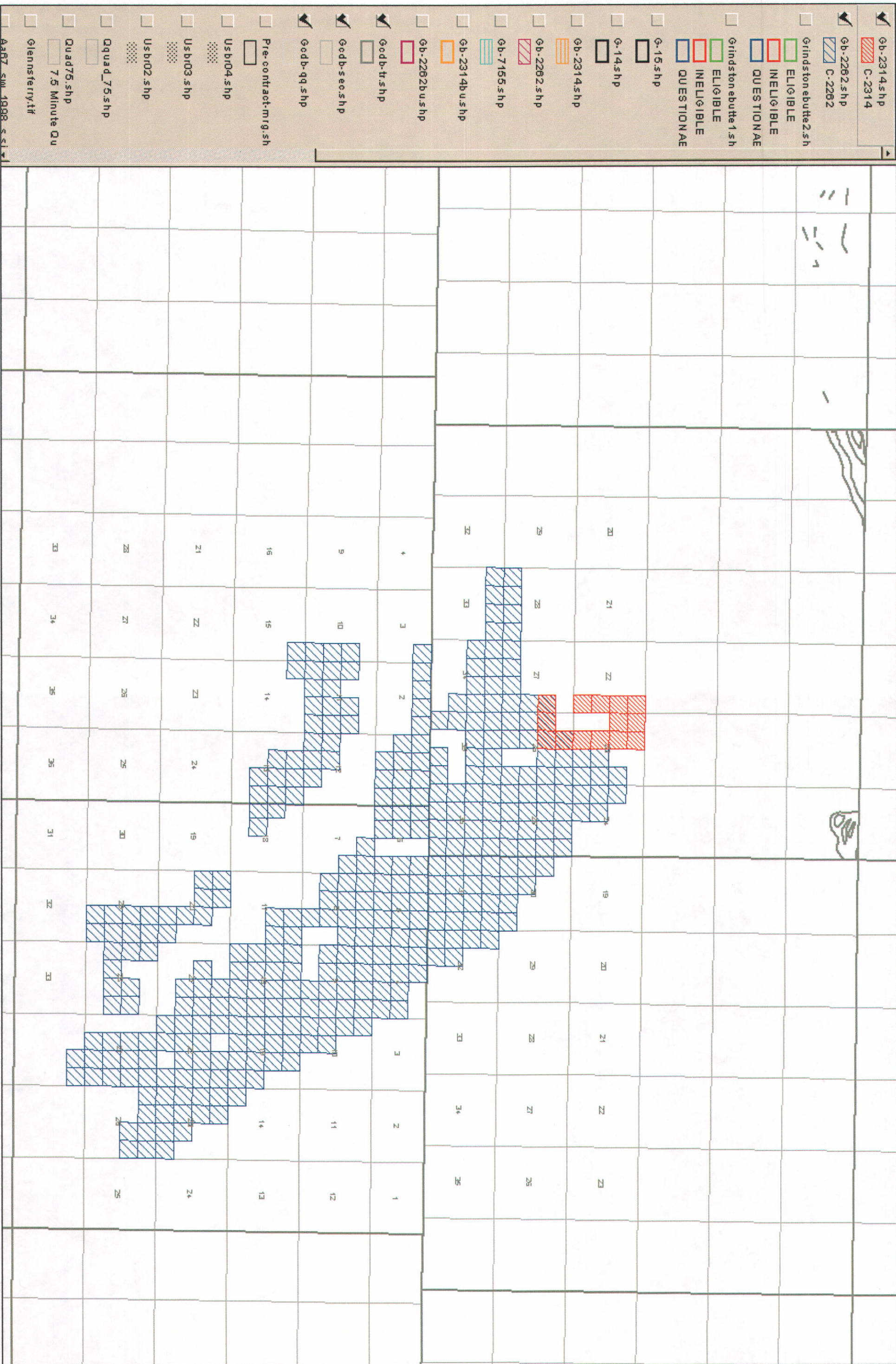
12
13.7
HEL

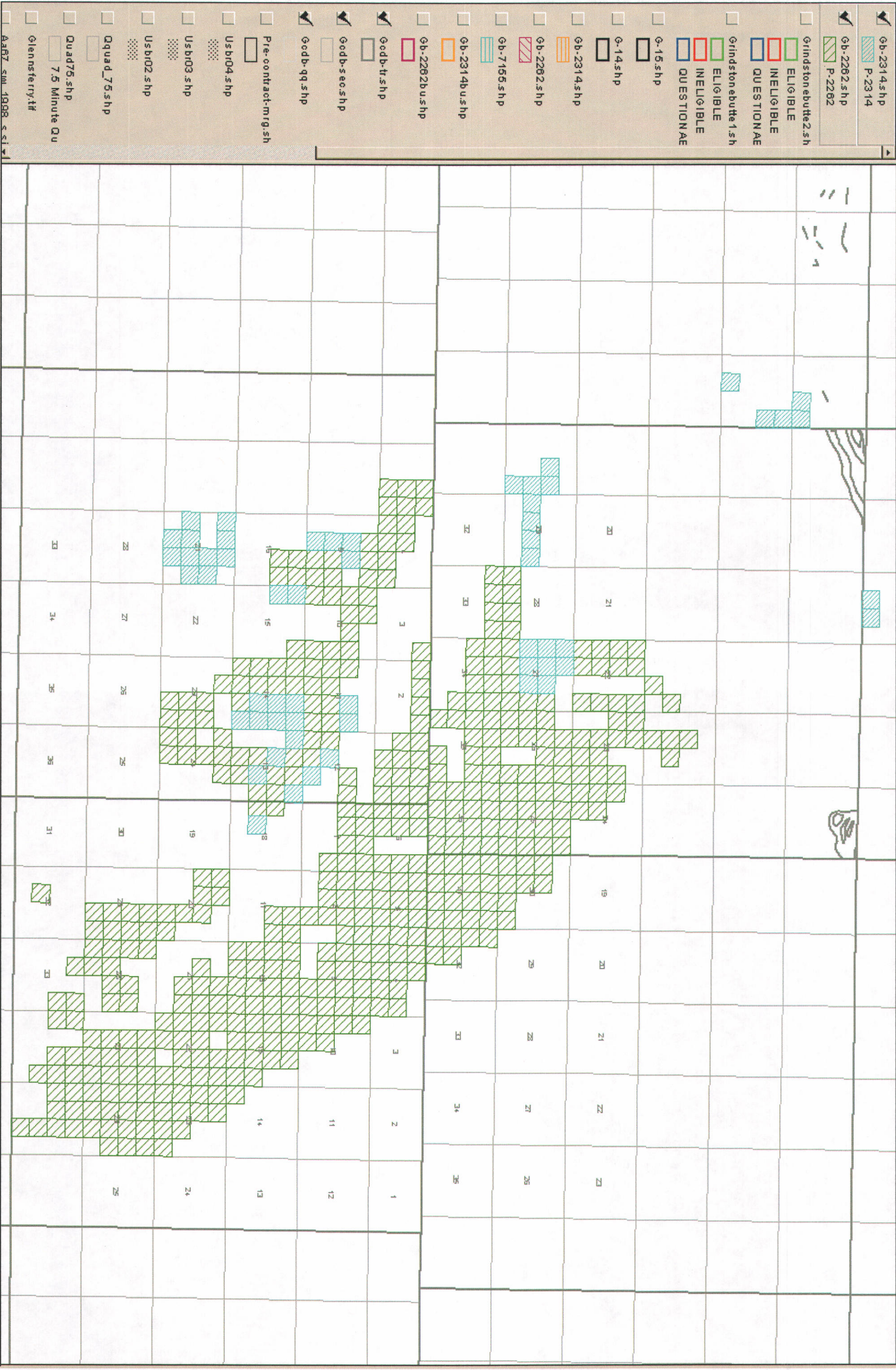
RECEIVED
DEC 19 2004
DEPARTMENT OF WATER RESOURCES

8
263

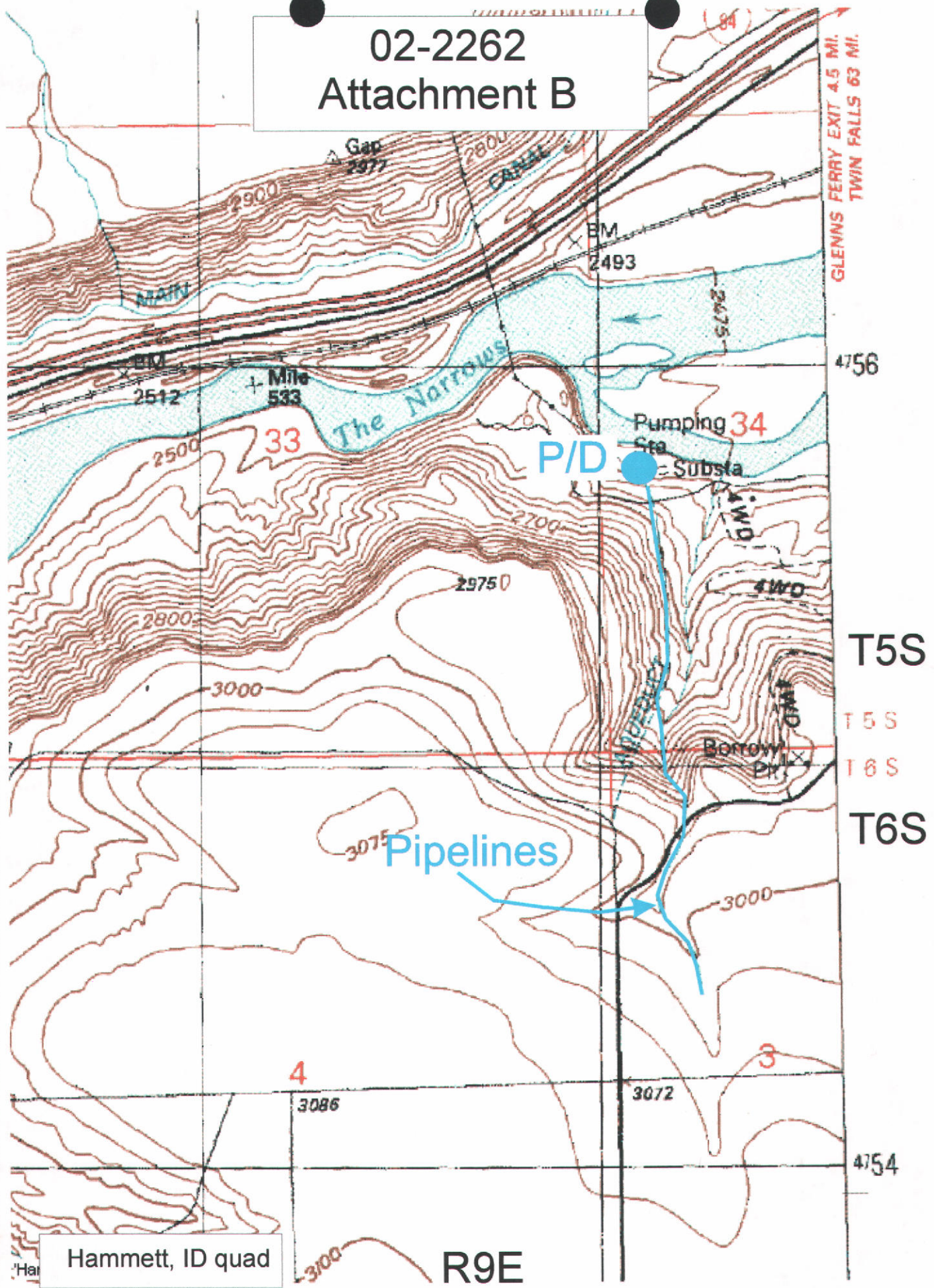


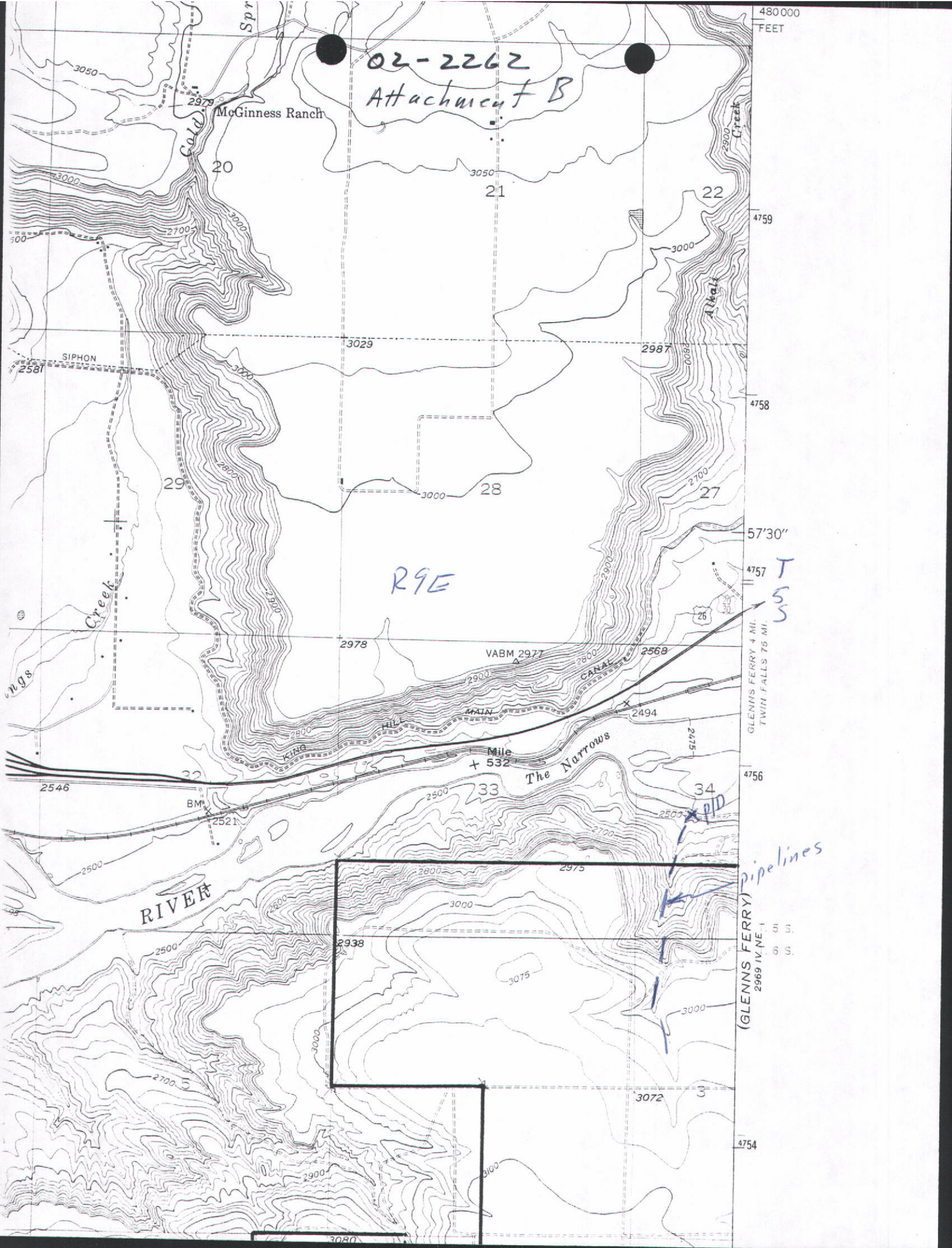






02-2262
Attachment B





02-2262
Attachment B

McGinness Ranch

R9E

T5

pipelines

(GLENN'S FERRY)
2969 IV. NE 1
6 S. 6 S.

GLENN'S FERRY 4 MI.
TWIN FALLS 75 MI.

VABM 2977

Mile
+ 532

The Narrows

RIVER

2938

3072

4754

4756

4757

4758

4759

480 000
FEET





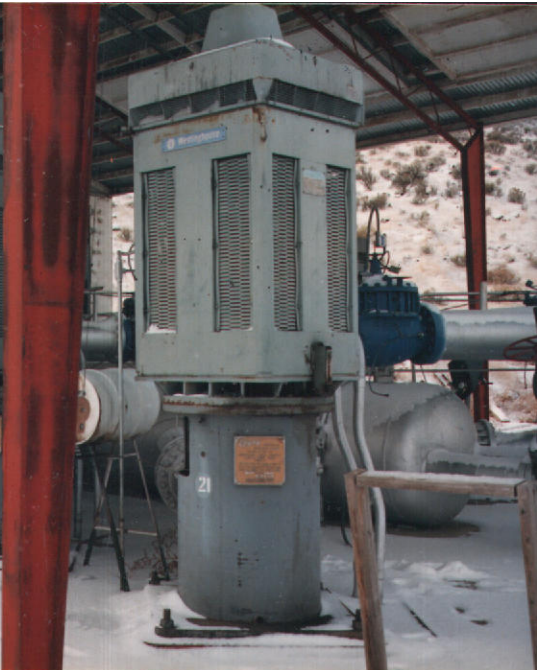














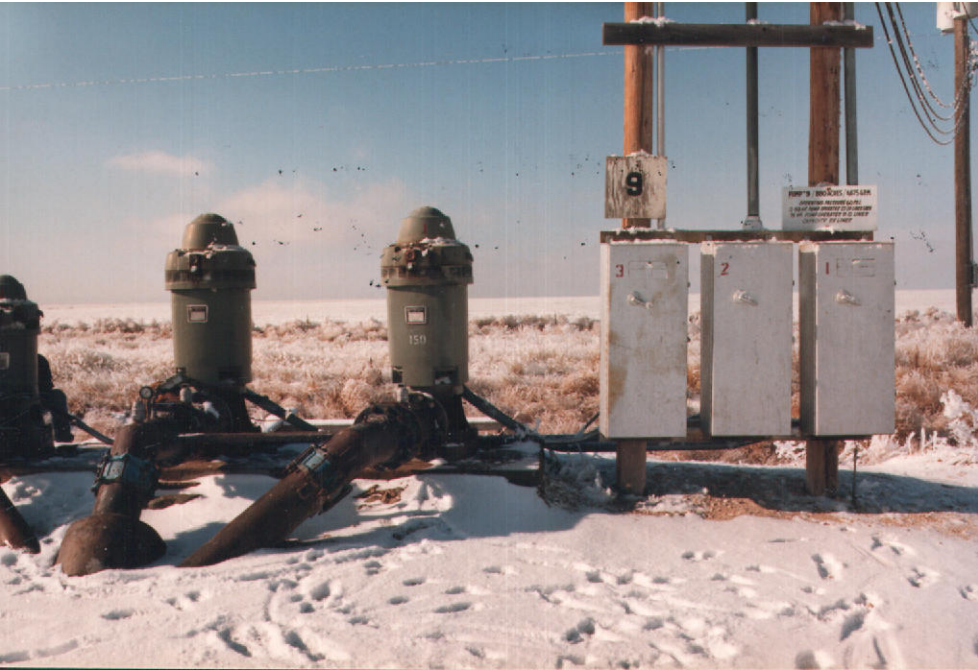
15

PUMP 15, 400 ACFT / 4000 GPM
WARNING: NO ENTRY BEYOND
SAFE ZONE MARKED BY ORANGE
CONES OF PUMP OPERATOR. NO-TOE
ENTRY IN LINE.









9

PUMP 10 / 100 GPHS. NATS. LAB.
HYDROGEN PUMPING UNIT
1. 100 GPHS. PUMPING UNIT
2. 100 GPHS. PUMPING UNIT
3. 100 GPHS. PUMPING UNIT
4. 100 GPHS. PUMPING UNIT

3

2

1

150

1













22

PUMP 22 600 ACRES 5800 GPM
OPERATING PRESSURE 100 PSI
DO NOT OPERATE 10-15 LINES
DO NOT OPERATE 10-15 LINES
TO 1/2 PUMP OPERATE 10 LINES
EXCESSIVE 10 LINES

3

2

1

PUMP #14 / 360 ACRES / 3000 GPM.

OPERATING PRESSURE 70 PSI
50 HP PUMP OPERATES 10-17 LINES
50 HP PUMP OPERATES 8-9 LINES
CAPACITY 24 LINES

14

2

1

50

100





Layne Vertical
TURBINE PUMP
DESIGNED BY LAYNE
MANUFACTURED BY SINGER
PUMP CO. NEW YORK, N.Y.
THIS PUMP WAS DESIGNED AND
MANUFACTURED BY SINGER
PUMP CO. NEW YORK, N.Y.
SINGER
PUMP CO. NEW YORK, N.Y.

121

R09E R10E



Prepared by: M. Wilcox
Main Department of Water Resources
1301 North Orchard Street
Bozeman, MT 59706
(406) 227-7800

Water right boundaries identify the quarter sections within the licensed or permitted place of use, but do not represent the number of acres authorized.

- ☐ ELIGIBLE
- ☐ INELIGIBLE
- ☐ QUESTIONABLE
- ☐ Township/Range Lines
- ☐ Section Lines
- ☐ Quarter/Quarter Lines
- ☐ Permit 2-2262

Total Number of Eligible Acres for Lease: 3605.1

Imagery: July 26, 2002



COPY

Grindstone Butte Mutual Canal Company

**2003 Snake River Pilot Leasing Program
Rental of Water from the Water Supply Bank**

Prepared: March 13, 2003

3/19/03

Date

Walter Noble

Applicant Signature

4/03/03

Date

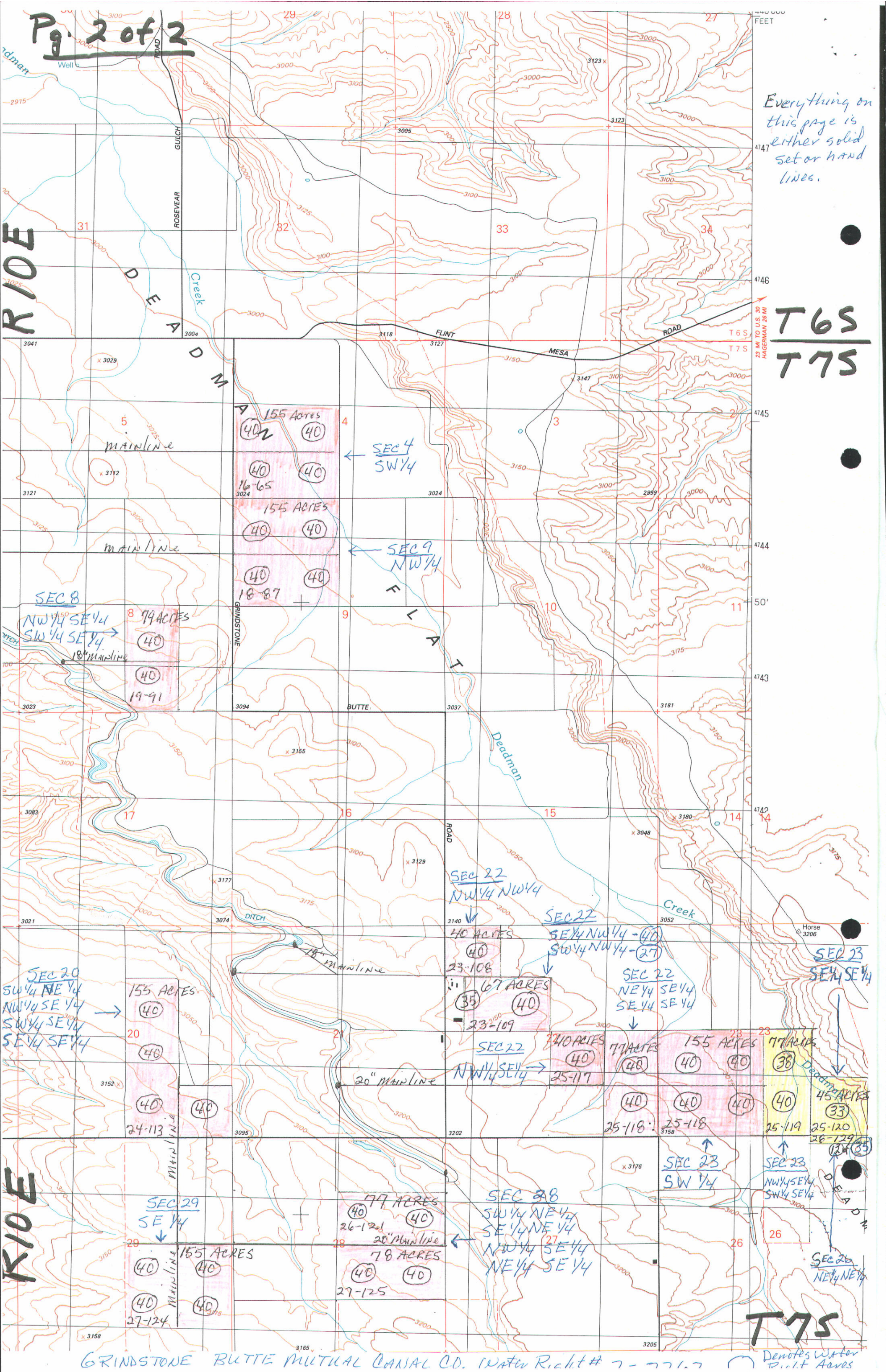
Debbie A. Laga

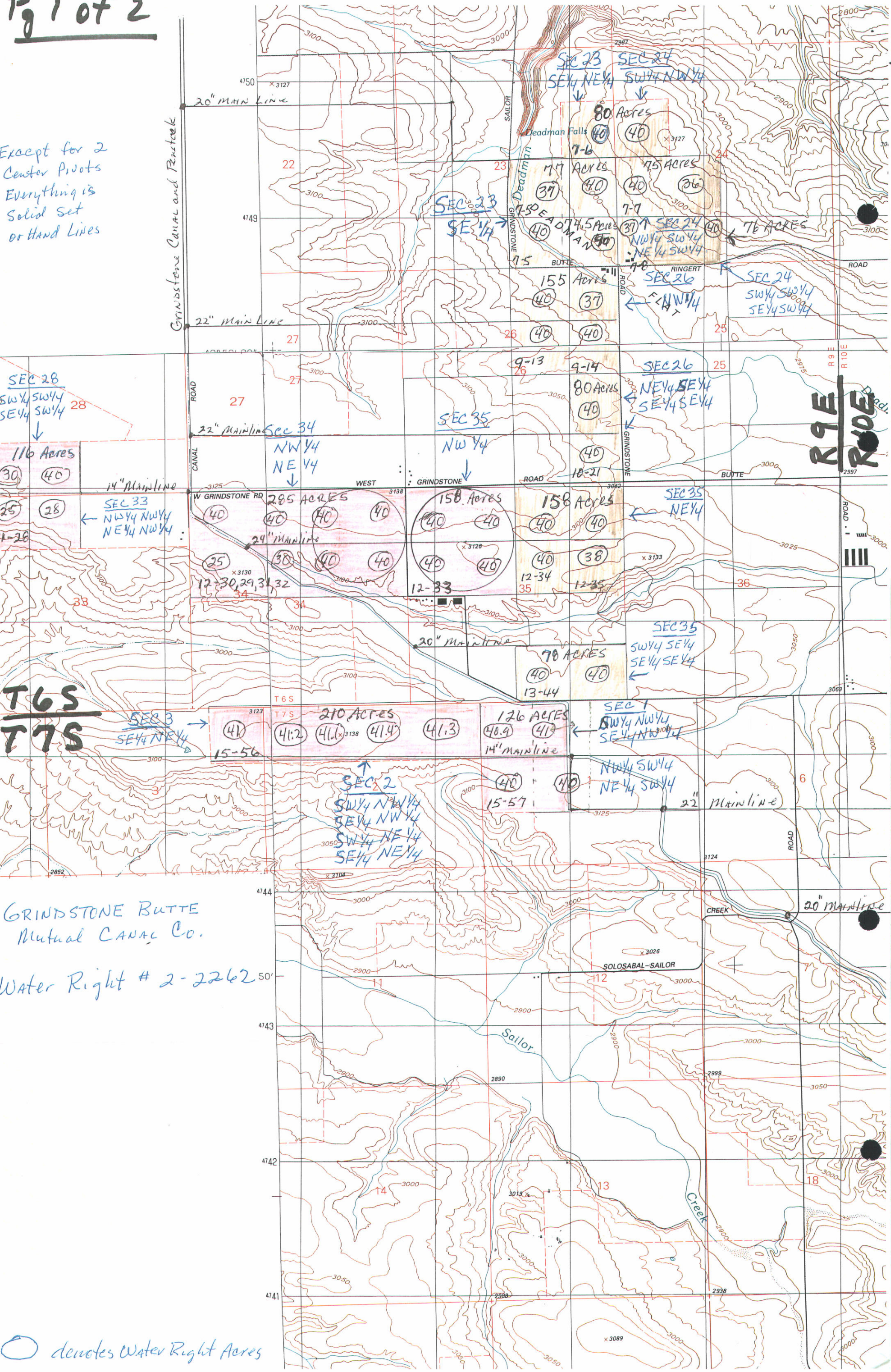
USBOR Signature

Everything on this page is either solid set or hand lines.

T6S
T7S

T7S





GRINDSTONE BUTTE
Mutual CANAL CO.

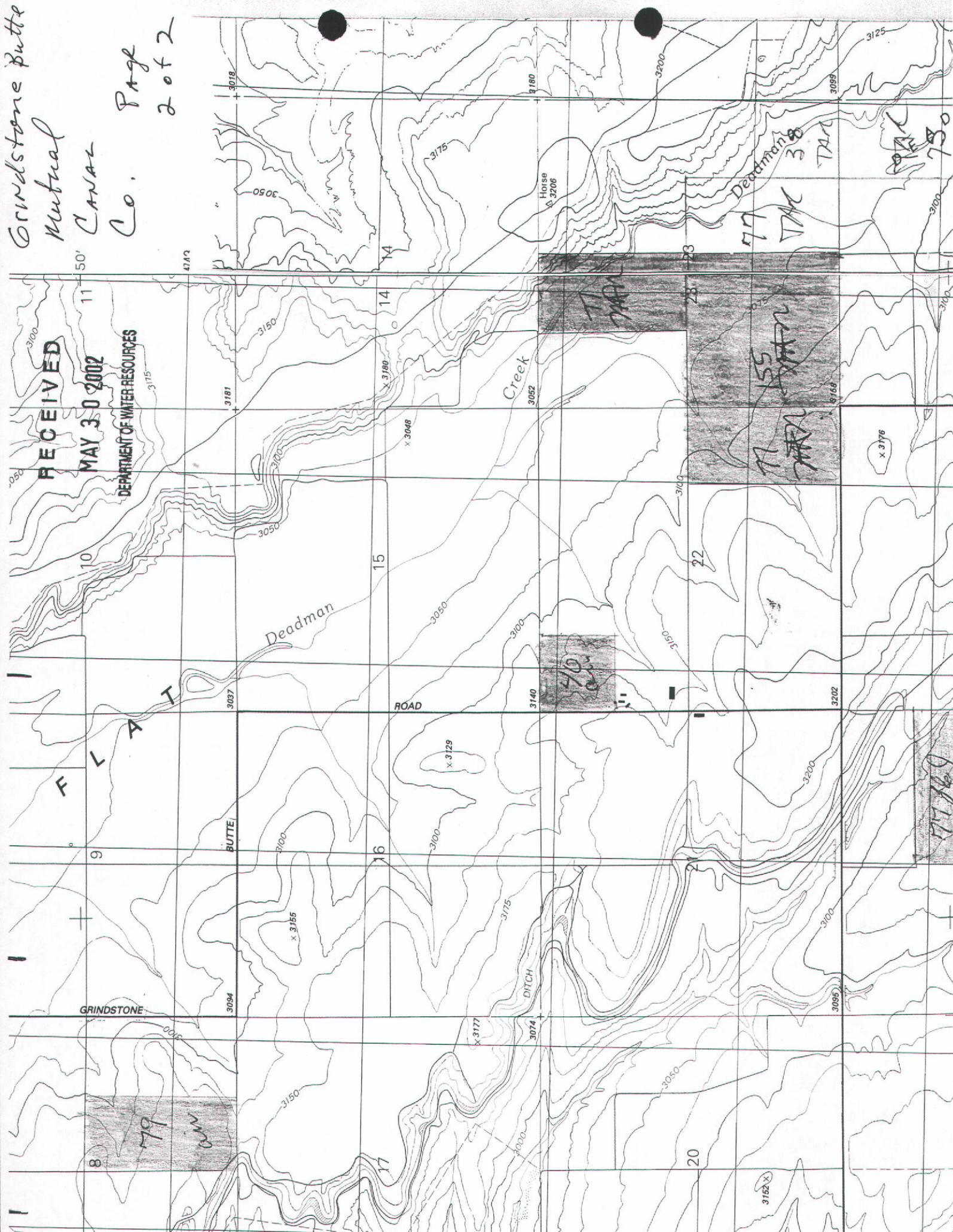
Water Right # 2-2262

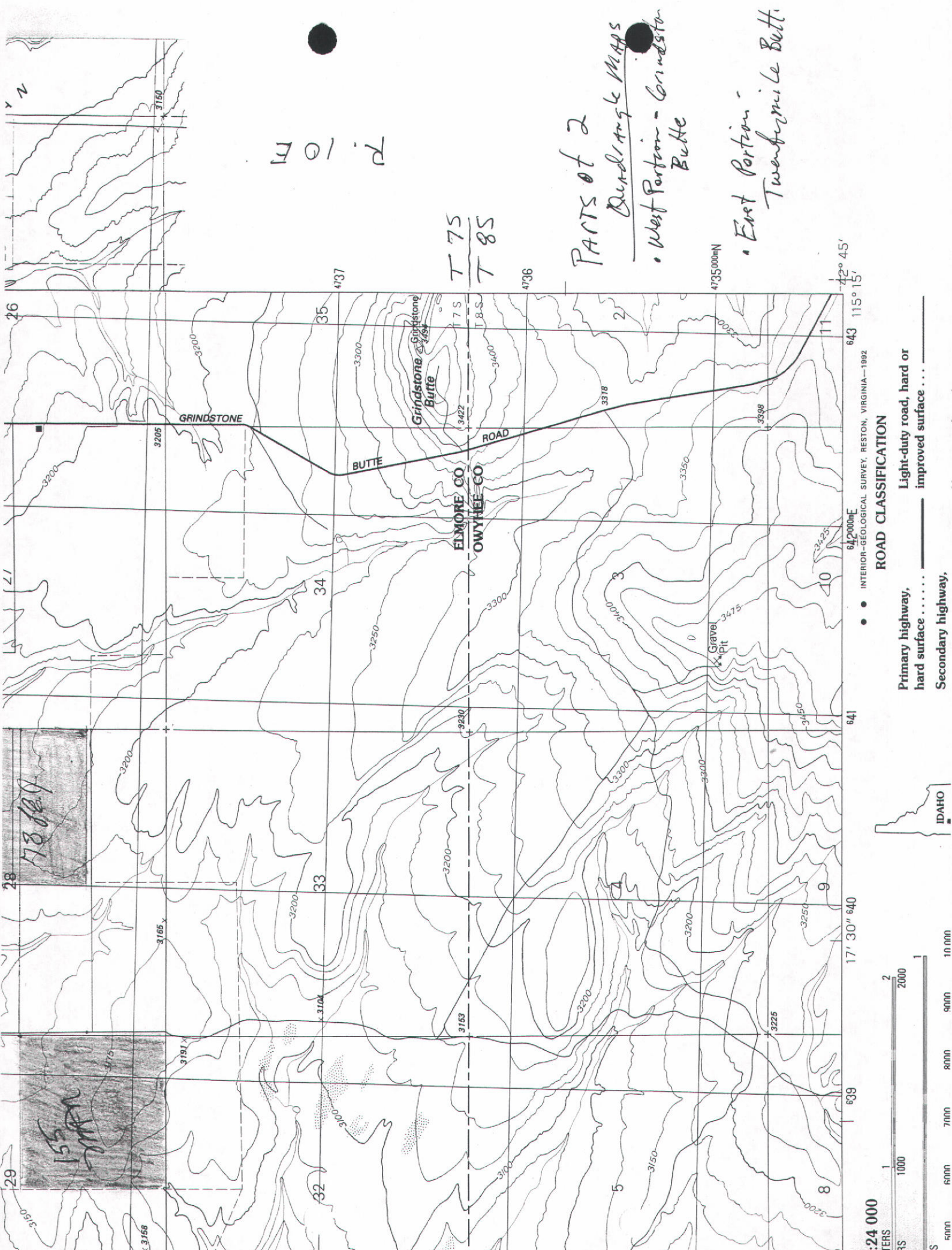
Grindstone Butte
Mutual
Canal
Co. Page
2 of 2

RECEIVED

MAY 30 2002

DEPARTMENT OF WATER RESOURCES

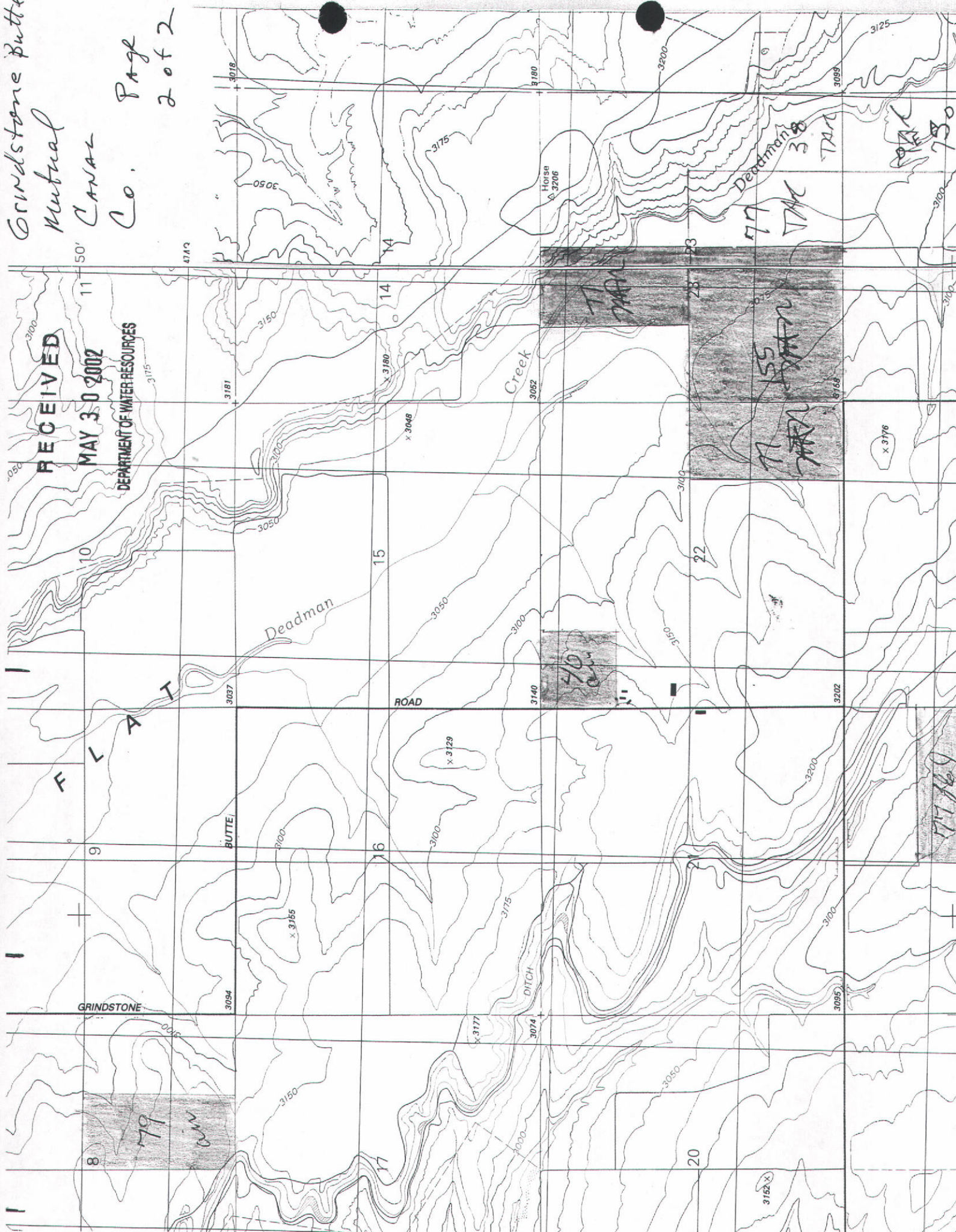


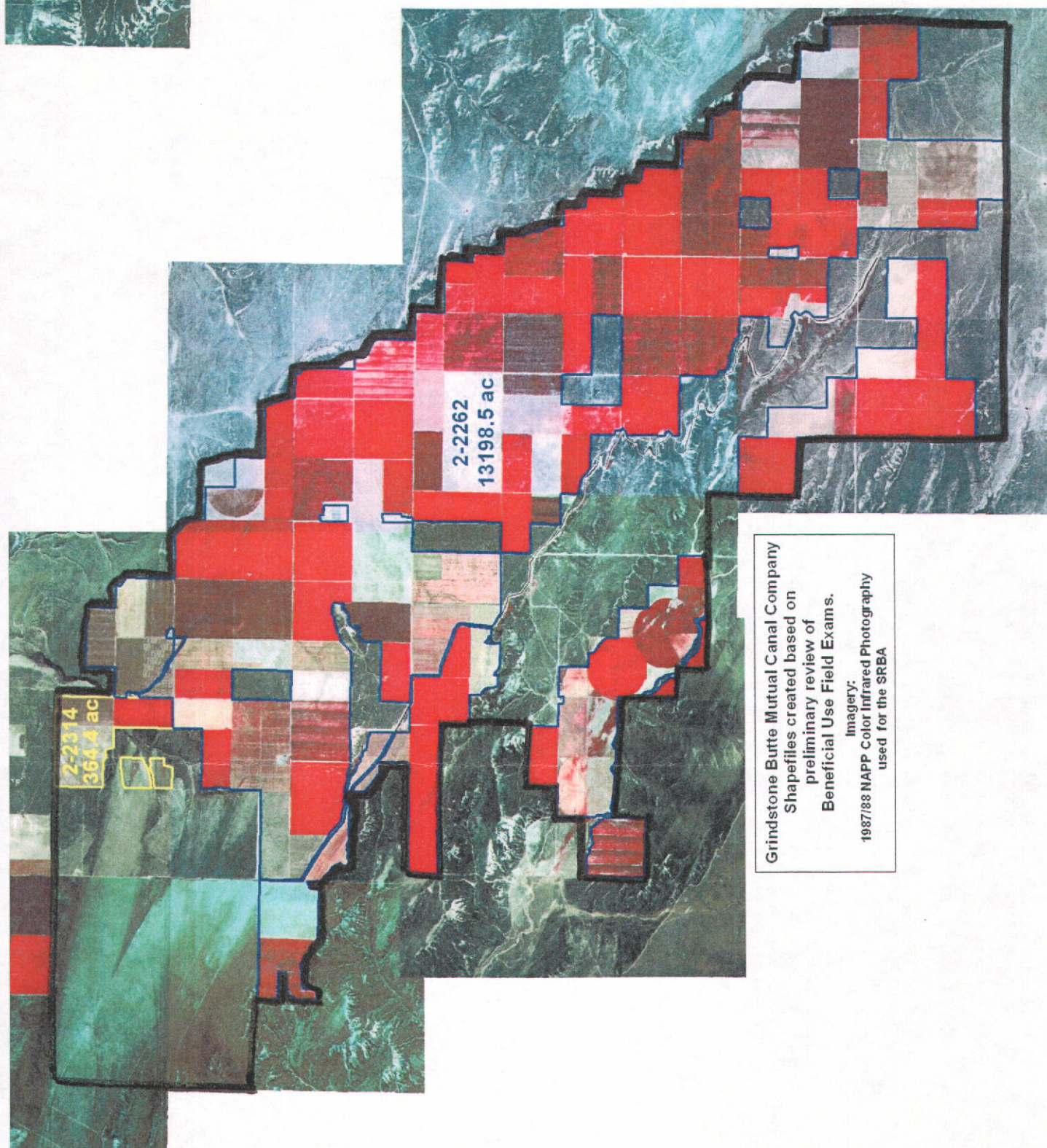


$$20 \times 2$$

MAY 30 2002

DEPARTMENT OF WATER RESOURCES





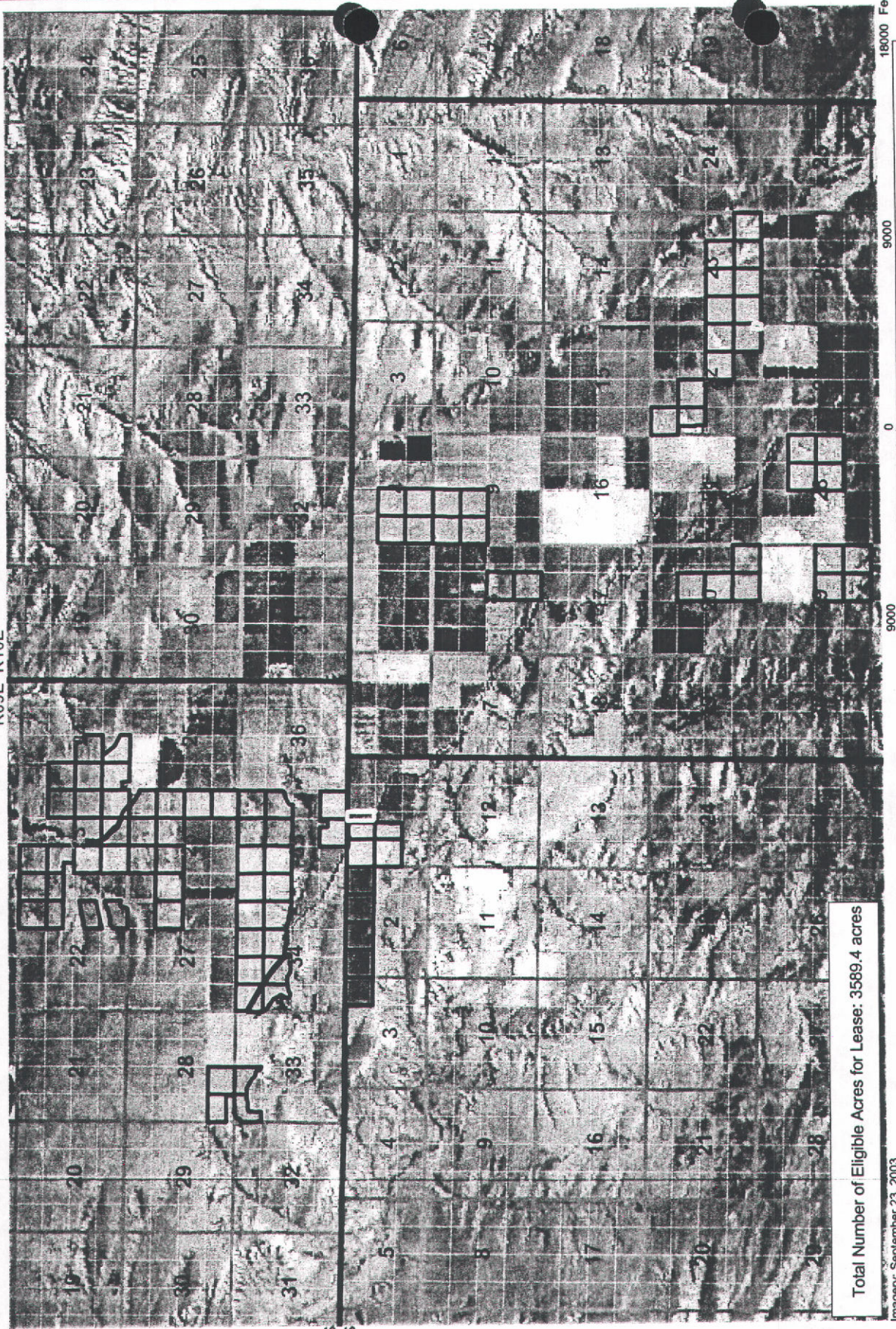
Grindstone Butte Mutual Canal Company
 Shapefiles created based on
 preliminary review of
 Beneficial Use Field Exams.
 Imagery:
 1987/88 NAPP Color Infrared Photography
 used for the SRBA



Prepared by: M. Wilkins
Idaho Department of Water Resources
1301 North Orchard Street
Boise, ID 83706
(208) 325-7900

T06S
T07S

R09E R10E



Total Number of Eligible Acres for Lease: 3589.4 acres

Imagery: September 23, 2003

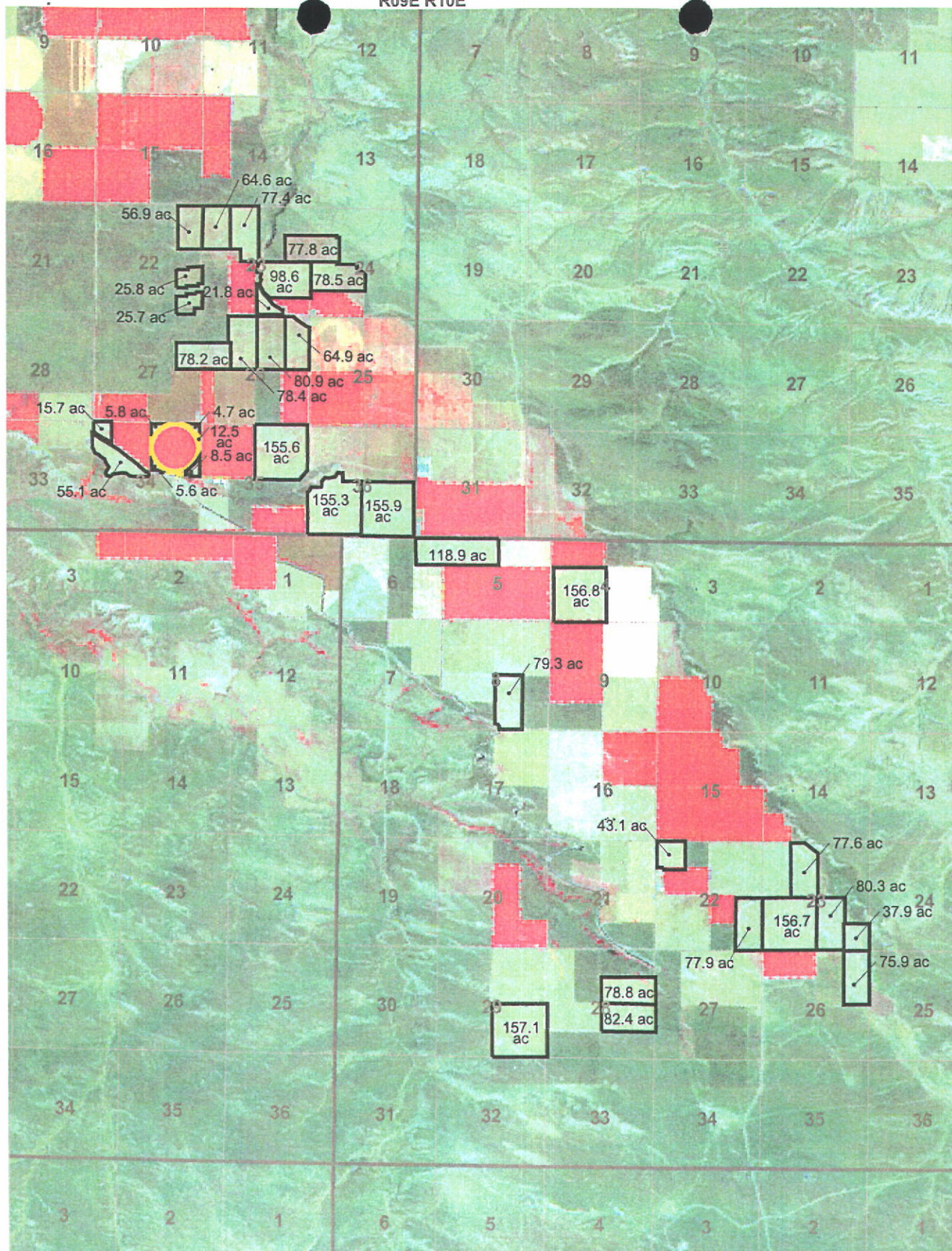
- ☒ ELIGIBLE
- ☐ INELIGIBLE
- ☐ QUESTIONABLE
- ☐ Township/Range Lines
- ☐ Section Lines
- ☐ Quarter/Quarter Lines

Grindstone Butte Mutual Canal Company

2003 Snake River Pilot Leasing Program Rental of Water from the Water Supply Bank

Prepared: December 2, 2003

R09E R10E



T06S
T07S

T07S
T08S

Imagery: July 26, 2002

2000 0 2000 4000 Meters

- ELIGIBLE
- INELIGIBLE
- Township/Range Lines
- Section Lines

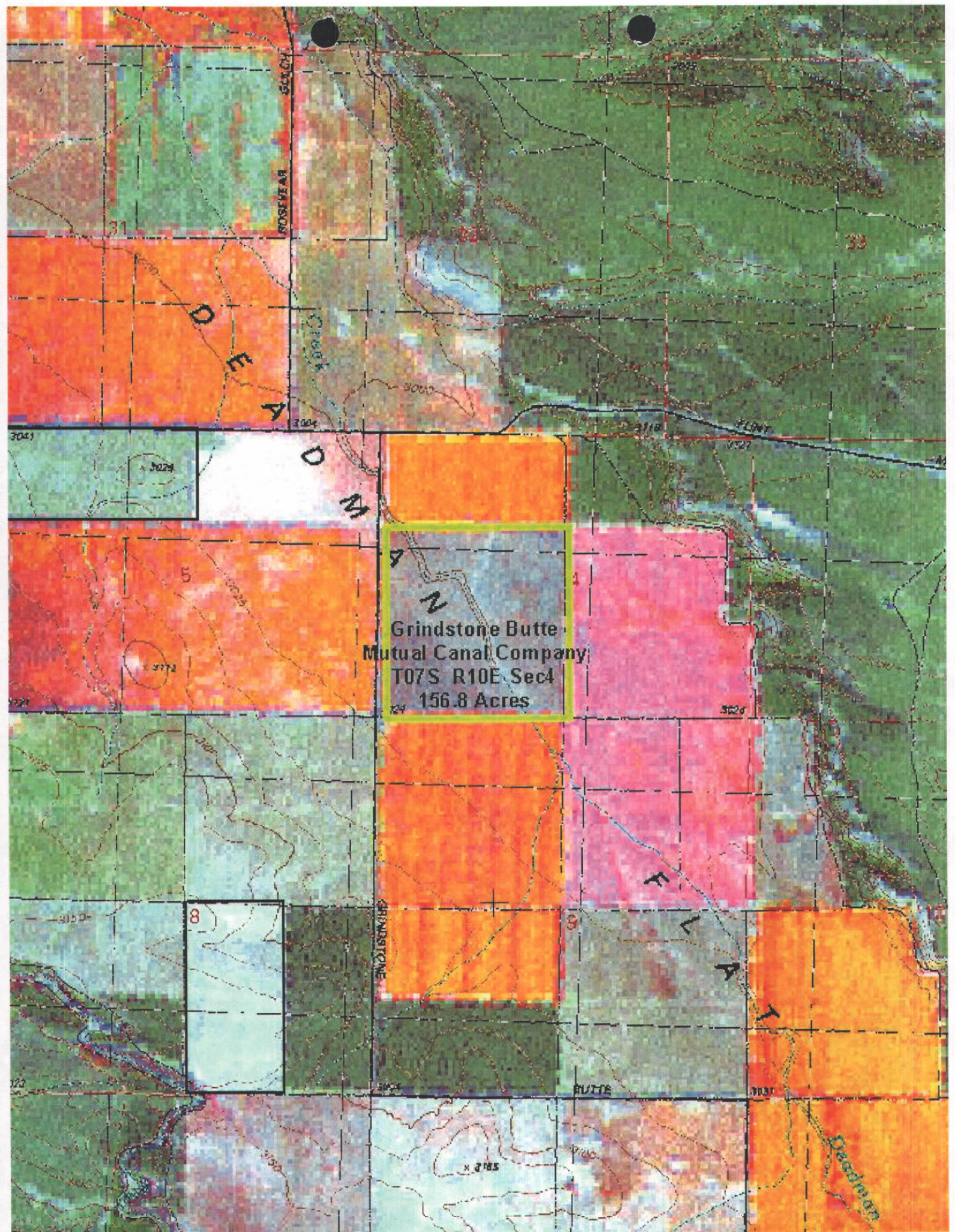


Prepared by: M. Wilkins
Idaho Department of Water Resources
1301 North Orchard Street
Boise, ID 83706
(208) 327-7900

Grindstone Butte Mutual Canal Co

Acreages for Final Payment for Rental of Water from High-Lift Pumps from the Snake River to the Water Supply Bank

Prepared: February 5, 2003



Grindstone Butte
Mutual Canal Company
T07S R10E Sec4
156.8 Acres

State of Idaho
Department of Water Resources
Water Right License

WATER RIGHT NO. 2-02262

Priority: December 06, 1963

Maximum Diversion Rate: 181 CFS
Maximum Diversion Volume: 53,730 AF

It is hereby certified that GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701 has complied with the terms and
conditions of the permit, issued pursuant to Application for Permit dated October 18, 1963; and has
submitted Proof of Beneficial Use on February 05, 1987. An examination indicates that the works have a
diversion capacity of 181 cfs of water from:

SOURCE

SNAKE RIVER

Tributary: COLUMBIA RIVER

and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>DIVERSION RATE</u>	<u>ANNUAL DIVERSION VOLUME</u>
IRRIGATION	03/15 to 11/15	181 CFS	53,730 AF

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER NW¼ SW¼ Sec. 34, Twp 05S, Rge 09E, B.M. ELMORE County

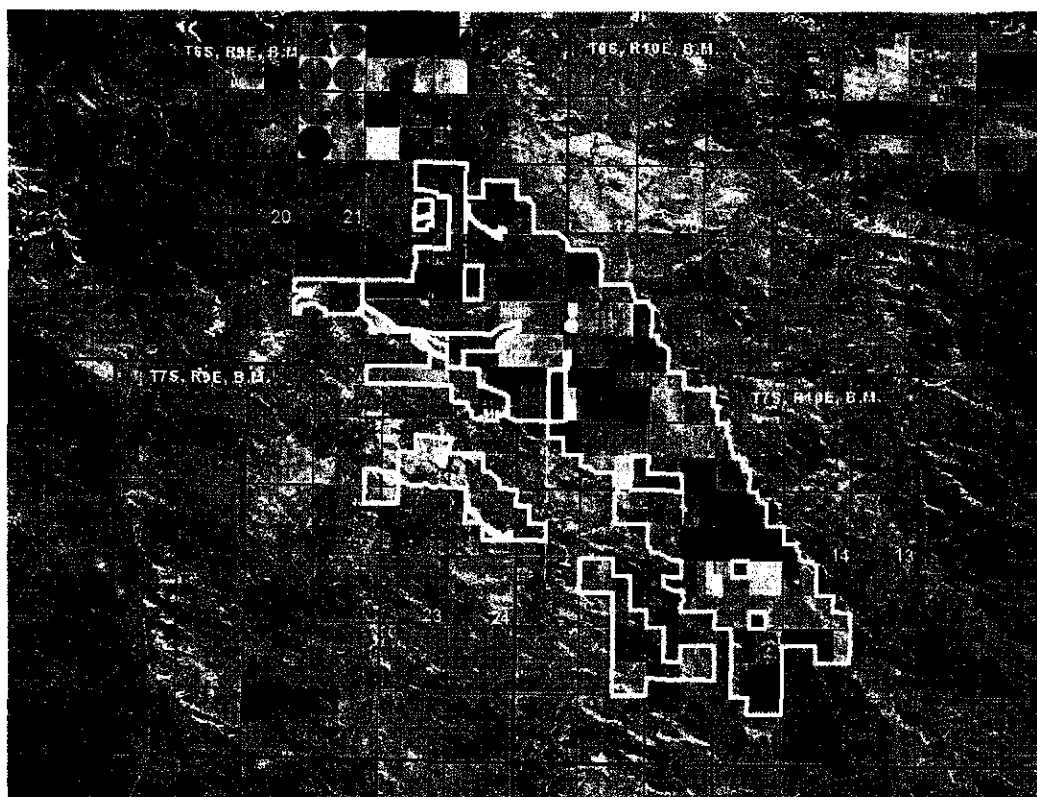
PLACE OF USE: IRRIGATION, see conditions of approval and boundary map on attached page

CONDITIONS OF APPROVAL

1. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
2. Place of use is within the service area of Grindstone Butte Mutual Canal Company as provided for under Idaho law. The place of use is generally located within T6S, R9E; T6S, R10E; T7S, R9E; and T7S, R10E, B.M.
3. This right is limited to the irrigation of 13,432 acres within the place of use described above in a single irrigation season.
4. The boundary encompassing the place of use for this water right is described with a digital boundary as authorized by Idaho law. The data comprising the digital boundary are stored in the electronic document management system of the Department and are incorporated into this approval by this reference. A map depicting the place of use is included in this approval document to illustrate the place of use described by the digital boundary.

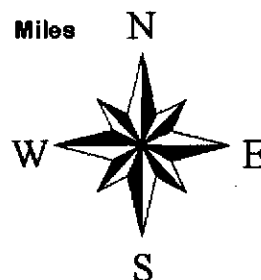
State of Idaho
Department of Water Resources
Water Right License
WATER RIGHT NO. 2-02262

BOUNDARY OF THE LICENSED PLACE OF USE



3 0 3 6 Miles

- Grindstone Butte 02-2262 digital boundary
- Township/Range
- Sections



This license is issued pursuant to the provisions of Section 42-219, Idaho Code. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed and sealed this 30th day of December, 2005.

David R Tuttle
for **KARL J. DREHER**
Director

State of Idaho
Department of Water Resources
APPLICATION FOR AMENDMENT

(For Licensing Purposes)

WATER RIGHT NO. 2-02262

RECEIVED
MAY 27 2005
Department of Water Resources

Date of Priority: December 06, 1963

Maximum Diversion Rate: 181 CFS

Maximum Diversion Volume: 54,300 AF

Comes now GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673

BOISE ID 83701 and represents to the Director of the Idaho Department
of Water Resources that he is the owner and holder of Permit to Appropriate the Public Waters of the
State of Idaho No. 2-02262, and requests that the permit be changed as follows:

Source: SNAKE RIVER

Tributary: COLUMBIA RIVER

BENEFICIAL USE

PERIOD OF USE

RATE OF DIVERSION

ANNUAL VOLUME

IRRIGATION

03/15 to 11/15

181 CFS

54,300 AF

LOCATION OF POINT(S) OF DIVERSION:

SNAKE RIVER NW¼ SW¼ Sec. 34, Twp 05S, Rge 09E, B.M. ELMORE County

PLACE OF USE: IRRIGATION, see conditions of approval

Permit holder asserts that no one will be injured by such change and that such change will be made at
permit holder's own risk. Signed this 26 day of May, 2005.

Wanda Doble Pres.
(Signature)

State of Idaho
Department of Water Resources
APPLICATION FOR AMENDMENT
(For Licensing Purposes)
WATER RIGHT NO. 2-02262

FOR DEPARTMENT USE ONLY

Preliminary check by _____ Fee = 50⁰⁰ Received by PM # C078083 Date 5.27.05

ACTION OF THE DEPARTMENT OF WATER RESOURCES

I, Karl J. Dreher, of the Department of Water Resources hereby approve the
above Application for Amendment for Permit No. 2-02262 with the following:

CONDITIONS OF APPROVAL

1. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.0 afa per acre at the field headgate for irrigation of the lands above.
2. Place of use is within the service area of Grindstone Butte Mutual Canal Company as provided for under Idaho law. The place of use is generally located within T6S, R9E; T6S, R10E; T7S, R9E; and T7S, R10E, B.M.
3. This right is limited to the irrigation of 13,432 acres within the place of use described above in a single irrigation season.
4. The boundary encompassing the place of use for this water right is described with a digital boundary as authorized by Idaho law. The data comprising the digital boundary are stored in the electronic document management system of the Department and are incorporated into this approval by this reference. A map depicting the place of use is included in this approval document to illustrate the place of use described by the digital boundary.

Witness my hand this 30th day of December, 2005.


for **KARL J. DREHER**
Director



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

August 4, 2004

MARK A NOBLE
GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

**RE: APPLICATION TO LEASE PART OF WATER RIGHT NOS. 2-2262 TO THE
WATER SUPPLY BANK**

Dear Mr. Noble:

The department has conducted an initial review of Agreement No. 1425-04-WL-10-00011 (Agreement) between you and the United States Bureau of Reclamation (Reclamation) submitted to this office as an Application to Sell or Lease a Water Right to the Water Supply Bank (bank). The application was submitted in connection with the 2004 Snake River Pilot Leasing Program initiated by Reclamation.

Please consider that the offered part(s) of the water rights (rights) are accepted into the bank under the following terms:

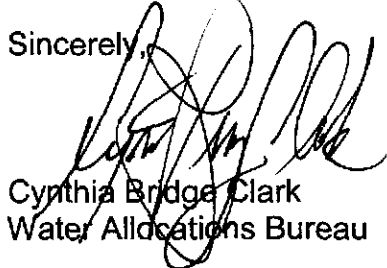
1. Payment for rental of the right(s) from the bank is contingent upon the determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in Contract no. 1425-04-WL-10-0023 between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004, said agreement dated June 30, 2004 (Contract).
2. While part(s) of a right is in the bank, the owner of the right may not use that part of the right.
3. While a right is in the bank, forfeiture provisions are stayed.
4. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.
5. The right will be considered released from the bank on December 31, 2004.

August 4, 2004
Page 2

The Agreement and Contract specify that one half of the estimated payment will be paid on or around July 30, 2004, and the second half shall be issued after the irrigation season has ended and verification of compliance with the Agreement is complete. In a letter dated March 31, 2004, you requested that a single payment be issued after January 3, 2004 and before January 7, 2004. Reclamation has approved a change in the payment schedule to provide for a single payment to be issued after December 31, 2004. Payment to the individual lessors will be issued at a pay rate per acre identified in the individual Agreement between Reclamation and the lessors minus ten percent (10%) to be credited to the Water Administration Account as provided in the Water Supply Bank rules.

If you have questions, please feel free to contact me.

Sincerely,



Cynthia Bridge Clark
Water Allocations Bureau

c: IDWR Regional Office

E. Gail McGarry
Program Manager, Water Rights & Acquisition
Bureau of Reclamation
1150 N Curtis, Suite 100
PN 3100
Boise ID 83706-1234

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Idaho Power Company
2. Address: PO Box 70, Boise, ID 83707
3. Source of water: Snake River
4. Volume of water rented: Estimated volume of 78,759.9 af (based on total of 26,253.3 dried acres times 3.0 afa/yr).

Max rate: Estimated diversion rate of 62 cfs to 284 cfs

5. Diversion period: 2004 irrigation season
6. Use of water: Hydropower at Hells Canyon Complex
7. a) Renter's point of diversion:

Legal description: Brownlee, Oxbow, and Hells Canyon Projects

- b) Renter's place of use:

Legal description: NA

8. The right from which water will be rented is: See Attachment: Summary of Rentals

~~SUPPORT DATA
IN FILE #~~

The U.S. Bureau of Reclamation (Reclamation) and Bonneville Power Administration agree to pay the Lessors identified on the attached list, a price per acre as specified in individual agreements between Reclamation and the Lessors (agreements). The agreements provide that one half of the estimated payment will be made on or about July 30, 2004, and one half will be after the irrigation season has ended and verification of compliance with the agreements is complete. The Idaho Department of Water Resources (IDWR) shall comply with the payment scheme specified in the individual agreements between Reclamation and the Lessors. Prior to making payment to the Lessors, IDWR will invoice Reclamation for the payment plus the associated ten percent (10%) for the Water Administration Account.

Reclamation and Bonneville Power Administration agree to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

Conditions of water use under this agreement

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Rental of the right(s) from the bank is contingent upon a determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in Contract number 1425-04-WL-10-0023 (Contract) between Reclamation and IDWR to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004 (Program).
3. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.
4. Rental of the right(s) from the bank shall be from May 1, 2004 to November 15, 2004, and the right(s) will be considered released from the bank on December 31, 2004.
5. Use of water under this agreement does not constitute a dedication of the water to renter's use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to its original points of diversion and place of use and/or again be available to rent from the bank.
6. Renter agrees to comply with Water Supply Bank Rules while using water under this agreement.
7. 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.

8. 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.
9. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.

Dated this 21st day of July, 2004.

by [Signature]
for Idaho Power Company

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 23rd day of July, 2004.

[Signature]
for KARL J. DREHER, Director
Department of Water Resources

**2004 PILOT LEASING PROGRAM FOR LEASING OF SNAKE RIVER
NATURAL FLOW WATER RIGHTS
RENTAL OF WATER FROM THE WATER SUPPLY BANK**

SUMMARY OF RENTALS FROM THE WATER SUPPLY BANK

LESSOR	AGREEMENT BETWEEN LESSORS AND USBOR ¹			Estimated Total Payment by Reclamation	RENTED WATER RIGHT(S)
	Agreement No.	Contracted Idled Acres (ac)	Payment Rate (price/ac)		
Bell Rapids Mutual Irrigation Co.	1425-04-WL-10-00012	2405.9	\$150.00	\$360,885.00	2-10205
Bergh Farms	1425-04-WL-10-0004	477.6	\$139.50	\$66,625.20	2-2159, 2-2354, 2-7184, 2-7229, 2-7284
Clover Hollow, LLC.	1425-04-WL-10-0002	3122.4	\$139.00	\$434,013.60	2-2386, 2-2387, 2-2388, 2-7148
Dirks, Robert	1425-04-WL-10-0007	185.7	\$149.00	\$27,669.30	2-2279, 2-7012
Falcon Butte Farms, Inc.	1425-04-WL-10-0004	4072.2 197.0	\$111.50 \$134.50	\$480,546.80	2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001
Farm Development Corp.	1425-04-WL-10-00013	123.6	\$150.00	\$18,540.00	2-2371, 2-2372
Grindstone Butte Mutual Canal CO	1425-04-WL-10-00011	5856.3	\$150.00	\$878,445.00	2-2262
Huey Farms, Inc.	1425-04-WL-10-0006	589.9	\$149.00	\$87,895.10	2-2361, 2-7001
Kitsos, Constantine	1425-04-WL-10-00018	52.3	\$150.00	\$7,845.00	2-2145, 2-7144
Little Valley Mutual Irrigation Company	1425-04-WL-10-00016	814.6	\$150.00	\$122,190.00	2-2443, 2-7030, 2-7068
Mills, James	1425-04-WL-10-00017	258.3	\$150.00	\$38,745.00	2-7076, 2-7132
Montierth, Herbert, Edward Ray & Susan	1425-04-WL-10-00018	729.7	\$149.00	\$108,725.30	2-2198, 2-2191
Murphy Flats Water Company, Inc.	1425-04-WL-10-00018	537.9	\$150.00	\$80,685.00	2-2361, 2-2370, 2-7001
Rosti, Martha	1425-04-WL-10-00010	111.4	\$150.00	\$16,710.00	2-2194A, 2-2194B
Sailor Creek Water Company	1425-04-WL-10-0009	870.8	\$150.00	\$130,620.00	2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218
South Elmore Irrigation Company	1425-04-WL-10-0005	4883.9	\$140.00	\$683,746.00	2-2210, 2-2269, 2-2367
TLK Farms, Inc.	1425-04-WL-10-0003	573.4	\$140.00	\$80,276.00	2-2379
Young, Roger	1425-04-WL-10-00014	390.4	\$150.00	\$58,560.00	2-2298, 2-2376, 2-7182
TOTALS:		26253.3		\$3,682,722.30	

¹ The "Agreement" represents the Water Rental and Forbearance Agreement entered into between the United States Bureau of Reclamation (Reclamation) and the individual Lessors. The **Contracted Acres Idled** and the **Payment Rate** represent the number of acres to be idled and the payment per acre agreed upon between the Lessors and Reclamation. The **Estimated Total Payment by Reclamation** is based on the Contracted Idled acres times the Payment Rate.

Before the Idaho Water Resource Board

APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

RECEIVED
JUL 22 2004
DEPARTMENT OF
WATER RESOURCES

Applicant Idaho Power Company Phone 388-2905
Address P.O. Box 70
City Boise State ID Zip Code 83707

A. DESCRIPTION OF WATER SOUGHT TO RENT

1. Source of water Snake River tributary to
2. Maximum volume of water Estimated volume of 78,759.9 AF (based on a
Total of 26,253.3 dried acres times 3 afa/yr).
3. Maximum rate of diversion Estimated diversion rate ranging from 62 cfs
to 284.0 cfs.

B. DESCRIPTION OF USE PROPOSED

1. Nature of intended use Hydropower, Hells Canyon Complex
2. Location of point of diversion Brownlee, Oxbow and Hells Canyon Dam.
Township , Range , B.M. County.
3. Season of use: From May 1, 2003⁴ to November 15, 2003⁴
4. Description of diverting works: N/A
Pump HP Lift Pump type
Canal name, if appropriate
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by
40-acre tract, section, township and range.
N/A

b. If water is not for irrigation, describe the nature of the intended use and the place of use.

Power Generation Purposes at the Hells Canyon Complex

6. Describe any other water rights used for the same purposes as rental water sought under this application.

N/A

7. Who owns the property at the point of diversion?

N/A

Who owns the property at the place of use?

N/A

8. Are you seeking a rental for more than one (1) year? NO (yes or no)

If yes, for how many years? _____

9. Remarks: See Attached Table 1 for list of rights for rent.

7/21/04
Date

[Signature]
Signature of Applicant

Edwards Power Company

FOR DEPARTMENT USE ONLY

Received by JP Date 7/22/04 Time _____

Published in _____ Pub. dates _____

Protests filed by _____

Hearing held by _____

Action recommended _____

TABLE I

LESSOR	Agreement No.¹	Contracted
		Idled Acres (ac)
Bell Rapids Mutual Irrigation Co.	1425-04-WL-10-00012	2405.9
Bergh Farms	1425-04-WL-10-0004	477.6
Clover Hollow LLC	1425-04-WL-10-0002	3122.4
Dirks, Robert	1425-04-WL-10-0007	185.7
Falcon Butte Farms, Inc.	1425-04-WL-10-0004	4072.2 197.0
Farm Development Corp.	1425-04-WL-10-00013	123.6
Grindstone Butte Mutual Canal CO	1425-04-WL-10-00011	5856.3
Huey Farms, Inc.	1425-04-WL-10-0006	589.9
Kitsos, Constantine	1425-04-WL-10-00018	52.3
Little Valley Mutual Irrigation Company	1425-04-WL-10-00016	814.6
Mills, James	1425-04-WL-10-00017	258.3
Montierth, Herbert, Edward & Susan	1425-04-WL-10-00018	729.7
Murphy Flats Water Company, Inc.	1425-04-WL-10-00018	537.9
Rosti, Martha	1425-04-WL-10-00010	111.4
Sailor Creek Water Company	1425-04-WL-10-0009	870.8
South Elmore Irrigation Company	1425-04-WL-10-0005	4883.9
Terry Ketterling (TLK Farms, Inc.)	1425-04-WL-10-0003	573.4
Young, Roger	1425-04-WL-10-00014	390.4
TOTALS:		26253.3

Conditions of Rental Application

1) The "Agreement" represents the Water Rental and Forbearance Agreement entered into between the United States Bureau of Reclamation (Reclamation) and the individual Lessors.

2) The acreages listed above were compiled from the Applications submitted by the corresponding entities to lease water to the Water Supply Bank in accordance with Contract no. 1425-04-WL-10-0023 between the U.S. Bureau of Reclamation and the Department of Water Resources. The lessors have agreed to leave these lands idle through the 2004 irrigation season, and the Snake River water rights appurtenant to these acres have been leased to the Water Supply Bank.

3) The volume of water available to lease is contingent upon the determination that the lessors have complied with the terms of the Agreements and that the acres associated with Agreements have valid Snake River water rights.

United States Department of the Interior
Bureau of Reclamation

Water Rental and Forbearance Agreement

With **Grindstone Butte Mutual Canal Co.**
(Lessor's name)

COPY RECEIVED
JUN 25 2004

DEPARTMENT OF WATER RESOURCES

Reclamation agreement number **#1425-04-WL-10-00011**

This Agreement is entered into pursuant to the Reclamation Act of 1902, as amended and supplemented, for the purpose of meeting commitments of the Bureau of Reclamation (Reclamation) under the Biological Opinions on the Operation of the Federal Columbia River Power System and the operation and maintenance of Reclamation Projects in the Snake River Basin above Brownlee Dam. This Agreement is by and between the United States of America, acting by and through the Department of the Interior, Bureau of Reclamation, represented by the officer executing this instrument on its behalf and Grindstone Butte Mutual Canal Co., hereafter known as the Lessor.

RECITALS

- A. WHEREAS, Reclamation has commitments under Biological Opinions on the operation of the Federal Columbia River Power System and the operation and maintenance of Reclamation Projects in the Snake River Basin above Brownlee Dam to provide flow augmentation for delivery at Lower Granite Dam.
- B. WHEREAS, The Idaho Legislature authorized Reclamation to annually rent up to 427,000 acre-feet of storage water per year during the years 2002-2004 under the provisions of Idaho Code § 42-1763B.
- C. WHEREAS, In 2003, there was insufficient storage water available for rental by Reclamation to meet the 427,000 acre-feet rental target. Therefore, Reclamation conducted a pilot leasing program under which water right holders submitted proposals to idle land and place their water rights in the State Water Supply Bank, thereby increasing water flow downstream to Lower Granite Dam. Rules governing the Idaho State Water Supply Bank, IDAPA 37.02.03, provide that rentals shall be approved only for use in Idaho unless there is compliance with the provisions of Idaho Code § 42-401(3). In order to avoid the complexities of Reclamation seeking approval for out-of-state use, the water was rented by the Idaho Power Company and used for hydropower generation in Idaho with the result that additional water flowed to Lower Granite Dam for flow augmentation.
- D. WHEREAS, Similar to 2003, it is expected that insufficient storage water will be available this year for rental by Reclamation. Therefore, Reclamation is conducting another similar pilot program (Program). Under this Program, water right holders will forego irrigation of land and place their water right into the Idaho State Water Supply Bank. As a practical way of ensuring that Reclamation receives additional water, over and above the water flows that would otherwise be available, a qualification was added requiring that the land to which the water right is appurtenant was either irrigated last year or was in Reclamation's 2003

program explained in Recital C above. Again, it is intended for Idaho Power to rent the water from the State Water Supply Bank.

- E. Reclamation advertised a request for proposals to the public. In response, the Lessor submitted a proposal for participation in the Program. The proposal shows that the Lessor has a right to use water for irrigation purposes and absent this Program was intending to irrigate with the water proposed for the Program. Therefore, placing the Lessor's water in the Water Bank during 2004 will result in additional water in the Snake River at Lower Granite Dam, Oregon. This additional water will be counted towards Reclamation's obligation to provide 427,000 acre-feet of water at Lower Granite Dam.

AGREEMENT

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, the parties agree as follows:

I. **Land Accepted into the Program**

- A. The total number of acres accepted into the Program is 5856.3 acres. The land, hereinafter referred to as the Land, accepted into the Program is identified as "LL" on the map(s) included in Attachment A. This is the maximum number of acres eligible for payment under this Agreement. Reclamation recognizes the following conditions may exist: 1) additional acres may have been proposed in the Lessor's application, 2) the Lessor may have a right to irrigate additional acres, 3) the Lessor may intend to irrigate additional acres in 2004 and is willing to idle those acres, and 4) the Lessor may submit an application to the State Water Supply Bank to lease water rights appurtenant to acres other than the acres identified in this Agreement. Notwithstanding any of the conditions stated above or any other conditions, under this "willing seller, willing buyer" Agreement, the number of acres covered by the Agreement is limited to the number and location stated in this section I.A. of the Agreement.
- B. If it is determined after the execution of this Agreement that certain acres are not eligible for the Program because of a mistake, error, or misrepresentation in the Lessor's application, the land covered under this Program will be reduced accordingly.
- C. The Land may not be irrigated from any source, regardless of whether there is another valid water right appurtenant to the Land. Water authorized to be diverted under water rights, or portions of water rights, leased to the Water Supply Bank may not be applied to lands that are not identified in this Agreement. The Lessor may not water the Land for any reason; for example, testing equipment, irrigating a cover crop, or dust abatement.
- D. IDWR intends to monitor the Lessor's idled lands. The monitoring will include field visits, and the collection and analysis of satellite data and related pump and flow measurements collected at IDWR's discretion. The Lessor agrees to allow the collection of data and access for field visits.

II. **Water Rights Appurtenant to the Leased Land**

- A. The Lessor agrees that this Agreement shall be submitted to the Idaho State Water Supply Bank as an application to lease water to the bank, and that the Lessor is offering the water rights described in Attachment A to the bank by signing this Agreement. The Lessor agrees that any additional information or requirement IDWR may require to process or accept the application shall be furnished promptly to IDWR, including but not limited to, the submission of a separate application form if required. Failure to comply with IDWR requests for information or other requirements is cause for termination of this agreement.
- B. All rentals of the Lessor's water rights out of the water bank shall be subject to Reclamation's approval.
- C. With respect to the water rights covered by this Agreement, the Lessor warrants that the Lessor has the right, title, and interest necessary to enter into this Agreement; and that there are no agreements, leases, licenses, liens or encumbrances which would prohibit the Lessor from placing the Lessor's water rights into the Idaho State Water Bank; and that to the extent necessary, the Lessor has obtained any consent or approval necessary to authorize the execution of this contract.
- D. The Lessor shall immediately notify Reclamation if there are any changes in ownership, or any encumbrances or liens placed upon, any of the real property or water rights covered by this contract during the term of the Agreement.

III. **Payment**

- A. By signing this Agreement the Lessor offers to the Idaho State Water Supply Bank the water rights described above for a total lease price of \$ 878,445⁰⁰. This amount is based on \$ 150⁰⁰ per acre of land idled. The Lessor understands that the amount the Lessor will receive from the Idaho State Water Supply Bank is 90% of the total lease price. Ten percent will be retained by IDWR for administrative costs of operating the Water Supply Bank, pursuant to the Water Supply Bank Rules.
- B. Payment as shown in section III.A above is based upon a dollar amount per acre of land idled, regardless of the diversion rate or maximum diversion volume allowed under the water right, the historical diversion rate or consumptive use under the water right, or the diversion rate or diversion volume approved for lease by IDWR.
- C. Pursuant to the Water Supply Bank Rules, IDAPA 37.02.03, after the water rights are leased, payment is to be made by the Water Supply Bank to the Lessor. Lessor agrees to accept the following intended plan for payment by IDWR: One half of the estimated payment will be made on or about July 30, 2004, and the remainder will be paid after the irrigation season ends and final verification of program compliance is complete. Reclamation will enter into a separate contract with IDWR to make payment to the Water Supply Bank for this purpose.

IV. **Term, Termination of Agreement and Remedies**

- A. The Agreement shall become effective on the date of the last signature hereto and shall extend through December 31, 2004.
- B. At Reclamation's discretion, this Agreement may be terminated upon:
- (1) Failure of the Lessor to abide by the terms and conditions of this Agreement;
 - (2) Refusal of the Lessor to allow Reclamation or IDWR access to the Land to monitor compliance with the Agreement;
 - (3) Application of water by the Lessor to the Land during the period of this Agreement, except in emergency situations where the application of water is required for public safety reasons;
 - (4) Discovery of fraudulent information submitted in the Lessor's Application.
- C. If this Agreement is terminated for any other reason prior to its ending date, the Lessor shall reimburse Reclamation for a prorated portion of the amount stated in Section III.A of this Agreement, as determined by Reclamation.

V. **Miscellaneous**

- A. The Landowner or Lessor is responsible for all taxes, assessments, soil conservation measures such as weed and erosion control and other obligations related to any of the Land covered by this Agreement.
- B. The Landowner will indemnify and hold harmless Reclamation from any loss or damage and from any liability on account of personal injury, property damage, or claims for personal injury or death, or property damage of any nature caused by the Landowner or any person, firm or corporation acting on the Landowner's behalf related to or arising out this Agreement.

C. **Water Right Ownership**

This Agreement shall not be used as evidence of ownership of water rights in the Snake River Basin Adjudication.

D. **Officials Not to Benefit**

No member of or delegate to Congress or the Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom, but this restriction shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

E. **Covenant Against Contingent Fees**

The Lessor warrants that no person or agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees and bona fide commercial agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty, Reclamation shall have the right to revoke this Agreement without liability or in its discretion to require the Lessor to pay the full amount of such commission, percentage, brokerage, or contingency fee to the United States.

Signatures Grindstone Butte Mutual Canal Co.

Print name(s): Mark A. Noble

Mailing address: P.O. Box 2673, Boise ID 83701

Phone: 342-6524

Signed Mark A. Noble

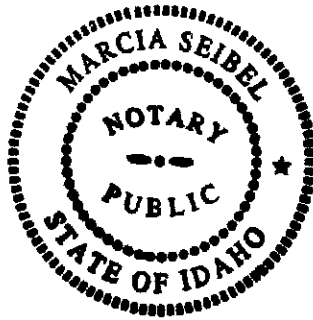
Signed _____

Title: President Grindstone Butte Mutual Canal Co.

Date: 4-1-04

On this 1 day of April, 2004, before me the undersigned Notary Public in and for said county and state, personally appeared Mark Noble, known to me to be the person whose name is subscribed to within instrument and acknowledged to me that he/she executed the same.

In WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first written.



Marcia Seibel
Notary Public in and for Idaho
Residing at: Boise, ID
Commission Expires: 12/21/05

For the Bureau of Reclamation

Agreement # 1425-04-WL-10-00011

Signature: _____

Kenneth R. Pedde
Regional Director, Pacific Northwest Region

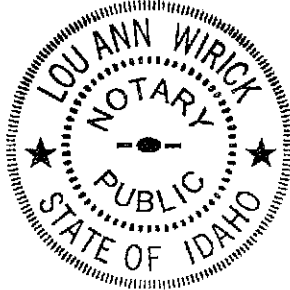
Date: _____

4/16/04

State of Idaho
County of Ada

On this 16th day of April 2004, before me the undersigned Notary Public in and for said county and state, personally appeared Kenneth R Pedde, known to me to be the person whose name is subscribed to within instrument and acknowledged to me that he/she executed the same.

In WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first written.



Lou Ann Wirick
Notary Public in and for Idaho

Residing at; _____

Commission Expires: Oct 22, 2008

4

Water Right Numbers for lands in 2003 Snake River Pilot Leasing Program. 02-2262, 02-2314

Legal Description of Lands Approved for 2003 Snake River Pilot Leasing Program

TWN	RGE	SEC	NE			NW			SW			SE		
			NE	NW	SE	NE	NW	SW	NE	NW	SW	NE	NW	SE
6S	9E	22	39.3		23.8	39.6	39.6	39.6	24.2			24.2		24.7
		23			39.1	37.1	37.1	37.1	39.3			39.3	35.7	37.6
		24						40.0	36.0	40.0	36.1	27.0		
		25	34.7	38.9										40.0
		26	34.4	38.8	39.4	39.1	39.8	40.0				40.0		39.3
		27			37.7									
		28									27.6	37.6		
		33				25.6	25.0							
		34	39.4	39.6	37.2	37.7	35.4	22.1	30.6					
		35	39.4	39.2	40.0	39.3	39.4	40.0	40.0		1.5			36.0
		36	40.0	40.0	39.8									38.9
6S	10E	30									40.0	40.0		34.6
		31						3.8		39.8	30.0	38.7	39.8	38.4
7S	9E	1				22.2	40.0	39.4	23.8					
		2	40.0	40.0		40.0	40.0							
		3	40.0											
7S	10E	4						38.7	38.4	37.7	39.8	39.4		
		5								37.6	39.4	39.6	39.9	39.4
		6								39.4	30.7	40.0		
		8	39.8	39.7	31.5	40.0	39.3	39.3	40.0					
		9				39.4	38.1	39.2	40.0				39.7	38.6
		10								32.8	39.9	39.9		

Applicant initials MAJ Applicant initials MAJ Applicant initials MAJ

Legal Description of Lands Approved for 2003 Snake River Pilot Leasing Program

[illegible]

Applicant initials 	Applicant initials 	Applicant initials 	Applicant initials 
--	--	--	--

R09E

R10E

R11E



Prepared by: M. Williams
Snake River District of Water Resources
1000 West 1st Street
Boise, ID 83702
(208) 327-7800

Water right boundaries identify
the quarter quarters within the
licensed or permitted place of
use, but do not represent the
number of acres authorized.

T06S
T07S

- ☐ ELIGIBLE
- ☐ INELIGIBLE
- ☐ QUESTIONABLE
- ☐ Water Permit 2-2262
- ☐ Water Permit 2-2314
- ☐ Township/Range Lines
- ☐ Section Lines
- ☐ Quarter/Quarter Lines

SPOT Satellite Image: 09-10-2002

Mark Adelle Pres. G.B.M.C. 4/1/04
Applicant Signature Date

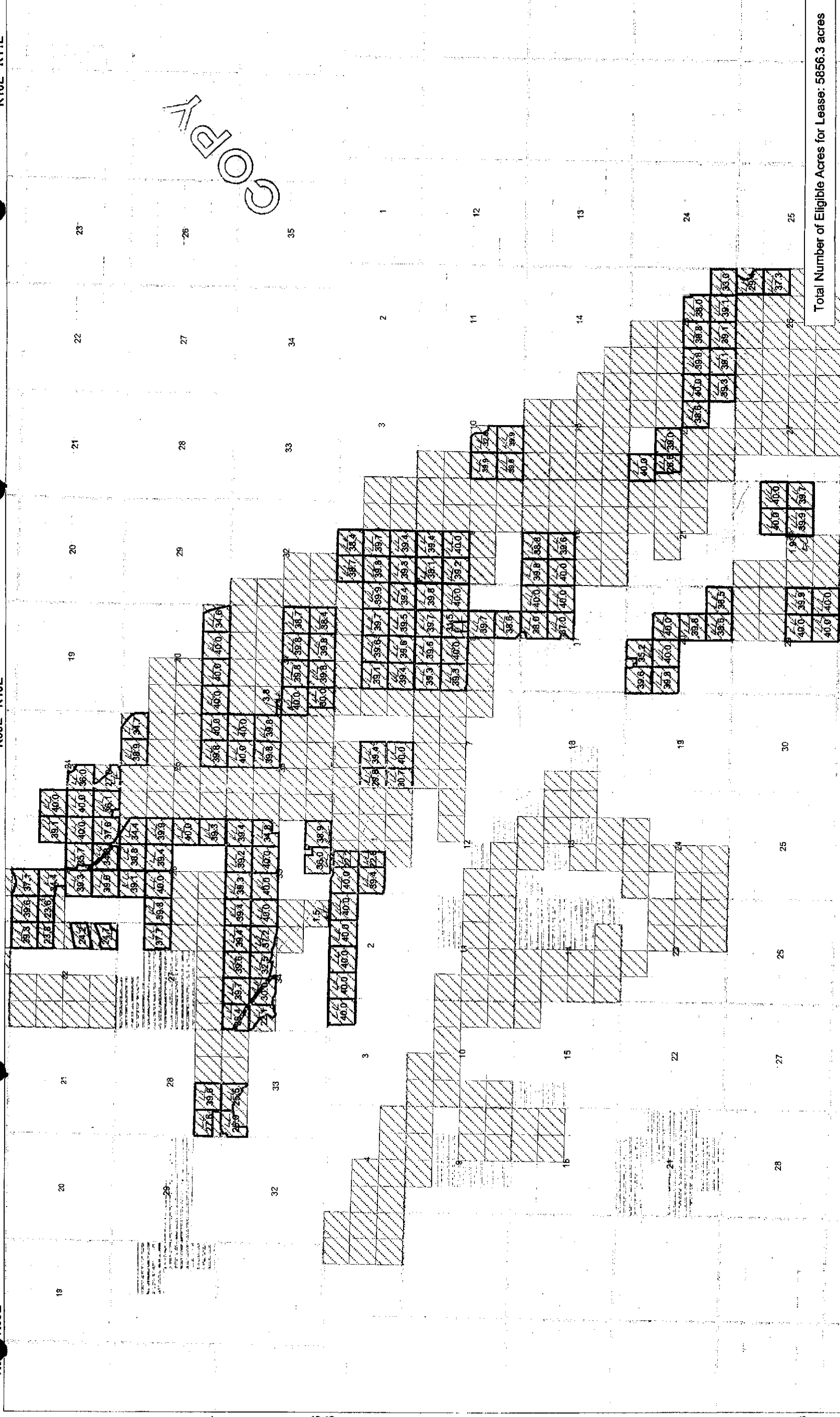
Beth 1009 4/2/07
USBOR Signature Date

Grindstone Butte Mutual Canal Company

2004 Snake River Pilot Leasing Program

Rental of Water from the Water Supply Bank

Prepared: March 31, 2004



Total Number of Eligible Acres for Lease: 5856.3 acres

GRINDSTONE BUTTE MUTUAL CANAL CO.

P.O. Box 2673 • Boise, Idaho 83701

March 31, 2004

Cynthia Bridge Clark
Idaho Department of Water Resources
1301 North Orchard
Boise, ID 83706

Dear Ms. Clark:

Grindstone Butte Mutual Canal Company is requesting a single payment on or after January 3, 2005 but no later than January 7, 2005 for our participation in the 2004 Pilot Snake River Leasing Program.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark A. Noble". The signature is fluid and cursive, with the first name "Mark" and last name "Noble" clearly distinguishable.

Mark A. Noble
Grindstone Butte Mutual Canal Company.
President

APPLICATION FOR PROPOSAL FOR SNAKE RIVER PILOT LEASING PROGRAM 2004

A. GENERAL

A1. Applicant name(s): GRINDSTONE BUTTE MUTUAL CANAL CO.
 A2. Proposed price per acre: \$ 150 per acre. Note that you will only receive 90% of that rate.
 A3. Number of acres you propose to idle: 492 acres

B. INFORMATION ABOUT THE APPLICANT

B1. Type of applicant:
☐ Single Individual ☐ Partnership ☐ Limited liability co.
☐ Joint owners ☐ Corporation ☒ Irrigation district ☐ Other _____
 B2. Taxpayer identification number, if applicable: 82-0304588
 B3. Mailing Address: P.O. Box 2673 Boise, ID 83701
 B4. Daytime Phone Number: 342-6524 Additional cell phone number: 250-7148 Fax: 343-8696
 B5. E-mail Address: _____

B6. Do you ☐ own the land that is to be idled?
☐ lease the land that is to be idled?
☒ neither, you only hold the water rights, e.g. irrigation district, canal company.

B7. If you lease the land that is to be idled, complete the following:

- Provide a copy of your entire lease.
- Does your lease provide for authorization to put water into the water bank?
☐ Yes, on page _____ of my lease.
☐ No, but I have separate authorization, which is enclosed.
- Name and address of the lessor landowner: _____

C. INFORMATION ABOUT THE LAND THAT WILL BE IDLED

- Does each tract of land you are proposing meet the eligibility criteria? ☒ Yes ☐ No
- Were any of the proposed lands leased to the Idaho State Water Supply Bank under a 2003 contract with Reclamation? ☒ Yes ☐ No
- Is a cover crop planned for the idled land? ☐ No ☒ Yes, my cover crop will be: ALFALFA, GRAIN
- Have you completed and enclosed the attached grid? (See application instructions.) ☒ Yes
- Have you attached an acceptable map with the proposed acres identified? (See application instructions.) ☒ Yes
- Have you enclosed acceptable evidence of irrigation of the proposed lands during the 2003 irrigation season? (See instructions) ☒ Yes

D. INFORMATION FOR EACH WATER RIGHT INCLUDED IN YOUR PROPOSAL

If you are proposing to lease more than one water right, copy this section and fill out a separate page for each water right.

- D1. Water Right Number: 2 - 2314
- D2. What is the basis of the water right? ☒ permit ☐ license ☐ decree
- D3. Have you attached a copy of the permit, license, or decree? ☒ Yes
- D4. Has a claim been made for the water right in the Snake River Basin Adjudication (SRBA)? ☒ Yes ~~Attach a copy of this SRBA claim.~~
- D5. Priority date of the water right: 7/25/64
- D6. (a) What is the total number of acres described in the place of use for irrigation under this water right? 515 acres
(b) Does this right have a permissible place of use? ☒ Yes ☐ No
- D7. Is the number of acres authorized for irrigation under this right limited within the place of use in a single irrigation season?
☒ Yes, it is limited to 515 acres.
☐ No
- D8. Are any other water rights appurtenant to the proposed lands that are not included in this proposal?
☐ Yes, the other water rights are: _____
☒ No
- D9. How many acres authorized under this water right were irrigated during the 2003 season? 0 acres
- D10. Were any acres under this water right leased to the Idaho Water Supply Bank under a 2003 Contract with Reclamation?
☒ Yes, 492 acres.
☐ No
- D11. Do you propose to enter only a portion of the water right into the Program? ☒ Yes ☐ No
- D12. If so, how many acres authorized under this water right will still be irrigated during the 2004 irrigation season if your proposal is accepted into the Program? 23 acres

E. INFORMATION ABOUT OVERALL IRRIGATION PRACTICES

Answer E1 & E2 If you are a landholder, i.e. you own or lease land that was or will be irrigated, or you are a part owner of an entity that owns or leases land that was or will be irrigated.

- E1. (a) If you are a landholder, how many acres did you irrigate in 2003, at any location from any water rights from, or tributary to, the Snake River? _____ acres
- (b) If you were a part owner of one or more entities that leased or owned land, how many acres did each entity irrigate in 2003, at any location from any water rights from, or tributary to, the Snake River? _____ acres
- E2. (a) How many acres do you intend to irrigate in 2004, at any location from any and all water sources from, or tributary to, the Snake River if your proposed acres are accepted? _____ acres
- (b) If you are a part owner of one or more entities that holds land and intends to irrigate in 2004, at any location from any and all water sources from, or tributary to, the Snake River if your proposed acres are accepted? _____ acres

Answer E3 If you are completing this application on behalf of an irrigation district or canal company or similar entity.

- E3. Submit the following information for each landholder who is proposing to idle land under this application:

LANDHOLDER

- (a) Name: GARY RINGER
- (b) Number of acres the landholder proposes to idle: 492 acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: 0 acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: 0 acres

E3 (cont.) Make copies of this page if you need additional space.

Landholder #2

- (a) Name: _____
- (b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

Landholder #3

- a) Name: _____
- (b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

Landholder #4

- a) Name: _____
- (b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

Landholder #5

- a) Name: _____
- (b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

SIGNATURES

By signing below, you certify that the information included in this proposal is accurate and true to the best of your knowledge.

NOTE: To support your proposal, you may be asked to provide additional information. We will notify the applicant shown above if additional information is necessary.

GREENSTONE BUTTE MUTUAL CANAL CO.



Applicant's Signature

MARK A. NOBLE

Printed Name

JAN 13, 04

Date

President

Office held (if entity)

Applicant's Signature

Printed Name

Date

Office held (if entity)

Applicant's Signature

Printed Name

Date

Office held (if entity)

Applicant's Signature

Printed Name

Date

Office held (if entity)

Applicant's Signature

Printed Name

Date

Office held (if entity)

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Water Permit Report

01/13/2004

WATER RIGHT NO. 2-2314

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	GRINDSTONE BUTTE MUTUAL CANAL CO PO BOX 2673 BOISE, ID 83701
Original Owner	SAILOR CREEK WATER CO

Priority Date: 04/17/1964

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	/	/	44.8 CFS	
Total Diversion			44.8 CFS	

Location of Point(s) of Diversion:

SNAKE RIVER	NWSW	Sec. 34	Township 05S	Range 09E	ELMORE County
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Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
05S	09E	33		SESW	40									

<http://www.idwr.state.id.us/apps/ExtSearch/RightReportAJ.asp?BasinNumber=2&SequenceNumber=231...> 1/13/2004

Water Right Report

Application Received Date:

Protest Deadline Date:

Number of Protests: 0

Field Exam Date: 7/29/1998

Date Sent to State Off: 5/8/2001

Date Received at State Off: 5/8/2001

Other Information:

State or Federal:

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report

01/09/2004

WATER RIGHT NO. 2-2314

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	GRINDSTONE BUTTE MUTUAL CANAL CO PO BOX 2673 BOISE, ID 83701
Attorney	RINGERT CLARK CHARTERED W F RINGERT D V STEENSON PO BOX 2773 BOISE, ID 83701-2773 (208)342-4591
Original Owner	SAILOR CREEK WATER CO

Priority Date: 09/25/1964

Basis: Permit

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	3/15	11/15	7.6 CFS	2600 AFA
Total Diversion			7.6 CFS	

Location of Point(s) of Diversion:

SNAKE RIVER	Lt 4	Sec. 34	Township 05S	Range 09E	ELMORE County
-------------	------	---------	--------------	-----------	---------------

Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
06S	09E	22		NENE	40		SENE	27						
				NESE	25		SESE	25						
		23		NENW	40		NWNW	40		SWNW	40		SENW	40
				NESW	40		SESW	40						
		26		NENW	40		SWNW	40		SENW	40			
		27		SENE	38									

Total Acres: 515

Remarks:

1.	General	TO BE USED FOR DESERT LAND ENTRIES. PROPERTY LISTED AS PLACE OF USE IS OWNED BY STOCKHOLDERS OF THE COMPANY.
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Dates:

Licensed Date:

Claim Received Date:

Decreed Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

Close

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word "dry" in each corresponding quarter-quarter.

T6S R9E Sections 22, 23, 26, 27

						SEC. 22	NE 1/4 NE 1/4 SE 1/4 NE 1/4 NE 1/4 SE 1/4 SE 1/4 SE 1/4	
						SEC. 23	NW 1/4 NE 1/4 SW 1/4 SE 1/4 SW 1/4	
40 dry						40 dry	40 dry	
21 dry						28 dry	40 dry	
(22)	25 dry						40 dry	(23)
25 dry						40 dry	SEC. 26	
						40 dry	SE 1/4 NW 1/4 SW 1/4 NW 1/4 NE 1/4 NW 1/4	
38 dry						40 dry	40 dry	
(27)							SEC. 27	SE 1/4 NE 1/4
						(26)		

Grindstone Butte Mutual Canal Company
2003 Water Usage

<u>FIELD</u>	<u>Total Lines</u>	<u>Acres</u>
7 - 1	0 IDWR	64.4
7 - 2 & 7 - 3	0 IDWR	139.2
7 - 4	0 IDWR	80
7 - 5	0 IDWR	151.1
7 - 6	0 IDWR	80
7 - 7	0 IDWR	76
7 - 8	0 IDWR	64.8
9 - 9	0 IDWR	78
9 - 10 & 9 - 11	0 IDWR	50.5
9 - 12	0 IDWR	80
9 - 13 & 9 - 14	0 IDWR	154.7
9 - 15	366.8	
9 - 16	499.1	
9 - 17	499.1	
9 - 17B	0	
10 - 18 & 10 - 19	1565.3	
10 - 20	1037.9	
10 - 21	0 IDWR	80
10 - 22	1619.5	
10 - 23	52	
10 - 23B	590.4	
10 - 24	52	
10 - 25	590.4	
10 - 26	427.4	
11 - 27	108.5	
11 - 28	0 IDWR	119.9
12 - 29, 30, 31 & 32	0 IDWR	278.7
12 - 33	0 IDWR	160
12 - 34 & 12 - 35	0 IDWR	155.2
12 - 36	312	
12 - 37	941.2	
12 - 38	147	
12 - 39	147	
12 - 40	74	
12 - 41	74	
12 - 42	0	
13 - 43	0	
13 - 44	0 IDWR	77.4
13 - 45	797	
13 - 46	796.5	
13 - 47	0	
13 - 48	0	
13 - 49	207	
13 - 50	0	
14 - 51	289.7	
14 - 52	9.2	
14 - 53	885.6	
14 - 54	197.3	

Grindstone Butte Mutual Canal Company
2003 Water Usage

14 - 55		412		
15 - 56		0	IDWR	200
15 - 57		0	IDWR	125.6
15 - 58		530.6		
15 - 59		373.6		
15 - 60		908.6		
16 - 61		220		
16 - 62		185		
16 - 63	Field # no longer used	0		
16 - 64		208		
16 - 65		0	IDWR	159.4
16 - 66		689.1		
16 - 67	Field # no longer used	0		
17 - 67	Field # no longer used	0		
17 - 68	Field # no longer used	0		
17 - 70	Field # no longer used	0		
17 - 71	Field # no longer used	0		
17 - 72	Field # no longer used	0		
17 - 73	Field # no longer used	0		
17 - 74	Field # no longer used	0		
17 - 75	Field # no longer used	0		
17 - 76	Field # no longer used	0		
17 - 77	Field # no longer used	0		
17 - 78	Field # no longer used	0		
17 - 79	Field # no longer used	0		
17 - 80	Field # no longer used	0		
17 - 81	Field # no longer used	0		
17 - 82	Field # no longer used	0		
18 - 83		0		
18 - 84		322.8		
18 - 85		938.3		
18 - 86		938.3		
18 - 87		0	IDWR	159.8
18 - 88		105		
18 - 89		0		
19 - 90		104		
19 - 91		0	IDWR	80
19 - 92		433.1		
19 - 93		496.6		
19 - 94	Field # no longer used	0		
19 - 95		842.8		
20 - 96		108.5		
20 - 97		236.5		
20 - 98		1402.5		
20 - 99	Field # no longer used	0		
20 - 100		1710.3		
22 - 101		204.5		
22 - 102		527.1		
22 - 103		1816.8		
22 - 104		788.4		

Grindstone Butte Mutual Canal Company
2003 Water Usage

23 - 105	Field # no longer used	0		
23 - 106		55.2		
23 - 107		52		
23 - 108		0	IDWR	40
23 - 109		0	IDWR	66.7
23 - 110		1396.44		
23 - 111		48		
24 - 112		1101.2		
24 - 113		0	IDWR	160
25 - 114	Field # no longer used	0		
25 - 115		76		
25 - 116		216		
25 - 117		0	IDWR	40
25 - 118		0	IDWR	237.2
25 - 119		0	IDWR	77.8
25 - 120		0	IDWR	33
26 - 121		0	IDWR	80
26 - 122		190.9		
27 - 123		307.9		
27 - 124		0	IDWR	160
27 - 125A		160.1		
27 - 125B		0	IDWR	80
28 - 126		241.5		
28 - 127		594.1		
28 - 128		623.1		
29 - 100	Field # no longer used	0		
29 - 129		0	CRP	
29 - 130		0	CRP	
29 - 131		156.3		
				3589.4

#2

APPLICATION FOR PROPOSAL FOR SNAKE RIVER PILOT LEASING PROGRAM 2004

A. GENERAL

A1. Applicant name(s): GRINDSTONE BUTTE MUTUAL CANAL CO.
A2. Proposed price per acre: \$ 150 per acre. Note that you will only receive 90% of that rate.
A3. Number of acres you propose to idle: 5087 acres

B. INFORMATION ABOUT THE APPLICANT

B1. Type of applicant:
☐ Single Individual
☐ Joint owners
☐ Partnership
☐ Corporation
☐ Limited liability co.
☒ Irrigation district
☐ Other

B2. Taxpayer identification number, if applicable: 82-030488
B3. Mailing Address: P.O. Box 2673 Boise, ID. 83701
B4. Daytime Phone Number: 342-6524 Additional cell phone number: 250-7148 Fax: 343-8696
B5. E-mail Address: _____

B6. Do you ☐ own the land that is to be idled?
☐ lease the land that is to be idled?
☒ neither, you only hold the water rights, e.g. irrigation district, canal company.

B7. If you lease the land that is to be idled, complete the following:

- a. Provide a copy of your entire lease.
- b. Does your lease provide for authorization to put water into the water bank?
☐ Yes, on page _____ of my lease.
☐ No, but I have separate authorization, which is enclosed.
- c. Name and address of the lessor landowner: _____

C. INFORMATION ABOUT THE LAND THAT WILL BE IDLED

- C1. Does each tract of land you are proposing meet the eligibility criteria? ☒ Yes ☐ No
- C2. Were any of the proposed lands leased to the Idaho State Water Supply Bank under a 2003 contract with Reclamation? ☒ Yes ☐ No
- C3. Is a cover crop planned for the idled land? ☐ No ☒ Yes, my cover crop will be: GRAIN
- C4. Have you completed and enclosed the attached grid? (See application instructions.) ☒ Yes
- C5. Have you attached an acceptable map with the proposed acres identified? (See application instructions.) ☒ Yes
- C6. Have you enclosed acceptable evidence of irrigation of the proposed lands during the 2003 irrigation season? (See instructions) ☒ Yes

D. INFORMATION FOR EACH WATER RIGHT INCLUDED IN YOUR PROPOSAL

If you are proposing to lease more than one water right, copy this section and fill out a separate page for each water right.

- D1. Water Right Number: 2-2262
- D2. What is the basis of the water right? ☒ permit ☐ license ☐ decree
- D3. Have you attached a copy of the permit, license, or decree? ☒ Yes
- D4. Has a claim been made for the water right in the Snake River Basin Adjudication (SRBA)? ☒ Yes Attach a copy of this SRBA claim.
- D5. Priority date of the water right: 12/06/1963
- D6. (a) What is the total number of acres described in the place of use for irrigation under this water right? 13,546 acres
- (b) Does this right have a permissible place of use? ☒ Yes ☐ No
- D7. Is the number of acres authorized for irrigation under this right limited within the place of use in a single irrigation season?
- ☒ Yes, it is limited to 13,535 acres.
☐ No
- D8. Are any other water rights appurtenant to the proposed lands that are not included in this proposal?
- ☐ Yes, the other water rights are: _____
☒ No
- D9. How many acres authorized under this water right were irrigated during the 2003 season? 8081 acres
- D10. Were any acres under this water right leased to the Idaho Water Supply Bank under a 2003 Contract with Reclamation?
- ☒ Yes. 3097 acres.
☐ No
- D11. Do you propose to enter only a portion of the water right into the Program? ☒ Yes ☐ No
- D12. If so, how many acres authorized under this water right will still be irrigated during the 2004 irrigation season if your proposal is accepted into the Program? 6447 acres

E. INFORMATION ABOUT OVERALL IRRIGATION PRACTICES

Answer E1 & E2 If you are a landholder, i.e. you own or lease land that was or will be irrigated, or you are a part owner of an entity that owns or leases land that was or will be irrigated.

- E1. (a) If you are a landholder, how many acres did you irrigate in 2003, at any location from any water rights from, or tributary to, the Snake River? acres
- (b) If you were a part owner of one or more entities that leased or owned land, how many acres did each entity irrigate in 2003, at any location from any water rights from, or tributary to, the Snake River? acres
- E2. (a) How many acres do you intend to irrigate in 2004, at any location from any and all water sources from, or tributary to, the Snake River if your proposed acres are accepted? acres
- (b) If you are a part owner of one or more entities that holds land and intends to irrigate in 2004, at any location from any and all water sources from, or tributary to, the Snake River if your proposed acres are accepted? acres

Answer E3 If you are completing this application on behalf of an irrigation district or canal company or similar entity.

- E3. Submit the following information for each landholder who is proposing to idle land under this application:

Landholder #1

- (a) Name: BILL RINGERT
- (b) Number of acres the landholder proposes to idle: 839 acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: 0 acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: 0 acres

E3 (cont.) Make copies of this page if you need additional space.

~~LANDHOLDER #3~~

Name: MARK A. NOBLE

- (a) Name: MARK A. NOBLE
- (b) Number of acres the landholder proposes to idle: 820 acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: 1393 acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: 1313 acres

~~LANDHOLDER #3~~

Name: LYNN JOHNSON

- (a) Name: LYNN JOHNSON
- (b) Number of acres the landholder proposes to idle: 160 acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: 367 acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: 367 acres

~~LANDHOLDER #4~~

Name: ALLEN T. NOBLE

- (a) Name: ALLEN T. NOBLE
- (b) Number of acres the landholder proposes to idle: 2043 acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: 3818 acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: 2799 acres

~~LANDHOLDER #5~~

Name: FARM DEVELOPMENT CORP.

- (a) Name: FARM DEVELOPMENT CORP.
- (b) Number of acres the landholder proposes to idle: 471 acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: 1776 acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: 1529 acres

E3 (cont.) Make copies of this page if you need additional space.

~~LANDHOLDER #2~~

WESTERN IDAHO FARMS

- a) Name: _____
- b) Number of acres the landholder proposes to idle: 575 acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: 568 acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: 348 acres

~~LANDHOLDER #3~~

TOM RUDY

- a) Name: _____
- b) Number of acres the landholder proposes to idle: 179 acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: 148 acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: 80 acres

~~LANDHOLDER #4~~

- a) Name: _____
- b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

~~LANDHOLDER #5~~

- a) Name: _____
- b) Number of acres the landholder proposes to idle: _____ acres
- (c) Number of acres the landholder (either by him/herself, or as part of another entity, such as a partnership or limited liability company) irrigated in 2003 from any and all water sources from, or tributary to, the Snake River in any location: _____ acres
- (d) Number of acres the landholder (either by him/herself, or as part of another entity) plans to irrigate in 2004: _____ acres

SIGNATURES

By signing below, you certify that the information included in this proposal is accurate and true to the best of your knowledge.

NOTE: To support your proposal, you may be asked to provide additional information. We will notify the applicant shown above if additional information is necessary.

GRINDSTONE BUTTE MUTUAL CANAL CO.

Mark A. Noble

Applicant's Signature

MARK A. NOBLE

Printed Name

JAN. 13, 04

Date

President

Office held (if entity)

Applicant's Signature

Printed Name

Date

Office held (if entity)

Applicant's Signature

Printed Name

Date

Office held (if entity)

Applicant's Signature

Printed Name

Date

Office held (if entity)

Applicant's Signature

Printed Name

Date

Office held (if entity)



IDAHO DEPARTMENT OF WATER RESOURCES
Water Permit Report

01/13/2004

WATER RIGHT NO. 2-2262

Owner Type	Name and Address
Current Owner	GRINDSTONE BUTTE MUTUAL CANAL CO PO BOX 2673 BOISE, ID 83701
Original Owner	SAILOR CREEK WATER CO

Priority Date: 12/06/1963
Status: Active

Source	Tributary
SNAKE RIVER	COLUMBIA RIVER

Beneficial Use	From	To	Diversion Rate	Volume
IRRIGATION	/	/	368 CFS	
Total Diversion			368 CFS	

Location of Point(s) of Diversion:

SNAKE RIVER	NWSW	Sec. 34	Township 05S	Range 09E	ELMORE County
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Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
06S	09E	14		SENEW	40									

		NESW	40	SESW	40		
		NWSE	40				
15		NESE	40	SWSE	40		
22		NENE	40	SENE	40		
		NENW	40	NWNW	40	SWNW	40
		NESW	40	NWSW	40	SWSW	40
		NESE	40	SESE	40		
23		SENE	40				
		NENW	40	NWNW	40	SWNW	40
		NESW	40	SESW	40		
		NESE	40	NWSE	40	SWSE	40
24		SWNW	40				
		NESW	40	NWSW	40	SWSW	40
25		NENE	40	NWNE	40	SWNE	40
		NENW	40	NWNW	40	SWNW	40
		NESW	40	NWSW	40	SWSW	40
		NESE	40	NWSE	40	SWSE	40
26		NENE	40	NWNE	40	SWNE	40
		NENW	40	SWNW	40	SENE	40
		NESW	40	NWSW	40	SWSW	40
		NESE	40	SESE	40		
27		SENE	40				
		SWSW	40	SESW	40		
		NESE	40	SWSE	40	SESE	40
28		SWSW	40	SESW	40		
		SWSE	40	SESE	40		
33		NENE	40	NWNE	40		
		NENW	40	NWNW	40		
34		NENE	40	NWNE	40	SWNE	40
		NENW	40	NWNW	40	SWNW	40
		NESE	40				
35		NENE	40	NWNE	40	SWNE	40
		NENW	40	NWNW	40	SWNW	40
		NWSW	40	SWSW	40		
		SWSE	40	SESE	40		
36		NENE	40	NWNE	40	SWNE	40
		NENW	40	NWNW	40	SWNW	40
		NESW	40	NWSW	40	SWSW	40
		NESE	40	NWSE	40	SWSE	40
10E	30	SWNW	40	SENE	40		
		NESW	40	NWSW	40	SWSW	40
		SWSE	40	SESE	40		
31		NENE	40	NWNE	40	SWNE	40

07S

09E

32

1

2

NENW 40
 NESW 40
 NESE 40
 NWNW 40
 NESW 40
 SWNE 40
 SWNW 40
 NESW 40
 NESE 40
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 NESW 40
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 NESW 40
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 NENW 40
 NESW 40
 SWSE 40
 NENE 40
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 SWNE 40
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 NESE 40
 NWNE 40
 NENW 40
 NESW 40

1

3

1

3

1

NWNW 40
 NWSW 40
 NWSE 40
 SWNW 40
 NWSW 40
 SENE 40
 SENW 40
 NWSW 40
 NWSE 40
 SENE 40
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 NWSW 40
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 SENW 40
 SESW 40
 SESE 40
 SENW 40
 SESW 40
 SENE 40
 SESE 40
 SESW 40

2

2

3

1

4

5

2

9

10

11

12

13

14

15

16

23

24

		NWNW	40	SWNW	40	SENW	40		
		NESW	40	NWSW	40	SWSW	40	SESW	40
		NESE	40	NWSE	40	SESE	40		
	23	NENW	40	NWNW	40	SWNW	40	SENW	40
		NESW	40	NWSW	40	SWSW	40	SESW	40
		NWSE	40	SWSE	40	SESE	40		
	26	NENE	40	NWNE	40	SWNE	40	SENE	40
		NENW	40	NWNW	40	SWNW	40	SENW	40
		NESW	40	NWSW	40	SWSW	40	SESW	40
		NESE	40	NWSE	40	SWSE	40		
	27	NENE	40	NWNE	40	SWNE	40	SENE	40
		NENW	40	SENW	40				
		NESW	40	SESW	40				
		NESE	40	NWSE	40	SWSE	40	SESE	40
	28	SWNE	40	SENE	40				
		NWNW	40	SWNW	40				
		NESW	40	NWSW	40	SWSW	40	SESW	40
		NESE	40	NWSE	40				
	29	NENE	40	NWNE	40	SWNE	40	SENE	40
		NESE	40	NWSE	40	SWSE	40	SESE	40
	32	NESW	40						
	33	NENE	40	SENE	40				
		NENW	40						
	34	NENE	40	NWNE	40	SWNE	40	SENE	40
		NWNW	40	SWNW	40				
		NESE	40						
	35	NWNE	40	SWNE	40				
		NENW	40	NWNW	40	SWNW	40	SENW	40
		NWSE	40	SWSE	40				

Total Acres: 18120

Remarks:

1.	General	FOR DESERT LAND ENTRIES. REINSTATED 2-18-1987.
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Dates:

Proof Due Date: 10/01/1985

Proof Made Date: 02/05/1987

Approved Date: 12/30/1963

Moratorium Expiration Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Application Received Date:
Protest Deadline Date:
Number of Protests: 0
Field Exam Date: 1/15/1987
Date Sent to State Off: 5/8/2001
Date Received at State Off: 5/8/2001

Other Information:

State or Federal:
Owner Name Connector:
Water District Number:
Generic Max Rate per Acre:
Generic Max Volume per Acre:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False

Close

Close

IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report

01/09/2004

WATER RIGHT NO. 2-2262

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	THE TRAVELERS INSURANCE CO C/O DIRECTOR IDAHO DEPT OF INSURANCE STATEHOUSE MAIL BOISE, ID 83720-0043
Current Owner	GRINDSTONE BUTTE MUTUAL CANAL CO PO BOX 2673 BOISE, ID 83701
Original Owner	SAILOR CREEK WATER CO

Priority Date: 12/06/1963

Basis: Permit

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	3/15	11/15	180.9 CFS	65772.25 AFA
Total Diversion			180.9 CFS	

Location of Point(s) of Diversion:

SNAKE RIVER	Lt 4	Sec. 34	Township 05S	Range 09E	ELMORE County
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Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
06S	09E	23		SENE	40									
				NESE	40		NWSE	37		SWSE	40		SESE	40
		24		SWNW	40									
				NESW	36		NWSW	40		SWSW	37		SESW	40
		25		NENE	35		NWNE	40		SWNE	6		SENE	6
				NENW	40		NWNW	40		SWNW	40		SENE	40
				NESW	40		NWSW	40		SWSW	40		SESE	40
				NESE	6		NWSE	5		SWSE	40		SESE	40
		26		NENE	37		NWNE	40		SWNE	40		SENE	40
				NENW	40		SWNW	40		SENE	40			
				NESW	40		NWSW	40		SWSW	40		SESE	40
				NESE	40		SESE	40						
		27		SENE	38									
				SWSW	40		SESE	40						
				NESE	40		SWSE	40		SESE	40			
		28		SWSW	30		SESE	40						
				SWSE	40		SESE	40						
		33		NENE	40		NWNE	40						
				NENW	28		NWNW	25						
		34		NENE	40		NWNE	40		SWNE	40		SENE	40
				NENW	40		NWNW	40		SWNW	25		SENE	30
				NESE	25									
		35		NENE	40		NWNE	40		SWNE	40		SENE	38
				NENW	40		NWNW	40		SWNW	40		SENE	40
				NWSW	21		SWSW	38						
				SWSE	40		SESE	40						
		36		NENE	40		NWNE	40		SWNE	40		SENE	40
				NENW	40		NWNW	40		SWNW	25		SENE	35
				NESW	40		NWSW	35		SWSW	40		SESE	40
				NESE	40		NWSE	40		SWSE	40		SESE	40
	10E	30		SWNW	6									
				NESW	5		NWSW	6		SWSW	40		SESE	40
				SWSE	40		SESE	37						
				NENE	40		NWNE	40		SWNE	40		SENE	40
		31		NENW	40		NWNW	40		SWNW	33		SENE	40
				NESW	40		NWSW	40		SWSW	37		SESE	40
				NESE	40		NWSE	40		SWSE	40		SESE	40
				NWNW	37		SWNW	39						
		32												

07S	09E	1	1	NESW	23	NWSW	40	SWSW	40	SESW	39
					40.9		41		41.2		41.3
				NESW	40	NWSW	40	SESW	32		
				NESE	40	NWSE	40	SWSE	39	SESE	33
		2	1		41.4		41.3		41.2		41.1
		3	1		41						
		10		SENE	40						
				NESE	38	SESE	40				
		11		SWNE	40	SENE	40				
				SWNW	34						
				NESW	40	NWSW	38	SWSW	34	SESW	35
				NESE	40	NWSE	40	SWSE	37	SESE	37
		12		NESW	38	NWSW	40	SWSW	40	SESW	40
				SWSE	40						
		13		NENE	40	NWNE	40	SWNE	40	SENE	40
				NENW	38	SENE	34				
				NESE	37	NWSE	35				
		14		NWNW	40						
		15		NENE	40						
	10E	4	3		39.9		40	NESW	40	NWSW	40
				SWSW	40	SESW	40				
				NESE	30	NWSE	40	SWSE	40	SESE	40
		5	1		40.1		40		39.9		39.9
				NESW	40	NWSW	40	SWSW	40	SESW	40
				NESE	40	NWSE	40	SWSE	40	SESE	40
		6	1		40		40.5		31.4		30.9
			6		31	NESW	40	SESW	40	NESE	40
				SESE	40						
		7		NENE	40	NWNE	40	SENE	40		
		8		NENE	40	NWNE	40	SWNE	40	SENE	40
				NENW	40	NWNW	40	SWNW	40	SENE	40
				NESW	40	NWSW	31				
				NWSE	40	SWSE	40				
		9		NENE	40	NWNE	40	SWNE	40	SENE	40
				NENW	40	NWNW	40	SWNW	40	SENE	40
				NESW	40	NWSW	40				
				NESE	40	NWSE	40	SWSE	40	SESE	40
		10		NWNW	35	SWNW	40				
				NESW	35	NWSW	40	SWSW	40	SESW	40
		14		SWSW	37						
		15		NWNE	30	SWNE	40				
				NENW	40	NWNW	40	SWNW	40	SENE	40
				NESW	40	NWSW	40	SWSW	40	SESW	40

			NES	40		NWSE	40		SWSE	40		SESE	40
	16		NENE	40		NWNE	40		SWNE	40		SENE	40
			NENW	40		NWNW	40		SWNW	40		SENE	40
			NESW	40		NWSW	40		SWSW	30		SESW	37
			NESE	40		NWSE	40		SWSE	40		SESE	40
	17		NENE	40		NWNE	38		SWNE	37		SENE	40
	18	2		30.8	3		30.8		NESW	40			
	20		SWNE	40									
			NENW	40		NWNW	40		SWNW	40		SENE	40
			NWSE	40		SWSE	40		SESE	40			
	21		NENE	40		NWNE	40		SWNE	40		SENE	40
			SENE	32									
			NESE	40		NWSE	40						
	22		NENE	40		NWNE	40		SWNE	40		SENE	40
			NWNW	40		SWNW	35		SENE	40			
			NESW	40		NWSW	40		SWSW	40		SESW	40
			NESE	40		NWSE	40		SESE	40			
	23		NENW	40		NWNW	40		SWNW	40		SENE	40
			NESW	40		NWSW	40		SWSW	40		SESW	40
			NWSE	38		SWSE	40		SESE	33			
	26		NENE	35		NWNE	40		SWNE	40		SENE	40
			NENW	40		NWNW	40						
	27		NENE	40		NWNE	40		SWNE	40		SENE	40
			NENW	40		SENE	40						
			NESW	40		SESW	37						
			NESE	40		NWSE	40		SWSE	40		SESE	40
	28		SWNE	40		SENE	40						
			NWNW	40		SWNW	40						
			NESW	40		NWSW	40						
			NESE	40		NWSE	40						
	29		NENE	40		NWNE	40		SWNE	40		SENE	40
			NESE	40		NWSE	40		SWSE	40		SESE	40
	34		NENE	40		NWNE	40						

Total Acres: 13154.6

Remarks:

1. General	FOR DESERT LAND ENTRIES. REINSTATED 2-18-1987. PROPERTY LISTED AS PLACE OF USE IS OWNED BY STOCKHOLDERS OF THE COMPANY. CONFORMED ADDRESS TO D.E. STANDARDS ON 03/28/95 SS.
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Dates: :
Licensed Date:
Claim Received Date:
Decreed Date:
Enlargement Use Priority Date:
Enlargement Statute Priority Date:

Other Information:

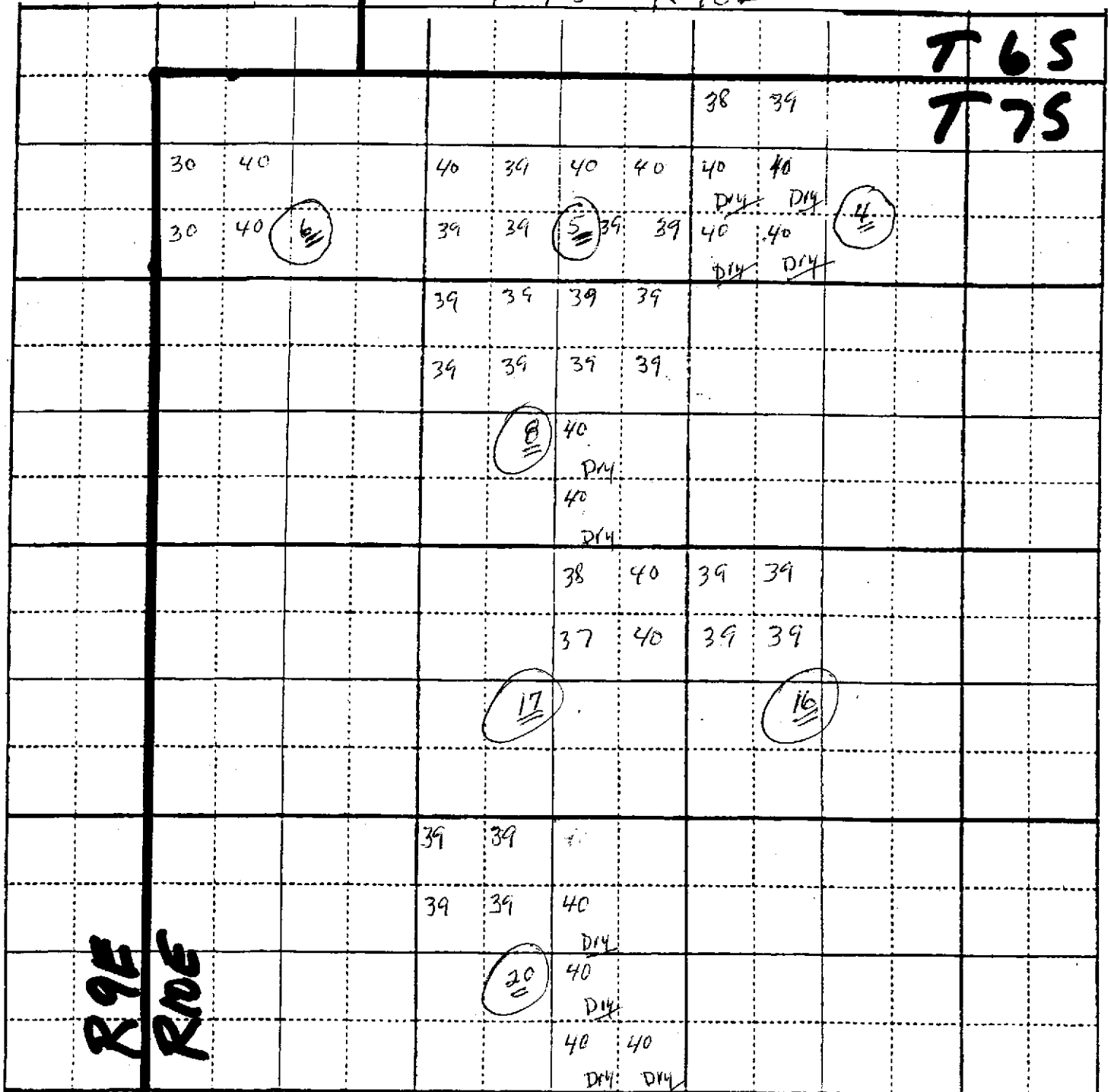
State or Federal: S
Owner Name Connector:
Water District Number:
Generic Max Rate per Acre:
Generic Max Volume per Acre:
Civil Case Number:
Old Case Number:
Decree Plaintiff:
Decree Defendant:
Swan Falls Trust or Nontrust:
Swan Falls Dismissed:
DLE Act Number:
Cary Act Number:
Mitigation Plan: False

Close

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word "dry" in each corresponding quarter-quarter.

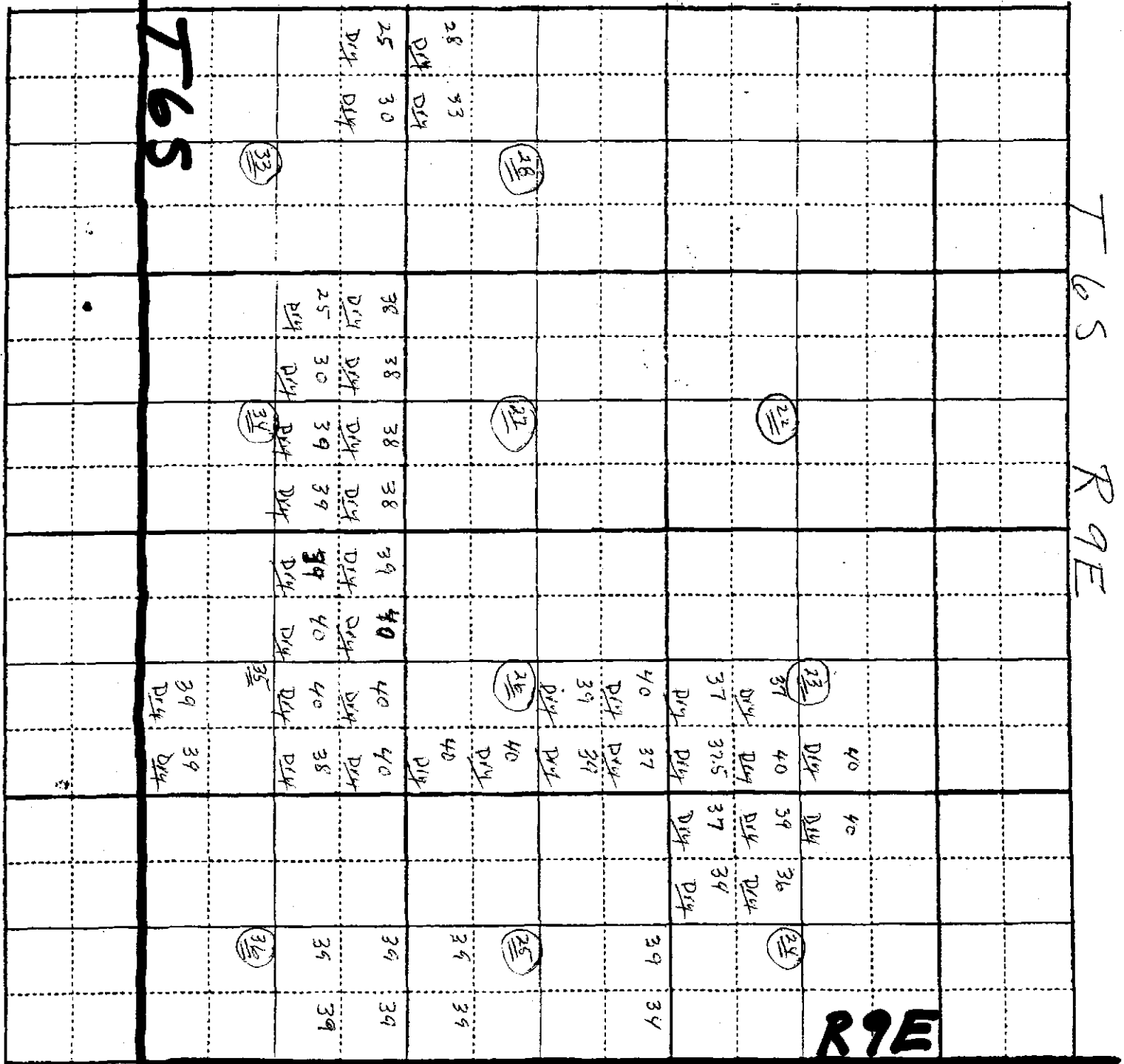
T 7S R 10E



SCALE: 2 inches equal 1 mile. Draw plan in ink.

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word "dry" in each corresponding quarter-quarter.



SCALE: 2 inches equal 1 mile. Draw plan in ink.

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word "dry" in each corresponding quarter-quarter.

R 9 E

T7S

46 41 41 41 41 32 31

dry dry dry dry dry dry dry

(3) (2) (1)

R9E

SCALE: 2 inches equal 1 mile. Draw plan in ink.

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word "dry" in each corresponding quarter-quarter.

T6S R10E

[illegible]

SCALE: 2 inches equal 1 mile. Draw plan in ink.

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word "dry" in each corresponding quarter-quarter.

T 75 R 10E

[illegible]

SCALE: 2 inches equal 1 mile. Draw plan in ink.

Grindstone Butte Mutual Canal Company
2003 Water Usage

<u>FIELD</u>	<u>Total Lines</u>		<u>Acres</u>
7 - 1	0	IDWR	64.4
7 - 2 & 7 - 3	0	IDWR	139.2
7 - 4	0	IDWR	80
7 - 5	0	IDWR	151.1
7 - 6	0	IDWR	80
7 - 7	0	IDWR	76
7 - 8	0	IDWR	64.8
9 - 9	0	IDWR	78
9 - 10 & 9 - 11	0	IDWR	50.5
9 - 12	0	IDWR	80
9 - 13 & 9 - 14	0	IDWR	154.7
9 - 15	366.8		
9 - 16	499.1		
9 - 17	499.1		
9 - 17B	0		
10 - 18 & 10 - 19	1565.3		
10 - 20	1037.9		
10 - 21	0	IDWR	80
10 - 22	1619.5		
10 - 23	52		
10 - 23B	590.4		
10 - 24	52		
10 - 25	590.4		
10 - 26	427.4		
11 - 27	108.5		
11 - 28	0	IDWR	119.9
12 - 29, 30, 31 & 32	0	IDWR	278.7
12 - 33	0	IDWR	160
12 - 34 & 12 - 35	0	IDWR	155.2
12 - 36	312		
12 - 37	941.2		
12 - 38	147		
12 - 39	147		
12 - 40	74		
12 - 41	74		
12 - 42	0		
13 - 43	0		
13 - 44	0	IDWR	77.4
13 - 45	797		
13 - 46	796.5		
13 - 47	0		
13 - 48	0		
13 - 49	207		
13 - 50	0		
14 - 51	289.7		
14 - 52	9.2		
14 - 53	885.6		
14 - 54	197.3		

Grindstone Butte Mutual Canal Company
2003 Water Usage

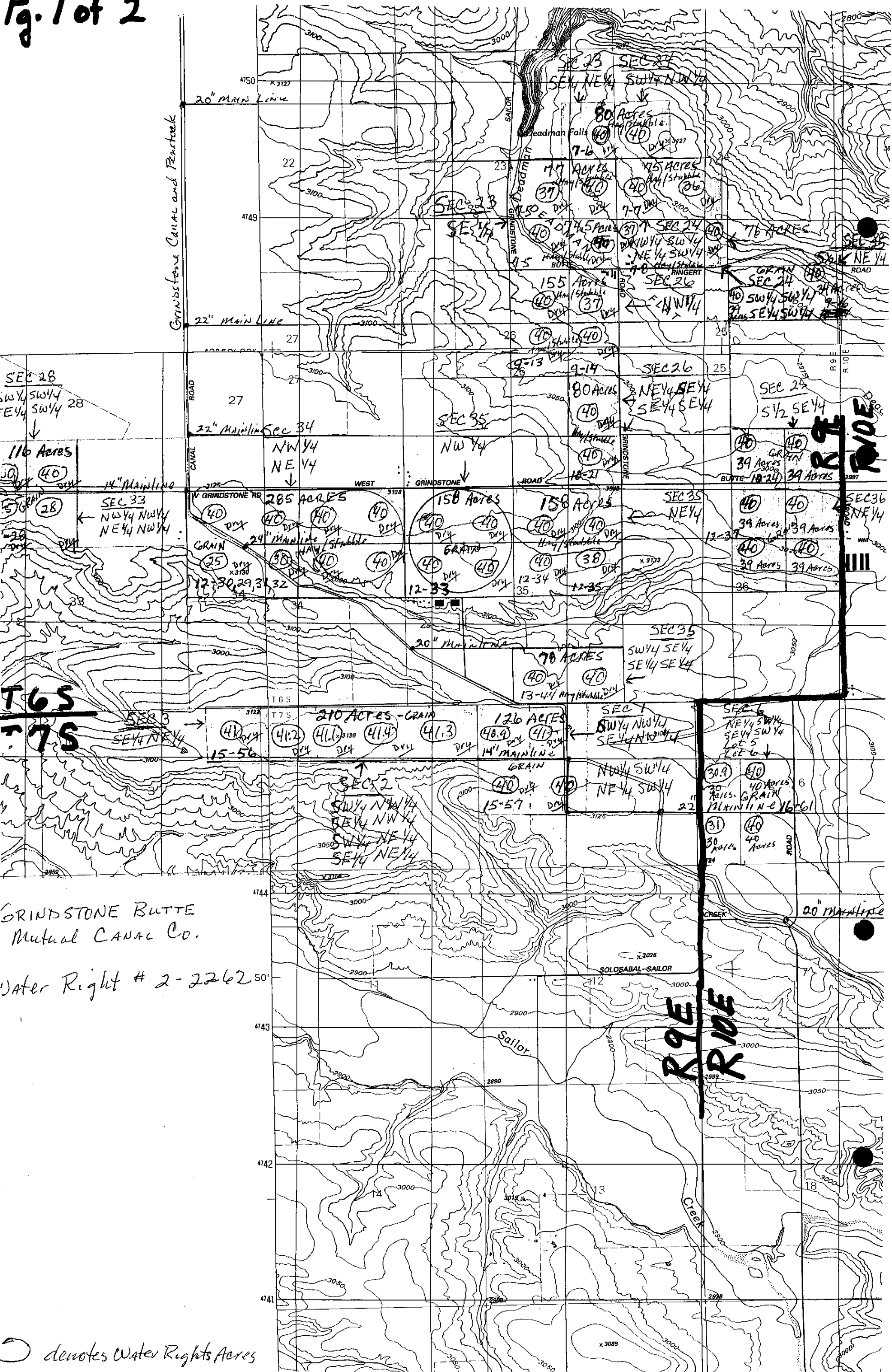
14 - 55		412		
15 - 56		0	IDWR	200
15 - 57		0	IDWR	125.6
15 - 58		530.6		
15 - 59		373.6		
15 - 60		908.6		
16 - 61		220		
16 - 62		185		
16 - 63	Field # no longer used	0		
16 - 64		208		
16 - 65		0	IDWR	159.4
16 - 66		689.1		
16 - 67	Field # no longer used	0		
17 - 67	Field # no longer used	0		
17 - 68	Field # no longer used	0		
17 - 70	Field # no longer used	0		
17 - 71	Field # no longer used	0		
17 - 72	Field # no longer used	0		
17 - 73	Field # no longer used	0		
17 - 74	Field # no longer used	0		
17 - 75	Field # no longer used	0		
17 - 76	Field # no longer used	0		
17 - 77	Field # no longer used	0		
17 - 78	Field # no longer used	0		
17 - 79	Field # no longer used	0		
17 - 80	Field # no longer used	0		
17 - 81	Field # no longer used	0		
17 - 82	Field # no longer used	0		
18 - 83		0		
18 - 84		322.8		
18 - 85		938.3		
18 - 86		938.3		
18 - 87		0	IDWR	159.8
18 - 88		105		
18 - 89		0		
19 - 90		104		
19 - 91		0	IDWR	80
19 - 92		433.1		
19 - 93		496.6		
19 - 94	Field # no longer used	0		
19 - 95		842.8		
20 - 96		108.5		
20 - 97		236.5		
20 - 98		1402.5		
20 - 99	Field # no longer used	0		
20 - 100		1710.3		
22 - 101		204.5		
22 - 102		527.1		
22 - 103		1816.8		
22 - 104		788.4		

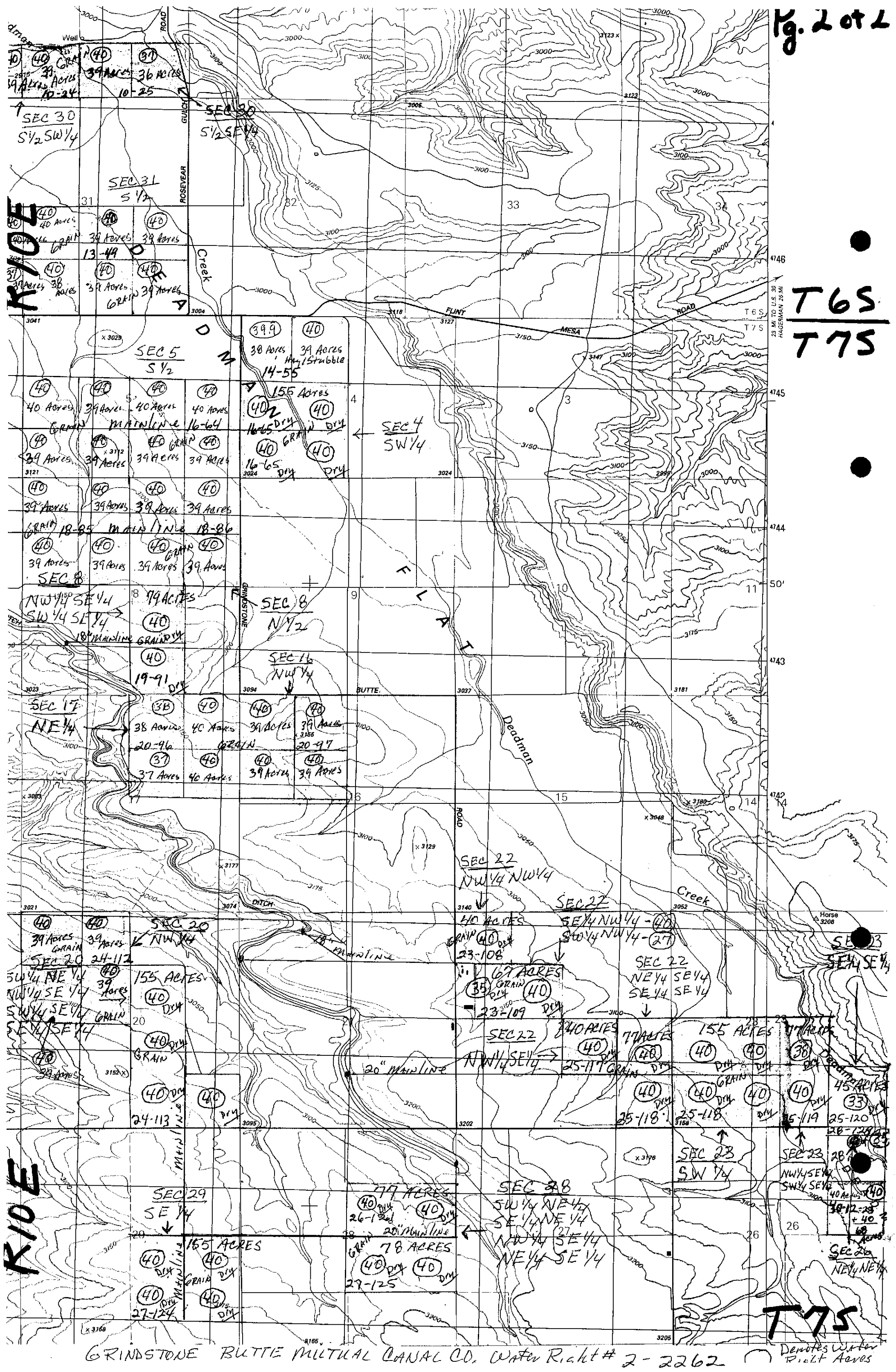
**Grindstone Butte Mutual Canal Company
2003 Water Usage**

23 - 105	Field # no longer used	0	
23 - 106		55.2	
23 - 107		52	
23 - 108		0	IDWR 40
23 - 109		0	IDWR 66.7
23 - 110		1396.44	
23 - 111		48	
24 - 112		1101.2	
24 - 113		0	IDWR 160
25 - 114	Field # no longer used	0	
25 - 115		76	
25 - 116		216	
25 - 117		0	IDWR 40
25 - 118		0	IDWR 237.2
25 - 119		0	IDWR 77.8
25 - 120		0	IDWR 33
26 - 121		0	IDWR 80
26 - 122		190.9	
27 - 123		307.9	
27 - 124		0	IDWR 160
27 - 125A		160.1	
27 - 125B		0	IDWR 80
28 - 126		241.5	
28 - 127		594.1	
28 - 128		623.1	
29 - 100	Field # no longer used	0	
29 - 129		0	CRP
29 - 130		0	CRP
29 - 131		156.3	

3589.4

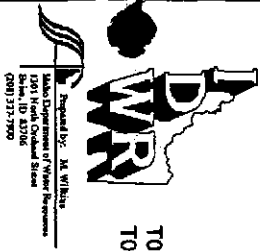
Water Right # 2-2262



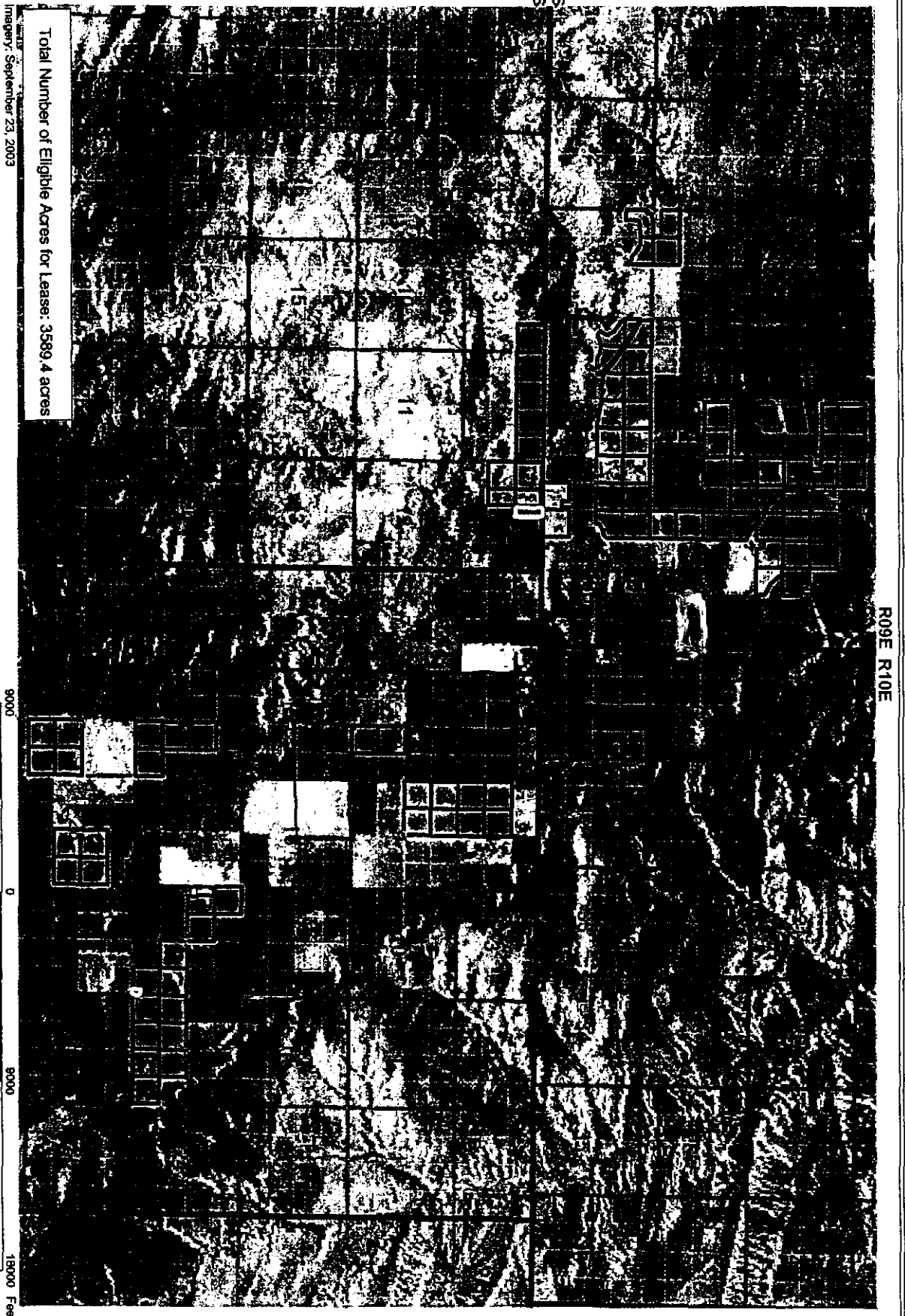


T75

Denotes Water
Right Acres



- ☒ ELIGIBLE
- ☐ INELIGIBLE
- ☐ QUESTIONABLE
- ☐ Township/Range Lines
- ☐ Section Lines
- ☐ Quarter/Quarter Lines



☐ proposed 2004
☐ in 2003, proposed 2004

Grindstone Butte Mutual Canal Company
2003 Snake River Pilot Leasing Program
Rental of Water from the Water Supply Bank

Prepared: December 2, 2003



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.

January 18, 2006

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

RE: License No. 2-2262 - Issuance of License

Dear Water Right Holder(s):

The Department of Water Resources has issued the enclosed Water Right License confirming that a water right has been established in accordance with your permit. Please be sure to thoroughly review the conditions of approval and remarks listed on your license.

The license is a PRELIMINARY ORDER issued by the Department pursuant to section 67-5243, Idaho Code. It can and will become a final order without further action by the Department unless a party petitions for reconsideration or files an exception and/or brief within fourteen (14) days of the service date as described in the enclosed information sheet.

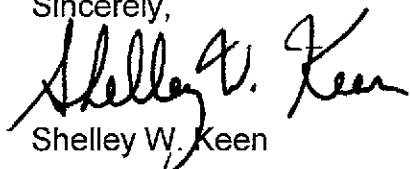
Enclosed is a copy of the approved Application for Amendment.

During review of your permits, it was discovered that the water use developed under permits 02-02262 and 02-02314 can be covered by one license (02-02262). Since Permit 02-02262 was amended to include the water use developed under both permits, and the license has been issued, the most straightforward step would be to relinquish permit 02-02314. I have enclosed a relinquishment form for this purpose. If you do not relinquish the permit, it will be voided because there is no development of a beneficial use that is not already covered under another water right.

Please note that water right owners are required to report any change of water right ownership and/or mailing address to the Department within 120 days of the change. Failure to report these changes could result in a \$100 late filing fee. Contact any office of the Department or visit the Department's homepage on the Internet to obtain the proper forms and instructions.

If you have any questions, please contact me at 208-287-4947.

Sincerely,

A handwritten signature in black ink, appearing to read "Shelley W. Keen". The signature is fluid and cursive, with the first name "Shelley" being more prominent.

Shelley W. Keen

Water Rights Supervisor

SWK:klt

Enclosure(s)

cc: GIVENS PURSLEY LLP

CERTIFICATE OF SERVICE

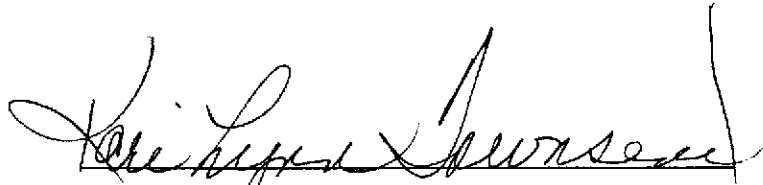
I hereby certify that on January 18, 2006 I mailed a true and correct copy, postage prepaid, of the foregoing PRELIMINARY ORDER(Approved License) to the person(s) listed below:

RE: WATER RIGHT NO.

2-2262

**GIVENS PURSLEY LLP
ATTN JOHN MARSHALL
PO BOX 2720
BOISE ID 83701-2720**

**GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701**



**Kari Lynn Townsend
Secretary**

**EXPLANATORY INFORMATION
TO ACCOMPANY A
PRELIMINARY ORDER**

(To be used in connection with actions when a hearing was not held)

(Required by Rule of Procedure 730.02)

The accompanying order or approved document is a "**Preliminary Order**" issued by the department pursuant to section 67-5243, Idaho Code. It can and will become a final order without further action of the Department of Water Resources ("department") unless a party petitions for reconsideration, files an exception and brief, or requests a hearing as further described below.

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a preliminary order with the department within fourteen (14) days of the service date of this order. The department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See Section 67-5243(3) Idaho Code.

EXCEPTIONS AND BRIEFS

Within fourteen (14) days after (a) the service date of a preliminary order, (b) the service date of a denial of a petition for reconsideration from this preliminary order, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration from this preliminary order, any party may in writing support or take exceptions to any part of a preliminary order and may file briefs in support of the party's position on any issue in the proceeding with the Director. Otherwise, this preliminary order will become a final order of the agency.

REQUEST FOR HEARING

Unless a right to a hearing before the Department or the Water Resource Board is otherwise provided by statute, any person aggrieved by any final decision, determination, order or action of the Director of the Department and who has not previously been afforded an opportunity for a hearing on the matter may request a hearing pursuant to section 42-1701A(3), Idaho Code. A written petition contesting the action of the Director and requesting a hearing shall be filed within fifteen (15) days after receipt of the denial or conditional approval.

ORAL ARGUMENT

If the Director grants a petition to review the preliminary order, the Director shall allow all parties an opportunity to file briefs in support of or taking exceptions to the preliminary order and may schedule oral argument in the matter before issuing a final order. If oral arguments are to be heard, the Director will within a reasonable time period notify each party of the place, date and hour for the argument of the case. Unless the Director orders otherwise, all oral arguments will be heard in Boise, Idaho.

CERTIFICATE OF SERVICE

All exceptions, briefs, requests for oral argument and any other matters filed with the Director in connection with the preliminary order shall be served on all other parties to the proceedings in accordance with IDAPA Rules 37.01.01302 and 37.01.01303 (Rules of Procedure 302 and 303).

FINAL ORDER

The Director will issue a final order within fifty-six (56) days of receipt of the written briefs, oral argument or response to briefs, whichever is later, unless waived by the parties or for good cause shown. The Director may remand the matter for further evidentiary hearings if further factual development of the record is necessary before issuing a final order. The department will serve a copy of the final order on all parties of record.

Section 67-5246(5), Idaho Code, provides as follows:

Unless a different date is stated in a final order, the order is effective fourteen (14) days after its issuance if a party has not filed a petition for reconsideration. If a party has filed a petition for reconsideration with the agency head, the final order becomes effective when:

- (a) the petition for reconsideration is disposed of, or
- (b) the petition is deemed denied because the agency head did not dispose of the petition within twenty-one (21) days.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, if this preliminary order becomes final, any party aggrieved by the final order or orders previously issued in this case may appeal the final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. The real property or personal property that was the subject of the agency action is located.

The appeal must be filed within twenty-eight (28) days of this preliminary order becoming final. See section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

MEMORANDUM

✓ DM

Date: December 21, 2005
To: Water Right File 2-2262
From: eretelle
Re: acreage analysis

02-2262 was permitted for 18,120 acres

Proof of beneficial use was filed for 513 acres under 02-2314 and 14,500 acres under 02-2262, for a total of 15,013 acres. Proof was received in 1987 for both Permits.

While reviewing these 2 permits for acceptance into the Water Supply Bank, Cynthia Bridge Clark (IDWR) used Sherl Chapman's 1987 field exams and 1987 GIS imagery to digitize a boundary of the acres irrigated. The area encompassed within the boundary (both permits) was 13,563 acres.

During review for licensing, there were 2 iterations of the subtraction of acres for roads within the boundary. The second method, detailed in the December 15, 2005 memo to this file proposes to subtract 131 acres for area occupied by roads for a total of 13,432 acres.

The beneficially used acreage during the development period was 13,432 acres. All development was associated with 02-2262 and Permit 02-2314 will either be relinquished or voided for no beneficial use.

MEMORANDUM

Date: December 15, 2005
To: Water Right File 2-2262
From: eretelle
Re: new road values

Grindstone Butte has submitted information showing road acreages, which reduce the irrigated acres under this right by 131 acres (rather than the dept estimate of 340.5 acres). The method was direct measurement of 3 types of roads; county paved, county gravel and farm. The measurements were taken field to field and average widths for each road type were calculated. All roads within the boundary were classified and tallied.

13,563 acres - 131 acres = 13,432 acres
13,432 acres x 4.0 af = 53,728 af/a = 53,730 af/a
diversion rate unchanged = system capacity

County		
Paved		
	Full	1/2
1	0.400	0.000
2	0.375	0.125
3	0.900	0.100
4	1.000	0.000
5	0.500	0.500
6	0.000	0.000
7	0.000	0.000
8	1.250	0.000
9	1.250	0.000
10	0.000	0.000
11	0.500	0.000
12	1.000	0.000
13	0.250	0.000
	7.425	0.725
	1.00	0.50
	7.425	0.3625

Total Paved 7.7875

County		
Gravel		
	Full	1/2
1	0.000	0.000
2	0.400	0.100
3	0.000	0.000
4	0.000	0.000
5	1.000	0.000
6	0.250	0.000
7	0.250	0.000
8	0.250	0.000
9	0.500	0.000
10	0.500	0.000
11	0.250	0.000
12	0.500	0.000
13	0.000	0.000
14	1.250	0.000
15	0.000	0.000
16	0.000	0.000
17	0.500	0.000
18	0.750	0.000
19	1.000	0.000
	7.400	0.100
	1.00	0.50
	7.400	0.050

Total Gravel 7.4500

Farm		
	Full	1/2
1	0.25	0
2	0.50	0
3	0.375	0.125
4	0.25	0
5	0.50	0
6	0.375	0.125
7	0.25	0.125
8	1.00	0.25
9	0.50	0
10	0	0
11	0.25	0
12	0.50	0
13	0.50	0.50
14	0.25	0.25
15	1.00	0
16	0.125	0
17	0.000	0
18	0.00	0
19	0.00	0
20	0.50	0
21	0.375	0.125
22	0.50	0
23	0.875	0.125
24	1.00	0
25	1.125	0
26	0.25	0
27	0.25	0
28	0.00	0
29	0.000	0
30	0.000	0
31	0.50	0
32	1.75	0
33	0.75	0
34	0.25	0
35	0.50	0
36	2.25	0
37	0.50	0
38	0.50	0
39	0.50	0
40	0.75	0
41	1.25	0
42	0.25	0

Farm con't		
	Full	1/2
43	0.50	0
44	0.25	0
45	0.50	0
46	0.50	0
47	0.50	0
48	1.75	0
49	0.50	0
50	0.50	0
51	0.75	0
52	0.25	0
53	0.25	0
54	0.50	0
55	0.50	0
56	1.25	0
57	0.25	0
58	0.25	0
59	0.50	0
60	0.50	0
61	0.50	0
62	0.25	0
63	0.75	0
64	0.75	0
65	0.75	0
66	0.25	0
	34.500	1.6250
	1.00	0.50
	34.5	0.8125

Total Farm 35.3125

Paved	Gravel	Farm
7.7875	7.4500	35.3125
5280	5280	5280
41,118	39,336	186,450
42	35	14
1,726,956	1,376,760	2,610,300
43560	43560	43560
39.65	31.61	59.92
Total Acres		<u>131.18</u>

Retelle, Erin

From: John M. Marshall [JohnMarshall@givenspursley.com]
Sent: Friday, September 09, 2005 2:17 PM
To: Erin Retelle
Subject: RE: Grindstone Butte Water Right

Erin,

Grindstone has not yet finished its review of the road acreage deduction issue. They are having trouble finding the time to address the issue as they have gotten into the harvesting season (beginning with mint a couple of weeks ago). The issue is an important one, and Grindstone believes it can show that fewer deductions for road acreage are warranted. Please allow us until the end of September to complete the analysis and present it to you. If this presents a problem, please let me know.

Thank you,

John

----- Original Message -----

From: JMM
To: Erin Retelle
Sent: 8/15/2005 4:40PM
Subject: Grindstone Butte Water Right

Erin,

As we discussed today, Grindstone Butte Mutual Canal Co. would like additional time to review and respond to the proposed amendment to water right permit 02-2262 as described in your July 21, 2005 letter. Grindstone would like an additional 14 days to respond. Please let me know if this presents a problem.

Thank you,

John

9/12/2005

Retelle, Erin

From: John M. Marshall [JohnMarshall@givenspursley.com]
Sent: Monday, August 15, 2005 4:45 PM
To: Erin Retelle
Subject: Grindstone Butte Water Right

Erin,

As we discussed today, Grindstone Butte Mutual Canal Co. would like additional time to review and respond to the proposed amendment to water right permit 02-2262 as described in your July 21, 2005 letter. Grindstone would like an additional 14 days to respond. Please let me know if this presents a problem.

Thank you,

John

8/15/2005



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

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

July 21, 2005

GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

RE: Water Right Permit Nos. 02-02262 and 02-02314

Dear Permit Holder(s):

Upon further analysis during review of your permits, it was discovered that the field examiner who verified your water use under the permits did not account for the area occupied by roads when determining the total number of acres irrigated within your service area.

In order to account for the roads, Department staff used aerial photos and ArcView GIS. Fifteen 40-acre tracts with various numbers of roads running along whole sides were selected from within the service boundary. The irrigated acreages of these tracts were determined, and then averaged. Using these acreages, it was estimated that each full side of a 40-acre tract bounded by a road reduced the irrigated acreage of that tract by 0.75 acres. Every 40-acre tract within the service boundary was then evaluated for the number of roads surrounding it. This process has resulted in a reduction of 340.5 irrigated acres to be licensed. Roads overlapped by the service boundary were not included in the count. Attached is a spreadsheet detailing the process.

I have enclosed a revised Application for Amendment form depicts the elements of the water right as they will appear on the license when it is issued. Please review the amendment form carefully. If you concur with the information presented, please sign the form and return it within 14 days. The revised amendment form will be considered a replacement for the one that was already submitted, so no additional fee is necessary.

If you have any questions, please call me at (208) 287-4949 or e-mail erin.retelle@idwr.idaho.gov.

Sincerely,

Erin Retelle
Water Resource Agent

Enclosures: 2

MEMORANDUM

Date: July 18, 2005
To: Water Right File 2-2262
From: eretelle
Re: subtraction of roads

During an IDWR meeting held July 1, it was decided that the acreage within the digital boundary should be reduced by the omission of roads.

Using aerial photos from the 1970s, 1990s and 2000s, I chose 15 40-acre tracts with various numbers of roads along whole sides. Using ArcView, GIS, I determined the acreage of these 15 QQ sections. Using these acreages, I was able to estimate that each full side of a 40-acre tract that had a road reduced the acreage by 0.75 acres.

I then evaluated every QQ section within the digital boundary and created the attached spreadsheet. Roads that touched the digital boundary itself were not included.

This process results in a 340.5-acre reduction on the license.

13,563 acres - 340.5 acres = 13,222.5 acres
13,222 acres x 4.0 af/acre = 52,890 af/year
Diversion rate unchanged (system capacity)

Township/Range	Section	number of QQ roads
6S9E	22	1.5
6S9E	23	13.5
6S9E	24	6
6S10E	30	11
6S9E	25	32
6S9E	26	22
6S9E	27	8
6S9E	28	1
6S9E	33	1.5
6S9E	34	6
6S9E	35	10
6S9E	36	26.5
6S10E	31	28
6S10E	32	8
7S10E	4	14
7S10E	5	19
7S10E	6	11
7S9E	1	8
7S9E	2	1
7S9E	3	0
7S9E	10	1
7S9E	11	10.5
7S9E	12	4
7S10E	7	3
7S10E	8	24
7S10E	9	30
7S10E	10	8
7S10E	15	23
7S10E	16	26
7S10E	17	2.5
7S10E	18	3
7S9E	13	0
7S10E	20	2
7S10E	21	9
7S10E	22	15
7S10E	23	21
7S10E	26	12
7S10E	27	15
7S10E	28	10
7S10E	29	5
7S10E	34	2
TOTAL ROADS		454

x .75 ACRES PER ROAD

340.5 ACRES

MEMORANDUM

Date: June 08, 2005
To: Water Right File 2-2262
From: eretelle
Re: digital boundary

After Grindstone Butte reviewed the digital boundary, they questioned the following.

A) T6S, R10E, Sec 30 - why is the NE corner of the field left out?

B) T6S, R10E, Sec 32 - why does the irrigation extend to the east outside the boundary?

C) T7S, R9E, Sec 9 & 10 - there was once a pivot sprinkler north of the boundary, can it be included?

A) The corner of the field was included in the boundary

B) The boundary cannot include where the irrigation extends because it is on federal land

C) I examined aerial photography from the 1970s, 1990s and 2000s and found no evidence of pivot irrigation in the sections described. Furthermore, the topographic map shows a steep area immediately north of the boundary where a pivot would be difficult to place.

The allowable irrigated acres were not changed because the corner of the field mentioned in (A) was not irrigated in the 1970s and 1990s air photos and was therefore not included in use developed during the development period.

GIVENS PURSLEY LLP

LAW OFFICES

601 W. Bannock Street
PO Box 2720, Boise, Idaho 83701
TELEPHONE: 208 388-1200
FACSIMILE: 208 388-1300
WEBSITE: www.givenspursley.com

JOHN M. MARSHALL
DIRECT DIAL: (208) 388-1270
EMAIL: johnmarshall@givenspursley.com

Gary G. Allen
Kelly T. Barbour
Christopher J. Beeson
William C. Cole
Michael C. Creamer
Thomas E. Dvorak
Roy Lewis Eiguren
Timothy P. Fearnside
Jeffrey C. Fereday
Steven J. Hippler
Karl T. Klein
Debora K. Kristensen
Anne C. Kunkel
Jeremy G. Ladle

Franklin G. Lee
David R. Lombardi
D. David Lorello, Jr.
Emily A. MacMaster
John M. Marshall
Kenneth R. McClure
Kelly Greene McConnell
Cynthia A. Melillo
Christopher H. Meyer
L. Edward Miller
Patrick J. Miller
Judson B. Montgomery
Angela K. Nelson
Deborah E. Nelson

W. Hugh O'Riordan, LL.M.
Michael C. Orr
Kenneth L. Pursley
Bradley V. Sneed
H. Barton Thomas, LL.M.
J. Will Varin
Conley E. Ward
Robert B. White

Raymond D. Givens
RETIRED

James A. McClure
RETIRED

May 26, 2005

Erin Retelle
Idaho Department of Water Resources
1301 N. Orchard Street
P.O. Box 83720
Boise, ID 83720-0098

RECEIVED
MAY 27 2005
Department of Water Resources

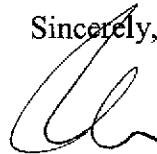
Re: Grindstone Butte Water Rights
GP File No. 2988-12

Dear Erin:

Enclosed please find the executed Application for Amendment for Water Right No. 2-02262, together with a check in the amount of \$50.00 which represents the fee for filing same. Please file the original and call me if you have any questions.

Thank you for your assistance with this matter.

Sincerely,



John M. Marshall

JMM/tma
Enclosure

S:\CLIENTS\2988\12\JMM to Erin Retelle re executed application for amendment.DOC

DESCRIPTION

AMOUNT

05/26/05	Filing fee for Application for Amendment for Water Right No 2-02262 2988-12	\$50.00
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MAY 27 2005

Law Offices - GIVENS PURSLEY LLP - Boise, Idaho 83701

No 14045

PLEASE DETACH AND RETAIN THIS STATEMENT • ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED ABOVE.

Idaho Department of Water Resources Receipt

Receipt ID C078083

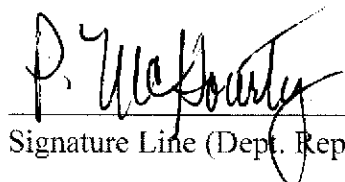
Payment Amount	\$50.00	Date Received	5/27/2005 9:50:42 AM	Region	State	Status
Payment Type	Check	Check Number	14045			

Payer GIVENS PURSLEY LLP

Comment FILING FEE APP FOR AMEND OF WATER RIGHT NO 2-02262

Fee Detail

Amount	Description	Fund	FD	PCA	SO
\$50.00	AMENDMENTS	0229	21	56105	1155



Signature Line (Dept. Representative)

Retelle, Erin

From: John M. Marshall [JohnMarshall@givenspursley.com]
Sent: Wednesday, May 25, 2005 10:27 AM
To: erin.retelle@idwr.idaho.gov
Subject: Right 02-2262 (Grindstone Butte)

Erin:

The folks at Grindstone Butte are getting together this Thursday for a final review of the place of use map you had prepared for right 02-2262. I'll be in touch after the meeting so you can finalize processing of the license. Call if you have any questions.

Thanks,

John Marshall

5/25/2005

Retelle, Erin

From: John M. Marshall [JohnMarshall@givenspursley.com]
Sent: Friday, May 06, 2005 9:40 AM
To: erin.retelle@idwr.idaho.gov
Subject: Grinstone Permit

Erin:

Thanks for the call today. After we spoke, I noticed your letter to Grindstone requesting the application for amendment within 14 days is dated April 21, 2005, which makes our timeframe for responding May 5, 2005. Consequently, I am writing to request another 14 days for Grindstone to review its files to confirm the proposed amendment. Please call me if you have any questions.

- John Marshall
Givens Pursley LLP

5/9/2005



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

April 21, 2005

GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

RE: Water Right Permit Nos. 02-02262 and 02-02314

Dear Permit Holder(s):

The Department of Water Resources is reviewing Permit 02-2262 prior to issuing a water right license. By issuing a license, the Department confirms the extent of development that has been established in compliance with the terms of the permit. The examiner who verified your water use reported that the place of use was developed differently than described on your permits. Changes that do not increase the authorized use of water under the permits can be requested and approved in accordance with Section 42-211, Idaho Code. Before a license can be issued, your permits must be amended to depict your water use as it was actually developed.

The enclosed Application for Amendment form depicts the elements of the water right as they will appear on the license when it is issued. Please review the amendment form carefully. If you concur with the information presented, please sign the form and return it with the \$50.00 filing fee within 14 days.

During review of your permit, it was discovered that the water use developed under permits 02-02262 and 02-02314 can be covered by one license (02-02262) if Permit 02-02262 is amended. Once Permit 02-02262 is amended, and the license is issued, the most straightforward step would be to relinquish permit 02-02314. I will enclose a relinquishment form with License 02-02262. If you do not relinquish the permit, it will be voided because there is no development of a beneficial use that is not already covered under another water right.

If you have any questions, please call me at (208) 287-4949 or e-mail erin.retelle@idwr.idaho.gov.

Sincerely,

Erin Retelle
Water Resource Agent

Enclosure: 1

MEMORANDUM

Date: April 15, 2005
To: Water Right File 2-2262
From: eretelle
Re: license review

consolidation of 2 rights:

All 13,562.8 acres of beneficial use for 02-2262 and 02-2314 should be covered under 02-2262.

02-2262 has enough acres permitted for no enlargement (18,120), enough diversion rate and it is the senior right. The rights have the same PoD and system.

Proof was submitted for 02-2314 on 6-1-87 and 02-2262 on 2-5-87.

I am confident the development under 02-2314 was not accomplished between 2-5-87 and 6-1-87, but was completed at the same time as development under 02-2262. The requests for extension of time cited the same reason for development not completed (lands not opened for entry) and the field exams were conducted together.

System capacity is 180.9, rounded to 181

Total acres were calculated with ArcView using the area digitized by Cynthia Bridge-Clark from the 1987 imagery and field exam. The total irrigated acres are 13,562.8, rounded to 13,563 acres.

Volume was calculated by multiplying the 4 af/a standard by 13,563 acres, then rounding to 54,300 af.

Rights are senior to Minimum in Stream flow rights. no WB9.



State of Idaho

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DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

December 20, 2004

GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

**RE: FINAL PAYMENT FOR RENTAL OF WATER FROM SNAKE RIVER THROUGH
THE WATER SUPPLY BANK. WATER RIGHT NO. 2-2262**

Dear Lessor,

All or portions of the water rights referenced above were leased to the Water Supply Bank ("bank") during the 2004 irrigation season in accordance with Agreement No. 1425-04-WL-10-00011 ("Agreement") between you and the United States Bureau of Reclamation ("Reclamation"). The Idaho Department of Water Resources ("department") has invoiced Reclamation for the funds associated with the second and final payment. Upon receipt, the Controller's office will issue a state warrant in the amount of **\$790,600.50** to be sent directly to the address identified on the Internal Revenue Service W-9 form submitted with the application to lease water rights to the bank.

Payment for rental of the right(s) from the bank was contingent upon the determination that the acres associated with the rental application had a valid Snake River water right(s), and that they qualified for payment as provided in Contract no. 1425-04-WL-10-0023 between Reclamation and the Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004 ("Contract").

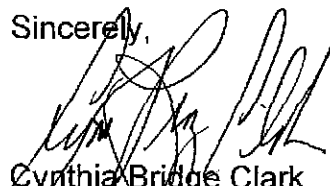
The Agreement and Contract specify that one half of the estimated payment will be paid on or around July 30, 2004, and the second half shall be issued after the irrigation season has ended and verification of compliance with the Agreement is complete. In a letter dated March 31, 2004, you requested that a single payment be issued after January 3, 2004 and before January 7, 2004. Reclamation approved a change in the payment schedule to provide for a single payment to be issued after December 31, 2004. The total payment was calculated based on the total number of acres determined to be eligible for payment times \$150.00 per acre idled minus a ten percent (10%) administrative fee as provided in the Water Supply Bank rules.

The enclosed map identifies the eligibility status of the lands as evaluated by the department. It indicates whether the lands were determined to be eligible or ineligible for payment. Below is a summary of the payments to Grindstone Butte Mutual Canal Co for the rental of the referenced water rights from the bank:

Contracted Idled Acres (ac)	Eligible Idled Acres (End of irr season)	Acres Ineligible for Payment	Payment Rate (price/ac)	Payment(s) to Lessor		
				Payment 1 (50%)	Payment 2 (remainder)	Total Payment
5856.3	5856.3	0.0	\$150.00	\$0.00	\$790,600.50	\$790,600.50

This payment, in the amount of \$790,600.50, is considered to be the final payment for the rental of water rights for the 2004 irrigation season. If you have questions, please feel free to contact the department.

Sincerely,



Cynthia Bridge Clark
Associate Engineer
Water Allocations Bureau

Enclosure

c: IDWR Regional Office

E. Gail McGarry
Program Manager, Water Rights & Acquisition
Bureau of Reclamation
1150 N Curtis, Suite 100
PN 3100
Boise ID 83706-1234



Water right boundaries identify the quarter quarters within the lease, but do not indicate the number of acres authorized.



Landsat 5 Satellite Image: 09-09-2004



ELIGIBLE

INELIGIBLE

Wtr Permit 2-2262

Wtr Permit 2-2314

Township/Range Lines

Section Lines

Quarter/Quarter Lines



GIS/Remote Sensing
Idaho Department of Water Resources
322 East Front Street
Boise, Idaho 83702
208.287.4800
www.idwr.idaho.gov
Prepared by: M. Williams

Grindstone Butte Mutual Canal Company
2004 Snake River Pilot Leasing Program
Rental of Water from the Water Supply Bank
Prepared: December 14, 2004

Total Number of Eligible Acres for Lease: 5856.3 acres

0 9000 Feet

Final Determination of Eligible Acres

MEMORANDUM

To: Debbie Allen

From: Cynthia Bridge Clark

Date: December 15, 2004

Re: INVOICE TO USBOR AND PAYMENT OF LESSORS PARTICIPATING IN THE 2004 SNAKE RIVER PILOT LEASING PROGRAM FOR RENTAL OF WATER FROM THE WATER SUPPLY BANK. WATER RIGHT NOS. 2-10205, 2-2159, 2-2354, 2-7184, 2-7229, 2-7284, 2-2386, 2-2387, 2-2388, 2-7148, 2-2279, 2-7012, 2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001, 2-2371, 2-2372, 2-2262, 2-2145, 2-7144, 2-2443, 2-7030, 2-7068, 2-7076, 2-7132, 2-2198, 2-2191, 2-2370, 2-2194A, 2-2194B, 2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218, 2-2210, 2-2269, 2-2367, 2-2379, 2-2298, 2-2376, AND 2-7182

The following information is provided in order to invoice the United States Bureau of Reclamation (Reclamation) for the rental of water rights from the State Water Supply Bank (bank) in accordance with the Contract No. 1425-04-WL-10-0023 between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004 (Contract).

Under section II.C.1, the Contract specifies that payment to the individual lessors will be issued at a pay rate per acre identified in the individual agreements (Agreements) between Reclamation and the lessors minus ten percent (10%) to be credited to the Water Administration Account as provided in the Water Supply Bank rules (*IDAPA 37.02.035.01*). The individual Agreements provide that one half of the estimated payment will be paid on or around July 30, 2004, and balance shall be issued after the irrigation season has ended and verification of the Program compliance is complete. The Contract specifies that the department shall invoice Reclamation for each payment to the lessors plus the associated 10% for the Water Administration Account.

Reclamation issued an amendment to the Contract to authorize a payment date later than the schedule identified in the individual Agreements. The following are lessors have requested special payment considerations:

1. Farm Development Corp. and Sail Creek Water Co. requested a single payment after the end of the irrigation season. The full payment for these entities should be invoiced with the final payment.
2. Grindstone Butte Mutual Canal Co. requested a single payment on or after January 3, 2005 and before January 7, 2005.

3. The Montierth's (listed below) own the rights leased to the bank jointly, and have requested that fifty percent of the payment be issued to Herbert and the remaining fifty percent to Edward Ray Montierth. The payment is split accordingly in the table below (the first payment was also split).

Please let me know if the state is unable to issue a warrant on the specified dates and I will notify the entities.

The first payment was invoiced in mid-July, 2004, and calculated based on 50% of the estimated final payment in accordance with the Contract. All of the entities were issued this first payment with the exception of the three entities who requested that a single payment be issued after the end of the irrigation season. All of the lessors will be issued the remainder of the total payment in accordance with the amounts listed below.

The attached tables (Table I & II) identify the participating lessors, contract numbers, acres idled, and summarize the total payment amounts.

Summary

The following lessors will be issued warrants for the second and/or final payment in the amounts listed below. The corresponding administrative fees are referenced, as well as the total amount to be requested from Reclamation for Payment 2.

LESSOR	Payment 2 To Lessor <i>(90% Payment 2)</i>	Administrative Fee <i>(10% Payment 2)</i>
Bell Rapids Mutual Irrigation Co.	\$157,119.75	\$17,457.75
Bergh Farms	\$29,981.34	\$3,331.26
Clover Hollow LLC	\$194,955.84	\$21,661.76
Dirks, Robert	\$12,451.19	\$1,383.47
Falcon Butte Farms, Inc.	\$216,246.06	\$24,027.34
Farm Development Corp.	\$16,686.00	\$1,854.00
Grindstone Butte Mutual Canal CO	\$790,600.50	\$87,844.50
Huey Farms, Inc.	\$39,552.80	\$4,394.76
Kitsos, Constantine	\$3,530.25	\$392.25
Little Valley Mutual Irrigation Company	\$54,985.50	\$6,109.50
Mills, James	\$17,435.25	\$1,937.25
Montierth, Herbert	\$24,463.19	\$2,718.13
Montierth, Edward Ray	\$24,463.19	\$2,718.13
Murphy Flats Water Company, Inc.	\$36,308.25	\$4,034.25
Rosti, Martha	\$7,519.50	\$835.50
Sailor Creek Water Company	\$117,558.00	\$13,062.00
South Elmore Irrigation Company	\$307,685.70	\$34,187.30
Terry Ketterling (TLK Farms, Inc.)	\$36,124.20	\$4,013.80
Young, Roger	\$26,352.00	\$2,928.00

TOTALS: \$2,114,018.51 \$234,890.95

Total Invoice to Reclamation for Payment 2: \$2,348,909.45

**2004 SNAKE RIVER PILOT LEASING PROGRAM
RENTAL OF WATER FROM THE WATER SUPPLY BANK**

**INVOICE TO U.S. BUREAU OF RECLAMATION
FOR FINAL LESSOR PAYMENT**

TABLE I: CONTRACT & FINAL ACREAGE SUMMARY

LESSOR	AGREEMENT BETWEEN LESSORS AND USBOR ¹				TOTAL IDLED ACRES ²		RENTED WATER RIGHT(S)
	Agreement No.	Contracted Idled Acres (ac)	Payment Rate (price/ac)	Estimated Total Payment by Reclamation	Eligible Idled Acres (End of Irr. Season)	Acres Ineligible for Payment	
Bell Rapids Mutual Irrigation Co.	1425-04-WL-10-00012	2405.9	\$150.00	\$360,885.00	2366.8	39.1	2-10205
Bergh Farms	1425-04-WL-10-00004	477.6	\$139.50	\$66,625.20	477.6	0.0	2-2159, 2-2354, 2-7184, 2-7229, 2-7284
Clover Hollow, LLC.	1425-04-WL-10-00002	3122.4	\$139.00	\$434,013.60	3119.6	2.8	2-2386, 2-2387, 2-2388, 2-7148
Dilks, Robert	1425-04-WL-10-00007	185.7	\$148.00	\$27,669.30	185.7	0.0	2-2279, 2-7012
Falcon Butte Farms, Inc.	1425-04-WL-10-00001	4072.2	\$111.50	\$454,050.30	4072.2	0.0	2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001
Falcon Butte Farms, Inc.	1425-04-WL-10-00001	197.0	\$134.50	\$26,496.50	197.0	0.0	
Farm Development Corp.	1425-04-WL-10-00013	123.6	\$150.00	\$18,540.00	123.6	0.0	2-2371, 2-2372
Grindstone Butte Mutual Canal CO	1425-04-WL-10-00011	5856.3	\$150.00	\$878,445.00	5856.3	0.0	2-2262
Huey Farms, Inc.	1425-04-WL-10-00006	589.9	\$149.00	\$87,895.10	589.9	0.0	2-2361, 2-7001
Klison, Constantine	1425-04-WL-10-00018	52.3	\$150.00	\$7,845.00	52.3	0.0	2-2145, 2-7144
Little Valley Mutual Irrigation Company	1425-04-WL-10-00016	814.6	\$150.00	\$122,190.00	814.6	0.0	2-2443, 2-7030, 2-7068
Mills, James	1425-04-WL-10-00017	258.3	\$150.00	\$38,745.00	258.3	0.0	2-7076, 2-7132
Monterth, Herbert, Edward Ray & Susan	1425-04-WL-10-00008	729.7	\$149.00	\$108,725.30	729.7	0.0	2-2198, 2-2191
Murphy Flats Water Company, Inc.	1425-04-WL-10-00015	537.9	\$150.00	\$80,685.00	537.9	0.0	2-2361, 2-2370, 2-7001
Rosti, Martha	1425-04-WL-10-00010	111.4	\$150.00	\$16,710.00	111.4	0.0	2-2194A, 2-2194B
Sailor Creek Water Company	1425-04-WL-10-00009	870.8	\$150.00	\$130,620.00	870.8	0.0	2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218
South Elmore Irrigation Company	1425-04-WL-10-00005	4883.9	\$140.00	\$683,746.00	4883.9	0.0	2-2210, 2-2269, 2-2367
TLK Farms, Inc.	1425-04-WL-10-00003	573.4	\$140.00	\$80,276.00	573.4	0.0	2-2379
Young, Roger	1425-04-WL-10-00014	390.4	\$150.00	\$58,560.00	390.4	0.0	2-2298, 2-2376, 2-7182
TOTALS:		26253.3		\$3,682,722.30	26211.4	41.9	

¹ The "Agreement" represents the Water Rental and Forbearance Agreement entered into between the United States Bureau of Reclamation ("Reclamation") and the individual Lessors. The Contracted Acres Idled and the Payment Rate represent the number of acres to be idled and the payment per acre agreed upon between the Lessors and Reclamation. The Estimated Total Payment by Reclamation is based on the Contracted Idled acres times the Payment Rate.

² The Eligible Idled Acres represent the total number of acres determined to be eligible for payment at the end of the irrigation season based on the criteria set forth in the Contract between Reclamation and the Department of Water Resources ("IDWR") to implement the rental of water rights from the Snake River ("Contract"). Acres determined to be ineligible for payment were observed to have been irrigated during the 2004 irrigation season, or did not meet the original eligibility criteria defined in the Lessor's Agreements and IDWR's Contract.

TABLE II: PAYMENT SUMMARY¹

LESSOR	PAYMENT 1 ²		Administrative Fee (10% Payment 1)	Total Payment 2 by Reclamation (Remainder of Total)	PAYMENT 2 ³		TOTAL PAYMENTS		
	Total Payment 1 by Reclamation (60% of Estimated Total)	Payment 1 To Lessor (90% Payment 1)			Total Payment 2 by Reclamation (Remainder of Total)	Payment 2 To Lessor (90% Payment 2)	Administrative Fee (10% Payment 2)	Total Payment to Lessor	Administrative Fee
Bell Rapids Mutual Irrigation Co.	\$180,442.50	\$162,398.25	\$18,044.25	\$174,577.50	\$157,119.75	\$17,457.75	\$319,518.00	\$35,502.00	\$355,020.00
Bergh Farms	\$33,312.60	\$29,981.34	\$3,331.26	\$33,312.60	\$29,981.34	\$3,331.26	\$59,962.68	\$6,662.52	\$66,625.20
Clover Hollow LLC	\$217,006.80	\$195,306.12	\$21,700.68	\$216,617.60	\$194,955.84	\$21,661.76	\$390,261.96	\$43,362.44	\$433,624.40
Dirks, Robert	\$13,834.65	\$12,451.19	\$1,383.47	\$13,834.65	\$12,451.19	\$1,383.47	\$24,902.37	\$2,766.93	\$27,669.30
Falcon Butte Farms, Inc.	\$240,273.40	\$216,246.06	\$24,027.34	\$240,273.40	\$216,246.06	\$24,027.34	\$432,492.12	\$48,054.68	\$480,546.80
Farm Development Corp.	\$0.00	\$0.00	\$0.00	\$18,540.00	\$16,686.00	\$1,854.00	\$16,686.00	\$1,854.00	\$18,540.00
Grindstone Butte Mutual Canal CO	\$0.00	\$0.00	\$0.00	\$878,445.00	\$790,600.50	\$87,844.50	\$790,600.50	\$87,844.50	\$878,445.00
Huey Farms, Inc.	\$43,947.55	\$39,552.80	\$4,394.76	\$43,947.55	\$39,552.80	\$4,394.76	\$79,105.59	\$8,789.51	\$87,895.10
Kitsos, Constantine	\$3,922.50	\$3,530.25	\$392.25	\$3,922.50	\$3,530.25	\$392.25	\$7,060.50	\$784.50	\$7,845.00
Little Valley Mutual Irrigation Company	\$61,095.00	\$54,985.50	\$6,109.50	\$61,095.00	\$54,985.50	\$6,109.50	\$109,971.00	\$12,219.00	\$122,190.00
Mills, James	\$19,372.50	\$17,435.25	\$1,937.25	\$19,372.50	\$17,435.25	\$1,937.25	\$34,870.50	\$3,874.50	\$38,745.00
Montierth, Herbert, Edward & Susan	\$54,362.65	\$48,926.39	\$5,436.27	\$54,362.65	\$48,926.39	\$5,436.27	\$97,852.77	\$10,872.53	\$108,725.30
Murphy Flats Water Company, Inc.	\$40,342.50	\$36,308.25	\$4,034.25	\$40,342.50	\$36,308.25	\$4,034.25	\$72,616.50	\$8,068.50	\$80,685.00
Rosti, Martha	\$8,355.00	\$7,519.50	\$835.50	\$8,355.00	\$7,519.50	\$835.50	\$15,039.00	\$1,671.00	\$16,710.00
Sailor Creek Water Company	\$0.00	\$0.00	\$0.00	\$130,620.00	\$117,558.00	\$13,062.00	\$117,558.00	\$13,062.00	\$130,620.00
South Elmore Irrigation Company	\$341,873.00	\$307,685.70	\$34,187.30	\$341,873.00	\$307,685.70	\$34,187.30	\$615,371.40	\$68,374.60	\$683,746.00
Terry Katterling (TLK Farms, Inc.)	\$40,138.00	\$36,124.20	\$4,013.80	\$40,138.00	\$36,124.20	\$4,013.80	\$72,248.40	\$8,027.60	\$80,276.00
Young, Roger	\$29,280.00	\$26,352.00	\$2,928.00	\$29,280.00	\$26,352.00	\$2,928.00	\$52,704.00	\$5,856.00	\$58,560.00
	\$1,327,558.65	\$1,194,802.79	\$132,755.87	\$2,348,909.45	\$2,114,018.51	\$234,890.95	\$3,308,821.29	\$367,646.81	\$3,676,468.10

¹ As stipulated in the Contract between Reclamation and the Department of Water Resources, two payments will be issued to all of the lessors unless otherwise requested by the lessor. The first payment shall include one half of the Total Payment to Lessor on or around July 1, 2003, and the second payment will be issued after the irrigation season has ended for the remainder of the Total Payment to Lessor. Prior to making the payments to the lessors, IDWR will invoice Reclamation for the payment including the associated 10% for state Administrative Fees. Three of the lessors requested in writing that a single payment be issued after the end of the irrigation season. These include Farm Development Corporation, Grindstone Butte Mutual Canal Company, and Sailor Creek Water Company. These entities were not issued a first payment. The Total Payment to Lessor is based on ninety percent (90%) of the Eligible Idled Acres times the Individual Payment Rate. The remaining ten percent (10%) is retained for Administrative Fees.

² Total Payment 1 by Reclamation was calculated based on one half (50%) of the Estimated Total Payment by Reclamation. (For the purposes of the first payment, all of the contracted acres were considered to have been left idle in accordance with criteria set forth in the Lessor Agreements. This was based in part on satellite imagery collected on May 4, 2004.) Payment 1 to Lessor represents ninety percent (90%) of the Total Payment 1, while the Administrative Fee represents remaining ten percent (10%). Total Payment 1 = (Estimated Idled Acres) x (Payment Rate per Acre) x (50%); Payment 1 to Lessor = (Total Payment 1) x (90%)

³ Total Payment 2 by Reclamation was calculated based on the remainder of the total payment due from Reclamation: Eligible Idled Acres times the Payment Rate minus Total Payment 1. Total Payment 2 = (Eligible Idled Acres) x (Payment Rate) - (Total Payment 1); Payment 2 to Lessor = (Total Payment 2) x (90%)

MEMORANDUM

To: Glen Saxton, Hal Anderson, Jeff Peppersack

From: Cynthia Bridge Clark

Date: December 15, 2004

Re: INVOICE TO USBOR FOR SECOND PAYMENT TO LESSORS PARTICIPATING IN THE 2004 SNAKE RIVER PILOT LEASING PROGRAM FOR RENTAL OF WATER FROM THE WATER SUPPLY BANK. WATER RIGHT NOS. 2-10205, 2-2159, 2-2354, 2-7184, 2-7229, 2-7284, 2-2386, 2-2387, 2-2388, 2-7148, 2-2279, 2-7012, 2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001, 2-2371, 2-2372, 2-2262, 2-2145, 2-7144, 2-2443, 2-7030, 2-7068, 2-7076, 2-7132, 2-2198, 2-2191, 2-2370, 2-2194A, 2-2194B, 2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218, 2-2210, 2-2269, 2-2367, 2-2379, 2-2298, 2-2376, AND 2-7182

The following is a summary of the number of acres eligible for the second and final payment from the Water Supply Bank (bank) under the Snake River Pilot Leasing Program for 2004. Payments will be issued in accordance with the Contract number 1425-04-WL-10-0023 (Contract) between the United States Bureau of Reclamation (Reclamation) and the Idaho Department of Water Resources (IDWR) to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004 (Program).

Payment

Under section II.C.1, the Contract specifies that payment to the individual lessors will be issued at a pay rate per acre identified in the individual agreements (Agreements) between Reclamation and the lessors minus ten percent (10%) to be credited to the Water Administration Account as provided in the Water Supply Bank rules (*IDAPA 37.02.035.01*). The individual Agreements provide that one half of the estimated payment will be paid on or around July 30, 2004, and balance shall be issued after the irrigation season has ended and verification of the Program compliance is complete. The Contract specifies that IDWR shall invoice Reclamation for each payment to the lessors plus the associated 10% for the Water Administration Account.

Grindstone Butte Mutual Canal Company, Farm Development Corp., and Sailor Creek Water Company provided written requests to receive a single payment after the end of the irrigation season. Reclamation issued a contract amendment in a letter to the department, PN-3100, WTR-4.10, to authorize the change in payment schedule. Additionally, Grindstone Butte Mutual Canal Company specified in their request that the single payment be issued on or after January 3 and before January 7, 2004. Bergh Farms and Clover Hollow, LLC requested the final payment be issued on or about December 28 or 29, 2004.

Reclamation was invoiced for the first payment in mid-July, 2004. The payment was calculated based on 50% of the estimated total payment in accordance with the Contract. All of the lessors were issued this first payment with the exception of the three entities described

above, and the remainder will be issued in this second and final payment in accordance with the amounts listed on the attached Payment Summary (Table II).

Monitoring and Compliance

Section II.D.2 of the Contract indicates that monitoring compliance with the Agreements, will include review of satellite data and field visits to confirm the leased lands are not being irrigated. The department visited all of the fields identified on the contracts between June 8 and June 22, 2004, and four infrared satellite images, flown May 4, June 21, July 23, and September 9, 2004, were ordered for review of compliance. A large percentage of the lands had cover crops this year, and some of the crops were well developed due to rain in the early part of the season. Assessment of water use was difficult in some cases, particularly on lands benefiting from drainage from other fields. Site visits were used to verify whether water use was evident, field terrain, the presence of irrigation equipment, and to observe the difference between the dry land cover crops and those being irrigated. In most cases vegetative growth on the idled lands were less developed, varied, stressed, or experiencing heavy weed growth and volunteer crops from previous years including alfalfa, wheat/grain and kochia. Many of the fields had been recently cut for weed control.

Watering was not observed on any of the contracted lands during the field visits. However, the following acres were determined to be either ineligible for payment or required additional review to establish compliance:

1. A bean crop was observed on a 39.1-acre field in the Bell Rapids Irrigation Company. Though the field appeared to be dry during the site visit, detached hand lines were positioned across the field. The company confirmed the field was being irrigated and that the field was identified incorrectly on the original application and final contract. Upon request by the company to swap the acres for other idled lands, Reclamation stated by e-mail (July 19, 2004, see attached) that the acres should be declared ineligible for payment since the deadline for submittal of proposed lands had passed and the Agreement was executed. The ineligible acres were included in the first payment to Bell Rapids, but have been subtracted from the final payment (original contract for \$360,885.00, reduced by \$5,865.00 to \$355,020.00).
2. As part of the application review process, the department provided acreage measurements for the proposed fields to Reclamation (see signed maps attached to Agreements between the lessors and Reclamation). Clover Hollow, LLC removed a couple of fields from the program during the signing of the Agreement and estimated the revised size of a field in the southwest quarter of section 5, T5S, R7E, B.M. The field was estimated to be 135.9 acres. The idled lands were later measured by the department using available imagery to be 133.1 acres. In accordance with part IB. of the Agreement, the total number of eligible acres was reduced by 2.8 acres.
3. Potential irrigation activity on a field owned by Roger Young in the northeast and southeast quarters of section 35, T5S, R5E, B.M. was identified upon review of the four available satellite images. Mr. Young contracted with Reclamation to idle lands associated with a total of five adjacent pivots. Imagery indicated that vegetation growth on the western most pivot progressed significantly by the September 9, 2004 image.

A cover crop of wheat and some weeds were observed on this pivot during the field visit on June 9, 2004. A pivot was in place on the field running southwest from the center point, but was not in operation. The other fields were also dry with cut grain and alfalfa.

Mr. Young was contacted for information regarding activity on the western most pivot. He stated that the field was planted in potatoes during the 2003 irrigation season. The crop was cleared by late September and watered heavily in the fall to prepare a wheat crop. Mr. Young noted that he had not planned to participate in the leasing program at that point in time. The field was seeded with forty pounds of wheat per acre, and the crop was left uncut and unsprayed during the 2004 season because he intended to obtain a grazing contract. The grazing did not take place, and weeds such as, Russian thistle and possibly Kochia, spread heavily. He also stated that the pivot had been left at approximately 200 degrees from true North after preparing the field for the wheat crop, but was moved around July to about 90 to 100 degrees to protect against winds coming from the northwest.

Mr. Young stated that a hay crop was harvested from some of the other fields seeded in new alfalfa in 2003 that was crowded out by volunteer wheat. The southwestern pivot was left with grain stubble. He agreed to provide an affidavit or map describing the crop and harvest activity on all of the pivots in the 2003 and 2004.

The department reviewed other available photography of the fields, including high resolution NAIP Imagery flown in July of 2004. There is no indication of pivot tire tracks on the western most pivot. The location of the pivot during the field visit is consistent with Mr. Young's description (approximately 200 degrees from north), and appears to have moved by the time the NAIP Image was flown. Pictures from the original field visit in June show what appear to be Russian thistle and Kochia growing within the wheat crop. Kochia is known for being a very drought tolerant plant with a deep taproot. It spreads rapidly and is effective in competing for light, nutrients and soil moisture, and can be a problem for late-maturing crops or fallow lands. Russian thistle has similar characteristics. The presence of such weeds and lack of herbicide may explain the appearance of vegetative growth in the late season infrared image.

Available data suggests that heavy weed growth and spring precipitation could account for the activity highlighted in the infrared imagery. There isn't any other information available to indicate the lands were irrigated during the 2004 irrigation season. Gail McGarry was notified by telephone on December 14, 2004 that the department intends to recommend payment for the identified lands.

Summary

The attached tables (Table I & II) identify the participating lessors, contract numbers, acres idled, and summarizes the total payment amounts.

Reclamation should be invoiced, and the lessors issued warrants for the second and/or final payment in the amounts listed in the Payment Summary, Table II. The corresponding administrative fees are referenced, as well as the total amount to be requested from Reclamation for Payment 2.

**2004 SNAKE RIVER PILOT LEASING PROGRAM
RENTAL OF WATER FROM THE WATER SUPPLY BANK**

**INVOICE TO U.S. BUREAU OF RECLAMATION
FOR FINAL LESSOR PAYMENT**

TABLE I: CONTRACT & FINAL ACREAGE SUMMARY

LESSOR	AGREEMENT BETWEEN LESSORS AND USBOR ¹						RENTED WATER RIGHT(S)
	Agreement No.	Contracted Idled Acres (ac)	Payment Rate (price/ac)	Estimated Total Payment by Reclamation	TOTAL IDLED ACRES ² Eligible Idled Acres (End of Irr. Season)	Acres Ineligible for Payment	
Bell Rapids Mutual Irrigation Co.	1425-04-WL-10-00012	2405.9	\$150.00	\$360,885.00	2366.8	39.1	2-10205
Bergh Farms	1425-04-WL-10-0004	477.6	\$139.50	\$66,625.20	477.6	0.0	2-2159, 2-2354, 2-7184, 2-7229, 2-7284
Clover Hollow, LLC.	1425-04-WL-10-0002	3122.4	\$139.00	\$434,013.60	3119.6	2.8	2-2386, 2-2387, 2-2388, 2-7148
Dirks, Robert	1425-04-WL-10-0007	185.7	\$149.00	\$27,669.30	185.7	0.0	2-2279, 2-7012
Falcon Butte Farms, Inc.	1425-04-WL-10-0001	4072.2	\$111.50	\$454,050.30	4072.2	0.0	2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001
Falcon Butte Farms, Inc.	1425-04-WL-10-0001	197.0	\$134.50	\$26,496.50	197.0	0.0	2-2371, 2-2372
Farm Development Corp.	1425-04-WL-10-00013	123.6	\$150.00	\$18,540.00	123.6	0.0	2-2262
Grindstone Butte Mutual Canal CO	1425-04-WL-10-00011	5856.3	\$150.00	\$878,445.00	5856.3	0.0	2-2301, 2-7001
Huey Farms, Inc.	1425-04-WL-10-0006	589.9	\$149.00	\$87,895.10	589.9	0.0	2-2145, 2-7144
Kitsos, Constanline	1425-04-WL-10-00018	52.3	\$150.00	\$7,845.00	52.3	0.0	2-2443, 2-7030, 2-7068
Little Valley Mutual Irrigation Company	1425-04-WL-10-00016	814.6	\$150.00	\$122,190.00	814.6	0.0	2-7076, 2-7132
Mills, James	1425-04-WL-10-00017	258.3	\$150.00	\$38,745.00	258.3	0.0	2-2198, 2-2191
Montierth, Herbert, Edward Ray & Susan	1425-04-WL-10-0008	729.7	\$149.00	\$108,725.30	729.7	0.0	2-2361, 2-2370, 2-7001
Murphy Flats Water Company, Inc.	1425-04-WL-10-00015	537.9	\$150.00	\$80,685.00	537.9	0.0	2-2194A, 2-2194B
Rosti, Martha	1425-04-WL-10-00010	111.4	\$150.00	\$16,710.00	111.4	0.0	2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218
Sailor Creek Water Company	1425-04-WL-10-0009	870.8	\$150.00	\$130,620.00	870.8	0.0	2-2210, 2-2269, 2-2367
South Elmore Irrigation Company	1425-04-WL-10-0005	4883.9	\$140.00	\$683,746.00	4883.9	0.0	2-2379
TLK Farms, Inc.	1425-04-WL-10-0003	573.4	\$140.00	\$80,276.00	573.4	0.0	2-2298, 2-2376, 2-7182
Young, Roger	1425-04-WL-10-00014	390.4	\$150.00	\$58,560.00	390.4	0.0	
TOTALS:		26253.3		\$3,682,722.30	26211.4	41.9	

¹ The "Agreement" represents the Water Rental and Forbearance Agreement entered into between the United States Bureau of Reclamation ("Reclamation") and the individual Lessors. The Contracted Acres Idled and the Payment Rate represent the number of acres to be idled and the payment per acre agreed upon between the Lessors and Reclamation. The Estimated Total Payment by Reclamation is based on the Contracted Idled acres times the Payment Rate.

² The Eligible Idled Acres represent the total number of acres determined to be eligible for payment at the end of the irrigation season based on the criteria set forth in the Contract between Reclamation and the Department of Water Resources ("IDWR") to implement the rental of water rights from the Snake River ("Contract"). Acres determined to be ineligible for payment were observed to have been irrigated during the 2004 irrigation season, or did not meet the original eligibility criteria defined in the Lessor's Agreements and IDWR's Contract.

TABLE II: PAYMENT SUMMARY¹

LESSOR	PAYMENT 1 ²		PAYMENT 2 ³		TOTAL PAYMENTS	
	Total Payment 1 by Reclamation (50% of Estimated Total)	Administrative Fee (10% Payment 1)	Total Payment 2 by Reclamation (Remainder of Total)	Administrative Fee (10% Payment 2)	Total Payment to Lessor	Total Payment by Reclamation
Bell Rapids Mutual Irrigation Co.	\$180,442.50	\$162,398.25	\$174,577.50	\$157,119.75	\$319,518.00	\$355,020.00
Bergh Farms	\$33,312.60	\$29,981.34	\$33,312.60	\$3,331.26	\$59,962.68	\$66,625.20
Clover Hollow LLC	\$217,006.80	\$195,306.12	\$216,617.60	\$21,661.76	\$390,261.96	\$433,624.40
Dirks, Robert	\$13,834.65	\$12,451.19	\$13,834.65	\$1,383.47	\$24,902.37	\$27,669.30
Falcon Butte Farms, Inc.	\$240,273.40	\$216,246.06	\$240,273.40	\$24,027.34	\$432,492.12	\$480,546.80
Farm Development Corp.	\$0.00	\$0.00	\$18,540.00	\$1,854.00	\$16,686.00	\$18,540.00
Grindstone Butte Mutual Canal CO	\$0.00	\$0.00	\$878,445.00	\$87,844.50	\$790,600.50	\$878,445.00
Huey Farms, Inc.	\$43,947.55	\$39,552.80	\$43,947.55	\$4,394.76	\$79,105.59	\$87,895.10
Kitsos, Constantine	\$3,922.50	\$3,530.25	\$3,922.50	\$392.25	\$7,060.50	\$7,845.00
Little Valley Mutual Irrigation Company	\$61,095.00	\$54,985.50	\$61,095.00	\$6,109.50	\$109,971.00	\$122,190.00
Mills, James	\$19,372.50	\$17,435.25	\$19,372.50	\$1,937.25	\$34,870.50	\$38,745.00
Montierth, Herbert, Edward & Susan	\$54,362.65	\$48,926.39	\$54,362.65	\$5,436.27	\$97,852.77	\$108,725.30
Murphy Flats Water Company, Inc.	\$40,342.50	\$36,308.25	\$40,342.50	\$4,034.25	\$72,616.50	\$80,685.00
Rosti, Martha	\$8,355.00	\$7,519.50	\$8,355.00	\$835.50	\$15,039.00	\$16,710.00
Sailor Creek Water Company	\$0.00	\$0.00	\$130,620.00	\$13,062.00	\$117,558.00	\$130,620.00
South Elmore Irrigation Company	\$341,873.00	\$307,665.70	\$341,873.00	\$34,187.30	\$615,371.40	\$683,746.00
Terry Ketterling (TLK Farms, Inc.)	\$40,138.00	\$36,124.20	\$40,138.00	\$4,013.80	\$72,248.40	\$80,276.00
Young, Roger	\$29,280.00	\$26,352.00	\$29,280.00	\$2,928.00	\$52,704.00	\$58,560.00
	\$1,327,588.65	\$1,194,802.79	\$2,348,909.45	\$234,890.95	\$3,308,821.29	\$3,676,468.10

¹ As stipulated in the Contract between Reclamation and the Department of Water Resources, two payments will be issued to all of the lessors unless otherwise requested by the lessor. The first payment shall include one half of the Total Payment to Lessor on or around July 1, 2003, and the second payment will be issued after the irrigation season has ended for the remainder of the Total Payment to Lessor. Prior to making the payments to the lessors, IDWR will invoice Reclamation for the payment including the associated 10% for state Administrative Fees. Three of the lessors requested in writing that a single payment be issued after the end of the irrigation season. These include Farm Development Corporation, Grindstone Butte Mutual Canal Company, and Sailor Creek Water Company. These entities were not issued a first payment. The Total Payment to Lessor is based on ninety percent (90%) of the Eligible Idled Acres times the individual Payment Rate. The remaining ten percent (10%) is retained for Administrative Fees.

² Total Payment 1 by Reclamation was calculated based on one half (50%) of the Estimated Total Payment by Reclamation. (For the purposes of the first payment, all of the contracted acres were considered to have been left idle in accordance with criteria set forth in the Lessor Agreements. This was based in part on satellite imagery collected on May 4, 2004.) Payment 1 to Lessor represents ninety percent (90%) of the Total Payment 1, while the Administrative Fee represents remaining ten percent (10%). Total Payment 1 = (Estimated Idled Acres) x (Payment Rate per Acre) x (50%); Payment 1 to Lessor = (Total Payment 1) x (90%)

³ Total Payment 2 by Reclamation was calculated based on the remainder of the total payment due from Reclamation: Eligible Idled Acres times the Payment Rate minus Total Payment 1. Total Payment 2 = (Eligible Idled Acres) x (Payment Rate) - (Total Payment 1); Payment 2 to Lessor = (Total Payment 2) x (90%)

Clark, Cynthia (Bridge)

From: Ruth Page [RPAGE@pn.usbr.gov]
Sent: Monday, July 19, 2004 11:14 AM
To: cclark@idwr.state.id.us
Subject: Re: Bells Rapids ineligible field

Hey, welcome back and I hope your vacation was wonderful!

I spoke with Diane and then verified my answer with Gail, but it is to late in the game to be swapping lands. It is very important for the applicants to check, check and recheck the maps. But, mainly it is important to submit the potential eligible lands by the deadline and by allowing them to swap lands now it would be extending the deadline for just them. Also they lands are tied to the contract and the contract has been executed. Gail thought that maybe they could include the lands they want to swap into the exchange. They will lose the 150 on the 39.1 acres since they farmed it, but at least they will make 15 on the other 39.1.

Call me if you want to discuss further.

>>> "Clark, Cynthia (Bridge)" <cclark@idwr.state.id.us> 07/16/04
10:13AM >>>
Gail and Page,

I just got a call from Diane at Bell Rapids regarding the field of beans. They identified the wrong field on the contract and would like to substitute a different 39.1 acres. I to told her she should make a request to change the fields with you because it may require a change or amendment to the contract. I also noted that we would have to verify that the new field meets the eligibility criteria. I assume they would not be able to enter a field that increases the total acres. I will also want to verify that the field they propose to substitute is not in the latest exchange proposal. I told her she should see what you might require, but that I would like to see a request in writing to document the change.

I will plan to pay them in full for all of their acres in the first payment. If the field is not changed, I will deduct the full amount from the final payment.

Gail, Jeff Peppersack will act as a contact if you have any questions about the invoice while I am away.

See you all when I get back.
Thanks,
Cynthia

Cynthia Bridge Clark
Idaho Department of Water Resources
Water Allocation Bureau
(208) 327-7898

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T735

ROGER G. YOUNG FARM T.5S., R.5E. B.M.

Roger & Young
12-17-04

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NORTH 0°

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2003 CROP POTATOES
HARVESTED MID SEPT. 2003
IRRIGATED FOLLOWING HARVEST
UNTIL WATER WAS TURNED OFF
FOR THE SEASON AROUND 10-26-03.
03-12 & 13-04 SPYD ROWS LEVELED
BY SHALLOW DISCING & HARROWING
SAVED MISTURE. 03-19-04 SEEDING
OF WHEAT COVER CROP FINISHED.
PIVOT WAS MOVED BACK & FORTH
180° & 210° FOR BOTH DISCING &
SEEDING. IN AUGUST PIVOT WAS
4 MOVED CCW TO 135°. NOTHING
2283 WAS HARVESTED IN 2004.
AS OF 12-16-04 THIS FIELD COVER
IS HEADED STANDING WHEAT
& WEEDS. NO 2004
IRRIGATION.

2003 CROP - OLD STAND OF
ESTABLISHED ALFALFA &
IRRIGATED IN THE FALL OF 2003.
06-01-04 THRU 06-11-04 HARVESTED
DRYLAND ALFALFA INCLUDING SOUTH CORNER
2003 CROP - WHEAT W/ALFALFA
AFTER HARVEST FIELD WAS IRRIGATED
IN THE FALL OF 2003.
2004 COVER - ALFALFA
06-01-04 THRU 06-11-04 HARVESTED
DRYLAND ALFALFA INCLUDING
SOUTH CORNER.
NO 2004 IRRIGATION

2003 CROP WHEAT W/ALFALFA
AFTER HARVEST FIELD WAS
IRRIGATED IN THE FALL OF 2003.
2004 COVER - ALFALFA
06-01-04 THRU 06-11-04 HARVESTED
DRYLAND ALFALFA INCLUDING
SOUTH CORNERS.
NO 2004 IRRIGATION

2003 CROP - WHEAT
AFTER HARVEST FIELD WAS
IRRIGATED IN THE FALL OF 2003.
2004 COVER - WHEAT STUBBLE.
NOTHING HARVESTED IN 2004.
NO 2004 IRRIGATION

2003 CROP - WHEAT W/ALFALFA.
AFTER HARVEST FIELD WAS
IRRIGATED IN THE FALL OF 2003.
2004 COVER - WHEAT STUBBLE
& SPOTTY ALFALFA.
NOTHING HARVESTED IN 2004
NO 2004 IRRIGATION

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RECEIVED
DEC 19 2004

DEPARTMENT OF WATER RESOURCES

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State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

July 23, 2004

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

JONATHON C BOWLING
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK UNDER WATER RIGHT NOS. 2-10205, 2-2159, 2-2354, 2-7184, 2-7229, 2-7284, 2-2386, 2-2387, 2-2388, 2-7148, 2-2279, 2-7012, 2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001, 2-2371, 2-2372, 2-2262, 2-2145, 2-7144, 2-2443, 2-7030, 2-7068, 2-7076, 2-7132, 2-2198, 2-2191, 2-2370, 2-2194A, 2-2194B, 2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218, 2-2210, 2-2269, 2-2367, 2-2379, 2-2298, 2-2376, AND 2-7182

Dear Mr. Bowling:

The Department of Water Resources acknowledges receipt of the Application to Rent Water from the Water Supply Bank and the corresponding Rental Agreement in the name of Idaho Power Company, Inc. Enclosed is a copy of a fully executed Rental Agreement in connection with the rental of an estimated 78,759.9 acre-feet of water from the Snake River during the 2004 irrigation season. Idaho Power Company, Inc. is authorized to divert water in compliance with the conditions of water use described in the fully executed agreement.

Contract No. 1425-04-WL-10-0023 between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004, specifies that the U.S. Bureau of Reclamation will make the required payments to the State Water Supply Bank for the rental of the water rights identified in the Rental Agreement.

If you have questions, please feel free to contact me.

Sincerely,


Cynthia Bridge Clark
Water Allocations Bureau

Encl: 1

c: IDWR Western Regional Office

E. Gail McGarry – Bureau of Reclamation



An IDACORP Company

Jonathon C. Bowling, P.E.
Engineering Leader
Water Management Department

RECEIVED

JUL 22 2004

DEPARTMENT OF
WATER RESOURCES

(208) 388-2905
(208) 388-6495 FAX
jbowling@idahopower.com

July 21, 2004

Jeff Peppersack
State of Idaho
Department of Water Resources
1301 N. Orchard St.
Boise, ID 83720

Dear Jeff,

Enclosed please find signed copies of the Application to Rent Water From the Water Supply Bank and the Water Supply Bank Rental Agreement for the USBR natural flow rental program for 2004 for 78,759.9 acre feet of water.

Please return to IPC copies of the signed documents.

Please let me know if you have any questions or comments.

Sincerely,

A handwritten signature in cursive script that reads "Jonathon C. Bowling".

Jonathon C. Bowling, P.E.
Engineering Leader

MEMORANDUM

To: Debbie Allen

From: Cynthia Bridge Clark

Date: July 16, 2004

Re: **INVOICE TO USBOR FOR FIRST PAYMENT TO LESSORS PARTICIPATING IN THE 2004 SNAKE RIVER PILOT LEASING PROGRAM FOR RENTAL OF WATER FROM THE WATER SUPPLY BANK. WATER RIGHT NOS. 2-10205, 2-2159, 2-2354, 2-7184, 2-7229, 2-7284, 2-2386, 2-2387, 2-2388, 2-7148, 2-2279, 2-7012, 2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001, 2-2371, 2-2372, 2-2262, 2-2145, 2-7144, 2-2443, 2-7030, 2-7068, 2-7076, 2-7132, 2-2198, 2-2191, 2-2370, 2-2194A, 2-2194B, 2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218, 2-2210, 2-2269, 2-2367, 2-2379, 2-2298, 2-2376, AND 2-7182**

The following information is provided in order to invoice the United States Bureau of Reclamation for the rental of water rights from the State Water Supply Bank in accordance with the Contract No. 1425-04-WL-10-0023 between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2003 ("Contract").

Under section II.C.1, the Contract specifies that payment to the individual lessors will be issued at a pay rate per acre identified in the individual agreements (Agreements) between Reclamation and the lessors minus ten percent (10%) to be credited to the Water Administration Account as provided in the Water Supply Bank rules (*IDAPA 37.02.035.01*). The individual Agreements provide that one half of the estimated payment will be paid on or around July 30, 2004, and one half shall be issued after the irrigation season has ended and verification of the Program compliance is complete. The Contract specifies that IDWR shall invoice Reclamation for each payment to the lessors plus the associated 10% for the Water Administration Account.

The attached table identifies the participating lessors, contract amounts, the total amount of payment no. 1 by Reclamation, the payment to be issued to each lessor and the corresponding administrative fee. Payment no. 1 was calculated based on one half of the estimated total payment (contracted idled acres times the payment rate) minus the ten percent administrative fee: (contracted idled acres) x (payment rate) x 50% x 90%.

Farm Development Corp. and Sail Creek Water Co. requested a single payment after the end of the irrigation season, and Grindstone Butte Mutual Canal Co. requested a single payment on or after January 3, 2005 and before January 7, 2005. I will invoice the full payment for each of these entities with the second and final payment. I will notify the entities if the state is unable to issue a warrant on a specific date (e.g. on January 3, 2005).

Additionally, the Montierth's (listed below) own the rights leased to the bank jointly, and have requested that fifty percent of the payment be issued to Herbert and the remaining fifty percent to Edward Ray Montierth. The payment is split accordingly in the table below.

Summary

I have attached W-9 forms submitted by the lessors. Farm Development Corp., Sail Creek Water Co., and Grindstone Butte Mutual Canal Co. did not submit new W-9 forms as they have provided this information in the past. State warrants should be prepared for the following lessors for the first payment (Payment no. 1) in the amounts listed below and can be sent directly to the lessors based on the information on the W-9 forms. The corresponding administrative fees are referenced, as well as the total amount Reclamation should be invoiced (Payment 1 + Administrative Fee).

LESSOR	Payment 1 To Lessor (90% Payment 1)	Administrative Fee (10% Payment 1)
Bell Rapids Mutual Irrigation Co.	\$162,398.25	\$18,044.25
Bergh Farms	\$29,981.34	\$3,331.26
Clover Hollow, LLC.	\$195,306.12	\$21,700.68
Dirks, Robert	\$12,451.19	\$1,383.47
Falcon Butte Farms, Inc.	\$216,246.06	\$24,027.34
Farm Development Corp.	\$0.00	\$0.00
Grindstone Butte Mutual Canal CO	\$0.00	\$0.00
Huey Farms, Inc.	\$39,552.80	\$4,394.76
Kitsos, Constantine	\$3,530.25	\$392.25
Little Valley Mutual Irrigation Company	\$54,985.50	\$6,109.50
Mills, James	\$17,435.25	\$1,937.25
Montierth, Herbert	\$24,463.19	\$2,718.13
Montierth, Edward Ray	\$24,463.19	\$2,718.13
Murphy Flats Water Company, Inc.	\$36,308.25	\$4,034.25
Rosti, Martha	\$7,519.50	\$835.50
Sailor Creek Water Company	\$0.00	\$0.00
South Elmore Irrigation Company	\$307,685.70	\$34,187.30
TLK Farms, Inc.	\$36,124.20	\$4,013.80
Young, Roger	\$26,352.00	\$2,928.00
TOTALS:	\$1,194,802.79	\$132,755.87

TOTAL Invoice to Reclamation for Payment No. 1: \$1,327,558.66

**2004 PILOT LEASING PROGRAM FOR LEASING OF SNAKE RIVER
NATURAL FLOW WATER RIGHTS
RENTAL OF WATER FROM THE WATER SUPPLY BANK**

**INVOICE TO U.S. BUREAU OF RECLAMATION
FOR LESSOR PAYMENT NO. 1**

	AGREEMENT BETWEEN LESSORS AND USBOR ¹			PAYMENT 1 ²			Estimated Total Program Payment by Reclamation	RENTED WATER RIGHT(S)
	LESSOR	Agreement No.	Contracted Idled Acres (ac)	Payment Rate (price/ac)	Total Payment 1 by Reclamation (90% of Estimated Total)	Payment 1 To Lessor (90% Payment 1)	Administrative Fee (10% Payment 1)	
	Bell Rapids Mutual Irrigation Co.	1425-04-WL-10-00012	2405.9	\$150.00	\$180,442.50	\$162,398.25	\$18,044.25	2-10205
	Bergh Farms	1425-04-WL-10-00004	477.6	\$139.50	\$33,312.80	\$29,981.34	\$3,331.26	2-2159, 2-2354, 2-7184, 2-7229, 2-7284
	Clover Hollow, LLC.	1425-04-WL-10-00002	3122.4	\$139.00	\$217,006.80	\$195,305.12	\$21,700.68	2-2386, 2-2387, 2-2388, 2-7148
	Dilks, Robert	1425-04-WL-10-00007	165.7	\$149.00	\$13,834.65	\$12,451.19	\$1,383.47	2-2279, 2-7012
	Falcon Butte Farms, Inc.	1425-04-WL-10-00004	4072.2 197.0	\$111.50 \$134.50	\$240,273.40	\$216,246.06	\$24,027.34	2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001
	Farm Development Corp.	1425-04-WL-10-00013	123.6	\$150.00	\$0.00	\$0.00	\$0.00	2-2371, 2-2372
	Grindstone Butte Mutual Canal CO	1425-04-WL-10-00011	5856.3	\$150.00	\$0.00	\$0.00	\$0.00	2-2262
	Huey Farms, Inc.	1425-04-WL-10-00006	589.9	\$149.00	\$43,947.55	\$39,552.80	\$4,394.76	2-2361, 2-7001
	Kitsos, Constantine	1425-04-WL-10-00018	52.3	\$150.00	\$3,922.50	\$3,530.25	\$392.25	2-2145, 2-7144
	Little Valley Mutual Irrigation Company	1425-04-WL-10-00016	814.6	\$150.00	\$61,095.00	\$54,985.50	\$6,109.50	2-2443, 2-7030, 2-7068
	Mills, James	1425-04-WL-10-00017	258.3	\$150.00	\$19,372.50	\$17,435.25	\$1,937.25	2-7076, 2-7132
	Montierth, Herbert, Edward Ray & Susan	1425-04-WL-10-00018	729.7	\$149.00	\$54,362.65	\$48,926.39	\$5,436.27	2-2198, 2-2191
	Murphy Flats Water Company, Inc.	1425-04-WL-10-00018	537.9	\$150.00	\$40,342.50	\$36,308.25	\$4,034.25	2-2361, 2-2370, 2-7001
	Rosli, Martha	1425-04-WL-10-00010	111.4	\$150.00	\$8,355.00	\$7,519.50	\$835.50	2-2194A, 2-2194B
	Sailor Creek Water Company	1425-04-WL-10-00009	870.8	\$150.00	\$0.00	\$0.00	\$0.00	2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218
	South Elmore Irrigation Company	1425-04-WL-10-00005	4883.9	\$140.00	\$341,873.00	\$307,685.70	\$34,187.30	2-2210, 2-2269, 2-2367
	TLK Farms, Inc.	1425-04-WL-10-00003	573.4	\$140.00	\$40,138.00	\$36,124.20	\$4,013.80	2-2379
	Young, Roger	1425-04-WL-10-00014	390.4	\$150.00	\$29,280.00	\$26,352.00	\$2,928.00	2-2298, 2-2376, 2-7182
	TOTALS:		26253.3		\$1,327,558.65	\$1,194,802.79	\$132,755.87	\$3,682,722.30

¹ The "Agreement" represents the Water Rental and Forbearance Agreement entered into between the United States Bureau of Reclamation (Reclamation) and the individual Lessors. The Contracted Acres Idled and the Payment Rate represent the number of acres to be idled and the payment per acre agreed upon between the Lessors and Reclamation. The Estimated Total Payment by Reclamation is based on the Contracted idled acres times the Payment Rate.

² Total Payment 1 by Reclamation was calculated based on one half (50%) of the Estimated Total Payment by Reclamation. For the purposes of the first payment, all of the contracted acres were considered to have been left idle in accordance with criteria set forth in the Lessor Agreements. This was based in part on site visits made to the leased lands by department staff prior to issuance of the first payment. Compliance with the Agreement will be monitored further throughout the irrigation season. Payment 1 to Lessor represents ninety percent (90%) of the Total Payment 1, while the Administrative Fee represents remaining ten percent (10%). Total Payment 1 = (Contracted Acres Idled) x (Payment Rate per Acre) x (50%); Payment 1 to Lessor = (Total Payment 1) x (90%)

ms *HNA* **MEMORANDUM**

To: Glen Saxton, Hal Anderson, Jeff Peppersack

From: Cynthia Bridge Clark

Date: July 15, 2004

Re: INVOICE TO USBOR FOR FIRST PAYMENT TO LESSORS PARTICIPATING IN THE 2004 SNAKE RIVER PILOT LEASING PROGRAM FOR RENTAL OF WATER FROM THE WATER SUPPLY BANK. WATER RIGHT NOS. 2-10205, 2-2159, 2-2354, 2-7184, 2-7229, 2-7284, 2-2386, 2-2387, 2-2388, 2-7148, 2-2279, 2-7012, 2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001, 2-2371, 2-2372, 2-2262, 2-2145, 2-7144, 2-2443, 2-7030, 2-7068, 2-7076, 2-7132, 2-2198, 2-2191, 2-2370, 2-2194A, 2-2194B, 2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218, 2-2210, 2-2269, 2-2367, 2-2379, 2-2298, 2-2376, AND 2-7182

The following is a summary of the estimated number of acres eligible for the first payment from the Water Supply Bank (bank) under the Snake River Pilot Leasing Program for 2004. Payments will be issued in accordance with the Contract number 1425-04-WL-10-0023 (Contract) between the United States Bureau of Reclamation (Reclamation) and the Idaho Department of Water Resources (IDWR) to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004 (Program).

Under section II.C.1, the Contract specifies that payment to the individual lessors will be issued at a pay rate per acre identified in the individual agreements (Agreements) between Reclamation and the lessors minus ten percent (10%) to be credited to the Water Administration Account as provided in the Water Supply Bank rules (*IDAPA 37.02.035.01*). The individual Agreements provide that one half of the estimated payment will be paid on or around July 30, 2004, and one half shall be issued after the irrigation season has ended and verification of the Program compliance is complete. The Contract specifies that IDWR shall invoice Reclamation for each payment to the lessors plus the associated 10% for the Water Administration Account.

Three of the lessors provided a written request to receive a single payment after the end of the irrigation season. As per a telephone conversation on July 15, 2004, Gail McGarry agreed that a single payment could be issued after the end of the irrigation season, and plans to document this option in a letter to the department.

Section II.D.2 of the Contract indicates that monitoring compliance with the Agreements, will include review of satellite data and field visits to confirm the leased lands are not being irrigated. The department has visited all of the fields identified on the contracts, and has ordered two satellite images flown May 4 and June 21, 2004. A large percentage of the lands have a cover crop but do not appear to have been irrigated, though rain in the early part of the irrigation season supplemented crop growth. A number of other fields were

covered heavily by weeds, or were cut recently to control weed growth. A bean crop was observed on a 39.1-acre field in the Bell Rapids Irrigation Company. Though the field appeared to be dry during the site visit, detached hand lines were positioned across the field. Information has been requested from the company. They have been informed that the first payment will be issued for all of the contracted acres. However, the full payment for the field will be withheld from the final payment if the lands are determined to be ineligible.

Based on the data available and the review completed to date, all of the lands leased to the bank will be considered for payment. Withholding 50% of the estimated final payment as specified in the Contract, should be sufficient to cover payment reductions needed for unauthorized use of water during the irrigation season.

The attached table identifies the participating lessors, the contract amounts, the total estimated payments as specified in the individual Agreements, the amounts to be issued for the first payment to the lessors and the corresponding administrative fee. Reclamation should be invoiced for the total amount of the first payment, and state warrants should be issued to each lessor for amounts identified.

**2004 PILOT LEASING PROGRAM FOR LEASING OF SNAKE RIVER
NATURAL FLOW WATER RIGHTS
RENTAL OF WATER FROM THE WATER SUPPLY BANK**

**INVOICE TO U.S. BUREAU OF RECLAMATION
FOR LESSOR PAYMENT NO. 1**

LESSOR	AGREEMENT BETWEEN LESSORS AND USBOR ¹			PAYMENT 1 ²			Estimated Total Program Payment by Reclamation	RENTED WATER RIGHT(S)
	Agreement No.	Contracted Idled Acres (ac)	Payment Rate (price/ac)	Total Payment 1 by Reclamation (50% of Estimated Total)	Payment 1 To Lessor (90% Payment 1)	Administrative Fee (10% Payment 1)		
Bell Rapids Mutual Irrigation Co.	1425-04-WL-10-00012	2405.9	\$150.00	\$180,442.50	\$162,398.25	\$18,044.25	\$360,885.00	2-10205
Bergh Farms	1425-04-WL-10-00004	477.6	\$139.50	\$33,312.60	\$29,981.34	\$3,331.26	\$66,625.20	2-2159, 2-2354, 2-7184, 2-7229, 2-7284
Clover Hollow, LLC.	1425-04-WL-10-00002	3122.4	\$139.00	\$217,006.80	\$195,306.12	\$21,700.68	\$434,013.60	2-2386, 2-2387, 2-2388, 2-7148
Dirks, Robert	1425-04-WL-10-00007	185.7	\$149.00	\$13,834.65	\$12,451.19	\$1,383.47	\$27,669.30	2-2278, 2-7012
Falcon Butte Farms, Inc.	1425-04-WL-10-00004	4072.2 197.0	\$111.50 \$134.50	\$240,273.40	\$216,246.06	\$24,027.34	\$480,546.80	2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-2256, 2-2361, 2-7001
Farm Development Corp.	1425-04-WL-10-00013	123.6	\$150.00	\$0.00	\$0.00	\$0.00	\$18,540.00	2-2371, 2-2372
Grindstone Butte Mutual Canal CO	1425-04-WL-10-00011	5856.3	\$150.00	\$0.00	\$0.00	\$0.00	\$878,445.00	2-2262
Huey Farms, Inc.	1425-04-WL-10-00006	589.9	\$149.00	\$43,947.55	\$39,552.80	\$4,394.76	\$87,885.10	2-2361, 2-7001
Kitsos, Constantine	1425-04-WL-10-00018	52.3	\$150.00	\$3,922.50	\$3,530.25	\$392.25	\$7,845.00	2-2145, 2-7144
Little Valley Mutual Irrigation Company	1425-04-WL-10-00016	814.6	\$150.00	\$61,095.00	\$54,985.50	\$6,109.50	\$122,190.00	2-2443, 2-7030, 2-7068
Mills, James	1425-04-WL-10-00017	258.3	\$150.00	\$19,372.50	\$17,435.25	\$1,937.25	\$38,745.00	2-7076, 2-7132
Montierth, Herbert, Edward Ray & Susan	1425-04-WL-10-00018	729.7	\$149.00	\$54,362.65	\$48,926.39	\$5,436.27	\$108,725.30	2-2198, 2-2191
Murphy Flats Water Company, Inc.	1425-04-WL-10-00018	537.9	\$150.00	\$40,342.50	\$36,308.25	\$4,034.25	\$50,685.00	2-2381, 2-2370, 2-7001
Martha Rosli	1425-04-WL-10-00010	111.4	\$150.00	\$8,355.00	\$7,519.50	\$835.50	\$16,710.00	2-2194A, 2-2194B
Sailor Creek Water Company	1425-04-WL-10-00009	870.8	\$150.00	\$0.00	\$0.00	\$0.00	\$130,820.00	2-2186, 2-2204, 2-2206, 2-2214, 2-2215, 2-2217, 2-2218
South Elmore Irrigation Company	1425-04-WL-10-00005	4883.9	\$140.00	\$341,873.00	\$307,685.70	\$34,187.30	\$683,746.00	2-2210, 2-2269, 2-2367
TLK Farms, Inc.	1425-04-WL-10-00003	573.4	\$140.00	\$40,138.00	\$36,124.20	\$4,013.80	\$80,276.00	2-2379
Young, Roger	1425-04-WL-10-00014	390.4	\$150.00	\$29,280.00	\$26,352.00	\$2,928.00	\$58,560.00	2-2298, 2-2376, 2-7182
TOTALS:		26253.3		\$1,327,558.65	\$1,194,802.79	\$132,755.87	\$3,682,722.30	

¹ The "Agreement" represents the Water Rental and Forbearance Agreement entered into between the United States Bureau of Reclamation (Reclamation) and the individual Lessors. The Contracted Acres Idled and the Payment Rate represent the number of acres to be idled and the payment per acre agreed upon between the Lessors and Reclamation. The Estimated Total Payment by Reclamation is based on the Contracted idled acres times the Payment Rate.

² Total Payment 1 by Reclamation was calculated based on one half (50%) of the Estimated Total Payment by Reclamation. For the purposes of the first payment, all of the contracted acres were considered to have been left idle in accordance with criteria set forth in the Lessor Agreements. This was based in part on site visits made to the leased lands by department staff prior to issuance of the first payment. Compliance with the Agreement will be monitored further throughout the irrigation season. Payment 1 to Lessor represents ninety percent (90%) of the Total Payment 1, while the Administrative Fee represents remaining ten percent (10%). Total Payment 1 = (Contracted Acres Idled) x (Payment Rate per Acre) x (50%); Payment 1 to Lessor = (Total Payment 1) x (90%)



IN REPLY
REFER TO:

PN-3100
WTR-4.10

United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

JUN 25 2004

RECEIVED

JUN 25 2004

DEPARTMENT OF WATER RESOURCES

Mr. Karl Dreher
Director
Idaho Department of Water Resources
1301 N. Orchard Street
Boise, ID 83720

Subject: Transmittal of the Contract to Implement the Rental of Water Under the Pilot
Program for Leasing of Snake River Natural Flow Water Rights for 2004

Dear Mr. Dreher:

Please find enclosed three copies of the Contract Between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004 (BOR Contract No. 1425-04-WL-10-0023). Please sign all three copies and return two copies to our office at the address above, Attention: PN-3100.

If you have any questions, please contact me or Ms. Gail McGarry at 208-378-5306.

Sincerely,

J. William McDonald
Regional Director

Enclosure – 1 (In triplicate)

CONTRACT
Between
The United States Bureau of Reclamation
and
The Idaho Department of Water Resources
to
Implement the Rental of Water Under the
Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004
(BOR Contract No. 1425-04-WL-10-0023)

This Contract to Implement the Rental of Water Under the Bureau of Reclamation's Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2004 (Contract) is entered into by and between the United States Bureau of Reclamation (Reclamation) and the Idaho Department of Water Resources (IDWR), and shall be effective as of the date of execution and shall remain in force until December 31, 2004. The purpose of this Contract is to provide for the implementation of the lease and rental of certain irrigation water rights held by pumpers on the Snake River. Reclamation enters into this Contract pursuant to the authority of the Act of June 17, 1902 (32 Stat. 388) and acts amendatory and supplementary thereto and the Act of December 28, 1973 (87 Stat. 884) and acts amendatory or supplementary thereto.

I. BACKGROUND

Reclamation has commitments under Biological Opinions on the operation of the Federal Columbia River power system and the operation and maintenance of Reclamation Projects in the Snake River Basin above Brownlee Dam to provide flow augmentation for delivery at Lower Granite Dam.

The Idaho Legislature authorized Reclamation to annually rent up to 427,000 acre-feet of storage water per year during the years 2002-2004 under the provisions of Idaho Code § 42-1763B.

In 2003, there was insufficient storage water available for lease by Reclamation to meet the 427,000 acre-feet target. Therefore, Reclamation worked with IDWR pursuant to a Contract between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2003 to have certain water right holders idle land and place their water rights in the State Water Supply Bank, thereby increasing water flow downstream to Lower Granite Dam. Rules governing the Idaho State Water Supply Bank, IDAPA 37.02.03, provide that rentals shall be approved only for use in Idaho unless there is compliance with the provisions of Idaho Code § 42-401(3). In order to avoid the complexities of Reclamation seeking approval for out-of-state use, Reclamation worked with the Governor's Office and the Idaho Power Company for the Idaho Power Company to lease the water out of the State Water Supply Bank for hydropower generation in Idaho resulting in additional water flowing to Lower Granite Dam for flow augmentation.

Again this year, it is expected that there will not be sufficient storage water available for lease for Reclamation to meet its 427,000 acre-feet rental target. Therefore, Reclamation initiated a pilot Snake River Leasing Program (Program) under which a request for proposals was publicly

advertised and copies were sent to eligible water right holders. Under this Program, water right holders forego irrigation of land and place their water rights into the State Water Supply Bank. The applicants to the Program offered a price per acre that they were willing to accept for forgoing irrigation. Reclamation signed individual agreements with the applicants selected.

As a practical way of ensuring that there is additional water in the river, over and above the water that would otherwise be available if there were no Program, Reclamation limited acceptable land to that which was irrigated last year or that which had been in Reclamation's 2003 program.

II. IMPLEMENTING ACTIONS

A. Acceptance of Water Rentals into the Idaho Water Supply Bank

1. Individual Agreements between Reclamation and the Lessors

Reclamation entered into agreements with certain water right holders, hereafter known as the Lessors, whereby the Lessors agree to idle land and lease the associated water right(s) into the State Water Supply Bank. There are 18 individual agreements totaling 26,253.3 idled acres at a total cost of \$3,682,722.30. If Reclamation accepts another one to five idled acres into the Program pursuant to an individual agreement between Reclamation and a Lessor, the total cost may be adjusted upward by \$697.50 for a total cost not to exceed \$3,683,419.80. The individual agreements entered into between Reclamation and the Lessors are appended as Attachment A to this Contract.

2. Land to be Idled

The individual agreements between Reclamation and the Lessors specify the exact location of the land. In section I.B. of the individual agreements between Reclamation and the Lessors, the Lessors agree that "If it is determined after the execution of this Agreement that certain acres are not eligible for the Program because of a mistake, error, or misrepresentation in the Lessor's application, the land covered under this Program will be reduced accordingly." If, at any time, IDWR finds that any land is not eligible, IDWR will promptly notify Reclamation.

3. Water Rights to be Leased to the State Water Supply Bank

Under the Program, the Lessors' water rights appurtenant to the land idled will be leased to the State Water Supply Bank. Under section II.A. of the individual agreements between Reclamation and the Lessors, the Lessors agree that the individual agreements will be submitted by Reclamation as applications to the bank. The Lessors also agree that any additional information or requirements IDWR may require to process or accept the application shall be furnished promptly to IDWR including, but not limited to, the submission of a separate application form if required. IDWR will work with each Lessor to accept the water rights into the State Water Supply Bank.

B. Rental of Water Rights from the State Water Supply Bank

1. Idaho Power Will Rent Water Rights from the State Water Supply Bank

Idaho Power has agreed to rent the water rights from the bank under its Hell's Canyon Complex water right. It is intended that Idaho Power rent the water at no cost to Idaho Power. IDWR will contact and work with Idaho Power for Idaho Power to rent the water rights or portions thereof from the State Water Supply Bank as shown in the attached Individual Agreements between Reclamation and the Lessors. IDWR will submit copies of the rental application made by Idaho Power Company to Reclamation.

2. Reclamation's Approval Required for Rentals out of the Bank

IDWR shall not approve rentals of the water rights associated with this Contract from the State Water Supply Bank without the prior consent of Reclamation to ensure the rentals are compatible with Reclamation's intent of the Program. Section II.B. of the individual agreements between Reclamation and the Lessors provides that "All rentals of the Lessor's water rights out of the water bank shall be subject to Reclamation's approval." The rental period shall be for the entire 2004 irrigation season.

C. Payment For the Water Leases

1. Payment by IDWR to Individual Lessors

Payment to the individual Lessors will be for the price that was stated in the individual agreements between Reclamation and the Lessors minus 10% which shall be credited to the Water Administration Account as required by IDAPA 37.02.035.01. The individual agreements between Reclamation and the Lessors provide that one half of the estimated payment will be made on or about July 30, 2004, and one half will be after the irrigation season has ended and verification of Program compliance is complete. IDWR shall comply with the payment scheme specified in the individual agreements between Reclamation and the Lessors. Prior to making payment to the Lessors, IDWR will invoice Reclamation for the payment plus the associated 10% for the Water Administration Account.

2. Payment by Reclamation to IDWR

It is not intended that Idaho Power will pay for any water leased by the Idaho Power Company under this Contract. The payments to the State Water Supply Bank shall be made by Reclamation and shall be the price agreed to in each individual agreement between Reclamation and each Lessor. Reclamation shall pay the invoices described in subsection II.C.1. above, prior to IDWR making payment to the Lessors. The total amount paid under this Contract to IDWR will not exceed \$3,683,419.80. Payment will be made under Reclamation Cost Authority No. A30-1678-6926-100-00-0-0.

3. Potential Reduction of Payments to Individual Lessors

a. Payments will be reduced if there are any acres identified by IDWR that are not eligible to be placed into the State Water Supply Bank. The reduction shall be pro rata based on the per acre cost identified in section III.A. of the individual agreement between Reclamation and the Lessor.

b. Payments will be reduced as described in section II.C.3.a. of this Contract for any unauthorized use of water on any of the land identified as land to be idled in the individual agreements between Reclamation and the Lessors or for any unauthorized use of the water rights leased under the agreements between Reclamation and the Lessors, although other legal remedies remain available to IDWR or to Reclamation including, but not limited to, immediate termination of the lease.

c. Any part of the payment by Reclamation not used for the purposes authorized under this Contract will be reimbursed by IDWR to Reclamation by December 1, 2004.

D. Administration by IDWR

1. Protection of Water Right if Regulation is Required

IDWR will protect the water rented under this Program by the Idaho Power Company. The water will be protected to the Hells Canyon Complex.

2. Verification of Compliance with the Lease Agreements

In accordance with the provisions in this Contract, IDWR will periodically confirm, through satellite data and field visits, that the land from which the water rights are leased is not being irrigated.

3. Summary of Program Results

At the end of the irrigation season, IDWR will summarize findings regarding monitoring of compliance with the lease agreement. IDWR will work with Reclamation to estimate flow increases resulting from these Water Supply Bank rentals based on crop water requirement data, the number of acres dried up in accordance with the lease agreements and other pertinent information. Payments to the Lessors will not be affected by this data gathering.

III. GENERAL PROVISIONS

A. Officials Not To Benefit

No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this Contract or to any benefit that may arise out of it.

B. Covenant Against Contingent Fees

The recipient warrants that no person or agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide offices established and maintained by the recipient for the purpose of securing agreements or business. For breach or violation of this warranty, the Government shall have the right to annul this Contract without liability or, in its discretion, to deduct from the Contract amount, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

3. Triplicate Originals

This Contract is executed in triplicate. Each of the documents with an original signature of each party shall be an original.

IV. SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Contract on the date following their respective signatures.

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

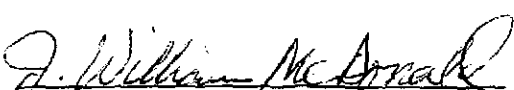


Karl J. Decher
Director

June 30, 2004

Date

**UNITED STATES
BUREAU OF RECLAMATION**



J. William McDonald
Regional Director

June 25, 2004

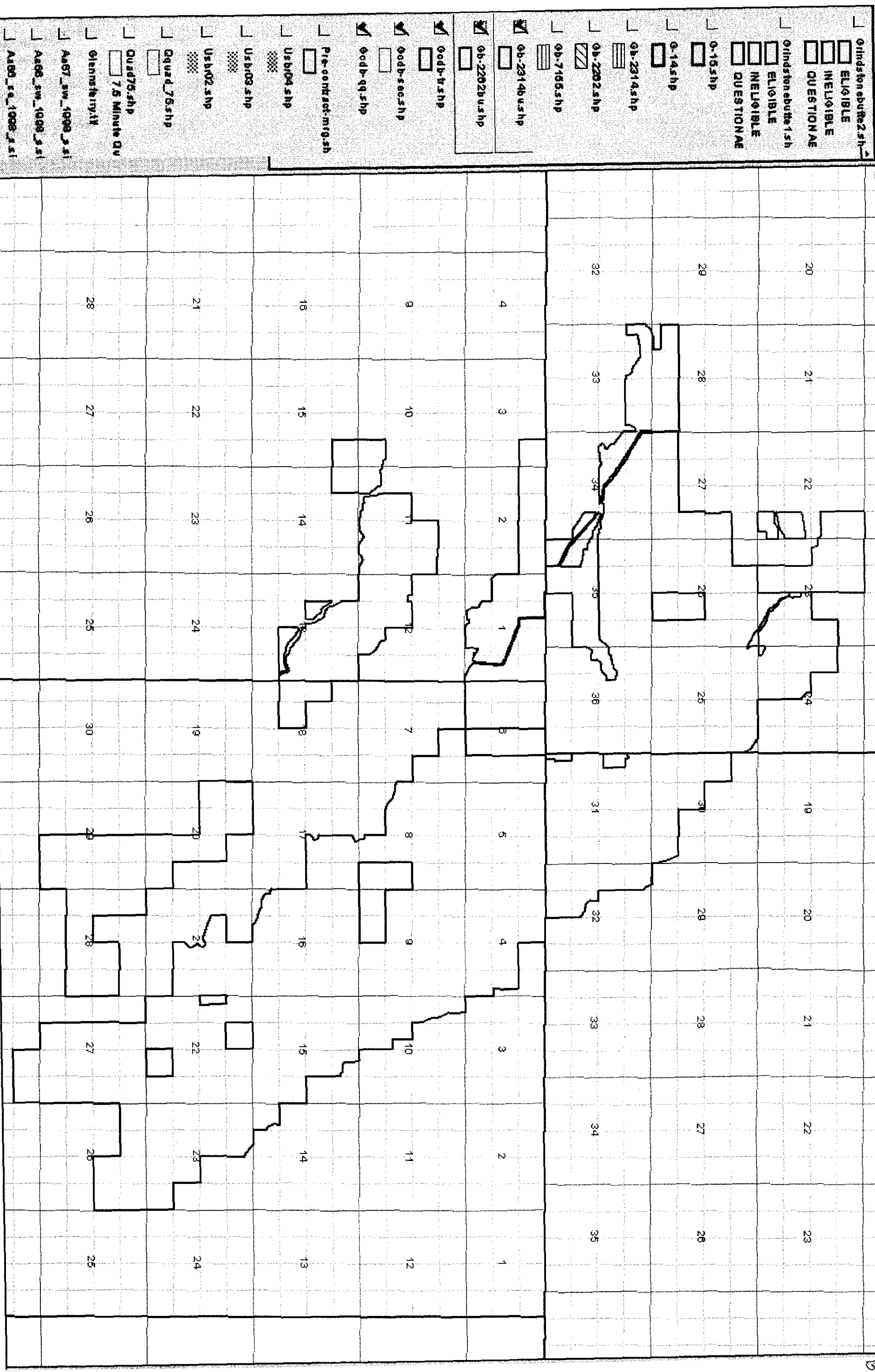
Date

ATTACHMENT A

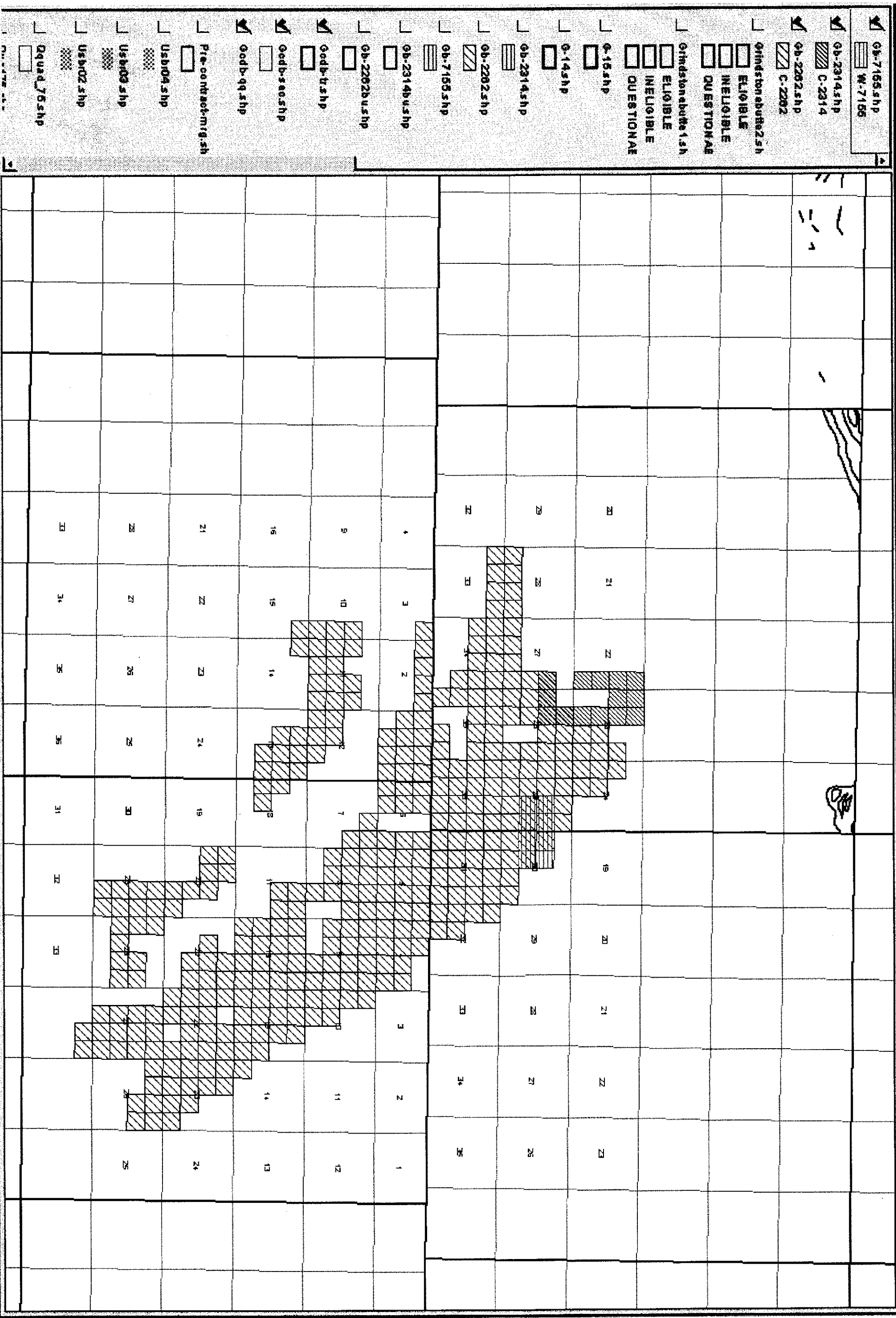
**To Contract to Implement the Rental of Water Under the Pilot
Program for Leasing of Snake River Natural Flow Water Rights for
2004 (BOR Contract No. 1425-04-WL-10-0023)**

WATER RIGHTS - GRINDSTONE BUTTE

1987 INADVERT +
BUTEMAN
DIGITIZED
BY LBC



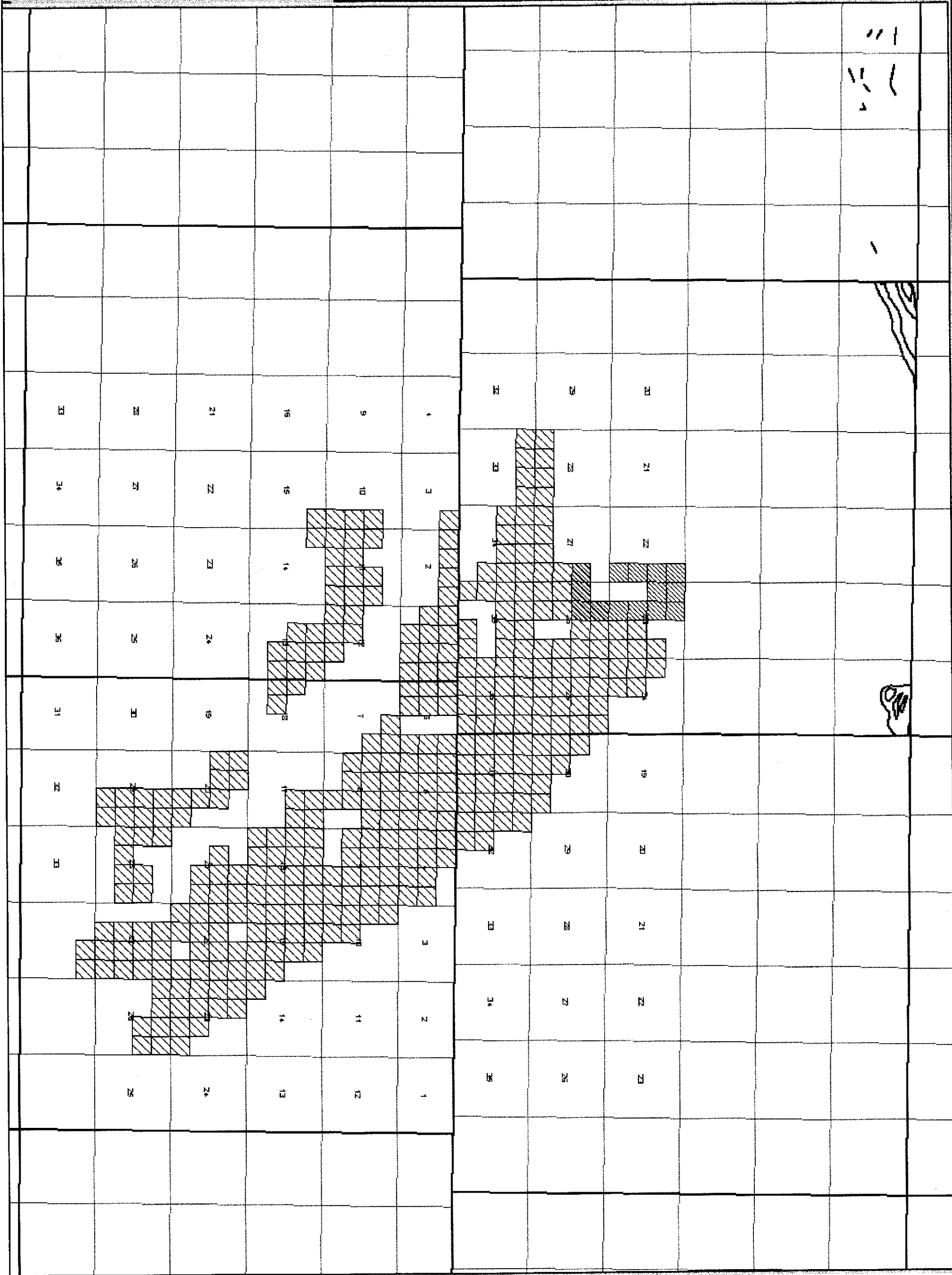
CLAIMS



WATER RIGHTS - GRINDSTONE BUTTE

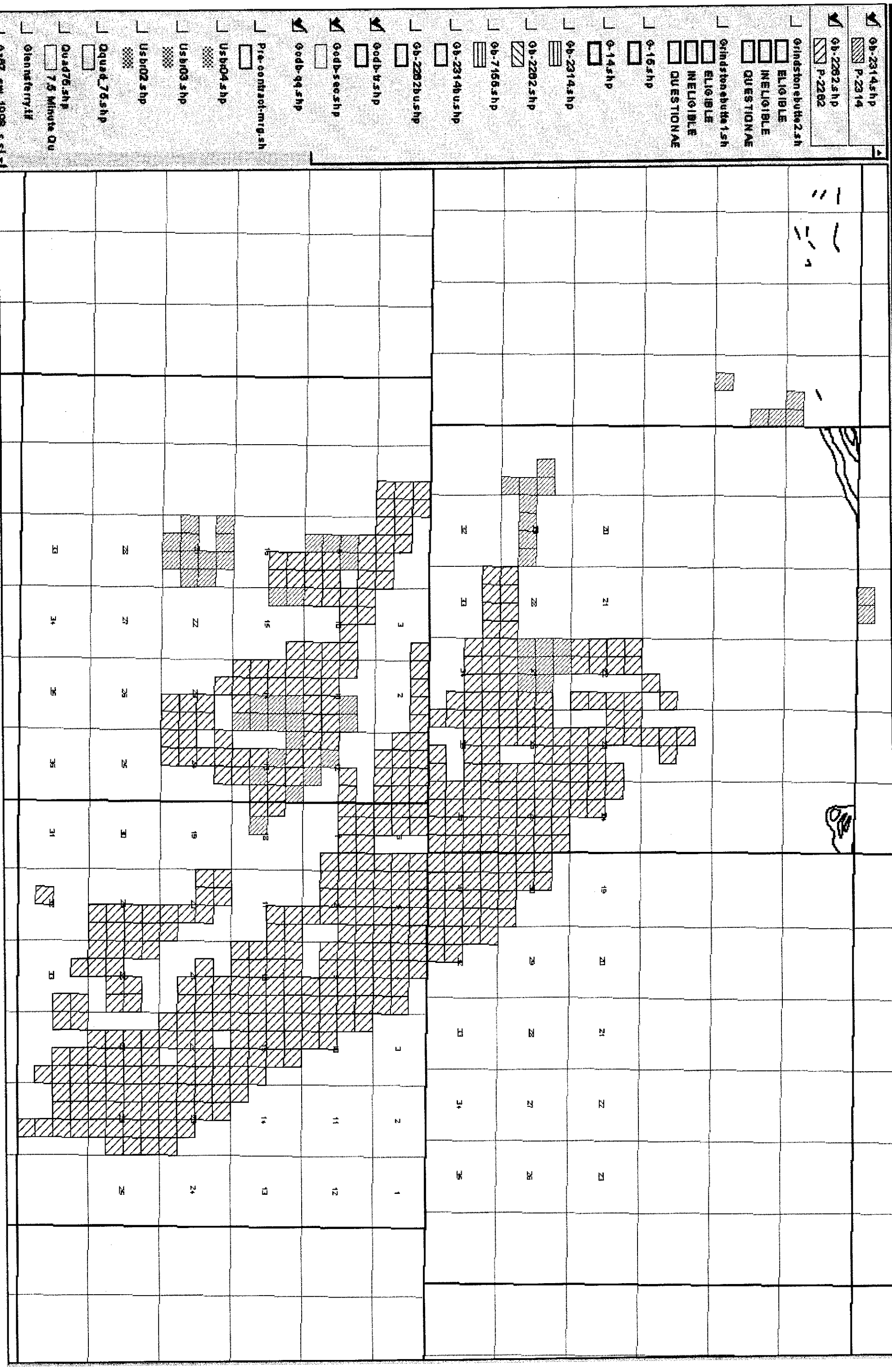
1918

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- ☐ QUESTIONAE
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- ☐ Usb103.shp
- ☐ Usb102.shp
- ☐ Qquad_76.shp
- ☐ Quad76.shp
- ☐ 7.5 Minute Qu
- ☐ Glenmerry18
- ☐ Aard sw 1898.s.shp



WATER RIGHTS - GRINDSTONE BUTTE

PERMITS



Should questions arise during the processing of this application please contact:

SHERL L. CHAPMAN
410^{ms} Orchard, Suite 144
Boise, ID 83705
344-6690

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FEB 05 1987

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
BENEFICIAL USE FIELD REPORT Department of Water Resources

A. GENERAL INFORMATION

Permit No. 02-2262

1. Owner: Grindstone Butte Mutual Canal Co.

Phone No. 342-4591

Current Address: c/o William Ringert, P.O. Box 2673, Boise, ID 83701

2. Accompanied by: Lee Severs

EXAM. DATE: Jan. 15, 1987

Address: Same

Phone No. _____

Relationship to Permit Holder: Employee

3. Source: Snake River tributary to Columbia River

B. OVERLAP REVIEW

1. Other water rights with same place of use: None

☐ Copies Attached

2. Other water rights with same point of diversion: None

☐ Copies Attached

☐ Copies of Field Exam's Attached

C. SYSTEM DESCRIPTION

1. **Diversion System Diagram:** Indicate all major components and distances between components. Indicate weir size/ditch size/pipe i.d. as applicable. ☒ Alternative diagram attached

Scale: 1" = _____

2. ☐ Copy of U.S.G.S. Quadrangle Attached
Showing location(s) of point(s) of diversion and
place(s) of use (required).

☐ Photo of Diversion and System Attached

(required for all but single household domestic groundwater, and stockwater.

☒ Aerial Photo Attached
(required for irrigation of 10 acres or more).

3. Narrative: Description (As operating at time of measurement. Indicate pressure, number of sprinklers, etc.)

Narrative: Description (As operating at time of measurement. Indicate pressure, number of sprinklers, etc.)

scenario. Lands were measured from aerial photos and maps during off season.

Pumps listed on printout shown as 1500 HP are those at the initial diversion

at the Snake River.

☐ See Remarks on page 4 for continuation

☐ See Remarks on page 4 for continuation

Well or Diversion Identification No. *	Motor Make	Hp	Motor Serial No.	Pump Make	Pump Serial No. or Discharge Size
See Attachment "A"					

*Code to correspond with No. on map and aerial photo

5. Point(s) of Diversion: See Attachment "B"

[illegible]

6. Place(s) of Use: See Attachment "C"

Indicate Method of Determination.

[illegible]

TOTAL ACREAGE

12, 187

Do not use this space

D. FLOW MEASUREMENTS

☐ Additional Data Sheets Attached

1.

Measurement Equipment	Type	Make	Model No.	Serial No.	Size	Calib. Date
Current meter	AA	SC Inst.	M11WW1	090156	--	1983

2. **Measurements:**

13 pumps 180.90 cfs = 81,224.1 gpm = 9045 miners inches

See Attachment "D"

E. FLOW CALCULATIONS

☐ Additional Computation Sheets Attached

1. Measured Method:

2. Alternate Method for Checking Purposes:

F. PUMP EFFICIENCY DATA (Optional)

Discharge Pressure: _____ psi x 2.31 = _____ ft (1); Dynamic pumping level: _____ ft (2)

Total Head: (1) + (2) = _____ (3) ; Flow rate: _____ cfs (4)

Water HP: (3) x (4) ÷ 8.8 = _____ (5)

Meter Input KW: 3.6 x _____ KH x _____ CTR or _____ MULT x _____ PTR x _____ N/ _____ T = _____ (6)

Meter Input HP: (6) x 1.34 = _____ (7)

Panel Input KW: _____ Ave PF x _____ Ave Volts x _____ Ave Ampsx .001732 = _____ (6)

Panel Input HP: (6) x 1.34 = _____ (7) Efficiency: (5)/(7) x 100 = _____ %

G. VOLUME CALCULATIONS

1. Volume Calculations for Irrigation:

$V_{I.R.} = (\text{Acres Irrigated}) \times (\text{Irrigation Requirement}) = 5.0 \times 12 = 60,935$

$V_{D.R.} = [\text{Diversion Rate (cfs)}] \times (\text{Days in Irrigation Season}) \times 1.9835 = 87,550$

$V = \text{Smaller of } V_{I.R.} \text{ and } V_{D.R.} = 60,935$

2. Volume Calculations for Other Uses:

K. Licensing recommendation shall be prepared by an Idaho Department of Water Resources employee on a computer printout attached hereto.

Field Examiner's Name

2. Recommended Amendments

-55609-

5.0 ac ft/ac

Annual Volume
V (a1a)

1. RECOMMENDATIONS

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins or other markings on the paper.



ATTACHMENT "A"

: Well or : Diversion	: Motor : Make	: HP:	: Motor : Serial #	: Pump : Make	: Pump Serial : Discharge
: Pump #16	: West.*:	1500:	5S-73	: Singer:	74282
: Pump #15	: "	:	7S-73	: "	73621
: Pump 14	: "	:	3S-73	: "	73619
: Pump # 13	: "	:	7S-74	: "	73620
: Pump # 9	: "	:	6S-73	: "	73618
: Pump #10	: "	:	2S-73	: "	73623
: Pump #12	: "	:	4S-73	: "	73617
: Pump #21	: "	:	2S-74	: "	75701
: Pump #22	: "	:	3S-74	: "	75697
: Pump #23	: "	:	6S-74	: "	75698
: Pump #24	: "	:	5S-74	: "	75699
: Pump # 17	: "	:	1S-76	: "	75696
: Pump # 18	: "	:	1S-73	: "	75695
: Pump # 20	: "	:	1S-73	: "	75700
: Spare	: "	:	4S-73	: na	na
: Sta 9-1	: U.S.**:	150:	2684-01-173	: Singer:	73804
: Sta 9-2	: "	:	150:2690-02-273	: "	73803
: Sta 9-3	: "	:	75:2842-00-H06	: "	73807
: Sta10-1	: "	:	150:C2634-01-173	: "	73808
: Sta10-2	: "	:	200:C 521 361	: "	45065
: Sta10-3	: "	:	100:2942-02-173	: "	73809
: Sta11-1	: "	:	150:2684-01-173	: "	73810
: Sta12-1	: "	:	150:C521- 356	: "	73805
: Sta12-2	: "	:	200:R 6377- 07-122	: "	73806

* Westinghouse Lac Induction Motor

** U.S. Motors High Thrust Holoshaft Motor

: Well or : Diversion	: Motor : Make	: HP :	: Motor : Serial #	: Pump : Make	: Pump Serial : Discharge
: Sta 12-3	: U.S. *	: 200	: CC 101 306	: Singer	: 45066
: Sta 12-4	: "	: 75	: D 7004115	: "	: 73811
: Sta 13-1	: "	: 150	: C 2690- 02-173	: "	: 73812
: Sta 13-2	: "	: 200	: C 2691- 01-288	: "	: 45067
: Sta 13-3	: "	: 150	: C 2690-01-273-J	: "	: 73820
: Sta 14-1	: "	: 100	: C 2849-02-292	: "	: 73816
: Sta 14-2	: "	: 50	: R 8891-00D-047	: "	: 73817
: Sta 15-1	: "	: 125	: C 2948-02-173	: "	: 73819
: Sta 15-2	: "	: 200	: C 2694-03-911	: "	: 73818
: Sta 16-3	: "	: 100	: C 2942- 01-173	: "	: 73814
: Sta 16-2	: "	: 200	: C 1516-01-173	: "	: 45068
: Sta 16-1	: "	: 100	: C 2942-01-173	: "	: 73815
: Sta 17-1	: "	: 100	: 7404	: "	: 75927
: Sta 17-2	: "	: 200	: R 9985-01-173	: "	: T 78128
: Sta 18-3	: "	: 200	: CC 101-0494	: "	: 75923
: Sta 18-2	: "	: 200	: C 2691-01-173	: "	: 45452
: Sta 18-1	: "	: 75	: D 700-4116	: "	: 73821
: Sta 19-1	: "	: 200	: C 1516 01-12-1574	: "	: 75926
: Sta 19-2	: "	: 100	: R 9983- 01- 210	: "	: 75927
: Sta 19-3	: "	: 50	: R 8889-02-0190	: "	: NA
: Sta 20-1	: "	: 75	: R 2842-02-H-343	: "	: 75931
: Sta 20-2	: "	: 150	: C 521 356	: "	: 75930
: Sta 20-3	: "	: 200	: C 521361	: "	: 75929
: Sta 22-1	: "	: 200	: C 521 361	: "	: 75932
: Sta 22-2	: "	: 150	: C 521 356	: "	: 75934

[illegible]

ATTACHMENT "B"

POINTS of DIVERSION:

Ident.	1/4	1/4	1/4	Sec.	Twp.	Rge.	Cnty	Survey
Pump #16:	NE	NW	SW	34	5S	9E	Elmore	Field *
Pump #15:	"	"	"	"	"	"	"	"
Pump #14:	"	"	"	"	"	"	"	"
Pump #13:	"	"	"	"	"	"	"	"
Pump #9 :	"	"	"	"	"	"	"	"
Pump #10:	"	"	"	"	"	"	"	"
Pump #12:	"	"	"	"	"	"	"	"
Pump #21:	"	"	"	"	"	"	"	"
Pump #22:	"	"	"	"	"	"	"	"
Pump #23:	"	"	"	"	"	"	"	"
Pump #24:	"	"	"	"	"	"	"	"
Pump #17:	"	"	"	"	"	"	"	"
Pump #18:	"	"	"	"	"	"	"	"
Pump #20:	"	"	"	"	"	"	"	"
Sta #9 :	NW	NW	NW	27	6S	9E	Elmore	Field
Sta #10 :	SW	SW	SW	"	"	"	"	"
Sta #11 :	NW	NW	Nw	34	6S	9E	"	"
Sta #12 :	NW	SE	NW	34	"	"	"	"
Sta #13 :	NW	SW	SW	35	"	"	"	"
Sta #14 :	NE	NE	NW	1	7S	"	"	"
Sta #15 :	NE	SE	NW	1	"	"	"	"
Sta # 16:	NE	NE	SE	"	"	"	"	"
Sta # 17:	SW	NE	NW	7	"	10E	"	"

* In-the-Field inspection and location of withdrawal and dispersal pumps (see photos).

Ident.	1/4	1/4	1/4	Sec.	Twp.	Rge.	Cnty	Survey
Sta #18:	SE	NE	NW	7	7S	10E	Elmore	Field
Sta #19:	NW	SE	SW	8	"	"	"	"
Sta #20:	SE	NE	NW	17	"	"	"	"
*Sta #22:	NW	SE	SE	"	"	"	"	"
Sta #23:	NE	NE	NW	21	"	"	"	"
Sta #24:	SW	SW	NE	"	"	"	"	"
Sta #25:	NW	SW	SE	"	"	"	"	"
Sta #26:	SW	SW	NW	27	"	"	"	"
Sta #27:	"	"	"	"	"	"	"	"
Sta #28:	"	"	"	"	"	"	"	"

* Pump Station #21 was not located and presumed non-existent.

ATTACHMENT "C"

PLACES of USE

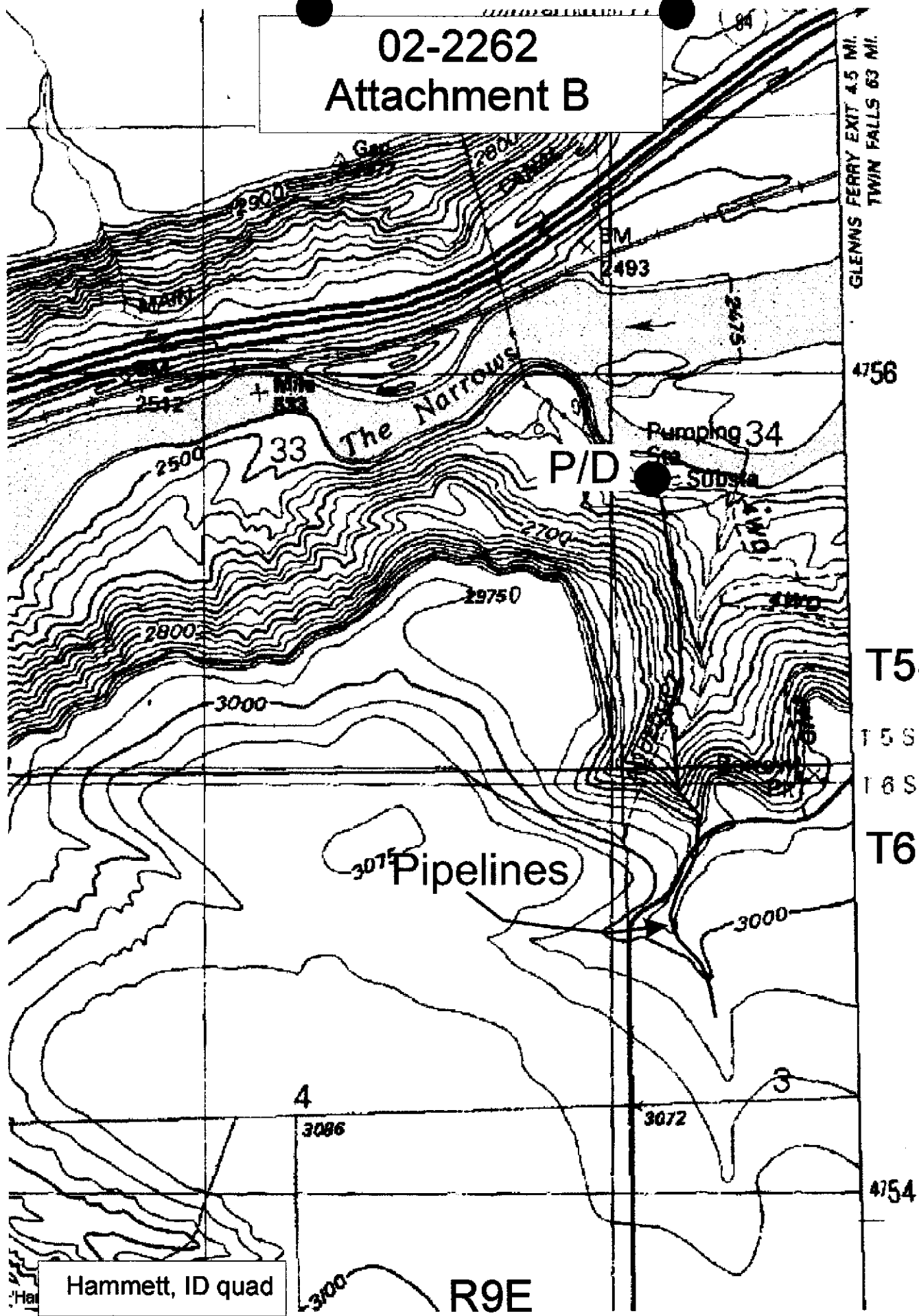
Method of Determination: In Field Survey

			NE1/4				NW1/4				SW1/4				SE1/4				
Twp	Rge	Sec	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
6S	9E	23													40	40	40	40	160
		24										12	12						24
"	"	25		40	40			40	40	40	40	40	40	40	40	40	40	40	480
"	"	26	40	40	40	40				40	40	40	40	40	40	40	40	40	400 480
"	"	27								40	40	40	40	40	40	40	40	40	320
"	"	28									40	40			40	40			160
"	"	33																	0
"	"	34	40	40	40	40	40	40	40	40				40					360
"	"	35	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
"	"	36	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
7S	9E	1	23	23	17	23	23	16	16	23	18	16			16	18			209 232
"	"	2		23	23			23	23										92
"	"	3		17	23														40
6S	10E	30						40	40	40	40	40	40			40	32		312
"	"	31	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	640
"	"	32						37	40		23	40	40	40					220
"	"	33																	0
7S	10E	3																	0
"	"	4		17	23	20	23	23	23	23	23	23	23	23	23	20	23	23	330
"	"	5	23	23	20	20	23	20	20	23	23	23	23	23	23	23	23	23	356
"	"	6	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	365 368
"	"	7	40	40	20	40													140
"	"	8	40	40	40	40	40	40	40	40	40	20			30	40	40		490

Method of Determination: In Field Survey

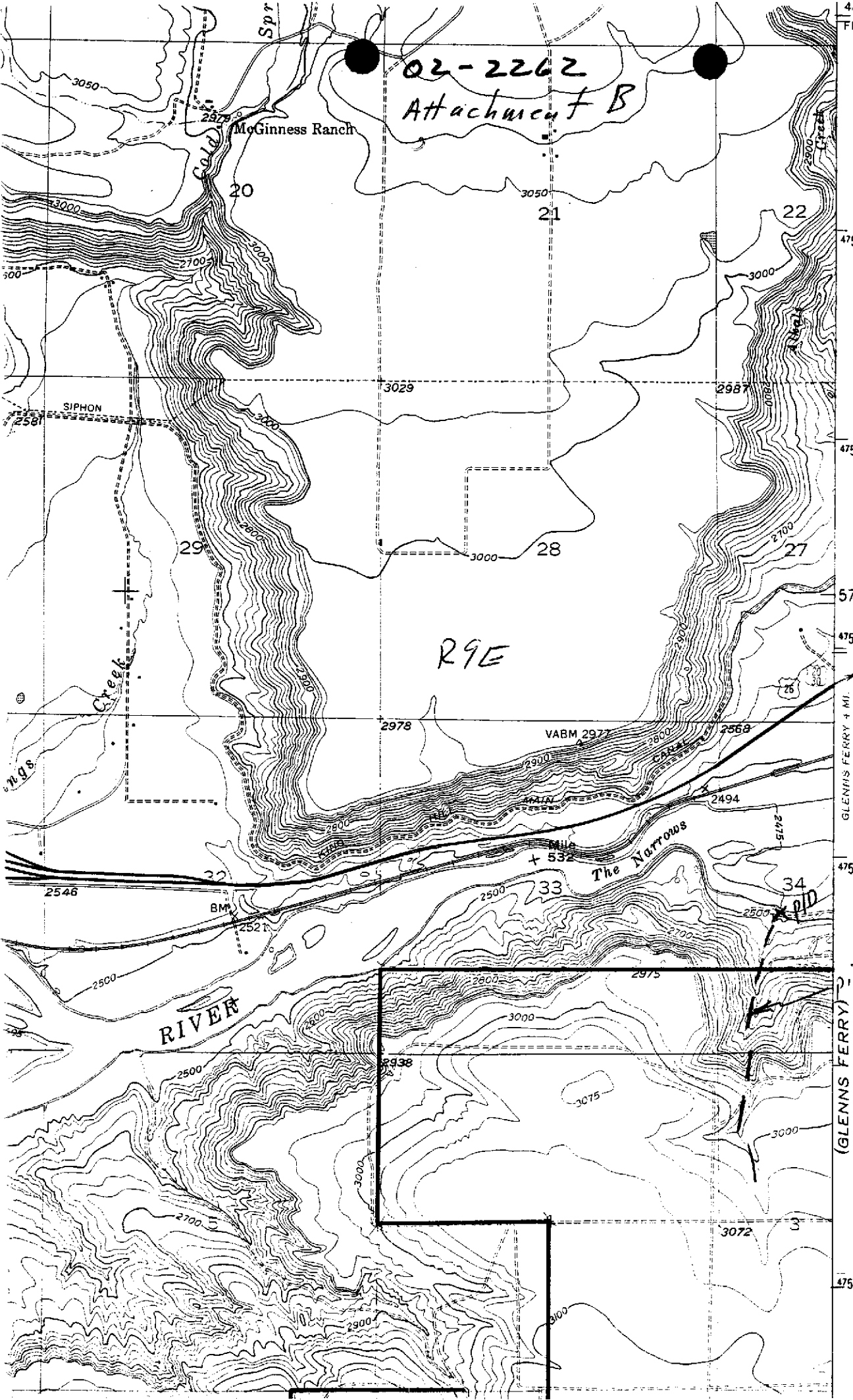
Total Acreage Irrigated = ~~12,107~~ acres

02-2262
Attachment B



Hammett, ID quad

R9E



02-2262
Attachment B

R9E

4 JO
FEET

57'30"
J
S

pipelines
(GLENN'S FERRY)
2969 14 NE 1

4754

N

Township	Range	Section	1/4 of 1/4		Lot	Use	Acres
6S	9E	23	NE	SE			40.0
			NW	SE			37.0
			SW	SE			40.0
			SE	SE			40.0
			SE	NE			40.0
SECTION ACRES							197.0
6S	9E	24	SW	NW			40.0
			NE	SW			36.0
			NW	SW			40.0
			SW	SW			37.0
			SE	SW			40.0
SECTION ACRES							193.0
6S	9E	25	NE	SE			6.0
			NW	SE			5.0
			SW	SE			40.0
			SE	SE			40.0
			NE	NE			35.0
			SW	NE			6.0
			SE	NE			6.0
			NW	NE			40.0
			SW	NW			40.0
			NE	NW			40.0
			SE	NW			40.0
			NW	NW			40.0
			NE	SW			40.0
			NW	SW			40.0
			SW	SW			40.0
SE	SW			40.0			
SECTION ACRES							498.0
6S	9E	26	NE	NE			37.0
			NW	NE			40.0
			SW	NE			40.0
			SE	NE			40.0
			NE	SW			40.0
			NW	SW			40.0
			SW	SW			40.0
			SE	SW			40.0
			NE	SE			40.0
			SE	SE			40.0
			NE	NW			40.0
			SW	NW			40.0
			SE	NW			40.0
SECTION ACRES							517.0
6S	9E	27	SW	SW			40.0
			SE	SW			40.0
			NE	SE			40.0
			SW	SE			40.0
			SE	SE			40.0
			SE	NE			38.0
SECTION ACRES							238.0

Township	Range	Section	1/4 of 1/4		Use	Acres
6S	9E	28	SW	SW		30.0
			SE	SW		40.0
			SW	SE		40.0
			SE	SE		40.0
SECTION ACRES						150.0
6S	9E	33	NE	NE		40.0
			NW	NE		40.0
			NE	NW		28.0
			NW	NW		25.0
SECTION ACRES						133.0
6S	9E	34	NE	NE		40.0
			NW	NE		40.0
			SW	NE		40.0
			SE	NE		40.0
			NE	NW		40.0
			NW	NW		40.0
			SW	NW		25.0
			SE	NW		30.0
			NE	SE		25.0
SECTION ACRES						320.0
6S	9E	35	SW	SE		40.0
			SE	SE		40.0
			NE	NE		40.0
			NW	NE		40.0
			SW	NE		40.0
			SE	NE		38.0
			NE	NW		40.0
			NW	NW		40.0
			SW	NW		40.0
			SE	NW		40.0
			NW	SW		21.0
			SW	SW		38.0
SECTION ACRES						457.0
6S	9E	36	NE	SE		40.0
			NW	SE		40.0
			SW	SE		40.0
			SE	SE		40.0
			NE	NE		40.0
			NW	NE		40.0
			SW	NE		40.0
			SE	NE		40.0
			NE	NW		40.0
			NW	NW		40.0
			SW	NW		25.0
			SE	NW		35.0
			NE	SW		40.0
			NW	SW		35.0
			SW	SW		40.0
SE	SW		40.0			
SECTION ACRES						615.0

Township	Range	Section	1/4 of 1/4		Use	Acres
6S	10E	30	SW	SE		40.0
			SE	SE		37.0
			SW	NW		6.0
			NE	SW		5.0
			NW	SW		6.0
			SW	SW		40.0
			SE	SW		40.0
SECTION ACRES						174.0
6S	10E	31	NE	SE		40.0
			NW	SE		40.0
			SW	SE		40.0
			SE	SE		40.0
			NE	NE		40.0
			NW	NE		40.0
			SW	NE		40.0
			SE	NE		40.0
			NE	NW		40.0
			NW	NW		40.0
			SW	NW		33.0
			SE	NW		40.0
			NE	SW		40.0
			NW	SW		40.0
			SW	SW		37.0
			SE	SW		40.0
SECTION ACRES						630.0
6S	10E	32	NW	NW		37.0
			SW	NW		39.0
			NE	SW		23.0
			NW	SW		40.0
			SW	SW		40.0
			SE	SW		39.0
SECTION ACRES						218.0
7S	9E	1			1	40.89
					2	41.04
					3	41.18
					4	41.33
			NE	SW		40.0
			NW	SW		40.0
			NE	SE		40.0
			NW	SE		40.0
			SW	SE		39.0
			SE	SE		33.0
			SE	SW		32.0
SECTION ACRES						428.44
7S	9E	2			1	41.36
					2	41.28
					3	41.20
					4	41.12
SECTION ACRES						164.96

Township	Range	Section	1/4 of 1/4		Use	Acres
7S	9E	3				40.98
					SECTION ACRES	40.98
7S	9E	10	SE	NE		0
			NE	SE		28.0
			SE	SE		40.0
					SECTION ACRES	68.0
7S	9E	11	NE	SE		40.0
			NW	SE		40.0
			SE	SE		37.0
			SW	SE		37.0
			NE	SW		40.0
			NW	SW		38.0
			SW	SW		34.0
			SE	SW		35.0
			SE	NE		40.0
			SW	NE		40.0
			SW	NW		34.0
					SECTION ACRES	415.0
7S	9E	12	NE	SW		38.0
			NW	SW		40.0
			SW	SW		40.0
			SE	SW		40.0
			SW	SE		40.0
					SECTION ACRES	198.0
7S	9E	13	NE	NW		38.0
			SE	NW		34.0
			NE	NE		40.0
			NW	NE		40.0
			SW	NE		40.0
			SE	NE		40.0
			NE	SE		37.0
			NW	SE		35.0
					SECTION ACRES	304.0
7S	9E	14	NW	NW		40.0
					SECTION ACRES	40.0
7S	9E	15	NE	NE		40.0
					SECTION ACRES	40.0
7S	10E	4	NE	SE		30.0
			NW	SE		40.0
			SW	SE		40.0
			SE	SE		40.0
					3	39.9
					4	40.02

Township	Range	Section	1/4 of 1/4		Use	Acres	
			NE	SW		40.0	
			NW	SW		40.0	
			SW	SW		40.0	
			SE	SW		40.0	
			SECTION ACRES				389.92
7S	10E	5	NE	SE		40.0	
			NW	SE		40.0	
			SW	SE		40.0	
			SE	SE		40.0	
					1	40.05	
					2	39.99	
					3	39.93	
					4	39.87	
			NE	SW		40.0	
			NW	SW		40.0	
			SW	SW		40.0	
			SE	SW		40.0	
			SECTION ACRES				479.84
7S	10E	6	NE	SE		40.0	
			SE	SE		40.0	
					1	39.97	
					3	40.49	
					4	31.41	
			NE	SW		40.0	
					5	30.91	
					6	30.97	
			SE	SW		40.0	
			SECTION ACRES				333.75
7S	10E	7	NE	NE		40.0	
			NW	NE		40.0	
			SE	NE		40.0	
			SECTION ACRES				120.0
7S	10E	8	NW	SE		40.0	
			SW	SE		40.0	
			NE	NE		40.0	
			NW	NE		40.0	
			SW	NE		40.0	
			SE	NE		40.0	
			NE	NW		40.0	
			NW	NW		40.0	
			SW	NW		40.0	
			SE	NW		40.0	
			NE	SW		40.0	
			NW	SW		31.0	
			SECTION ACRES				471.0

Township	Range	Section	1/4 of 1/4		Use	Acres
7S	10E	9	NE	SE		40.0
			NW	SE		40.0
			SW	SE		40.0
			SE	SE		40.0
			NE	NE		40.0
			NW	NE		40.0
			SW	NE		40.0
			SE	NE		40.0
			NE	NW		40.0
			NW	NW		40.0
			SW	NW		40.0
			SE	NW		40.0
			NE	SW		40.0
			NW	SW		40.0
			SECTION ACRES			560.0
7S	10E	10	NW	NW		35.0
			SW	NW		40.0
			NE	SW		35.0
			NW	SW		40.0
			SW	SW		40.0
			SE	SW		40.0
			SECTION ACRES			230.0
7S	10E	14	SW	SW		37.0
			SECTION ACRES			37.0
7S	10E	15	NE	SE		40.0
			NW	SE		40.0
			SW	SE		40.0
			SE	SE		40.0
			NW	NE		30.0
			SW	NE		40.0
			NE	NW		40.0
			NW	NW		40.0
			SW	NW		40.0
			SE	NW		40.0
			NE	SW		40.0
			NW	SW		40.0
			SW	SW		40.0
			SE	SW		40.0
			SECTION ACRES			550.0
7S	10E	16	NE	SE		40.0
			NW	SE		40.0
			SW	SE		40.0
			SE	SE		40.0
			NE	NE		40.0
			NW	NE		40.0
			SW	NE		40.0
			SE	NE		40.0
			NE	NW		40.0
			NW	NW		40.0

Township	Range	Section	1/4 of 1/4		Use	Acres
			SW	NW		40.0
			SE	NW		40.0
			NE	SW		40.0
			NW	SW		40.0
			SW	SW		30.0
			SE	SW		37.0
			SECTION ACRES			627.0
7S	10E	17	NE	NE		40.0
			NW	NE		38.0
			SW	NE		37.0
			SE	NE		40.0
			SECTION ACRES			155.0
7S	10E	18			2	30.78
					3	30.78
			NE	SW		40.0
			SECTION ACRES			101.56
7S	10E	20	SW	NE		40.0
			NE	NW		40.0
			NW	NW		40.0
			SW	NW		40.0
			SE	NW		40.0
			NW	SE		40.0
			SW	SE		40.0
			SE	SE		40.0
			SECTION ACRES			320.0
7S	10E	21	NE	NE		40.0
			NW	NE		40.0
			SW	NE		40.0
			SE	NE		40.0
			SE	NW		32.0
			NE	SE		40.0
			NW	SE		40.0
			SECTION ACRES			272.0
7S	10E	22	NE	SE		40.0
			NW	SE		40.0
			SE	SE		40.0
			NE	NE		40.0
			NW	NE		40.0
			SW	NE		40.0
			SE	NE		40.0
			NW	NW		40.0
			SW	NW		35.0
			SE	NW		40.0
			NE	SW		40.0
			NW	SW		40.0
			SW	SW		40.0
			SE	SW		40.0
			SECTION ACRES			555.0

Township	Range	Section	1/4 of 1/4		Use	Acres
7S	10E	23	NE	NW		40.0
			NW	NW		40.0
			SW	NW		40.0
			SE	NW		40.0
			NE	SW		40.0
			NW	SW		40.0
			SW	SW		40.0
			SE	SW		38.0
			NW	SE		40.0
			SW	SE		33.0
			SE	SE		

SECTION ACRES 431.0

7S	10E	26	NE	NE	35.0
			NW	NE	40.0
			SW	NE	40.0
			SE	NE	40.0
			NE	NW	40.0
			NW	NW	40.0

SECTION ACRES 235.0

7S	10E	27	NE	SE	40.0
			NW	SE	40.0
			SW	SE	40.0
			SE	SE	40.0
			NE	NE	40.0
			NW	NE	40.0
			SW	NE	40.0
			SE	NE	40.0
			NE	NW	40.0
			SE	NW	40.0
			NE	SW	37.0
			SE	SW	

SECTION ACRES 477.0

7S	10E	28	SW	NE	40.0
			SE	NE	40.0
			NE	SE	40.0
			NW	SE	40.0
			NW	NW	40.0
			SW	NW	40.0
			NE	SW	40.0
			NW	SW	

SECTION ACRES 320.0

7S	10E	29	NE	NE	40.0
			NW	NE	40.0
			SW	NE	40.0
			SE	NE	40.0
			NE	SE	40.0
			NW	SE	40.0
			SW	SE	40.0
			SE	SE	

SECTION ACRES 320.0

Township	Range	Section	1/4 of 1/4		Use	Acres
7S	10E	34	NE	NE		40.0
			NW	NE		40.0
SECTION ACRES						80.0
TOTAL ACRES						13,104.45

ATTACHMENT "D"

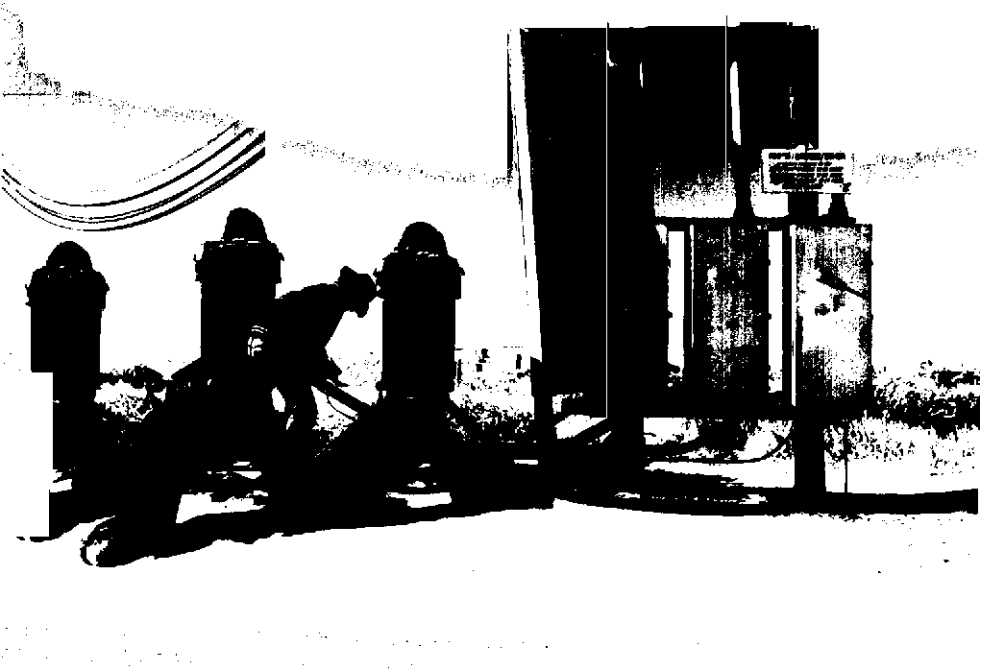
CURRENT METER NOTES

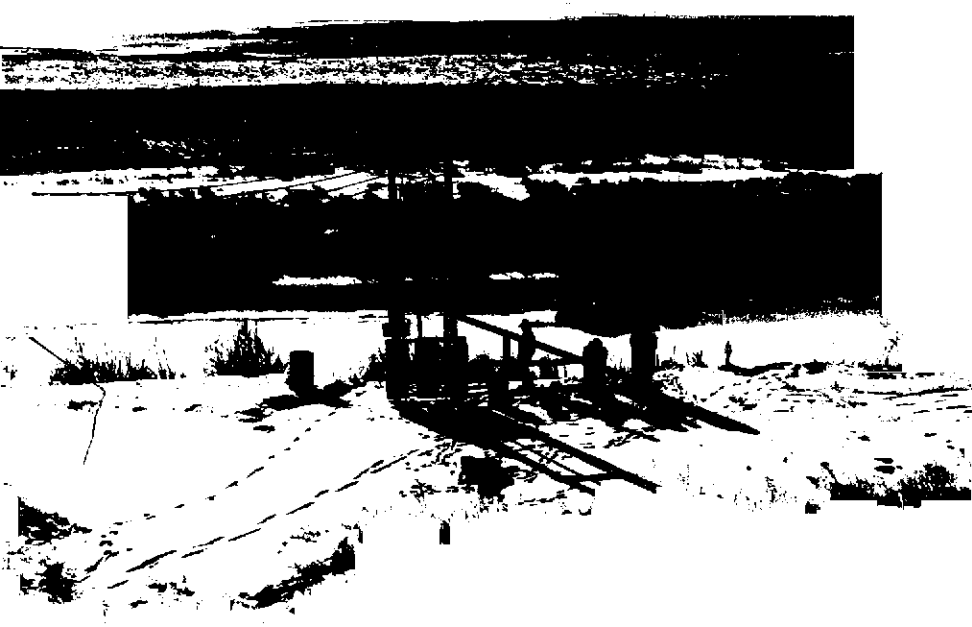
STATION pumps 1-13
 TIME 4:25 DATE 7-21-82
 PARTY SLC/SLC GAGE Canal Heading

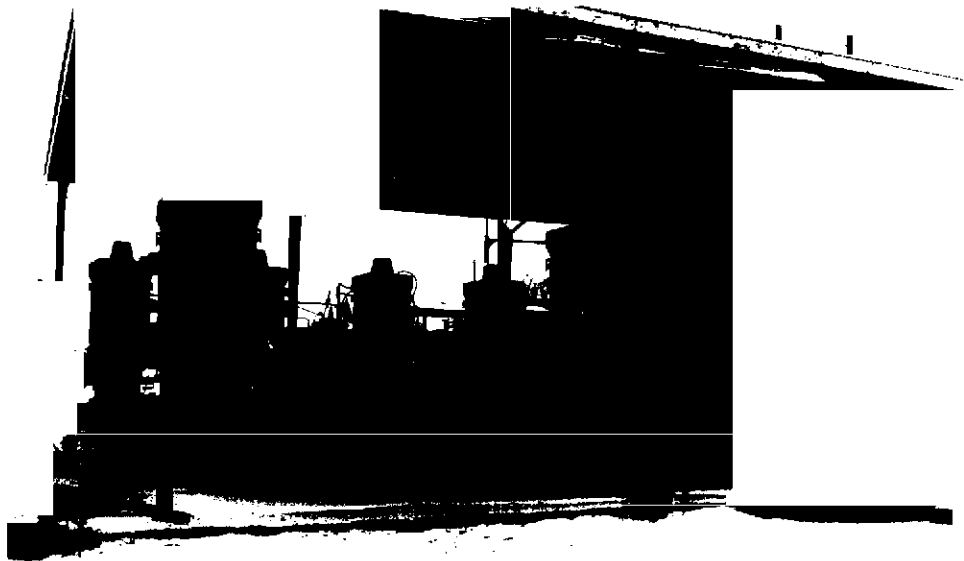
Dist. From Initial Point	Depth	Revolutions	Time in Secs	VELOCITY			AREA	Mean Depth	Width	DISCHARGE
				At Point	Mean in Vertical	Mean in Section				
0	-	-	-	-	-	-	-	-	-	-
2.5	.95	20	46	.986			2.14	.95	2.25	2.11
4.5	1.55	40	54	1.66			3.10	1.55	2	5.15
6.5	2.65	50	52	2.15			5.30	2.65	2	11.40
8.5	4.0	50	43	2.35	2.50	2.20	8.0	4.0	2	18.80
10.5	4.4	50	45	2.55	2.60	2.49	8.80	4.40	2	22.44
12.5	4.45	50	44	2.49	2.54	2.43	8.90	4.45	2	22.16
14.5	4.5	50	45	2.27	2.04	2.49	9.0	4.50	2	20.43
16.5	4.45	50	46	2.34	2.24	2.43	8.90	4.45	2	20.83
18.5	4.4	50	48	2.13	2.33	1.93	8.80	4.40	2	18.74
20.5	3.45	50	53	2.11			6.90	3.45	2	14.56
22.5	2.4	50	58	1.93			4.80	2.40	2	9.26
24.5	1.7	40	42	2.13			3.40	1.70	2	7.24
26.5	.65	10	56	.418			1.30	.65	2	.54
can 28.5	-	-	-	-	-	-	-	-	-	-
										173.66 cfs
										78.147 gpm
									+ # 7	7.24
									Total	180.90
TOTALS										9045" tld produced

CLG. by

Township	Range	Section	1/4 of 1/4		Lot	Use	Acres
7S	9E	3					40.98
						SECTION ACRES	40.98
7S	9E	10	SE	NE			40.0
			NE	SE			38.0
			SE	SE			40.0
						SECTION ACRES	118.0
7S	9E	11	NE	SE			40.0
			NW	SE			40.0
			SE	SE			37.0
			SW	SE			37.0
			NE	SW			40.0
			NW	SW			38.0
			SW	SW			34.0
			SE	SW			35.0
			SE	NE			40.0
			SW	NE			40.0
			SW	NW			34.0
						SECTION ACRES	415.0
7S	9E	12	NE	SW			38.0
			NW	SW			40.0
			SW	SW			40.0
			SE	SW			40.0
			SW	SE			40.0
						SECTION ACRES	198.0
7S	9E	13	NE	NW			38.0
			SE	NW			34.0
			NE	NE			40.0
			NW	NE			40.0
			SW	NE			40.0
			SE	NE			40.0
			NE	SE			37.0
			NW	SE			35.0
						SECTION ACRES	304.0
7S	9E	14	NW	NW			40.0
						SECTION ACRES	40.0
7S	9E	15	NE	NE			40.0
						SECTION ACRES	40.0
7S	10E	4	NE	SE			30.0
			NW	SE			40.0
			SW	SE			40.0
			SE	SE			40.0
					3		39.9
					4		40.02







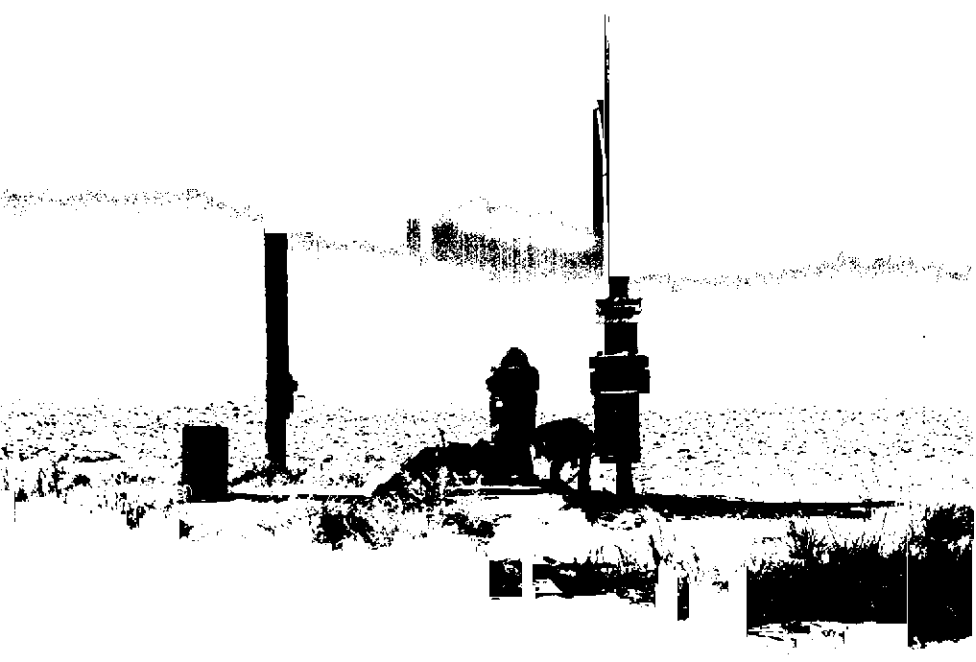
Withdrawal Pump Station

Snake River

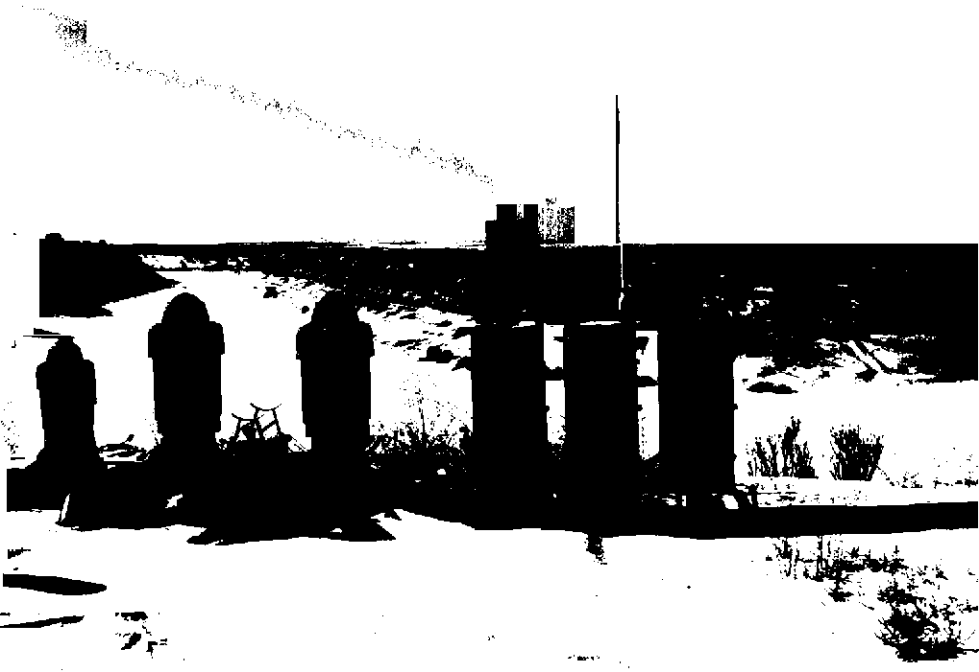
Grindstone Butte Mutual Canal Company

Pumps #17, #18, #19 (down), and #20











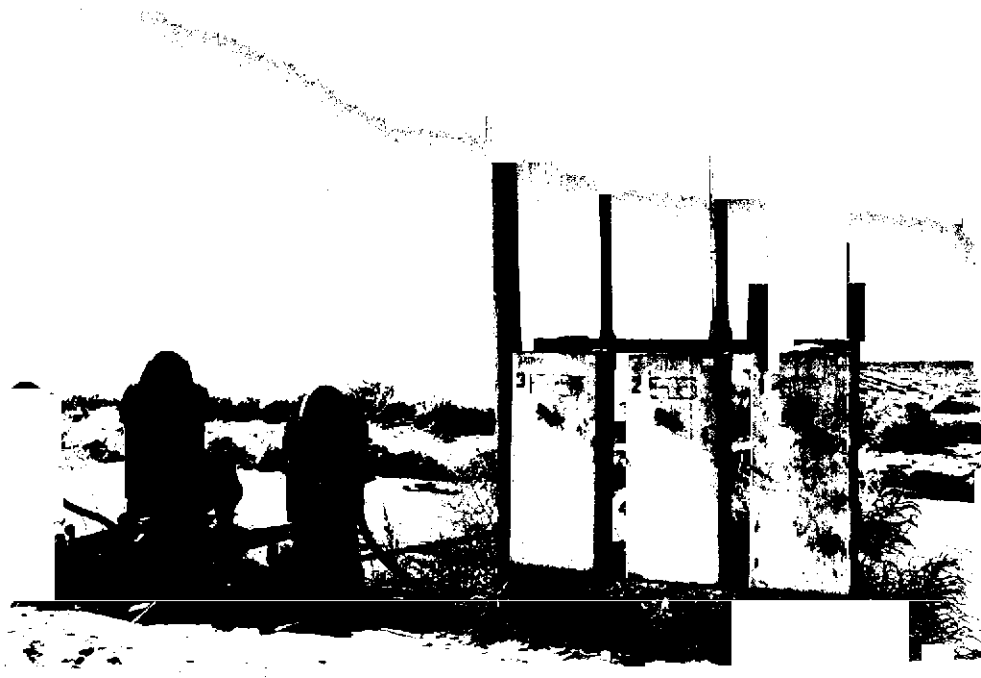
Withdrawal Pump Station

Snake River

Grindstone Butte Mutual Canal Co.

Pumps #21, #22, #23, and #24

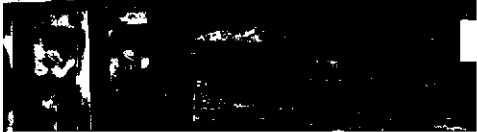
PAGE 6 000 NOB 1980
UNCLASSIFIED BY SP-1 JRS
DATE 07-10-2001





Page 1 of 1

Page 1 of 1



Page 1 of 1



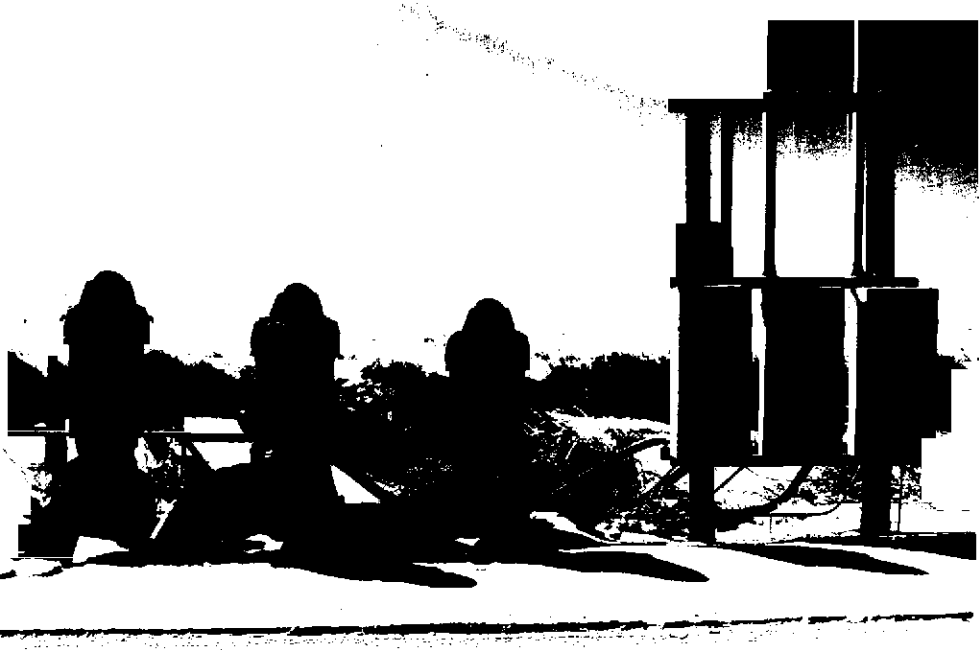
Pump # 26

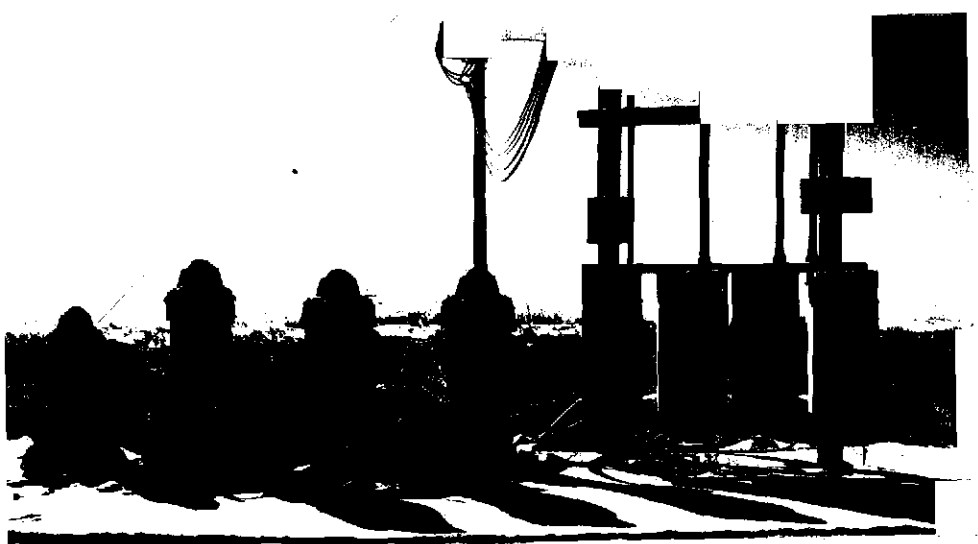
Pump # 27

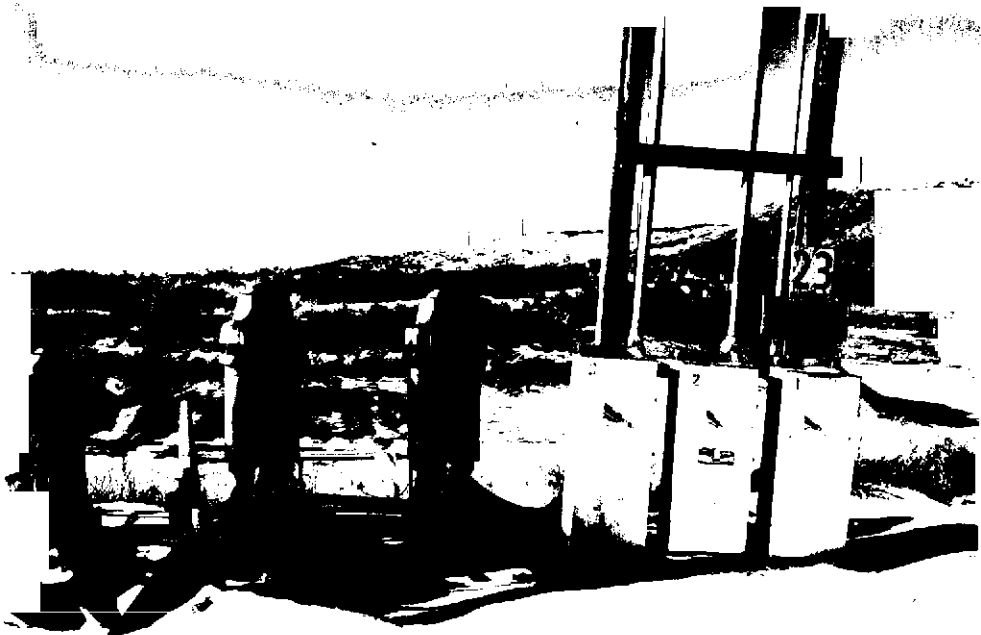


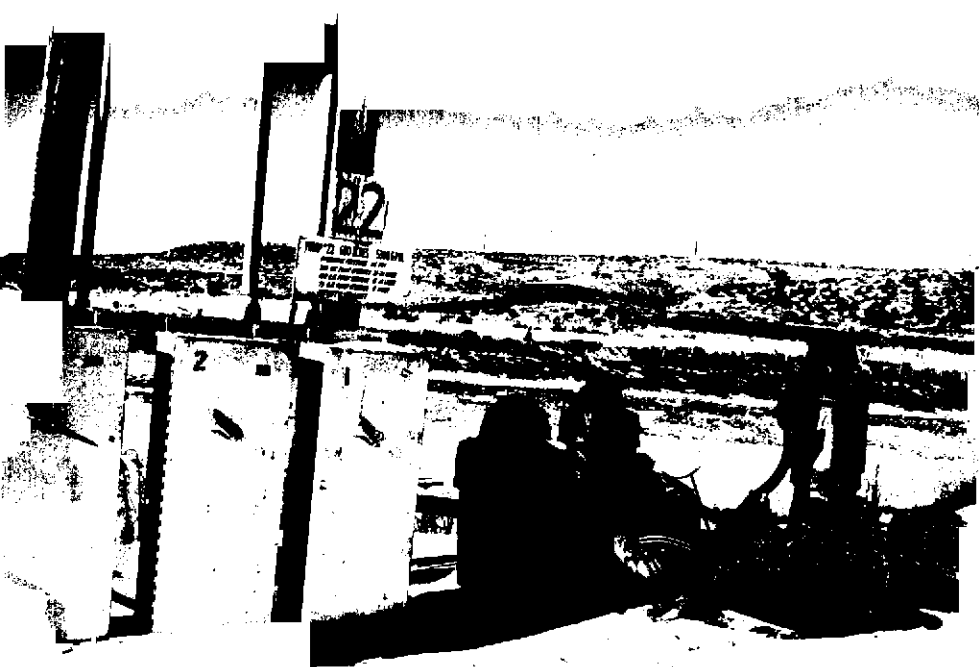




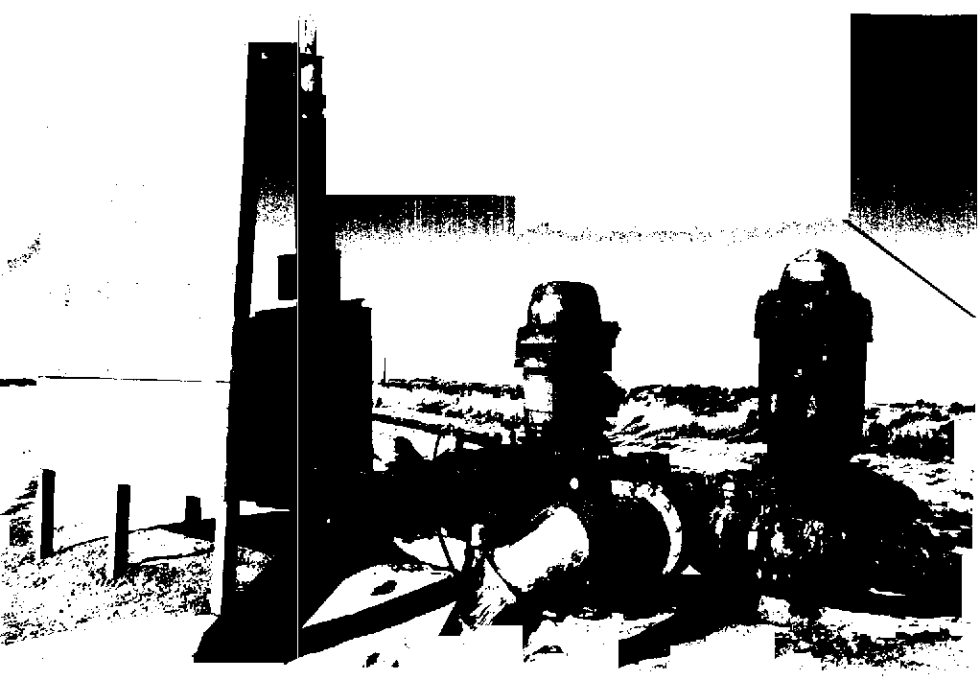


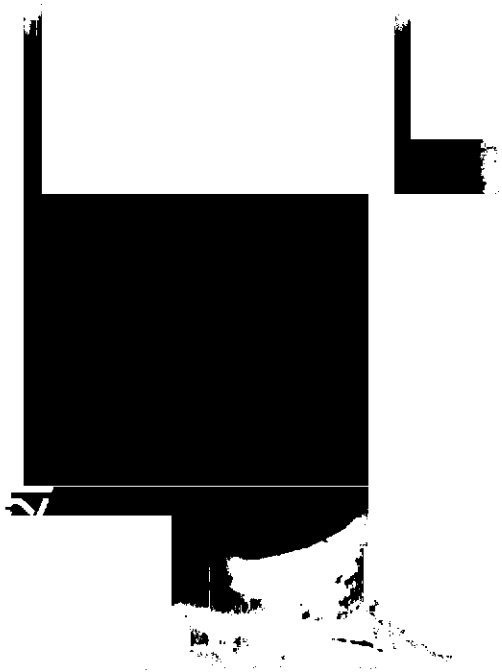












Withdrawal Pump Station
Snake River
Grindstone Bottle Muttal Canal Co.
Pump #21

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

APR 27 2004

Department of Water Resources

APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK

Name of Seller/Lessor Grindstone Butte Mutual Canal Company Phone 208-388-1200

Post Office address PO Box 2673, Boise, Idaho 83701

Copy to John M. Marshall, Givens Pursley LLP, P.O. Box 2720, Boise, Idaho 83701

1. DESCRIPTION OF WATER RIGHT

Right evidenced by:

a. Decree No. _____ Decreed to _____
in case of _____ vs. _____
dated _____ in _____ county of _____

b. License No. _____ issued by the Idaho Department of Water
Resources.

c. Permit No. 02-2262 issued by the Idaho Department of
Water Resources.

2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (if the entire right is for sale or
lease, show "all on line a. below and skip the remainder of part 2.)

a. Amount of water under right: 3.80 cubic feet per second &/or
_____ acre-feet per annum

b. Point of diversion: Lot 4 of _____ of Section 34 Township 5S Range 9E
B.M. in Elmore County.

Additional points _____

ORIGINAL

c. Place of use: See Exhibit A

Twp.	Rge.	Sec.	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE1	NW	SE	SW	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

If the right is for irrigation, show the number of acres for the part of the right to be put in the bank

Total number of acres 276.60

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OF LEASE

- a. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of the change of ownership for as required by Section 43-248 or 42-1409(6), Idaho Code, together with required documentation.

The Applicant, who is the permit holder, delivers water to shareholders of the corporation. Applicant recently reacquired 1,241.56 of the company's shares as part of a bankruptcy settlement with one of the company's shareholders. Documents demonstrating Applicant's acquisition of these shares are attached as Exhibit B.

- b. Describe the frequency of water use under the right, or portion thereof, during the past 5 years. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years).

Forfeiture is not an issue for this right for a number of reasons. First, the right is still in the permit stage and will be licensed based on proof of beneficial use, which includes the 276.60 acres sought to be put in the water bank by this Application. Second, any nonuse of water on these 276.60 acres over the past five years is beyond the control of the Applicant. Idaho Code §§ 42-223(6) and (7). As indicated above, the former owner of the company shares at issue recently was involved in a

bankruptcy proceeding. The Applicant was proactively involved in the proceeding to reacquire the shares and to protect Applicant's water right. Now that Applicant has control of the portion of the water right appurtenant to the 276.60 acres involved, the Applicant is protecting the water right from forfeiture by placing it in the water bank until such time as a new stockholder can acquire the shares and place the water represented by these shares to beneficial use. Third, the water right at issue currently is pending before the Snake River Basin Adjudication Court and therefore is not subject to forfeiture. Memorandum Decision and Order on Challenge (Wood v. Trout), In re SRBA Case No. 39576 (May 13, 2002)

- c. . If the right is from a surface water source, describe the period of year that water is typically available to satisfy the right.

The permitted season of use for the right 3/15 to 11/15. The right typically is available to satisfy the right during this time period.

- d. . Describe any other water right with the same purpose and place of use as the right, or portion thereof. Will the present place of use continue to receive water from any source? If so, describe.

The present place of use will not be irrigated during the time the portion of the right is in the water bank.

- e. . If the water right is a permit describe the work accomplished toward developing the right..

Proof of beneficial use was filed on February 5, 1987.

- f. . If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale of lease must be attached.

Not applicable

4. Remarks _____

5. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resources Board:

_____ For sale;

X For lease for a period from 4/1/2004 to 4/1/2005
(Day, month, year) (Day, month, year)

(the lease period may be shown as "indefinite", if the total duration of lease is unknown); or

_____ As a gift to the state of Idaho. (with conditions on its rental and use (see Exhibit 2))

2. Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate".

Current rental rate

I hereby assert that the information contained in this application is true to the best of my knowledge and that

I have the authorities necessary to offer the sale or lease of this right to the Idaho Water Resources Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

April 21, 2004
Date

Grindstone Butte Mutual Canal Co.
Signature By: Mark A. Noble President

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary Check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

WATER BANK APPLICATION EXHIBIT A

Township	Range	Section	Lot	Lot	Lot	Lot	Lot
07S	09E	13				SENE	23
			NESE	37		NWSE	35
		14	NWNW	40			
		15	NENE	40			
	10E	18	2	30.8	3	30.8	NESW 40

Total Acres: 276.60

EXHIBIT “B”

ASSIGNMENT AND IRREVOCABLE STOCK POWER

KNOW ALL MEN BY THESE PRESENTS: that the undersigned Stockholder, for value received, has bargained, sold, assigned and transferred, and by these presents does bargain, sell, assign and transfer unto GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, 621.56 shares of the common stock of GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, standing in my name on the books of the said Company, represented by Certificate No. 69.

I do hereby irrevocably constitute and appoint GRINDSTONE BUTTE MUTUAL CANAL COMPANY my true and lawful attorney irrevocably for me and in my name and stead, but to my use, to sell, to assign, transfer and set over, all or any part of the said stock, and for that purpose, to make and execute all necessary acts of assignment and transfer, and one or more persons to substitute with like full power, hereby ratifying and confirming all that said Attorney or the substitute or substitutes of said Attorney shall lawfully do by virtue hereof. The foregoing durable power of attorney is irrevocable and coupled with an interest and shall not be affected by the subsequent death, disability or incapacity of the undersigned.

IN WITNESS WHEREOF, I have signed this instrument this 14th day of February, 2001.

STOCKHOLDER

Rockin S Ranch, Inc.

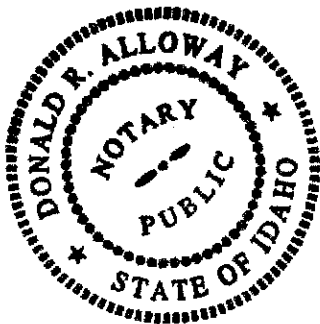
By:

John R. Solosabal
John R. Solosabal, President

STATE OF IDAHO)
County of Boise) ss.

On this 14th day of February, 2001, before me, the undersigned, a Notary Public, in and for said State, personally appeared JOHN R. SOLOSABAL, known or identified to me to be the President of ROCKIN S RANCH, INC., the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Donald R. Alloway
Notary Public for Idaho

Residing at 58152

My commission expires: 12/6/01

ASSIGNMENT AND IRREVOCABLE STOCK POWER

KNOW ALL MEN BY THESE PRESENTS: that the undersigned Stockholder, for value received, has bargained, sold, assigned and transferred, and by these presents does bargain, sell, assign and transfer unto GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, 300 shares of the common stock of GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, standing in my name on the books of the said Company, represented by Certificate No. 83.

I do hereby irrevocably constitute and appoint GRINDSTONE BUTTE MUTUAL CANAL COMPANY my true and lawful attorney irrevocably for me and in my name and stead, but to my use, to sell, to assign, transfer and set over, all or any part of the said stock, and for that purpose, to make and execute all necessary acts of assignment and transfer, and one or more persons to substitute with like full power, hereby ratifying and confirming all that said Attorney or the substitute or substitutes of said Attorney shall lawfully do by virtue hereof. The foregoing durable power of attorney is irrevocable and coupled with an interest and shall not be affected by the subsequent death, disability or incapacity of the undersigned.

IN WITNESS WHEREOF, I have signed this instrument this 26 day of February, 2001.

STOCKHOLDER

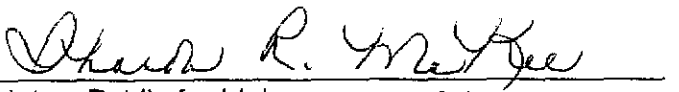

Dennis C. Smith

STATE OF IDAHO)
County of Elmore) ss.

On this 26 day of February, 2001, before me, the undersigned, a Notary Public, in and for said State, personally appeared DENNIS C. SMITH, the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.




Notary Public for Idaho
Residing at Sharon R. McKee, Ltd.
My commission expires: 08/27/02

COPY

ASSIGNMENT AND IRREVOCABLE STOCK POWER

KNOW ALL MEN BY THESE PRESENTS: that the undersigned personal representative for the estate of Louis Solosabal, deceased, Stockholder, for value received, has bargained, sold, assigned and transferred, and by these presents does bargain, sell, assign and transfer unto GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, 320 shares of the common stock of GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, standing in my name on the books of the said Company, represented by Certificate No. 41.

I do hereby irrevocably constitute and appoint GRINDSTONE BUTTE MUTUAL CANAL COMPANY my true and lawful attorney irrevocably for me and in my name and stead, but to my use, to sell, to assign, transfer and set over, all or any part of the said stock, and for that purpose, to make and execute all necessary acts of assignment and transfer, and one or more persons to substitute with like full power, hereby ratifying and confirming all that said Attorney or the substitute or substitutes of said Attorney shall lawfully do by virtue hereof. The foregoing durable power of attorney is irrevocable and coupled with an interest and shall not be affected by the subsequent death, disability or incapacity of the undersigned.

IN WITNESS WHEREOF, I have signed this instrument this 14th day of February, 2001.

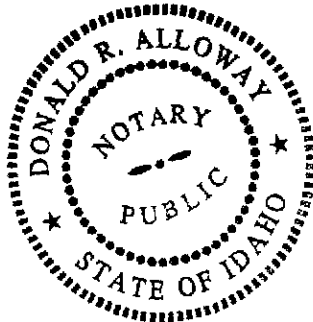
STOCKHOLDER
Louis Solosabal, deceased

By: Ruth Solosabal
Ruth Solosabal, Personal Representative
for the estate of Louis Solosabal, deceased

STATE OF IDAHO)
) ss.
County of Ada)

On this 14th day of February, 2001, before me, the undersigned, a Notary Public, in and for said State, personally appeared RUTH SOLOSABAL, known or identified to me to be the personal representative for the estate of Louis Solosabal, deceased, person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that she executed the same in her capacity as personal representative for the estate of LOUIS SOLOSABAL, deceased.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Donald R. Alloway
Notary Public for Idaho
Residing at 12815E
My commission expires: 10/6/01

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

APR 27 2004

Department of Water Resources

APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE WATER SUPPLY BANK

Name of Seller/Lessor Grindstone Butte Mutual Canal Company Phone 208-388-1200

Post Office address PO Box 2673, Boise, Idaho 83701

Copy to John M. Marshall, Givens Pursley LLP, P.O. Box 2720, Boise, Idaho 83701

1. DESCRIPTION OF WATER RIGHT

Right evidenced by:

a. Decree No. _____ Decreed to _____

in case of _____ vs. _____

dated _____ in _____ county of _____

b. License No. _____ issued by the Idaho Department of Water
Resources.

c. Permit No. 02-2262 issued by the Idaho Department of
Water Resources.

2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (if the entire right is for sale or
lease, show "all on line a. below and skip the remainder of part 2.)

a. Amount of water under right: 12.93 cubic feet per second &/or
_____ acre-feet per annum

b. Point of diversion: Lot 4 of _____ of Section 34 Township 5S Range 9E
B.M. in Elmore County.

Additional points _____

ORIGINAL

c. Place of use: See Exhibit A

Twp.	Rge.	Sec.	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE1	NW	SE	SW	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	

If the right is for irrigation, show the number of acres for the part of the right to be put in the bank
Total number of acres 940

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OF LEASE

- a. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of the change of ownership for as required by Section 43-248 or 42-1409(6), Idaho Code, together with required documentation.

The Applicant, who is the permit holder, delivers water to shareholders of the corporation. Applicant recently reacquired 1,241.56 of the company's shares as part of a bankruptcy settlement with one of the company's shareholders. Documents demonstrating Applicant's acquisition of these shares are attached as Exhibit B.

- b. Describe the frequency of water use under the right, or portion thereof, during the past 5 years. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years).

Forfeiture is not an issue for this right for a number of reasons. First, the right is still in the permit stage and will be licensed based on proof of beneficial use, which includes the 940 acres sought to be put in the water bank by this Application. Second, any nonuse of water on these 940 acres over the past five years is beyond the control of the Applicant. Idaho Code §§ 42-223(6) and (7). As indicated above, the former owner of the company shares at issue recently was involved in a bankruptcy

proceeding. The Applicant was proactively involved in the proceeding to reacquire the shares and to protect Applicant's water right. Now that Applicant has control of the portion of the water right appurtenant to the 940 acres involved, the Applicant is protecting the water right from forfeiture by placing it in the water bank until such time as a new stockholder can acquire the shares and place the water represented by these shares to beneficial use. Third, the water right at issue currently is pending before the Snake River Basin Adjudication Court and therefore is not subject to forfeiture. Memorandum Decision and Order on Challenge (Wood v. Trout), In re SRBA Case No. 39576 (May 13, 2002)

- c.  If the right is from a surface water source, describe the period of year that water is typically available to satisfy the right.

The permitted season of use for the right 3/15 to 11/15. The right typically is available to satisfy the right during this time period.

- d. . Describe any other water right with the same purpose and place of use as the right, or portion thereof. Will the present place of use continue to receive water from any source? If so, describe.

The present place of use will not be irrigated during the time the portion of the right is in the water bank.

- e. . If the water right is a permit describe the work accomplished toward developing the right..

Proof of beneficial use was filed on February 5, 1987.

- f. . If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale of lease must be attached.

Not applicable

4. Remarks _____

5. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resources Board:

_____ For sale;

X For lease for a period from 4/1/2004 to 4/1/2007
(Day, month, year) (Day, month, year)

(the lease period may be shown as "indefinite", if the total duration of lease is unknown); or

_____ As a gift to the state of Idaho. (with conditions on its rental and use (see Exhibit 2))

2. Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate".

Current rental rate

I hereby assert that the information contained in this application is true to the best of my knowledge and that I have the authorities necessary to offer the sale or lease of this right to the Idaho Water Resources Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

April 21, 2004
Date

Grindstone Butte Mutual Canal Co.
Signature By: Mark Noble President

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary Check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

WATER BANK APPLICATION EXHIBIT A

Township	Range	Section								
07S	09E	10	SENE	40						
			NESE	38	SESE	40				
		11	SWNE	40	SENE	40				
			SWNW	34						
			NESW	40	NWSW	38	SWSW	34	SESW	35
			NESE	40	NWSE	40	SWSE	37	SESE	37
		12	NESW	38	NWSW	40	SWSW	40	SESW	40
			SWSE	40						
		13	NENE	40	NWNE	40	SWNE	40	SENE	40
			NENW	38	SENE	11				

Total Acres: 940

EXHIBIT “B”

ASSIGNMENT AND IRREVOCABLE STOCK POWER

KNOW ALL MEN BY THESE PRESENTS: that the undersigned Stockholder, for value received, has bargained, sold, assigned and transferred, and by these presents does bargain, sell, assign and transfer unto GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, 621.56 shares of the common stock of GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, standing in my name on the books of the said Company, represented by Certificate No. 69.

I do hereby irrevocably constitute and appoint GRINDSTONE BUTTE MUTUAL CANAL COMPANY my true and lawful attorney irrevocably for me and in my name and stead, but to my use, to sell, to assign, transfer and set over, all or any part of the said stock, and for that purpose, to make and execute all necessary acts of assignment and transfer, and one or more persons to substitute with like full power, hereby ratifying and confirming all that said Attorney or the substitute or substitutes of said Attorney shall lawfully do by virtue hereof. The foregoing durable power of attorney is irrevocable and coupled with an interest and shall not be affected by the subsequent death, disability or incapacity of the undersigned.

IN WITNESS WHEREOF, I have signed this instrument this 14th day of February, 2001.

STOCKHOLDER

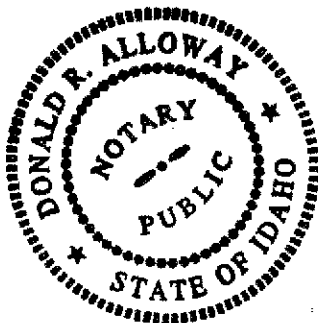
Rockin S Ranch, Inc.

By: John R. Solosabal
John R. Solosabal, President

STATE OF IDAHO)
County of Boise) ss.

On this 14th day of February, 2001, before me, the undersigned, a Notary Public, in and for said State, personally appeared JOHN R. SOLOSABAL, known or identified to me to be the President of ROCKIN S RANCH, INC., the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Donald R. Alloway
Notary Public for Idaho
Residing at 58152
My commission expires: 12/6/01

ASSIGNMENT AND IRREVOCABLE STOCK POWER

KNOW ALL MEN BY THESE PRESENTS: that the undersigned Stockholder, for value received, has bargained, sold, assigned and transferred, and by these presents does bargain, sell, assign and transfer unto GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, 300 shares of the common stock of GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, standing in my name on the books of the said Company, represented by Certificate No. 83.

I do hereby irrevocably constitute and appoint GRINDSTONE BUTTE MUTUAL CANAL COMPANY my true and lawful attorney irrevocably for me and in my name and stead, but to my use, to sell, to assign, transfer and set over, all or any part of the said stock, and for that purpose, to make and execute all necessary acts of assignment and transfer, and one or more persons to substitute with like full power, hereby ratifying and confirming all that said Attorney or the substitute or substitutes of said Attorney shall lawfully do by virtue hereof. The foregoing durable power of attorney is irrevocable and coupled with an interest and shall not be affected by the subsequent death, disability or incapacity of the undersigned.

IN WITNESS WHEREOF, I have signed this instrument this 26 day of February, 2001.

STOCKHOLDER


Dennis C. Smith

STATE OF IDAHO)
County of Elmore) ss.

On this 26 day of February, 2001, before me, the undersigned, a Notary Public, in and for said State, personally appeared DENNIS C. SMITH, the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.




Notary Public for Idaho
Residing at Shelburne, Vermont, U.S.A.
My commission expires: 08/27/02

ASSIGNMENT AND IRREVOCABLE STOCK POWER

KNOW ALL MEN BY THESE PRESENTS: that the undersigned personal representative for the estate of Louis Solosabal, deceased, Stockholder, for value received, has bargained, sold, assigned and transferred, and by these presents does bargain, sell, assign and transfer unto GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, 320 shares of the common stock of GRINDSTONE BUTTE MUTUAL CANAL COMPANY, an Idaho corporation, standing in my name on the books of the said Company, represented by Certificate No. 41.

I do hereby irrevocably constitute and appoint GRINDSTONE BUTTE MUTUAL CANAL COMPANY my true and lawful attorney irrevocably for me and in my name and stead, but to my use, to sell, to assign, transfer and set over, all or any part of the said stock, and for that purpose, to make and execute all necessary acts of assignment and transfer, and one or more persons to substitute with like full power, hereby ratifying and confirming all that said Attorney or the substitute or substitutes of said Attorney shall lawfully do by virtue hereof. The foregoing durable power of attorney is irrevocable and coupled with an interest and shall not be affected by the subsequent death, disability or incapacity of the undersigned.

IN WITNESS WHEREOF, I have signed this instrument this 14th day of February, 2001.

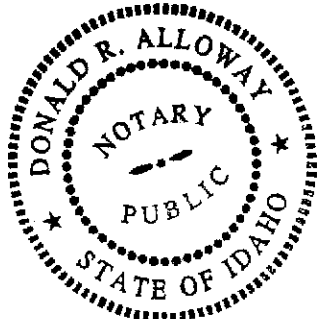
STOCKHOLDER
Louis Solosabal, deceased

By: Ruth Solosabal
Ruth Solosabal, Personal Representative
for the estate of Louis Solosabal, deceased

STATE OF IDAHO)
County of Ada) ss.

On this 14th day of February, 2001, before me, the undersigned, a Notary Public, in and for said State, personally appeared RUTH SOLOSABAL, known or identified to me to be the personal representative for the estate of Louis Solosabal, deceased, person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that she executed the same in her capacity as personal representative for the estate of LOUIS SOLOSABAL, deceased.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Donald R. Alloway
Notary Public for Idaho
Residing at 58152
My commission expires: 10/6/01

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Idaho Power Company
2. Address: PO Box 70, Boise, ID 83707
3. Source of water: Snake River
4. Volume of water rented: Water diversions associated with 14,394 acres fallowed, currently estimated to be 43,182 af based on 3.0 afa/yr).

Max rate: To be determined

5. Diversion period: 2003 irrigation season
6. Use of water: Hydropower at Hells Canyon Complex
7. a) Renter's point of diversion:

Legal description: Brownlee, Oxbow, and Hells Canyon Projects

- b) Renter's place of use:

Legal description: NA

8. The right from which water will be rented is: See Attachment to Water Supply Bank Rental Agreement.

The U.S. Bureau of Reclamation ("Reclamation") and Bonneville Power Administration agree to pay the Lessors identified on the attached list, a price per acre as specified in individual agreements between Reclamation and the Lessors ("agreements"). The agreements provide that one half of the estimated payment will be made on or about July 1, 2003, and one half will be after the irrigation season has ended. The Idaho Department of Water Resources ("IDWR") shall comply with the payment scheme specified in the individual agreements between Reclamation and the Lessors. Prior to making payment to the Lessors, IDWR will invoice Reclamation for the payment plus the associated ten percent (10%) for the Water Administration Account.

Reclamation and Bonneville Power Administration agree to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

Conditions of water use under this agreement:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Rental of the right(s) from the bank is contingent upon a determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in the Agreement between the U.S. Bureau of Reclamation and the Idaho Department of Water Resources for Water Leasing Program of Natural Flow Snake River Water Rights for 2003.
3. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.
4. Rental of the right(s) from the bank shall be from May 1, 2003 to November 15, 2003, and the right(s) will be considered released from the bank on December 31, 2003.
5. Use of water under this agreement does not constitute a dedication of the water to renter's use and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to its original points of diversion and place of use and/or again be available to rent from the bank.
6. Renter agrees to comply with Water Supply Bank Rules while using water under this agreement.
7. 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.
8. 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.

9. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.

Dated this 18th day of June, 2003.

by Jonathon C. Bowling

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 23rd day of June, 2003.

K. J. Dreher

for
KARL J. DREHER, Director
Department of Water Resources

Before the Idaho Water Resource Board

**APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK**

Applicant Idaho Power Company Phone 388-2905
Address P.O. Box 70
City Boise State ID Zip Code 83707

A. DESCRIPTION OF WATER SOUGHT TO RENT

1. Source of water Snake River tributary to _____.
2. Maximum volume of water Volume associated with beneficial use of irrigation on 14,394 dried acres, which is currently estimated to be 3 acre-ft per acre per year.
3. Maximum rate of diversion 7 gallons per minute per acre.

B. DESCRIPTION OF USE PROPOSED

1. Nature of intended use Hydropower, Hells Canyon Complex
2. Location of point of diversion Brownlee, Oxbow and Hells Canyon Dam.
Township _____, Range _____, B.M. _____ County.
3. Season of use: From May 1, 2003 to November 15, 2003.
4. Description of diverting works: N/A
Pump HP _____ Lift _____ Pump type _____
Canal name, if appropriate _____
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by 40-acre tract, section, township and range.
N/A

b. If water is not for irrigation, describe the nature of the intended use and the place of use.

Power Generation Purposes at the Hells Canyon Complex

6. Describe any other water rights used for the same purposes as rental water sought under this application.

N/A

7. Who owns the property at the point of diversion?

N/A

Who owns the property at the place of use?

N/A

8. Are you seeking a rental for more than one (1) year? NO (yes or no)
If yes, for how many years? _____

9. Remarks: See Attached.

6/18/03
Date

Jonathan C. Bowling
Signature of Applicant

FOR DEPARTMENT USE ONLY

Received by WZ Date 6-19-03 Time _____

Published in _____ Pub. dates _____

Protests filed by _____

Hearing held by _____

Action recommended _____

Attachment

Table 1

	Latest number (in acres)	Agreement No.
Bergh Farms	620.4	1425-03-MA-10-3870
Clover Hollow LLC	2406.2	1425-03-MA-10-3880
Falcon Butte Farms, Inc.	3,756.8	1425-03-MA-10-3960
Farm Development Corp	159.5	1425-03-MA-10-3900
Good, Jeff & Vivienne	482.0	1425-03-MA-10-3890
Grindstone Butte	3605.1	1425-03-MA-10-3980
Hartley, Don	245.4	1425-03-MA-10-3860
Hulet, Blaine & Yvonne	357.9	1425-03-MA-10-3950
Rosti, Martha	62.0	1425-03-MA-10-3840
Sailor Creek	331.4	1425-03-MA-10-3910
South Elmore	1791.7	1425-03-MA-10-3920
TLK Farms, Inc.	575.6	1425-03-MA-10-3930
TOTALS	14,394.0	

Conditions of application

1. Idaho Power will not be responsible for any payment for these water rights. Payment is covered by the Agreements cited above.
2. Water rented from the Water Supply Bank ("bank") under this application is based on the above-cited agreements. It shall only include water leased to the bank by the entities listed above.
2. The acreages and volumes listed above were compiled from the Applications submitted by the corresponding entities to lease water to the Water Supply Bank.
3. The volume of water available for lease is contingent upon the determination that the acres associated with the rental applications have a valid Snake River water right(s).

United State Department of the Interior
Bureau of Reclamation

Water Rental and Forbearance Agreement

With GRINDSTONE BUTTE MUTUAL CANAL CO.
(Lessor's name)

Reclamation agreement number # 1425-03-MA-10-3980

This Agreement is entered into pursuant to the Reclamation Act of 1902, as amended and supplemented, for the purpose of meeting commitments of the Bureau of Reclamation (Reclamation) under the Biological Opinions on the Operation of the Federal Columbia River Power System and the operation and maintenance of Reclamation Projects in the Snake River Basin above Brownlee Dam. This Agreement is by and between the United States of America, acting by and through the Department of the Interior, Bureau of Reclamation, represented by the officer executing this instrument on its behalf and the Lessor.

RECITALS

- A. WHEREAS, Reclamation has commitments under Biological Opinions on the operation of the Federal Columbia River Power System and the operation and maintenance of Reclamation Projects in the Snake River Basin above Brownlee Dam to provide flow augmentation for delivery at Lower Granite Dam.
- B. WHEREAS, The Idaho Legislature authorized Reclamation to annually rent up to 427,000 acre-feet of storage water per year during the years 2002-2004 under the provisions of Idaho Code § 42-1763B.
- C. WHEREAS, In 2002, there was insufficient storage water available for rental by Reclamation to meet the 427,000 acre-feet rental target. Therefore, Reclamation worked with the Idaho Department of Water Resources (IDWR) under Memorandum of Agreement No. 1425-02-MA-10-3460 to have certain water right holders idle land and place their water rights in the State Water Supply Bank, thereby increasing water flow downstream to Lower Granite Dam. Rules governing the Idaho State Water Supply Bank, IDAPA 37.02.03, provide that rentals shall be approved only for use in Idaho unless there is compliance with the provisions of Idaho Code § 42-401(3). In order to avoid the complexities of Reclamation seeking approval for out-of-state use, the water was rented by the Idaho Power Company and used for hydropower generation in Idaho with the result that additional water flowed to Lower Granite Dam for flow augmentation.

- D. WHEREAS, Similar to 2002, it is expected that insufficient storage water will be available this year for rental by Reclamation. Therefore, Reclamation has initiated a similar pilot Snake River Leasing Program (Program), although this year it was advertised to the public and a request for proposals was sent to eligible water right holders. Under this Program, water right holders will forego irrigation of land and place their water right into the Idaho State Water Supply Bank. As a practical way of ensuring that Reclamation receives additional water, over and above the water flows that would otherwise be available, a qualification was added requiring that the land to which the water right is appurtenant was either irrigated last year or was in Reclamation's 2002 program explained in Recital C above. Again, it is intended for Idaho Power to renting the water from the State Water Supply Bank.
- E. The Lessor submitted a proposal for participation in the Program. The proposal shows that the Lessor has a right to use water for irrigation purposes and absent this Program was intending to irrigate with the water proposed for the Program. Therefore, placing the Lessor's water in the Water Bank during 2003 will result in additional water in the Snake River at Lower Granite Dam, Oregon. This additional water will be counted towards Reclamation's obligation to provide 427,000 acre-feet of water at Lower Granite Dam.

AGREEMENT

NOW THEREFORE, in consideration of the mutual and dependent covenants herein contained, the parties agree as follows:

I. **Land Accepted into the Program**

- A. The total number of acres accepted into the Program is 3,051 acres. The land, hereinafter referred to as the Land, accepted into the Program is identified as "LL" on the map(s) included in Attachment A. This is the maximum number of acres eligible for payment under this Agreement. Reclamation recognizes the following conditions may exist: 1) additional acres may have been proposed in the Lessor's application, 2) the Lessor may have a right to irrigate additional acres, 3) the Lessor may intend to irrigate additional acres in 2003 and is willing to idle those acres, and 4) the Lessor may submit an application to the State Water Supply Bank to lease water rights appurtenant to acres other than the acres identified in this Agreement. Notwithstanding any of the conditions stated above or any other conditions, under this "willing seller, willing buyer" Agreement, the number of acres covered by the Agreement is limited to the number and location stated in this section I.A. of the Agreement.
- B. If it is determined after the execution of this Agreement that certain acres are not eligible for the Program because of a mistake, error, or misrepresentation in the Lessor's application, the land covered under this Program will be reduced accordingly.

- C. The Land may not be irrigated from any source, regardless of whether there is another valid water right appurtenant to the Land. Water authorized to be diverted under water rights, or portions of water rights, leased to the Water Supply Bank may not be applied to lands that are not identified in this Agreement. The Lessor may not water the Land for any reason; for example, testing equipment, irrigating a cover crop, or dust abatement.
- D. IDWR intends to monitor the Lessor's idled lands. The monitoring will include field visits, and the collection and analysis of satellite data and related pump and flow measurements collected at IDWR's discretion. The Lessor agrees to allow the collection of data and access for field visits.

II. Water Rights Appurtenant to the Leased Land

- A. The Lessor agrees that this Agreement shall be submitted to the Idaho State Water Supply Bank as an application to lease water to the bank, and that the Lessor is offering the water rights described in Attachment A to the bank by signing this Agreement. The Lessor agrees that any additional information or requirement IDWR may require to process or accept the application shall be furnished promptly to IDWR, including but not limited to, the submission of a separate application form if required. Failure to comply and IDWR requirements is cause for termination of this agreement.
- B. All rentals of the Lessor's water rights out of the water bank shall be subject to Reclamation's approval.

III. Payment

- A. By signing this Agreement the Lessor offers to the Idaho State Water Supply Bank the water rights described above for a total lease price of \$ 540,765⁰⁰. This amount is based on \$ 150⁰⁰ per acre of land idled. The Lessor understands that the amount the Lessor will receive from the Idaho State Water Supply Bank is 90% of the total lease price. Ten percent will be retained by IDWR for administrative costs of operating the Water Supply Bank, pursuant to the Water Supply Bank Rules.
- B. Payment as shown in section III.A above is based upon a dollar amount per acre of land idled, regardless of the diversion rate or maximum diversion volume allowed under the water right, the historical diversion rate or consumptive use under the water right, or the diversion rate or diversion volume approved for lease by IDWR.
- C. Pursuant to the Water Supply Bank Rules, IDAPA 37.02.03, after the water rights are leased, payment is to be made by the Water Supply Bank to the Lessor. Lessor agrees to accept the following intended plan for payment by IDWR: one

half of the estimated payment will be made on or about July 1, 2003, and the remainder will be paid after the irrigation season ends and final verification of program compliance is complete. Reclamation will enter into a separate contract with IDWR to make payment to the Water Supply Bank for this purpose.

IV. **Term, Termination of Agreement and Remedies**

- A. The Agreement shall become effective on the date of the last signature hereto and shall extend through December 31, 2003.
- B. At Reclamation's discretion, this Agreement may be terminated upon:
 - (1) Failure of the Lessor to abide by the terms and conditions of this Agreement;
 - (2) Refusal of the Lessor to allow Reclamation or IDWR access to the Land to monitor compliance with the Agreement.
 - (3) Application of water by the Lessor to the Land during the period of this Agreement, except in emergency situations where the application of water is required for public safety reasons.
 - (4) Discovery of fraudulent information submitted in the Lessor's Application.
- C. If this Agreement is terminated for any other reason prior to its ending date, the Lessor shall reimburse Reclamation for a prorated portion of the amount stated in Section III.A of this Agreement, as determined by Reclamation.

V. **Miscellaneous**

- A. The Landowner or Lessor is responsible for all taxes, assessments, soil conservation measures such as weed and erosion control and other obligations related to any of the Land covered by this Agreement.
- B. The Landowner will indemnify and hold harmless Reclamation from any loss or damage and from any liability on account of personal injury, property damage, or claims for personal injury or death, or property damage of any nature caused by the Landowner or any person, firm or corporation acting on the Landowner's behalf related to or arising out this Agreement.
- C. **Water Right Ownership**

This Agreement shall not be used as evidence of ownership of water rights in the Snake River Basin Adjudication.

D. Officials Not to Benefit

No member of or delegate to Congress or the Resident Commissioner shall be admitted to any share or part of this Agreement or to any benefit to arise therefrom, but this restriction shall not be construed to extend to this Agreement if made with a corporation or company for its general benefit.

E. Covenant Against Contingent Fees

The Lessor warrants that no person or agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees and bona fide commercial agencies maintained by the Lessor for the purpose of securing business. For breach or violation of this warranty, Reclamation shall have the right to revoke this Agreement without liability or in its discretion to require the Lessor to pay the full amount of such commission, percentage, brokerage, or contingency fee to the United States.

Addition Clause #1.

The Lessor has requested the following additional clause to recognize that the Lessor intends to plant a cover crop. This may result in the satellite imagery appearing as if irrigation was occurring. The parties agree that verification of non-irrigation will include physical inspection. A determination that the Lessor has applied water in violation of the agreement will not be based solely on satellite imagery. The Lessor agrees that Reclamation, as well as IDWR, will have access to the Lessor's land to make this determination.

Signatures

Print name: MARK A. Noble

Mailing address: P.O. Box 2673
Boise, Id. 83701

Phone: 208 - 342 - 6524

Signed Mark A. Noble Pres.

Title: President

Date: 3/19/03

For the Bureau of Reclamation

Signature: J. William McDonald
Regional Director, Pacific Northwest Region

Date: April 16, 2003

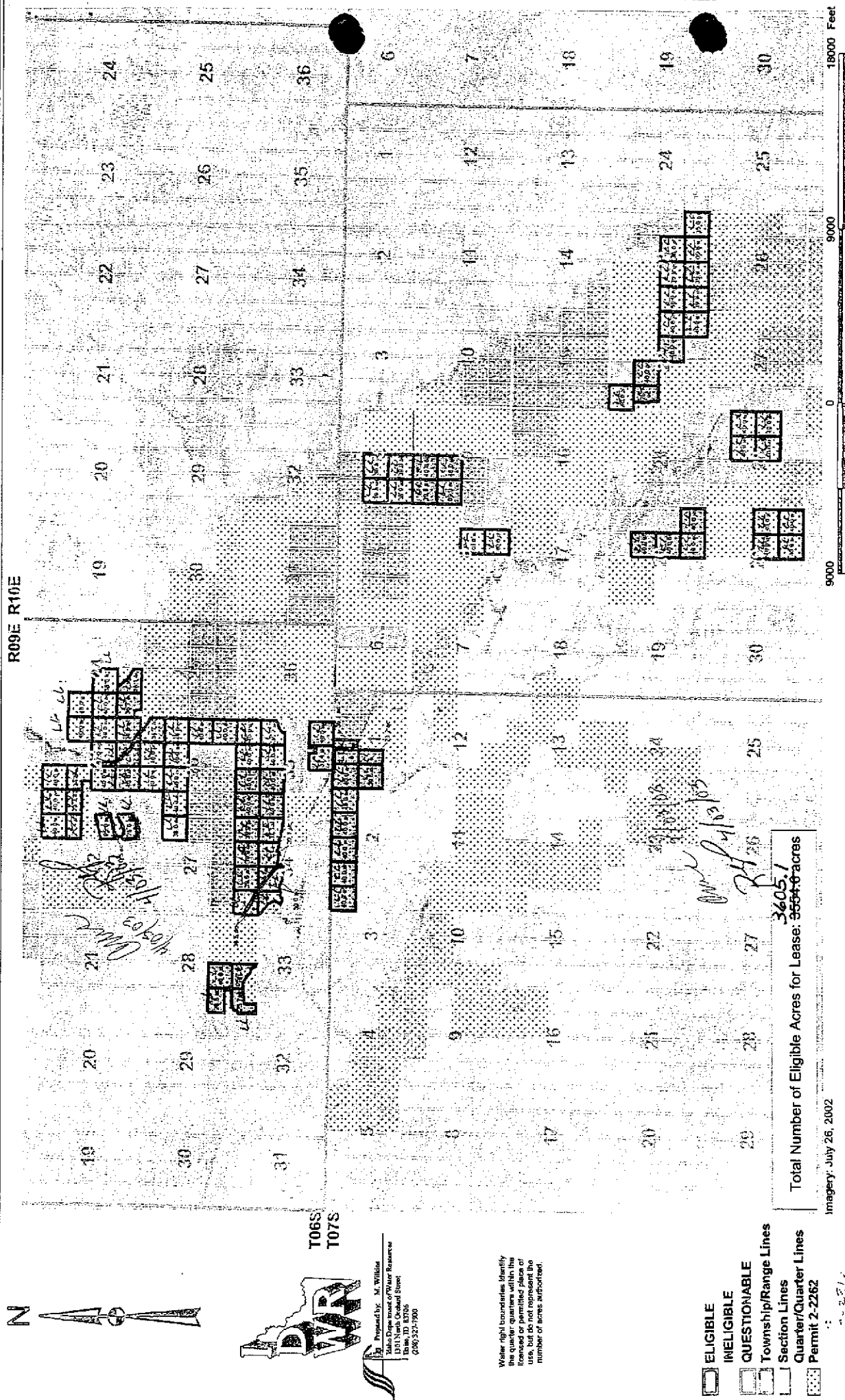
Water Right Numbers for lands in 2003 Snake River Pilot Leasing Program. 02-2262

Legal Description of Lands Approved for 2003 Snake River Pilot Leasing Program

TWN	RGE	SEC	NE			NW			SW			SE		
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE
6S	9E	22	40			24.4								
		23				40	40	40	24.7	34.5	40	40	37	25.5
		24							40		36			36.6
		26	34.7	40	40	40	40		40	40				40
		27				38								
		28												
		33					25.7	25.7						
		34	39.9	39.9	32.7	37.1	39.9	36.5	22	30				
		35	40	40	40	35.2	40	40	40	40			37.4	40
7S	9E	1							40	36.1	23.2	39.6		
		2			40	40	40	40						
		3				40								
7S	10E	4									39.8	39.8	39.9	40
		8												
		9					40	39.9	39.9	40				
		20		40										
		22												
		23									39.9	39.9	39.8	33
		28			40	40								
		29												

4/13/03
4/13/03
4/13/03

Applicant initials WMA Applicant initials WMA Applicant initials WMA



Imagery: July 26, 2002

Total Number of Eligible Acres for Lease: 3605.1

COPY

Grindstone Butte Mutual Canal Company

2003 Snake River Pilot Leasing Program
Rental of Water from the Water Supply Bank

Prepared: March 13, 2003

Mark Noble 3/19/03
Applicant Signature Date

Bob Page 4/03/03
USBR Signature Date

PROPOSAL FOR THE SNAKE RIVER PILOT LEASING PROGRAM

Applicant Information

1. Name(s): GRINDSTONE BUTTE MUTUAL CANAL CO.

2. Mailing Address: P.O. Box 2673
Boise, ID 83701
3. Daytime Phone Number: 208-342-6524
4. Fax: 208-343-8696
5. E-mail Address: _____
6. Do you own all of the land you propose for the program?
☒ yes ☐ no
7. If not, do you lease the land you do not own? ☐ yes ☒ no
 - a) If yes, attach documentation showing that you have a valid lease for the land.
 - b) Name and address of the land owner:

 - c) Do you have the landowner's permission to lease the water into the Idaho State Water Bank? ☐ yes ☐ no
 - d) If yes, attach documentation showing permission.
8. Proposed price per acre: \$ 150 per acre. Note that you will only receive 90% of that rate.

Information about the water right

9. Water Right Number: 2-2262

10. What is the basis of the water right?

☒ permit
☐ license
☐ decree

11. Have you attached a copy of the permit, license, or decree? ☒ yes

12. Have you made a claim for the water right in the Snake River Basin Adjudication (SRBA)?
☒ yes. Attach a copy of this SRBA claim.

13. Priority date: 12 - 06 - 1963

14. Number of acres authorized for irrigation under this water right: 13,154.6 acres

15. Is the number of acres authorized for irrigation limited within a total place of use in a single
irrigation season? ☐ yes ☒ no

16. How many acres authorized under this water right were irrigated during the 2002 season?

9289 acres

17. Were any of the proposed lands leased to the Idaho State Water Bank under Memorandum
of Agreement #1425-02-MA-10-3460 between IDWR and Reclamation? ☒ yes ☐ no

18. How many acres authorized under this water right will be irrigated during the 2003
irrigation season if your application is accepted into the Program? 8396 acres

19. Do you propose to enter only a portion of the water right into the Program?

☒ yes ☐ no

20. Are any other water rights appurtenant to the proposed lands?

☐ yes, please list the water rights: _____

☒ no

Information about the land that will be idled

21. Number of acres you are proposing for the Program: 3104 acres

22. Is each tract of land you are proposing composed of 40 contiguous acres?

☒ yes ☐ no

23. Have you attached an acceptable map with the acres identified (see application instructions for types that are acceptable) with proposed lands and fields identified? X yes
24. Have you enclosed the attached grid? (See #24 on the application instructions for an explanation of what must be identified.) X yes
25. Have you attached documentation of use during the year 2002? (See application instructions.) X yes
26. Do you plan on a cover crop on the land? X yes ___ no

By signing below, you certify that the information included in this proposal is accurate and true to the best of your knowledge.

NOTE: To support your proposal, you may be asked to provide additional information. We will notify the applicant shown above if additional information is necessary.

Butte
Grindstone Mutual Canal Co

Martin Wolfe Pres.
Applicant's Signature

Date: *Jan 21, 03*

Printed Name

Applicant's Signature

Date: _____

Printed Name

Applicant's Signature

Date: _____

Printed Name

Applicant's Signature

Date: _____

Printed Name

[Close](#)IDAHO DEPARTMENT OF WATER RESOURCES
Adjudication Claim Report

01/20/2003

WATER RIGHT NO. 2-2262

<u>Owner Type</u>	<u>Name and Address</u>
Current Owner	THE TRAVELERS INSURANCE CO C/O DIRECTOR IDAHO DEPT OF INSURANCE STATEHOUSE MAIL BOISE, ID 83720-0043
Current Owner	GRINDSTONE BUTTE MUTUAL CANAL CO PO BOX 2673 BOISE, ID 83701
Original Owner	SAILOR CREEK WATER CO

Priority Date: 12/06/1963

Basis: Permit

Status: Active

<u>Source</u>	<u>Tributary</u>
SNAKE RIVER	COLUMBIA RIVER

<u>Beneficial Use</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
IRRIGATION	3/15	11/15	180.9 CFS	65772.25 AFA
Total Diversion			180.9 CFS	65772.25 AFA

Location of Point(s) of Diversion:

SNAKE RIVER	Lt 4	Sec. 34	Township 05S	Range 09E	ELMORE County
-------------	------	---------	--------------	-----------	---------------

Place(s) of use:

Place of Use Legal Description: IRRIGATION ELMORE County

Township	Range	Section	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres	Lot	Tract	Acres
06S	09E	23		SENE	40									
				NESE	40		NWSE	37		SWSE	40		SESE	40
		24		SWNW	40									
				NESW	36		NWSW	40		SWSW	37		SESW	40
		25		NENE	35		NWNE	40		SWNE	6		SENE	6
				NENW	40		NWNW	40		SWNW	40		SENE	40
				NESW	40		NWSW	40		SWSW	40		SESW	40
				NESE	6		NWSE	5		SWSE	40		SESE	40
		26		NENE	37		NWNE	40		SWNE	40		SENE	40
				NENW	40		SWNW	40		SENE	40			
				NESW	40		NWSW	40		SWSW	40		SESW	40
				NESE	40		SESE	40						
		27		SENE	38									
				SWSW	40		SESW	40						
				NESE	40		SWSE	40		SESE	40			
		28		SWSW	30		SESW	40						
				SWSE	40		SESE	40						
		33		NENE	40		NWNE	40						
				NENW	28		NWNW	25						
		34		NENE	40		NWNE	40		SWNE	40		SENE	40
				NENW	40		NWNW	40		SWNW	25		SENE	30
				NESE	25									
		35		NENE	40		NWNE	40		SWNE	40		SENE	38
				NENW	40		NWNW	40		SWNW	40		SENE	40
				NWSW	21		SWSW	38						
				SWSE	40		SESE	40						
		36		NENE	40		NWNE	40		SWNE	40		SENE	40
				NENW	40		NWNW	40		SWNW	25		SENE	35
				NESW	40		NWSW	35		SWSW	40		SESW	40
				NESE	40		NWSE	40		SWSE	40		SESE	40
	10E	30		SWNW	6									
				NESW	5		NWSW	6		SWSW	40		SESW	40
				SWSE	40		SESE	37						
		31		NENE	40		NWNE	40		SWNE	40		SENE	40
				NENW	40		NWNW	40		SWNW	33		SENE	40

07S	09E	1	1	NESW	40	2	NWSW	40	3	SWSW	37	4	SESW	40
				NESE	40		NWSE	40		SWSE	40		SESE	40
				NWNW	37		SWNW	39						
				NESW	23		NWSW	40		SWSW	40		SESW	39
				SWNW	40.9		SE NW	41			41.2			41.3
				NESW	40		NWSW	40		SESW	32			
				NESE	40		NWSE	40		SWSE	39		SESE	33
				SWNE	41.4		SE NE	41.3		SWNW	41.2		SE NW	41.1
				SE NE	41									
				SENE	40									
		2	1	NESE	38		SESE	40						
				SWNE	40		SENE	40						
				SWNW	34									
				NESW	40		NWSW	38		SWSW	34		SESW	35
				NESE	40		NWSE	40		SWSE	37		SESE	37
				NESW	38		NWSW	40		SWSW	40		SESW	40
				SWSE	40									
				NENE	40		NWNE	40		SWNE	40		SENE	40
				NENW	38		SE NW	34						
				NESE	37		NWSE	35						
		14		NWNW	40									
				NENE	40									
	10E	4	3		39.9	4		40	3	NESW	40	4	NWSW	40
				SWSW	40		SESW	40						
				NESE	30		NWSE	40		SWSE	40		SESE	40
								40			39.9			39.9
				NESW	40		NWSW	40		SWSW	40		SESW	40
				NESE	40		NWSE	40		SWSE	40		SESE	40
								40.5			31.4			30.9
							NESW	40		SESW	40		NESE	40
				SESE	40									
				NENE	40		NWNE	40		SENE	40			
		7		NENE	40		NWNE	40		SWNE	40		SENE	40
				NENW	40		NWNW	40		SWNW	40		SE NW	40
				NESW	40		NWSW	31						
				NWSE	40		SWSE	40						
				NENE	40		NWNE	40		SWNE	40		SENE	40
				NENW	40		NWNW	40		SWNW	40		SE NW	40
				NESW	40		NWSW	40						
				NESE	40		NWSE	40		SWSE	40		SESE	40
				NWNW	35		SWNW	40						

		NESW	35		NWSW	40		SWSW	40		SESW	40
14		SWSW	37									
15		NWNE	30		SWNE	40						
		NENW	40		NWNW	40		SWNW	40		SENE	40
		NESW	40		NWSW	40		SWSW	40		SESE	40
		NESE	40		NWSE	40		SWSE	40		SESE	40
16		NENE	40		NWNE	40		SWNE	40		SENE	40
		NENW	40		NWNW	40		SWNW	40		SENE	40
		NESW	40		NWSW	40		SWSW	30		SESW	37
		NESE	40		NWSE	40		SWSE	40		SESE	40
17		NENE	40		NWNE	38		SWNE	37		SENE	40
18	2		30.8	3		30.8		NESW	40			
20		SWNE	40									
		NENW	40		NWNW	40		SWNW	40		SENE	40
		NWSE	40		SWSE	40		SESE	40			
21		NENE	40		NWNE	40		SWNE	40		SENE	40
		SENE	32									
		NESE	40		NWSE	40						
22		NENE	40		NWNE	40		SWNE	40		SENE	40
		NWNW	40		SWNW	35		SENE	40			
		NESW	40		NWSW	40		SWSW	40		SESW	40
		NESE	40		NWSE	40		SESE	40			
23		NENW	40		NWNW	40		SWNW	40		SENE	40
		NESW	40		NWSW	40		SWSW	40		SESW	40
		NWSE	38		SWSE	40		SESE	33			
26		NENE	35		NWNE	40		SWNE	40		SENE	40
		NENW	40		NWNW	40						
27		NENE	40		NWNE	40		SWNE	40		SENE	40
		NENW	40		SENE	40						
		NESW	40		SESW	37						
		NESE	40		NWSE	40		SWSE	40		SESE	40
28		SWNE	40		SENE	40						
		NWNW	40		SWNW	40						
		NESW	40		NWSW	40						
		NESE	40		NWSE	40						
29		NENE	40		NWNE	40		SWNE	40		SENE	40
		NESE	40		NWSE	40		SWSE	40		SESE	40
34		NENE	40		NWNE	40						

Total Acres: 13154.6

Remarks:

1.	General	FOR DESERT LAND ENTRIES. REINSTATED 2-18-1987. PROPERTY LISTED AS PLACE OF USE IS OWNED BY STOCKHOLDERS OF THE COMPANY. CONFORMED ADDRESS TO D.E. STANDARDS ON 03/28/95 SS.
----	---------	---

Dates:

Licensed Date:

Claim Received Date:

Decreed Date:

Enlargement Use Priority Date:

Enlargement Statute Priority Date:

Other Information:

State or Federal: S

Owner Name Connector:

Water District Number:

Generic Max Rate per Acre:

Generic Max Volume per Acre:

Civil Case Number:

Old Case Number:

Decree Plaintiff:

Decree Defendant:

Swan Falls Trust or Nontrust:

Swan Falls Dismissed:

DLE Act Number:

Cary Act Number:

Mitigation Plan: False

[Close](#)

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word "dry" in each corresponding quarter-quarter.

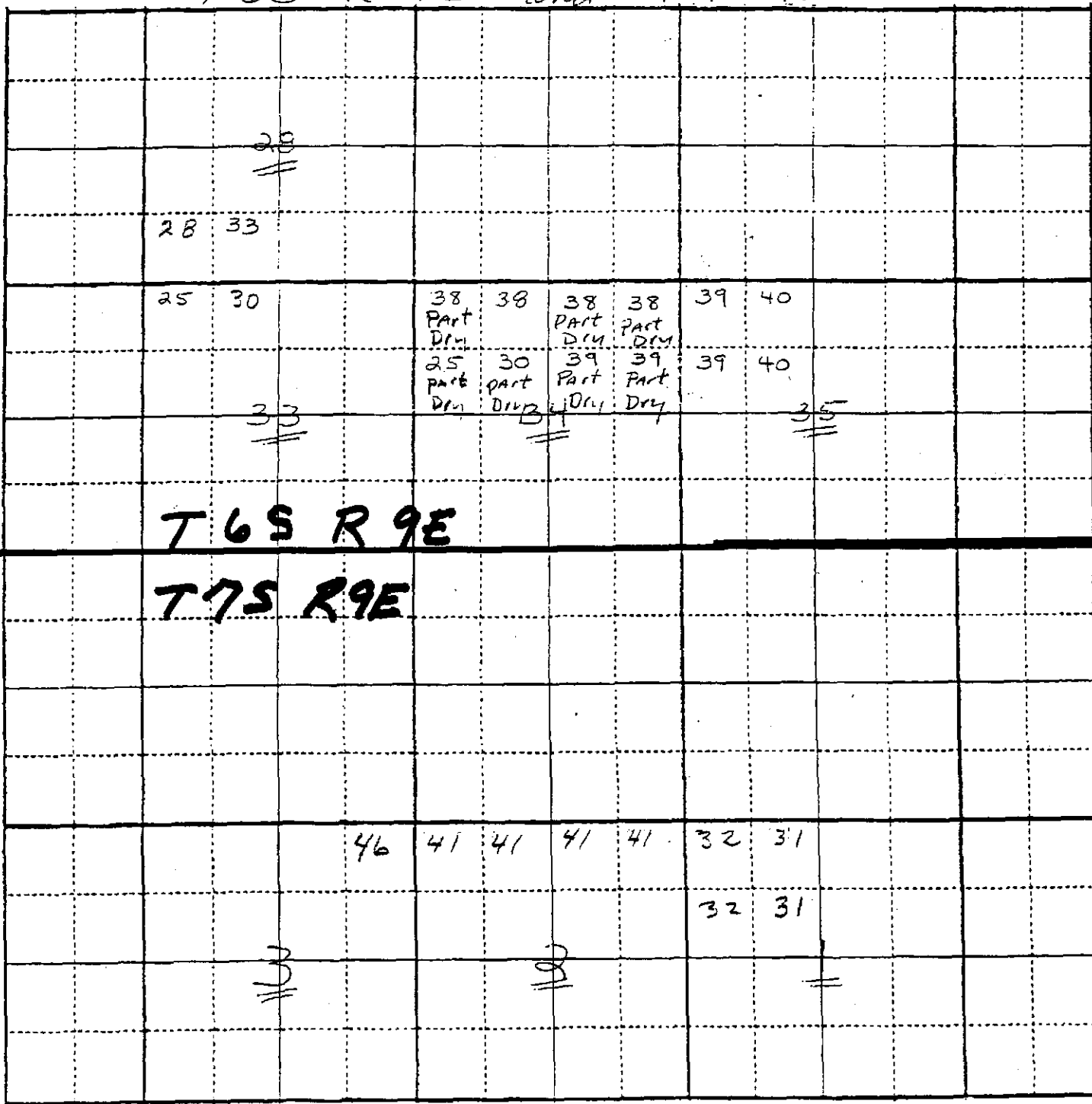
T 6 S R 9 E

[illegible]

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word "dry" in each corresponding quarter-quarter.

T 6 S R 9 E and T 7 S R 9 E



Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word “dry” in each corresponding quarter-quarter.

T 7 S R 10 E

[illegible]

T 7 S R 10 E

T 7 S R 10 E

[illegible]

Legal Description Grid

Document the legal description for each proposed field clearly depicting the land by section, township, range, and quarter-quarter. Indicate any proposed fields that were not irrigated last year by placing the word “dry” in each corresponding quarter-quarter.

T 75 R 10 E

[illegible]

SCALE: 2 inches equal 1 mile. Draw plan in ink.

Grindstone Butte Mutual Canal Co.
2002 Water Usage

<u>FIELD</u>	<u>Total Lines</u>		<u>Acres</u>
7-1	0	DWR	61
7-2 & 7 - 3	0	DWR	148
7-4	849		
7-5	414.8		
7-6	0	DWR	80
7-7	0	DWR	75
7-8	708		
9-9	0	DWR	78
9-10 & 9-11	0	DWR	50
9-12	0	DWR	80
9-13 & 9-14	0	DWR	155
9-15	288		
9-16	473.5		
9-17	106		
9-17B	52		
10-18 & 10 - 19	1145		
10-20	2129		
10-21	804		
10-22	1582		
10-23	52		
10-23B	52		
10-24	218		
10-25	633.5		
10-26	52		
11-27	416		
11-28	1418		
12-29	0	DWR	48
12-30	0	DWR	58
12-31 & 12-32	1929		
12-33	1527		
12-34 & 12-35	0	DWR	158
12-36	106		
12-37	434.5		
12-38	640		
12-39	260		
12-40	332		
12-41	26		
12-42	0	Field # no longer used	
13-43	52		
13-44	836.7		
13-45	36	DWR	155
13-46	36	DWR	155
13-47	0	Field # no longer used	
13-48	0	Field # no longer used	

Grindstone Butte Mutual Canal Co.

2002 Water Usage

<u>FIELD</u>	<u>Total Lines</u>		<u>Acres</u>
13-49	3013		
13-50	392		
14-51	106		
14-52	0	DWR	120
14-53	0	Field # no longer used	
14-54	55		
14-55	684		
15-56	2182		
15-57	1411		
15-58	334.8		
15-59	143.3		
15-60	810		
16-61	413		
16-62	320		
16-63	0	Field # no longer used	
16-64	3227		
16-65	177	DWR	155
16-66	320		
16-67	0	Field # no longer used	
17-67	0	Field # no longer used	
17-68	0	Field # no longer used	
17-70	0	Field # no longer used	
17-71	0	Field # no longer used	
17-72	0	Field # no longer used	
17-73	0	Field # no longer used	
17-74	0	Field # no longer used	
17-75	0	Field # no longer used	
17-76	0	Field # no longer used	
17-77	0	Field # no longer used	
17-78	0	Field # no longer used	
17-79	0	Field # no longer used	
17-80	0	Field # no longer used	
17-81	0	Field # no longer used	
17-82	0	Field # no longer used	
18-83	78		
18-84	226		
18-85	525.5		
18-86	469.5		
18-87	1784		
18-88	292		
18-89	254.8		
19-90	150		
19-91	0	DWR	79
19-92	836		
19-93	346		
19-94	0	Field # no longer used	

Grindstone Butte Mutual Canal Co.
2002 Water Usage

<u>FIELD</u>	<u>Total Lines</u>		<u>Acres</u>
19-95	1855		
20-96	130		
20-97	362		
20-98	1845		
20-99	0	Field # no longer used	
20-100	2321		
22-101	362		
22-102	362		
22-103	2463		
22-104	1119		
23-105	0	Field # no longer used	
23-106	54		
23-107	54		
23-108	0	DWR	40
23-109	975.3		
23-110	467.4		
23-111	0	DWR	77
24-112	563		
24-113	1963		
25-114	0	Field # no longer used	
25-115	130		
25-116	130		
25-117	589.2		
25-118	0	DWR	232
25-119	0	DWR	77
25-120	0	DWR	38
26-121	0	DWR	77
26-122	54		
27-123	106		
27-124	0	DWR	155
27-125	52	DWR	78
28-126	170		
28-127	1422		
28-129	70	DWR	75
29-100	0	Field # no longer used	
29-129	0	CRP	
29-130	0	CRP	
29-131	0	CRP	

T65
T75

T75

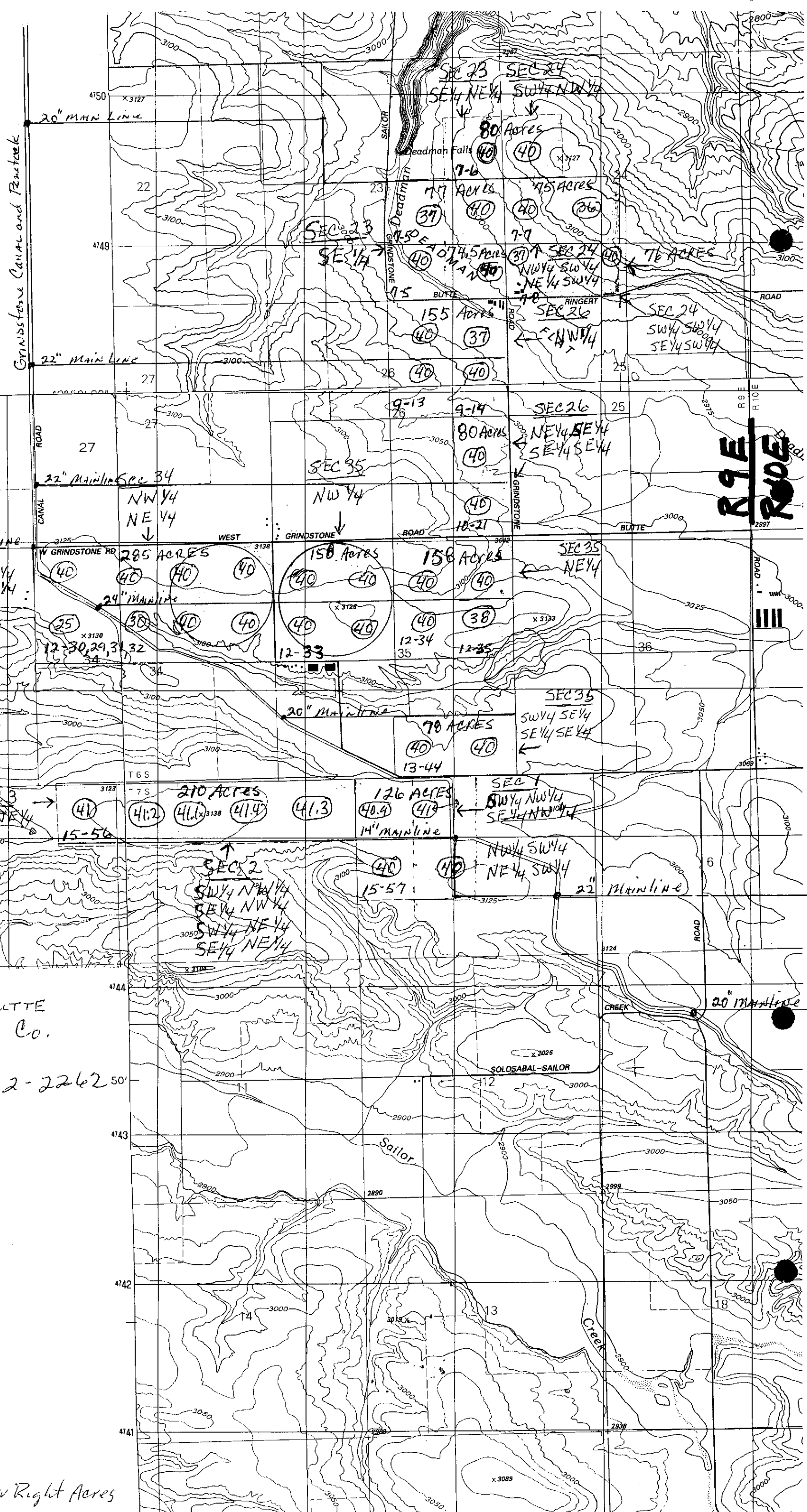
GRINDSTONE BUTTE MUTUAL CANAL CO. Water Right # 7-771.7 (Denotes Water Right Acres)

Except for 2
Center Pivots
Everything is
Solid Set
or Hand Lines

SEC 28
SW 1/4 SW 1/4
SE 1/4 SW 1/4
28
116 Acres
(30) (40)
14" Mainline
SEC 33
NW 1/4 NW 1/4
NE 1/4 NW 1/4
28
25 (28)
T6S
T7S

GRINDSTONE BUTTE
Mutual Canal Co.
Water Right # 2-2262

○ denotes Water Right Acres



Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: IDAHO POWER COMPANY
2. Address: P.O. Box 70 Boise ID 83707
3. Source of water: SNAKE RIVER
4. Volume of water rented: 43,606.9 AF, Max rate: N/A cfs.
5. Diversion period from May 1, 2002 to November 15, 2002.
6. Use of water: Hydropower at Hells Canyon Complex
7. a) Renter's point of diversion:
Legal description: Brownlee, Oxbow, and Hells Canyon Projects
Pump HP: N/A Lift: N/A
Canal or conveyance works Hells Canyon Complex
b) Renter's place of use:
Legal description: N/A

Total number of acres to be irrigated: N/A
8. The right from which water will be rented is See High-Lift Pumps from the Snake River Lease application acceptance letters.

The U.S. Bureau of Reclamation and Bonneville Power Administration agree to pay \$ 50 per acre-foot for rental of the above described water and agrees to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

Conditions of water use under this agreement:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Rental of the right(s) from the bank is contingent upon a determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in Memorandum of Agreement ("MOA") No. 1425-02-MA-10-3460 between the U.S. Bureau of Reclamation and the Idaho Department of Water Resources regarding Rental of Water From High-Lift Pumps on the Snake River, said agreement dated May 10, 2002.
3. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.
4. Rental of the right(s) from the bank shall be from May 1, 2002 to November 15, 2002, and the right(s) will be considered released from the bank on December 31, 2002.
5. Use of water under this agreement does not constitute a dedication of the water to renter's use and upon expiration of this agreement, the place of use of the water shall revert to its original place of use and/or again be available to rent from the bank.
6. Renter agrees to comply with Water Supply Bank Rules while using water under this agreement.

Dated this 8th day of August, 2002.

Jonathan C. Brooks
Renter

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 7th day of August, 2002.

Karl J. Dreher
for
KARL J. DREHER, Director
Department of Water Resources



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

August 7, 2002

JONATHON C BOWLING
IDAHO POWER COMPANY
1221 W IDAHO STREET
BOISE ID 83702

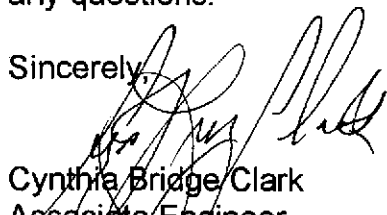
RE: Revised Water Supply Bank Rental Agreement between the Idaho Department of
Water Resources and Idaho Power Company

Dear Mr. Bowling:

Copies of the Water Supply Bank Rental Application and Rental Agreement, signed on August 6, 2002, have been received at the State office of the Department of Water Resources. As we discussed on the telephone earlier today, the Department has recommended a few changes to the conditions set forth on the Rental Agreement. The revised version of the Agreement is attached for your review and signature. The Rental Application will remain unchanged, and the Rental Agreement signed on August 6, 2002 will be superseded by the attached version, dated August 7, 2002.

Thank you for the additional review. Please contact me at (208) 327-7898 if you have any questions.

Sincerely,



Cynthia Bridge Clark
Associate Engineer
Water Right Permits Section



An IDACORP Company

RECEIVED

AUG - 7 2002

Department of Water Resources

Jonathon C. Bowling, P.E.
Engineering Project Leader
Water Management Department

(208) 388-2905
(208) 388-6495 FAX
jbowlings@idahopower.com

August 6, 2002

Cynthia Bridge Clark
State of Idaho
Department of Water Resources
1301 N. Orchard St.
Boise, ID 83720

Dear Ms. Clark,

Attached please find signed copies of the Water Bank Rental Application and Rental Agreement pursuant to the agreement between the State of Idaho, Department of Water Resources and the U.S. Bureau of Reclamation for the rental of water in the Middle Snake River for augmentation purposes.

Idaho Power Company has agreed to facilitate this agreement between the above-mentioned parties and is under no financial obligation. As agreed, the U.S. Bureau of Reclamation will be financially responsible for the leased water.

If you have any questions or comments, please feel free to contact me.

Sincerely,

Jonathon C. Bowling, P.E.
Engineering Project Leader

c: John P. Prescott
James C. Tucker

12/99

Before the Idaho Water Resource Board

APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

Applicant IDAHO POWER COMPANY Phone (208) 388-2905Address P.O. Box 70City Boise State ID Zip Code 83707

A. DESCRIPTION OF WATER SOUGHT FOR RENTAL

1. Source of water SNAKE RIVER
which is tributary to _____
2. Maximum volume of water sought 43,606.9 AF.
3. Maximum rate of diversion N/A cfs.

B. DESCRIPTION OF USE PROPOSED

1. Nature of use HYDROPOWER, HELL CANYON COMPLEX
2. Location of point of diversion 1/4 1/4 Section _____ (BROWNLEE, DIXON, AND HELL CANYON DAMS)
Township _____, Range _____, B.M. _____ County. _____
3. Season of use: From MAY 1, 2002 to NOVEMBER 15, 2002.
4. Description of diverting works: N/A
Pump HP _____ Lift _____ Pump type _____.
Canal name, if appropriate N/A.
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by 40-acre tract, section, township and range.

N/A

yub

12/99

- b. If water is not for irrigation, describe the nature of the intended use and the place of use.

POWER GENERATION PURPOSES AT THE HELLS CANYON
COMPLEX. (SEE MEMORANDUM OF AGREEMENT NO.
1425-02-NA-10-3460)

6. Describe any other water rights used for the same purposes as rental water sought under this application.

N/A

7. Who owns the property at the point of diversion?

N/A

8. Who owns the property at the place of use?

N/A

9. Are you seeking a rental for more than one (1) year? No

If so, how many years? _____

10. Remarks: See Attached

8/6/02
Date

Jonathan C. Bowling
Signature of Applicant
Engineering Leader

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Time _____

Published in _____ Pub. dates _____

Protests filed by _____

Hearing held by _____

Action recommended _____

JB

**ATTACHMENT
APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK**

Entities Leasing to Water Supply Bank	Acres Submitted on Application	Acre-feet per acre	Maximum Vol. Acre-feet
Bell Rapids Mutual Irrigation Co	4386.9	3.0	13160.7
Sailor Creek Water Co	185	2.83	523.55
Grindstone Butte Mutual Canal Co	2627	3.0	7881
South Elmore Irrigation Co	2530.2	2.88	7286.976
Clover Hollow LLC	1071.5	2.88	3085.92
Falcon Butte Farms	929.9	3.0	2789.7
Murphy Flats Farm	2959.7	3.0	8879.1
TOTALS:	14690.2 ac		43606.9 af

Notes:

1. Water rented from the Water Supply Bank ("bank") under this application is based on Memorandum of Agreement No. 1425-02-MA-10-3460 between the U.S. Bureau of Reclamation and the Idaho Department of Water Resources. It shall only include water leased to the bank by the entities listed above.
2. The acreages and volumes listed above were compiled from the Applications submitted by the corresponding entities to lease water to the Water Supply Bank.
3. The volume of water available for lease is contingent upon the determination that the acres associated with the rental applications have a valid Snake River water right(s), and that they qualify for payment as provided in Memorandum of Agreement No. 1425-02-MA-10-3460.

Job

08-5-02

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

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2. Address: P.O. Box 70, Boise, ID 83707
3. Source of water: SNAKE RIVER
4. Volume of water rented: 43,606.9 AF, Max rate: N/A cfs.
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6. Use of water: Hydropower at Hells Canyon Complex
7. a) Renter's point of diversion:
Legal description: Brownlee, Oxbow, and Hells Canyon Projects
Pump HP: N/A Lift: N/A
Canal or conveyance works Hells Canyon Complex
b) Renter's place of use:
Legal description: N/A

Total number of acres to be irrigated: N/A
8. The right from which water will be rented is See High-Lift Pumpers from the Snake River Lease application acceptance letters.

The U.S. Bureau of Reclamation and Bonneville Power Administration agree to pay \$ 50 per acre-foot for rental of the above described water and agrees to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

jrb

Conditions of water use under this agreement:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Rental of the right(s) from the bank is contingent upon a determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in Memorandum of Agreement ("MOA") No. 1425-02-MA-10-3460 between the U.S. Bureau of Reclamation and the Idaho Department of Water Resources regarding Rental of Water From High-Lift Pumpers on the Snake River, said agreement dated May 10, 2002.
3. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.
4. Rental of the right(s) from the bank shall be from May 1, 2002 to November 15, 2002, and the right(s) will be considered released from the bank on December 31, 2002.
5. The renter shall provide information as needed for the determination of the amount of the water diverted in a manner acceptable to the Director.
6. Use of water under this agreement does not constitute a dedication of the water to renter's land and upon expiration of this agreement, the place of use of the water shall revert to its original place of use and/or again be available to rent from the bank.
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.

Dated this 6th day of August, 2002.

Jonathan C. Bowling
Renter
Engineering Leader

JCB

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 _____, 200__.

KARL J. DREHER, Director
Department of Water Resources

jab

RECEIVED

MAY 30 2002

DEPARTMENT OF WATER RESOURCES
02-2314 - 259 Acres

Water Right No. 02-2262 - 2588 Acres
2627 Acres
TOTAL

**ATTACHMENT TO APPLICATION TO LEASE A WATER RIGHT TO THE WATER
SUPPLY BANK - DESCRIBING CRITERIA FOR THE LEASE OF WATER
FROM HIGH-LIFT PUMPERS ON THE SNAKE RIVER**

The Idaho Department of Water Resources (IDWR) will accept Water Supply Bank Lease Applications from high-lift pumpers on the Snake River pursuant to a Memorandum of Agreement (MOA) between IDWR and the U.S. Bureau of Reclamation (Reclamation). The total rental price for up to a maximum of 3 acre-feet per acre is \$50 per acre-foot (including a 10% fee for administrative costs to IDWR of \$4.55). The rental period shall be from May 1 to the end of the irrigation season, provided that by August 15 a lessor who did not divert water prior to acceptance of the lease may give notice that the lessor requires the use of water on and after September 1 for land or crop preparation purposes for the 2003 irrigation season. Leased water rights must be appurtenant to lands that satisfy the following criteria:

1. The acres were fully irrigated in 2001, or
2. The acres were either fully irrigated or under the federal Conservation Reserve Program (CRP) in 2000 and included in the Idaho Power buyback program in 2001, or
3. The acres were under the federal CRP program in 2001 and the lessor has satisfied Reclamation and IDWR that the acres would have been fully irrigated for crops in 2002 had the water rights not been placed in the Water Bank for use by Idaho Power/Reclamation.

IDWR will take the following steps to quantify the amount of water accepted for lease into the Water Bank and rented for the purposes described in the MOA:

1. Map the field boundaries to which the water rights are appurtenant and verify the number of acres in each field using GIS.
2. Establish the volume of water diverted per acre, up to a maximum of 3 acre-feet per acre, based upon the average historic diversion divided by the total acres, which will be determined using US Geological Service and IDWR data (1988 to 1993) or as demonstrated by the lessor to the satisfaction of IDWR.

IDWR shall make lease payments and determine any pro rata reductions in the amount to be paid to a lessor in accordance with the provisions of Section II.e.2 of the MOA. *A single payment shall be made to G. B. McCall Co. on or after January 2, 2003, but not later than January 3, 2003.*

**APPLICANT HEREBY ACKNOWLEDGES RECEIPT OF A COPY OF THE MOA AND
CERTIFIES THAT THE LANDS ASSOCIATED WITH THE WATER RIGHTS
SOUGHT TO BE PLACED IN THE WATER SUPPLY BANK SATISFY THE
ACCEPTANCE CRITERIA SET OUT ABOVE.**

DATED this 21 day of May, 2002.

Maria A. Noble
Pres. Grindstone Butte Mutual Canal Company
(Signature of Applicant/Authorized Agent)

RECEIVED

MAY 30 2002

Form No. 42-1761
3-92

DEPARTMENT OF WATER RESOURCES

Water Supply Bank No. _____

Water Right No. _____

02-2314 (39 Acres)
02-2262 (2588 Acres)

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION TO SELL OR LEASE A WATER RIGHT
TO THE
WATER SUPPLY BANK

Name of Seller/Lessor GRINDSTONE BUTTE MUTUAL CANAL CO Phone 208-342-6524
Post office address P.O. Box 2673 Boise, ID 83701

A. DESCRIPTION OF RIGHT AS RECORDED

1. Right evidenced by:

a. Decree No. _____ Decreed to _____ (Name)
in case of _____ vs _____
dated _____ in _____ county of _____
(Name of court)

b. License No. _____ Issued by the Idaho Department of Water Resources.

c. Permit No. _____ Issued by the Idaho Department of Water Resources.

2. Source of water Snake River tributary to Columbia River

3. Date of priority 12/06/1963 (02-2262) and 4-17-64 (02-2314)

4. Water is used for the following purposes:

amount _____ for _____ purposes from _____ to _____
amount _____ for _____ purposes from _____ to _____
amount _____ for _____ purposes from _____ to _____
(month/day — both dates inclusive)

5. Total amount of water under right: a. _____ cubic feet per second
&/or
b. _____ acre feet per annum

6. Location of point of diversion is NW ¼ of SW ¼ of Section 34
Township 5S Range 9E, B.M. in ELMORE County

Additional points of diversion, if any _____

7. Lands irrigated or place of use:

TWP.	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				TOTALS
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	

See Attached (yellow highlighted)

Total number of acres to be irrigated _____

B. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE (If the entire right is for sale or lease, omit part B.)

1. Amount of water: a. _____ cubic feet per second
&/or
b. _____ acre feet per annum
2. Point of diversion _____ ¼ _____ ¼, Section _____ Township _____
Range _____, B.M., _____ County
Additional points _____

3. Place of use:

TWP.	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				TOTALS
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	

See Attached (yellow highlighted)

Total number of acres to be irrigated _____

C. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

1. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right.

N/A

2. Describe the frequency of water use under the right, or portion thereof, during the past 5 years. Attach water-master records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture:

N/A

3. Describe the relative availability of water to fill the right, or portion thereof. Attach evidence to support the availability:

N/A

4. Describe any other water rights with the same purpose and place of use as the right, or portion thereof. Will the present place of use continue to receive water from any source? If so, describe.

N/A

5. If the water right is a permit, describe the work accomplished toward developing the right.

N/A

6. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

7. If the right is included in an ongoing adjudication, a copy of the claim must be provided with this application.

8. Draw a map indicating the point(s) of diversion and place of use of the right, or portion thereof. Show clearly the land involved by section, township and range.

A 10x10 grid of squares. In the center of the grid, the words "See Attached Maps" are handwritten in a cursive script. The text is positioned such that it spans across several grid cells, with "See" starting around the 4th column and "Maps" ending around the 8th column.

SCALE: 2 inches equal 1 mile. Draw plan in ink.

9. Remarks _____

D. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

_____ For sale

_____ For lease for period from _____ to _____
(year) (year)

_____ As a gift to the State of Idaho.

2. The minimum payment acceptable to the Seller/Lessor is: (Include the method of determining the minimum payment)

3. Payment contingent on subsequent sale or leasing of this right, or portion thereof, is:

_____ Acceptable _____ Not Acceptable

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer the sale or lease of this right to the Idaho Water Resource Board.

5-21-02
(Date)

Mark A. Noble pres.
(Signature of applicant)

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

Water Permit Report 2-2262

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
06S	09E	14							40.0	40.0				40.0		40.0			160.0
06S	09E	15												40.0		40.0		80.0	
06S	09E	22	40.0			40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0			40.0	480.0	
06S	09E	23			40.0	40.0	40.0	40.0	40.0	40.0	40.0			40.0	40.0	40.0	40.0	440.0	
06S	09E	24					40.0			40.0	40.0	40.0	40.0					200.0	
06S	09E	25	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	640.0	
06S	09E	26	40.0	40.0	40.0	40.0	40.0		40.0	40.0	40.0	40.0	40.0	40.0			40.0	520.0	
06S	09E	27				40.0						40.0	40.0	40.0		40.0	40.0	240.0	

Water Permit Report 2-2262

[illegible]

IDAHO DEPARTMENT OF WATER RESOURCES

Water Permit Report 2-2262

	NE	NW	NE	SW	SE		NW	SW		NE	NW	SW	SE	
07S 09E 23				40.0	40.0	40.0				40.0	40.0	40.0	40.0	280.0
07S 09E 24		40.0				40.0	40.0		40.0	40.0	40.0	40.0		320.0
07S 10E 4						40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	400.0
07S 10E 5			40.0	40.0		40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	480.0
07S 10E 6						40.0	40.0	40.0	40.0	40.0	40.0		40.0	320.0
07S 10E 7	40.0	40.0	40.0	40.0		40.0	40.0	40.0	40.0			40.0		360.0
07S 10E 8	40.0	40.0	40.0	40.0		40.0	40.0	40.0	40.0	40.0		40.0	40.0	480.0
07S 10E 9	40.0	40.0	40.0	40.0		40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	560.0
07S 10E 10						40.0	40.0		40.0	40.0	40.0	40.0		240.0
07S 10E 14									40.0					40.0
07S 10E 15		40.0	40.0			40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	560.0
07S 10E 16	40.0	40.0	40.0	40.0		40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	640.0
07S 10E 17	40.0	40.0	40.0	40.0										160.0
07S 10E 18						40.0			40.0					80.0
07S 10E 20			40.0			40.0	40.0	40.0	40.0			40.0	40.0	320.0
07S 10E 21	40.0	40.0	40.0	40.0			40.0				40.0	40.0		280.0
07S 10E 22	40.0	40.0	40.0	40.0		40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	560.0
07S 10E 23						40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	440.0
07S 10E 26	40.0	40.0	40.0	40.0		40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	600.0
07S 10E 27	40.0	40.0	40.0	40.0		40.0	40.0		40.0	40.0	40.0	40.0	40.0	480.0
07S 10E 28		40.0	40.0			40.0	40.0		40.0	40.0	40.0	40.0	40.0	400.0

IDAHO DEPARTMENT OF WATER RESOURCES

Water Permit Report 2-2262													
		NE	NW	SW	SE			NW	SW	NE	NW	SW	SE
07S 10E 29		40.0	40.0	40.0	40.0					40.0	40.0	40.0	40.0
07S 10E 32								40.0					
07S 10E 33	40.0				40.0	40.0							
07S 10E 34	40.0	40.0	40.0	40.0	40.0	40.0	40.0			40.0			
07S 10E 35		40.0	40.0		40.0	40.0	40.0	40.0			40.0	40.0	
Total Acres: 18080													

Conditions of Approval:Remarks:

- General FOR DESERT LAND ENTRIES.
REINSTATED 2-18-1987.

Comments:Dates and Other Information:

Permit Proof Due Date: 10/1/1985
 Permit Proof Made Date: 2/5/1987
 Permit Approved Date: 12/30/1963
 Permit Moratorium Expiration Date:
 Enlargement Use Priority Date:
 Enlargement Statute Priority Date:
 Field Exam Date: 1/15/1987
 Date Sent to State Office: 5/8/2001
 Date Received at State Office: 5/8/2001
 Formal Action Date:
 State or Federal:
 Owner Name Connector:
 Water District Number:
 Generic Max Rate Per Acre:
 Generic Max Volume Per Acre:
 Swan Falls Trust or Nontrust:
 Swan Falls Dismissed:
 DLE Act Number:
 Carey Act Number:
 Mitigation Plan: False

Water Permit Report 2-2314

[illegible]



CUSTOMER CONSENT FORM

(To Release Idaho Power Company Customer Account Information)

I, the customer of record, do hereby agree and allow Idaho Power Company to release the following account information (indicate information to be released):

- ☒ Electrical Usage
☒ Irrigation Information
☐ Credit Information
☐ Service Location / Address
☐ Other _____

This information may be released to the following person(s) or representative of the following organizations(s):

Name Idaho Department of Water Resources

Address _____

Information may be released on the following account:

Name Grindstone Butte Mutual Canal Co.

Service Location GLENN'S FERRY, IDAHO

Account Number 3789438737 3789438737
6269682424 6269682424

List additional accounts on the back.

Signed

Marta M. Ole
CUSTOMER OF RECORD

Date

5-21-02

DBA _____

This authorization is valid until

12/1/02

(Date)



IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

RECEIVED

JUL - 8 2002

Department of Water Resources

Grindstond Butte
P O Box 2673
Boise, ID 83701-2673

April 4, 2001

Dear Customer:

This letter is to confirm that your Offer to Reduce Electrical Energy Consumption submitted in response to Idaho Power Company's Request for Proposals issued February 16, 2001, has been accepted. Enclosed is a copy of your Offer to Reduce Electrical Energy Consumption which is signed by Idaho Power Company. Also enclosed is a copy of your Offer Form Worksheet which details the Offered Energy Reduction of 22,168,023 you have committed to provide during the 2001 growing season and the Base Energy Consumption Amount of 32,607,623 from which the actual energy reduction provided will be computed.

As stated in Idaho Power's Request for Proposals, the metered service points included in your accepted offer must remain connected for electric service during the full term of the program. If you have metered service points that are currently not connected for service, you do not need to contact us. Idaho Power will confirm that each metered service point is connected for service, and if it is not, will coordinate to have our crews perform the necessary work. If you prefer to have your service disconnected during the winter, you may contact us after November 15, 2001 to request a service disconnection.

As a condition for participating in the Irrigation Buy Back Program, you are required to remain as the responsible party for each of the metered service points included in your accepted offer. If you become the responsible party for additional metered service points not included in your offer, Idaho Power will include the energy consumption for each additional metered service point in computing both a revised Base Energy Consumption Amount and the actual energy reduction provided. Becoming the responsible party for metered service points not included in your offer could affect your ability to provide the energy reduction committed to in your offer.

Idaho Power will begin making monthly payments in May for energy reductions actually provided, as detailed in the Request for Proposals. If you would prefer to have your payments deferred until 2002, please contact us. Interest will not be paid on deferred payments.

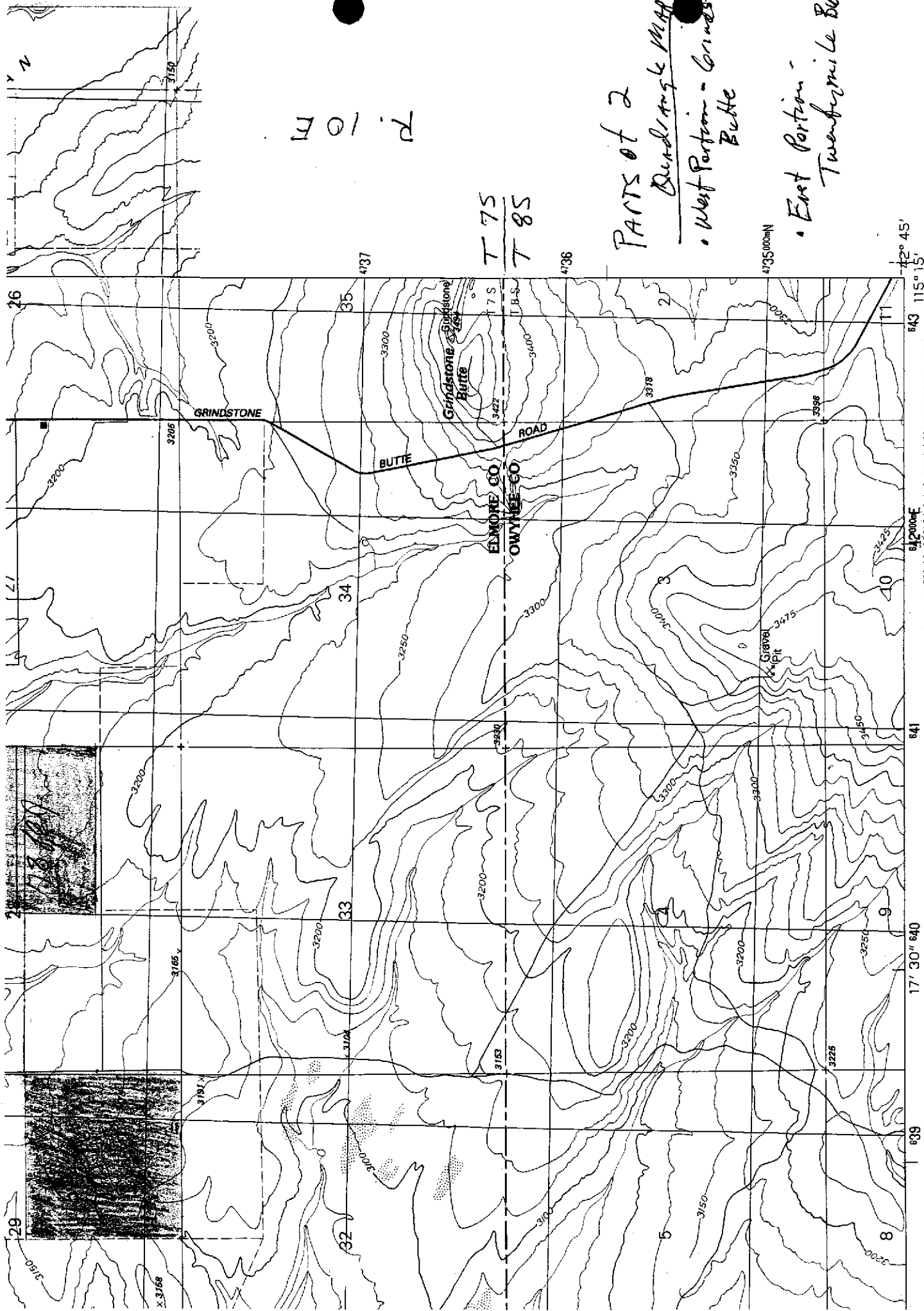
We look forward to your participation in this program. If you have any questions, please feel free to contact us.

Sincerely,

Idaho Power Company

Contact Numbers:
In Boise 388-2323
Outside Boise 1-800-488-6151

7-08-02
Cynthia
The above accepted reduction
in kWh comes from acres not
irrigated during crop year 2001.
Craig Castagneto



1:24 000

ETERS

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ROAD CLASSIFICATION

Primary highway,
hard surface —————

Light-duty road, hard or
improved surface —————

Secondary highway,
hard surface —————

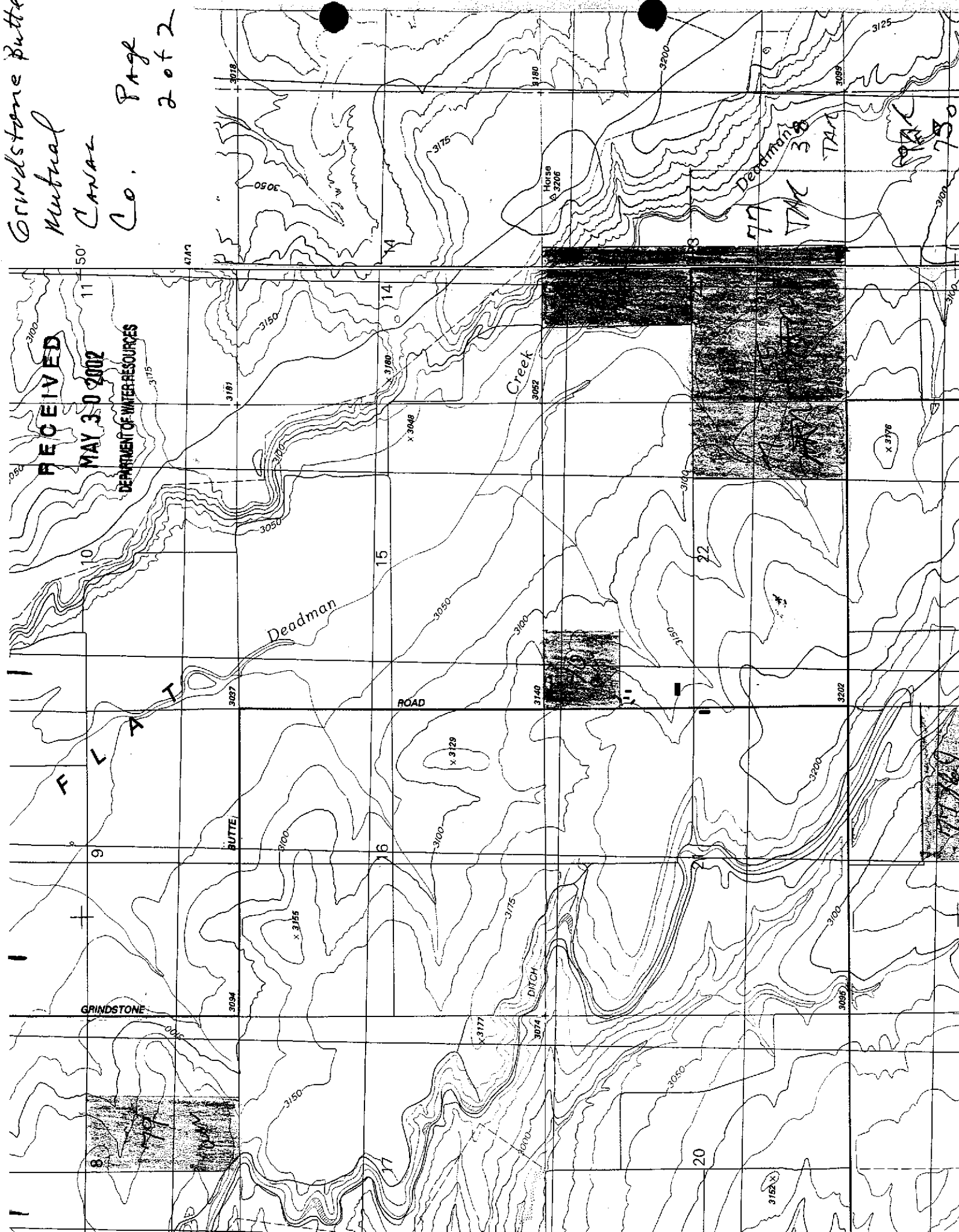
6/2000E
● ● INTERIOR-GEOLOGICAL SURVEY, RESTON, VIRGINIA—1992

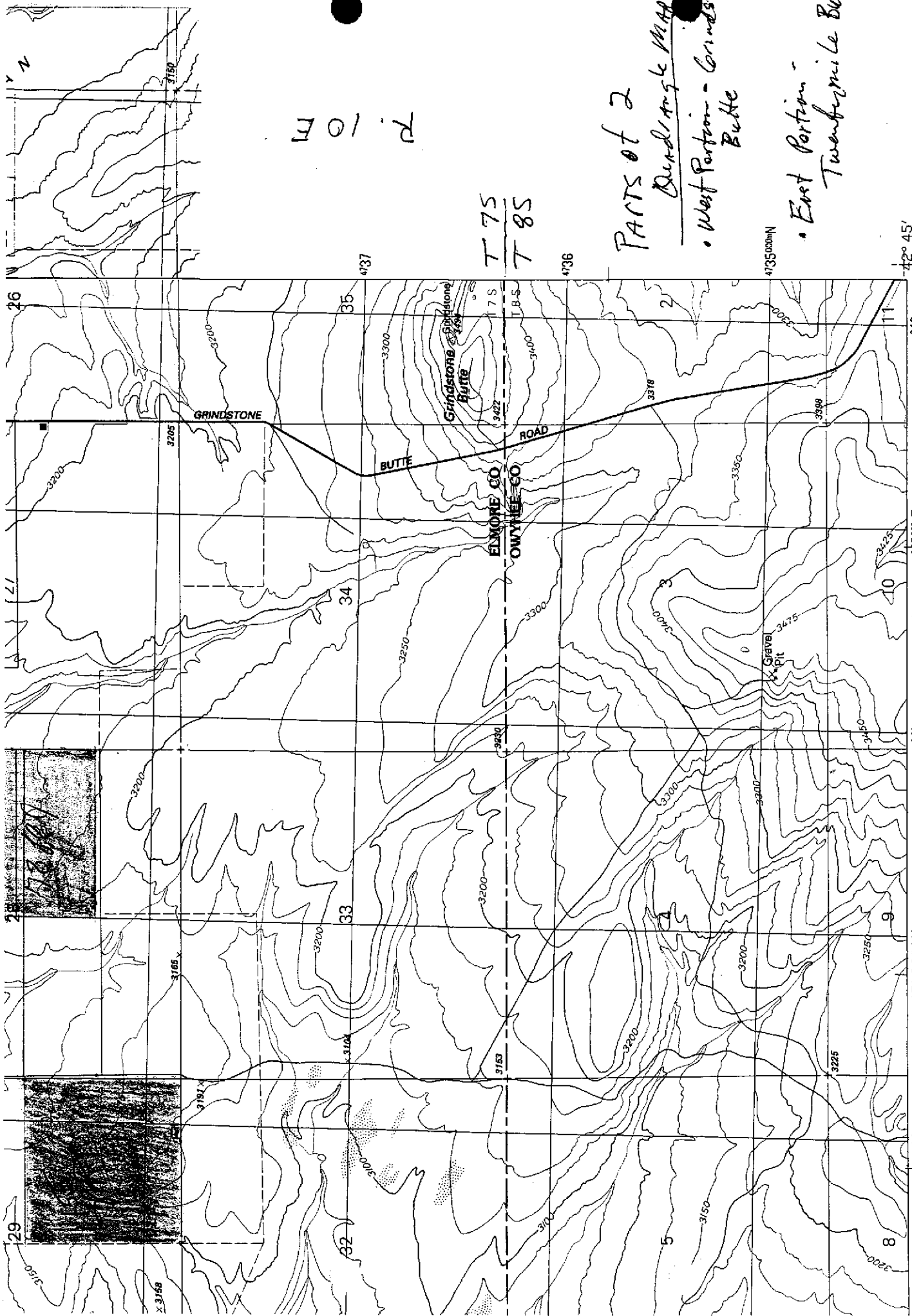
PARTS of 2
Quadrangle Maps
 • West Portion - Concord
 Butte
 • East Portion -
 Twentymile Butte

Page 2 of 2

MAY 30 2002

DEPARTMENT OF WATER RESOURCES



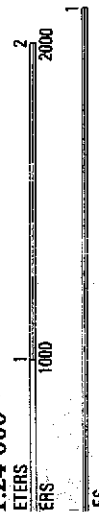


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PARTS of 2
Dundangle Maps
• West Portion - Grindstone Butte
• East Portion -
Twentymile Butte

1:24 000



ROAD CLASSIFICATION

- INTERIOR-GEOLOGICAL SURVEY, RESTON, VIRGINIA-1982
- Primary highway, hard surface
- Light-duty road, hard or improved surface ...
- Secondary highway,

42° 45'

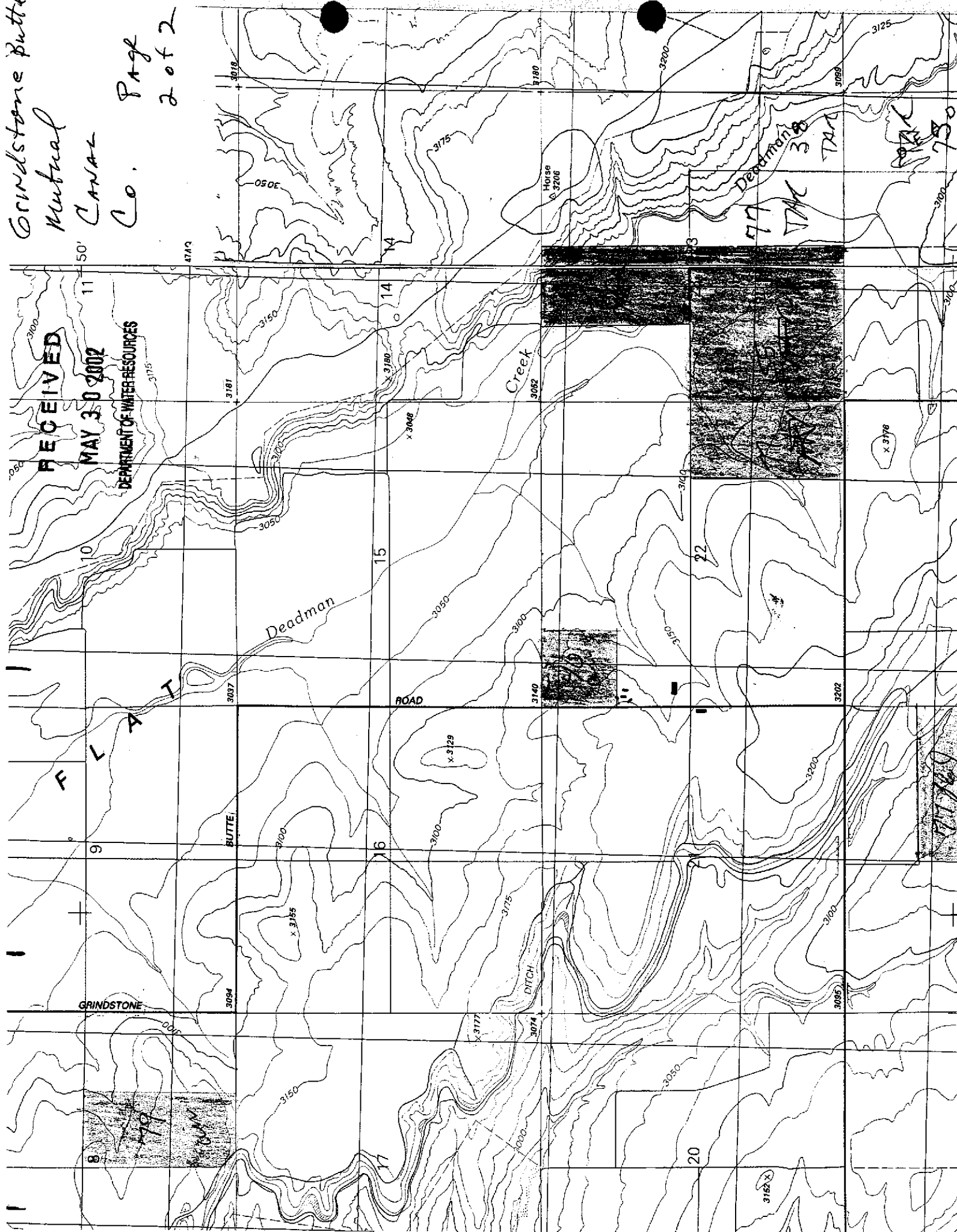
115° 15'

Grindstone Butte
Mutual
Canal
Co. Page
2 of 2

RECEIVED

MAY 30 2002

DEPARTMENT OF WATER RESOURCES



WHEREAS, on October 21, 1976, the President of the United States signed into law the Federal Land Policy and Management Act (FLPMA) which no longer allowed the State to make temporary withdrawal requests; and,

WHEREAS, on May 6, 1983, the Department of Water Resources corresponded with Melvin D. and Patricia A. Hughes with information concerning the current status and availability of water for new development in the Snake River drainage above Swan Falls Dam, resulting from a Supreme Court Decision on Idaho Power's water rights for hydro-power generation; and,

WHEREAS, said letter was returned marked undeliverable as addressed; and,

WHEREAS, when the county assessor was contacted for a current address, no listing of Melvin D. and Patricia A. Hughes occurred on the assessor's records; and,

WHEREAS, failure to maintain a current address in Department records indicates a lack of interest in pursuing the project and is cause to cancel the Carey Act application;

WHEREAS, on October 10, 1983, an Order was sent to show cause why Carey Act Application 51-CA-12 should not be cancelled and Water Right Application 02-2262 should not be voided; and,

WHEREAS, the Order was returned marked undeliverable;

IT IS, THEREFORE, HEREBY ORDERED that Carey Act Application 51-CA-12 is cancelled and that portion of Water Right Application 02-2262 as follows, in the name of Grindstone Butte Mutual Canal Company, (Township 7 South, Range 10 East, B.M., Section 6 - Lot 2, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 8 - E $\frac{1}{2}$ SE $\frac{1}{4}$, Section 9 - S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 17 - NE $\frac{1}{4}$ SE $\frac{1}{4}$ equalling 320.33 acres) is denied.

DATED this 29TH day of MARCH 1984.

error 1978

Norman C. Young
for
A. KENNETH DUNN
Director

NOT RECORDED



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 21, 2004

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

**RE: RENTAL OF WATER RIGHTS LEASED TO THE WATER SUPPLY
BANK. WATER RIGHT NO(S). 2-2262**

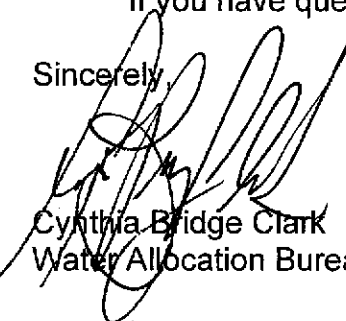
Dear Lessor:

The Department of Water Resources has requested the issuance of a state warrant in the amount of \$47,189.53 as payment to you for the rental of 4766.7 acre-feet of the above referenced water right from the Water Supply Bank managed by the Idaho Water Resource Board.

This portion of your water right was included in a rental transaction of a total of 23,652.1 acre-feet of water. In accordance with Water Supply Bank rule 35.01, IDAPA 37.02.03, return for the rental is ninety percent (90%) of the gross amount received for your portion of the total volume rented. The Controller's office will issue the warrant within the next twenty (20) days to the address specified on the Request for Taxpayer Identification Number and Certification form (W-9 form) provided to the Department.

If you have questions, please feel free to contact me.

Sincerely,


Cynthia Bridge Clark
Water Allocation Bureau

c: IDWR Regional Office
Debbie Allen – IDWR Fiscal

MEMORANDUM

TO: Debbie Allen
FROM: Cynthia Bridge Clark
RE: **WATER SUPPLY BANK RENTAL FEE – 2-2262**
DATE: October 21, 2004

The following information is provided to document the request for a state warrant compensating the owner of the above referenced water right(s) for rental of a portion of the right(s) from the Water Supply Bank. A copy of the receipt for the rental payment is attached. The W-9 form has been received and processed by the department.

Please have a state warrant prepared in the amount of \$47,189.53 and sent to the address identified on the W-9 form submitted to the Department by the lessor:

GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

Attach: 2

**BEFORE THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF IDAHO**

IN THE MATTER OF APPLICATION FOR)
TEMPORARY EXCHANGE OF WATER)
NO. TC-01-53 IN THE NAME OF TWIN FALLS)
CANAL CO., NORTH SIDE CANAL CO., AND)
U. S. BUREAU OF RECLAMATION)
_____)

**ORDER AUTHORIZING
TEMPORARY EXCHANGE**

WHEREAS, drought emergencies have been declared for Gooding, Jerome, and Twin Falls Counties to allow administrative actions to lessen the severe impacts of drought conditions in the counties; and

WHEREAS, Idaho Code § 42-222A provides that upon declaration of a drought emergency, the Director of the Department of Water Resources ("Director" or "Department") is authorized to allow temporary changes in the point of diversion, the place of use, and the purpose of use for valid existing water rights or temporary exchanges of water authorized under water rights when the Director determines that such changes can be accomplished in accordance with the provisions of Idaho Code § 42-222A; and

WHEREAS, on July 22, 2004, the Twin Falls Canal Company, North Side Canal Company, and U. S. Bureau of Reclamation ("Applicants") requested that the Director approve the attached Temporary Water Exchange Agreement ("Application"); and

WHEREAS, the Director has reviewed the Application and has determined the Application can be approved with certain conditions.

ORDER

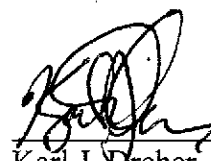
IT IS HEREBY ORDERED that the Application is **APPROVED** subject to the following conditions:

1. The agreement to exchange water under the contract rights held or controlled by the applicants as described in the Application is authorized at the locations described in the Application.
2. The watermaster of Water District No. 01 is authorized to administer the temporary exchange as approved. The watermaster shall regulate and keep a record of the amount of water diverted and accumulated as described in the Application under the exchange of contract rights held or controlled by the applicants.

SUPPORT DATA

3. The applicants assume all risk of curtailment or mitigation should the diversion and use of water under the temporary exchange be subsequently determined to cause injury to other water rights, constitute an enlargement in use of the original rights, be inconsistent with the conservation of water resources within the state of Idaho, or not be in the local public interest.
4. This temporary exchange as approved may only be used to provide a replacement water supply to lands or other uses that normally have a full water supply, except for the drought condition. This temporary exchange may not be used to provide water for new development or to allow expansion of the use of water under existing water rights.
5. This temporary exchange as approved does not grant any right-of-way or easement to use the diversion works or conveyance works of any other person or entity.
6. This temporary exchange as approved does not authorize the use of diversion works or a delivery system owned by or managed by a corporation or an irrigation district without the written consent of such corporation or irrigation district.
7. The applicants agree to hold the Director and the State of Idaho harmless from all liability on account of the diversion and use of water under this temporary exchange.
8. Approval of this temporary exchange expires at the end of the period described on the Application unless rescinded or extended by the Director. Thereafter, the water rights shall revert to the point of diversion, place of use, and nature of use existing prior to the temporary exchange approval.
9. By diversion and use of water under this temporary exchange, the Applicants acknowledge and agree that the Director may terminate diversion of water under this temporary exchange if the Director determines there is interference with or injury to other water rights.
10. The natural flow made available to the U. S. Bureau of Reclamation under this temporary exchange as approved shall be protected from diversion by others to Idaho Power's Hells Canyon Complex located in Washington and Adams Counties, Idaho.

DATED this 31st day of July 2004.


Karl J. Dreher
Director

Before the Idaho Water Resource Board

WATER SUPPLY BANK RENTAL AGREEMENT

The Idaho Water Resource Board ("Board") being authorized to operate a Water Supply Bank ("bank") and to contract by and through the Director of the Idaho Department of Water Resources ("Director") for rental of water from the bank agrees to rent water as follows:

1. Renter: Twin Falls Canal Company
PO Box 326
Twin Falls, ID 83303

North Side Canal Company
921 North Lincoln
Jerome, ID 83338
2. Source of water: Snake River
3. Volume of water rented: 23652.1 af
4. Diversion period: April 10 to August 31, 2004
5. Use of water: Temporary exchange of water with Bureau of Reclamation
6. a) Renter's point of diversion:
Legal description:

b) Renter's place of use:
Legal description:
7. The right from which water will be rented is: See attached list of water rights

The undersigned renter agrees to pay \$ 260173.10 for rental of the above described water and agrees to use the water in compliance with the Water Supply Bank rules and in compliance with the conditions of water use shown below:

Conditions of water use under this agreement:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.

2. Acceptance of a right into the Bank does not confirm the validity of the right or any elements of the right.
3. Upon Department request, the renter shall provide for the measurement of the water diverted in a manner acceptable to the Director and shall report the amount of water diverted at the end of the irrigation season.
4. Use of water under this agreement does not constitute a dedication of the water to renter's land 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.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. 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.
7. 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.
8. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.

Twin Falls Canal Company


signature and title

GENERAL MGR.
date

July 30, 2004

North Side Canal Company


signature and title

July 30, 2004
date

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 2nd day of August, 2004.


for KARL J. DREHER, Director
Department of Water Resources

List of Water Rights to be Rented from the Water Supply Bank

Water Rights		Basin	Seq.	Suffix	Lessor	Source	Priority	Rate (cfs)	Volume ap/avg (af)	Acres	Use	Date in Bank
2	10208				COTTONWOOD MUTUAL CANAL CO	Snake River	2/25/1963	49.16	6635.9	2458.0	Irrigation	3/22/1991
2	10189				ROBERT AND CONNIE SMITH	Snake River	2/25/1963	2.83	379.6	141.5	Irrigation	3/22/1991
2	7065			C	US ECOLOGY IDAHO, INC	Snake River	5/14/1970	4.17	1466.2	404.0	Irrigation	6/12/1992
2	2261			D	GISELA SCHAAL	Snake River	12/19/1963	0.80	161.3	40.0	Irrigation	10/6/1998
2	7237			A	ROBERT AND CONNIE SMITH	Snake River	12/23/1976	5.90	1189.6	295.0	Irrigation	5/18/1999
2	7064				ROBERT AND CONNIE SMITH	Snake River	4/23/1970	6.36	1282.3	318.0	Irrigation	7/9/1999
2	10180				ROBERT DIRKS	Snake River	4/9/1970	1.60	258.1	80.0	Irrigation	7/9/1999
2	10181				ROBERT AND CONNIE SMITH	Snake River	4/9/1970	3.20	516.2	160.0	Irrigation	7/9/1999
2	7061				JOHN T FIELD	Snake River	4/9/1970	6.32	1274.3	316.0	Irrigation	4/12/2001
2	7062				JOHN T FIELD	Snake River	4/9/1970	4.10	826.7	205.0	Irrigation	4/12/2001
2	7157			C	JOHN T FIELD	Snake River	5/24/1974	7.44	1200.1	372.0	Irrigation	4/12/2001
2	2261			A	HILL WAY, INC	Snake River	12/19/1963	4.40	887.2	220.0	Irrigation	3/27/2003
2	2259				HILL WAY, INC	Snake River	12/18/1963	5.14	1036.4	257.0	Irrigation	4/28/2003
2	4				FLOPET INC	Snake River	6/1/1956	0.22	32.3	10.0	Irrigation	8/25/2003
2	7287				FLOPET INC	Snake River	6/1/1956	2.00	403.3	100.0	Irrigation	8/25/2003
2	2357			B	ARTHUR J MERRICK	Snake River	9/10/1964	1.80	362.9	90.0	Irrigation	1/12/2004
2	7046			E	ARTHUR J MERRICK	Snake River	7/30/1969	2.82	443.6	162.0	Irrigation	1/12/2004
2	2240				MARK MCDONOUGH	Snake River	10/25/1963	2.25	0.0	112.5	Irrigation	3/12/2004
2	2431				MARK MCDONOUGH	Snake River	12/5/1958	1.49	453.7	112.5	Irrigation	3/12/2004
2	10209				MARK MCDONOUGH	Snake River	2/25/1963	0.22	29.7	11.0	Irrigation	3/16/2004
2	202			A	TED E CANTRELL	Snake River	6/1/1912	0.24	46.4	13.0	Irrigation	4/12/2004
2	2262				GRINDSTONE BUTTE MUTUAL CANAL CO	Snake River	12/6/1963	16.26	4766.7	1182.1	Irrigation	4/27/2004
									23652.1	total rented		



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

July 26, 2004

GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

**RE: APPLICATION TO LEASE PART OF WATER RIGHT NO. 2-2262 TO THE
WATER SUPPLY BANK**

Dear Lessor:

The Department of Water Resources ("department") has completed its review of the Application to Sell or Lease a Water Right to the Water Supply Bank ("bank"). Please consider that the offered water right is accepted into the bank.

Several items to keep in mind in connection with the lease of a water right to the bank are as follows:

1. There is no rental payment to the lessor of the water right if the right or a part thereof is not rented from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented from the bank.
3. A right accepted into the bank stays in the bank until the Board releases it, the lease term expires, or upon request from the lessor to change the term of the lease.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank 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.
6. The water right referenced above will be rented from the bank at the current rental rate.
7. Portions of the above referenced water rights are leased to the bank as follows:

Right No.	term	acres	rate (cfs)	volume (afa)
2-2262	4/1/04 to 4/1/05	276.6	3.80	1383
2-2262	4/1/04 to 4/1/07	940	12.93	4700

8. Upon execution of the lease, the amount of water that is not leased to the Bank under Snake River Basin Adjudication Claim 2-2262 is 164.17 cfs and 59690 afa for 11938 acres. After April 1 2005, the amount of water that is not leased to the Bank increases to 167.97 cfs and 61073 afa for 12214.6 acres.
9. Failure of the right holder to comply with the conditions of acceptance is cause for the Director to rescind acceptance of the lease.
10. Upon acceptance of a water right into the Board's water supply bank, the owner of the right may withdraw the right within thirty (30) days of acceptance into the bank if the owner does not agree with the conditions of acceptance.

The right will automatically be released from the bank in its entirety on **April 1, 2007** unless the right is released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right from the bank, the lessor must submit a request in writing to the department prior to the release date.

If you have questions, please feel free to contact me.

Sincerely,



Jeff Peppersack, Manager
Water Right Permits Section

c: John Westra – IDWR Western Regional Office
John Marshall – Givens Pursley LLP

MEMORANDUM

To: File 2-2262

From: Jeff Peppersack

Date: July 26, 2004

Re: Lease of Water Right to the State Water Supply Bank

<u>Water Right</u>	<u>SRBA Claim</u>	<u>Rate</u>	<u>Volume</u>	<u>Acres</u>
2-2262	2-2262	180.90 cfs	65773 af	13154.6
for lease (1):		3.80 cfs	1383 af	276.6
for lease (2)		12.93 cfs	4700 af	940.0
remaining:		164.17 cfs	59690 af	11938.0

The applicant, Grindstone Butte Mutual Canal Co., has offered a portion of the right for lease to the bank in two separate applications. The first application proposes to lease 276.6 acres through 4/1/2005 and the second application proposes to lease another 940 acres through 4/1/2007.

The right is a permit with a field exam that left some unanswered questions regarding place of use. However, the verified place of use includes sufficient acres so the lease to the bank should not be a problem. The company is pursuing a generally described place of use and the acre discrepancy can be resolved prior to licensing and SRBA recommendations.

The right should be accepted into the bank as proposed.

MAY 06 2004

Department of Water Resources

LAW OFFICES

601 W. Bannock Street
PO Box 2720, Boise, Idaho 83701
TELEPHONE: 208 388-1200
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Jessica M. Borup
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Thomas E. Dvorak
Roy Lewis Eiguren
Timothy P. Feamside
Jeffrey C. Fereday
Steven J. Hippler
Karl T. Klein
Debora K. Kristensen
Anne C. Kunkel
Franklin G. Lee

David R. Lombardi
D. David Lorello, Jr.
Emily A. MacMaster
Kimberly D. Maloney
John M. Marshall
Kenneth R. McClure
Kelly Greene McConnell
Cynthia A. Melillo
Christopher H. Meyer
L. Edward Miller
Patrick J. Miller
Judson B. Montgomery
Angela K. Nelson
Deborah E. Nelson

W. Hugh O'Riordan, LLM
Michael C. Orr
Kenneth L. Pursley
Bradley V. Sneed
H. Barton Thomas, LLM
Conley E. Ward
Robert B. White
Michael V. Woodhouse

James A. McClure
OF COUNSEL

Raymond D. Givens
RETIRED

May 3, 2004

David R. Tuthill, Jr.
Kay Walker
Idaho Department of Water Resources
1301 N. Orchard Street
P.O. Box 83720
Boise, ID 83720-0098

Re: Grindstone Butte Mutual Canal Company
GP File No. 2988-12

Dear Dave and Kay:

I am writing on behalf of the Grindstone Butte Mutual Canal Company to submit additional information I hope will aid the Department in licensing water rights 02-2262 and 02-2314 (the Grindstone Rights) and in preparing SRBA recommendations for these rights.

As we have discussed, Grindstone's intent is to take advantage of Idaho Code §§ 42-219 and 42-1409(1)(h) to describe the place of use for the Grindstone Rights by identifying the number of acres authorized for irrigation using a "digital boundary." Accordingly, I am enclosing additional information in the form of a 1987/1988 NAPP infrared aerial photograph. The photograph, which includes a GIS shape file prepared in connection with a water bank application, shows the total developed acreage for each of the Grindstone Rights. Our proposal for the "digital boundary" is outlined in black ink. We believe the Department should use the same digital boundary for both Grindstone Rights. Each right would include a condition that limits the number of acres that can be used within the permissible place of use defined by the digital boundary.

Grindstone filed proof of beneficial use for right 02-2262 on February 5, 1987 in the form of beneficial use field exam conducted by Sherl Chapman. The last correspondence in the file is a letter from Shelley Keen to William Ringert stating that licensing is stalled because the acreage listed by Mr. Chapman in his report does not match the acres identified in the photographs included with the report. We are hopeful that the new approach using the digital boundary to

David R. Tuthill, Jr.
Kay Walker
Idaho Department of Water Resources
May 3, 2004
Page 2

define the place of use alleviates the need to go back and finish the tedious task of reconciling the listed acreage with aerial photographs submitted by Mr. Chapman.

Grindstone Butte qualifies as a candidate for the digital boundary place of use description under Idaho Code § 42-219(6), which is applicable if the following conditions are met: 1) the permit is held by an association, corporation, company or the United States; 2) that distributes surface water; 3) to more than five water users; and 4) in an area of less than 25,000 acres. Based on the information available in the file, Grindstone's compliance with each of these factors should be self-evident with the exception of the five-user requirement. To prove compliance with this requirement, I have enclosed a list from Grindstone stating their current membership.

Please contact me if you have any questions.

Sincerely,



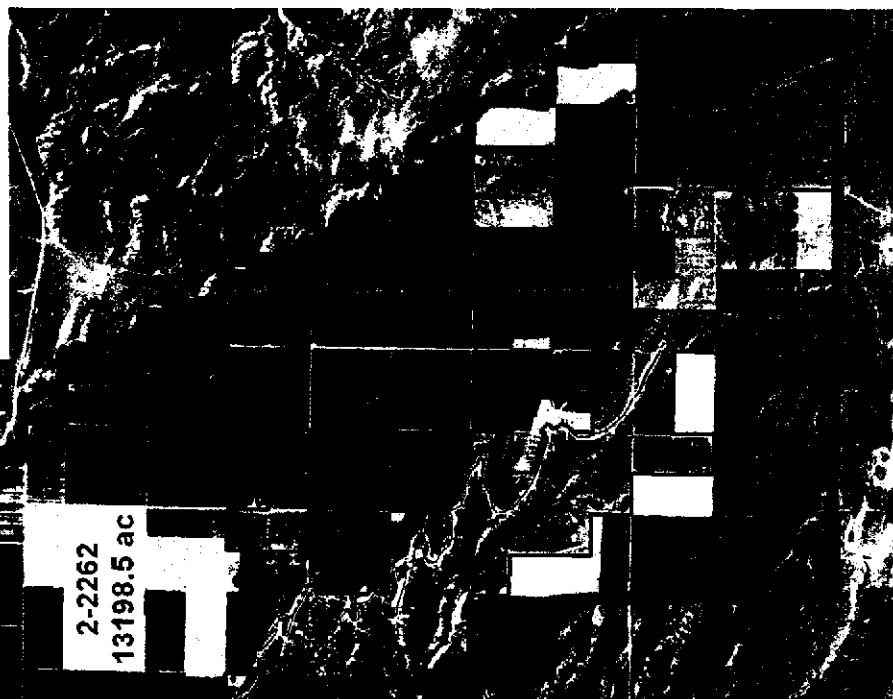
John M. Marshall

JMM/hcm

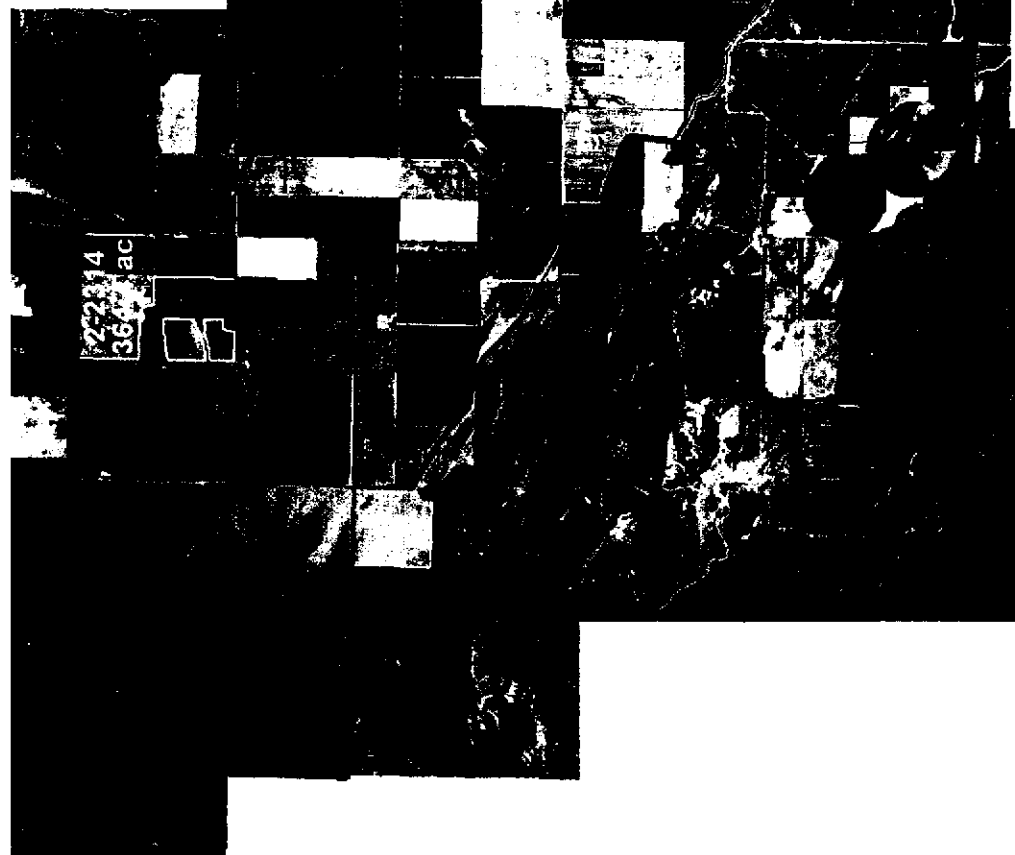
Enclosures

cc: Grindstone Butte Mutual Canal Co.

S:\CLIENTS\2988\JMM ltr to Tuthill and Walker re 02-2262.DOC



2-2262
13198.5 ac



2-2264
3642 ac

Grindstone Butte Mutual Canal Company
Shapefiles created based on
preliminary review of
Beneficial Use Field Exams.
Imagery:
1987/88 NAPP Color Infrared Photography
used for the SRBA

GRINDSTONE BUTTE MUTUAL CANAL CO.

P.O. Box 2673 • Boise, Idaho 83701

GRINDSTONE BUTTE MUTUAL CANAL CO. WATER USERS

FARM DEVELOPMENT CORP.

ALLEN T. NOBLE

MARK NOBLE

BILL RINGERT

GARY RINGERT

LYNN JOHNSON

TOM RUDY

WESTERN IDAHO FARMS

APR 27 2004

Department of Water Resources

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H. Barton Thomas, LL.M.
Conley E. Ward
Robert B. White
Michael V. Woodhouse

James A. McClure
OF COUNSEL

Raymond D. Givens
RETIRED

April 22, 2004

Cynthia Bridge Clark
Idaho Department of Water Resources
1301 N. Orchard Street
P.O. Box 83720
Boise, ID 83720-0098

Re: Grindstone Butte Water Rights
GP File No. 2988-12

Dear Cynthia:

Enclosed please find two original Applications to Sell or Lease a Water Right to the Water Supply Bank, as well as one copy of each. Please file the originals and return the conformed copies to my office in the enclosed self-addressed, stamped envelope.

Thank you for your assistance with this matter. Please contact me if you have any questions.

Sincerely,



John M. Marshall

JMM/hcm
Enclosures

cc: Farm Development Corporation
S:\CLIENTS\2988\12JMM to IDWR enc water bank apps.DOC



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

December 17, 2003

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

GRINDSTONE BUTTE MUTUAL CANAL COMPANY
PO BOX 2673
BOISE ID 80701

**RE: FINAL PAYMENT FOR RENTAL OF WATER FROM SNAKE RIVER THROUGH
THE WATER SUPPLY BANK. WATER RIGHT NO. 2-2262**

Dear Lessor,

All or portions of the water right(s) referenced above were leased to the Water Supply Bank ("bank") during the 2003 irrigation season in accordance with Agreement No. 1425-03-MA-10-3980 ("Agreement") between you and the United States Bureau of Reclamation ("Reclamation"). The Idaho Department of Water Resources ("department") has invoiced Reclamation for the funds associated with the final payment. Upon receipt, the Controller's office will issue a state warrant in the amount of **\$484,569.00** to be sent directly to the address listed above.

Payment for rental of the right(s) from the bank was contingent upon the determination that the acres associated with the rental application had a valid Snake River water right(s), and that they qualified for payment as provided in Contract no. 1425-03-WL-10-2003 between Reclamation and the Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2003, said agreement dated June 25, 2003 ("Contract").

The Agreement and Contract specify that one half of the estimated payment will be paid on or around July 1, 2003, and the second half shall be issued after the irrigation season has ended. In a letter received by the department on July 1, 2003, Grindstone Butte Mutual Canal Company requested, "a single payment on or after January 2, 2004 but no later than January 5, 2004...." In accordance with the Contract and lessor request, this will represent the first and final payment. The total payment to the company was calculated based on the total number of acres determined to be eligible for payment times \$150.00 per acre idled minus a ten percent (10%) administrative fee as provided in the Water Supply Bank rules.

The Agreement between the lessor and Reclamation identified 3605.1 acres to be idled. Based on review of satellite imagery and field visits by department staff, portions of two fields, totaling 15.7 acres, were determined to be ineligible for payment

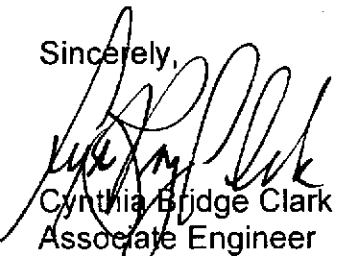
(see attached map). A mint crop grown on a field in Section 1, T7S, R9E, included a 13.3 acres of the land specified in the Agreement. The crop was evident on the satellite imagery, and verified during a department field visit. Additionally, a 2.4-acre piece of land in Section 22, T7S, R10E was identified during the field visit to be an unfarmed area, possibly used for equipment storage. The land did not appear to have been farmed recently, but was not identified on available satellite imagery during the initial application review due to resolution limitations. These acres have been subtracted from the total number of acres eligible for payment based on criteria set forth in the lessor Agreement and the department Contract.

The enclosed map identifies the eligibility status of the lands as evaluated by the department, and indicates whether the lands were determined to be eligible or ineligible for payment. Below is a summary of the payments to Grindstone Butte Mutual Canal Company for the rental of the referenced water right(s) from the bank:

Contracted Idled Acres (ac)	Eligible Idled Acres (End of irr season)	Acres Ineligible for Payment	Payment Rate (price/ac)	Payment(s) to Lessor		
				Payment 1 50%	Payment 2 (remainder)	Total Payment
3605.1	3589.4	15.7	\$150.00	\$0.00	\$484,569.00	\$484,569.00

This payment, in the amount of \$484,569.00 is considered to be the final payment for the rental of water rights for the 2003 irrigation season. If you have questions, please feel free to contact the department.

Sincerely,



Cynthia Bridge Clark
Associate Engineer
Water Allocations Bureau

Enclosure

c: IDWR Western Region

E. Gail McGarry
Program Manager, Water Rights & Acquisition
Bureau of Reclamation
1150 N Curtis, Suite 100
PN 3100
Boise ID 83706-1234

R09E R10E



Prepared by: M. Wilkins
Iowa Department of Water Resources
3001 W. 10th Street
Des Moines, IA 50319
(515) 281-7900

T06S
T07S

- ☐ ELIGIBLE
- ☐ INELIGIBLE
- ☐ QUESTIONABLE
- ☐ Township/Range Lines
- ☐ Section Lines
- ☐ Quarter/Quarter Lines

Total Number of Eligible Acres for Lease: 3589.4 acres

Imagery: September 23, 2003

0 9000 18000 Feet

Grindstone Butte Mutual Canal Company

2003 Snake River Pilot Leasing Program Rental of Water from the Water Supply Bank

Prepared: December 2, 2003



IN REPLY
REFER TO:

PN-3100
WTR-4.10

United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

NOV 24 2003

RECEIVED

NOV 25 2003

Department of Water Resources

Mr. Karl Dreher
Director
Idaho Department of Water Resources
1301 North Orchard Street
Boise, ID 83706

Subject: Transmittal of Change to Amendment of Contract No. 1425-03-WL-10-0003

Dear Mr. Dreher:

Please find enclosed for your files one original copy with the initialed change to the Amendment of section II.C.1 of Contract #1425-03-WL-10-0003 to Implement the Rental of Water Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2003. If you have any questions, please contact Gail McGarry at 208-378-5306.

Sincerely,

J. William McDonald
ACTING Regional Director

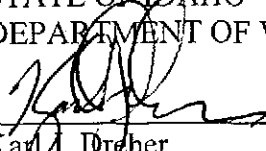
Enclosure

**AMENDMENT #1 to
Contract #1425 -03-WL-10-0003
Between
The United States Bureau of Reclamation
and
The Idaho Department of Water Resources
to
Implement the Rental of Water Under the
Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2003**

The following sentence shall be added to the end of section II.C.1.: "Notwithstanding the above, for any Lessors who request in writing to IDWR a later payment date than the date specified in their individual agreements with Reclamation, IDWR may make payment at the requested later date, ~~but before January 1, 2004.~~"

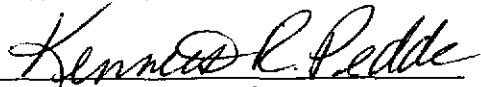
*144 (IDWR) 11-24-03
JW*

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES


Karl J. Dreher
Director

November 10, 2003
Date

UNITED STATES
BUREAU OF RECLAMATION


J. William McDonald
Regional Director

acting for
11/06/03
Date



United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

IN REPLY
REFER TO:

PN-3100
WTR-4.10

NOV 07 2003

RECEIVED

NOV - 7 2003

Department of Water Resources

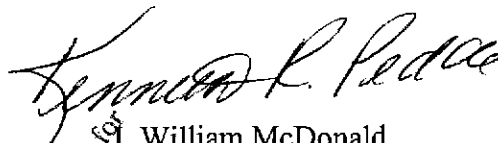
Mr. Karl Dreher
Director, Idaho Department of Water Resources
1301 N. Orchard Street
Boise, ID 83706-2237

Subject: Bureau of Reclamation Contract No. 1425-03-WL-10-0003

Dear Mr. Dreher:

I understand that some of the individual lessees referred to in the above contract wished to receive their entire payment after the irrigation season rather than the date specified in the contract which was to be on or about July 1. Accordingly, the attached contract amendment provides for later payment than originally specified. Please sign all three copies and return two copies to Reclamation, attention PN-3100. If you have any questions, please call Gail McGarry of my staff at 208-378-5306.

Sincerely,


Acting for J. William McDonald
Regional Director

Enclosure - 3 copies

GRINDSTONE BUTTE MUTUAL CANAL CO.

P.O. Box 2673 • Boise, Idaho 83701

RECEIVED

JUL - 1 2003

Department of Water Resources

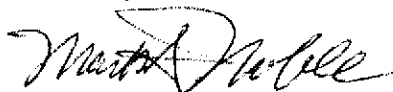
June 27, 2003

Cynthia Bridge Clark
Idaho Department of Water Resources
1301 North Orchard
Boise, ID 83706

Dear Ms. Clark:

Grindstone Butte Mutual Canal Company is requesting a single payment on or after January 2, 2004 but no later than January 5, 2004 for our participation in the 2003 Pilot Snake River Leasing Program.

Sincerely,



Mark A. Noble
Grindstone Butte Mutual Canal Company.
President



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

June 25, 2003

JONATHON C BOWLING
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK UNDER
WATER RIGHT NOS. 2-2159, 2-2354, 2-2398, 2-7184, 2-7229, 2-2386, 2-2387,
2-2388, 2-7148, 2-2249, 2-2250, 2-2251, 2-2252, 2-2253, 2-2254, 2-2255, 2-
2256, 2-2361, 2-7001, 2-2371, 2-7053, 2-2262, 2-2194A, 2-2194B, 2-2206, 2-
2217, 2-2218, 2-2269, 2-2345, 2-2367, AND 2-2379**

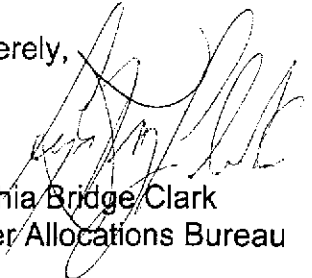
Dear Mr. Bowling:

The Department of Water Resources acknowledges receipt of the Application to Rent Water from the Water Supply Bank and the corresponding Rental Agreement in the name of Idaho Power Company, Inc. Enclosed is a copy of a fully executed Rental Agreement in connection with the rental of an estimated 42,182 acre-feet of water from the Snake River during the 2003 irrigation season. Idaho Power Company, Inc. is authorized to divert water in compliance with the conditions of water use described in the fully executed agreement.

The Contract between the United States Bureau of Reclamation and the Idaho Department of Water Resources to Implement the Rental of Water Rights Under the Pilot Program for Leasing of Snake River Natural Flow Water Rights for 2003, specifies that the U.S. Bureau of Reclamation will make the required payments to the State Water Supply Bank for the rental of the water rights identified in the Rental Agreement.

If you have questions, please feel free to contact me.

Sincerely,


Cynthia Bridge Clark
Water Allocations Bureau

Encl: 1

c: IDWR Western Regional Office

Rich Rigby
ESA Coordinator, Bureau of Reclamation
1150 N Curtis, PN 3030
Boise ID 83706-1234



An IDACORP Company

RECEIVED

JUN 19 2003

Department of Water Resources

Jonathon C. Bowling, P.E.
Engineering Leader
Water Management Department

(208) 388-2905
(208) 388-6495 FAX
jbowlings@idahopower.com

June 17, 2003

Hal Anderson
State of Idaho
Department of Water Resources
1301 N. Orchard St.
Boise, ID 83720

Dear Hal,

Attached please find signed copies of the Water Bank Rental Application and Rental Agreement pursuant to the agreement between the State of Idaho, Department of Water Resources and the U.S. Bureau of Reclamation for the rental of water in the Middle Snake River for augmentation purposes.

Idaho Power Company has agreed to facilitate this agreement between the above-mentioned parties and is under no financial obligation. As agreed, the U.S. Bureau of Reclamation will be financially responsible for the leased water.

If you have any questions or comments, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Bowling".

Jonathon C. Bowling, P.E.

c: John P. Prescott
James C. Tucker



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

February 6, 2003

CRAIG CASTAGNETO
GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

*Rec By
Damon Thompson
2/6/03*

**RE: FINAL PAYMENT FOR RENTAL OF WATER FROM HIGH-LIFT PUMPERS FROM
THE SNAKE RIVER TO THE WATER SUPPLY BANK. WATER RIGHT PERMIT
NOS. 2-2262 and 2-2314**

Dear Mr. Castagneto:

During the 2002 irrigation season, Grindstone Butte Mutual Canal Company ("Grindstone Butte") leased all or portions of the water right licenses referenced above to the Water Supply Bank ("bank"). Enclosed is a state warrant in the amount of \$355,169.03 for the final payment for rental of water from the Water Supply Bank. Also enclosed is a map identifying the lands that qualified for payment.

Payment for rental of the right(s) from the bank was contingent upon a determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in Memorandum of Agreement ("MOA") No. 1425-02-MA-10-3460 between the U.S. Bureau of Reclamation ("USBR") and the Idaho Department of Water Resources ("department"). Eligibility of the lands was verified by the department based on interpretation of satellite imagery and field visits. As specified in the MOA, the rental rate for the right holder is \$45.45 per acre-foot (af). The annual diversion volume was determined using US Geological Survey and IDWR data (up to a maximum of 3 acre-feet per acre). Based on the available data, payment to Grindstone Butte will be calculated at the maximum of 3.0 acre-feet per annum per acre (afa per acre).

The total number of acres considered for payment is based on measurement of the lands using available satellite imagery, and may differ from the totals specified on the lease applications to the bank. In the case of Grindstone Butte, 2614.4 acres were measured and determined to be eligible by the department. The maximum number of acres eligible for payment shall not exceed the total number of acres specified for lease on the entity's application.

Lands recommended for denial are not included in the total eligible acres. A total of 12.5 acres on a field irrigated by a center pivot were irrigated in 2002 and were therefore

determined to be ineligible for payment based on criteria set forth in the MOA. Additionally, 28.7 af diverted for authorized late season irrigation of 155 acres, were deducted from the total calculated volume.

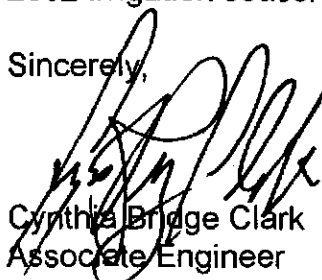
The attached map identifies the eligibility status of lands as determined by the department. It indicates whether the lands are eligible or ineligible, and identifies the number of acres measured.

The total payment issued to Grindstone Butte was calculated based on the total number of acres determined to be eligible for payment multiplied by 3.0 afa per acre, and further multiplied by \$45.45 per acre-foot. The second payment represents the difference between the first and total payments. Below is a summary of the payments issued to Falcon Butte Farm for rental of the referenced water rights from the bank:

Acres Requested on Lease App. (ac)	Total Eligible Acres (ac)	Authorized Diversion Rate (afa per acre)	Irrigation Reductions (af)	Total Volume Rented (af)	Payment(s) to Applicant @ \$45.45 per acre-foot		
					1st Payment	2 nd Payment	Total Payment to Applicant
2627	2614.4	3.0	28.7	7814.5	N/A	\$355,169.03	\$355,169.03

This payment is considered to be the final payment for the rental of water rights for the 2002 irrigation season. If you have questions, please feel free to contact the department.

Sincerely,



Cynthia Bridge Clark
Associate Engineer
Water Allocation Bureau

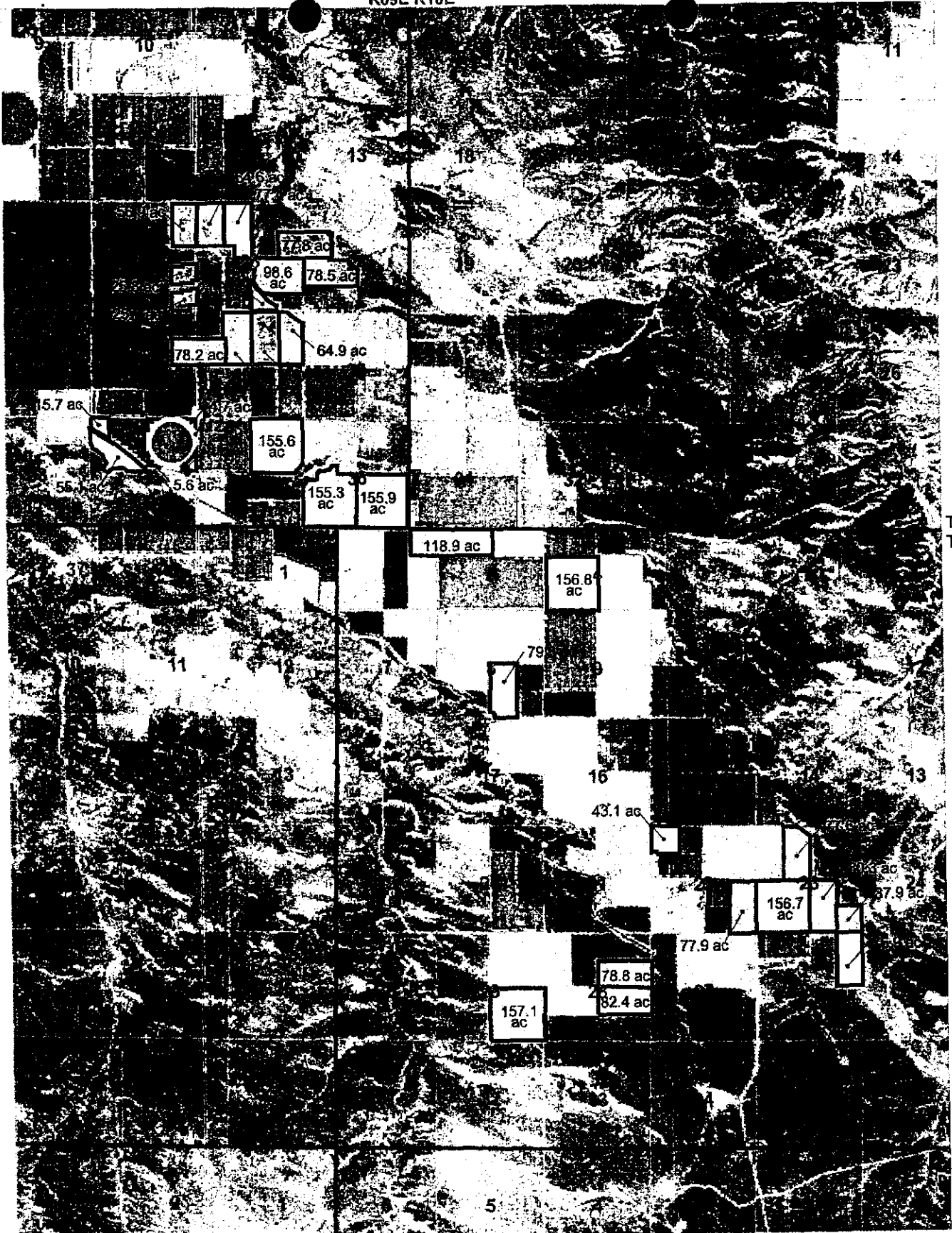
Enclosures

c: Western Regional Office

Rich Rigby, ESA Coordinator
Bureau of Reclamation
1150 N Curtis, PN 3030
Boise ID 83706-1234

Debbie Allen
IDWR, Fiscal Section

R09E R10E



Imagery: July 26, 2002

2000 0 2000 4000 Meters

- ☐ ELIGIBLE
- ☐ INELIGIBLE
- ☐ Township/Range Lines
- ☐ Section Lines



Prepared by: M. Wilkins
Idaho Department of Water Resources
1301 North Orchard Street
Boise, ID 83706
(208) 327-7900

Grindstone Butte Mutual Canal Co **Acreages for Final Payment for Rental of Water from** **High-Lift Pumpers from the Snake River to the Water Supply Bank**

Prepared: February 5, 2003

GRINDSTONE BUTTE MUTUAL CANAL CO.

P.O. Box 2673 • Boise, Idaho 83701

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DEC 12 2002

DEPARTMENT OF WATER RESOURCES

December 12, 2002

L. Glen Saxton, P.E.
Idaho Dept. of Water Resources
1301 North Orchard Street
Boise, Idaho 83706

Dear Mr. Saxton:

In follow-up to our August 13, 2002, notice for "fall watering for 2003 crop preparation purposes" we report the following usage:

Water <u>Right #</u>	<u>Twp</u>	<u>Rge</u>	<u>Sec</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>
				<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>
02-2262	07S	10E	4	40	40	40	40

- USED 2" OF WATER ON 155 ACRES (HAND LINES)

Sincerely,



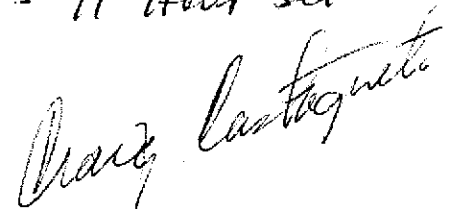
Mark A. Noble
Grindstone Butte Mutual Canal Company
President

Hand line spacing 50'
1 Hand line per reach
13 Reaches

32 Bicks per Hand line

4.3 gpm Flow Control Nozzles
per head

1 - 11 Hour set





IN REPLY
REFER TO:

PN-3100
WTR-1.10

United States Department of the Interior

BUREAU OF RECLAMATION
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234

2-2262
2-2314
2-2214
2-2373
2-10144
RECEIVED

NOV - 1 2002

Department of Water Resources

OCT 29 2002

Mr. L. Glen Saxton
Chief, Water Allocation Bureau
Idaho Department of Water Resources
1301 North Orchard Street
Boise, ID 83706-2237

Subject: Memorandum of Agreement No. 1425-02-MA-10-3460 - Rental of Water from High-Lift Pumps on the Snake River

Dear Mr. Saxton:

This letter pertains to water leased into the Idaho Water Supply Bank pursuant to MOA 1425-02-MA-10-3460 between the Bureau of Reclamation and Idaho Department of Water Resources and rented by the Idaho Power Company on August 8, 2002.

Pursuant to the subject MOA, this letter is to confirm that the following three lessors gave notice of their intent to use water after August 31, 2002. Notice of their intention was given by the August 15th date established in our MOA:

1. Grindstone Butte Mutual Canal Company for 156.8 acres under Water Right No. 02-2262, Township 07S, Range 10E, Sec. 4
2. Farm Development Corp. dba Sailor Creek Water Co. for 160.3 acres under Water Right No. 02-2373 Township 06S Range 09E Sec. 16
3. Bell Rapids Brown Bother Farms for 96.809 acres on Land Unit No. 48-49

As you know, the subject MOA provides that any use of water by a lessor between September 1 and the end of the irrigation season shall be limited to land or crop preparation purposes to enable the growing of a specific crop during the subsequent irrigation season. However, in no case may a lessor irrigate beyond the end of the irrigation season specified in the lessor's water right. Any authorized use of water by a lessor between September 1 and the end of the irrigation season shall result in a pro-rata reduction of the lease payment due, based upon the volume of water diverted. The Idaho Department of Resources will calculate the volume of water diverted after August 31, 2002.

If you have any questions, please call Gail McGarry of my staff at 378-5306.

Sincerely,


acting for Steven L. Brawley
Acting Manager,
Resources and Technical Services

cc: Mr. Jonathon C. Bowling, PE
Engineering Project Leader, Water Management Department
Idaho Power Company
1221 W. Idaho Street
Boise, ID 83702

Mr. Tony White
PGPL
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208-3621



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

September 5, 2002

CRAIG CASTAGNETO
GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

**RE: PAYMENT SCHEDULE FOR RENTAL OF WATER FROM THE WATER
SUPPLY BANK; LEASED BY HIGH-LIFT PUMPERS FROM THE SNAKE
RIVER**

Dear Mr. Castagneto:

The department has conducted a preliminary review of the Application to Sell or Lease a Water Right to the Water Supply Bank that you submitted to this office in the name of Grindstone Butte Mutual Canal Company.

To date, this review includes identification of the associated water rights, and an evaluation of acreage eligibility based on satellite imagery from the 2000 and 2001 irrigation seasons in accordance with the criteria set forth in the Memorandum of Agreement ("MOA") No. 1425-02-MA-10-3460 between the U.S. Bureau of Reclamation and the Idaho Department of Water Resources ("department"), and in the applicant agreement. Confirmation that lands were not irrigated during the 2002 irrigation season will be based on evaluation of satellite images, field visits, and flow measurements.

The purpose of this letter is to request written confirmation of a payment schedule preferred by each applicant. Part II, Section e, of the MOA, states: "IDWR shall make lease payments to the lessor in accordance with a payment schedule acceptable to the lessor, provided that the final twenty-five percent (25%) of the total lease payment shall not be paid until after the end of the irrigation season." The department is prepared to issue payments based on the preliminary review of eligible acres. At least 25% of the total potential payment will be retained until the end of the irrigation season to cover adjustments for any lands found to be ineligible as defined in the MOA.

Options for payment include:

1. One final payment for all of the acres determined to be eligible. The payment will be issued on a preferred date after the end of the irrigation season, once the eligibility findings are complete and an agreement on the total amount is reached between the applicant and the department.

2. Partial payment(s) up to 75% of the total potential payment, as requested by the applicant, can be issued prior to the final review. At least 25% of the total potential payment will be withheld until the eligibility findings are complete and an agreement on the total amount is reached between the applicant and the department.

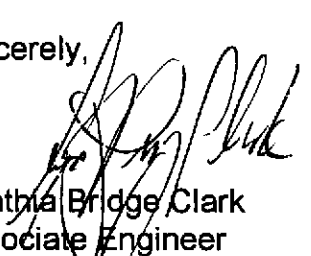
Please submit your request in writing by describing the preferred payment option. Specify the date you would like the final payment issued for option no. 1, or for option no. 2, specify the dates for issuance and the percentage amounts of the early and final payments. All payments will be issued to the name and address provided on the Water Supply Bank application.

Applicants will be notified of the total number of acres determined to be eligible after the irrigation season is complete (November 15, 2002), and will be given an opportunity to appeal any acres found to be ineligible by the department.

Additionally, with regards to late season irrigation, Part II, Section b, of the MOA states: "The rental period shall be from May 1 through the end of the irrigation season, provided that on or before August 15, a lessor who did not divert water prior to acceptance of the lease, may inform Reclamation that the lessor requires the use of water for some period between September 1 and the end of the irrigation season." Please note that the date to request authorization has past. Therefore unless you have already notified the USBR of your intent to use water, late season irrigation is not authorized under the MOA.

If you have questions, please feel free to contact the department.

Sincerely,



Cynthia Bridge Clark
Associate Engineer
Water Allocation Bureau

c: Western Regional Office
Water right Permit nos. ~~2-2262~~, 2-2314

Rich Rigby, ESA Coordinator
Bureau of Reclamation
1150 N Curtis, PN 3030
Boise ID 83706-1234

GRINDSTONE BUTTE MUTUAL CANAL CO.
P.O. Box 2673 • Boise, Idaho 83701

RECEIVED

AUG 13 2002

Department of Water Resources

August 13, 2002

L. Glen Saxton, P.E.
Idaho Dept. of Water Resources
1301 North Orchard Street
Boise, Idaho 83706

Dear Mr. Saxton:

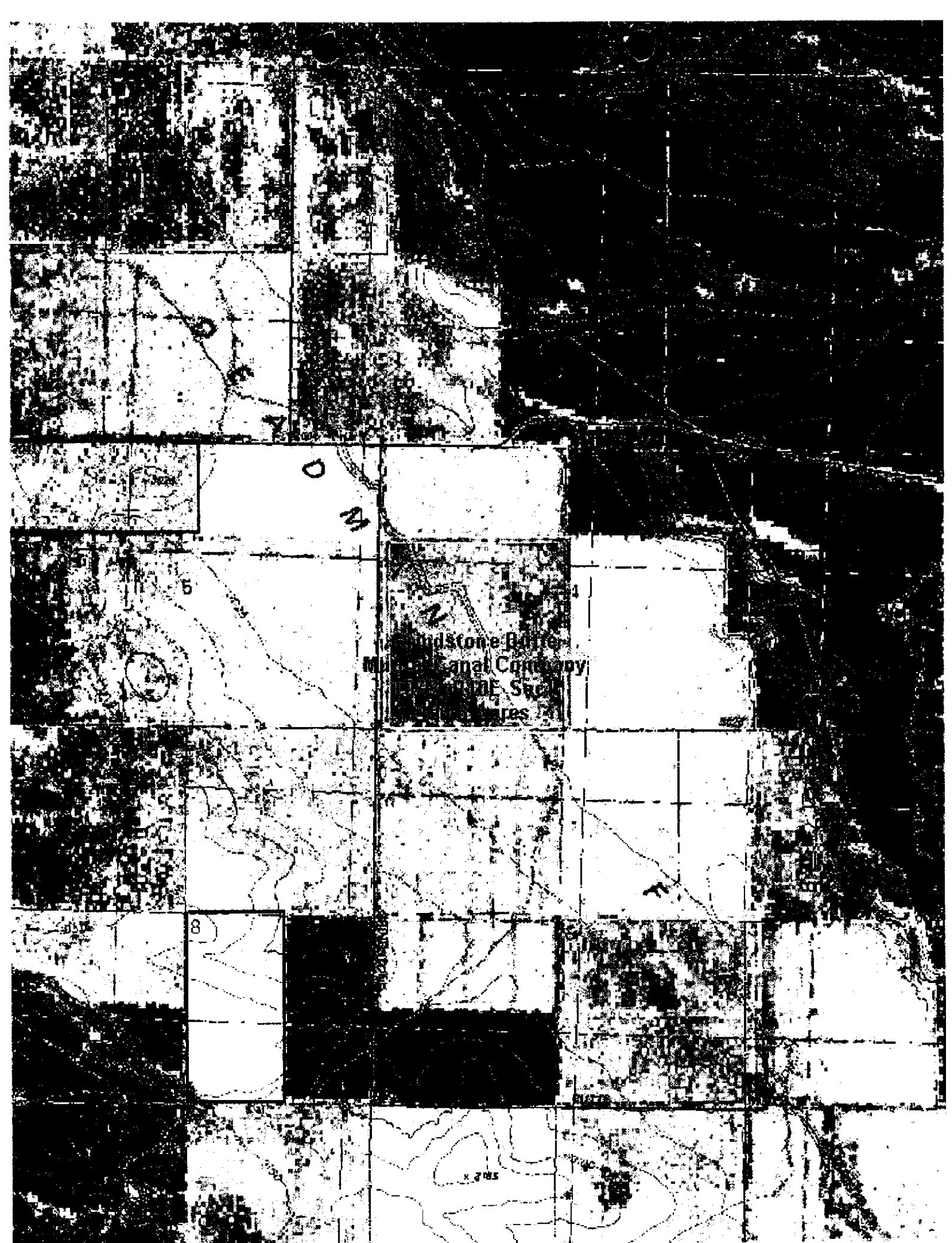
In accordance with the criteria set forth in the "Attachment to Application to Lease A Water Right to the Water Bank" dated May 21, 2002, Grindstone Butte Mutual Canal Company gives notice that water for crop preparation purposes for the 2003 season is required for the following acreage:

Water Right #	<u>Twp</u>	<u>Rge</u>	<u>Sec</u>	<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>	
					<u>NE</u>	<u>NW</u>	<u>SW</u>	<u>SE</u>
02-2262	07S	10E	4		40	40	40	40

Sincerely,



Mark A. Noble
Grindstone Butte Mutual Canal Company
President





State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

July 23, 2002

CRAIG CASTAGNETO
GRINDSTONE BUTTE MUTUAL CANAL CO
PO BOX 2673
BOISE ID 83701

**RE: APPLICATION TO LEASE PORTIONS OF WATER RIGHT PERMITS 2-2262
AND 2-2314 TO THE WATER SUPPLY BANK**

Dear Mr. Castagneto:

The department has conducted an initial review of the Application to Sell or Lease a Water Right to the Water Supply Bank ("bank") that you submitted to this office in the name of Grindstone Butte Mutual Canal Company. The application was submitted in connection with the lease of water rights ("rights") from high-lift pumpers on the Snake River.

Please consider that the offered part(s) of the water rights are accepted into the bank under the following terms:

1. Payment for rental of the right(s) from the bank is contingent upon a determination that the acres associated with the rental application have a valid Snake River water right(s), and that they qualify for payment as provided in Memorandum of Agreement ("MOA") No. 1425-02-MA-10-3460 between the U.S. Bureau of Reclamation and the Idaho Department of Water Resources regarding Rental of Water From High-Lift Pumpers on the Snake River, said agreement dated May 10, 2002.
2. While part(s) of a right(s) is in the bank, the owner of the right may not use that part of the right. As specified in the MOA, however, a lessor who did not divert water prior to the acceptance of the lease may give notice that the lessor requires the use of water on and after September 1, 2002 for land or crop preparation purposes for the 2003 irrigation season.
3. While a right is in the bank, forfeiture provisions are stayed.
4. Acceptance of a right into the bank does not confirm the validity of the right or any elements of the water right.

5. The right(s) will be considered released from the bank on December 31, 2002.

If you have questions, please feel free to contact the Department.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Glen Saxton". The signature is fluid and cursive, with the first name "L." being small and the last name "Saxton" being larger and more prominent.

L. GLEN SAXTON, P.E.
Chief, Water Allocation Bureau

c: IDWR Regional Office
Water right Permit nos. 2-2262, 2-2314

Rich Rigby
ESA Coordinator
Bureau of Reclamation
1150 N Curtis, PN 3030
Boise ID 83706-1234